

Role of Self Help Groups in Women Entrepreneurship Development: A Case Study of Jalandhar District, Punjab

Anchal Soni

Lovely School of Business Lovely Professional University, Phagwara
E-mail: aanchal_sharma0438@yahoo.in

Abstract—In India the financial status of women particularly in rural areas is found to be very low and opportunities of income are extremely less. Gender Disparity is faced by the women at family and society level. For the sustainable development of the country economic empowerment of women is necessary. Self Help Groups (SHGs) are considered as one of the simple community based groups that stimulates the empowerment of rural women. The study focused on the Role of Self Help Groups in Women Entrepreneurship Development. The study was conducted on a sample of 200 women members of Self Help Groups, in the rural areas of Jalandhar District. Multistage Random sampling and convenience sampling methods had been used. The data collection was done with the help of a standardized questionnaire to measure the entrepreneurial development among women members of SHG's. Descriptive Statistics and Regression Analysis had used to analyze the data. The results of the study revealed that SHG had played an important role in entrepreneurship development among rural women by providing a platform to develop their skills and further to have small scale business or to involve in various entrepreneurial activities which ensure the better survival of women in the household and in the family level by building up their confidence level, skills and their socio economic status. Self Help Groups has proved as a successful tool for the socio-economic empowerment of rural women.

Keywords: Self Help Groups, Women Entrepreneurship Development, Women Empowerment.

1. INTRODUCTION

Indian constitution provides equal rights to both men and women. But women still are not treated as equivalent as men (Sharma, 2014). Indian census 2011 represents female population 586.4 million which is 48% of the total population. Out of this 405.1 million, i.e. 69% of the female population was from the rural areas (Zuber, 2003). Generally it has been found that rural women are in front of the various problems like proper medical

Facilities, lack of education, malnutrition, environment, health care etc. as compared to the urban women population. For the socio-economic development the role of women entrepreneur requires to expand for the sustainable development {NSSO Report}. For the economic and social development and

specially to remove the poverty among the rural areas, National Bank for Agriculture and Rural Development (NABARD) has originated a linkage project on Self Help Groups in 1992 (Puzhazhendi & Badatya, 2002). Women entrepreneurship is a process in which women organize a business or trade and able to provide job opportunities to others. Self help groups are the ways to provide income generation skills to women for their economic and social well-being. Self Help groups are homogeneous groups formed by 10 to 20 members of the same locality in the same village area, who come together to solve their common problems. SHG's provides the benefits of micro-saving and micro-finance to rural women to get rid off from the local money lenders, but it is not sufficient to compete in today's world or to accept challenges in the society empowerment of women in all spheres of life is very necessary. Entrepreneurship development and various income generating activities are a possible way out for the empowerment of women which further leads her to have economic independence, to put control over their lives, self-determination and self-reliance. To the members of SHGs with the help of NGO's and the NABARD various skill training programmes are provided as Bee Keeping, Food Preservation, Fast Food Preparation, Football Stitching, Nursery, Papad badi making, Handicrafts, Tailoring and Stitching, Soft Toy Making, Candle Making, Detergent Powder Making, Beauty Parlour etc. which provides the income opportunities to women to cope up their problems of daily life. Entrepreneurship Development helps the rural women to improve their status and their decision making within the family and as well in the society.

2. LITERATURE REVIEW

Self Help Groups (SHGs) are proved successful for the empowerment of rural women by the way of their entrepreneurial development which had put a major impact upon their social and economic life. For the achievement of the sustainable Entrepreneurial development among the members of the SHGs more need is to be given for the development and encouragement of SHGs rather than the

formation only (Kaur, 2015). Dass. et.al, (2015) stated that women entrepreneurial development is possible only by providing economic opportunities to women for their well-being. Entrepreneurship is considered as the only way out for the economic growth of the rural women. It helps to create employment opportunities to a number of people inside their own social structure (Sidhu and Kaur, 2006). SHGs have the matchless quality to make a socio – financial upheaval in the rustic zones of our nation. SHGs have not just created substantial resources and enhanced living states of the women but helped in changing a lot of their social viewpoint and exercises. SHGs have served the reason for strengthening, social solidarity and socio – monetary improvement of poor people (Ramchandran & Balkrishnan, 2008). Self Help Groups has improved the status of the life of the women members by increasing their decision making capacity in the family and in the society, their involvement in the various economic and social activities by developing their capacity building (Kotahwala, 2012). Naithani, (2001) stated that the facility of micro-finance has helped the members of SHGs to develop entrepreneurial activities by the last many years. Micro-finance is a way which provides small loans to them who seeks self employment opportunities. Women empowerment is possible when women development programmes are successfully implemented by the Self Help Groups. SHGs are scientifically contributes towards the overall development of women in the 28 districts in the Tamilnadu (Ashokan et. al. 2005).

3. OBJECTIVES OF THE STUDY

The objective of this study is To Study the Role of Self Help Groups in the Entrepreneurial Development among the Rural Women.

4. HYPOTHESIS OF THE STUDY

H₀: Self Help Groups does not have significant impact on Women Entrepreneurship Development.

H₁: Self Help Groups have significant impact on Women Entrepreneurship Development.

5. RESEARCH METHODOLOGY

For the present research work Jalandhar district of Punjab has been selected based upon the convenience purpose. There are 10 blocks in the district and from these ten blocks, two blocks namely Jalandhar East and Lohian Khas have been selected randomly for the study. The selection of the concerned two blocks is based upon the essential parameters as (i) Majority of the members of SHGs in these blocks are involved in the entrepreneurial activities. (ii) The location is convenient for the purpose of data collection.

6. SAMPLE SIZE

From Jalandhar East and Lohian Khas blocks the selection of 200 women respondents has been selected for the study. The members who are a part of the SHGs since by the last 5 years and are involved in the entrepreneurial activities by the last 2 years has been selected.

7. DATA COLLECTION

For the purpose of data collection both primary and secondary sources has been used.

Primary data

A structured questionnaire has been used for the primary data collection from the respondents. The questionnaire consist items to measure entrepreneurial development among the respondents.

Secondary data

The secondary data has been collected from the NGO's who are involved in the formation of SHGs, NABARD Reports, BDPO and CDPO's offices and from the Lead bank of the district Jalandhar.

8. RESULTS AND DISCUSSIONS

Self Help Groups has a significant role in the Women Entrepreneurship Development. This part provides the detailed analysis of the reasons to join Self Help Groups, nature of entrepreneurial activities started by the women after the skill training programmes, and the impact of SHGs on Women Entrepreneurship Development.

9. REASONS FOR JOINING SELF HELP GROUPS

Women have joined SHGs not only for the enhancement of their social status, but also to have economic independence. It is found in the rural areas that women is merely depends upon the men members in the family. To contribute equally in the family and as to fulfill her own needs women have joined SHGs.

Table 1: REASON FOR JOINING SELF HELP GROUPS

| Reasons | No. of Respondents | Percentage (%) |
|-------------------------|--------------------|----------------|
| Increase savings | 88 | 46.14 |
| Family Support | 57 | 26.75 |
| Growth of Business | 40 | 22.64 |
| Settlement of old debts | 15 | 06.67 |
| Total | 200 | 100.00 |

Source: primary Data

Table 1 represents that the majority 46% of the respondents have joined Self Help Groups to increase their savings to meet their future personal and family needs.

10. ENTREPRENEURIAL ACTIVITIES STARTED BY THE WOMEN

Women have engaged in various entrepreneurial activities after the joining of Self Help Groups. The entrepreneurial activities initiated by women after the skill training programme are dividing into three categories viz., manufacturing, trading and services. Manufacturing entrepreneurial activities includes business of Fast Food Preparation, Candle Making and Detergent Powder making. Trading entrepreneurial activities includes Bakery shops, General Stores and Garment shops in which women do the business of selling different kind of cloths to others. A Service activity includes Boutiques, Beauty Parlors.

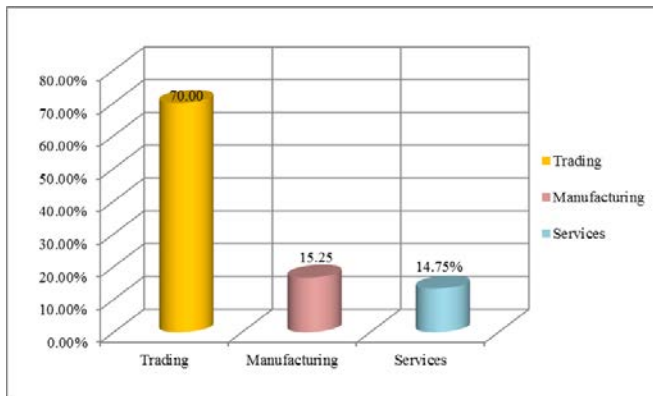


Fig. 1: Represents Entrepreneurial Activities by Distribution of Women

Fig. 1 represents that a majority of women are involved in the Trading entrepreneurial activities which includes Bakery shops, General Stores and Garment shops the business of selling different kind of cloths to others (70%), followed by manufacturing (15.25%) and to provide services (14.75%) to others. It has been shown that majority of women are in the trading activities.

11. IMPACT OF SELF HELP GROUPS ON WOMEN ENTREPRENEURSHIP DEVELOPMENT

SHG has played a significant role in the women entrepreneurship development. SHG has conducted various financial literacy programmes, to provide skill training programme to women with the help of NGO's and NABARD. To provide a facility of Micro-saving and Micro-credit to women to enhance their businesses on small scale and also to provide them a separate identity in the bank by having their bank account. Women in rural areas felt emotional attachment with the SHGs because it has provided a platform of growth for women which further lead to have entrepreneurship development among women. An effort has been made through primary data collected from the women respondents, who have joined the SHG to be self dependent.

To study the significant impact of SHGs on women entrepreneurship development Multiple Regression Analysis has been used.

To identify the basic relationship between the dependent variables and multiple independent variables Multiple Regression Analysis has used. Women Entrepreneurship Development (Y) is selected as a dependent variable in this study and independent variables are various financial literacy programmes introduced by SHGs (X₁), entrepreneurial skill which is provided by SHGs through various skill training programmes (X₂), Group saving offered by SHGs (X₃), Micro-credit facility given to women (X₄), separate identity to women in family (X₅), long time to repay the loan (X₆), chance to repay old debt (X₇), ability to fulfill family needs (X₈) increment in the decision making in family and society level (X₉).

The regression equation is

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \beta_7 X_7 + \beta_8 X_8 + \beta_9 X_9 + \epsilon$$

Here, α = intercept or constant term

β = slope (Beta coefficient) for variable X

ϵ = error term

Table 2 shows the model summary of regression analysis. It predicts the value of R, R Square, Adjusted R square and the value of Standard Error of Estimate. In the table the value of R represents the correlation among dependent and independent variables. The total variation in the dependent variable governed by the multiple independent variables is represented by the value of R Square. The value of Adjusted R Square represents the generalization of the regression model.

Table 2: Model Summary

| Model | R | R Square | Adjusted R Square | Standard Error of Estimate |
|-------|-------|----------|-------------------|----------------------------|
| 1 | .525a | .398 | .257 | .41964 |

(Source: Primary Data)

Table 2 represents that the correlation between the Women Entrepreneurship Development (WED) and Self help Group (SHG) is 52.5% (0.525*100). The R value represents the moderate correlation between WED and SHG. The R Square value is 0.398 which means 39.8% of the variation in WED is governed by the given independent variable of SHG. The Adjusted R square value (0.257) is close to the value of R (0.398) which shows that this model is generalized.

Table 3: ANOVA Table

| Model | Sum of Squares | df | Mean Square | F | Sig. |
|------------|----------------|----|-------------|--------|-------|
| Regression | 5.087 | 1 | 5.087 | 29.218 | .000b |
| Residual | 11.444 | 62 | .185 | | |
| Total | 16.531 | 63 | | | |

(Source: Primary data)

Table 3 represents ANOVA table which shows how well the regression model is fits into the data. It represents that F value 29.218 (1, 62) with P value = 0.00, which represents that the regression model is statistically significant.

Table 4 represents the value of coefficient tables of regression analysis. Step wise multiple regression analysis has been used which represents that skill training programmes given by SHG to women (X_3) is best predictor of WED.

Table 4 represents the value of B which is 0.319 which is positive. It means there is positive relationship between the WED and the skill training programme given by SHG to women.

Table 4: Coefficient Table

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---------------------------|-----------------------------|------------|---------------------------|-------|------|
| | B | Std. Error | Beta | | |
| (Constant) | 1.143 | .471 | | 2.223 | .034 |
| Skill training programmes | .389 | .081 | .555 | 5.280 | .000 |

(Source: Primary data)

The beta value is linked with the standard error. To analysis the statistical significance of the variable, the value of t and its corresponding p value has been checked, which shows the t value (5.280) with P value 0.00 which is statistically significant. It means the skill training programmes given by SHG to women has put a significant contribution in the model.

WED = 1.143 + 0.389 (Skill Training Programmes) + 0.471 (C)

The above equation represents that if SHG introduced one more skill training programmes to women in the group, it will have a positive contribution in the women entrepreneurship development by 0.389 units.

The other variables as financial literacy programmes introduced by SHGs (X_1), entrepreneurial skill which is provided by SHGs through various skill training programmes (X_2), Group saving offered by SHGs (X_3), Micro-credit facility given to women (X_4), separate identity to women in family (X_5), long time to repay the loan (X_6), chance to repay old debt (X_7), ability to fulfill family needs (X_8) increment in the decision making in family and society level (X_9) has been barred as these variable do not show any significant impact upon the women entrepreneurship development.

From the results of multiple regression analysis, it has been considered that SHGs have significant role in the women entrepreneurship development. Out of the selected nine variables to understand the role of SHG in WED, only one variable has put a significant impact upon women entrepreneurship development. SHG has provided various skill

training programmes which is the only variable has an important role in the women entrepreneurship development.

12. CONCLUSION

Self help Groups has an important role in the Women Entrepreneurship Development. The factor which has major contribution in the entrepreneurship development of the women is considered as skill training programmes. The other factors like the financial literacy programmes, Group saving, Micro-credit facility, separate identity in family, time to repay the loan, chance to repay old debt, ability to fulfill family needs, increment in the decision making in family and society level do not have major impact upon the entrepreneurial development of the women. The Analysis represents that the skill training programmes which are specially designed for the women leads 39.8% increment in the entrepreneurial development among women. If more training programmes are provided than it further leads to have more entrepreneurial development.

13. SUGGESSTION

It has been found in the study that there is only one factor i.e. skill training programmes provided by the SHGs to women has put more significant impact upon the Women Entrepreneurship Development. NGO's has to made attention towards the other factors to promote entrepreneurship. Government should help the women by providing them the ways to promote their small scale businesses.

REFERENCES

- [1] Ashokan, Ponnarasu .S, Kalavathi.M.S., "Inter District Variations in the Performance of Self Help Groups in Tamilnadu, Co-operative Perspective", Vol.40, No.2, 2005
- [2] Ghaia, R., & Nandi, M.R. Microfinance, self help groups and empowerment in Maharashtra. SAARC journal of Agriculture retrieved from <http://www.microfinancegateWay.org/sites/default/files/mfg-en-paper-microfinance-self-help-groups-and-empowerment-In Maharashtra-oct-2007.pdf>
- [3] Kaur, Simrenjit. "Women Empowerment through Micro Finance: An Empirical Study of Women Self Help Groups in Patiala District", *International Journal in Commerce, IT & Social Sciences (IF-2.443)*, ICISS Vol.2 Issue-2, (February, 2015) ISSN: 3394- 5702
- [4] Kotahwala, V., "Microfinance in India and How It Empowers Women (published PH.D Thesis), Georgetown University", Washington, D.C. 2012.
- [5] Meenai, Zubair, "Empowering Rural Women: An Approach to Empowering Women through Credit Based Self Help Groups", Aahar Books, New Delhi. (2003).
- [6] Pankaj Naithani., "NGO and Rural Development", Kurukushetra, April, Vol.49, No. 12, 2001, P. 35-37
- [7] Puzhazhendi, V., & Bedatya, K.C., "SHG-Bank linkage programme for the Rural Poor an Impact Assessment", Presented at the seminar on SHG-Bank linkage programme at New Delhi, Mumbai: National Bank for Agriculture and Rural Development, 2002.

-
- [8] Ramachandran .T & Balkrishnan .S., “Self Help Groups on Women’s Empowerment a Study in Kanyakumari District, Kurukshetra”, Vol.57, No.2, P.3, 2008
- [9] Sidhu, K., Kaur, S., “Development of Entrepreneurship among Rural Women, Journal of Social Sciences”, Vol. 13, No.2, 2006, P.P 147-149
- [10] Sreemoyee Das, A. Mitra and Md. H. Ali.,” Entrepreneurship and Small Business- A Study with Reference to Women Self Help Groups”, *Global Journal of Management and Business Studies*, ISSN 2248-9878 Volume 3, Number 7, 2013, P.P. 703-710.