

## **Study the Role of Self Help Group in Women Entrepreneurship**

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### **ABSTRACT**

The key issue for successful micro finance program focused on women should consider them in a broader context, as a family nucleus, that is vital for societal improvement and progress. The Microfinance programme focus on empowerment of women especially in rural area, which offer competitiveness to their business but also well being to them and their families. All over the world, the significant of women's entry into the workforce over the past three decades has produced profound transformations in the organization of families, society, the economy, and urban life. Women performance and ability influence and build in making decision, self confidence at working environment, help to increase standard of living in household. So Microfinance gave better platform to the poor women to explore their skill and knowledge for increase the empowerment level in the society This paper highlights, Performance of SHG in pune city, how SHG impacted the empowerment level of women after joining group and to ascertain the problems and prospective model to develop the SHG through microfinance in Pune city by increasing the women.

***Keywords: Women Entrepreneurship, Self Help Group***

## INTRODUCTION

The decade of 1990's witnessed growth of various people's organizations. In this context the role of Self-help groups (SHG's), especially of women has assumed a critical challenge. Self-help groups approach is the key element of social mobilization. Linked with micro-finance, the SHG approach and movement has now been accepted as an effective intervention strategy for poverty alleviation. The government of India as well as various state governments has initiated a number of projects and programs for socioeconomic empowerment of rural women. The microfinance project intervention in terms of formation and stabilization of SHG comprising of rural women for extending credit support and Promotion of thrift to promote viable economic activities in the backward areas has resulted empowerment of women. Women Empowerment is not just a goal in itself, but key to all global development goals. Empowerment is an active multidimensional process to enable women to realize their identity and power in all spheres of life. This paper examines the women empowerment through Self-Help Groups.

### **Micro Finance and Women Empowerment**

The importance of women to the economic development of India was first recognized during the country's struggle for independence. Empowerment is a social action process that promotes participation of people, organization and communities in gaining control over their lives in their community. There is urgent need of empowering women especially in rural areas. The formation of Self Help Group and Micro Financing will enhance their socio- economic position in the society.

Microfinance is defined as “Financial Services (savings, insurance, fund, credit etc.) provided to poor and low income clients so as to help them raise their income, thereby improving their standard of living”

Small loans can make good business sense among the women. It has been noticed that women in particular stand to gain a lot from micro-finance because it gives them an independent means of generating wealth and becoming self-reliant in a society that does not offer them much scope for

entrepreneurship. And since it is women who run the household, a higher standard of living for women ensures better governance and a healthier and more prosperous future for the children and a better future for the nation. The success of micro credit initiatives has often been attributed to their particular focus on empowering women and encouraging their self-reliance through developing their own means of income. Various case studies show that there is a positive correlation between credit availability and women's empowerment. It is observed that majority of rural women who are associated with self-help group activity positively succeeded to gain themselves empowered.

### **Role of Self Help Group**

The SHGs of rural women consists of members who are the poor, having low saving capacity and who depend on money lenders for meeting their consumption needs and social obligations. Formation of women into self help groups paved a way to develop their economic standards, thereby building self confidence. Women in SHGs have been encouraged by the government as well as NGOs to undertake self employment ventures with locally available resources. Availability of micro-credit helped SHG women a lot and many women came forward and established micro enterprises. At present a number of NGOs and financial institutions have been offering micro finance especially to rural women micro entrepreneurs. They also motivate training programmes to develop their entrepreneurial skills and capabilities. Specific trainings in manufacturing or service sector are available for the prospective rural women micro entrepreneurs. These institutions have been encouraging women to start micro enterprises. As a result micro entrepreneurship is gradually growing importance among the rural women.

### **REVIEW OF LITERATURE**

- **Kabeer (2001)** defined by empowerment as “the expansion in people's ability to make strategic life choices in a context where this ability was previously denied to them.” which means allowing freedom to make strategic decision in their life for any level.

- **Pillai (1995)**, women empowerment is an active, multidimensional process which enables women to realise their full identity and powers and authorities in all stages of life. Power is neither a commodity to be transacted nor can it be given away as alms. Power has to be acquired and once acquired it needs to be used to achieve , make it consistency and preserved.
- **Schreiner and Colombet (2001)** define microfinance as “the attempt to improve access to small deposits and small loans for poor households neglected by banks”. The main object of microfinance is to raise the income of poor people by providing financial services or products of very micro amount. These financial services are leads to savings and credit and embrace financial services like payment services and insurance.
- **Ledgerwood J (1999)** gives the opinion that, when poor people are unable to obtain financial services from banks directly then microfinance plays an important role in providing financial services. which leads the vital contribution of microfinance to reduce poverty line of the country.
- **Mahmud S [2003]** according to his result participation in microcredit programs helps to increase women’s welfare and reduce male bias which leads to empowerment level among women in the society.
- **Le and Raven [2015]**, microfinance has helped women’s participation in their businesses, but has a limited effect on empowering women’s, creating upward mobility and contributing to long-term economic growth.

## **OBJECTIVES OF STUDY**

- To Study and analyze the present Economic-Financial and Socio-political status of Microfinance.
- To Study and analyze the role and functions of SHG for the Development of Women Empowerment.
- To ascertain problems of Microfinance related to SHG

- To suggest action plan for improvement of women empowerment level through SHG Programme.

## **RESEARCH DESIGN**

The research design is exploratory and descriptive in nature.

**SAMPLE SIZE:** 60

## **RESEARCH METHODOLOGY**

- **Primary Data**

Primary data was collected through interviews and meetings with different categories of members of SHGs, using Purposive sampling method. Data and information were collected by employing a structured interview schedule. The schedule included questions related to the general information and psychological, economic and social empowerment of the respondents.

- **Secondary Data**

This data which is collected from published literature & company records and internal documentation. There following secondary sources were used to data collection through Annual Reports Published report by magazine, research paper, Journals, Articles & Internet.etc

## **LIMITATIONS OF THE STUDY**

- This study is limited to Pune City only.
- This study only focusing on Performance & future remedies of Microfinance through SHG Programme for Women Empowerment.

- The SHG may not have maintained the detail record of the Clients which is limiting factor.

## DATA ANALYSIS AND INTERPRETATION

### 1. Distribution of respondents according to inspired by to join SHG

To join SHG's, inspired by	No. of respondents	Percentage%
Yourself	45	75%
Friends & family	15	25%
Total Respondents	60	100%

#### **Interpretation:**

Above data highlights that 75% respondents are inspired herself and 25% inspired by family or friends to join SHG.

### 2. Distribution of respondents according to reason for joining SHGs

Reasons for joining SHG's	No. of respondents	Percentage%
Improve financial conditions	24	40%
Improve financial conditions and Develop business	18	30%
Improve Financial condition, Develop business & Improve status and network	10	16.66%
Improve Financial condition & Improve status and network in the society	8	13.33%
Total Respondents	60	100%

**Interpretation:**

From the above table show that 40% respondents join SHG to improve their financial conditions and 30% & 13.33% respondents join to develop their business and Improve status and network in the society.

**3. Distribution of respondents according to their level of Literacy.**

Literacy level	No. of respondents	Percentage%
Illiterate	6	10%
Primary	24	40%
Secondary	18	30%
Degree & above	12	20%
Total Respondents	60	100%

**Interpretation:**

From the above table shows that 10% respondents are illiterate and 20% respondents are educated to degree level or above.

**4. Distribution of respondents according to their Purpose, they utilize the loan amount.**

Purpose	No. of respondents	Percentage%
Household purpose	32	53.33%
Production purpose	28	46.66%
Total Respondents	60	100%

**Interpretation:**

Above data highlights that 53.33% respondents utilize the loan amount for household purpose and remaining 46.66% utilize for production purpose.

**5. Distribution of respondents according to awareness about banking procedure after joining SHG.**

Aware about banking process after joining SHG's	No. of respondents	Percentage%
Yes	52	86.66%
No	8	13.33%
Total Respondents	60	100%

**Interpretation:**

Above data shows that 86.66% respondents are aware about banking procedures after joining SHG and 13.33% respondents are still not aware about that.

**6. Distribution of respondents according to status of repayment.**

Status of repayments	No. of respondents	Percentage%
Fully repaid	34	56.66%
Being repaid	26	43.33%
Total Respondents	60	100%

**Interpretation:**

The above table highlights the repayment status loan were 56.66% respondents are fully repaid their loan on time and 43.33% respondents dues remain or being repaid process.



**7. Distribution of respondents according to their monthly income after joining SHG**

<b>Monthly income after joining SHG</b>	<b>No. of respondents</b>	<b>Percentage%</b>
No change	17	28.33%
Boost by 10-20%	43	71.66%
Total Respondents	60	100%

**Interpretation:**

The above table highlights the changing income level position after joining SHG were 71.66% respondents income increased by 10-20% and 28.33% respondents income level remain static even after joining SHG.

**8. Distribution of respondents according to their monthly expenditure after joining SHG.**

<b>Monthly expenditure after joining SHG</b>	<b>No. of respondents</b>	<b>Percentage%</b>
No change	40	66.66%
Reduced by 10-20%	20	33.33%
Total Respondents	60	100%

**Interpretation:**

The above table highlights the changing level of expenditure after joining SHG were 33.33% respondents monthly expenditure reduced by 10-20% and but 66.66% respondents expenditure not reduced even after joining SHG

**9. Distribution of respondents according to satisfaction level.**

<b>If yes, satisfactory level</b>	<b>No. of respondents</b>	<b>Percentage%</b>
Very	27	45%
Good	19	31.66%
Not satisfactory	14	23.33%
Total Respondents	60	100%

**Interpretation:**

The satisfactory table highlights that 45% respondents are fully satisfied and happy with working function of group and 23.33% respondents are not satisfied with working functions of SHG.

**FINDINGS & OBSERVATIONS**

- From the above study it highlights that now women’s in Pune city are inspired to join Self Group to improve their economic and financial status to expand their existing small business. So with this inspiration case should increase in future ,now there is need of live examples of women who join SHG in front of society to motivate them to join SHG for increasing their standard of living through various awareness campaign , promotional activity with the help women work foundation and various NGO.
- After joining self help group many women’s are aware about the banking procedures. Its provides them good knowledge about banking system too.
- This study highlights that there is good bounding and increase the good relationship among the members after joining SHG which will leads to increase their network in the society in different aspects like, expansion of business, using strength with each other at workplace or business, at the time of repayment of loan etc.
- After joining SHG the status of Economical and financial boost effectively were the women’s are independently contributing their financial contribution and helping to

increase their standard of living by way of significantly reduce expenditure level and increase their saving proposition from their income. Business training can benefit poor women entrepreneurs when the training is carefully designed to complement their existing skills and address their most pressing needs.

- Now there is need of proper education and training in different aspects like, Discussion of women's rights, community problems, politics, and common family problems can foster a sense of solidarity that can empower women both as individuals and as a group to address their problems. With some support, groups of economically empowered women can take steps to address the cultural and legal barriers that limit their social and political empowerment.

## CONCLUSION

It was realized from the study that women are now contributing positively towards decision making in the family and in their communities as well. This could be attributed partly to their involvement in microfinance which has made women financially independent. Now most women can decide on their own on issues pertaining to child education, property acquisition, contribution in the house and help in deciding for the family and the community as a whole. As a result, we call on all stakeholders of both microfinance and women empowerment groups to give a second look at the crucial role microfinance play in empowering low income women in the society. Effort must be made to ensure that microfinance institutions are efficient, well resourced and structured in other to sustain the institution.

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