

WOMEN ENTREPRENEURSHIP THROUGH SELF HELP GROUPS IN INDIA

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“All nations have attained greatness by paying proper respect to women. That country and that nation, which don’t respect women, have never become great nor will ever be in future”.

- Swami Vivekananda

ABSTRACT

The economic development of a company to a large extent depends on human resources. Women constitute around half of the total world population. All over the world women are playing a vital role in the business community. In India, however women have made a comparatively late entry into the business scenario mainly due to the orthodox and traditional socio - cultural environment, though they are enjoying a specialization in the society. Today a woman is more liberated and lead a happy and peaceful life with the support of husband and family members. C. Van Rooyen, R. Stewart and T. de Wet (2012)¹ stated that the microfinance is seen as a key development tool, and despite the current deepening crisis within the industry, it continues to grow in sub-Saharan Africa. We systematically reviewed the evidence of the impacts of micro-credit and micro-savings on poor people in sub-Saharan Africa.

INTRODUCTION

We considered impacts on income, savings, expenditure, and the accumulation of assets, as well as non-financial outcomes including health, nutrition, food security, education, child labor, women's empowerment, housing, job creation, and social cohesion. The available evidence shows that microfinance does harm, as well as good, to the livelihoods of the poor.

Abu Syeid Mohammad Parves Shonchoy (2011)² This paper investigates the relationship between access to micro-credit and temporary seasonal migration, an issue which is largely ignored in the standard rural-urban migration literature. Seasonal migration due to agricultural downturns is a common phenomenon in developing countries. Using primary data from a cross-sectional household survey from the northwest part of Bangladesh, this study quantifies the factors that influence such migration decisions. Among other results, we find that network effects play a significant role in influencing the migration decision, with the presence of kinsmen at the place of destination having considerable impact. Seasonal migration is a natural choice for individual suffering periodic hardship; however the strict weekly loan repayment rules of Micro-credit Institutes can have an adverse effect on this process, reducing the ability of borrowers to react to a shock. Our result suggests that poor individuals prefer the option of not accessing the micro-credit and opt for temporal seasonal migration during the lean period. The results have numerous potential policy implications, including the design of typical micro-credit schemes.

DEFINITION

“An entrepreneur is one who always searches for change, responds to it and exploits it as an opportunity. Innovation is the basic tool of entrepreneurs, the means by which they exploit change as an opportunity for different business of service.”

Peter F. Drucker

FUNCTIONS OF WOMEN ENTREPRENEURS

1. Exploring the prospects of starting new enterprise.
2. Undertaking of risks and the handling of economic uncertainties invested in business.
3. Introduction of innovations
4. Co-ordination, control and change management.

WOMEN ENTREPRENEURSHIP THROUGH SHGS IN INDIA

All round development and harmonious growth of a nation would be possible only when women are considered as equal partners in progress with men. Empowerment of women is essential to harness the women labor in the main stream of economic development. It is multi - dimensional in its approach and covers social, political, economic and social aspects. Self -help Groups are the voluntary organizations which disburse micro credit to the members and facilitate them to enter into entrepreneurial activities. In India, the self - Help Groups are promoted by N.G.O.s banks and co-operatives.

P. Palanivel and D. Sureshkumar (2010)³ pointed out that microfinance and micro-credit practices have become a popular means of local development. In India, their expansion has been largest in Tamilnadu. These practices target primarily women, who are encouraged to construct self-help-groups in order to have a social basis for raising collateral and for receiving financial services. Microfinance has been perceived by the public as inducing strong positive effects on women's empowerment and as strengthening the democratic fibre. From these standpoints, expansion and effects, it has been evaluated and analyzed whether microfinance can empower women and if empowered women can make a difference in women's and societal issues. Interestingly, this study found that most women in this association experienced increased income and therefore improved their economic status, political and social conditions after receiving the loans. This result therefore further upholds the main purpose and objectives of microfinance in general

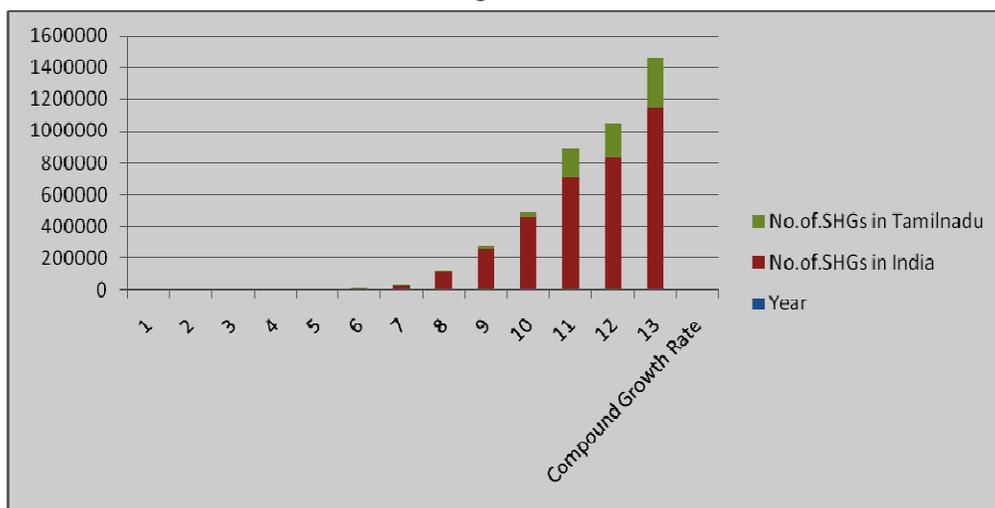
The national Bank for Agriculture and Rural development (NABRAD) launched a pilot project for linking SHGs in February, 1992. Over years since inception, there has been tremendous growth in respect of formation of SHGs in India and Tamilnadu is also proving itself as one of the important leading women entrepreneurship through SHGs in India and Tamilnadu. Table 1 given below shows the growth and trend of SHGs in India and Tamil Nadu

Table 1
Growth and Trend of SHGs in India and Tamil Nadu

Sl.No	Year	No.of.SHGs in India	No.of.SHGs in Tamilnadu
1	1992-1993	255	22
2	1993-1994	620	34
3	1994-1995	2122	203
4	1995-1996	4757	206
5	1996-1997	8598	408
6	1997-1998	14317	444
7	1998-1999	32995	2633
8	1999-2000	114775	7715
9	2000-2001	263825	16926
10	2001-2002	461478	27539
11	2002-2003	717360	178372
12	2003-2004	827640	226179
13	2004-2005	1145000	320002
Compound Growth Rate		102%	122%

Source: National Bank for Agriculture and Rural Development, 2006.

Figure 1



It is apparent from Table 1 that the number of SHGs, which have been formed in India and Tamil Nadu for the provision of micro credit, was increasing during the period from 1992-93 to 2004-2005. The compound growth rate for India and Tamil Nadu is 102 per cent and 122 per cent respectively. Further, it is very clear from the Table 1 that Tamil Nadu has registered a better performance than that of the Nation. This shows that Tamil Nadu is better in forming SHGs in India.

SOCIAL CONSEQUENCES OF WOMEN ENTREPRENEURSHIP IN INDIA

R. Elangovan (2006)⁴ reveals that, women constitute almost half of the world's population and contribute one third of the labour force. Of late, there is recognition world over about the role of women in contributing to the economy. The rural women in India constitute nearly 77 per cent of the total female population. Farm and home are integral parts in the rural society in India and farm 'housewife' often plays multiple roles as producer, entrepreneur, worker, consumer and home maker.

According to R. Elangovan SHG is a dynamic alternative to disburse micro credit to the rural women in order to achieve the objective of rural development and to get people's participation in all rural development programmes. SHG has become a powerful instrument for the upliftment of rural poor. It paved the way to increase the participation of women in decision making in households, decision making in community, decision making in democratic set up. However the income of the members of SHG generalised the pattern of expenditure and increased the assets of the individual. This income can be taken as the key parameter which depicts the economic consequences of the assistance received by the SHGs.

Women in India are encountering many problems to get ahead their life in business. A few problems can be detailed as:

1. The greatest deterrent to women entrepreneurship is that they are women. A kind of patriarchal - male dominant social order is the building block to them in their way towards business success. Male members think it as big risk of financing the ventures run by women.
2. Role of conflict in many women entrepreneurs prevent them from taking prompt decisions in business. Despite modernization, traditional family

responsibilities slow down the movement of women. Occupational backgrounds of families and educational level of husbands have a direct impact on the development of women entrepreneurs.

3. The biggest problem of women entrepreneur is the social attitude and the constraints in which she has to live and work. In a male dominated society, a woman hardly gets equal treatment and male ego puts barriers in their progress.
4. Due to lack of proper education, majority of women are unaware of technological developments and marketing knowledge. Further lack of information and experience creates further problems in the setting up and running business enterprises.

In addition to the above problem:

- ❖ Inadequate infrastructure
- ❖ Shortage of financial and the technology of business
- ❖ Shortage of Raw -materials
- ❖ Heavy Competition
- ❖ Inadequate marketing arrangements and other economic and social constraints have rational growth of women entrepreneurs in India.

DEVELOPMENT OF WOMEN ENTREPRENEURSHIP IN INDIA

Right efforts on from all areas are required in the development of women entrepreneurs and their greatest participation in the entrepreneurial activities. Following efforts can be taken into account for effective development of women entrepreneurs:

1. Consider women as specific target group for all developmental programmes.
2. Better educational facilities and schemes should be extended to women folk from the government part.
3. Adequate training programme on management skills to be provided to women community.
4. Encourage woman's participation in decision-making.
5. Vocational training to be extended to women community that enables them to understand the production process and production management.
6. Skill development to be done in woman's polytechnics and industrial training institutes. Skills must be put to work in training-cum-production workshops.

7. Training on professional competence and leadership skill to be extended to women entrepreneurs.
8. Training and counselling on a large scale of existing women entrepreneurs to remove psychological causes like lack of self-confidence and fear of success.
9. Counselling through the aid of committed NGOs, psychologists, managerial experts and technical personnel should be provided to existing and emerging women entrepreneurs.

EMPOWERMENT OF WOMEN THROUGH MICRO FINANCE

M.L.Gupta and Namitha Gupta (2006)⁵ point out that the Government has continued to allocate resources and formulated policies for empowerment of women. It has become strikingly clear that political and social forces, that resist women's rights in the name of religious, cultural or ethnic traditions, have contributed to the process of marginalization and oppression of women. The basic issue that prevents women from playing full participatory role in nation building is the lack of economic independence. Planners and policy makers have been eagerly searching for certain alternatives. The participatory approach to development has emerged as a vital issue in developmental policies and programmes for women.

N. Manimekalai (2006)⁶ in her article has examined the various objectives associated with micro-credit namely, to analyse the impact of micro-financing followed by the behavioural outcomes and the socio-economic impact created on women. The findings of the study show that the poor people have easy access to credit at collective interest without disparities, owing to micro-finance. Further, the relationships between banks and SHGs have been strengthened. Other benefits of micro-finance are compulsory savings, poverty alleviation, better marketing facilities, improved nutritional status. N. Manimekalai has finally pointed out that all the findings must be sustained and the performance of the other communities that of has been better other than SC/STs and MBCs. Banks can provide initial capital and working capital for these backward communities which struggle for sustenance.

The success of any strategy of women entrepreneurship depends upon empowerment of women on the following factors:

- Education empowers women
- Women Federation
- SHGs and Women Empowerment

- Women entrepreneurship through of microfinance
- Women's political Empowerment and Rural women can learn at their own place on the basis of availability of time. Technology helps them round the clock access on students support services. In rural India, where girls and women are largely excluded from education at all levels, opportunities are not equal, responsibilities are more, they have to overcome less support from their families, early marriage, child care etc.

FINDINGS & SUGGESTIONS

- ✓ Health insurance for more SHGs members.
- ✓ Pension scheme for women entrepreneurs and SHGs members.
- ✓ Government can allocate them a separate place specially for marketing their products under one roof like shopping mall in every district.
- ✓ To be established with women entrepreneurs polytechnics and to give training for entrepreneurs and SHGs members.

CONCLUSION

Independence brought promise of equality of opportunity in all sphere to the Indian women and laws guaranteeing for their equal rights of participation in political process and equal opportunities and rights in education and employment. But unfortunately, the government sponsored development activities have benefited only a small section of women that is the urban middle class women. The large majority of them are still unaffected by change and development. Women empowerment initiatives lead to micro finance operations, micro enterprises promotions and convergent women entrepreneurship community. The reasons are well sighted in the discussion part of this paper. It is hoped that the suggestions forwarded in the paper will help the entrepreneurs in particular and policy-planners in general to look into this problem and develop better schemes, developmental programmes and opportunities to the women folk to enter into more entrepreneurial ventures.

“The Status of Women reflects character of the country”

- Jawahar Lal Nehru.

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