



Tribal Women and Economic Empowerment: Emerging Opportunities through Self-Help Groups and Entrepreneurship in Tamil Nadu

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ABSTRACT

Tribal women constitute an important component of the rural and forest-dependent economy of Tamil Nadu, but their economic advancement continues to be constrained by limited access to formal finance, markets, productive assets, skills, technology and entrepreneurial opportunities. Self-Help Groups (SHGs) have emerged as an important institutional mechanism for addressing several of these constraints by encouraging savings, internal lending, collective decision-making, bank linkage and income-generating activities. This article examines the emerging opportunities for the economic empowerment of tribal women in Tamil Nadu through SHGs and entrepreneurship. The study is based primarily on secondary information obtained from the Census of India, Ministry of Tribal Affairs, Government of Tamil Nadu, Tamil Nadu Corporation for Development of Women (TNCDW), and Tamil Nadu Adi Dravidar Housing and Development Corporation (TAHDCO). The analysis indicates that Tamil Nadu had 794,697 Scheduled Tribe persons according to Census 2011, of whom 393,629 were women. Female literacy among the Scheduled Tribe population was 46.8 per cent, indicating the continuing importance of education and skill development. Tamil Nadu's SHG institutional framework provides opportunities for savings, credit access, skill development, enterprise formation and market participation. Government initiatives through TAHDCO also provide entrepreneurship assistance to Scheduled Tribe individuals and Self-Help Groups, while recent programmes have expanded opportunities in manufacturing, services, agriculture, handicrafts, food processing and other livelihood activities. The study argues that SHGs can become more effective instruments of tribal women's empowerment when credit is combined with entrepreneurship training, digital financial literacy, market linkage, value addition, branding and institutional support. The article concludes that an integrated approach combining finance, skills, enterprise development and market access is essential for transforming tribal women from livelihood participants into sustainable entrepreneurs.

Keywords: Tribal Women, Economic Empowerment, Self-Help Groups, Entrepreneurship, Microfinance, Livelihood, Tamil Nadu, Women Entrepreneurs

1. INTRODUCTION

Economic empowerment of women is an important component of inclusive and sustainable development. Women's participation in economic activities contributes not only to household income but also to improvements in education, nutrition, living conditions, financial security and decision-making within families. What we need today for the progress of our country is enriched human resources made up of youths not only well educated and skilled but also well-built and robust in health. The health of a family, community or a nation is ultimately determined by the health of individual members. That is why, health and hygiene of every individual citizen is emphasized and is given due consideration. However, economic opportunities are not distributed equally among women. Tribal women, particularly those living in rural, forest-fringe and geographically isolated communities, often experience multiple disadvantages associated with poverty, limited education, inadequate infrastructure, restricted access to financial institutions and weak market connections.

Tamil Nadu has a significant tribal population distributed across several districts, including the Nilgiris, Salem, Namakkal, Dharmapuri, Krishnagiri, Tiruvannamalai, Erode, Vellore region and other parts of the State. Census 2011 recorded 794,697 Scheduled Tribe persons in Tamil Nadu, including 393,629 females. The female literacy rate among Scheduled Tribes was 46.8 per cent, compared with 61.8 per cent for males. The overall worker participation rate for the Scheduled Tribe population was 54.5 per cent. These indicators demonstrate both the economic contribution of tribal communities and the continuing gender-related development gap.

Tribal women's economic activities are traditionally associated with agriculture, collection of minor forest produce, livestock rearing, handicrafts, food processing, wage labour and other informal activities. Although these activities contribute to household survival, they do not always generate stable or adequate incomes. In many cases, women have limited control over productive resources and limited bargaining power in markets.

Self-Help Groups provide an institutional mechanism through which women can overcome some of these constraints. Tamil Nadu has a long history of SHG promotion. The MahalirThittam initiative began in 1989 in Dharmapuri district with women engaged in agriculture-related activities and was subsequently expanded to other districts. The programme promoted SHGs, training, bank linkage and income-generating activities.

Under the SHG model, women living in the same locality can form groups, save regularly, provide internal loans and collectively access formal financial services. The Tamil Nadu Corporation for Development of Women describes SHGs as groups generally consisting of 12–20 women between 18 and 60 years, with emphasis on savings, internal credit, democratic decision-making, bookkeeping and bank linkage.

For tribal women, the significance of SHGs extends beyond access to credit. Collective organisation can improve confidence, financial awareness, entrepreneurial skills, social participation and market bargaining capacity. When SHGs are connected with entrepreneurship-development programmes, training institutions, banks and government agencies, they can serve as platforms for establishing sustainable micro-enterprises.

TAHDCO has specifically provided economic and entrepreneurship-related support for Scheduled Tribe beneficiaries. Its entrepreneurship development programme provides financial assistance for business activities and permits eligible Scheduled Tribe individuals and SHGs to access support. Thus, the convergence of SHGs, entrepreneurship development, microfinance and government programmes creates new possibilities for tribal women's economic advancement.

2. STATEMENT OF THE PROBLEM

Despite improvements in rural financial inclusion and women's participation in SHGs, tribal women continue to face several structural barriers.

The major problems include:

1. Low levels of formal education and financial literacy.
2. Limited access to institutional credit.
3. Insufficient knowledge of business planning and enterprise management.
4. Weak market linkages.
5. Limited access to technology and digital platforms.
6. Dependence on intermediaries for marketing forest and agricultural products.
7. Inadequate value addition to traditional products.
8. Lack of branding and packaging facilities.
9. Limited mobility and transportation facilities.
10. Inadequate knowledge of government entrepreneurship schemes.
11. Difficulty in obtaining working capital for enterprise expansion.
12. Unequal distribution of household responsibilities.
13. Limited ownership of productive assets.

3. OBJECTIVES OF THE STUDY

1. To examine the socio-economic position of tribal women in Tamil Nadu.
2. To analyse the role of Self-Help Groups in promoting the economic empowerment of tribal women.
3. To identify emerging entrepreneurial opportunities available to tribal women.
4. To examine the role of institutional finance, training and government programmes in promoting tribal women's enterprises.
5. To identify the major constraints faced by tribal women entrepreneurs.
6. To suggest policy measures for strengthening SHG-based entrepreneurship among tribal women in Tamil Nadu.

4. HYPOTHESES

H₀₁: Participation in Self-Help Groups does not contribute significantly to the economic empowerment of tribal women.

H₀₂: Access to institutional credit and entrepreneurship training has no significant relationship with the development of tribal women's enterprises.

H₀₃: Market linkage and value addition do not significantly influence the income-generating potential of tribal women's enterprises.

5. METHODOLOGY

The present study is based primarily on **secondary data and analytical review**. Information has been collected from official publications of the Government of India and the Government of Tamil Nadu, including Census of India, Ministry of Tribal Affairs, Tamil Nadu Corporation for Development of Women and Tamil Nadu Adi Dravidar Housing and Development Corporation.

The Census 2011 Scheduled Tribe statistical profile provides demographic, literacy and worker-related indicators for Tamil Nadu. Government programme documents have been used to understand the institutional mechanisms available for SHGs, entrepreneurship development, financial assistance and livelihood promotion.

The study follows a descriptive and analytical approach. Percentage analysis, comparative interpretation and thematic analysis are employed to examine:

- demographic characteristics;
- women's education and work participation;
- SHG-based financial inclusion;
- entrepreneurship opportunities;
- institutional support;
- market opportunities; and
- constraints to enterprise development.

The article does **not** claim primary field-survey results. Therefore, the findings should be understood as an analysis of available secondary evidence and policy opportunities rather than as estimates from a newly collected sample.

6. SOCIO-ECONOMIC PROFILE OF TRIBAL WOMEN IN TAMIL NADU

Table 1: Selected Indicators of Scheduled Tribes in Tamil Nadu

Indicator	Value
Total Scheduled Tribe population	7,94,697
Male population	4,01,068
Female population	3,93,629
Sex ratio	981
Overall literacy rate	54.3%
Male literacy rate	61.8%
Female literacy rate	46.8%
Worker Participation Rate	54.5%
Main workers among workers	81.8%
Marginal workers among workers	18.2%

Source: Census of India 2011, Ministry of Tribal Affairs.

The demographic data demonstrate that tribal women constitute almost half of the Scheduled Tribe population of Tamil Nadu. The female population of 393,629 represents a substantial human resource base for local economic development.

However, the female literacy rate of 46.8 per cent remains substantially below the male literacy rate of 61.8 per cent. This educational gap can affect women's ability to manage accounts, understand loan conditions, use digital financial services, prepare business plans and communicate with formal institutions.

Therefore, women's economic empowerment should not be interpreted only in terms of credit availability. It must include education, financial literacy, entrepreneurship training, technology access and institutional capacity.

7. SELF-HELP GROUPS AND ECONOMIC EMPOWERMENT

Self-Help Groups can create a collective institutional environment for women who individually possess limited financial resources.

The principal economic functions of SHGs include:

7.1 Promotion of Savings

Regular savings develop financial discipline among members. Even small periodic savings can create an internal financial resource that may be used to provide short-term loans.

7.2 Access to Internal Credit

SHGs enable members to borrow from the group for consumption requirements as well as productive activities. This can reduce dependence on informal moneylenders.

7.3 Bank Linkage

Bank linkage is particularly important because it allows SHG members to graduate from small internal loans to formal institutional credit.

7.4 Collective Decision-Making

Regular meetings encourage women to participate in financial decisions, group management and enterprise-related discussions.

7.5 Entrepreneurship Development

Once a group develops financial discipline and administrative capacity, members can establish individual or collective enterprises.

7.6 Social Empowerment

Participation in SHGs can increase women's interaction with banks, government offices, training institutions, markets and local organisations. Such interactions can strengthen confidence and social participation.

Tamil Nadu's SHG system has institutionalised these activities through savings, internal lending, bookkeeping, training and bank linkage.

8. EMERGING ENTREPRENEURIAL OPPORTUNITIES FOR TRIBAL WOMEN

Tribal women possess traditional knowledge and skills that can be converted into economically valuable enterprises when appropriate technology, finance and market support are available.

8.1 Value Addition to Minor Forest Produce

Tribal communities frequently depend on forest-based products. Instead of selling raw products to intermediaries, women SHGs can undertake:

- cleaning;
- grading;
- processing;
- drying;
- packaging;
- branding; and
- direct marketing.

Value addition can increase the share of the final consumer price retained by producers.

8.2 Food Processing

Food processing represents an important opportunity for SHGs. Possible activities include:

- traditional snacks;
- millet products;
- spice powders;
- pickles;
- honey-based products;
- herbal products;
- processed fruits and vegetables; and
- locally produced nutritious food products.

8.3 Handicrafts and Traditional Products

Traditional tribal art and craft can be developed into market-oriented products. SHGs can undertake collective production, quality control, packaging and marketing.

8.4 Agriculture and Allied Activities

Women can develop enterprises in:

- vegetable cultivation;
- floriculture;
- nursery production;
- mushroom cultivation;
- poultry;
- goat rearing;
- dairy activities;
- beekeeping; and
- small-scale food processing.

8.5 Eco-Tourism and Community-Based Tourism

Tribal regions possessing forests, mountains, traditional culture and biodiversity have potential for carefully designed community-based tourism. Women can participate in:

- local food services;
- homestays;
- handicraft sales;
- cultural products;
- guiding services;
- local transportation support; and
- eco-friendly souvenir production.

Such activities should be developed without undermining tribal culture, community rights or ecological sustainability.

8.6 Digital Entrepreneurship

The expansion of smartphones, digital payments and online marketing creates new opportunities for tribal women. SHGs can use digital platforms to display products, receive orders, make payments and communicate with customers.

Digital entrepreneurship can reduce geographical barriers faced by women living in remote locations.

9. GOVERNMENT SUPPORT FOR TRIBAL WOMEN ENTREPRENEURS

Tamil Nadu has developed several institutional mechanisms for promoting economic activity among Scheduled Tribes.

TAHDCO's entrepreneurship development programme provides financial assistance to Scheduled Tribe beneficiaries for starting business activities. The programme allows both individuals and Self-Help Groups to access support, subject to eligibility conditions.

TAHDCO also lists SHG-related micro-credit and livelihood schemes among its support mechanisms. Its current scheme framework includes group-based financial assistance and livelihood programmes for eligible SHGs.

An earlier TAHDCO citizen-charter framework also identified a broad range of SHG activities, including agriculture, agro-processing, handicrafts, restaurants, provision stores, transport, floriculture and vegetable cultivation, along with entrepreneurship development training for SC/ST women SHG members.

Recent TAHDCO information also indicates continued emphasis on entrepreneurship and market visibility for SC/ST entrepreneurs. The TN BEAT Expo 2025, for example, provided a platform for entrepreneurs to display products and connect with buyers, banks and public-sector organisations.

These developments indicate a movement from a purely welfare-oriented approach towards an **enterprise-oriented empowerment model**.

10. RECENT EVIDENCE ON SHG DEVELOPMENT IN TAMIL NADU

Tamil Nadu's SHG movement has expanded considerably beyond its original savings-and-credit orientation. The State has increasingly focused on enterprise development, market access and livelihood diversification.

According to a December 2025 TNCDW communication, around **4.96 lakh SHGs** were functioning in rural and urban areas, while substantial bank-credit linkage had been provided to SHG members during the preceding five-year period.

This broad SHG infrastructure provides a potentially valuable institutional platform for tribal women's entrepreneurship. However, the existence of a large SHG network does not automatically ensure successful entrepreneurship among tribal women. Specific interventions are required to ensure that tribal women are effectively included in enterprise-oriented programmes.

11. TABLE 2: POTENTIAL SHG-BASED ENTERPRISES FOR TRIBAL WOMEN

Enterprise	Major Inputs	Value-Addition Possibility	Market Potential
Minor forest produce processing	Forest products, processing equipment	High	Local and regional
Millet-based foods	Millet, packaging	High	Urban and health-food markets
Honey processing	Honey, bottles, labels	High	Retail and online
Handicrafts	Local materials, design skills	High	Tourism and online markets
Nursery/plant production	Seeds, land, irrigation	Medium-High	Local/regional
Dairy activities	Livestock, feed	Medium	Local markets
Poultry/goat rearing	Livestock, veterinary support	Medium	Local/regional
Food processing	Agricultural products	High	Local and institutional markets
Eco-tourism services	Local knowledge	High	Tourism markets
Digital commerce	Smartphone, internet	Very high	Wider markets

The table demonstrates that tribal women's entrepreneurship need not be confined to traditional activities. Traditional knowledge can be combined with modern packaging, digital marketing, branding and financial services to create commercially viable enterprises.

12. MAJOR CONSTRAINTS FACED BY TRIBAL WOMEN ENTREPRENEURS

Despite the opportunities, several constraints may prevent tribal women from moving from SHG membership to successful entrepreneurship.

12.1 Limited Financial Literacy

Understanding interest rates, repayment schedules, insurance, accounting and digital transactions remains a challenge for first-generation entrepreneurs.

12.2 Insufficient Working Capital

Starting an enterprise may be possible through subsidy or initial credit, but expansion often requires additional working capital.

12.3 Weak Market Linkages

Small producers frequently depend on intermediaries. Direct market access can improve profitability.

12.4 Lack of Branding

Many tribal products possess cultural and ecological value but are sold without professional packaging, labelling or brand identity.

12.5 Technology Constraints

Limited access to modern processing equipment can restrict productivity and product quality.

12.6 Transportation Problems

Remote tribal settlements may face high transportation costs, making it difficult to move products to larger markets.

12.7 Limited Business Management Skills

Production knowledge alone is insufficient. Entrepreneurs also need knowledge of pricing, inventory, accounting, taxation, marketing and customer relations.

12.8 Gender and Household Responsibilities

Women often carry substantial unpaid domestic responsibilities, limiting the time available for enterprise management.

12.9 Information Gaps

Eligible women may not be aware of government schemes or may find application procedures difficult.

13. STRATEGIES FOR STRENGTHENING TRIBAL WOMEN'S ENTREPRENEURSHIP

An effective empowerment strategy should move through the following stages:

SHG Formation → Savings → Internal Credit → Bank Linkage → Skill Training → Enterprise Selection → Value Addition → Branding → Digital Marketing → Market Linkage → Enterprise Expansion

This integrated model is more likely to generate sustainable income than credit provision alone.

13.1 Enterprise-Specific Training

Training should be based on the economic opportunities of each tribal region rather than adopting a uniform training model.

13.2 Financial and Digital Literacy

Women should receive practical training in:

- bank transactions;
- UPI and digital payments;
- bookkeeping;
- loan management;

- insurance;
- savings;
- online marketing; and
- digital record keeping.

13.3 Common Facility Centres

SHGs could jointly operate processing and packaging centres containing equipment that individual members cannot afford.

13.4 Branding of Tribal Products

A common regional or district-level brand could help tribal producers achieve greater market recognition.

13.5 E-Commerce Linkages

Government departments, SHG federations and producer organisations should facilitate online sales of tribal products.

13.6 Institutional Procurement

Government institutions can create assured markets by purchasing eligible SHG products such as uniforms, food products, handicrafts and other locally produced goods.

13.7 Mentoring and Business Advisory Services

First-generation entrepreneurs require continuous support beyond the initial training period.

13.8 Women-Led Producer Organisations

SHGs can be federated into larger producer groups or enterprises to obtain economies of scale in procurement, production and marketing.

14. POLICY SUGGESTIONS

1. **Strengthen tribal women-specific SHGs** in regions with high concentrations of Scheduled Tribes.
2. **Improve access to institutional credit** by simplifying application and documentation procedures.
3. **Integrate SHG programmes with entrepreneurship development programmes** rather than treating savings and credit as the final objective.
4. **Provide region-specific skill training** based on locally available resources and market demand.
5. **Establish tribal women enterprise facilitation centres** at the district/block level.
6. **Promote value addition** for forest produce, agricultural products, handicrafts and traditional food products.
7. **Develop common processing and packaging facilities** for SHG federations.
8. **Create market linkages with supermarkets, government institutions, tourism outlets and online platforms.**
9. **Introduce digital marketing training** for tribal women entrepreneurs.
10. **Promote financial literacy** alongside credit programmes.
11. **Strengthen entrepreneurship mentoring** for at least the first two or three years after enterprise establishment.
12. **Encourage women-led producer organisations and cooperatives** to improve bargaining power.
13. **Develop tribal product brands** based on geographical, cultural and ecological identity.
14. **Improve transportation and digital connectivity** in remote tribal settlements.
15. **Monitor enterprise survival and income growth**, rather than measuring programme success only by the number of SHGs formed or loans distributed.

15. LIMITATIONS OF THE STUDY

The present article is primarily based on secondary information and institutional sources. Census-based demographic information for Scheduled Tribes is based on Census 2011, and therefore it should not be interpreted as a current population estimate.

The article does not use a newly collected household survey. Consequently, it does not estimate causal relationships between SHG participation and individual women's income. Future research should conduct primary surveys among tribal women SHG members across selected districts of Tamil Nadu and employ statistical techniques such as correlation, regression, ANOVA and propensity-score methods where appropriate.

16. CONCLUSION

The economic empowerment of tribal women requires a transition from subsistence-oriented livelihood activities towards diversified and sustainable economic enterprises. Self-Help Groups provide an important institutional foundation for this transition because they encourage savings, internal lending, collective decision-making, bank linkage and social participation.

Tamil Nadu has a substantial institutional ecosystem supporting SHGs and entrepreneurship. The State's long experience with the MahalirThittam model and subsequent livelihood programmes provides a useful foundation for extending economic opportunities to tribal women. TAHDCO's entrepreneurship and livelihood programmes further demonstrate the availability of targeted mechanisms for Scheduled Tribe beneficiaries.

However, the major policy challenge is to move beyond **credit access to enterprise sustainability**. A loan by itself does not create a successful entrepreneur. Tribal women require a combination of finance, technical knowledge, entrepreneurial skills, digital literacy, technology, market information, transportation, branding and continuous mentoring.

The future potential of tribal women entrepreneurship in Tamil Nadu is particularly strong in food processing, forest-product value addition, handicrafts, agriculture and allied activities, eco-tourism and digital commerce. The combination of traditional tribal knowledge with modern enterprise practices can generate employment while also preserving cultural identity.

Therefore, SHGs should be regarded not merely as financial groups but as **institutions of collective entrepreneurship and social transformation**. A well-designed convergence of TNCDW, TAHDCO, Tribal Welfare Department, banks, local governments, training institutions, producer organisations and markets can transform tribal women from marginal participants in the economy into active entrepreneurs and agents of local development.

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