



## Self Help Groups – Catalyst in Improving Women Economic Empowerment

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### ABSTRACT

*Throughout the world, women are vital economic players. Hundreds of millions of women are undertaking critical roles in industry, agriculture, manufacturing, and services. Simply put, women play a central role in sustainable economic growth and poverty reduction and represent the largest economic force in the world. Encouraging more women to become involved in enterprise and grow existing business has significant potential to impact positively on the country's economic performance. Self-help groups (SHG), also known as mutual help, mutual aid, or support groups, are groups of people who provide mutual support for each other economically for their upliftment as workforce, to solve their problems.*

*This paper elaborates the importance of women empowerment in the economic growth of the nation. It also emphasises the stages in the development of women as entrepreneur and the growth of women entrepreneurship in India through SHG.*

**KEYWORDS : Women Entrepreneurs, Women Problems, Women workforce, Women Empowerment, Self Help Groups**

### 1. INTRODUCTION

"You can tell the condition of a nation by looking at the status of its women" - Jawaharlal Nehru.

The importance of women to the economic development of India was first recognized during the country's struggle for independence. There is adequate evidence from various studies undertaken so far that the role of women in building a new society is inevitable.

According to Bachalet, "Evidence shows that improving women's economic empowerment is not only critical to achieving gender equality, it also boosts national economies".

Entrepreneurship is considered as one of the most important factors contributing to the economic development of the society. Entrepreneurs have been considered instrumental in initiating and sustaining socio-economic development. In India, concept of women entrepreneurship is of recent origin. Women have become aware about their rights and situations and entered in different fields of business. They have established their own successful business empires. They are contributing towards the growth of economy and improvement of their socio-economic conditions. Government of India has given due importance to women empowerment in the country and several schemes have been introduced for the upliftment of women entrepreneurs.

In India, a self-help group (SHG) is a village-based group usually composed of mostly 10–20 local women preferably, all voluntarily coming together to save regular small sums of money. They mutually agree to contribute to a common fund and to meet their emergency needs on the basis of mutual help. They pool their resources to become financially stable, taking loans from the money collected by that group and by making everybody in that group self-employed, gradually becoming entrepreneurs.

Women workforce ratio in the country is increasing due to the increase in the women literacy rate in India. The concept of Self Help Groups (SHGs) is proved to be boon for the rural women in some states of India. It has not only raised their income but also their social status. Overview of the working of self Help Groups (SHGs) in Andhra Pradesh is also depicted in this paper. This paper particularly focuses on various issues pertaining to women entrepreneur's issues, challenges and future perspective in India.

### 2. IMPORTANCE OF WOMEN ECONOMIC EMPOWERMENT

Throughout the world, women are vital economic players. Hundreds of millions of women are undertaking critical roles in industry, agri-

culture, manufacturing, and services. In every country, women face the particular challenges of their national context, especially in developing economies.

Simply put, women play a central role in sustainable economic growth and poverty reduction and represent the largest economic force in the world. Encouraging more women to become involved in enterprise and grow existing business has significant potential to impact positively on the country's economic performance.

Micro, small and medium-sized businesses provide the bulk of employment for most economies, whether advanced or not. A considerable body of research has explored how women are at the centre of relationships that include family, business and community. In other words, when a woman starts or acquires her own business, in her view, she is not creating a separate economic entity; rather, she is integrating a new global system bringing together all elements. Women are simply more likely to work for, buy from, and share their economic and non-economic rewards with other people. To put it more explicitly, in economic terms, investment in women's entrepreneurship is an important way for countries to exponentially increase the impact of new ventures creation.

Enhance the voice and participation of gender equality advocates and gender-sensitive economists in influencing the formulation, implementation and monitoring of economic policies and programmes.

### 3. EMPOWERMENT OF RURAL WOMEN

There is an urgent need of empowering women especially in rural areas. Rural women play a vital role in farm and home system. She contributes substantially in the physical aspect of farming, livestock management, post harvest and allied activities. Her direct and indirect contribution at the farm and home level along with livestock management operation has not only help to save their assets but also led to increase the family income. She performs various farm, livestock, post harvest and allied activities and possesses skills and indigenous knowledge in these areas. There are two very different ways of using groups for financial intermediation. One is the Bangladesh Grameen bank method and second is self help group system. The self help group system is mainly found in villages and small towns.

### 4. WOMEN CONTRIBUTIONS

Women perform 66 percent of the world's work, produce 50 percent of the food, but earn 10 percent of the income and own 1 percent of the property. (Women, Business and the Law, World Bank, 2011) Globally, women represent 49.6% of the total population, but only 40.8% of the total workforce in the formal sector. Since ages India has been men-dominated country. But, time is changing now. Women in India

have outraged the fact that since hundreds of years they had been following the orders of men. They now know their rights and duties and with the spreading awareness amongst the women they are now no less than the men. They are walking with men at the same pace in each and every field.

In former days, for Women there were 3 Ks-

- o Kitchen
- o Kids
- o Knitting.

Then came 3 Ps-

- Powder
- Papad
- Pickles.

Now at present there are 4 Es-

- Electricity
- Electronics
- Energy
- Engineering.

Indian women had undergone a long way and are becoming increasingly visible and successful in all spheres and have shifted from kitchen to higher level of professional activities.

## 5. GOVERNMENT SCHEMES FOR WOMEN EMPOWERMENT

The government programme for women development began as early as 1954 in India but the actual participation began only in 1974. At present, the Government of India has over 27 schemes for women operated by different departments and ministries. Some of these are:

Integrated Rural Development Programme (IRDP)  
Training of Rural Youth for Self-Employment (TRYSEM)  
Prime Minister's Rojgar Yojana (PMRY)  
Women's Development Corporation Scheme (WDCS)  
Working Women's Forum  
Indira Mahila Yojana  
Indira Mahila Kendra  
Mahila Samiti Yojana  
Rashtriya Mahila Kosh and many more.

### Some beneficiaries in Andhra Pradesh:

1. Mrs. Jhansi Lakshmi wife of Shri B. Guruvamandadi is one of the group members of Balaji Sangham Dasarimatam Self Help Group sponsored by Rashtriya Seva Samiti (RASS). She was given proper training for Mango - Ginger Pickle making, Mango-Avakaya, Lemon, Ginger, Ginger with Garlic, Ginger without garlic, Onion, Red Chillies, Bitter Guard, Amla, Pudina, Tomato, Gongura, Gongura without garlic etc. This business is showing good results and the woman is getting good return on these products. Her profit has made her life comfortable.



Her status in society has increased. She intends to expand the business after some improvement. Her business is attracting other women of the area to form SHG and do some business collectively. This has been possible by micro-credit assistance from RMK through RASS.

2. Mrs. N. Shiva Parvathi is a member of Tirumaleswara Sangham consisting of 14 group members. Before joining the group she was working with a photo frame shop and earning a little which was hardly to meet her requirements. After joining the group she underwent group training. The training inspired her to start her own business. She received micro credit assistance from RMK through the grass root NGO - RASS. With hard work, she was able to expand her business, which gave her additional income. Her business is quite attractive and profitable. Her husband has subsequently joined her. From a very negligible income the husband and wife are earning around ₹ 8000/- per month. This has raised their living standard and earned respect in the society. This change in her life was possible through micro-credit programme of RMK and efforts made by the NGO.



3. Mrs. Muntha Santha wife of Shri M. Samasiva Rao is an agricultural labourer and belongs to a very poor family. Due to very meager income it was very difficult for her family to live a good life. She came to know about the SHGs being formed by a local NGO called Gramasiri. She joined the SHG and got micro-credit assistance from RMK through the NGO to start a small business. She started a small vegetable vending shop. In this business she got a good profit and as such purchased a shop. The income from the vegetable shop has raised her economic status. Now she is able to give good education to her children. The micro-credit support has helped Mrs. Muntha Santha live a life of dignity, respect and self-reliance. Mrs. Muntha Santha now intends to construct a good house and lead a comfortable life. Mr. Muntha Santha says that it would not have been possible if there would have been no financial assistance from RMK and GRAMASIRI - NGO.

"Alone we can do so little; together we can do so much"

## 6. PIVOTAL ROLE OF SHG IN ANDHRA PRADESH

Andhra Pradesh is India's fifth largest State with a population of 76 million of which 3/4th live in 26500 rural villages. Today there are more than 25 lakh SHGs in the country, ninety percent of them are women Self-Help Groups. There are about 4.65 lakhs women SHGs in Andhra Pradesh covering nearly 61.70 lakhs poor women. Andhra Pradesh alone has about half of SHGs organized in the country. Since inception, an amount of Rs.1556.90 crore is mobilized as corpus by these groups. Impressed by the remarkable success of women Self-Help Groups in Andhra Pradesh, the World Bank said that the model could be replicated in other States in India and in other countries.

The former Presidents of USA, Bill Clinton, George Bush, the Microsoft Wizard Bill Gates and important political leaders of the country have visited the State and held discussions with the women Self-Help Groups.

To quote Paul D. Woolfitt "This is a great learning experience. We can tell others about the model. I have visited places in Africa, and Indonesia, but I found the Self-Help Group movement in Andhra Pradesh to be the biggest one". Thus, a land where women have been discriminated for generations, thousands of poor illiterate women are spearheading a silent revolution.

## 7. CURRENT SCENARIO

Today, as we are aware, women entrepreneurs are fast becoming a force to reckon with in the business world and are not only involved in business for survival but to satisfy their inner urge of creativity and to prove their capabilities. Educated Women is contributing to a great extent to the social transformation and in the future, will be seen that more women venturing into areas traditionally dominated by men.

Today, many women have established their own economy i.e., entrepreneurial empire and are now ruling their world as they wished to. The hidden entrepreneurial potentials of women have gradually been changing with the growing sensitivity to the role and economic status in the society. Skill, knowledge and adaptability in business are the main reasons for women to emerge into business ventures.

## 8. CONCEPT AND STATUS OF WOMEN ENTREPRENEURSHIP IN INDIA

The status of women in India has been subject to many great changes over the past few millennia. From equal status with men in ancient times through the low points of the medieval period, to the promotion of equal rights by many reformers, the history of women in India has been eventful. In modern India, women have adorned high offices in India including that of the President, Prime minister, Speaker of the Lok Sabha and Leader of the Opposition. As of 2011, the President of India, the Speaker of the Lok Sabha and the Leader of the Opposition in Lok Sabha (Lower House of the parliament) are all women.

Entrepreneurship has gained currency across the sphere and female-entrepreneurship has become an important module. India is one of the fastest emerging economies and the importance of entrepreneurship is realized across the gamut. According to government of India, "An enterprise owned and controlled by a woman having a minimum financial interest of 51% of capital and giving at least 51% of the employment generated by the enterprise to women."

Women in business are a recent phenomenon in India. By and large they had confidence in themselves to petty business and tiny cottage industries. Women entrepreneurs engaged in business due to push and pull factors. A sense towards independent decision-making on their life and career is the motivational factor behind this urge. Saddled with household chores and domestic responsibilities women want to get independence. Under the influence of these factors the women entrepreneurs choose a profession as a challenge and as an urge to do something new. Such situation is described as pull factors. While in push factors women engaged in business activities due to family compulsion and the responsibility is thrust upon them.

In rural India, agriculture and allied industrial sectors employ as much as 89.5% of the total female labour. In overall farm production, women's average contribution is estimated at 55% to 66% of the total labour. According to a 1991 World Bank report, women accounted for 94% of total employment in dairy production in India. Women constitute 51% of the total employed in forest-based small-scale enterprises.

With growing awareness about business and spread of education among women over the period, women have started shifting from 3 Ps to engross to 3 modern Es, viz. Engineering, Electronics and Energy. They have excelled in these activities. Women entrepreneurs manufacturing solar cookers in Gujarat, small foundries in Maharashtra and T.V. capacitors in Orissa have proved beyond doubt that given the opportunities, they can excel their male counterparts. Smt. Sumati Morarji (Shipping Corporation), Smt. Yumutai Kirloskar (Mahila Udyog Limited) Smt. Neena Malhotra (Exports) and Smt. Shahnaz Hussain (Beauty Clinic) are some exemplary names of successful and accomplished women entrepreneurs in our country.

There are several additional emerging sectors like:

- Eco-friendly technology
- Bio-technology
- IT enabled enterprises
- Event Management
- Tourism industry

Telecommunication

Plastic materials

Vermiculture

Mineral water

Sericulture

Floriculture

Herbal & health care

Food, fruits & vegetable processing where women are exploiting their hidden talents.

## 9. WOMEN ENTREPRENEURSHIP STUDIES CONDUCTED IN INDIA AND ABROAD

According to the Harvard Business Review, women now represent the largest consumer market in the world. The 2009 Global Entrepreneurship Monitor (GEM) report the Total Entrepreneurial Activity (TEA) revealed that in T&T, 15.68 per cent males are involved in early stage entrepreneurial activity compared to 14.31 per cent of females. In the case of established businesses however, the gap is much wider with 11.19 per cent males and only 5.86 per cent females.

Two other areas that show significant difference between male and female involvement in entrepreneurship are: having the required knowledge/skills to start a business and the fear of failure. According to the Boston Consulting Group women are now poised to drive the post-recession world economy thanks to an estimated US\$5 trillion in new female-earned income that will be coming online in the next five years. This means that women will be the ones driving the economy and economists hope the recovery. That growth represents the biggest emerging market in the history of the planet, more than twice the size of the two hottest developing markets, India and China combined.

During 1990s, many women entered in the field of entrepreneurship to avail economic competence and independence, but many of them are observed to be not succeeding well as they had planned. Main reasons often are placed on the lack of enabling and sustaining facilities of entrepreneurial environment in general. Even then, there are success cases of women-run business units in India. In India, women with varied social, economic, political, regional and linguistic backgrounds constitute half the nation. The socio-economic condition of women is the key for overall growth and development of the country. A study conducted by Manickaval (1997) shows that 56% of the women are unemployed. Hence, development of women entrepreneurship is essential to provide economic opportunities to women.

Entrepreneur is the key factor of entrepreneurship and now women have been recognized as successful entrepreneurs as they have qualities desirable and relevant for entrepreneurship development. In the process of entrepreneurship, women have to face various problems associated with entrepreneurship and these problems get doubled because of her dual role as a wage earner and a homemaker.

## 10. CONCLUSION

International conferences are conducted to foster dialogue and action among leaders, international development practitioners and innovators from a range of sectors to promote gender equality and prosperity for all women—for today and the future." The conference assembled global experts, entrepreneurs, policymakers, development practitioners, academics, and business and industry leaders to share their experiences and best practices on how to break down the barriers to women's economic empowerment. Participants, from both the developing and developed world, identified ways to realize the economic potential of women, expand their access to markets, and strengthen women's economic security and rights.

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