



Women Entrepreneur and Self-Help Groups

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ABSTRACT

The most important contributors to progress have always been thought to be women. Women entrepreneurs in rural and urban areas are responsible for fostering the economic expansion of their countries. As female empowerment has been prioritized, resulting in their economic position. It is crucial to support small businesses in order to become self-reliant. SHGs enables rural women business owners to learn about financial institutions, Government programs, technical and marketing expertise, etc. Self-Help Groups have made significant advances. By giving rural women microcredit to engage in income-generating activities, the Government plays a role in the development of their entrepreneurial abilities. SHGs are regarded as a potent instrument that adopts positive a strategy for empowering women that will improve society, the situation of women economically in society.

KEY WORDS

Women, Entrepreneur, Self-Help Groups, empowerment.

INTRODUCTION

Entrepreneurs have emerged as a result of India's economy's rapid transition from an agrarian to an industrial one. Entrepreneurs are seen as a key component in a country's economic success. Successful business people play a crucial role in reducing poverty and creating jobs, which promotes long-term economic progress. According to Omoruyi et al. (2017), entrepreneurship would help create jobs in rural areas that will help the villagers secure a living and lead to inclusive growth. Over the years, socially, culturally, and economically, women in India have experienced oppression and exploitation. To them, education was foreign. The idea of a women's

entrepreneur was created in an effort to end oppression and alienation and raise the position of women in society.

Women Entrepreneurship

Women's entrepreneurship is a modern idea that gained popularity in the late 1970s with the introduction of the United Nations Decade for Women (1975–1985). It is widely acknowledged that female entrepreneurs are key to economic expansion. They are in charge of creating jobs for both themselves and other people. They are doing well as designers, decorators, fabric painters, caterers, and they are looking at a number of additional opportunities.

Women are becoming more entrepreneurial and actively participating in business endeavors as time goes by. Relatively many female business owners have started their companies and operated them successfully. The contribution of female entrepreneurs to initiatives aimed at strengthening the nation has significantly increased. Measures are taken in recognition of the role played by women entrepreneurs in the nation's overall economic development. The United Nations Decade for Women (1975–1985) launched in the late 1970s, giving rise to the modern concept of women entrepreneurs. It is widely acknowledged that female entrepreneurs are key to economic expansion. They are in charge of creating jobs for both themselves and other people. They are thriving as fabric painters, caterers, designers, and decorators, and they want to support female entrepreneurs. (2011) Goyal and Prakash.

Women entrepreneurs in rural and underdeveloped areas face a number of socioeconomic challenges, including lack of awareness, a lack of funding, movement restrictions, a male-dominated environment, and conventional family values. Rural women's misery has been caused by a lack of resources, inadequate education, and unemployment (Dees, 2007).

Self Help Groups

Microfinance was developed as a powerful instrument to promote and encourage female entrepreneurs in rural and underdeveloped areas. Additionally, SHGs (Self Help Groups) have acted as a catalyst by ensuring that rural women have easy access to finance (Karmarkar, 2003). SHGs are characterized by Singh and Jain (1995) as voluntary associations of people established to accomplish both social and economic objectives. According to Malcolm (1998) and Ojha (2001), these SHGs are also known as Rotating Savings and Credit Associations (ROSAs), chit funds, and revolving funds.

SHGs are intentionally small groups of 15 to 20 persons from similar socioeconomic backgrounds created to encourage and deploy savings. The group's members save some of their wages and put money into a pooled fund. In accordance with the group's decision, loans from the pooled common fund are made to its members to help them satisfy their needs. When there is an emergency or a calamity, the group lends a helping hand to its members. Ela Ramesh Bhat formed the Self-Employed Women's Association in 1970 and a co-operative bank that provides microloans to women so they can start their own businesses. Later, Annapurna Mahila Mandal in Maharashtra and Working Women's Forum in Tamilnadu pursued the idea of offering microloans to underprivileged women. This demonstrates the SHG revolution in India has evolved from a small saving group created to empower rural women into one of the most significant and promising platforms with the goal of improving the welfare of rural families who are less fortunate.

Self-help groups have made an important contribution to empowering rural women. By creating jobs, encouraging saving habits, offering small loans for launching small businesses, raising income levels, etc., SHGs have transformed lives (Sharma, 2001). In order to satisfy social demands, SHGs are the driving force behind social transformation (Mair and Marti, 2004).

Even Non-Credit SHGs were established to start joint farming, forestry, rural industries, and marketing of agricultural and non-agricultural products.

SHG is a comprehensive plan created to prepare women for income generating programs that emphasize self-employment. This will enable poor rural women to raise their level of living, enabling them to transition from a state of subsistence to one of sustainability. Self Help Groups (SHGs) have helped rural women become businesses.

Role of SHG's in Promoting Women Entrepreneurs

Self Help Groups have been essential in enabling rural women entrepreneurs. They play an active role in fostering entrepreneurship in rural areas. SHGs are currently being considered as an advantageous platform and durable channel for enhancing the economic and social standing of women. SHGs are in charge of:

- a) Serve as an organization to unite underprivileged women, help them build their abilities, and give them the confidence to fend for themselves.
- b) Encourage rural women to become entrepreneurs by giving them the resources they need.
- c) Preparing women for work that generates revenue, which will reduce poverty and raise their level of living.
- d) Offering microfinance to help poor women start small companies and become independent.
- e) Establish a corpus fund for credit and thrifty activities by combining group members' savings. Members will be able to borrow this in an emergency.
- f) Raise awareness among rural women of the need of saving money, good health, elementary education, and other topics.
- g) SHGs are responsible for giving rural residents direct access to several Government programs.
- h) Gain self-assurance by having more women participate in decisions about production and marketing.
- i) Make women more prominent as contributors and decision-makers makers and heirs in several life spheres. This is due to Whenever she participates actively in any SHG she has more opportunities for social interaction and self-esteem self-respect, too.

SHG Bank Linkage Programme to Finance Micro Women Entrepreneurs

Linking SHG with Bank is essential for promoting financial inclusion. A NABARD-approved action research project is the Self Help Group Bank Linkage Program. It was created as a low-cost method of providing financial goods and services to those in need who don't have access to traditional banking. In 1992, SHG-BLP was established as a pilot program to link 500 SHGs to conventional banking. Today, SHG-BLP has grown into a significant provider of microloans with a broad clientele and community reach. Bank connections with SHGs give members access to additional banking services like Mission payments and other Government monies like interest subsidies and insurance services. Additionally, it encourages financial awareness among members and aids them in the wise use of finance. As a result, the SHG Bank Linkage Programme is the most important strategy for delivering financial services to rural poor people over the long term. The two key factors in advancing SHG-BLP are:

Opening of SHG Saving Bank Account

This is the first step toward the Self Help Group's financial inclusion. SHGs and its members will receive the following benefits by opening savings bank accounts:

- I. Make Accessible a Range of Banking Services.
- II. Excess monies from the SHGs can be deposited in a bank, strengthening members' faith.
- III. Encourages financial literacy among SHG participants.
- IV. The financial services are made known to every SHG member, who eventually starts doing business with the bank.

Empowering Credit Linkage of SHG

Revolving Fund and Community Investment Fund are the key sources of funding for SHGs and its associations from SHG-BLP. By providing this initial funding, SHG members will be able to learn sound money management skills and access bank credit for their production and consumption needs. To enable SHG to obtain the required credit, competent guidance and support are required.

According to the books of account:

- I. SHG must have been present and active for the past six months in order to qualify for initial credit linkage.
- II. SHGs should adhere to “Panchasutras” such as holding frequent meetings, saving regularly, internal loaning based on member requirements, repaying loans on time, and maintaining current books of accounts.
- III. SHGs must adhere to the NABARD-established grading standards.
- IV. Non-operational SHGs may also be eligible for credit provided they undergo rehabilitation and continue to be active for at least three months.

Despite the extensive expansion of the formal credit system, rural women business owners still rely on unorganized money lenders to satisfy unforeseen financial needs. There is no regulation on lending to this group of people. In this regard, NGOs have performed a ground-breaking function by acting as Self-Help Promoting Institutions (SHPI) and encouraging and enabling SHGs’ credit linkage with banks. With the help of NABARD’s promotional support, a number of rural financing institutions, including Regional Rural Banks, District Co-operative Central Bank, Primary Agricultural Credit Society, Individual Rural Volunteers, and many other SHPIs, are strengthened to carry out SHG’s promotion. Thus, the Micro Credit Innovations Department of NABARD offers continuous access to financing through various microfinance models, serving a large number of households throughout the nation.

The fact that women make up the majority of those who benefit from this financial inclusion approach is a certain indicator of the promotion of rural women entrepreneurs in India. In order to promote the general development, expansion, and establishment of SHGs and rural women entrepreneurs, as well as to increase their self-assurance and independence, NABARD and NGOs have a significant role to play.

Government Schemes and Bank Schemes for Women Entrepreneurs

The Indian Government and banks have introduced a number of initiatives to support female entrepreneurs in India’s cities and rural areas. This program will help women start businesses and develop their entrepreneurial skills. Some of the plans available are:

Government Schemes

1. **Udhyam Sakhi:** The Ministry of Micro and Small Medium Enterprise launched Udhyam Sakhi Schemes in order to foster social entrepreneurship and business models that will focus on low cost items. Under this program, projects with a maximum cost of Rs. 25 lakhs would be supported. It offers training, mentorship, and other services to help women launch and grow their own businesses.
2. **Economic Empowerment of Women Entrepreneurs and Start-up by Women:** A Ministry of Skill Development and Entrepreneurs initiative that envisions a preliminary incubation and acceleration program for women micro entrepreneurs to launch new businesses and grow current ones.
3. **Deendayal Antyodaya Yojana:** This Ministry of Rural Development initiative places an emphasis on boosting rural women’s capacity and providing them with a variety of livelihood opportunities. Mahila Kisan Shaktikaran Pariyojana is a good example of how effective the plan is.
4. **Udyogini Scheme:** This program is run by the Women Development Corporation that supports rural women entrepreneurs by providing them with funding to launch new businesses. Women with annual

incomes of up to Rs. 1.5 lakhs are granted loans with maximum amounts of up to Rs. 3 lakhs and competitive interest rates.

5. **Mahila Samridhi Yojana:** This program was created by the National Backward Classes Finance and Development Corporation (NBCFDC) to offer microloans to women business owners from underrepresented groups that have been recognized by the federal or state Governments. The maximum loan amount per beneficiary with an annual income under Rs. 3 Lakhs is Rs. 1,25,000. Loans up to 95% of the project's value are approved by NBCFDC.
6. Prime Minister Narendra Modiji has approved capitalization assistance funds up to Rs. 1625 crore for 4 lakh SHGs in order to increase the opportunities for women entrepreneurs and their contribution to economic growth. Additional funds totaling Rs. 25 crore were made available as seed money for 7500 SHG members as part of the PM Formalization of Micro Food Processing Enterprises Scheme. 75 FPOs (Farmer Producer Organizations) are funded by the Ministry of Food Processing Industries to the tune of Rs. 4.13 crore.

Schemes by Bank

1. **Bhartiya Mahila Bank Commercial Loan:** This loan is available to female business owners who are establishing new ventures. A maximum loan of Rs. 20 crores at an interest rate of at least 10.15% is being offered to them. Additionally, a 0.25% rebate is provided.
2. **Annapura Scheme:** Women who want to start a catering business can apply under this program. For the purchase of cooking necessities, utensils, setting up a truck, establishing a gas connection, etc., a loan of up to Rs. 50,000 is granted. Interest rates are in line with current market rates.
3. **Dena Shakti Scheme:** Women entrepreneurs who seek to grow their businesses in the areas of agriculture, retail, manufacturing, and micro enterprises are given financial help up to Rs. 20 lakhs. 0.25% is the interest rate.
4. **Mahila Udyam Nidhi Scheme:** The Small Industries Development Bank of India (SIDBI) provides financial support to women entrepreneurs up to Rs. 10 lakhs for the establishment of new small-scale businesses and for the transformation of existing businesses. The loan must be repaid in full within 10 years, plus a 5-year moratorium.
5. **Mudra Loan:** Introduced by the Government with the intention of providing financial support to female entrepreneurs looking to open businesses like salons, coaching facilities, tailoring shops, etc. Mudra Loans come in a variety of forms, including Shishu, Kishor, and Tarun, with amounts ranging from 50,000 to 10 lakhs at reasonable interest rates.
6. **Stree Shakti Yojana:** Under this program, women who are registered with their state's Entrepreneurship Development Program are eligible to get financial assistance up to Rs. 2 Lakh at a reduced interest rate of 0.05%. Women who hold a significant ownership stake in the company are eligible to benefit from this program.
7. Oriental Bank of Commerce developed the Orient Mahila Vikas Yojana Scheme specifically for women owners having a 51% ownership stake in their business. For loans between Rs. 10 lakh and Rs. 5 lakh, collateral is required. These loans have a repayment term of 7 years and an interest rate cap of 2%.

Challenges Encountered by Women Entrepreneurs and SHGs

Critical barriers must be overcome by women company owners and SHGs when trying to secure funding for their ventures or technical support. The following are some of the issues they encounter:

Lack of Knowledge: First, due to inadequate knowledge, the SHGs and their members are unaware of the different Government and bank initiatives. Members' ignorance of the loan application process is a barrier to starting a new business.

Barriers to Training and Capacity Building: For rural women to develop entrepreneurial skills and engage in income-generating enterprises, it is important to provide appropriate training and capacity building

initiatives. The SHG members are unable to engage in appropriate entrepreneurial activities due to inadequate skill development activities and training (Mohanty, 2013). Due to insufficient training, rural women entrepreneurs lack marketing abilities; as a result, they must incur loss, which prevents them from promoting livelihood through SHGs (Kashyap 2008).

Irregular Meetings One of the main obstacles to using SHGs as a growth platform was the low involvement of members or inconsistent attendance caused by a lack of funds, time, and family commitments at meetings. Additionally, several SHGs didn't have regular meetings since they lacked motivated or literate individuals to serve as the SHG secretary.

Lack of Co-operation from Banks SHGs must deal with challenges while opening bank savings accounts. The inability of SHG members to get financial aid from the bank is caused by the bank executives' lack of interest and lack of cooperation. Banks do not give SHGs much thought while providing financial assistance. Because they don't trust SHGs and its members, bank officials are constantly concerned about rural women repaying loans.

Patriarchal Approach: Frequently stereotyped as being responsible for the entire family. Entrepreneurial rural women or SHG women family members frequently treat members with condescension if they develop their own business. Members of SHG frequently lack family assistance with starting SHG operations while carrying out the tasks related to the home (Thileepan and Soundararajan, 2013; Singh (2014); Savitha and Rajashekar (2014). such a crude approach and social pressures demotivate women's efforts in pursuing any available financial options.

Lack of Marketing Facilities: SHG members frequently experience a variety of marketing issues, including a lack of orders, incorrect affiliation with marketing firms, ineffective sales promotion strategies, fierce rivalry from big suppliers, a lack of clearly defined distribution routes, etc. Women find it difficult to navigate the professional world since there aren't enough possibilities for networking.

CONCLUSION

It is imperative to give SHG women entrepreneurs the essential entrepreneurial skills, increase self-confidence, indoctrinate entrepreneurial capability, and provide training. The development of a more thorough and committed policy agenda by the Government, together with a cooperative mind-set and persistent assurance from many stakeholders, will go a long way toward strengthening the advancement of SHG and women entrepreneurs.

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