

Using Self Help Groups Movements to Assess the Women's Potential for Entrepreneurship

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Abstract

For the people, by the people, and of the people; this is the guiding premise of the SHG philosophy. A financial intermediation committee, often made up of 10–20 local (mostly female) Indians. It's a network of micro business owners that have a similar economic background. The major goal of their union is to pool resources, establish a common fund via regular savings and contributions, and provide mutual aid in times of need. The group's members produce the necessary resources for it to thrive economically. The organization's members pool their resources to provide loans to one another, giving each member of the group a shot at self-employment. Collective decision making and timely loan use and repayments are essential to the group's success (Thangamani, S. & Muthuselvi, S. (2013)).

Keywords: Entrepreneurs, economic status, shared contribution, financially sustainable, self-employment, collective decision making

Introduction

Support groups, or SHGs, are small, informal communities of individuals who have come together voluntarily because they share a common interest or cause. They are developed on the premise that both individual and communal empowerment are possible when people work together to tackle challenges and bring about social change. Members of SHGs often gain agency via the adoption of tactics like saving, obtaining credit, and participating in the community. Several different kinds of SHGs serve a wide range of social, political, economic, medical, and even cultural needs in the world's poorest nations.

South Asian nations have been actively producing SHGs for longer than any other region in the globe, led by India. In Asia, SHGs emphasize cooperative borrowing and lending. The South Asian model has been modified to fit the social and cultural norms of Sub-Saharan Africa and Latin America. In Sub-Saharan Africa, for instance, HIV/AIDS prevention and treatment are major focuses of SHGs.

Although many organizations in Asia and Sub-Saharan Africa follow a rather standard strategy of holding regular group meetings and providing some kind of cash assistance, some provide more nuanced educational opportunities. According to the opinions of the participants, the poorest women in both areas are commonly excluded from SHGs.

SHGs as Change Agents

SHGs have been shown to improve women's empowerment in three distinct ways. Participation in SHGs led to more economic empowerment for women than for non-participants, as measured by increased access to, ownership of, and control over resources. Women who took part in the study had more mobility than those who did not, indicating that they had greater social power. In addition, when SHGs had a training component, members were better able to influence household decisions on family size. Women who were active in SHGs were also more likely to have a voice in community decisions pertaining to their economic and social well-being.

Self-help groups are responsible for bringing about social change because they are based on trust, respect, and determination. Each SHG has its own set of rules and regulations for running and managing the group smoothly. The core of every self-help group is the communication and collaboration that occurs during regular group sessions. The intervals between meetings are regular.

There is mutual trust and a strong feeling of community among the group's members, as shown by their consistent deposits to the group's savings account. SHGs arise when a group of individuals have a shared need, but it's usually only one person who takes the lead. Potential community members are educated, and the idea spreads as interested persons talk about it and bring others into it. The organization has meetings to execute ideas and build business, and leaders are elected via a democratic process.

SHGs are decentralized and democratic in character due to their loose structure. Nonetheless, they may form their organization in accordance with laws governing partnerships, cooperatives, or societies. Typically, a group may include no more than twenty people in it. There is an animator, a representative, and a member present at each meeting.

Funds, revenues, circulation of funds, bank loans, loan repayment, and social and community action programs are all discussed during SHG meetings. Lists of members, meeting minutes, attendance records, a loan register, a record of all monetary transactions, a general ledger, and a cashbook are all kept by the SHG (Vipinkumar, V.P., Thomas, A., Narayanakumar, R., Harshan, N. K., Sunil, P.V., Dona, P. and Dilip, D. (2018).

For group enterprise to be effective, a number of organizations must play a supporting role in helping the team reach its full potential and expand. Groups of people need the entrepreneurial mindset to see possibilities, grasp them, organize and prioritize their use of scarce resources, and create and sell a product or service (Vadde, V., & Ratnam, N. V. (2014).

Successful company owners in self-help groups have common practices. After gathering startup funds, many Indian SHGs participate in a financing program via the National Bank of Agricultural and Rural Development (NABARD) called "SHG Bank Linkage." Several new self-help organizations offering business assistance are using this strategy. By its microfinance services, it is helping the scarce population and opening up access to those who previously would not have had it.

Small business owners are given interest on their deposits at the current market rate thanks to this program. By combining their earnings and savings into a single deposit, self-help groups help the

bank save money on transaction fees. It's a nice source of new money for the bank, too (Christen, R. P., Srinivasan, N., & Voorhies, R. (2005).

To alleviate poverty, SHGs may be a powerful tool. The financial facility provided by NABARD to SHG helps achieve the global sustainability aim of eradicating poverty. In addition, it was emphasized that micro-credit programs help the economically disadvantaged by giving them access to modest loans for the purpose of starting or expanding businesses, which in turn helps these individuals and their families financially.

Microcredit programs provide a variety of services, including access to loans, to help people start their own businesses. Training programs, business counseling, financial services, and opportunity to meet other company owners are all part of the package.

Encouragement to SHGs through Govt. Initiatives

Schemes encouraging women to work together in small groups (SHGs) have the potential to increase women's economic autonomy (economic empowerment), reproductive health autonomy (social empowerment), and political agency (political empowerment) in their communities (political empowerment). But, if the primary motivation for participating in a SHG is to feel more emotionally powerful, the group is probably going to fail. It is not known if SHGs are more effective in promoting psychological empowerment if they include particular components, such as group support, improved mobility, or outreach to influential family and community members.

According to interviews with SHG members, prejudice based on social status (class or caste) may discourage the poorest women from joining the SHG movement. Groups made up of less impoverished or more connected individuals of the community may not make women in poverty or on the margins feel welcome. In order to help these ladies, it is probable that complementary therapies will be required.

Including a training component in SHGs may increase their impact on women's empowerment in a number of ways. Based on the findings of this research, the communal finance, business, and livelihood training components of SHGs are necessary for their impacts on women's decisions about family size to be statistically significant. When training is added to SHGs, they have much more of an impact on women's economic independence.

Basic education, health education, business or entrepreneurship skills training, women's rights awareness training, and community development education are all examples of the types of education that fit this bill. Yet, it is still unclear whether sort of training has the most benefits on women's empowerment in light of the available research.

The bulk of the population in India relies on agriculture because of the country's larger agricultural foundation. Employment and economic growth are seen as keys to bringing about change in rural areas. Because of this, SHGs are clearly needed in India. Against this history, it was outlined how the number of SHGs had grown, loans had been made, more people had been helped, and incomes had gone up. Although this bodes well for the country's economy, it's still a long way from where it needs to be.

SHGs for Poverty Alleviation

There is still a lot of poverty in the world, and many governments haven't done enough to promote microcredit for the poor via savings and loan associations (SHGs) and other similar organizations.

The study's findings show that the SHG is an effective institutional mechanism that helps the poor and disadvantaged improve their economic and social standing. Yet, SHGs have a beneficial effect on job prospects in India. It draws attention to the impact of self-help groups on employability via both direct and indirect metrics. Spending, yearly income, and economic growth are the direct indicators. It is clear from the research that SHGs have a better competency in employment creation, as measured by both direct and indirect indicators such as the number of working days, the influence of SHG loan on job generation, and expenditures. As a result, SHGs have a generally positive impact on both income and employment opportunities throughout the country (Surender & Kumar, M. (2010)).

Discussion of Observations on SHGs Strengths and Govt. Programs

Proper training and direction are necessary to foster an entrepreneurial spirit among the populace. Theoretically evaluating ways to cut costs in the distribution of microfinance services to self-help organizations led to the discovery that private agents get compensation either in the form of membership fees for delivering services or, in certain circumstances, direct money from an external donor.

Agent behavior, inclusion performance, and village-level results are used to inform adjustments to the incentive structure. It is shown that after a year, privatized agents borrow more, save more, and invest more in their businesses, all while starting and growing groups at comparable rates and at far cheaper costs. When agents encounter substantial financial incentives, it becomes clear that self-help groups benefit more business-oriented customers (Greaney, B., Kaboski, J., & Leemput, E. (2016)).

Women who participate in self-help groups have a strong bond with one another. Five studies found that members of self-help groups felt more respected, recognized, and powerful as a result of their involvement in the industry.

Women from the self-help organization were described as strutting proudly around their neighborhoods and approaching authorities as a unit. They felt more included in communal decision-making and valued by their peers. The women's self-help organization gave them a voice and a place to make contributions outside the home. Women who participate in self-help groups often report setting aside funds for future needs, including their children's schooling.

Small and medium-sized enterprises (SHGs) should prioritize the expansion of their operations both up and out. Collective decisions should be made by SHGs using data and help from experts. After participating in a self-help group, members report more opportunities for creative problem solving. Despite all the obstacles they must overcome, their main issues revolve on not knowing about government programs, not having the necessary abilities, and not having enough money. Because originality and innovation are crucial to the long-term success of any company.

Members of the SHG should maintain a consistent emphasis on it via training, discussions with subject matter experts, and engagement with consumers. Members of the SHG need to do all they can to solve the problems. They should participate in education to hone their abilities and work to improve public access to government data. Having a solid financial plan in place is also crucial while handling money. Members of the SHG benefit a lot from the group as a whole, especially when it comes to their self-assurance as company owners, their willingness to take risks, their openness to new ideas, and their ability to work together effectively. These are the most prominent advantages that SHG participants get. Members of SHGs have benefited more from personal considerations, but their firms would benefit more from a focus on business and development issues. For its future prosperity, this is a must.

Conclusion

Employment, growth, and economic independence for women in India may be achieved via the formation of self-help groups dedicated to fostering entrepreneurship. The local and national markets are now quite favorable for SHGs. The participants of the self-help groups are finding better jobs and becoming more financially secure as a result. They operate according to key concepts such as democracy, group decision making, openness, and individual and collective growth.

The members of the self-help organization are very ingenious and creative in their own fields of business. Most Indian self-help organizations are led by young rural women who are active in microenterprises. They make decisions as a group in a democratic fashion. Yet, they are less educated and less likely to know about available government programs, resources, and funding.

The self-help organizations are helping to improve the economic situation in rural areas by providing jobs. The group as a whole has grown in self-assurance as entrepreneurs, as a result of their increased willingness to take risks, to work together effectively, to think outside the box, and to be creative.

This demonstrates the promising future for self-help group entrepreneurship in India. The government is also helping them flourish and expand via a number of programs. Community, societal, and national development are all aided by the rise of self-help group entrepreneurship since it encourages individuals to become self-employed and self-sufficient.

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