

WOMEN ENTREPRENEURSHIP DEVELOPMENT THROUGH SHG IN LATUR DISTRICT

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Abstract:

The Self Help Groups (SHG) Strategy is one of the instruments for empowerment of women through economic intervention. The study focuses on the economic activities and possible entrepreneurial qualities change, analyzing change in income generation activities and mobilization of funds, level of participation of women in decision making process in domestic issues and group activities. The study was conducted in Latur District in Maharashtra state.

For the study 180 SHG's were selected from MAVIM, NGO & DCCB Latur.

The data shows increase in income of SHGs after commencing their business either collectively or at individual level. In the year 2005, the increase in income of SHGs of in the range of upto Rs. 750 of MAVIM was 56%, whereas in 2007 it was 41% and in the year 2009 it was 38% of the year. The change in increase in income in the range of Rs. 750 to Rs. 1000 of MAVIM was 44 % in the year 2005, 32% in the year 2007 and 35 % in 2009 respectively. The increase in income in the range of Rs. 1000 to Rs. 1500 was nil (0%) in the year 2005, 23% in the year 2007 and 20 % in 2009 respectively. For the range of Rs. 1500 and above, increase in income for the year 2005 was nil. In the year 2007 it was 5% and in 2009 it was 8% respectively.

Data shows the increase in income during five years form Rs. 750 to 1500 each to the SHG members. By joining SHG's 91% members have helped in change of their socio – economic status.

SHG activity has reduced loaning of money from moneylenders from 64% to 0%.

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1.0 Introduction:

During the pre independence period that is in the Vedic and Mughal periods, women were exploited, they were considered as a secondary category. They were given no freedom. Their life started and ended within the 4 walls of their house. The life of woman was her husband, children and kitchen. However, later during the medieval and post-second World War periods, women enjoyed greater freedom in the society and family, as they were active part of the freedom movement. They got a stature in the society and it helped them to get out of the four walls and spread their wings in different sectors of society.

After independence, eminent women and other reformers in the society started massive campaigns for women's emancipation and liberation. These movements helped women to attain constitutional backing for assuring equality, dignity, justice, stability and prosperity. Post Independence lot of efforts has been taken by various leaders for the growth of women. These efforts have lead to not complete but a major change in thinking of men about women's contribution to society.

It is definite that if appropriate skills and opportunities of decision making are given to women, they are proving that they are, if not superior, at least equal to men. Women are considered to be good leaders in matters requiring collaboration, group integration and ability to listen and motivation. Recent trends in India and even at global level show that women are far more superior to men in various aspects of development. Only problem is that so far the society has given little chance to women to enter into the fields of various economic activities. Hence, it is necessary today to empower women by providing the facilities to enter into various economic activities to make them economically independent and socially confident in their endeavor.

In urban areas more and more women are becoming successful by running day care centres, boutiques, placement services or Tiffin's providers. These women started their own micro businesses. Maharashtra has 8.10% enterprises managed by women. Total no. of enterprises owned by women in Maharashtra is 100670, which rounds upto 9.46% of total enterprises owned by women in India. About 13 % of the women enterprises were in the registered SSI sector and the remaining 87 % were in the unregistered SSI sector. With regard to the enterprises managed by women, 11.5 % were in the registered SSI sector and 88.5 % were in the unregistered SSI sector. Out of this statistical percentage, many of the enterprises are owned by women but managed by men.

Today, the good effect of urban women's life is seen on rural women. Rural women have acquired a secondary statue in social life, economic activities and decision making among their families. Their role in productive work, employment generation and income oriented activities is hindered by many socio-economic constraints. The main motive to start a enterprise is to be financially independent, increase the present economical condition of self and family. On an average, the age group of the entrepreneurs is 26-36 years.

2.0 History of Self Help Group (SHG)

The concept of formation of Groups of poor women for the saving purpose initiates the birth of the Self Help Groups (SHG). The common goal was to save the amount form the wages in the regular interval of one month.

THE SHG SYSTEM

- The SHG members decide to make regular saving's contributions. These may be kept by their elected head, in cash or kind or may be in the deposited in the bank.

- The members borrow individually from the SHG, for purposes, on terms and interest rates decided by the group themselves.
- The SHG open an saving account in the groups name, with the Bank or Micro Finance Institute (MFI), for such funds as are not needed by the members, or in order to qualify for a bulk loan.
- The Bank or MFI makes the loan to the SHG, in the name of group, which is then used by to group to supplement its own funds for on-lending to its members.

The SHG need never go through all these stages; it may satisfy its member's needs quite effectively if it only goes to the second or even to the first stage, saving money and possibly not even withdrawing it.

There are certain misconceptions about the poor people that they need loan at subsidized rate of interest on soft terms. They lack education, skills, capacity to save, credit worthiness and therefore are not bankable. Nevertheless, the experiences of several SHGs reveal that rural poor are actually efficient managers of credit and finance. Availability of timely and adequate credit is essential for them to undertake any economic activity rather than credit subsidy.

Before 1990's, credit scheme for rural women were almost negligible. The concept of women credit was born on the insistence by women oriented studies that highlighted the discrimination and struggle of women in having access to credit. However there is perceptible gap in financing genuine credit needs of the poor especially women in the rural sector.

After the initiation of Swarn Jayanti Swarojgar Yojana (SJSY) and Swarn Jayanti Shahari Swarojgar Yojana (SJSRY) schemes in 1997 and the involvement of NGO, the finance had made available for the SHG and the credit facilities have offered by Banks. The recovery ratio within group is 100% and only 1% NPA for the bank finance. In the present scenario, each and every SHG has linked with the Bank.

The SHG are of below and above poverty line women and of SC and ST exclusive depending upon requirement and necessity.

3.0 Latur District at a Glance:

Population

Population	2011	2001
Male	1276262	1075257
Female	1179281	1005028
Total population	2455543	2080285

Table 1: Source: Census report 2011, and 2001.

The census report shows 18.04 percent change in population compared to population as compared to 2001.

Description	Rural	Urban
Population (%)	74.53%	25.47%
Total Population	1830085	625458
Male	951687	324575
Female	878398	300883

Table 2: Source: Census report 2011

The census also shows that population of people living in rural and urban areas of Latur district. The majority of population resides in villages' i.e. 74.53%. Out of which 47.99% are women. These women are mostly engaged in SHG activities related to development of their own economic and financial conditions.

In 2011, there were 4501 SHG registered with NIC across Latur district. These employed around 35000 women throughout Latur district. In 2009 there were 3615 registered SHGs working throughout Latur district.

4.0 OBJECTIVES OF THE STUDY

1. To Study the impact of SHGs on the rural economic development of Latur District.
2. To make an impact assessment on women entrepreneurship, market linkages and poverty alleviation of the program partners.
3. To make a comparative study of the SHGs promoted by MAVIM, DCCB and NGOs.
4. To reflect upon the comparative status of women empowerment by increase in income.

5.0 SCOPE OF THE STUDY

By considering the geographical and economical factors 10 Taluka of the district has been chosen for the study and the period of study is from the 1987 to 2009. This study is focused only on the role of SHG product in the rural market.

6.0 METHODOLOGY

The proposed study is dependent on the primary data to the large extent. Such data was collected through questionnaire, observations, interactions, primary records of the SHGs. Interviews were held with the Govt. officials, bankers, NGOs, Academicians, Chairpersons and members of the SHGs.

Efforts were also made to use the secondary data wherever possible and necessary. It was collected through reference books, Journals, News papers, Periodicals, research papers, Conferences, workshop seminars, Annual reports of development agencies, Bankers, NABARD, MEDC, etc. The data so collected was in the crude form and was processed as per the requirement of the statements in the report. All this data was produced in various statistical tools such as tables, bar charts, graphs, averages, percentages, Interpolation and extrapolation, practical exposures was demonstrated the problems and prospectus of rural market of SHG products.

7.0 SAMPLE

It was a random sampling. 180 SHGs from 10 talukas were selected randomly. Through this process, 10 talukas of Latur District of Maharashtra were covered. Data was as collected using different questionnaires for interviews of individuals, groups & the heads of the institutes, and also with the Bankers. Number of interviews held with heads of the institutions from **180** different SHGs, with heads of the institutes.

8.0 Impact of SHGs on Women Entrepreneurship in Latur District.

The total no. of SHGs we took under study is 180. These SHGs work in different sectors for self growth as well as of other women in the area. These SHGs are under 3 respondents. They are MAVIM, NGO, and DCCB. These respondents command the functioning of the SHGs and help them in various activities. These activities include problem solving, training activities, bank linkages, etc.

Literacy rate:

During the study, it was found that out of total 1880 members of SHGs 142 i.e. 8% members were illiterate. 1738 i.e. 92% members were found to be literate.

Particulars	MAVIM	NGO	DCCB	Total	%
Illiterate	12(3%)	52 (7%)	78(10%)	142	8%
Literate	398(97%)	659(93%)	681(90%)	1738	92%
Total	410	711	759	1880	100%

Table 3: Primary source from Questionnaire

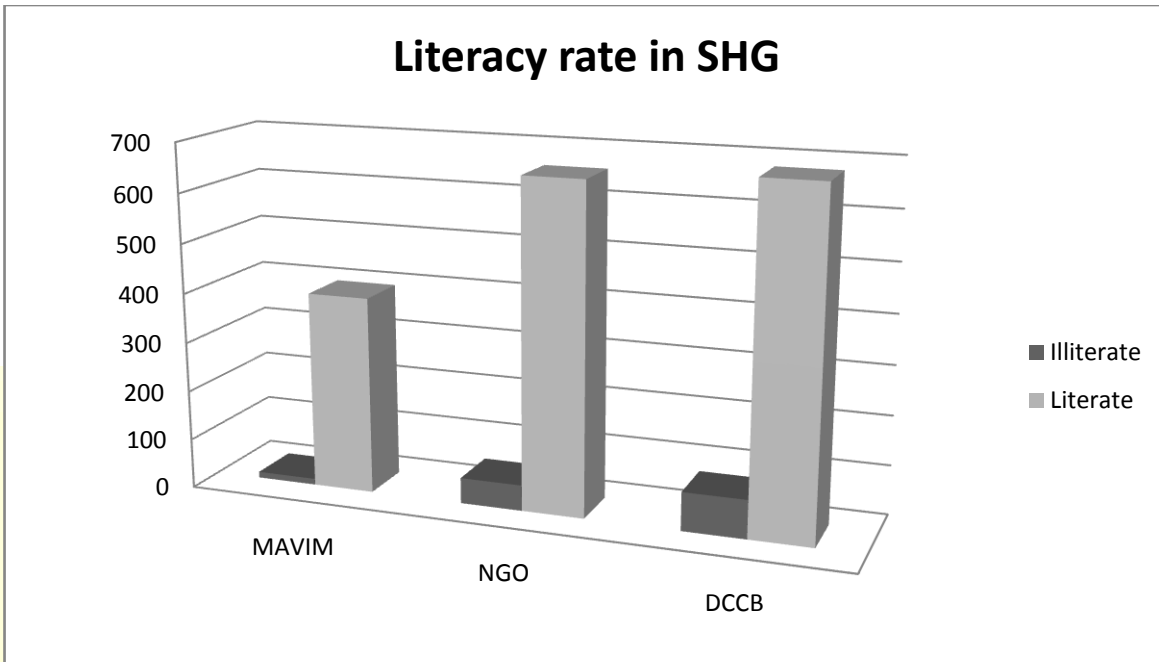


Fig: Literacy rate in SHG

Educational status of members of the SHG:

The study showed that, the literate population was divided into sections on the basis of their educational qualifications. These sections are primary, middle school, high school, intermediate, graduation, P.G, technical, ITI, etc. Out of 1880, 1298 i.e. 75% members had primary education. 276 i.e. 16% members were middle school pass out. 77 members i.e. 4% had high school education. No. of members who completed their intermediate studies are 45 which is 3% of all the members. 2% i.e. 27 members of the 1880 are graduates and 7 members i.e. 0.40% are post graduates. 8 members i.e. 0.46% have completed their technical education i.e. Prof. ITI, etc. The detail is shown in the table below.

Particulars	MAVIM	NGO	DCCB	Total	%
Primary	313(79%)	515(78%)	470(69%)	1298	75%

Middle School	32(8%)	85(13%)	159(23%)	276	16%
High School	22(6%)	30(5%)	25(4%)	77	4%
Intermediate	12(3%)	15(2%)	18(3%)	45	3%
Graduation	14(4%)	7(1%)	6(1%)	27	2%
PG & above	3(1%)	2(0.3%)	2(0.3%)	7	0.40%
Prof. ITI etc	2(1%)	5(1%)	1(0.1%)	8	0.46%
Total	398	659	681	1738	100%

Table 4: Primary source Questionnaire

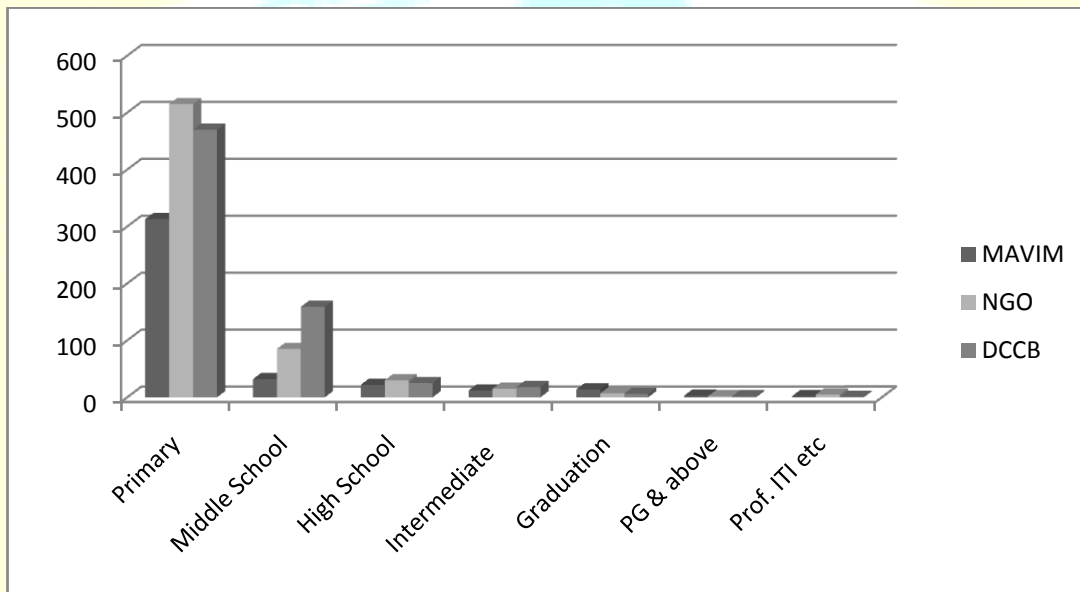


Fig: Educational status of members of SHG

Impact of training and Exposure Visits:

There were many training programs conducted for these women as well as they were given exposure visits to other SHG or stores, so that they can study the buying pattern, packaging, distributing, etc.

As a part of questionnaire, we came to know various effects of the training on the members of SHGs. These included Confidence building, Skill development, Marketing linkages, Bank

linkages, Enhance income & earning, Active part in family decision making, Active part in development program, Linkage with government officials, Knowledge on rights and Managerial efficiency.

Sr. No.	Particulars	MAVIM	NGO	DCCB
1	Confidence building	40(100%)	70(100%)	70(100%)
2	Skill development	32(80%)	44(63%)	32(46%)
3	Marketing linkages	16(40%)	32(46%)	35(50%)
4	Bank linkages	40(100%)	70(100%)	70(100%)
5	Enhance income & earnings	36(90%)	61(87%)	45(64%)
6	Active part in family decision	40(100%)	70(100%)	70(100%)
7	Active in development program	33(83%)	55(79%)	48(69%)
8	Linkages with government officials	34(85%)	54(77%)	41(59%)
9	Knowledge on rights/development programs	22(55%)	34(49%)	37(53%)
10	Managerial efficiency	28(70%)	32(46%)	30(43%)
	Total SHGs in consideration	40	70	70

Table 5: Primary Source Questionnaire

Out of participated groups of MAVIM, all the groups experienced increase in confidence building. This particular was same for all SHGs of NGO as well as of DCCB. The skill development of 32 MAVIM SHGs experienced increase in their skills, which were beneficial for the growth and over all development. As far as NGO based SHGs and DCCB based SHGs were concerned out of 70, 44 SHGs and 32 out of 70 experienced development in skills. Marketing linkage of DCCB based SHG were stronger as compared to others. This linkage gave the members a different platform to develop. Comparatively MAVIM's marketing linkage was 16 and that of NGO was 32.

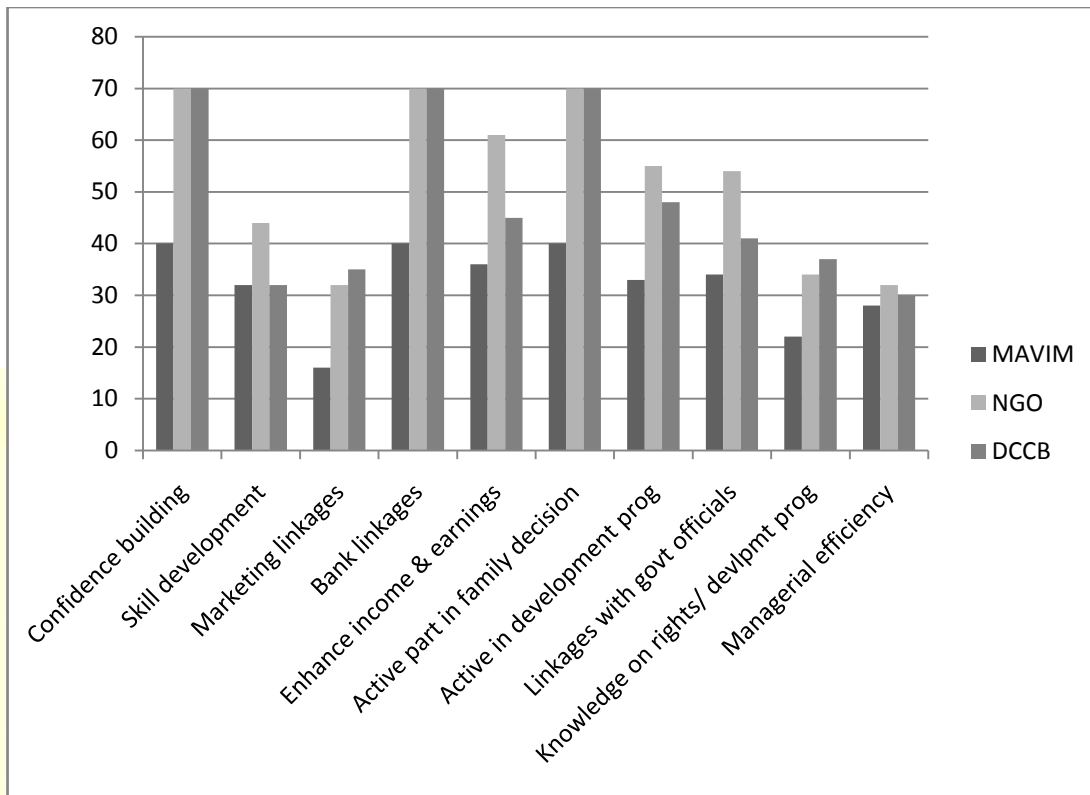


Fig: Impact of training and exposure

In terms of linkages with bank, all the SHGs saw a 100% growth i.e. all the SHG developed a strong bank linkages as the rate of return of loan was 100%. 36 of 40 SHG groups of MAVIM experienced enhancement in their income due to SHG activities; 61 of 70 SHG groups of NGO experienced growth in their income and family earning due to SHG activities; and 45 of 70 groups had growth in their income generation and earning capacity due to their work for SHG.

Apart from all these activities all the SHG groups experienced that they were now playing a active part in family decision making process. For the development of their village, these SHG members played an active part. 33 groups out of 40 MAVIM groups were taking active part in their respective village development programs. Whereas 55 groups out of 70 SHG groups of NGO and 48 out of 70 SHG groups of DCCB were taking active part in their respective village development programs.

As these SHG activities grew, these drew attention of government officials towards the progress. These officials helped the groups to build a linkage with the government for various schemes and

subsidies. Out of 70 SHG group of NGO, 51 had a strong government linkage, it was followed by DCCBs SHGs, and lastly by MAVIM's SHGs.

One of the main motives behind formation of the SHGs was for personal growth, stop exploitation of poor, gain information about rights and development of self as well as that of respective village. 22 groups out of 40 of MAVIM, have knowledge about rights and development, whereas 34 groups out of 70 of NGO and 37 out of 70 groups of DCCB have knowledge of rights and development.

On the basis of the study, it was found that 28 out of 40 SHG groups of MAVIM experienced increase in their managerial skills due to the exposures and training provided to them. Whereas 32 out of 70 SHG groups of NGO and 30 out of 70 groups of DCCB had similar type of experience as that of MAVIM group's SHG.

Change in Socio economic status after joining SHGs:

The main motive behind joining SHG is increase in socio economic status of the members of the SHG. Out of the considered sample of 1880 people from 180 SHGs, 1710 members experienced increase in their socio economic status.

It was also found that 170 people experienced no change in their condition even after joining the SHG.

Sr. No.	Particulars	MAVIM	NGO	DCCB	Total
1	Increased	399(97%)	679(95%)	632(83%)	1710
2	Decreased	0	0	0	0
3	No change	11(3%)	32(5%)	127(17%)	170
	Total	410	711	759	1880

Table 6: Primary source Questionnaire

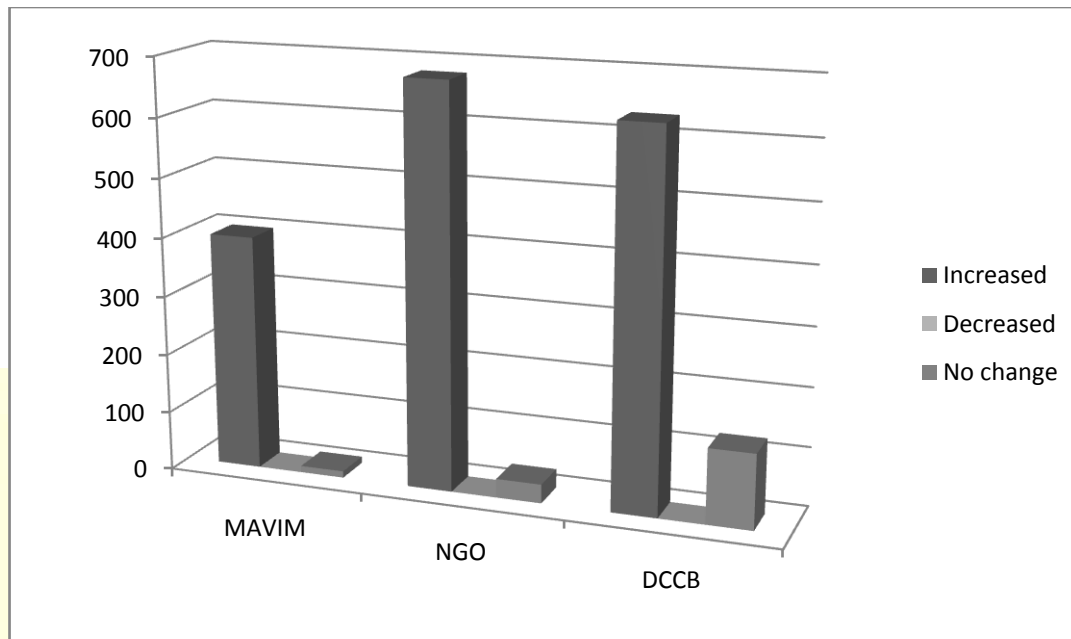


Fig: Change in Socio economic status after joining SHG

Economic impact: Increase in income:

In the questionnaire, we studied the change in income pattern of SHG members across the years from 2005 to 2009. We considered the data for the year 2005 as the initial year for increase in income and comparatively studied the change in income generation in 2007 and 2009 respectively.

Year	2005			2007			2009		
	MAVIM	NGO	DCCB	MAVIM	NGO	DCCB	MAVIM	NGO	DCCB
up to Rs.750	5 (56%)	12 (80%)	16 (73%)	9 (41%)	21 (51%)	24 (55%)	15 (38%)	36 (51%)	38 (54%)
Rs.750 to Rs. 1000	4 (44%)	2 (13%)	4 (18%)	7 (32%)	12 (29%)	13 (30%)	14 (35%)	19 (27%)	21 (30%)
Rs.1000 toRs.1500	0	1 (7%)	2 (9%)	5 (23%)	7 (17%)	4 (9%)	8 (20%)	12 (17%)	7 (10%)
Rs. 1500 & above	0	0	0	1 (5%)	1 (2%)	3 (7%)	3 (8%)	3 (4%)	4 (6%)
Total	9	15	22	22	41	44	40	70	70

Table 7: Primary source Questionnaire

The table shows increase in income of SHGs after commencing their business either collectively or at individual level. In the year 2005, the increase in income of SHGs of in the range of upto Rs. 750 of MAVIM was 56%, whereas in 2007 it was 41% and in the year 2009 it was 38% of the year. The change in increase in income in the range of Rs. 750 to Rs. 1000 of MAVIM was 44 % in the year 2005, 32% in the year 2007 and 35 % in 2009 respectively. The increase in income in the range of Rs. 1000 to Rs. 1500 was nil (0%) in the year 2005, 23% in the year 2007 and 20 % in 2009 respectively. For the range of Rs. 1500 and above, increase in income for the year 2005 was nil. In the year 2007 it was 5% and in 2009 it was 8% respectively.

In the year 2005, the increase in income of SHGs of in the range of upto Rs. 750 of NGO was 80%, whereas in 2007 it was 51% and in the year 2009 it was 51% of the year. The change in increase in income in the range of Rs. 750 to Rs. 1000 of NGOs was 13 % in the year 2005, 29% in the year 2007 and 27 % in 2009 respectively. The increase in income in the range of Rs. 1000 to Rs. 1500 was 7% in the year 2005, 17% in the year 2007 and 17 % in 2009 respectively. For the range of Rs. 1500 and above, increase in income for the year 2005 was nil. In the year 2007 it was 2% and in 2009 it was 4% respectively.

In the year 2005, the increase in income of SHGs of in the range of upto Rs. 750 of DCCB was 73%, whereas in 2007 it was 55% and in the year 2009 it was 54% of the year. The change in increase in income in the range of Rs. 750 to Rs. 1000 of NGOs was 18 % in the year 2005, 30% in the year 2007 and 30 % in 2009 respectively. The increase in income in the range of Rs. 1000 to Rs. 1500 was 9% in the year 2005, 9% in the year 2007 and 10 % in 2009 respectively. For the range of Rs. 1500 and above, increase in income for the year 2005 was nil. In the year 2007 it was 7% and in 2009 it was 6% respectively.

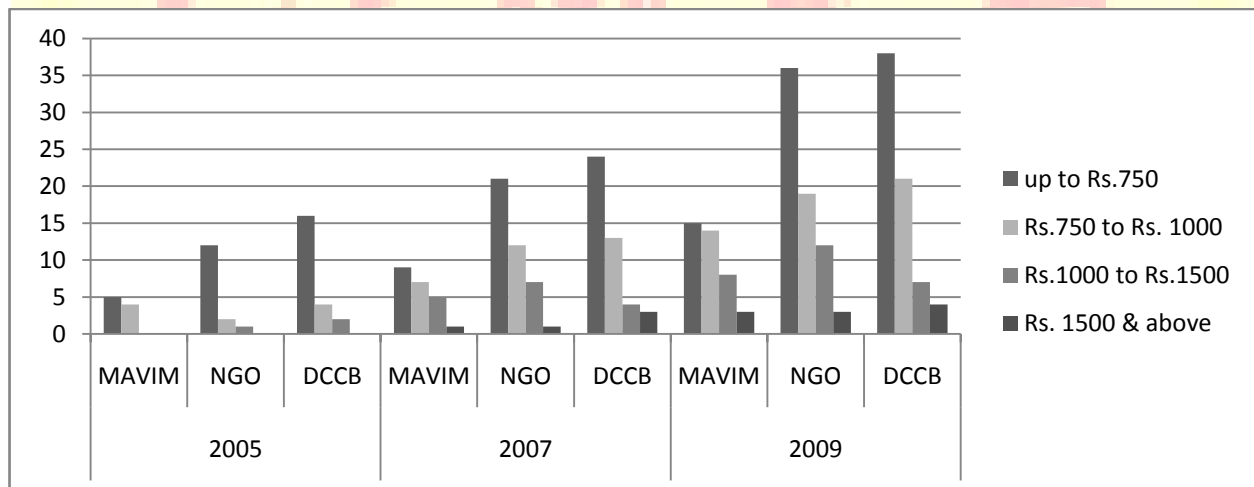


Fig: Increase in income over the span of 5 years

9.0 Conclusion and Findings

Women can venture into any area depending on their educational background, nature of training, technical knowledge, exposure to various industries.

During the study it was found that, due to SHGs women from different backgrounds in Latur district came together for their own development as well as for the development of the village they reside in. The SHGs have helped women in making a place for themselves in the male dominated world.

The increase in income over a span of time and the contribution of women in the decision making process gave them immense confidence, which helped them to do better in their work.

These SHGs work at the root level i.e. in the villages. These help development of villages as well as it opens the door for new technologies for the villagers. Banks, NGOs, Government associations come forward to help women in the development.

10.0 LIMITATIONS

The study suffers from the following limitations:

1. This study is limited to the SHGs working in the Latur District only.
2. The conclusion of the study will not be 100% applicable to the SHGs working in other area.
3. For all the years, the data may not be available. The data will be calculated with the interpolation and extrapolation method and it will be updated.

11.0 REFERENCES

Ahmad (1999) through a case study on Thrift Groups in Assam, highlighted that women are coming to the administration directly for their just rights and to address their grievances boldly.

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