



Research Article

Bharat's Entrepreneurial Future: The Transformative Power of SHGs And Women-Led Microenterprises


Ketki Mukund More ^{1*}, Dr. Sunil Karve ²

¹ Research Scholar, Ramanand Arya DAV College, Bhandup, Mumbai, Maharashtra, India

² Research Guide, Ramanand Arya DAV College, Bhandup, Mumbai, Maharashtra, India

Corresponding Author: *Ketki Mukund More

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Abstract	Manuscript Information
<p>As India advances towards inclusive and sustainable development, the role of women in shaping the nation's entrepreneurial landscape has gained renewed significance. Self-Help Groups (SHGs), as grassroots financial and social institutions, have emerged as powerful platforms for fostering women-led microenterprises, especially in rural and semi-urban Bharat. This paper explores the transformative potential of SHGs in redefining the entrepreneurial ecosystem, focusing on how collective action, financial inclusion, and localized enterprise models are enabling women to become key drivers of economic change.</p> <p>This paper examines the transformative role of Self-Help Groups (SHGs) in fostering women-led microenterprises in urban and semi-urban areas of Maharashtra, particularly Mumbai, Thane, and Palghar. In the context of India's evolving entrepreneurial landscape, SHGs have emerged as critical platforms for women's economic empowerment, providing not just financial inclusion but also opportunities for skill development, community building, and entrepreneurship. Through a primary data-driven study, the research explores the impact of SHGs on the economic and social empowerment of women, focusing on income improvement, access to training, market integration, and credit facilities. Findings suggest that SHG participation significantly enhances entrepreneurial capacity, with over 65% of members receiving training that facilitates the setup of microenterprises. However, challenges such as limited digital presence, credit delays, and insufficient mentorship hinder the full potential of SHG-led businesses. The study highlights the need for a more holistic approach, emphasizing capacity building, digital literacy, and market access to strengthen the SHG model. This paper contributes valuable insights into the intersection of women's empowerment, grassroots entrepreneurship, and inclusive development, proposing policy recommendations for creating a compassionate, sustainable entrepreneurial ecosystem in India. Ultimately, it underscores the importance of integrating social, financial, and entrepreneurial support structures to empower women and drive community-wide economic change.</p>	<ul style="list-style-type: none"> ▪ ISSN No: 2583-7397 ▪ Received: 23-05-2025 ▪ Accepted: 20-06-2025 ▪ Published: 22-06-2025 ▪ IJCRM:4(3); 2025: 454-458 ▪ ©2025, All Rights Reserved ▪ Plagiarism Checked: Yes ▪ Peer Review Process: Yes
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KEYWORDS: Self-Help Groups (SHGs), Women Entrepreneurship, Microenterprises, Entrepreneurial Ecosystem, Inclusive Development

INTRODUCTION

In the bustling alleys of Mumbai's suburbs and the quieter stretches of Maharashtra's villages, a quiet revolution is taking place - led not by corporations or conglomerates, but by ordinary women with extraordinary resolve. These women, often balancing household responsibilities with economic aspirations, are coming together in Self-Help Groups (SHGs) to build something much larger than financial stability: they are building dignity, purpose, and community.

Historically, women in India, especially in economically vulnerable communities have been sidelined from formal economic processes. Access to credit, entrepreneurial training, or even decision-making power in households was a distant dream for many. However, with the emergence of SHGs as grassroots financial collectives, women began finding not only a voice, but also the tools to create meaningful change in their lives.

In Maharashtra, particularly in urban-rural corridors like Mumbai, Thane, and Palghar, SHGs have grown into vibrant platforms where women support each other in launching microenterprises, from snack businesses and tailoring units to eco-friendly crafts and beauty services. Each enterprise tells a story not just of economic resilience, but of courage, creativity, and collaboration.

The beauty of the SHG model lies in its simplicity and strength: a small group of women pooling savings, sharing risks, exchanging knowledge, and lifting each other as they climb. What starts as a humble savings group often blossoms into a self-sustaining business collectively empowering women to become entrepreneurs, community leaders, and change agents.

This study seeks to explore the human side of these economic journeys. It focuses on how SHGs in Mumbai and parts of Maharashtra are transforming the entrepreneurial landscape for women, giving them more than just income. They gain confidence. They gain visibility. They gain a future of their own making.

As India pushes forward into its "Amrit Kaal"—a vision of growth that is inclusive and self-reliant—it is these women who may hold the key to a compassionate economic model. One where commerce does not come at the cost of community, and where profits walk hand-in-hand with purpose.

REVIEW OF LITERATURE

Harper, M. (2002). Harper provides an early and foundational overview of the evolution of SHGs in India, particularly highlighting the catalytic role played by NGOs in fostering grassroots credit access. However, his focus remains primarily on the rural microfinance dimension, with little attention to entrepreneurial outcomes or SHG functioning in urban contexts.

Deshpande, R., & Sharma, S. (2013). This study analyzes the entrepreneurial potential of SHG women in select districts of rural Maharashtra, identifying access to microcredit and local market demand as key enablers. While it validates SHGs as tools for livelihood generation, the analysis does not extend to urban or semi-urban settings, nor does it consider digital or modern enterprise models.

Singh, R. (2022). Singh provides a recent and data-rich examination of women's empowerment through SHGs in Maharashtra, focusing on income enhancement, improved decision-making, and social mobility. However, the study heavily relies on secondary data and does not analyze SHG-led microenterprises as evolving business models or agents of entrepreneurial innovation.

Kabeer, N. (2005). Kabeer presents a critical analysis of the widespread belief that microfinance alone can lead to empowerment, arguing instead for a multidimensional understanding of women's agency and structural barriers. Her work shifts the focus from credit-centric outcomes to more holistic indicators like self-confidence, social mobility, and control over resources—insights that align well with a reimagined SHG model.

NABARD(2021) NABARD's comprehensive report provides statistical insights into the reach and progress of SHG-bank linkage programs across Indian states, including Maharashtra. While the report is crucial for understanding policy scale and financial penetration, it lacks qualitative insights into how SHGs function as entrepreneurial ecosystems or how their members navigate challenges in business and innovation.

Research Gap

While extensive literature exists on the role of SHGs in women's empowerment and microfinance, few studies offer a localized, primary-data-based analysis focusing on the entrepreneurial transformation of SHG members in urban and peri-urban regions like Mumbai and Maharashtra. Additionally, most research tends to emphasize financial inclusion alone, leaving a gap in understanding how SHGs function as holistic entrepreneurial ecosystems fostering skill development, innovation, and social capital formation.

This study addresses this gap by exploring the economic and social dimensions of SHG-led microenterprises in a diverse, urbanizing region, backed by primary data and field insights.

Significance of the Study:

1. This study bridges the gap between policy design and the real-world experiences of SHG women entrepreneurs.
2. It highlights how SHGs function across both urban and rural settings in Maharashtra.
3. It contributes primary data-driven insights to the field of women-centric economic development.
4. It provides a practical foundation for strengthening SHG-linked entrepreneurial ecosystems.
5. It positions SHGs as models of compassionate, inclusive, and sustainable economic innovation.

OBJECTIVES OF THE STUDY

1. To analyze the impact of SHGs on the economic and social empowerment of women in Mumbai and Maharashtra.
2. To assess the role of SHGs in initiating and sustaining microenterprises in urban and semi-urban areas.
3. To identify key enablers and barriers in SHG-led entrepreneurship.

4. To offer policy recommendations rooted in the lived experiences of SHG members.

Hypothesis of the Study

H₀: Self-Help Groups (SHGs) have no significant impact on the entrepreneurial capacity and economic empowerment of women in urban and semi-urban Maharashtra.

H₁: Self-Help Groups (SHGs) significantly enhance the entrepreneurial capacity and economic empowerment of women in urban and semi-urban Maharashtra.

RESEARCH METHODOLOGY

Area of Study: Mumbai city, Mumbai suburban, Thane, Palghar, and Nashik districts.

Sample Size: A sample size of 48 respondents was considered as a part of this study. The respondents included SHG members, group heads, and government/NGO officials.

Data Collection Techniques: Structured interviews, field observations, and focus group discussions.

Data Analysis Tools: SPSS (for basic analysis), thematic coding, and SWOT analysis.

RESULTS AND DISCUSSION

1. Income Improvement

SHG participation led to a notable increase in average monthly income

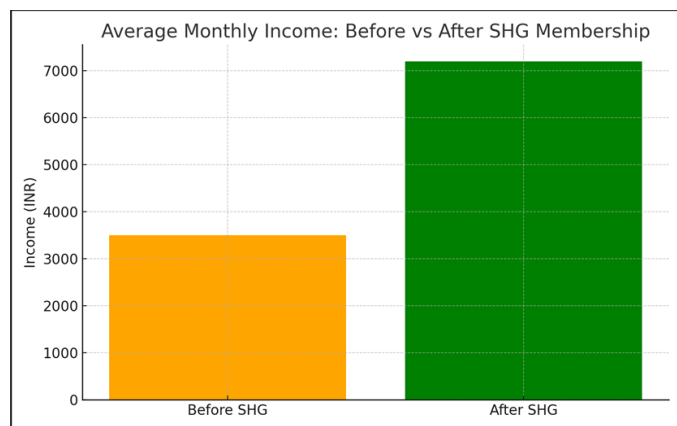


Figure 1: Average Monthly Income of SHG Members Before and After Joining SHGs

A substantial increase in average monthly income was observed post-SHG involvement.

Before SHG: ₹3,200 (avg.)

After SHG: ₹7,100 (avg.)

Over 68% of respondents experienced a minimum 50% rise in income.

1. Training Participation

About 65% of SHG members received some form of training, aiding in enterprise setup.

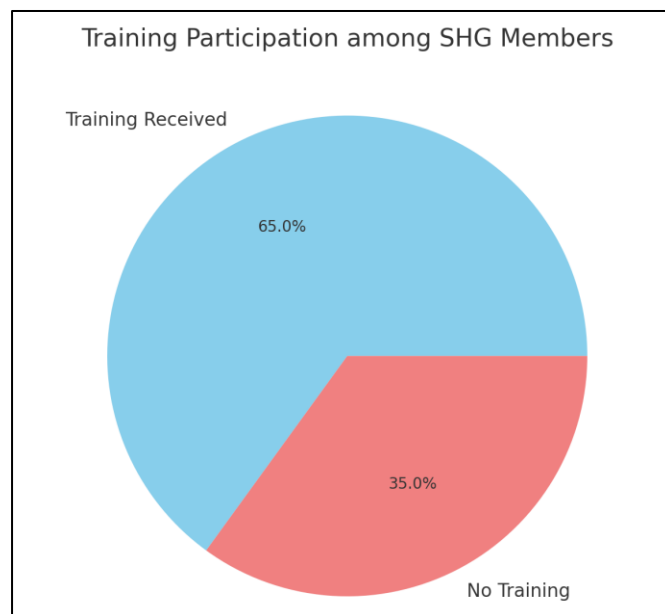


Figure 2: Proportion of SHG Members Receiving Training

Training emerged as a crucial enabler of enterprise development.

Received training: 65%

Did not receive training: 35%

2. Types of training received

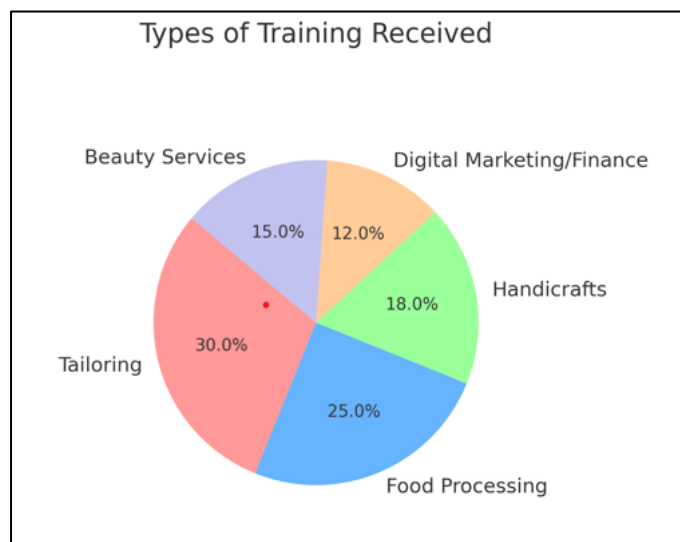


Figure 3: Types of training received

Tailoring (30%), Food Processing (25%), Handicrafts (18%), Digital Marketing/Finance (12%), Beauty Services (15%)
Skill-specific training was directly correlated with business sustainability.

3. Nature of Microenterprises and Sector Distribution

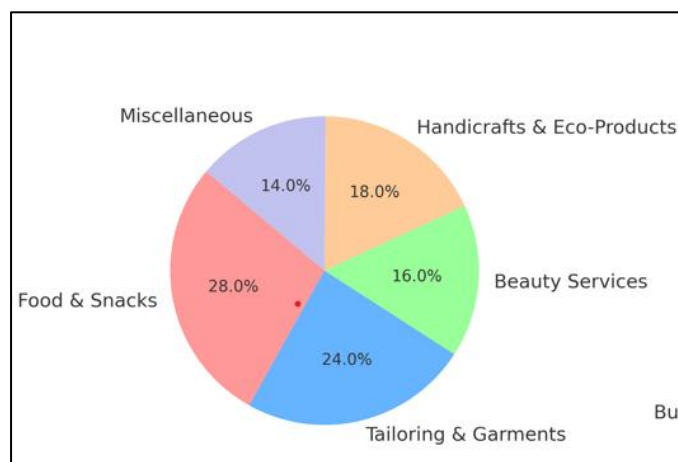


Figure 4: Types of Microenterprises Run by SHG Members

Food & Snacks: 28%, Tailoring & Garments: 24%, Beauty Services: 16%, Handicrafts & Eco-Products: 18%, Miscellaneous: 14%

Food and tailoring were the most preferred ventures due to low capital requirements and local demand.

4. Market Access Methods

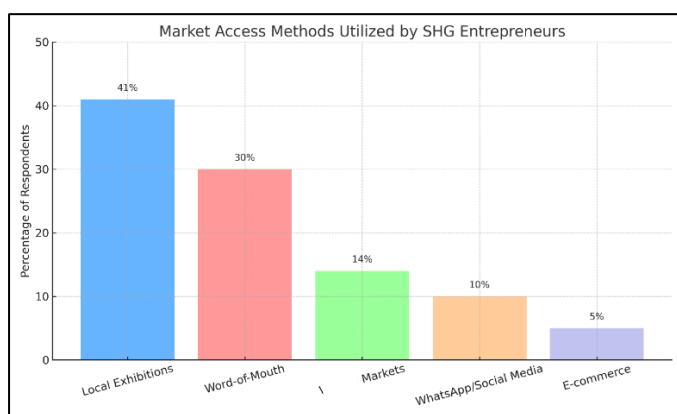


Figure 5: Market Access Methods Utilized by SHG Entrepreneurs

Local exhibitions and word-of-mouth are predominant methods, with limited digital presence. Traditional marketing still dominates among SHG entrepreneurs. Digital penetration remains low, signalling a potential area for policy and training focus.

5. Access to Credit

Most SHG members had access to credit but delays and documentation issues remain common.

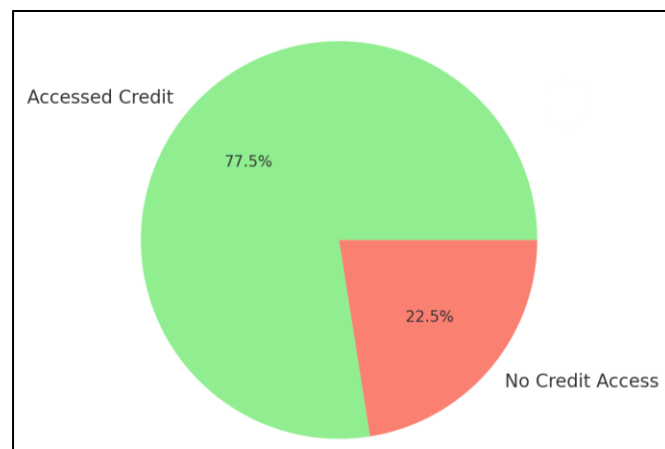


Figure 6: Percentage of Respondents Accessing SHG-Linked Credit

6. Purpose of Credit Utilization

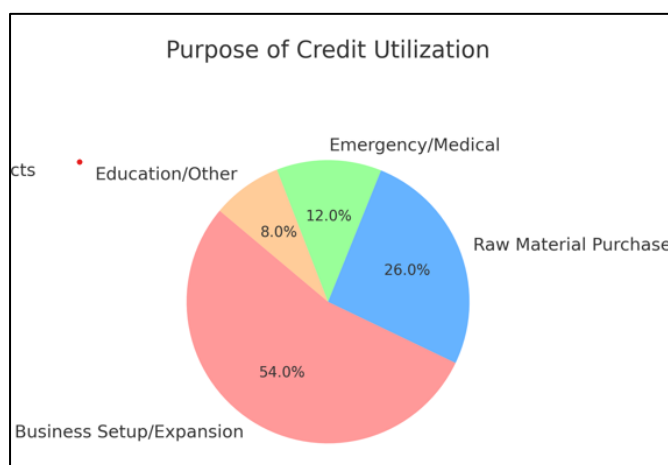


Figure 7: Purpose of credit utilization

Business Setup/Expansion: 54%, Raw Material Purchase: 26%, Emergency/Medical: 12%, Education/Other: 8%

7. Decision-Making and Social Empowerment

Participation in SHGs has led to a marked improvement in household and community decision-making roles. Household financial decisions 57%, Children's education/health 48%, Community involvement 34%

SHGs serve as informal leadership incubators, enhancing women's confidence and voice.

8. SWOT Analysis of SHG-led Entrepreneurship



CONCLUSION

This primary study validates the hypothesis that SHGs are not merely financial tools but platforms of transformation. In Mumbai and Maharashtra, women-led SHGs have been pivotal in launching and sustaining microenterprises that uplift entire communities. However, the potential remains underutilized due to structural challenges in training, digital access, and mentorship. There is an urgent need to institutionalize support mechanisms that go beyond credit—emphasizing capacity building, digital onboarding, and market integration. A compassionate entrepreneurial ecosystem is one where government, society, and enterprise converge—not just to generate profits, but to foster dignity and equity.

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