

# Self Help Groups: Progress of Women Entrepreneurship in India

Sanjeev Kumar

Research Scholar, Department of Commerce, M.D.U, Rohtak

## Abstract

*Support to Women in SHGs has a noteworthy effect on strengthening in social perspective. Self improvement gathering can take a lead in any of the pay producing exercises by which bunch individuals can get business and upgrade their family financial status. The SHGs draw out the limit of Women in trim the group in right point of view and investigate the activity of women in taking the entrepreneurial endeavors. The present investigation covers the past research in the field of women strengthening through self improvement gatherings and furthermore helps in understanding the part of self improvement gatherings in monetary and social advancement of women business visionaries. The different parts incorporate reserve funds and attributes, advance to individuals, money related consideration of poor women, women's activist strengthening, budgetary maintainability, destitution diminishment, and help to women agriculturists and connections to formal rustic back.*

**Keywords:** Self-help groups, Women entrepreneurship, Economic, Social contribution.

## Introduction

According to National Bank for Agriculture and Rural Development the apex banking body in India, definition of Self Help Group is "An SHG is a small, economically homogeneous and affinity group of rural poor voluntarily formed to save and mutually agree to contribute common fund to be lent to its members as per group decision for their socio-economic development". Self-help group can take a lead in any of the income generating activities by which group members can get employment and enhance their family socio-economic status. Hence, all involved group members of SHG must realize that they all work with their own individual strengths and weaknesses. No one should be blamed for one's weakness i.e. all SHG members are equally responsible for success and failure of their entrepreneur. The self-help groups empower women and train them to take active part in the socio-economic progress of the nation and make them sensitized, self-made and self-disciplined.

The SHGs have inculcated great confidence in the minds of rural women to succeed in their day-to-day life. SHGs enhance the quality of status of women as participants, decision makers and beneficiaries in the democratic, economic, social and cultural spheres of life. The SHGs bring out the capacity of women in molding the community in right perspective and explore the initiative of women in taking the entrepreneurial ventures. SHGs also organize women to cope with immediate purposes depending on the situation and need (Jain, 2011).

The number of SHGs existing at present in the country is estimated to be about 2,60,000. Out of these; about 90 percent are women group. SHGs have also been organized during last decade under various programmes of the government, e.g.- District Poverty Eradication Programme, Aapniyojna, Development of Women and Children in Rural Areas, KrishiVigyan Kendra, etc. Participation of women in SHGs makes a significant impact on the

empowerment in social aspect also. Participation helps women come out in open and discuss their problems. It also helps to bring about awareness among rural women about savings, education, health, environment, cleanliness, family welfare, social forestry, etc. Researches also reveal that increased participation of women in decision making at all level will help to adjust the goals pursued through development.

### **Review of literature**

Literatures related to this particular study are as follow:

**Suja (2012)** in the paper “Women Empowerment through Self-Help Group- an Evaluative Study” expose the facts based on survey method. The study attempts to measure the empowerment of women. At multi-stage sampling technique has been followed. The list of members has been obtained from each group and 6 members have been selected by applying simple random method using lots. Thus 750 members have been selected for the study. The interview schedule was prepared pretested with 100 selected SHGs members and utmost care was taken to avoid errors in data collection. The average scores were obtained from Pre & Post SHG members. A Comparison of Mean, SD, Mean percentage of score of empowerment and the effectiveness of the Self Help Group was obtained and presented.

**Nachimuthu and Gunatharan (2012)** in their research work “Empowering Women through Entrepreneurship: A study in Tamil Nadu, India” discuss the differences between women in other forms of enterprises and the Self Help Groups (SHG), and attempt to identify the strength of these two forms of enterprising in empowering women. As the first objective of the paper suggests an attempt was made to measure the performance of women entrepreneurs in Tamil Nadu. The results show that profitability of the enterprise, loans availed,

confidence of women entrepreneurs to succeed are important determinants of the growth of net worth of the enterprises of SHG women over the years of their existence, irrespective of the size of entrepreneurs at present. Entrepreneurship of women has enhanced their economic status and decision making power. Women entrepreneurs are aware of opportunities available to them, but there was scope for improvement in it.

**Odemokun and Ajayi (2012)** in the analysis “Entrepreneurship Development, Business Ownership and Women Empowerment in Nigeria” investigated the factor(s) that motivates women to be entrepreneurial and also identified the characteristics of women business owners in Nigeria. The study sampled 200 trained women entrepreneurs who have participated in entrepreneurship training at the Central Bank of Nigeria (CBN) Entrepreneurship Development Centre (EDC), Lagos. The essence of this was to draw a comparison from the findings since EDC and NECA have same goal of promoting entrepreneurial activities. The data were analysed using descriptive statistics. The findings from the 200 trainee’s sampled shows that the need for independence was the major reason women start a business. Furthermore, the study showed that majority of the respondents used their personal fund to start their business and operate home based and unregistered business that could hardly pay levy for the operation of their business. Contrary to the traditional buying and selling businesses women did in the past, businesses in the service sector was gradually taking over.

**Iakovleva, Solesvik and Trifilova(2013)** in their paper “Financial availability and government support for women entrepreneurs in transitional economies” study female entrepreneurship in two post-Soviet countries – Russia and Ukraine. The investigation provides evidence that these countries have overcome the transition from

a command to a market economy and local people are gradually adjusting to the new environment. Concentrating on macro/meso and money elements from the 5M model suggested by Brush et al., the authors suggest an additional construct – “Motherland”- to embed a context in a new model. Furthermore, the study summarises the challenges that women experience in developing and supporting their own businesses and paints a portrait of a new-generation of business woman in emerging economies.

**Nandy and Kumar (2014)** in the research on “Women Entrepreneurship in 21st Century India” focus on Women entrepreneurship and gender inequality problems. In Indian environment men are always considered as economic supporter for his family as well as for the nation and women are considered as a care taker of the family rather than an economic support. This paper glides from the period of fifties to the 21st centuries and how transformation has occurred in the women roles. Due to change in environment, now people are more comfortable to accept leading role of women in our society, though there are some exceptions. She has competed with man and successfully stood up with him in every walk of life and business. These women leaders are assertive, persuasive and willing to take risks. They managed to survive and succeed in this cut throat competition with their hard work, diligence and perseverance.

**Humbert and Brindley (2015)** in the paper “Challenging the concept of risk in relation to women’s entrepreneurship” aims to challenge the myth of risk-averseness among women entrepreneurs and analyses risk in the context of gender. It explores risk perceptions and examines the relationship between the concept of risk and women’s socially attributed roles. Risk is shown as a gendered concept which needs to be widened to suit the experiences of women

entrepreneurs and the influences of the gendered expectations of care dictated by the socio-economic environment. The paper develops an understanding of risk among women entrepreneurs in their socio-economic context. It challenges the viewpoint of seeing women entrepreneurs as risk-averse and thus leading to low-growth prospects for their business ventures.

### **Role of Self-help groups in economic development of women entrepreneurs**

#### **1. Savings and Credit**

Cultivating the habit of regular savings and the ability to access them when required through credit not only reduces significantly the vulnerability of the livelihood base of the poor and their dependence, it also enhances human development. It enables them to borrow for urgent needs instead of going to moneylender(Poornima, 2013).

#### **2. Loans to members**

Savings made by members are pooled and loaned to one another. SHG members determine the terms and conditions (these differ from SHG to SHG). Loans are provided for all purposes without making the traditional distinction between ‘consumption’ and ‘income generation’. The SHG model provides its members with the space and flexibility to make decisions that are appropriate to each situation.

#### **3. Financial Inclusion of Poor Women**

The notable thing is that more than 85% of the members of SHGs are poor and asset less. The SHG movement has been instrumental in mainstreaming women by-passed by the banking system.

#### **4. Feminist empowerment**

It currently underlies the gender policies of many NGOs and the perspectives of some of the consultants and researchers looking at gender impact of micro-finance programmes. Micro-finance is promoted as an entry point in the context of a wider strategy for women's economic and sociopolitical empowerment which focuses

on gender awareness and feminist organization.

### **5. Financial sustainability**

The financial self-sustainability underlies the models of microfinance promoted since the mid-1990s by most donor agencies. The ultimate aim is large programmes which are profitable and fully self-supporting in competition with other private sector banking institutions and able to raise funds from international financial markets rather than relying on funds from development agencies. (Vetrivel and Chandrakumaramangalam, 2010).

### **6. Poverty reduction**

The main focus of programmes as a whole is on developing sustainable livelihoods, community development and social service provision like literacy, healthcare and infrastructure development. There is not only a concern with reaching the poor, but also the poorest.

### **7. Assisting women farmers**

Krishi Vigyan Kendra was started in 1996 as a first KVK of the country with a view to update the technical skill of the farm public, to train the farmers, farm women and rural youth in scientific farming, to provide in service training to the staff of developmental departments and to evolve new varieties of crop plants suited to the region.

### **8. Links to formal rural finance**

Another important feature of self-help groups has been the establishment of links between self-help groups and the formal microfinance institutions and commercial banks. The impact of the commercial banks' links to self-help groups is attested to by members.

## **Role of Self-help groups in social development of women entrepreneurs**

### **1. Communication of members**

People who are part of SHG can talk freely in meetings. The Microfinance movement is having a good impact on members, in their

ability to express their feelings and has made people more confident to express themselves.

### **2. Increase in self confidence**

The group formation brings out the hidden talent and leadership qualities among the members. Therefore, it can be concluded that after joining the SHG the members have improved their status in family, become helpful in family finance and sometimes helped others too.

### **3. Access to amenities**

Since SHG programme has economic as well social implications, it is necessary to evaluate the various dimensions of the programme. Lack of infrastructure facilities, access to amenities like health, sanitation, education, market, water supply, affect the overall development of the members.

### **4. Decision-making**

The social impact of the SHG program increased involvement in decision-making, awareness about various programs and organizations, increased access to such organizations, increased expenditure on Health and Marriage events, there is a Change in the attitude of male members of the families, now they are convinced about the concept of SHG and encourage women to participate in the meetings and it gives them confidence and increased self-respect.

### **5. Community Participation**

SHG members undertook a lot of community activities which they earlier could not have imagined themselves to have done. They conduct community services like distributing school uniforms to poor students; undertaking plantation drive, distributing pen and notebook sets to poor students and donating some money to charities during a national calamity.

### **6. Environmental Management**

Research and policy has tended to focus on the relationship between poverty and environmental degradation in terms of pointing out that the poor are both victims and agents of environmental degradation. They are victims in that they are



more likely to live in ecologically vulnerable areas, agents in that they may have no option but deplete environmental resources thus contributing to environmental degradation.

### Problems faced by self-help groups

**1. Family discouragement:** As women in India have to work amidst social taboos, restrictions etc., they are not supported much to undertake entrepreneurship by their family members.

**2. Social Barriers:** Women SHG in India are always seen with suspicious eyes, particularly in rural areas, they face more social barriers.

**3. Caste and Religion:** Though India is a secular country in practice, caste and religious systems dominate with one another and it hinders women SHGs.

**4. Lack of self-confidence and risk bearing capacity:** Women lack self-confidence and always feel that they may not be successful and hence hesitate to take risks.

**5. Psychological factors:** Always women feel that she is 'women' and less efficient than men and hesitates to take risks. She has to play a dual role if she is employed or engaged in work. She has to strive hard to balance her family life with care hence feels better to be housewife.

**6. Lack of practical knowledge:** Though women may be educated and have qualified knowledge, she lacks practical knowledge and hence hesitates to establish her own venture.

**7. Problem of finance:** Women entrepreneurs lack property in their own name and hence banks and financial institutions may hesitate to finance women based projects.

**8. Lack of information:** Women SHG lack knowledge of availability of raw materials, finance facilities and government help and subsidy etc; they lack knowledge of advanced technology also and hence cannot widen their markets.

### Conclusion

From the present study it can be concluded that self-help groups play various roles in the economic development which include allocating savings and credits, providing loan to members, financial inclusion of poor women, feminist empowerment, financial sustainability, poverty reduction, and assistance to women farmers and links to formal rural finance. The contribution of self-help groups is not limited to economic part but they also play a major role in the social development of the women. The social role of the self-help groups includes communication of members, increase in self-confidence, access to amenities, decision-making, community participation and environmental management. It is crucial for the success of SHGs to have strong support of a fully mature group that achieves competence to independently handle issues of its internal practices both financial and nonfinancial. Participation of women in SHGs makes a significant impact on the empowerment in social aspect also. Participation helps women come out in open and discuss their problems. It also helps to bring about awareness among rural women about savings, education, health, environment, cleanliness, family welfare, social forestry, etc. The self-help groups empower women and train them to take active part in the socio-economic progress of the nation and make them sensitized, self-made and self-disciplined. The SHGs have inculcated great confidence in the minds of rural women to succeed in their day-to-day life. Entrepreneurship of women has enhanced their economic status and decision making power and SHG have played an important role in this accomplishment. SHGs enhance the quality of status of women as participants, decision makers and beneficiaries in the democratic, economic, social and cultural spheres of life.

## References

- [1] Field, E., Jayachandran, S. and Pande, R. (2010), “**Do Traditional Institutions Constrain Female Entrepreneurship? A Field Experiment on Business Training in India**”, *American Economic Review: Papers & Proceedings* 100, Pp. 125–129.
- [2] Vetrivel, S.C. and Chandrakumaramangalam, S. (2010), “**Role of Micro Finance on Women Empowerment through Self Help Groups in Tamilnadu**”, *Advances in Management*, Vol. 3(6), Pp. 24-30.
- [3] Costin, Y. (2011), “**In pursuit of growth: an insight into the experience of female entrepreneurs**”, *International Journal of Gender and Entrepreneurship*, Vol. 4 No. 2, Pp. 108-127.
- [4] Moon, U. (2011), “**Role Of Self Help Group – Bank Linkage Model in Women Empowerment**”, *The Journal of Sri Krishna Research & Educational Consortium*, Volume 2 Issue 6, Pp.47-65.
- [5] Bauer, K. (2011), “**Training Women for Success: An Evaluation of Entrepreneurship Training Programs In Vermont, USA**”, *Journal of Entrepreneurship Education*, Volume 14, Pp. 1-25.
- [6] Suja, S. (2012), “**Women Empowerment through Self-Help Group- an Evaluative Study**”, *Sona Global Management Review*, Volume 6 Issue 3, Pp. 68-82.
- [7] Nachimuthu, G.S. and Gunatharan, B. (2012), “**Empowering Women through Entrepreneurship: A study in Tamil Nadu, India**”, *International Journal of Trade, Economics and Finance*, Vol. 3 No. 2, Pp. 143-147.
- [8] Odemokun, F. and Ajayi, O. (2012), “**Entrepreneurship Development, Business Ownership and Women Empowerment in Nigeria**”, *Journal of Business Diversity*, Vol. 12(1), Pp. 72-87.
- [9] Iakovleva, T. Solesvik, M. and Trifilova, A. (2013), “**Financial availability and government support for women entrepreneurs in transitional economies**”, *Journal of Small Business and Enterprise Development*, Vol. 20 No. 2, Pp. 314-340.
- [10] Nandy, S. and Kumar, S. (2014), “**Women Entrepreneurship in 21st Century India**” *Global Journal of Finance and Management*, Volume 6, Number 9, Pp. 967-976.
- [11] Humbert, A.L. and Brindley, C. (2015), “**Challenging the concept of risk in relation to women’s entrepreneurship**”, *Gender in Management: An International Journal*, Vol. 30, Issue 1, Pp.2 – 25.
- [12] Jain, K. (2011), “**Entrepreneurship Development of Women Through Self Help Group**” <http://kavijain11.blogspot.in/2011/03/entrepreneurship-development-of-women.html>