

## **Entrepreneurship and Small Business- A Study with Reference to Women Self Help Groups**

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### **Abstract**

Women entrepreneurship has been recognized as an important source of economic growth as they create new jobs for themselves and others and also provide society with different solutions to management, organization and business. Women's entrepreneurship contributes to the economic well-being of the family and communities and also reduces poverty. The growth of Self-Help Groups (SHGs) is an evidence of the fact that women are coming out of their shells and maintaining their citizenship in the city. This study is carried out with the specific objective to know the socio- economic background of the women SHG's, their knowledge, skills and earning capacity. Keeping this in mind the researcher made a study on entrepreneurship and small business with reference to Women SHGs in Coimbatore City. Research data have been collected from various available sources and systematically analyzed with suitable tools. The analysis clearly shows that the role of women entrepreneurs' contribution to the society is commendable.

**Keywords-** entrepreneurship; Self Help Group; Organization; Socio-economic; commendable.

### **1. Introduction**

Entrepreneurship plays an eminent function in creating an avenue for employability for rural communities, providing self-employment for those who have started-up a business of their own and enhancing the economic status of the rural sector as well. Entrepreneurship has transformed many entrepreneurs into successful business persons

and generated income for rural communities. Women Entrepreneurs may be defined as the women or a group of women who initiate, organize and operate a business enterprise. Self-Help Group is a small voluntary association of poor people preferably from the same socio-economic back drop. The micro-credit given to them makes them enterprising; It can be all women group, all-men group or even a mixed group. A **self-help group (SHG)** usually composed of 10–20 local women. In India, many SHGs are 'linked' to banks for the delivery of micro credit for small business.

### **1.1 Statement of problem**

Women in India have been oppressed culturally, socially, economically and politically for centuries. They are exploited at home, in the families, in the society and in the country. In the Multi ethnic and multi cultural society like that exists in India, such exploitation takes various Forms. The core of the problem is that they shoulder a number of responsibilities, but they are not given adequate participatory or decision making power in the family or elsewhere. Women Can gain such power, if their economic status, cultural and social status improves. Such type of Overall improvement can be taken care by SHGs. Involvement in Self Help Groups has enabled women to gain greater control over resources like material possession, intellectual resources like knowledge, information, ideas and decision making in home, community, society and nation.

### **1.2 Objectives of the study**

- To know the socio-economic status of Women Self Help Groups in Coimbatore city.
- To evaluate the performance of women self Help Groups in entrepreneurship.
- To identify the issues related to the Women Self help groups.
- To offer suggestions based on the findings.

### **1.3 Scope of the study**

The present research is to study the critical study of self help groups with reference to Coimbatore District. This study would be of great help to the implementing agencies to bring necessary improvements in the self help groups for attaining the over all improvement of women. The knowledge on these aspects could be used to develop strategies to motivate self help group members for their enhanced participation in the group. Further the study would highlight the role and importance of microfinance institution in SHGs.

### **1.4 Methodology**

The data used for the study is secondary data comprising of official websites, journals, magazines and articles. The geographical area selected for the study is Coimbatore. Limitation of the study is that the area is confined only to Coimbatore. Since the data is secondary it is more dependable and reliable. The present study covers only women entrepreneur who are the members of SHGs.

## 2. Review of Literature

**Govindarajan, Latha Padhmanabhan, V<sup>1</sup>** examined the relationship between women Self-Help Group (SHGs) satisfaction and process dimensions of workgroup characteristics. Women SHGs are formed with a purpose of promoting women's economic and social empowerment. Members are motivated to engage in any economic activity in groups like producing bakery products, home furnishing decorative items, packaged readymade food mixes, etc. These SHGs are selected through eight NGOs that are affiliated with women's welfare program, a scheme under 'Mahalir Thittam', Women's Welfare Project, Coimbatore District Collectorate, Tamil Nadu, India, using multistage sampling.

**Suja, S<sup>2</sup> *Global Management Review*. 2012, Vol. 6 Issue 3**, found out that Association in Self Help Groups has enabled women to gain greater control over resources like material possession, intellectual resources like knowledge, information, ideas and decision making in home, community, society and nation. The SHGs crosswise states have paved attention on skill improvement, facilitating invention, gaining access to credit from financial institutions for micro enterprises / projects, inculcating of frugality: and supervision of credit for the economically destitute sections of women. Since Government is concentrating on women Self Help Group for the economic growth and poverty elevation, this study becomes the need of the hour.

**Vetrivel S.C<sup>3</sup> *Advances in Management*. Jun2010** studied that In India, the emergence of liberalization and globalization in early 1990's aggravated the problem of women workers in unorganized sectors from bad to worse as most of the women who were engaged in various self employment activities have lost their livelihood. Microfinance is emerging as a powerful instrument for poverty alleviation in the new economy. In India, Microfinance scene is dominated by Self Help Group (SHGs) - Bank Linkage Programme as a cost effective mechanism for providing financial services to the "Unreached Poor" which has been successful not only in meeting financial needs of the rural poor women but also in strengthening collective self help capacities of the poor leading to their empowerment

**Bali Swain, Ranjula Wallentin, Fan Yang<sup>4</sup> *International Review of Applied Economics*. Jul2012** evaluated the impact of economic and non-economic factors on women's empowerment of Self-Help Group (SHG) members. We estimate a structural equation model (SEM) and correct for ordinality in the data to account for the impact of the latent factors on women's empowerment. Our SEM results reveal that for the SHG members, the economic factor is the most effective in empowering women. Greater autonomy and social attitudes also have a significant women empowerment impact.

**K., Geetamma Bulla, B.<sup>5</sup> *Golden Research Thoughts*. Jul2013.** Studied that the Micro finance through **Self Help Group** (SHG) has been recognized internationally as the modern tool to combat poverty and for rural development. Micro finance and SHGs are effective in reducing poverty creating awareness which finally results in sustainable development of the nation.

### 3. Women Entrepreneurship in India

#### 3.1 Introduction of Women Entrepreneur

Entrepreneurship is the purposeful activity of an individual or a group of associated individuals, undertaken to initiate, maintain or aggrandize profit by production or distribution of economic goods and services. The government of India has defined Women Entrepreneurs based on women participation in equity and employment of a business enterprise. Accordingly, a women entrepreneur is defined as “those women who think of a business enterprise, initiate it, organize and combine the factors of production, operate the enterprise and undertake the risk and handle economic uncertainty involved in running a business enterprise. It is estimated that women entrepreneurs presently comprise about 10% of the total number of entrepreneurs in India, with the percentage growing every year. If the prevailing trends continue, it is likely that in another five years women will comprise 20 % of the entrepreneurial force. Even though women own around 10% of the total enterprises in the small sector, the gross output of these units is just 3.5% of the total output of the SSI sector. In contrast, in developed countries such as United States, women own nearly 91 lakh small businesses and the number of women-owned start-ups is going at nearly twice the rate of their male counterparts. India has 397 million workers, 123.9 million are women, 106 million are in rural areas, 18 million are in urban areas , Only 7% of India’s labour force is in the organized sector; 93% is in unorganized sector.

Women Entrepreneurs in India

State	No of units Registered	No of women entrepreneurs	%
Tamil Nadu	9618	2930	30.36
Uttar Pradesh	7980	3180	39.84
Kerala	5487	2135	38.91
Punjab	4791	1618	33.77
Maharashtra	4339	1394	32.12
Gujarat	3872	1538	39.72
Karnataka	3822	1026	26.84
Madhya Pradesh	2967	842	28.38
Bihar	7344	1123	15.04
Other States & UTS	14576	4185	28.71
<b>Total</b>	<b>64796</b>	<b>19971</b>	<b>32.82</b>

Source: CMIE report 2011

#### 3.2 Self Help Groups

In 1975, Prof. Mohammed Yunus of Bangladesh in an effort to bring the efforts of the women force to the main stream of economy started self-help groups in Bangladesh and inculcated the habit of thrift and savings among the poorest. Now, the women groups have grown with a bank named Bangladesh Grameen Bank (Karmakar K.G.,

1999). The Self-Help Groups being comprised of group of persons get empowerment to solve most of their problems of non-financial marketing, better adoption of technology and training for realizing the human potential for entrepreneurial development. The objective of SHGs is to develop strong, cohesive, self help women groups through inculcation of spirit of self help and team spirit. This results in overall leadership development through exposure to SHGs management change from workers status to managers status by putting control in their own hands, access to market through training, assisting and encouraging need based tapping of alternate resources inclusive of capital.

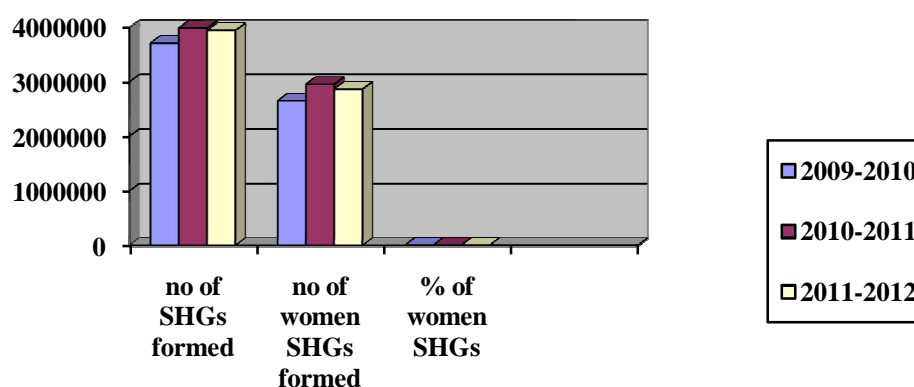
#### 4. Analysis and Findings

The role of women entrepreneurs is increasing drastically every year. The participation of women has increased from 22.3 in 1990-1991 to 31.6% in the year 2010-2011. This is a source from the world bank report 2010-2011 & WAVE conference report.

##### 4.1 SGHs across India

Year	No. of SHGs Formed Total Since 1.4.99	No. of Women SHGs Formed Total Since 1.4.99	Percentage of women SHGs Formed Total Since 1.4.99
2009-2010	3708410.35	2651450	71.49
2010-2011	3988926.34	2955287.79	74.08
2011-2012 till 28/08/2011	3943127	2865212	72.66

Source: Source- <http://rural.nic.in/sgsy/sgsyframetop.asp?id=02>, retrieve on 28th August 2011.



71.5% of the women SHGs formed in 2009 and 2010. For the duration of 2010-2011, this ratio stood at 74.08%. Out of the whole figure of Self Help Groups formed, 70% belong to women.

#### **4.2 Micro Finance**

Micro Finance institution started in India in 1980s through Self Help Groups (SHGs) model. It is the Grameen replication model of Bangladesh. Self Help Groups have emerged as an alternative development strategy to promote the common interest of the weak particularly the rural poor. Microfinance programme in India is growing rapidly and receiving increasing attention from the financial institutions, non-governmental organizations (NGOs) and the Government, as an instrument that can transform lives of the women. Microfinance took roots in 1992-93 with the launching of the Self-Help Group (SHG)-Bank linkage programme by the National Bank for Agriculture and Rural Development (NABARD). Up to March 2005, over 16.18 lakh SHGs had been linked with banks with 24.25 million poor families being brought within the fold of formal banking services. The cumulative bank loan disbursed since the inception of the programme stood at Rs 6,898.46 crores. Over 90 per cent of the SHGs linked to banks under this programme comprise women groups. In this process, 35294 branches of 560 banks comprising 48 commercial banks, 316 cooperative banks and 196 RRBS have been involved in disbursing credits to SHGs. Currently, a total of 25 lakh such women's SHGs across the country access loans at rates ranging from 11.5% to 14%. The government expects the number of women's SHGs to swell up to 60 lakh and their total membership to increase to 7 crore in the next five years. Currently, these SHGs have a total of 3 crore members. Commensurate with the rise in the number of SHGs, the government believes that the size of the total loan disbursed to the sector will also increase from Rs 20,000 crore to Rs 1 lakh crore within the time period.

#### **5. Suggestions**

- There should be continuous attempt to inspire, encourage, motivate and co-operate women entrepreneurs.
- SHGs should be provided with more loans from the government.
- The government should introduce entrepreneurial development programme for women.
- Finance should be made available to women entrepreneurs at a reduced rate of interest.
- Better educational facilities and schemes should be extended to women folk from the government.
- Extension participation programme may be arranged with extension agencies for the SHGs to visit their business houses to know the functions and its administration so that it creates awareness among the women group.

## **6. Conclusion**

Self employment is better suited to women. If she is her own master of any of her work schedule, she can adjust her work. At present women have broken the monopoly of men and proved that they are not inferior to men. Over the past few decades the women has been breaking traditional role of a mother or a house wife. It is clear from the study that women entrepreneur of SHGs has good work force, under the dynamic setting of business, if women entrepreneur is given a proper guidance and training to enhance the profitability of the enterprises the future will be bright and prosperous.

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