
Self Help Groups and Rural Women Entrepreneurship Development

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Abstract

Women Entrepreneurs play an important role in present economy and a large number of micro enterprises in developing countries are undertaken by women. Rural women frequently have their primary responsibility as agricultural production, in addition to domestic responsibilities and childcare. In developing countries like India where economic status of women is very pathetic especially in rural areas and opportunities of earning are very less in this scenario. The Self Help Groups(SHGs) have paved the way for economic independence of rural women. This paper reviews concisely the literature in this field and addresses in particular opportunities and challenges faced by women entrepreneurs in rural areas. It examined the impact on women empowerment through micro entrepreneurship development and SHGs.

Key Words: *Empowerment, micro enterprise, rural entrepreneurship, self help groups, women entrepreneur.*

INTRODUCTION

Entrepreneurship is an innovative and dynamic process, whereby, a new enterprise is created. Entrepreneur is a catalytic agent of change, which generates employment opportunities for others. The emergence of entrepreneurs in a society depends to a great extent on the economic, social, religious, cultural and psychological factor prevailing in the society. Entrepreneurship amongst women is a recent phenomenon. When an enterprise is established and controlled by a woman, it not only boosts economic growth, but also has many desirable outcomes.

First prime minister of India Jawaharlal Nehru has remarked "when a woman moves forward, the family moves, the village moves and the nation moves." It is estimated that presently women entrepreneurs comprise about 10 percent of the total entrepreneurs in India and this percentage is growing every year.

If prevailing trends continue, it is not unlikely that in another five years, women will comprise about 20 percentage of the entrepreneurial force in India. Sidhu and Kaur (2006) revealed that entrepreneurship is the only solution for the growing employment among rural youth. It helps to generate employment for number of people within their own social system. This is more beneficial for women in rural areas as it enables them to add to the family income while taking care of their farm, home and livestock centered tasks.

Women entrepreneurs play an important role in local economies, and a large percentage of micro-enterprises in developing countries are undertaken by women. Increasingly women in urban and rural areas are successfully turning to self-generated employment in small-scale enterprise activities in the informal sector to support their households. Rural women frequently have primary responsibility for agricultural production, in addition to domestic responsibilities and childcare. In many countries, women are the majority of workers in nonstandard work, such as temporary, casual, multiple part time, contract and home-based activities. SHG is promoting micro enterprise through micro-credit intervention.

WOMEN ENTREPRENEURSHIP IN INDIA

India is a land of enterprises, where almost 70 percent of the population is still self-employed and some place this estimate as high as 80 percent. The concept of “Women entrepreneurship” is becoming a global phenomenon and in India it became prominent in the latter half of the eighties.

An entrepreneur is a person who is able to scan the environment, marshal resources and implement actions to bring into existence a commercial venture, which can initiate and establish large, medium or small enterprises. The concept of women entrepreneurship is multidisciplinary in nature embodying economic, psychological, social, cultural and political as well as environmental characteristics.

According to Khanka (2000), a women entrepreneur is a confident, innovative and creative woman capable of achieving economic independence individually or in collaboration, generates employment opportunities for others through initiating establishing and running an enterprise by keeping pace with her personal, family and social life.

The types of responses women are generating in certain circumstances highlight women as special type of entrepreneurs, away from men with distinction. The need for bringing women to the main stream of economic development of our country is because of their proven success in all fields, wherever they got the opportunity. Traditionally, women, be it mother, wife or sister, used to be the in charge of the household management. Even though, over the last few decades’ women have come forward to establish their own enterprises, their numbers remain small in male dominated world. Women’s work, however innovative they are, has gone unrecognized.

WOMEN EMPOWERMENT AND RURAL ENTREPRENEURSHIP

The word empowerment means giving power. According to the International Encyclopedia (1999), it means having the capacity and the means to direct one's life towards desired social, political and economic goals or status. Therefore, women empowerment means giving the capacity and means to direct women's life towards desired goals.

Empowerment is a process by which women gain greater control over resources (income, knowledge, information, technology, skill and training), challenge the ideology of patriarchy and participate in leadership, decision making process, enhance the self-image of women, to become active participants in the process of change and to develop the skills to assert themselves. Entrepreneurship may be a force that mobilizes other resources to meet unmet market demand, the ability to create and build something from practically nothing, it is a process of creating value by pulling together a unique package of resources to exploit an opportunity.

Now Indian women entrepreneurs are showing their presence in new areas like herbal marketing, food processing, farming, handicraft, readymade garments, dairying, etc. Empowerment in the context of women’s development is a way of defining, challenging and overcoming barriers in a woman’s life through which she increases her ability to shape her life and environment.

It is an active, multidimensional process, which should enable women to realize their full identity and power in all spheres of life. India envisions a future in which Indian women are independent and self-reliant. It is unfortunate that because of centuries of inertia, ignorance and conservatism, the actual and potential role of women in the society has been ignored, preventing them from making their rightful contribution to social progress.

ENTREPRENEURSHIP DEVELOPMENT OF RURAL WOMEN THROUGH SELF HELP GROUPS (SHG)

The SHG is an association of people belonging to similar socio-economic characteristic, residing in same locality. The SHGs are voluntary associations of people formed to attain some common goals. Its aims

include enabling members with no educational or industrial or entrepreneurial background to become self dependent and self reliance. A Self help group is a small economically, homogenous and significant group, of rural, urban, poor, voluntarily formed to save and mutually agreed to contribute to a common fund, to be lent to its members as per group decisions. These are groups, which have similar social identity, heritage, caste or traditional occupations and come together for a common cause and manage resources for the benefit of the group members.

In India National Bank for Agriculture and Rural Development (NABARD) is apex institution, accredited with all matters concerning policy, planning and operations in the field of credit for agriculture and other economic activities in rural India with a vision to facilitate sustained access to financial services for the unreached poor in rural areas. NABARD has been working as a catalyst in promoting and linking more and more SHGs to the banking system.

As a follow up of the recommendations of the NABARD Working Group, the RBI took some measures in 1996 to give a thrust to micro finance based lending.

Banks were advised to consider lending to the SHGs as part of their mainstream credit operations, to identify branches having potential for linkage with SHGs and provide necessary support services to such branches. Further, it was decided that NABARD would continue to provide refinance to banks under the linkage project at the rates stipulated from time to time and also provide training to the members of SHGs and other support services.

Rural women could be motivated to avail finances for starting the entrepreneurial activities. Awareness created about various credit facilities, financial incentives and subsidies through Self Help Groups. As women were found technologically less empowered, they are to be imposed to the technologies which are labour saving, drudgery reducing, income generating and productivity increasing. Entrepreneurship education and trainings could be introduced at all levels from basic education.

MICRO ENTERPRISES FOR RURAL WOMEN

Enterprises from small scale to medium scale grouped together are called “Micro, Small and Medium Enterprises” (MSME). MSME is defined in India like this: “The Micro, Small and Medium Enterprises Development Act, 2006” of Government of India. According to the act MSMEs micro enterprise is classified on the basis of capital investment which does not exceed Rs. 2.5 million in manufacturing sector and Rs.1 million for service sector. Micro enterprise is an effective instrument of social and economic development. It helps to generate employment for a number of people within their own social system. This is more beneficial for women in rural areas as it enables them to add to the family income while taking care of their own home and livestock task. The micro entrepreneurs are strengthening the women empowerment and remove the gender inequalities. Self Help Group’s micro credit mechanism makes the members to involve in other community development activities. Micro credit is promoting the small scale business enterprises and its major aim is to remove poverty by income generating activities among women and poor. Therefore, they could achieve self-sufficiency.

AREAS OF MICRO-ENTERPRISE DEVELOPMENT

Depending on number of factors ranging from landholdings, subsidiary occupations, agro climatic conditions and socio- personal characteristics of the rural women and her family members the areas of micro-enterprises also differ from place to place.

The micro enterprises are classified under three major heads:

i. Micro Enterprise development related to agriculture and allied agricultural activities like cultivating to organic vegetables, flowers, oil seeds and seed production are some of the areas besides taking up mushroom

growing and bee keeping. Some more areas can be like dehydration of fruits and vegetables, canning or bottling of pickles, chutneys, jams, squashes, dairy and other products that are ready to eat. This is common form of micro enterprise in rural areas.

ii. Micro-enterprise development related to livestock management activities like dairy farming, poultry farm, livestock feed production and production of vermi composting using the animal waste can be an important area in which women can utilize both her technical skills and raw materials from the farm and livestock to earn substantial income and small scale agro-processing units.

iii. Micro-enterprise development related to household based operations, It is generally handicraft related enterprises where women perform activities like knitting, stitching, weaving, embroidery etc.

REVIEW OF LITERATURE

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OBJECTIVES

- ✚ To encourage women in development of entrepreneurial skills which would make them self independent.
- ✚ To encourage women to build her own corporate leadership capacity with quality.
- ✚ Encouraging adequate respect and support for human rights.
- ✚ Treating men and women equally without discrimination.
- ✚ All men and women should be provided with equal facilities in welfare and safety.
- ✚ Optimum use of capital to make operational decisions
- ✚ Financing growth
- ✚ Increasing the value of the business
- ✚ compensation for self and associates
- ✚ Hiring, training and motivating for growth
- ✚ Succeeding in a rapidly changing world
- ✚ Successful selling
- ✚ Sales force management
- ✚ Management success
- ✚ Scanning of business environment

NEED

A micro enterprise is not only enhancing national productivity, generate employment but also helping to develop economic independence, personal and social capabilities among rural women. Following are some of the personal and social capabilities, which were developed as result of taking up enterprise among rural women:

- Economic freedom
- Improved standard of living
- Self confidence
- Enhance awareness

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- Sense of achievement
 - Increased social interaction
 - Engaged in political activities
 - Increased participation in social meetings
 - Development in leadership qualities
 - Involvement in solving problems related to women and community
 - Decision making capacity in family and community

SCOPE

There is generous evidence to suggest that if more women are motivated and are given the necessary encouragement and help for becoming entrepreneurs, they would contribute effectively in running viable commercial enterprises. There are several schemes and plans both by centre and state government at different levels for the encouragement and support to rural women entrepreneurs in India.

In 1999-2000, the Government of India launched “Swarna Jayanthi Grama Swarozgar Yojana” programme for promoting poverty alleviation through self-employment and the organization of poor into Self-Help Groups (SHG).

- Integrated rural development programme:- The main objectives of Integrated rural development Programme is to increase the income generating power of family who are below the poverty line to alleviate the poverty. They impart technical & entrepreneurial skills & raise the income level of the poor.
- JRY (Jawahar Rozgar Yojna):- It is wage Employment programme implemented by Panchayats at Village, Block & District level in the ratio. 70:15:15 etc.
- Support and training and employment programme for women (STEP) BY MINISTRY OF RURAL DEVELOPMENT
- Swarnjayanti Gram Swarozgar Yojana (SGSY)
- Sampoorna Grameen Rozgar Yojana (SGRY), including Food Grains Component
- Assistance for Rural Employment Guarantee Schemes
- National Social Assistance Programme (NSAP)
- National Rural Employment Guarantee Act (NREGA)
- National Food for Work Programme (NFWP) BY MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES
- Credit Support Programme
- Rajiv Gandhi Udyami Mitra Yojana
- Prime Minister’s Employment Generation Programme
- Workshed Scheme for Khadi Artisans

LIMITATIONS

➤ PROBLEM OF FINANCE

There are several bottlenecks and a gap in availability of credit for women. The multiplicity of schemes is not adequately listed nor is there networking among agencies. As a result, clients approaching one institution are not made aware of the best option for their requirements.

➤ DUAL ROLE OF WOMEN OVERLAPPING OF RESPONSIBILITY OF BUSINESS AND FAMILY

As the boundaries between the business and the family tend to be indistinct, women operating family businesses face a unique set of issues related to personal identity, role conflict, loyalties, family relationships,

and attitudes towards authority. Additionally, family businesses owned by women are at a disadvantage financially and are forced to rely on internal resources of funding rather than outside sources.

➤ **ILLITERACY AMONG RURAL WOMEN**

The literacy rate of women in India is found at low level compared to male population. The rural women are ignorant of new technology or unskilled. They are often unable to do research & gain the necessary training. The uneducated Rural women do not have the knowledge of measurement and basic accounting.

➤ **LESS RISK BEARING CAPACITY**

Women in India lives secure and protected life in family. Decision making power related to business activities is less due to economic dependent and domination of male headed society.

➤ **LACK OF VISIBILITY AS STRATEGIC LEADERS**

Changing the perceptions about the likely success of women-owned businesses depends on increasing women's visibility in leadership positions within the greater business community. In an assessment of women's presence as CEOs or Directors of large business enterprises, it has been anticipated that the exodus of women to entrepreneurial growth firms might be because women believe that have greater representation in strategic leadership positions in privately-held or family-owned firms as they provide better opportunities for leadership than available to women in publicly-traded companies.

➤ **LACK OF INFORMATION AND ASSISTANCE**

Another significant need of many women business owners is obtaining the appropriate assistance and information needed to take the business to the next level of growth. In a study conducted to gather information needs of women entrepreneurs, those who were just starting their ventures, requested assistance and training in implementing the business idea, identifying initial sources of financing, and advertising/promotion.

➤ **NEED OF TRAINING AND DEVELOPMENT**

Furthermore, in business schools where most of the professional advisers today were trained, the male model of business is still being taught by an overwhelming majority of male professors. Examples of women entrepreneurs have been left out of textbooks, and rarely is a female business owner used as the example or case study.

Neither the boys or girl students are learning about the natural abilities and talents where women are using to succeed as business owners today.

➤ **MALE DOMINATED SOCIETY**

The male - female competition is another factor, which develop hurdles to women entrepreneurs in the business management process. Despite the fact that women entrepreneurs are good in keeping their service prompt and delivery in time, due to lack of organizational skills compared to male entrepreneurs women have to face constraints from competition. The confidence to travel across day and night and even different regions and states are less found in women compared to male entrepreneurs. This shows the low level freedom of expression and freedom of mobility of the women entrepreneurs.

➤ **LACK OF INFRASTRUCTURE AND WIDESPREAD CORRUPTION**

These are also the other problems for the rural women entrepreneurs. They have to depend on office staffs and intermediaries to get the things done, especially the marketing and sales side of business. Here is the more probability for business fallacies like the intermediaries take major part of the surplus or professional dependence. Rural women lack training and advisory services on managerial and technical skills to solve production problems. Here more than 70 percent of enterprises are micro - and small enterprises but their growth and the competitiveness is greatly challenged by a lack of business management, marketing and technical skills besides the overall weak infrastructure and complicated legal frameworks for business processes, especially in global online transaction context.

➤ **MOBILITY CONSTRAINTS**

Rural women in Indian society have got restricted mobility. The carrier of women is limited in four walls of kitchen. The women confined themselves to three Ks, Kitchen, kids & knitting. There is hardly any opportunities to cross this boundary. The mobility problem has been solved to certain extent by the explosion of Information technology & telecommunication facilities.

CONCLUSION

Women entrepreneurs are facing many obstacles specifically in finance and marketing of their produce. Micro finance is playing a vital role in the success of SHGs, particularly the entry of rural women in micro enterprises will be encouraged and aggravated.

Rural women can do wonders by their effectual and competent involvement in entrepreneurial activities. The rural women are having basic indigenous knowledge, skill, potential and resources to establish and manage enterprise. Now, what is the need is knowledge regarding accessibility to loans, various funding agencies procedure regarding certification, awareness on government welfare programmes, motivation, technical skill and support from family, government and other organization.

More over formation and strengthening of rural women Entrepreneurs network must be encouraged. Women entrepreneur networks are major sources of knowledge about women's entrepreneurship and they are increasingly recognized as a valuable tool for its development and promotion.

This will motivate other rural women to engage in micro entrepreneurship with the right assistance and they can strengthen their capacities besides adding to the family income and national productivity.

FINDINGS

-) Training is required to impart new skills as well as to refresh the women entrepreneurs. In the course of interviews conducted, it was observed that only 4 percent of the women entrepreneurs from the districts were influenced by technical training programmes conducted by different authorities like NGOs, SHGs, Government agencies and other local associations.
-) As the majority of women entrepreneurs were found to have earned a very poor rate of profit, it was difficult on their part to sustain their business in the areas which were inaccessible to outside world. When they were asked to suggest measures to make their business sustainable, 87.7 percent of total respondents suggested that Government and non-government agencies should provide them with marketing facilities to market their products.
-) During the course of interviews with respondents, it was observed that they were ignorant of training facilities being provided by Government and non-government agencies on business activities. Similarly, incentives and subsidies should be granted by Government on the promotion of business activities in those areas in which they are not educated. Thus, it should be ensured that women entrepreneurs are aware of training facilities as well as incentives available to them.

SUGGESTIONS

Women entrepreneurs are contributing a lot in rural development and growth of economic but their potential is still untapped. Right efforts on from multi direction are required in the development of women entrepreneurs.

The following efforts can be taken into account for effective development of women entrepreneurs:-

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- There are various schemes and plans of government for the encouragement of women entrepreneurs but on ground level their execution is poor, there should be a strong monitoring of these policies at different levels of execution.
 - Government should organize training programmes to develop skills, professional competencies, leadership, and information of marketing and financial at village level.
 - Vocational training to be extended to women community that enables them to understand the production process and production management.
 - Information should flow in right direction with the help of NGO's and government organizations to about policies, plans and strategies on the development of women in the field of industry, trade and commerce.
 - Counseling through the aid of committed NGOS, Psychologists, managerial experts and technical personnel should be provided.
 - Making provisions of marketing and sales assistance from Government part.
 - Making provisions of micro credit system and enterprise credit system to the women entrepreneurs
 - Women generally hesitate in going through the procedural formalities in extending loans imposed by the banks. They face problems in preparing project reports and completion of other paper work. The banks should simplify the application forms for women entrepreneurs. The managerial staff in the banks should assist women applicants in understanding the formalities in simple manner.

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