



Fostering Entrepreneurship through Self-Help Groups in Uttar Pradesh

Dr. Mohammad Anees*

Assistant Professor,

Asad Kareem Usmani*

Research Scholar,

*Department of Business Administration,

University of Lucknow,

Lucknow-226007 (UP), India

Email: anees_m@lkouniv.ac.in

Abstract

Self-help groups are mostly viewed as a means of micro finance that has potential to empower people. They are seen as a means of financial independence. Self-Help-Groups (SHGs) in Uttar Pradesh (UP) are playing a key role in Entrepreneurial growth. The present research paper investigates the present growth status of SHGs in Uttar Pradesh, their present problems and the key issues affecting their growth as entrepreneurial business units. The catalysing role played by SHGs in the promotion of entrepreneurial activities in Uttar Pradesh. The bank linkage programme for SHGs, factors affecting their working and challenges faced by them have been focused to know the entire scope of SHGs in Uttar Pradesh. Primary data has been used majorly to study and analyse SHGs related issues, and the Government sponsored bank-linkage-programme to support the SHGs growth. In order to study the entrepreneurial growth by SHGs the secondary data have been collected from the annual report of NABAD.

Key words: *Self-Help-Groups, Entrepreneurship, Bank-Linkage, rural, semi-urban*

1. Introduction:

Self-help groups are a means of micro financing that help people in managing savings and getting financial assistance that can be used for some purpose (Kumari, 2013). The primary goal of SHG is to encourage its members to save money, but other advantages of joining a SHG may include the ability to mobilize funds, access to credit, and the pursuing of group entrepreneurial activities. Ideal size of SHG to ensure effective functioning is between 10 to 20 members. Members of SHG have similarities in socio-economic and financial background. Major functions of SHG are grouped into three categories-saving and thrift, loan and advances and discussion on problems.

Entrepreneurship promotion through SHGs can be achieved by ensuring that the groups are able to provide its members key elements necessary for success of entrepreneurial efforts like, knowledge, skills and competencies relating to conduct of business activities. These have played special role in been crucial in developing business capabilities among rural women, thereby equipping them with skills to recognize opportunities and providing them with required skills that help them in taking good advantage of these opportunities.

Trained members are more sensible and judicious risk takers they can innovate, and expand

their enterprises, and are able to ensure to growth and success of business and contribute to general economic growth and development of their communities (Manithamani & Menon, 2012). The most important development to take place with reference to SHGs in India was the launch of SHG-Bank linkage programme. The programme was the first of its type in the world. Initially, launched as a pilot programme by NABARD with the support of Reserve Bank of India (RBI) the programme saw a slow growth at the beginning and later went on to become a successful endeavour.

2. Literature Review

The literature consists of three areas, SHGs and entrepreneurship, SHGs and Bank linkage and Challenges faced by SHGs in their entrepreneurial initiatives.

It is suggested that whether the group is formed through NGO or through bank's initiative the process of group formation is required to be simple, clear and methodical (Satish, 2001).

Competition, financial gain, and independence are essential to promote entrepreneurship, for which socioeconomic environment offers a foundation for people to start their own businesses (Mukherjee, 2006).

For ensuring entrepreneurial success the group requires capacity and skill building through training. (Nagesh & Murthy, 2008) examined the effectiveness of women's entrepreneurship education and training programmes in their study, which aids in comprehending the requirement of entrepreneurial education.

A large section of rural poor and women has to rely on self-finance that is in most cases insufficient or through informal means. Even after continuous effort from the end of government to put more thrust on formal methods for providing financial assistance there is still immense dependence on the informal ways (Kumar & Golait, 2009).

Microfinance has been an effective medium of women empowerment. Groups through microfinance initiatives have been successful in pursuing entrepreneurship. Women members have been successful in establishing micro-enterprise and are becoming self-reliant on financial and economic front (Singh, Thakur, & Gupta, 2013).

It is found that among various aspects that has an impact on entrepreneurship development innovation with respect to adopting new methods of production, information about product, desire to find means of earning, regular conduct of meeting and knowledge and awareness about business were found to be most impactful (Inbam, 2015).

The provision of microfinance and skill training has been identified as key factors in the Success of SHGs in income generation through microenterprises. Training group members in basic skills pertaining to business are means of income generation (Shruti, Gowthami, & Panda, 2018). The concept of SHGs has not only raised the income of rural women but also their social status, leading to their increased interest in entrepreneurship (Ravi, 2018).

(Dwarakanath, 2002) in his work of SHGs in Andhra Pradesh found that self-help groups through the Development of Women and Children in Rural Area initiative had difficulties in getting funds from state-owned banks and development department. It was found that bureaucratic barriers, poor communication and improper conduct of group meetings were major issues that were hampering the availability of funds.

(Tagoe, Nyarko, & Anuwa-Amarh, 2005) presents that urban SMEs in Ghana are facing financial difficulties because of the financial sector's liberalisation. Access to credit is the main issue facing urban SMEs. SMEs need to effectively manage record keeping handling this difficulty. Additionally, having collateral increases SMEs' access to formal loans. However, increased investment opportunities make it harder for SMEs to get loans.

Funds availability is one of the most important factors that influence the setting up and running an enterprise. Although India has a wide network of financial institutions for providing

financial independence to all, yet it is a fact that these facilities are out of access of rural poor and women. The formal banking sector, ever since independence had ignored the needs of poor mainly due to the high risk and transaction associated with the small lending. The inability of the formal sector to cater to the needs of these poor was seen as a major failure of formal banking system and there were efforts to implement micro financing schemes through SHGs, when NABARD thought to implement new means through SHG-Bank linkage model (Mansuri B. B., 2010). In case of loan given to SHGs similar trend was found to exist. Apart from inter-regional differences, striking contrast was seen among states from the same region (Kumar & Golait, 2009). As SHG-Bank linkage spread it led to empowerment and improving employment scenario among poor especially women and sensible use of loans also led to reduction in poverty (Aruna & Jyothirmayi, 2011).

3. Methodology of Research

Entrepreneurship has a special relevance for a vast country like India as all economic and business activity cannot be government driven. Entrepreneurial growth in India attracted wide interest in recent time primarily due the impetus received through various government policies like 'Make in India', 'One-district-One-Product.' The initiative of Atmanirbhar Bharat has instilled enthusiasm and motivation to become self-reliant in various field. Entrepreneurship is seen as an important process that is helpful in contributing to economy by resource mobilization, employment generation and manufacturing and offering products for sales.

3.1 Significance of Study

Self-help groups are mostly viewed as a means of micro finance that has potential to empower people. They are seen as a means of financial independence. However self- help groups (SHGs) have become a potent instrument for fostering entrepreneurship too. In India entrepreneurial possibilities associated with SHGs have mostly been concentrated to southern and western part of the country and few regions of north-east part. These studies have dominantly focused on social aspect mainly issues of empowerment and self-reliance. Uttar Pradesh is fourth largest state of India but ranks first in population. The state has several districts that are predominantly rural or semi-urban where self-help groups have important role to perform.

3.2 Research Gap

SHGs potential to promote entrepreneurship is still not adequately understood, especially in Uttar Pradesh. Majority of the existing work is concentrated on western and southern regions. Some studies are also found on north-eastern region of India. There is also dearth of study that focus on entrepreneurial challenges face by SHGs in Uttar Pradesh. By investigating the dynamics of SHG-led entrepreneurship, its socioeconomic effects, and the elements that affect its success, this study aims to fill this research gap.

3.3 Research Questions

1. Have SHGs in Uttar Pradesh promoted entrepreneurship?
2. What are the major financial challenges associated to promotion of entrepreneurship through self-help groups in Uttar Pradesh?
3. What is the status of Government Programme of SHG-Bank-Linkage?

3.4 Objectives:

1. To study the growth status and related issues of SHGs and entrepreneurship in Uttar

Pradesh.

2. To study the bank-linkage programme as a catalyst to SHGs growth in Uttar Pradesh.

3.5 Research Design

The research is primarily descriptive. It involves a detailed and in-depth study of present level of entrepreneurship promotion through SHGs in Uttar Pradesh. The work investigates and explains key elements that have potential to promote entrepreneurship in Uttar Pradesh through SHGs. It also provides an insight into different challenges that self-help group face in context to entrepreneurial efforts. The approach helps in describing the prevailing situations in linked to promotion of entrepreneurship through SHGs in Uttar Pradesh.

3.6 Data Collection

To gather primary data, a survey of self-help groups in Uttar Pradesh is done through personal visit to SHGs, references from respondents were taken and these were approached for data collection. Questionnaire was given to SHG members who had come to participate in trade fairs organized in Lucknow.

Secondary data was collected from NABARD annual reports on 'Status of Microfinance in India, from 2010 onwards. These reports contain comprehensive information about the status of micro-finance, SHG programs, and rural development initiatives in India.

4. Data Analysis

Data analysis was done in three parts-(i) Entrepreneurship promotion through SHGs in U.P. (ii) Entrepreneurial challenges faced by SHGs and (iii) SHG-bank linkage status.

4.1 Entrepreneurial Promotion through SHGs

Entrepreneurial advancement facilitated by self-help groups (SHGs) embodies a dynamic and empowering strategy for nurturing entrepreneurship within local communities. These groups, formed by individuals sharing common socio-economic backgrounds, unite to pool resources, skills, and aspirations. This collaborative effort provides a foundation for encouraging entrepreneurial endeavors at the grassroots level, particularly in areas where traditional financial institutions may be scarce. The promotion of entrepreneurship through SHGs involves activities such as imparting financial knowledge, honing skills, and facilitating access to credit, fostering an environment where members can initiate and sustain their businesses.

For knowing the entrepreneurial promotion through SHGs following hypothesis was developed:

H1: There is significant impact of entrepreneurial orientation on entrepreneurship promotion. Relationship between the dependent variable, entrepreneurship promotion, was studied with the independent variable entrepreneurial orientation. The below table of cross tabulation between entrepreneurship promotion and entrepreneurship orientation shows the expected and observed data count.

Entrepreneurship Promotion * Entrepreneurship Orientation Crosstabulation																							
			EntOrn																				Total
			1	1.3	1.4	1.5	1.6	1.7	1.8	1.9	2	2.1	2.2	2.3	2.4	2.5	2.6	2.7	2.8	3	3.1	3.2	3.3

Your SHG has effectively promoted Entrepreneurship	Strongly Agree	Count	2	0	4	2	5	18	19	15	6	0	1	0	0	0	0	0	0	0	0	0	0	72
		Expected Count	1.3	0.4	1.7	0.8	2.1	8.4	8.4	11.7	10.5	9.6	4.2	0.8	0.4	0.8	0.8	1.3	1.7	0.8	2.5	2.5	1.3	72
	Agree	Count	1	1	0	0	0	2	1	11	18	23	7	0	1	0	1	0	1	0	1	1	0	69
		Expected Count	1.2	0.4	1.6	0.8	2	8	8	11.2	10	9.2	4	0.8	0.4	0.8	0.8	1.2	1.6	0.8	2.4	2.4	1.2	69
	Neutral	Count	0	0	0	0	0	0	0	2	0	0	2	2	0	0	0	2	2	2	4	2	1	19
		Expected Count	0.3	0.1	0.4	0.2	0.6	2.2	2.2	3.1	2.8	2.5	1.1	0.2	0.1	0.2	0.2	0.3	0.4	0.2	0.7	0.7	0.3	19
			0	0	0	0	0	0	0	0	1	0	0	0	0	2	1	1	1	0	1	3	2	12
		Expected Count	0.2	0.1	0.3	0.1	0.3	1.4	1.4	2	1.7	1.6	0.7	0.1	0.1	0.1	0.1	0.2	0.3	0.1	0.4	0.4	0.2	12
Total		Count	3	1	4	2	5	20	20	28	25	23	10	2	1	2	2	3	4	2	6	6	3	172
		Expected Count	3	1	4	2	5	20	20	28	25	23	10	2	1	2	2	3	4	2	6	6	3	172

Table 1: Cross tabulation between Entrepreneurship Promotion and Entrepreneurship Orientation showing Observed and Expected counts

Chi-Square Tests between Entrepreneurship Promotion and Entrepreneurship Orientation			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	267.132a	60	0.000
Likelihood Ratio	231.765	60	0.000
Linear-by-Linear Association	100.184	1	0.000
N of Valid Cases	172		

Table 2: Chi square test between Entrepreneurship Promotion and Entrepreneurship Orientation

		Value	Standard	Approximate Tb	Approximate Significance
	Contingency Coefficient	0.78			0.000
	Gamma	0.856	0.034	18.687	0.000
		172			

Table 3: Symmetric measure Entrepreneurship Promotion and Entrepreneurship Orientation

Model Fitting Information				
Model	-2 Log Likelihood	Chi-Square	df	Sig.
Intercept Only	369.513			
Final	162.745	206.769	10	0.000

Table 4: Model Fitting for Entrepreneurship Promotion and Entrepreneurship Orientation

The significance value of .000 from the Table 4 from ordinal regression between the dependent variable and the measures of independent variable suggest that the data is best fitted in the model.

Goodness-of-Fit			
	Chi-Square	df	Sig.
Pearson	289.243	308	0.772
Deviance	145.614	308	1.000

Table 5: Goodness-of-fit Entrepreneurship Promotion and Entrepreneurship Orientation

The goodness-of-fit output (Table 5) obtained through ordinal regression between entrepreneurship promotion and entrepreneurship orientation and show whether the model fits the observed data. For the Pearson chi-square test, the chi-square value of 289.243 with 308 degrees of freedom and a p-value of 0.772 indicates that the observed and expected frequencies do not significantly differ, suggesting a reasonable fit of the model. For the Deviance chi-square test, the chi-square value of 145.614 with 308 degrees of freedom and a p-value of 1.000 suggests that the model fits the data well. The p-value is more than 0.05 for both Pearson and Deviance Chi-square test, as visible from the table. Hence there is no difference between the observed and expected data in the model.

Pseudo R-Square	
Cox and Snell	0.699
Nagelkerke	0.776
McFadden	0.518

Table 6: Pseudo R-Square for Entrepreneurship Promotion and Entrepreneurship Orientation

The Cox and Snell Pseudo R-Square value of 0.699 suggests that the model explains approximately 69.9% of the variance in the dependent variable (entrepreneurship promotion). This suggests that entrepreneurial orientation contributes significantly to explaining the variation in entrepreneurship promotion. The Nagelkerke Pseudo R-Square is an adjusted version of the Cox and Snell Pseudo R-Square. A value of 0.776 suggests that the model, with entrepreneurial orientation as an independent variable, explains approximately 77.6% of the variation in entrepreneurship promotion. This is a relatively high proportion, reinforcing the notion that entrepreneurial orientation is a significant factor in explaining the observed variation in entrepreneurship promotion. McFadden's Pseudo R-Square value of 0.518 indicates that the model captures approximately 51.8% of the variation in the dependent variable. The values of Cox and Snell, Nagelkerke and MacFadden Pseudo R-Square suggest that the model, including entrepreneurial orientation, is effective in explaining a substantial proportion of the variability in entrepreneurship promotion.

The above tables shows statistically strong and significant relationship exists between the entrepreneurship promotion and entrepreneurship orientation. Thus, there is sufficient evidence to accept the alternate hypothesis:

“H₁: There is significant relationship between entrepreneurial orientation and

entrepreneurship promotion.” Therefore, the above hypothesis stands accepted.

4.2 Major Financial Challenges Faced by Self-Help Groups in Uttar Pradesh

Among the wide range of barriers that SHGs in Uttar Pradesh face is restricted access to finances. This problem is primarily faced by all the SHGs.

Lack of Finance

Financial support is widely recognized as a paramount necessity for any business endeavour. It serves as a vital requirement not only during the inception of the venture but also throughout its lifespan.

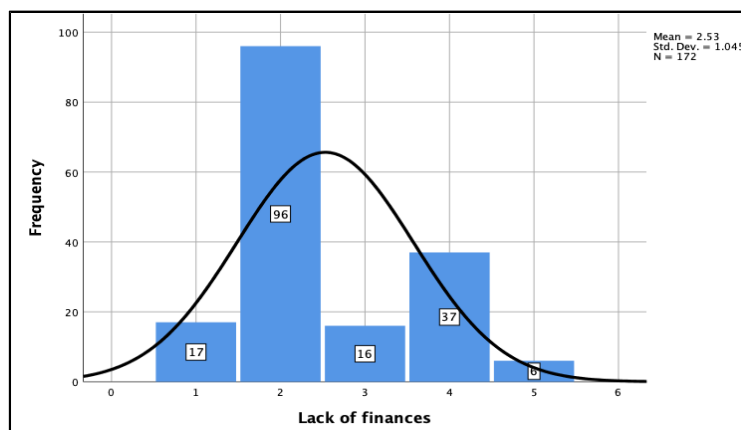
In the initial phases, funds are primarily allocated for acquiring fixed assets and securing raw materials essential for operations. Additionally, ongoing operational costs, which recur at various stages, constitute a continuous need for financial backing. This underscores the enduring and multifaceted nature of financial requirements in the life cycle of a business.

Lack of finances					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	17	9.9	9.9	9.9
	Agree	96	55.8	55.8	65.7
	Neutral	16	9.3	9.3	75
	Disagree	37	21.5	21.5	96.5
	Strongly Disagree	6	3.5	3.5	100
	Total	172	100	100	

Table 7: Lack of Finance as a Challenge for SHGs in Uttar Pradesh

17 respondents strongly agree that there is a lack of finances for SHGs in pursuing entrepreneurship. This suggests a notable concern or perception among a small portion of the surveyed population that finances are a significant hurdle. Most respondents (96) agree that there is a lack of finances. This indicates a widespread consensus among more than half of the participants that financial constraints pose a challenge for SHGs in venturing into entrepreneurship. 16 respondents chose the neutral option, suggesting a degree of uncertainty or a balanced perspective regarding the lack of finances. These respondents neither strongly agree nor disagree, potentially indicating a need for further exploration into their perspectives. 37 respondents disagree that there is a lack of finances. This dissenting view suggests that a notable portion of the surveyed population does not perceive finances as a significant obstacle for SHGs in pursuing entrepreneurship.

Only 6 respondents strongly disagree with the statement. While a smaller percentage, this group expresses a strong conviction that lack of finances is not a hindrance for SHGs in taking up entrepreneurship. About 65.7% of respondents either strongly agree or agree with the statement indicating that lack finance is a challenge that he SHG faces. Around 25% of respondent do not see lack of finance as a challenge



“1-Strongly Agree, 2-Agree, 3-Neutral, 4-Disagree, 5-Strongly Disagree.”

Chart 1: Lack of Finance as a Challenge for SHGs in Uttar Pradesh

The data suggests that a significant portion of respondents perceive lack of finances as a hindrance to SHGs in pursuing entrepreneurship. Understanding the reasons behind the disagreement and the neutral responses could provide insights into alternative perspectives or potential mitigating factors.

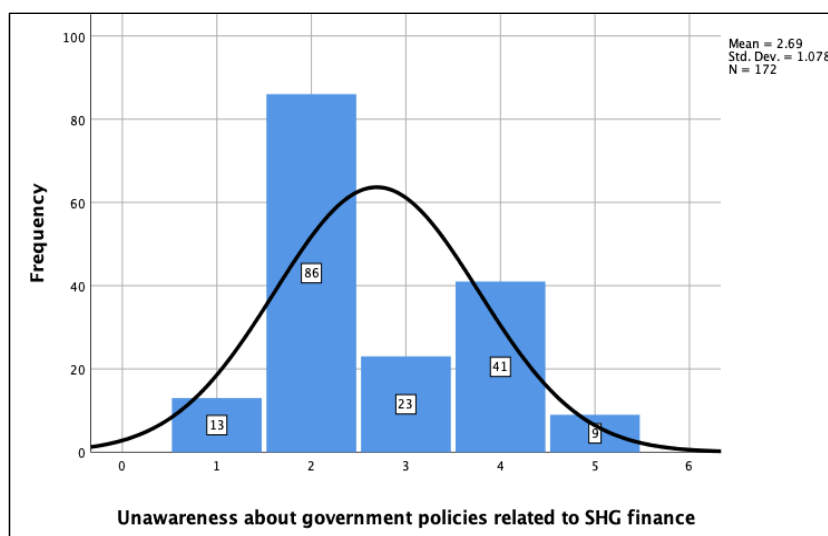
Unawareness about Government Policies related to SHG Finance

Unawareness about government policies related to SHG finance					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	13	7.6	7.6	7.6
	Agree	86	50	50	57.6
	Neutral	23	13.4	13.4	70.9
	Disagree	41	23.8	23.8	94.8
	Strongly Disagree	9	5.2	5.2	100
	Total	172	100	100	

Table 8: Unawareness about government policies related to SHG finance.

13 respondents strongly agree that there is a lack of awareness about government policies related to SHG finance. This indicates a notable concern among a small portion of the surveyed population. Many respondents (86) agree that there is a lack of awareness about government policies. This suggests a widespread perception that awareness about government policies related to SHG finance is a significant challenge. 23 respondents chose the neutral option, indicating some degree of uncertainty or a balanced perspective about whether there is a lack of awareness about government policies. 41 respondents disagree with the statement that there is a lack of awareness about government policies. This dissenting view suggests that a notable portion of the surveyed population does not perceive unawareness as a significant challenge. 9 respondents strongly disagree with the statement, indicating a strong conviction that there is no lack of awareness about government policies related to SHG finance.

About 57.6% of respondents (strongly agree + agree) believe that there is a lack of awareness about government policies related to SHG finance. The cumulative percentage increases to 70.9% when including those who are neutral, indicating a high level of acknowledgment or uncertainty about the awareness of government policies.



“1-Strongly Agree, 2-Agree, 3-Neutral, 4-Disagree, 5-Strongly Disagree.”

Chart 2: Unawareness about government policies related to SHG finance.

The data suggests a significant concern among the majority of respondents about the lack of awareness regarding government policies related to SHG finance.

Addressing this perceived lack of awareness may be crucial for the effective implementation and utilization of government policies supporting SHGs. Further exploration and research or follow-up surveys can uncover specific areas of unawareness and help identify targeted interventions. Collaboration between government agencies, NGOs, and SHGs may be necessary to enhance awareness and understanding of policies. Training programs or workshops could be designed to educate SHGs about relevant government policies and how to navigate them.

4.3 Self-Help Groups (SHGs)-Bank Linkage Programme in Uttar Pradesh

A unique thing to happen in India with reference to SHGs was the start of SHG-Bank linkage programme. This programme was launched in 1992 on the recommendations of S.K. Kalia committee. The programme, started by NABARD with the support of RBI was first of its kind in world. NABARD has persisted in serving as the nation's mentor and enabler for microfinance projects. The department's overarching goal is to enable those who are poor in rural regions to have ongoing accessibility to financial services in an economical and sustainable way by utilising a variety of microfinance innovations. Drawing from insights from several studies conducted by NABARD, the "SHG-BLP" model has emerged as an economical means of extending financial services to underserved and unreachable poor households. SHGs that adhere to the "Panchsutras," which include holding regular meetings, saving regularly within the group, lending internally in response to member requests, repaying loans on time, and keeping accurate books of accounts, are regarded as bank's good customers. Through the organisation, support, and facilitation of SHGs' credit linkage with banks, the non-governmental sector has been a leading player in the function of SHG Promoting Institution

(SHPI). Afterwards, NABARD appropriated numerous more organisations as SHPIs, such as Farmers' Clubs, SHG Federations and rural financial institutions (RRBs, DCCBs, and PACS). NABARD provided promotional grant assistance to these stakeholders, encouraging them to take up SHG promotion. Nowadays, with about 100 million families in the nation, this savings-led microfinance model is the most extensive coordinated financial inclusion initiative globally.

At the start the pace of linkage of self-help group and bank was slow at the national level but it gradually took pace with regional and cooperative banks also getting involved and started giving promising result. The programme was able to give people access to funds that they may utilise as per their need and requirements.

SHGs in Uttar Pradesh having Savings Linked to Banks

The pace of SHG-bank linkage in Uttar Pradesh has been inconsistent during the study period and three years 2012-13, 2013-14 and 2015-16 showing a negative growth rate. For the year 2010-11 the number of self-help groups whose saving were linked to bank were 4,70,157, this saw a relatively small increase of 0.22 percent in the year 2011-12 and the number rose to 4,71,184. In the next year i.e., 2012-13 there was a significant decline of 14.27 percent and number of SHGs whose savings were linked to bank came down to 4,03,932 showing that 67,252 SHGs got delinked. The falling-off continued in 2013-14 which saw number of SHGs whose saving were linked to bank come down to 3,79,270 indicating a decline of 6.11 percent. After showing an increase of 3.43 percent in 2014-15 there was again a decline of 7.21 percent in 2015-16 and the number of SHGs whose saving was linked to bank came down to 3,92,276. 2016 onwards there has been an increasing trend and in 2018-19 the number of self-help groups whose saving is linked to bank stood at 6,30,316. Average growth during the period of study i.e., 2010-11 to 2017-18 of SHGs whose saving is linked to bank stands at 3.32 percent, it is less than national average of 4.48 percent and central region average of 5.51 percent

Year	Total No. SHGs whose savings are Linked to bank across India	Saving Amount of SHGs Linked to bank across India (in Lakhs)	Total No. SHGs whose savings are Linked to Bank in Central Region	Saving Amount of SHGs Linked to bank in Central Region (in lakhs)	Total No. SHGs whose savings are linked to Bank in Uttar Pradesh	Saving Amount of SHGs Linked to bank in Uttar Pradesh (in lakhs)
2010-11	7461946	701630.28	786436	60338.01	470157	36269.56
2011-12	7960349	655141.46	812767	61358.23	471184	36821.44
2012-13	7317551	821725.47	702198	62421.54	403932	39200.82
2013-14	7429500	989741.54	685929	79055.81	379270	43858.84
2014-15	7697469	1105984.07	817251	82369.76	392276	35475.66
2015-16	7903002	1369139.01	815653	84108.67	363979	38206.29
2016-17	8576875	1611422.64	848514	83898.12	383592	32146.94
2017-18	8744437	1959211.52	902222	95385.11	407390	34788.68

Source: NABARD Report on Status of Microfinance in India 2010-11 to 2017-18

Table 9: Number of SHGs linked to bank and Amount of saving linked to bank in India, Central Region and Uttar Pradesh

Although the percent change in SHGs linked to bank across the three regions is different but there is a similar pattern or trend that may be observed from 2011-12 to 2017-18.

5. Findings and Suggestions

Entrepreneurship Promotion through Self-help Groups in Uttar Pradesh

There is evidence to suggest that entrepreneurial orientation have positive impact on entrepreneurship, thus there are strong possibilities that entrepreneurship will be promoted on the presence of entrepreneurial orientation among members.

Targeted outreach initiatives should be implemented by NGOs or banks such as developing awareness campaigns that emphasize the advantages of SHGs and entrepreneurial promotion to the members of SHGs.

Financial Challenges faced by Self-help Groups in Uttar Pradesh

Analysis of data pertaining to financial challenges indicate that finance is a significant hurdle, with most respondents expressing agreement or strong agreement about the lack of finances hindering SHGs from taking up entrepreneurship.

The members must ensure that they are maintaining proper record of all financial transactions that are done at group. They need to be able to satisfy more than 12 points out of 16 to be eligible to get loan from bank.

The data on unawareness about government policies related to SHG finance also reveals a similar concerning trend, with a substantial percentage of respondents (75 percent) either agreeing or strongly agreeing that they lack awareness.

Addressing this challenge requires a multi-pronged approach involving government agencies, non-profits, and SHG networks to disseminate information effectively and ensure that SHGs are well-informed about available financial resources and support.

Self-help Groups and Bank Linkage Programme in Uttar Pradesh

The data from the SHG-Bank linkage programme reveals a consistent and significant growth in the number of Self-Help Groups (SHGs) whose savings are linked to banks across India, particularly in the Central Region and the state of Uttar Pradesh. Over the years, there has been a substantial increase in the total number of SHGs and the corresponding savings amount linked to banks, indicating a positive trend in financial inclusion and banking penetration among SHGs. The primary data of SHG bank linkages show that only 1.2 percent is linked to private commercial banks. These banks need to connect to SHGs.

6. Conclusion:

This work on ‘Entrepreneurship Promotion through Self-help groups in Uttar Pradesh’ illuminates the multifaceted landscape of entrepreneurial efforts being put in by self- help groups in Uttar Pradesh. It may also be concluded that SHGs have been able to provide an environment that is able to promote entrepreneurship in Uttar Pradesh. Public sector commercial banks and regional rural banks are most preferred choice of SHGs for bank linkage. Despite these severe constraints, it is clear that SHGs have been successful in promoting entrepreneurship in Uttar Pradesh.

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