



## Entrepreneurship in Women: The Role of Self-Help Groups

### KEYWORDS

empowerment, participation, self help groups, women entrepreneurs.

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**ABSTRACT** *A life of dignity is the right of every citizen. Poverty is an obstruction to a dignified life. Self employment is a significant step to have sustained incomes and remove the shackles of poverty. Self-help groups bring more economic development and independence to women and their families. SHG s not only Initiate savings, increase confidence and social status, but also help them to emerge as an entrepreneur. The objective was to study the participation of women entrepreneurs in SHGs, to study the role of self help group in making women as an entrepreneur, and to determine the factors affecting women participation in SHGs. Data were gathered from 212 SHG members. Average, Standard Deviation, Chi-square Test and Simple Correlation were administered to analyse the data. The study reveals that the participation of women is influenced by factors like Economic factors, social factors, cultural factors, leadership factors and psychological factors.*

### INTRODUCTION

A Self-Help Group (SHG) is a registered or unregistered group of micro entrepreneurs having homogenous social and economic backgrounds; voluntarily coming together to save regular small sums of money, mutually agreeing to contribute to a common fund and to meet their emergency needs on the basis of mutual help. Also it is a group of people who pool in their resources to become financially stable by taking loans from the money collected by that group and by making everybody of that group self-employed. The group members use collective wisdom and peer pressure to ensure proper end-use of credit and timely repayment. This system eliminates the need for collateral and is closely related to that of solidarity lending, widely used by microfinance institutions.

Self-help group is a method of organizing the poor people and the marginalized to come together to solve their individual problem. The SHG method is used by the government, NGOs and others worldwide. The poor collect their savings and save it in banks. In return they receive easy access to loans with a small rate of interest to start their micro unit enterprise.

A life of dignity is the right of every citizen. Poverty is an obstruction to a dignified life. Self employment is a significant step to have sustained incomes and remove the shackles of poverty. Programme for self-employment of the poor has been an important component of the

Anti-poverty programmes implemented through government initiatives in the rural areas of

### India.

### OBJECTIVES

To study the participation of women entrepreneurs in SHGs, to study the role of self help group in making women as an entrepreneur, and to determine the factors affecting women participation in SHGs.

### METHOD

In order to collect and gather primary data, field obser-

vation and structured questionnaire survey methods were employed. The Questionnaire was translated into regional language Tamil to enable the respondents to understand well and answer the questions. The Questionnaire was distributed to 250 SHG members, 212 Questionnaire were received and the remaining Questionnaires were unreturned. Secondary data is also used to a certain extent. The secondary data were collected from the Annual Reports and administrative guidelines of the Ministry of Rural Development, Government of India as well as from the classified data available with the Offices of the SHGs just to make a mention of the related statistical information.

### DATA ANALYSIS

The statistical tools used to analyze the data include percentage, Arithmetic Mean, Standard Deviation, Chi-square Test, Simple Correlation. Chi-square test has been used to examine whether there exists any association between selected variables of the various factors such as Personal factors, economic factors, family related factors, SHG related factors, leadership factors and psychological factors and women participation in SHG which includes Collecting funds for SHG, Attending SHG meetings, Active contribution in SHG meetings, Participation in SHG elections, Canvassing for new members, Discussing about SHG activities.

### Level of SHG Participation

Level of Participation the Average is 72.28, Standard Deviation is 15.53, and the Low is

56.75, Moderate 56.76-87.80, High is 87.81. Age and level of participation the Average is 36, the Standard Deviation is 7, the lowest age is between 18 to 29, Moderate age is between 30-41 and the higher age is above 42 years

### LEVEL OF PARTICIPATION AND SELECTED VARIABLES - CHI SQUARE ANALYSIS

#### Table No.1

SOCIAL FACTORS	LEVEL OF PARTICIPATION					
	Low	Moderate	High	Total	d.f	Value
<b>AGE</b>						
18 – 29	5	22	6	33		
30 – 42	24	86	33	143		
Above 42	12	20	4	36	4	6.899
<b>EDUCATION</b>						
Basic Education	30	97	34	161		
H.Sc.	11	31	9	51	2	0.404
<b>MARITAL STATUS</b>						
Married	34	116	33	183		
Unmarried	7	12	10	29	2	5.748
<b>AREA OF RESIDENCE</b>						
Rural	13	60	27	100		
Urban	28	68	16	112	2	8.149*
<b>SOCIAL CLASS</b>						
Forward	8	14	13	35		
Backward	27	100	25	152		
Others	6	14	3	23	4	9.932*
<b>EXPERIENCE</b>						
Up to Three	27	63	27	117		
Above Three	14	65	16	95	2	4.735
<b>BASIC NATURE</b>						
Risk seeker	1	16	11	28		
Risk avoider	10	22	9	41		
Risk facer	30	90	23	143	4	11.134*
<b>ECONOMIC FACTORS</b>						
<b>MONTHLY INCOME</b>						
Rs.1047	2	4	1	7		
Rs.1048-Rs.4514	31	117	38	186		
Above Rs. 4515	8	7	4	19	4	8.171
<b>FAMILY INCOME</b>						
Up to Rs. 4000	8	30	10	48		
4000 – 8000	16	79	27	122		
Above Rs. 8000	17	19	6	42	4	15.299*

PARTICIPATORY FACTORS						
<b>PERIOD OF MEMBERSHIP</b>						
Up to One year	35	56	24	115		
Above One year	6	72	19	97	2	21.722*
<b>TIME SPENT /PER DAY</b>						
Up to One hour	33	120	36	189		
Above One hour	8	8	7	23	2	7.291*
<b>OPPORTUNITIES PROVIDED</b>						
Low	4	2	1	7		
Moderate	21	68	15	104		
High	16	38	27	101	4	11.557*
<b>LEVEL OF FAVORITISM</b>						
Low	8	20	6	34		
Moderate	18	76	23	117		
High	15	32	14	61	4	3.531
<b>MEMBER'S INTEGRATION</b>						
Low	1	4	0	5		
Moderate	5	54	13	72		
High	35	70	30	135	4	14.684*
<b>LEADERSHIP'S ROLE</b>						
Low	3	4	0	7		
Moderate	6	38	4	48		
High	32	86	39	157	4	13.292*
<b>LEADER'S AFFILIATION TO POLITICAL PARTIES</b>						
Low	35	108	34	177		
Moderate	5	13	6	26		
High	1	5	3	9	4	1.367
<b>LEADERS'S SUPPORT TO MEMBER PARTICIPATION</b>						
Low	7	11	4	22		
Moderate	6	37	3	46		
High	28	80	36	144	4	12.649*
<b>SUPPORTIVE FACTORS</b>						
<b>SUPPORT BY SPOUSE</b>						
Low	11	11	4	26		
Moderate	6	56	17	79		
High	24	61	22	107	4	16.678*
<b>CO-OPERATION BY CHILDREN</b>						
Low	4	3	0	7		
Moderate	11	58	18	87		
High	26	67	25	118	4	10.286*
<b>ENCOURAGEMENT BY OTHER FAMILY MEMBERS</b>						
Low	2	3	0	5		
Moderate	14	27	5	46		
High	25	98	38	161	4	9.168

IMPACT FACTOR						
ECONOMIC IMPROVEMENT						
Low	7	21	3	31		
Moderate	13	25	10	48		
High	21	82	30	133	4	3.450
IMPROVEMENT IN STANDARD OF LIVING						
Low	5	2	3	10		
Moderate	12	42	7	61		
High	24	84	33	141	4	12.173*

1 presented above contains 22 selected variables, out of which 13 variables namely area of residence, social class, family income, basic nature, period of membership in SHG, Time spent in SHG activities, opportunities provided, member's integration, leadership's role in gaining success, leader's support to member participation, support by spouse to participate in SHG, Co-operation by children in working for SHG, improvement in the standard of living are found to be significant at 5% level and the other nine variables are insignificant.

#### LEVEL OF PARTICIPATION AND SELECTED VARIABLES - CORRELATION ANALYSIS

**Table No.2**

Variables	R	r <sup>2</sup>
Age	-0.047	0.002
Education	-0.107	0.011
Marital status	-0.017	0.000
Area of Residence	-0.148*	0.022
Social Class	-0.075	0.006
Experience	0.039	0.002
Monthly Income	-0.037	0.001
Family Income	-0.109	0.012
Basic nature	-0.172*	0.030
Period of membership	0.158*	0.025
Time spent in SHG activities	-0.045	0.002
Opportunities provided	0.132	0.017
Level of favoritism	-0.004	0.000
Members' integration	-0.038	0.001
Leaders role in gaining success	0.189**	0.036
Leaders affiliation to political parties	-0.008	0.000
Leaders support to member participation	0.182**	0.033
Spouse's support	0.032	0.001
Children's support	0.004	0.000
Encouragement by other family members	0.220**	0.048
Economic improvement after SHG participation	0.211**	0.045
Improvement in the standard of living	0.138*	0.019

\* Significant at five per cent level \*\* Significant at one per cent level

In order to ascertain the nature of factors influencing level of participation, twenty two variables were selected. Among the variables only eight variables are significantly associated with member's Participation in SHGs at 5% level of significance. They are Area of residence, Basic nature, Period of membership in SHG, Leader's role in gaining success, leader's support to member's participation, Encouragement by other family members, Economic improvement after SHG participation, Improvement in the standard of living. These variables are found to be significant in Chi-Square also.

Out of these Area of residence, Basic nature, Period of membership, Improvement in the standard of living are

significant at 5% level. Leadership's role in gaining success, leaders support to member participation, encouragement by other family members, Economic improvement after SHG participation, are significant at 1% level. Among the variables that are significant at 1% level, Area of residence, Basic nature, are negatively correlated. At 5% level of significance, education and monthly income is negatively correlated.

The variables namely Period of existence, Leader's role in gaining success, leader's support to members participation, Encouragement by other family members, Economic improvement after SHG participation, Improvement in the standard of living are Positively correlated indicating that increase in Period of existence, increase in Leader's role in gaining success, more support of the leader for support members participation, more encouragement by other family members, increase in economic improvement after SHG participation, increase in improvement in the standard of living increases the level of participation.

#### Theoretical and practical implications of the study

Literacy and training is needed for the women. The members of the SHG should be more active, enthusiastic to mobilise their savings. The bank should provide adequate timely credit to the SHG. Uniformity should be maintained in formation and extension of financial assistance to them by banks in all blocks. Marketing facilities for the sale of SHG products has to be created. Periodical exhibitions have to be arranged. Government has to take initiatives to channelize the SHGs and direct them into a more constructive path.

#### CONCLUSIONS

In country like India where there is rich cultural heritage, traditional beliefs, diversified customs, there are still lack of economic independence, self confidence, women literacy. SHGs are a new horizon for women to overcome the social evils. SHGs pave way for women entrepreneurs for their growth. SHGs definitely are the effective instruments of women empowerment.

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