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Women-led informal enterprises in rural economies and the transformative role of self-help groups in West Bengal

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Abstract

Women-led informal enterprises constitute a vital component of rural livelihoods in India, particularly in West Bengal, where agriculture, home-based production, handicrafts, livestock rearing, food processing, and petty trade provide employment to a significant proportion of women. Despite their substantial contribution to household income and local economic development, these enterprises often operate under conditions of informality characterized by limited access to formal credit, markets, technology, social protection, and institutional support. Over the past three decades, the Self-Help Group (SHG) movement has emerged as an effective grassroots strategy for promoting women's economic empowerment, financial inclusion, and community participation. Through initiatives such as the SHG-Bank Linkage Programme and the National Rural Livelihoods Mission (NRLM), millions of rural women have gained access to savings, credit, entrepreneurial training, and collective decision-making platforms. In West Bengal, the implementation of Anandadhara under the Deendayal Antyodaya Yojana-National Rural Livelihoods Mission (DAY-NRLM) has significantly expanded women's participation in informal enterprises, enhancing income generation and strengthening local economies.

This paper examines the contribution of women-led informal enterprises to rural development in West Bengal and critically analyses the transformative role played by Self-Help Groups in fostering entrepreneurship, livelihood diversification, and socio-economic empowerment. Drawing upon secondary data from government reports, NABARD publications, census statistics, policy documents, and scholarly literature, the study explores the opportunities created by SHGs alongside persistent challenges, including market constraints, digital exclusion, limited value addition, climate vulnerability, and inadequate institutional support. The paper argues that while SHGs have substantially improved women's access to financial resources and collective agency, sustainable rural development requires a comprehensive policy approach integrating digital technologies, skill development, market linkages, social security, and climate-resilient livelihood strategies. Strengthening women-led informal enterprises through inclusive institutions and supportive public policies can significantly contribute to achieving gender equality, rural prosperity, and the Sustainable Development Goals (SDGs), particularly SDGs 1, 5, 8, and 10.

Keywords: Women-led enterprises, informal economy, Self-Help Groups (SHGs), rural development, West Bengal, women's empowerment, financial inclusion

1. Introduction

The informal economy constitutes one of the most significant sources of employment and livelihood across the developing world, accounting for a substantial share of economic activity and workforce participation. According to the International Labour Organization (ILO, 2023) ^[5], nearly 61 percent of the global employed population works in the informal economy, with developing countries exhibiting particularly high levels of informal employment. In India, the informal sector remains the backbone of the economy, contributing significantly to employment generation despite its relatively lower productivity and limited institutional recognition. Women represent a considerable proportion of this workforce, engaging in diverse livelihood activities such as agriculture, livestock rearing, food processing, weaving, handicrafts, tailoring, petty trade, domestic work, and other home-based enterprises. These activities not only supplement household incomes but also play a crucial role in ensuring food security, poverty reduction, and rural economic resilience (ILO,

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2023; NITI Aayog, 2022) ^[10]. In rural India, women-led informal enterprises have emerged as important drivers of local economic development. These enterprises are typically characterized by low capital investment, family labour, flexible production systems, and limited access to formal markets and institutional finance. Despite operating outside formal regulatory frameworks, they contribute substantially to employment creation, income diversification, and the preservation of traditional skills and indigenous knowledge. Women entrepreneurs in the informal economy often combine productive work with unpaid domestic and care responsibilities, making their economic contributions largely invisible in national income accounting and labour market statistics (Chen, 2012; Bonnet *et al.*, 2019) ^[1, 2]. Consequently, their enterprises frequently encounter structural barriers, including restricted access to credit, inadequate infrastructure, technological limitations, weak market linkages, and limited social protection.

West Bengal presents a distinctive context for examining the intersection of women's entrepreneurship, informality, and rural development. The state has a predominantly rural population, with agriculture and allied activities continuing to support millions of households. Alongside farming, a wide range of informal enterprises including handloom weaving, terracotta production, jute handicrafts, embroidery, food processing, dairy farming, fisheries, floriculture, and petty retailing provide critical livelihood opportunities, particularly for rural women. Districts such as Nadia, Murshidabad, Birbhum, Bankura, Purulia, Cooch Behar, and North and South 24 Parganas have witnessed significant participation of women in small-scale income-generating activities that strengthen household resilience and local economic systems. However, these enterprises continue to face challenges related to limited market access, inadequate business skills, climate-induced livelihood vulnerabilities, and dependence on informal sources of finance (Government of West Bengal, 2023) ^[3].

Recognizing these challenges, the Government of India and the Government of West Bengal have increasingly emphasized community-based approaches to women's economic empowerment through the promotion of Self-Help Groups (SHGs). Since the introduction of the Self-Help Group-Bank Linkage Programme (SHG-BLP) by NABARD in 1992, SHGs have evolved from savings and credit collectives into comprehensive institutions that facilitate entrepreneurship, financial inclusion, capacity building, and social empowerment (NABARD, 2024). The launch of the Deendayal Antyodaya Yojana-National Rural Livelihoods Mission (DAY-NRLM) further strengthened this movement by integrating skill development, enterprise promotion, market access, and institutional support within a broader rural development framework. In West Bengal, the implementation of Anandadhara, the state's rural livelihoods mission under DAY-NRLM, has significantly expanded the outreach of SHGs, mobilizing millions of rural women into federated community institutions that promote savings, credit, livelihood diversification, and collective enterprise development (Ministry of Rural Development, 2023) ^[8].

The significance of SHGs extends beyond financial inclusion. By fostering collective action, mutual support, and participatory decision-making, SHGs have enabled rural women to acquire entrepreneurial skills, negotiate with

financial institutions, access government welfare schemes, and participate more actively in local governance. Membership in SHGs has been associated with increased household income, improved financial literacy, greater mobility, enhanced bargaining power within families, and higher levels of social and political participation (Kabeer, 1999; NABARD, 2024) ^[6]. Furthermore, SHGs have become instrumental in promoting women-led informal enterprises by facilitating access to microfinance, business training, digital financial services, and marketing networks. These interventions have contributed not only to individual economic advancement but also to broader processes of rural transformation through employment generation, poverty alleviation, and community development.

Nevertheless, the sustainability and growth of women-led informal enterprises remain constrained by persistent structural and institutional challenges. Many enterprises continue to operate at subsistence levels due to inadequate access to formal credit, technological innovation, quality certification, digital platforms, and organized value chains. Climate variability, fluctuating market demand, and gender-based social norms further restrict women's entrepreneurial potential. Although SHGs have created important pathways for economic inclusion, questions remain regarding their long-term effectiveness in enabling enterprise graduation from informal survival activities to sustainable and competitive rural businesses. Addressing these concerns requires a comprehensive understanding of the evolving relationship between SHGs, women's entrepreneurship, and rural development within specific regional contexts such as West Bengal.

Against this backdrop, the present study examines the role of women-led informal enterprises in promoting rural development in West Bengal and critically analyses how Self-Help Groups have facilitated women's economic empowerment, livelihood diversification, and entrepreneurial growth. Drawing upon secondary data from government reports, NABARD publications, policy documents, and scholarly literature, the study evaluates the achievements of SHG-led enterprise development while identifying the structural barriers that continue to impede sustainable growth. The paper further explores policy measures that can strengthen women-led informal enterprises through improved financial inclusion, digital transformation, market integration, skill enhancement, and institutional support, thereby contributing to inclusive rural development and the achievement of the Sustainable Development Goals (SDGs), particularly SDGs 1 (No Poverty), 5 (Gender Equality), 8 (Decent Work and Economic Growth), and 10 (Reduced Inequalities).

2. Literature Review

The informal economy has long been recognized as a crucial source of employment and livelihood, particularly in developing countries where formal employment opportunities remain limited. The International Labour Organization (ILO, 2023) ^[5] estimates that more than 60% of the global workforce is engaged in informal employment, with women constituting a significant share. Although informal enterprises provide flexibility and income-generating opportunities, they are often characterized by low productivity, inadequate social protection, and limited

access to institutional support (Chen, 2012) ^[2]. Women engaged in informal enterprises face additional constraints arising from gender discrimination, restricted ownership of productive assets, and the unequal burden of unpaid care work (Bonnet *et al.*, 2019) ^[1].

The emergence of Self-Help Groups (SHGs) has been widely acknowledged as an effective strategy for promoting women's economic empowerment and financial inclusion in rural India. Since the introduction of the SHG-Bank Linkage Programme by NABARD in 1992, SHGs have evolved beyond savings and credit associations into community-based institutions that facilitate entrepreneurship, skill development, and social participation (NABARD, 2024). Studies by Kabeer (1999) ^[6] and Mayoux (2001) ^[7] argue that access to microfinance through SHGs enhances women's decision-making capacity, strengthens their bargaining power within households, and increases their participation in local governance. However, microfinance alone is insufficient unless accompanied by market access, enterprise development, and institutional support.

Several studies have examined the contribution of SHGs to rural development in India. Swain and Varghese (2009) ^[13] found that SHGs significantly improve household income, savings, and women's participation in economic activities. Similarly, the Ministry of Rural Development (2023) ^[8] reports that the Deendayal Antyodaya Yojana-National Rural Livelihoods Mission (DAY-NRLM) has enhanced livelihood diversification by supporting women-led micro-enterprises through financial assistance, capacity building, and market linkages. In West Bengal, the Anandadhara programme has strengthened SHG networks, enabling rural women to engage in activities such as food processing, handloom weaving, dairy farming, fisheries, handicrafts, and small-scale retailing (Government of West Bengal, 2023) ^[3].

Despite these achievements, existing literature highlights several persistent challenges. Women-led informal enterprises continue to face constraints related to limited access to technology, digital finance, value chains, quality certification, and organized markets. Moreover, empirical studies focusing specifically on the role of SHGs in transforming women-led informal enterprises in rural West Bengal remain relatively limited. Most research emphasizes microfinance and poverty alleviation rather than enterprise sustainability, innovation, and long-term rural development outcomes. Therefore, this study seeks to bridge this gap by examining how SHGs contribute to strengthening women-led informal enterprises and promoting inclusive rural development in West Bengal.

3. Objectives of the Study

The primary objective of this study is to examine the role of women-led informal enterprises in promoting rural development in West Bengal, with particular emphasis on the contribution of Self-Help Groups (SHGs). The specific objectives are:

1. To examine the significance of women-led informal

enterprises in the rural economy of West Bengal.

2. To analyse the role of Self-Help Groups (SHGs) in promoting women's entrepreneurship, financial inclusion, and livelihood diversification.
3. To identify the socio-economic challenges faced by women-led informal enterprises despite SHG interventions.
4. To suggest policy measures for strengthening women-led informal enterprises and enhancing their contribution to sustainable rural development.

4. Methodology

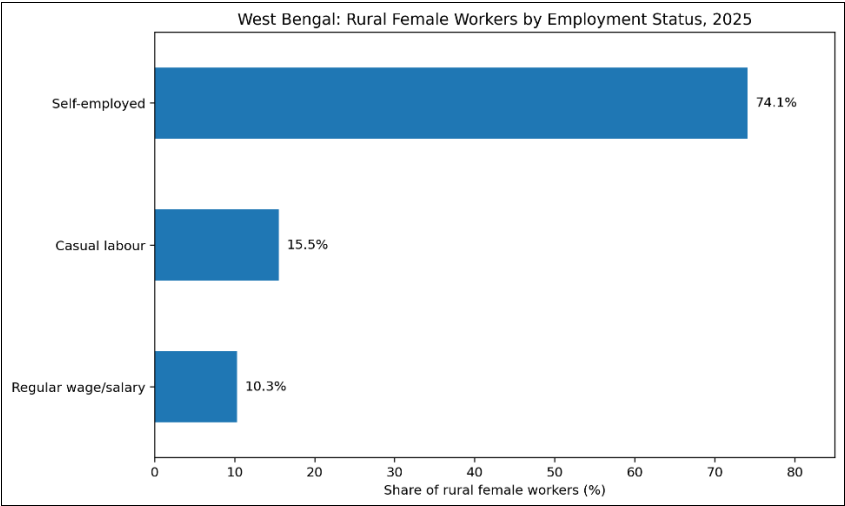
The study is based on a qualitative and descriptive research design, relying exclusively on secondary data. Information has been collected from a wide range of authentic sources, including publications of the International Labour Organization (ILO), NABARD, the Ministry of Rural Development (Government of India), the Government of West Bengal, NITI Aayog, Census reports, and peer-reviewed journal articles. Relevant books, policy documents, reports, and official statistics have also been reviewed to understand the relationship between women-led informal enterprises, Self-Help Groups, and rural development.

The collected information has been analysed using a thematic approach. The discussion focuses on the contribution of SHGs to women's economic empowerment, access to financial services, enterprise development, employment generation, and community participation in rural West Bengal. At the same time, the study critically examines the structural challenges that continue to affect the sustainability and growth of women-led informal enterprises, including limited market access, technological constraints, digital exclusion, and climate-related livelihood risks.

Since the study is based entirely on secondary sources, it does not involve primary surveys or interviews. Nevertheless, the use of diverse and credible literature provides a comprehensive understanding of the evolving role of SHGs in fostering women-led informal enterprises and supporting inclusive rural development in West Bengal.

5. Result & Discussion

5.1 Women-Led Informal Enterprises in Rural West Bengal: The informal economy has historically served as the backbone of rural livelihoods in West Bengal, where a substantial proportion of women depend on small-scale, home-based, and family-operated enterprises for their economic survival. Although these enterprises generally remain outside the formal regulatory and taxation systems, they make a significant contribution to employment generation, household income, and local economic activity. For many rural women, informal entrepreneurship is not merely a livelihood option but a practical response to limited access to formal employment, restricted ownership of productive assets, and persistent socio-economic inequalities.

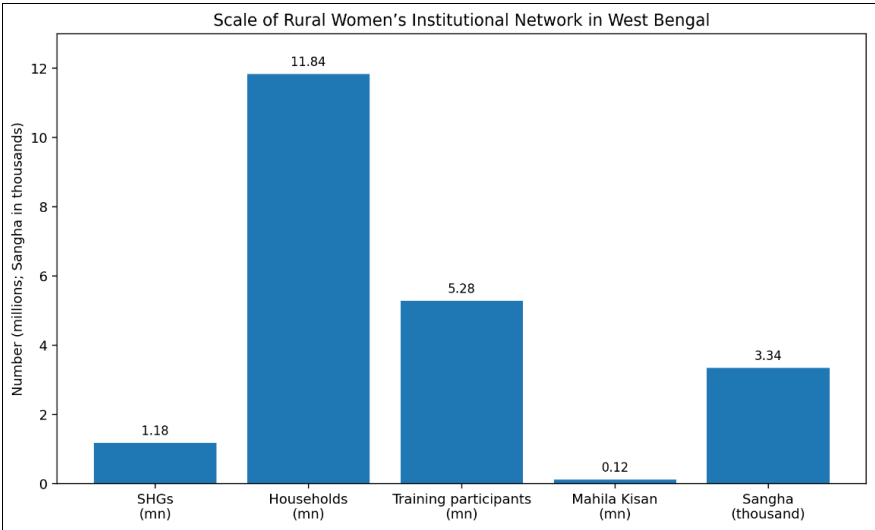


Source: MoSPI, PLFS Annual Report 2025

Fig 1: Employment status of rural female workers in West Bengal, 2025

Recent labour-market evidence reinforces the importance of self-employment for rural women in West Bengal. According to the Periodic Labour Force Survey (PLFS) 2025, 74.1% of rural female workers in the state were self-employed, while only 10.3% were engaged in regular wage or salaried employment and 15.5% in casual labour. This pattern indicates the continuing importance of self-employment and household-based economic activities in

providing livelihoods for rural women. The institutional ecosystem supporting such livelihoods is also substantial. The West Bengal State Rural Livelihoods Mission (WBSRLM) currently reports 11.79 lakh Self-Help Groups covering more than 1.18 crore households, alongside 3,339 Sangha-level institutions and more than 52.75 lakh training participants.



Source: WBSRLM (Anandadhara), District-wise SHG Dashboard, Government of West Bengal.

Fig 2: Scale of rural women's institutional networks in West Bengal

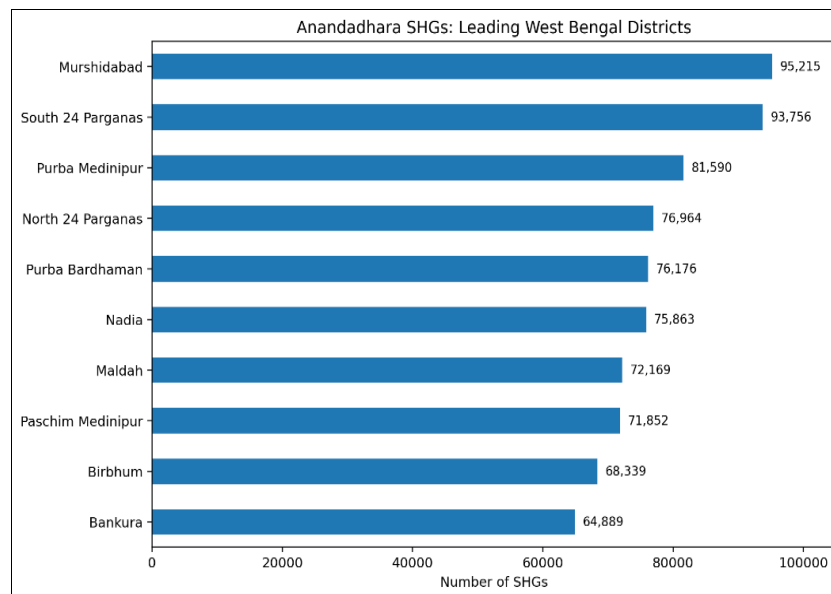
West Bengal's diverse agro-climatic conditions and rich cultural heritage have encouraged the growth of a wide range of women-led informal enterprises. Alongside traditional agricultural activities, rural women participate extensively in dairy farming, poultry rearing, fisheries, floriculture, mushroom cultivation, food processing, handloom weaving, embroidery, jute handicrafts, bamboo products, terracotta crafts, tailoring, and small retail businesses. These activities often rely on locally available raw materials, indigenous skills, and family labour, enabling women to establish enterprises with relatively low initial investment. Consequently, informal enterprises have become an important mechanism for livelihood diversification, particularly among marginal farmers, landless labourers, and economically disadvantaged

households. An important characteristic of women-led informal enterprises is their close integration with household economies. Unlike formal businesses, these enterprises frequently operate from homes or nearby community spaces, allowing women to balance income-generating activities with domestic responsibilities. While this flexibility encourages women's participation in economic activities, it also reflects the unequal distribution of unpaid care work, which limits the time and resources available for enterprise expansion. The dual burden of productive and reproductive responsibilities often restricts women's ability to invest in skill development, networking, and market exploration, thereby confining many enterprises to subsistence-level operations.

Climate variability has emerged as another significant challenge for women-led informal enterprises in West Bengal. Floods in the Gangetic plains, cyclones affecting the coastal districts, riverbank erosion, and irregular rainfall increasingly disrupt agriculture-based livelihoods and allied enterprises. Women entrepreneurs engaged in fisheries, livestock rearing, food processing, and handicrafts often experience production losses, supply chain interruptions, and declining market demand following extreme weather events. Since most informal enterprises operate without insurance or formal risk-management mechanisms, their

capacity to recover from such shocks remains limited.

The spatial distribution of SHGs further demonstrates the extensive reach of the rural women's institutional network. Murshidabad records the largest number of SHGs (95,215), followed by South 24 Parganas (93,756), Purba Medinipur (81,590), North 24 Parganas (76,964), Purba Bardhaman (76,176), and Nadia (75,863). The wide geographical distribution suggests that SHGs have become an important institutional mechanism for connecting rural women with savings, credit, training, and livelihood opportunities across diverse socio-economic regions of West Bengal.



Source: WBSRLM (Anandadhara), Programme/Benefits Dashboard, Government of West Bengal.

Fig 3: Anandadhara SHGs: Leading West Bengal districts by number of SHGs

Recent government initiatives have attempted to address many of these constraints by promoting entrepreneurship, financial inclusion, skill development, and collective enterprise development among rural women. Community-based institutions, particularly Self-Help Groups (SHGs), have become central to these efforts by facilitating access to credit, training, marketing support, and institutional networks. Nevertheless, the sustainability of women-led informal enterprises increasingly depends on their ability to transition from low-productivity survival activities to competitive micro-enterprises capable of generating stable incomes and participating in broader value chains. Achieving this transition requires stronger institutional support, technological modernization, digital integration, and improved market connectivity.

Thus, women-led informal enterprises should be viewed not merely as instruments of poverty alleviation but as strategic drivers of rural transformation. Their continued growth has the potential to strengthen local economies, enhance women's economic agency, preserve traditional livelihoods, and contribute to more inclusive and sustainable patterns of rural development in West Bengal. Understanding the mechanisms that enable this transformation, particularly the role of Self-Help Groups, is therefore essential for designing effective rural development policies.

5.2 The Transformative Role of Self-Help Groups and Rural Development: The emergence of Self-Help Groups (SHGs) has transformed the landscape of rural development

in India by creating institutional mechanisms through which economically marginalized women can access financial resources, develop entrepreneurial capabilities, and participate more actively in local economic activities. In West Bengal, where a large proportion of rural women are engaged in informal enterprises, SHGs have evolved beyond savings and credit associations into community-based institutions that facilitate livelihood promotion, enterprise development, and social empowerment. Their contribution has become particularly significant under the Deendayal Antyodaya Yojana-National Rural Livelihoods Mission (DAY-NRLM), implemented in the state through Anandadhara, which seeks to organize rural women into sustainable community institutions capable of driving inclusive economic growth (Ministry of Rural Development, 2023)^[8].

One of the most important contributions of SHGs is the expansion of financial inclusion. Historically, women operating informal enterprises faced considerable difficulties in accessing institutional finance due to the absence of collateral, low asset ownership, and limited interaction with formal banking institutions. SHGs have addressed this gap by promoting regular savings, facilitating internal lending, and linking members with commercial banks through the SHG-Bank Linkage Programme. Access to affordable credit enables women to invest in productive assets, purchase raw materials, diversify production, and reduce dependence on informal moneylenders charging exorbitant interest rates (NABARD, 2024). Consequently,

financial inclusion has strengthened the viability of women-led enterprises while enhancing household economic security.

Beyond credit, SHGs have played a critical role in building entrepreneurial capacity among rural women. Training programmes conducted under DAY-NRLM and other government initiatives provide members with technical skills, financial literacy, bookkeeping knowledge, enterprise management techniques, and digital awareness. Such interventions improve women's confidence in managing enterprises and encourage the adoption of improved production methods. In districts such as Nadia, Murshidabad, Bankura, and Purulia, SHGs have supported enterprises engaged in dairy farming, handloom weaving, food processing, mushroom cultivation, handicrafts, and livestock rearing, thereby promoting livelihood diversification and reducing excessive dependence on agriculture. The collective learning environment created by SHGs also facilitates the exchange of knowledge, innovation, and best practices among members.

SHGs have further strengthened women-led informal enterprises by improving market access and collective entrepreneurship. Individual entrepreneurs often struggle to negotiate with buyers, procure raw materials at competitive prices, or market their products beyond local villages. Through collective action, SHGs enable women to aggregate production, standardize product quality, participate in exhibitions and rural fairs, and establish linkages with government-supported marketing initiatives such as Saras Mela and state-level handicraft exhibitions. In recent years, several SHGs have also adopted digital payment systems and online marketing platforms, enabling producers to reach wider consumer markets. Although digital integration remains uneven across rural areas, these developments represent an important shift from subsistence-oriented production towards commercially viable enterprise development.

The contribution of SHGs extends beyond economic outcomes to broader dimensions of women's empowerment and social transformation. Participation in SHGs enhances women's financial decision-making, leadership abilities, and collective bargaining power within households and communities. Regular group meetings encourage social interaction, knowledge sharing, and awareness regarding health, education, sanitation, legal rights, and government welfare programmes. Many SHG members have subsequently assumed leadership positions in Gram Panchayats, school management committees, and village development institutions, thereby strengthening participatory rural governance. The collective identity fostered through SHGs has also enabled women to challenge discriminatory social norms and increase their visibility within local development processes (Kabeer, 1999)^[6].

From a rural development perspective, SHGs contribute to employment generation, poverty reduction, and local economic resilience. Women-led enterprises supported by SHGs create self-employment opportunities not only for group members but also for other rural workers engaged in production, processing, packaging, transportation, and marketing. Income generated through these enterprises stimulates local demand, encourages the circulation of goods and services within village economies, and contributes to the development of rural markets. Moreover,

because women generally allocate a substantial proportion of their earnings to household welfare, improvements in enterprise income often translate into better educational attainment, nutritional outcomes, healthcare expenditure, and overall quality of life for rural families.

Nevertheless, the transformative potential of SHGs should not be viewed without critical reflection. While access to microcredit has expanded considerably, the long-term sustainability of many enterprises remains constrained by limited technological upgrading, inadequate value addition, weak market integration, and fluctuating consumer demand. In several cases, enterprises remain concentrated in low-income activities with limited scope for scaling up into competitive businesses. Furthermore, disparities in infrastructure, digital connectivity, and institutional support across districts influence the effectiveness of SHG interventions. These challenges suggest that credit alone cannot ensure sustainable enterprise development unless accompanied by continuous capacity building, market-oriented training, technological innovation, and stronger producer networks.

Overall, the experience of West Bengal demonstrates that SHGs have emerged as effective institutions for promoting women-led informal enterprises and advancing rural development. Their strength lies not merely in providing financial assistance but in creating a supportive ecosystem that combines social capital, collective action, entrepreneurship, and community participation. Strengthening this ecosystem through better policy coordination, digital inclusion, market integration, and climate-resilient livelihood strategies will be essential for enabling women-led informal enterprises to contribute more effectively to inclusive and sustainable rural development in the state.

5.3 Challenges Faced by Women-Led Informal Enterprises and Self-Help Groups:

Despite the significant progress made through Self-Help Groups (SHGs), women-led informal enterprises in rural West Bengal continue to encounter numerous structural, financial, and institutional challenges that limit their long-term sustainability and growth. While SHGs have improved access to credit and enhanced women's participation in economic activities, many enterprises remain small, vulnerable, and largely confined to local markets. Addressing these challenges is essential for transforming informal businesses into sustainable and competitive rural enterprises.

One of the foremost challenges is limited access to finance beyond microcredit. Although SHGs have expanded financial inclusion, the loans available to many members are often adequate only for meeting short-term working capital requirements. Scaling up enterprises requires larger investments for purchasing modern equipment, adopting improved technologies, expanding production, and meeting quality standards. However, many women entrepreneurs continue to face difficulties in accessing formal business loans due to insufficient collateral, limited credit history, and procedural complexities within financial institutions. Consequently, enterprise growth often remains restricted to subsistence or micro-level operations.

Another major constraint is poor market integration and inadequate value addition. Most women-led enterprises sell their products within nearby villages or local markets, where competition is high and profit margins are relatively low.

Dependence on intermediaries frequently reduces producers' bargaining power and limits their share of the final market value. In addition, inadequate branding, packaging, quality certification, and product standardization restrict access to regional, national, and international markets. Without effective market linkages and organized value chains, many enterprises struggle to achieve sustainable profitability.

Technological and digital exclusion further hinders enterprise development. Although digital technologies have transformed marketing, financial transactions, and business management, many rural women lack adequate digital literacy, internet connectivity, and access to smartphones or computers. Limited familiarity with e-commerce platforms, digital payment systems, and online marketing prevents entrepreneurs from reaching wider consumer markets and responding to changing market demands. The digital divide remains particularly pronounced among women from economically weaker households and remote rural areas.

The sustainability of women-led informal enterprises is also affected by inadequate infrastructure and climate vulnerability. Poor transportation networks, irregular electricity supply, insufficient storage facilities, and limited access to common production centres increase operational costs and reduce business efficiency. Furthermore, several districts of West Bengal are highly susceptible to floods, cyclones, riverbank erosion, and irregular rainfall. Such climate-related hazards frequently disrupt agricultural production, damage raw materials and infrastructure, interrupt supply chains, and reduce market access. Since most informal enterprises operate without insurance or disaster risk management mechanisms, recovery from such shocks is often slow and financially burdensome.

Social and gender-based barriers continue to influence women's entrepreneurial opportunities. Traditional gender norms assign women primary responsibility for household chores, childcare, and elder care, leaving limited time for enterprise expansion and business networking. Restrictions on mobility, unequal access to property and productive assets, and lower participation in business decision-making further constrain entrepreneurial growth. Although SHGs have strengthened women's confidence and collective agency, deeply rooted social attitudes continue to limit their economic independence in many rural communities.

Institutional challenges also deserve attention. In some cases, SHGs experience irregular training, inadequate professional mentoring, limited post-credit support, and weak coordination with government departments and financial institutions. Enterprise promotion programmes often focus primarily on credit disbursement, while comparatively less emphasis is placed on innovation, product diversification, digital entrepreneurship, business incubation, and long-term market development. As a result, many enterprises remain concentrated in traditional low-income activities with limited opportunities for expansion and value addition.

These challenges indicate that while SHGs have laid a strong foundation for women's economic empowerment, sustainable rural development requires a broader ecosystem of support. Financial assistance must be complemented by skill development, technology adoption, market integration, climate resilience, infrastructure development, and continuous institutional guidance. Only through such a comprehensive approach can women-led informal enterprises evolve from survival-oriented activities into

dynamic contributors to rural economic transformation in West Bengal.

6. Policy Recommendations

Strengthening women-led informal enterprises in West Bengal requires policy interventions that go beyond microfinance and focus on creating a supportive ecosystem for sustainable enterprise development. While Self-Help Groups (SHGs) have significantly enhanced women's financial inclusion and livelihood opportunities, greater emphasis is needed on improving enterprise productivity, market access, and resilience.

Access to affordable and adequate institutional finance should be expanded by introducing higher-value enterprise loans, flexible repayment mechanisms, and insurance coverage for small businesses. Simultaneously, regular training programmes on entrepreneurship, financial management, digital literacy, product development, and marketing should be provided to enhance women's business capabilities and competitiveness.

Improving market linkages is equally important. Government agencies should facilitate branding, packaging, quality certification, and participation in exhibitions, producer collectives, and digital marketplaces. Strengthening rural infrastructure, including storage facilities, transportation, and common production centres, would further reduce operational constraints and improve business efficiency.

Given the increasing impacts of climate change, policies should promote climate-resilient livelihood practices, disaster preparedness, and sustainable resource management, particularly for enterprises dependent on agriculture and allied activities. Expanding digital infrastructure and encouraging the adoption of e-commerce and digital payment systems would also enable rural women to access broader markets and reduce dependence on intermediaries.

Finally, stronger coordination among government departments, financial institutions, NABARD, Panchayati Raj Institutions, NGOs, and the private sector is essential to ensure effective implementation of enterprise development programmes. A comprehensive policy framework integrating financial inclusion, skill development, technological advancement, and market support can significantly enhance the sustainability of women-led informal enterprises and contribute to inclusive rural development in West Bengal.

7. Conclusion

Women-led informal enterprises have emerged as an important pillar of rural development in West Bengal by generating employment, diversifying household incomes, and strengthening local economies. Operating across agriculture, allied activities, handicrafts, food processing, and small-scale trade, these enterprises have enhanced women's economic participation while contributing to poverty reduction and community well-being. Their role extends beyond income generation, fostering financial independence, social inclusion, and greater participation in household and community decision-making.

The study highlights that Self-Help Groups (SHGs) have been instrumental in transforming the entrepreneurial landscape for rural women. Through access to savings, institutional credit, capacity-building programmes, and

collective action, SHGs have enabled women to establish and sustain informal enterprises that contribute to livelihood security and rural economic growth. Programmes such as DAY-NRLM and Anandadhara have further strengthened this process by promoting financial inclusion, entrepreneurship, and community-based development.

Despite these achievements, women-led informal enterprises continue to face challenges related to limited access to finance, inadequate market linkages, technological constraints, climate vulnerability, and persistent gender inequalities. Addressing these issues requires a holistic policy approach that integrates financial support, digital inclusion, infrastructure development, skill enhancement, and market-oriented interventions.

In conclusion, women-led informal enterprises should be recognized not merely as survival strategies but as catalysts of inclusive and sustainable rural transformation. Strengthening SHGs and creating an enabling entrepreneurial ecosystem will not only improve women's livelihoods but also accelerate rural development, reduce socio-economic inequalities, and contribute to the achievement of the Sustainable Development Goals (SDGs), particularly those related to poverty reduction, gender equality, decent work, and inclusive economic growth.

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