



# Entrepreneurship Development Through SHG: A Weapon for Economic Empowerment of Rural Women

Aastha Khatri\*, Sangeeta Sharma\*\*, Adya Tiwari\*\*\*

\*PhD Scholar, Dept. of Home Science Extension and Communication Management, College of Home Science, MPUAT, Udaipur, Rajasthan-313001. [Khatriastha21@gmail.com](mailto:Khatriastha21@gmail.com)

\*\*Dept. of textiles and apparel designing, College of Home Science, MPUAT, Udaipur, Rajasthan-313001

\*\*\*PhD Scholar, Dept. of textiles and apparel designing, College of Home Science, MPUAT, Udaipur, Rajasthan-313001

**ABSTRACT:** *Economic development can be fostered only when women entrepreneurs in the nation is empowered. It is clear that women are the powerful drivers of development. Developing entrepreneurial skills among women will be a good approach for women empowerment and this would elevate social status of women. If she feels that she is reasonably strong, women entrepreneurs will be able to compete in all respect. Therefore the promotion of micro and small scale enterprises has been recognized as an important strategy for advancing the economic empowerment of women. At the household level, women's microenterprises and small scale businesses play an important role in ensuring the survival of poor household and in building up women's confidence, skills and socio economic status. However it is seen that women are the most deprived category in the society specifically in developing countries. In India also the economic status of women is very low especially in rural areas and opportunities of earning are very less. In this scenario the Self Help Groups (SHGs) are considered as institutional innovation that fosters empowerment of rural women and have paved the way for economic independence of rural women. Keeping in view this papers aims at discussing some important aspects of women empowerment through micro entrepreneurship development and SHGs.*

**Keywords:** *Empowerment, Entrepreneurship, Micro enterprise, SHGs.*

## INTRODUCTION

Women have been regarded as the nuclei of nation and builder and molder of its destiny. It is fact that, 'when there is development of women, family develops, the society develops and the country develops'. They are the catalyst of development and with them we prosper, but without them we are poor. Time went out when Indian women are confined to four walls of their homes with their immense strength and potential. Now they are the important part of economic development. In India, early phases of women entrepreneurship was regarded as extension of their kitchen activities mainly to 3 Ps, viz. Pickles, Powder and Pappad. But with growing awareness women have started shifting from 3 Ps to 3 modern Es, viz. Engineering, Electronics and Energy. The term 'women empowerment' has come to occupy an important position globally over the years. Educational attainment and economic participation are the key constituents in ensuring empowerment of women. "When you empower a man, you empower an individual; when you empower a woman, you empower a nation." (HE Tebelelo Seretse, Ambassador of Botswana to the United



States) Women empowerment can be said as a process in which women challenge the existing norms and culture, to efficaciously improve their personality, status in the family as well as in the society. The economic empowerment of women is a crucial element of strong economic growth in any country. Entrepreneurship happens to be one of the best ways towards self sufficiency and poverty alleviation for women in a country where employment is not guaranteed. Women's involvement in entrepreneurial activities would ensure effective utilization of labour, generation of income and hence improvement in quality of life. Women empowerment through entrepreneurship is a must for a modern developed economy

**Concept of Women Empowerment and Women Entrepreneurship:** According to United Nations Development program (1994) empowerment is a process which enables individuals or groups to change balances of power in social, economic and political relations in society. Therefore, women empowerment means giving the capacity and means to direct women's life towards desired goals. It is a process by which women gain greater control over resources (income, knowledge, information, technology, skill and training), decision making process, enhance the self-image of women, to become active participants in the process of change and to develop the skills to assert themselves. "Women Entrepreneur" is a person who accepts challenging role to meet her personal needs and become economically independent. The Government of India has defined women entrepreneurs as an enterprise owned and controlled by women having a minimum financial interest of 51 per cent of the capital and giving at least 51 per cent of the employment generated in the enterprise to women. In the simplest sense, women entrepreneurs are those women who take the lead and organize the business or industry and provide employment to others. Entrepreneurship development among rural women helps to enhance their personal capabilities and increase decision making status in the family and society as a whole. Status of Women Entrepreneurship in India: The concept of "Women entrepreneurship" is becoming a global phenomenon and in India it became prominent in the latter half of the eighties. Now women's entrepreneurship has been recognized as an important untapped source of economic growth. In India it is estimated that women entrepreneurs presently comprise about 10% of the total number of entrepreneurs 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 startups 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

### **Entrepreneurship Development among Rural Women through SHG & Micro-Credits**

SHGs are of recent origin in rural India to helping more than 17 million women from villages improve their incomes, educate their children, and buy assets. Nachimuthu & Gunatharan (2012) conducted study on 350 women entrepreneurship in Tamilnadu to measure the strength of SHGs and other form of enterprises in empowering women. Results indicated that women entrepreneurs in SHGs are more empowered than other (Non SHG) entrepreneurs. Pattanaik (2003) has stated that SHGs are continuously striving for a better future for rural women as participants, decision-makers and beneficiaries in the domestic, economic, social and cultural spheres of life. But due to certain constraints like gender inequality, exploitation, women torture, various SHGs is not organized properly and effectively. The SHGs have inculcated great confidence in the minds of rural women to succeed in their day-to-day life. Kirankere & Subrahmanya (2013) argued that Self Help Groups (SHGs) are successful in the empowerment of women through entrepreneurial finance to rural women entrepreneurs. According to him the SHGs had major impact on social and economic life of rural women SHGs have also helped women campaign against oppressive social practices and become a force of development in their villages. Makandar & Mulla (2013) argued



that women's participation in SHGs enabled them to discover inner strength, gain self-confidence, social, economic, political and psychological empowerment and capacity building. Participation of women in SHGs makes a significant impact on the empowerment in social aspect also. SHGs helps women come out in open and discuss their problems. SHGs also helps to bring about awareness among rural women about savings, education, health, environment, cleanliness, family welfare, social forestry, etc. SHGs could be linked to literacy programmes run by government and it could be made an integral part of SHG activities. Raised literacy level could be helpful for the SHG members to overcome cognitive constraints and to understand government policies, technical understanding and gaining required skills.

Das (2012) has attempted to explore about the role of SHG as a financial intermediary for enhancing women empowerment, as micro finance is emerging as a powerful tool for poverty eradication and gender empowerment in the country. SHG-Bank Linkage programmes are leading to women empowerment because they have been successful in meeting financial needs of the poor rural women which helps them to strengthen the financial capacities of the persons below poverty line in particular and other poor in general. The empirical findings of the study conducted in Assam suggest that the micro finance programme has a substantial influence on the economic status, decision making power, knowledge & self worthiness of women participants of SHG Bank Linkage Programmes. Demographic factors like age and education are not having any influence on empowerment as well as on entrepreneurship and managerial skill development among rural women. Further, the researcher observed appreciable changes in the confidence, courage, skill development and self worthiness in rural areas, particularly among women and moderate level effect of SHG on communication, organising, competency, technical, marketing and entrepreneurial skills and observed a significant improvement of managerial skills, psychological well being and social empowerment among rural women as a result of participating in micro finance through SHGs-Bank Linkage Programme. Minimol and Makesh (2012) critically evaluate the nature and extent of impact of participation in SHGs on rural women. They analyzed the extent of various levels of empowerment i.e. personal, entrepreneurial, social, economic and financial empowerment achieved by the members through their participation in SHGs. They found that SHGs act as a resource centre for empowering women members, percolating the benefits to the society in general, it can come to a point where it becomes their choice whether to remain personally, economically and socially impoverished. It helps women to organise themselves into groups and undertake community based programmes to eradicate their deprivations. Women empowerment was not the sole motive rather, the objectives are to bring prosperity to overall family, community and to ensure social as well as entrepreneurial development.

Before 1990s, credit schemes for rural women were almost negligible. The concept of women's credit was born on the insistence by women oriented studies that highlighted the discrimination and struggle of women in having access to credit. Micro credits are enough for innovative and hard working micro entrepreneurs to start small business such as making handicraft items. From the income of these small businesses the borrowers of micro credit can enjoy better life, food, shelter, health care and education for their families and above all these small earnings will provide a hope for better future. There are certain misconceptions about the poor rural women that they need loan at subsidized rates of interest on soft terms, they lack education, skills, capacity to save, credit-worthiness and therefore are not bankable. The experiences of several SHGs reveal that rural women are actually efficient. Availability of timely and adequate credit is essential for them to undertake any economic activity rather than credit subsidy.

In rural areas the women micro entrepreneurs continue to produce the traditional designs for local markets. Women in SHGs produce a large variety of essential products, village crafts and home made snack foods. Many are engaged in retail trading of groceries and textiles. These enterprises represent a substantial supply resource for semi-urban and urban markets. SHGs are also viable organized set up to disburse micro credit to the needy entrepreneur women and encouraging their promotion of poverty alleviation activities and programmes. Jitendra.(2009)

[Kuratka and Richard 2001] in their book on entrepreneurship stated that entrepreneurship is the dynamic process of creating incremental wealth. This wealth is created by individuals who take the major risks in terms of equity, time and career commitment of providing value to some products or services the product or service itself may or may not



be new or unique but value must somehow be infused by the entrepreneur by securing and allocating the necessary skill and resources. The delivery of micro finance to the poor is smooth; effective and less costly if they are organized into SHGs. SHG is promoting micro enterprise through micro-credit intervention. Micro enterprise is an effective instrument of social and economic development. The micro finance is agenda for empowering poor women. Micro enterprises are an integral part of planned strategy for securing balanced development of the economy of the poor women. Rural women's participation in agro-based activities is much more than what statistics reveal. This is mainly due to the fact that most of the work done by the women at farm and home is disguised as daily chores. Mechanization and easy availability of labour provide more time to energetic women to engage themselves in self-employment or entrepreneur ventures. Rural women are having human and nonhuman resources to take up an enterprise need one an innovative mind and motivation. Entrepreneurship is the only solution to the growing employment among rural youth. It helps to generate employment for a number of people within their own social system. This is more beneficial for women in rural areas as it enables them to add to the family income while taking care of their own home and livestock centered task. Rural women possess abundant resources to take up enterprises. She has the benefit of easy availability of arm and livestock based raw materials and other resources Hence, she can effectively undertake both the production and processing oriented enterprises. Entrepreneurship development among rural women helps to enhance their personal capabilities and increase decision-making status in the family and society as a whole. Entrepreneurship Development of Rural Women Through Self Help Groups Women comprise half of human resources they have been identified as key agents of sustainable development and women's equality is as central to a more holistic approach towards establishment of new patterns and process of development that are sustainable. [Birendra Kumar Jha, 2009].

The contribution of women and their role in the family as well as in the economic development and social transformation are pivotal. Women constitute 90 per cent of total marginal workers of the country. Rural women who are engaged in agriculture form 78 per cent of all women in regular work [Harendar Kumar, 2009].

The role of micro-credit is to, improve the socio and economic development of women and improve the status of women in households and communities. The micro entrepreneurs are strengthening the women empowerment and remove the gender inequalities. Self Help Group's micro credit mechanism makes the members to involve in other community development activities. Micro credit is promoting the small scale business enterprises and its major aim is to alleviate poverty by income generating activities among women and poor. Therefore, they could achieve self-sufficiency. Now-a-days economic development is one of the factors that have changed the entire scenario of social and cultural environment within the country especially for the women. The rural women are engaged in small-scale entrepreneurship programme with the help of Self Help Groups. Through that they were economically empowered and attaining status in family and community. Rural women play a vital role in farm and home system. She contributes substantially in the physical aspect of farming, livestock management, post harvest and allied activities. Her direct and indirect contribution at the farm and home level along with livestock management operation has not only help to save their assets but also led to increase the family income. She performs various farm, livestock, post harvest and allied activities and possesses skills and indigenous knowledge in these areas. The women were empowering themselves technically to cope with the changing times and productively using their free time and existing skills for setting and sustaining enterprises. They were engaged in starting individual or collective income generation programme with the help of self-help group. This will not only generate income for them but also improve the decision-making capabilities that led to overall empowerment.

Areas of Micro-Enterprise Development Depending on number of factors ranging from landholdings, subsidiary occupations, agro climatic conditions and socio-personal characteristics of the rural women and her family member the areas of micro-enterprises also differ from place to place.

#### **The micro enterprises are classified under three major heads:**

1. Micro Enterprise development related to agriculture and allied agricultural activities like cultivating to organic vegetables, flowers, oil seeds and seed production are some of the areas besides taking up mushroom growing and



bee – keeping. Some more areas can be like dehydration of fruits and vegetables, canning or bottling of pickles, chutneys, jams, squashes, dairy and other products that are ready to eat.

2. Micro-Enterprise development related to livestock management activities like dairy farming, poultry farm, livestock feed production and production of vermin-composting using the animal waste can be an important area in which women can utilize both her technical skills and raw materials from the farm and livestock to earn substantial income and small scale agro-processing units.

3. Micro-Enterprise development related to household based operations like knitting, stitching, weaving, embroidery, bakery and flour milling, petty shops, food preparation and preservation.

### **Advantages of Entrepreneurship among Rural Women**

Empowering women particularly rural women is a challenge. Micro enterprises in rural area can help to meet these challenges. Micro – enterprises not only enhance national productivity, generate employment but also help to develop economic independence, personal and social capabilities among rural women. Following are some of the personal and social capabilities, which were developed as result of taking up enterprise among rural women.

- Economic empowerment
- Improved standard of living
- Self confidence
- Enhance awareness
- Sense of achievement
- Increased social interaction
- Engaged in political activities
- Increased participation level in gram sabha meeting
- Improvement in leadership qualities
- Involvement in solving problems related to women and community
- Decision making capacity in family and community

Economic empowerment of women by micro entrepreneurship led to the empowerment of women in many things such as socio-economic opportunity, property rights, political representation, social equality, personal right, family development, market development, community development and at last the nation development.

### **Conclusion-**

Women's entrepreneurship is both about women's position in society and about the role of entrepreneurship in the same society. Women entrepreneurs faced many obstacles specifically in market their product (including family responsibilities) that have to be overcome in order to give them access to the same opportunities as men. In addition, in some countries, women may experience obstacles with respect to holding property and entering contracts. Increased participation of women in the labour force is a prerequisite for improving the position of women in society and self-employed women. Particularly the entry of rural women in micro enterprises will be encouraged and aggravated. Rural women can do wonders by their effectual and competent involvement in entrepreneurial activities. The rural women are having basic indigenous knowledge, skill, potential and resources to establish and manage enterprise. Now, what is the need is knowledge regarding accessibility to loans, various funding agencies procedure



regarding certification, awareness on government welfare programmes, motivation, technical skill and support from family, government and other organization. More over Formation and strengthening of rural women Entrepreneurs network must be encouraged. Women entrepreneur networks are major sources of knowledge about women's entrepreneurship and they are increasingly recognized as a valuable tool for its development and promotion. This network helps to give lectures, printed material imparting first hand technical knowledge in production, processing, procurement, management and marketing among the other women. This will motivate other rural women to engage in micro entrepreneurship with the right assistance and they can strengthen their capacities besides adding to the family income and national productivity.

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