
Socio-Economic Dimensions of Women Entrepreneurs through SHGs : A Case Study

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Abstract

*Rural entrepreneurship has become an important area of research in view of its focus on agro and small business and women self help groups (SHGs) play an important role in development of rural areas. The nationwide development programmes are focusing on the formation of women SHGs at the village level and through these groups, the rural families can march towards the overall development of the quality of life of women. It has been proved by several studies in India that microfinance provided through SHGs resulted in social, economical and educational empowerment of women. Therefore, essential to make them productive by involving them in productive activities instead of confining them within four walls of the kitchen. This paper analyses the results obtained on socio-economic dimensions of women entrepreneurs who were provided microfinance through self help groups in **Chandrapur district of Maharashtra**. The study revealed many significant positive socio-economic changes among rural women entrepreneurs. Apart from these significant changes which entrepreneurship activities have resulted in, specifically with respect to decision making, wealth creation and employment opportunities in various types of service activities, rural women entrepreneurs have still to wait for a long time.*

Keywords : Value creation, Shareholders' wealth, Profitability management

Introduction

Though most of the women in India have the capacity and talent to work, they are not able to get ready made jobs due to the under and unemployment problems. Next to agriculture, manufacturing in household enterprises constitute the single biggest source of employment for women. The best way for women to recognize their own talent and capabilities is engaging them in income generating activities through entrepreneurship skills and through self help groups (SHGs). Women in business are a recent phenomenon in India. By and large, they had to confine themselves to petty business and industries. The concept of entrepreneurs was generated in 19th century. In rural areas, even today women are not given proper recognition even though they have necessary qualification. The country can achieve its economic growth when the women entrepreneurs start rising on the rural horizon. When women entrepreneurs are more in rural areas, they can provide better employment opportunities to the public. As a result, per capita income of the country will increase which will lead to overall economic growth. Women contribute decisively to the well being of their families and hence investing in women brings about a multiple effects. Microfinance through self help groups is emerging as a powerful instrument for poverty alleviation in the new economy.

The present socio-economic study was carried out in **Chandrapur District of Maharashtra** which is a leading district for SHG movement since the beginning in view of the fact that most of the population is tribal and the area is backward. This district is located in the eastern edge of Maharashtra in Nagpur Division consisting of 15

blocks. The study was conducted in **4 blocks**, namely, Chandrapur, Sindewahi, Ballarpur and Rajura and in all **150 women members of 20 SHGs** were contacted (**5 SHGs from each block**) to study the entrepreneurial activities in relation to social and economic changes brought among the members of SHGs. The socio-economic parameters of women entrepreneurs such as age distribution, educational status, marital status, family profile, caste composition, occupation status and land holdings of each member of women self help groups were studied and analyzed. The study revealed many interesting socio-economic features of women entrepreneurs in this backward district of Maharashtra.

Objectives of study

The present study is carried out with the following specific objectives:

1. To understand the socio-economic background of the members of SHGs
2. To identify the entrepreneurship qualities of SHG members
3. To analyze women empowerment through SHGs

Methodology

The researcher has collected primary as well as secondary data. The primary data were collected by personal interview with the help of questionnaire from 150 sample women members of SHGs. The sample members were selected from 20 SHGs from 8 villages

from selected 4 blocks for study. The secondary data on the subject were obtained from various reports published in news papers, books and journals, etc.

Result and Discussions

The analysis of data in the present study consisted of two dimensions. The analysis of demographic information

included the age, family system and number of dependents in the family etc. The reasons for joining the SHGs, purpose of loan, repayment of loan, income, savings, expenditure and powers in important decisions are analyzed in women empowerment through entrepreneurship development.

Table 1: Social characteristics of responding members of Self Help Groups

Social Characteristics	No. of Respondents	Percentage
Head of Family		
Self	30	20.10
Husband	119	79.23
Others	1	00.67
Age		
Young (16-30 years)	51	34.00
Middle aged (31-50 years)	75	49.92
Old aged (more than 50 years)	24	16.08
No. of Dependents		
1-2	61	40.87
3-4	57	38.19
5-6	24	16.08
Above 6	8	4.86
Caste Category		
Forward caste	30	20.10
Backward caste	52	34.34.
SC/ST	68	45.56
Education Level		
Illiterate	135	90.45
Primary	9	5.54
Secondary	6	4.01

Social Dimensions

The data on various social characteristics are presented in **Table 1** above. The inferences are drawn for each social issue which are explained below:

Head of Family: It is seen that husband was the head of the family to the extent of 79.23% of the respondent members of the Self Help Groups (SHGs). This shows that Indian society is male dominated. In 20.10% cases, the family was headed by women members due to some reason or the other. It is further observed that more than 60% sample respondents have individual family rather than joint family system.

Age of SHG Members: It is evident from Table 1 that 83.92% respondents fall within the age group of 16-50 years and maximum being between 31-50 years and old aged SHG members over 50 years constitute only 16.08%. This shows that women over 50 years are not encouraged to join SHG and as such future of elderly people appears to be uncertain.

No. of Dependents: It is observed that 79.06% respondents have 1-4 dependants in the family. The number of dependants within the range of 5-6 constitutes

about 16.08%. The dependants more than 6 have been quoted only by 8 sample respondents consisting of 4.86%. This signifies that Indian rural people are also moving towards small family of 1-2 kids which is appreciable.

Caste Category: It is noticed during the study that forward caste SHG members were only 20.10%. Out of remaining 79.90% members, 34.34% and 45.56% belonged to backward and SC/ST category respectively. This indicates that about 80% SHG members are from lower strata of the society who are willing to come up socially and economically.

Education Level: The data presented in Table 1 revealed that 90.45% responding women members of SHGs were illiterate indicating that they are deprived of even the basic primary education in their villages and remaining members had nearly equal proportion of primary and secondary education which is merely 5.54 and 4.01% respectively.

Table 2: Economic characteristics of responding members of Self Help Groups

Land Holding	No. of Respondents	Percentage
Landless	102	68.34
Marginal (less than 1 acre)	23	14.91
Small (1-2 acres)	19	12.73
Medium (2-5 acres)	5	3.35
Large (more than 5 acres)	1	0.67
<p>Economic Dimensions</p> <p>The data on various economic characteristics are presented in Table 2. The inferences are drawn for each economic issue which is explained below:</p>		
<p>Reasons for Joining SHG</p> <p>Land Holding Pattern: It is well known that land holding indicates the economic position of the people. It is evident from Table 2 that 68.34% SHG members of the study group were found to be landless and marginal (less than 1 acre) and small (1-2 acres) land holders accounted for 14.91% and 12.73% respectively and 3.35% respondents were having land holding between 2-5 acres and only 1 out of 150 respondents had land measuring more than 5 acres.. This shows that almost all the SHG members had cultivable land of not more than 5 acres and majority of them were landless revealing that they are poor.</p> <p>Reasons for Joining SHGs: It is noticed that more than 50% members have joined self help groups mainly to get loan. 26.13% and 17.60% respondents have indicated that they joined SHGs for promoting savings and also for their social status. It can be concluded that these poor women needs timely credit for various purposes to meet their immediate felt needs and the easily available source of finance is through self help groups.</p>		
<p>Purpose of Loans</p> <p>Personal: 14.07%</p> <p>Agriculture: 29.70%</p> <p>Business: 36.63%</p> <p>Medical: 11.56%</p> <p>House Improvement: 8.04%</p>		
<p>Repayment of Loan</p> <p>In Advance: 11.39%</p> <p>On Time: 80.40%</p> <p>Late: 8.21%</p>		
<p>Purpose of loan: It is observed that 14.07% members had obtained loans for personal purposes such as urgent domestic and consumption needs whereas rest members (85.93%) took loans for productive purposes. Small business and agriculture accounted for 36.63% and 29.70% indicating that women are eager to adopt entrepreneurship skills and to improve their agricultural productivity for their economic upliftment through SHGs. Respectively, 18 and 12 members out of 150 had taken loans for meeting the medical expenses and also for improvement of their dwelling units.</p> <p>Repayment of Loan: The experience gained about repayment of loans by SHG members throughout the country is the essence of SHG movement. This is the unique reason for their sustainability and encouragement. Repayment experience is fantastic in the present study also, it is seen that 80.40% responding members repaid loans on time. It is worth noting that 11.39% members repaid loans in advance. Thus we can say that recovery of loans taken by SHG members is more than 90% (91.79%). This is much more as compared to recovery of normal loans given to general public. Late repayment accounted to only to the extent of 8.21%.</p>		

Table - 3: Monthly Income, Expenditure and Savings of responding members of SHGs

Monthly Income (Rs)	Before Joining SHG (No)	%	After Joining SHG (No)	%
Less than 1000	33	22.11	12	8.04
1000-2000	28	18.76	19	12.75
2000-3000	25	16.75	23	14.91
3000-4000	21	14.07	28	18.76
4000-5000	25	16.75	38	25.53
Above 5000	18	11.56	30	20.01
Monthly Expenditure(Rs)	Before Joining SHG (No)	%	After Joining SHG (No)	%
Less than 1000	42	28.14	31	20.77
1000-2000	46	30.36	38	25.53
2000-3000	33	22.11	42	28.14
3000-4000	21	14.07	30	20.01
Above 4000	8	5.32	9	5.55
Monthly Savings(Rs)	Before Joining SHG (No)	%	After Joining SHG (No)	%
Less than 100	57	38.19	35	23.45
100-150	40	26.43	39	25.74
150-200	25	16.75	34	22.67
200-250	15	10.05	28	18.76
Above 250	13	8.58	14	9.38

Monthly Income: It is evident from **Table 3** that income level of sample respondents has certainly increased after their joining SHGs. The monthly income of majority of sample respondents was below Rs.3000 before joining SHGs. However, it has increased considerably after their joining SHGs. There is a reduction in number of members from 33 to 12 and 28 to 19 whose income level was less than Rs.1000. Similarly, there is a rise in number of members from 21 to 28, 25 to 38 and 18 to 30 whose income levels were between Rs. 3000-5000. This signifies that SHGs helped the members to increase their income by taking up productive activities.

Monthly Expenditure: The expenditure pattern shown in **Table 3** indicated that expenditure of members has gone up after joining SHGs due to their increased income level as explained above. The number of sample respondents whose average monthly expenditure was up to Rs.2000 before joining SHGs has declined and number of respondents whose average monthly expenditure was above Rs.2000 has increased after joining SHGs. This shows that purchasing power of SHG members increased after they become active members of self help groups. Majority of the sample respondents

opined that their power has increased in purchase and sale of current assets, domestic animals, ornaments, purchase of home appliances and clothes, and participation in social and political activities.

Monthly Saving: It is noted that saving of sample respondents have gone up after they became members of SHGs as compared to their earlier savings as can be seen from **Table 3**. The number of sample respondents whose average monthly saving was Rs.100 and 150 before joining SHGs has declined and number of respondents whose average monthly saving was more than Rs.150 has increased after joining SHGs in the study area. This signifies that savings of members of SHGs have risen with an increase in their income showing thereby that SHG movement is in the right direction towards eradicating the poverty of the rural people.

Findings of the Study

The main findings of the study are as under:

- In 79.23% cases, family is headed by husband signifying male dominated society

- 83.92% SHG members are within the age group of 16-50 years
- 79.06% members have 1-4 dependents and 20.94% have more than 5 dependents
- Backward caste and SC/ST constitutes about 79.90% membership of SHGs
- 90.45% SHG members are illiterates. They are deprived of even primary education
- 68.34% members are landless. Others are small, marginal and medium land holders
- 52.26% respondents have joined SHGs to obtain loans for productive activities
- Loans taken by members for business and agriculture activities constitute to 66.33%
- 80.40% members repaid loan on time and 11.56% repaid in advance
- Monthly income of majority members has increased after joining SHGs
- Monthly expenditure level more than Rs.2000 has increased after joining SHGs
- Savings of sample respondents have gone up after joining SHGs
- Majority of members opined increased decision making in the family.

Conclusion

Economic prosperity of any country including India is dependent on the productivity of its people and more so poverty alleviation is the ultimate goal. This is possible only when men and women are holistically involved in the process. It is lately observed that there has been tremendous progress in social and economic environment of our country. Women are now participating in all productive activities and are at par with men. In a male dominated society like ours, it is proved by many researchers that the concept of women self help groups, more particularly, in rural areas is the most powerful tool for encouraging entrepreneurship skills, bringing

social, economic, cultural, political and educational empowerment in women. This can be very well supplemented by the results of this study and there is no doubt that SHG movement in India has been working in right direction and hence it is necessary to speed up the process to empower more and more women in all walks of life to achieve their prosperity which forms an integral part for development of our country.

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