

# Empowerment of Women Entrepreneur Through Self Help Groups



## Entrepreneurship

**KEYWORDS :** Women Empowerment, Women Entrepreneur, Self Help Groups

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### ABSTRACT

*In the beginning stage, women wanted to get employment by using their professional skills. But, the population explosion has limited the employment opportunities for all women. So, women have diversified their thoughts and they have become instead of employment seekers, employment providers, they concentrate on business activities. Especially, the women Self Help Groups (SHGs) concentrate on multifarious business activities. In the recent years, there has been a trend to consider the creation of networks among women in the form of entrepreneurs/SHG as an important feature to improve the conditions of rural women and enhance their development. With a view to analyse the empowerment of women entrepreneur through Self Help Groups, the researcher has made an attempt to study this area. For the purpose of this study, primary and secondary data collected and analysis made to find out socio-economic characteristics of women SHGs members in Tirunelveli district and examines reasons for joining in SHG and the factors influencing the women empowerment. The study found SHGs performing well but faces many problems and providing suggestions and recommendations for improvement. To conclude that the government must take necessary steps to improve their conditions through proper training and contribute for their development/empowerment and for the progress of the district, state and nation.*

### INTRODUCTION

“No, these women needed opportunity, not charity – They want Chance, not bleeding hearts” – Prof. Mohammed Yunus

In Rural areas most of the male members are employed and most of the ladies are only housewives and they are having no income generation. Therefore the Government of India has formulated the Self Help Group system among the women community in villages. All the Self Help Groups are willing to start their self –employment for improving their cost of living leads to empowerment.

In April 1999, the Government of India has launched a major anti-poverty scheme called “Swarnajayanthi Gram Swarozgar Yojana” (SGSY) for the rural poor, by organizing them into SHGs providing them with skill development training and helping them to get credit linkage with financial institutions and providing infrastructure and marketing support to the products produced by them.

The origin of present day SHG is from the brain child of Gramin Bank of Bangladesh, which was founded by the Economist Prof. Mohammed Yunus of Chittagong University in 1975. This was exclusively established for the poor. The concept of SHG serves the principle for the people, by the people and of the people. SHGs benefit not only to the groups, but also for the families and community as a whole through collective action for development.

Government of Tamilnadu launched Self Help Groups scheme in Tirunelveli district in the year 1998-1999 under “Mahalir Thittam” project with the objective of promoting Socio-economic development and empowerment of women.

### WOMEN EMPOWERMENT THROUGH SHGS

Self Help Group provides the socio-economic empowerment of rural women. Through SHGs financial assistance the rural women carry out small and cottage industries. Right to earn and mobilize their savings, their skills, marketing ability, managerial capacity and ownership of assets were achieved by women it could be accepted that they were on the path of empowerment. Economic independence and participating in the financial decisions of the family/business will improve the self-confidence

### STATEMENT OF THE PROBLEM

The study would envisage the possibilities of the realistic approach of self help groups, the expected promotion of sustainability and empowerment of socially disadvantaged rural women. To assess the positive impact of the SHGs on the rural women. The empowerment of women through SHGs had been measured

in term of socio economic improvements and attainments. The study area is confined to Tirunelveli district of Tamilnadu state.

### OBJECTIVES OF THE STUDY

The study is undertaken with the following objective:

- To study the Socio-economic characteristics of women SHG members and level of empowerment in Tirunelveli district.
- To examine reasons for joining in SHGs and the factors influencing empowerment of women through SHGs.
- To know the problems faced by the SHGs members.
- To suggest measures to solve the problems faced by the SHG.

### METHODOLOGY

The present study is based on both primary and secondary data. Primary data were collected from a sample of 225 respondents of Tirunelveli district SHGs members and using structured questionnaire. Secondary sources of data include Books, Publication of Self-Help Groups, Journals and Periodicals, Reports, Mahalir Thittam in Tirunelveli District and information downloaded from the Website. The data collected are classified and suitable tables formed for analyzing the data. The tools used for the purpose of analysis are Weighted Average, Mean Square analysis, Chi-Square Test and Garret Ranking.

### CREDIT LINKAGE AGENCIES IN EMPOWERMENT OF WOMEN

The various credit linkage agencies are given credit to Tirunelveli District Self Help Groups for empowerment of women. The credit linkage agencies are NABARD, DRDA, Self Help Groups, THADCO, TEAP, SJSRY, NMDFC. The classification of number of beneficiaries and amount of sanctioning are shown in the following table 1.

**Table 1: The Scheme Wise Credit Linkages given to SHGS**

Sl. No.	Name of the Credit Linkage	Numbers	Amount (Rs. in Lakhs)
1	Direct Credit Linkage (NABARD)	10078	8413.24
2	Revolving Fund (DRDA, SGSY)	3188	879.43
3	Revolving Fund (THADCO)	398	99.50
4	Revolving Fund (TEAP)	305	111.75
5	Economic Assistanc (DRDA SGSY scheme)	481	869.53

6	Economic Assistance (THADCO)	193	546.10
7	Economic Assistance (TEAP)	17	49.25
8	SJSRY Scheme	45	16.00
9	Micro Credit under NMDFC	12	10.00
10	TAMCEDCO	39	13.62
	Total	14756	11008.42

Source : Mahalir Thittam

From the above table 10078 no. of Self Help Groups got 8413.24 lakhs from Direct Credit Linkage from NABARD is the highest amount as compared with other funding Agency and only 12 no. of Self Help Groups got 10 lakhs of micro credit under NMDFC is the least amount.

### YEAR WISE CREDIT LINKAGES

Table 2

#### YEAR WISE CREDIT LINKAGES GIVEN TO SHGS

Year	Achievement (Rs. in Crores)	Cumulative (Rs. in Crores)
Up to 2001	120.30	120.30
2001-02	97.91	218.21
2002-03	184.65	402.86
2003-04	271.32	674.18
2004-05	490.62	1164.80
2005-06	600.42	1765.24
2006-07	593.45	2358.69
2007-08	800.70	3163.39
2008-09	2174.57	5337.96
2009-10	2791.65	8129.61
2010-11 (Upto 31.12.10)	2457.65	10587.26
Total	10,587.26	

Source : Mahalir Thittam

The above table 2 shows that year wise credit linkage given to SHG's. In 2009-10 credit linkage achieved Rs 2791.65 crores for empowerment of women SHG's members.

### DATA ANALYSIS AND INTERPRETATIONS

The socio economic variables such as age, marital status, educational qualification, area and family nature of the respondents are analyzed through percentages.

Table - 3: Socio-economic Profile of the respondents

Socio-Economic Variables		No. of Respondents	Percentage (%)
Age	Below 30 years	32	14.22
	31-40 years	139	61.78
	Above 40years	54	24.00
Marital Status	Married	196	87.11
	Unmarried	29	12.89
Educational Qualification	Upto SSLC	75	33.33
	HSC	80	35.56
	Above HSC	70	31.11
Area	Rural	76	33.78
	Urban	149	66.22
Family Nature	Joint	137	60.89
	Nuclear	88	39.11

Source: Primary Data

The Socio-economic characteristic of the respondents (Table 3) indicates that a majority of respondents 139 (61.78%) belonged to 31-40 years age groups, 196 (87.11%) were married, 80 (35.56%) were having HSC qualification, 149 (66.22%) were living in an urban area and 137 (60.89%) of the respondents belonged to joint family.

### REASONS FOR JOINING IN SHGS

Women joining in SHGs and take up jobs are not only for augmenting their social status, but also due to economic necessity. In most of the families, particularly among the lower class families, both men and women forced to contribute equally for maintaining and running the family. To ascertain the reasons for joining in SHGs, a study was made and the findings are presented in the following Table 4.

Table 4: Reasons for Joining in SHGs

Reasons	No. of Respondents	Percentage (%)
Accumulate savings	58	25.78
Family commitment	106	47.11
Expansion of business	46	20.44
Settlement of old debts	15	06.67
Total	225	100.00

Source: Primary Data

It is observed from the above table, exactly majority of the respondents 47.11 percent joining in SHGs due to family commitment.

### CHI-SQUARE TEST

The respondents level of empowerment on the basis of their experience as members of the SHG analyzed, among them 15 respondents had a low level of empowerment, 186 respondents had a medium level of empowerment and 24 respondents had a high level of empowerment. To evaluate the empowerment of women entrepreneur through Self Help Groups in Tirunelveli District, chi-square test has been used. The chi-square test ( $\chi^2$ ) has been applied to test the hypotheses.

### NULL HYPOTHESIS STATED: (Ho)

Ho: There is no relationship between Level of Empowerment of women SHGs members and Socio-economic Background of the SHGs Members.

Table 5: Socio-Economic profile of the respondents and their Level of empowerment Through SHGs

Socio-Economic Variables	Calculated Value	Table Value	Degree of Freedom	Inference
Age	5.435	9.49	4	Ho: accepted
Marital Status	13.31	5.99	2	Ho: Rejected
Educational Qualification	15.68	9.49	4	Ho: Rejected
Area	3.051	5.99	2	Ho: Accepted
Family Nature	14.07	5.99	2	Ho: Rejected

Source: Calculated on the basis of Primary Data

Above table 5 shows that with regard to empowerment of women entrepreneur through SHGs there are three socio-economic variables which influence the respondents. Marital status, Educational Qualification and family nature have a significant association with level of empowerment of women SHG's members. The factors like Age and area of the respondents do not have association with level of empowerment of women SHGs members.

**FACTORS INFLUENCING EMPOWERMENT OF WOMEN ENTREPRENEUR THROUGH SHGS**

The researcher has identified some factors influencing empowerment of women entrepreneur through SHGs. To identify the factors which are the most vital one to the researcher has used Garret's Ranking Test.

**Table 6: Factors influencing Empowerment of Women Entrepreneur through SHGs**

Factors	Garrets Score	Average Score	Garrets Rank
Self employment	12425	55.22	I
Cheap capital	11439	50.84	V
Government support	11132	49.48	VI
Financial Assistance	11637	51.72	IV
Family support	10926	48.57	VII
Risk Taking and Problem Solving	11751	52.23	III
Foresighted vision and Update of Knowledge	11962	53.16	II

In the course of the study, an endeavour was made to find out the most important factor that had motivated the SHGs member leads to empowerment of women entrepreneur.

Table 6 shows the Garrets score and the Average score. The Average scores are ranked according to their values. Self employment which ranks first, foresighted vision and update of knowledge which ranks second, risk taking and problem solving placed the third rank, financial assistance got the fourth rank, fifth rank is given to cheap capital, sixth rank for government support and the last rank of seventh rank for Government Support.

**PROBLEMS FACED BY SHGS MEMBERS**

**Table 7: Problems faced by SHGs members**

Problems	Average(Mean Value)	Rank
Financial shortage	3.17	III
Heavy competition	3.30	II
Lack of family support	3.02	VI
Lack of experience and Marketing Strategy	3.79	I
Shortage of Raw material	3.06	V
Lack of government support	3.10	IV

**Source: Primary Data**

The above table 7 shows that problems faced by the SHGs members in Tirunelveli district, lack of experience and marketing strategy which ranks first with the score of 3.79, heavy competition which ranks second with the score of 3.30.

**FINDINGS OF THE STUDY**

The findings of the study are summarized below:

- It is vivid that most of the SHGs members lay under the age group of 31 years to 40 years, married, HSC qualification, earns Rs. 50,000 – Rs. 1, 00,000 living in urban area and with joint family.
- It is inferred that 47.11% of the SHGs member joining in SHGs due to family commitment.
- It is inferred that socio-economic variables like Age and Area do not have association with level of empowerment of women SHGs members.
- It is vivid that Marital Status, Educational qualification and Family nature have association with level of empowerment of women SHGs members.
- Garret's Ranking clearly depicts that self employment is the main factor influencing the empowerment of women entrepreneurs through SHGs.
- It is depicts that lack of experience and marketing strategy is the main problem of SHGs member.

**SUGGESTIONS**

The following suggestions are given to improve the marketing of SHGs products in Tirunelveli District:

- Empowering women with entrepreneurship potential, especially those who dwell in rural areas, is essential for achieving the goals of sustainable development. The challenges that hamper the growth must be eradicated to entitle full participation in the business. Apart from the training programs, trade fairs and exhibitions can also be source for entrepreneurial development motivation to rural people.
- Technology and innovation will serve as the vital in marketing. SHGs members should be adopt new technology to survive in marketing.
- Government should take necessary steps to provide liberal loans to SHGs members for business purposes with low rate of interest.
- Government and Non Government Organisations should conduct training/seminars to create awareness about the merits of SHGs and provide counseling to the members to become successful entrepreneur.
- The government should acknowledge the best women SHGs entrepreneurs at district, state and national levels and prizes should be given to them.

**CONCLUSION**

In the society where social imbalance, gender inequality and hostile take on career as masculine, the growth of women entrepreneurs and women empowerment is a challenging task. These challenges met through self employment in the male dominated entrepreneurial world. Women empowerment are the shared responsibility of family and society. Induced by general awareness and awakening, women must be members of any women's organisation, SHGs or be in touch with them. The efforts towards empowerment have to start from the grass root level instead of proceeding from the top level. Other than socio-economic factors play a vital role in initiating and operating the women owned business in India.

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