

## Potential of Self Help Groups as an Entrepreneur: A Case Study from Uttar Dinajpur District of West Bengal

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**ABSTRACT** India has witnessed a three-fold increase in population over the last half century without corresponding growth in opportunities, especially in rural areas. Women constitute 50 percent of the population and are the backbone of the family. In recent years, the traditional roles of women have undergone some changes due to economic needs, and some efforts were made to bring visibility and mainstream women's contribution to the overall growth and development of society. Self Help Groups (SHGs) are becoming one of the important means for the empowerment of poor women in almost all developing countries, including India. This study was carried out to examine the functioning and entrepreneurial activities of members of different SHGs. 25 SHGs and a sample of 300 women members were selected for the study. Present study is carried out with the specific objective to know the socio- personal background of the members of SHG, to know the knowledge, attitude and skill acquisition after getting training and financial support from different agencies. Study also identifies the entrepreneurial qualities of its members. Majority of SHGs had started their work from group savings, whereas few had taken subsidized loan from bank. Profit earned is equally shared by the members of SHG. It was observed that all the respondents had very low level of skills prior to different trainings, especially in case of trainings on vermi-compost making and fabric printing and painting etc. Change in knowledge, skill and attitude was worked out on the basis of average scores obtained from pre and post exposures. Maximum percentage of respondents had medium change in knowledge, skill and attitude.

### INTRODUCTION

SHGs are small, economically homogeneous and affinity groups of rural poor, which voluntarily agree to contribute a common fund to be used for the betterment of its members and take up economic activities through democratic functioning (Shylendra 1999). According to Nigam (1992), next to agriculture, manufacturing in household enterprises constitute the single biggest source of employment for women. The best way for women to recognize their own talents and capabilities is engaging themselves in income generating activities through entrepreneurship skills and self help groups. Regarding the constitution and functioning of SHGs, observations were taken from groups formed under Swarnajayanti Gram Swarozgar Yojana (SGSY) and the SHGs formed and managed by Uttar Dinajpur Krishi Vigyan Kendra. The study focused on the effect of the SHG strategy on women's economic activities and possible occupational change, analysed the intervention of SHG strategy in asset creation and owing by the women, and also the level of participation of women in decision-making process in domestic issues and group activities. Formation of women's groups lead to leadership development among women, enable the group to take up problems related to women,

inculcate saving habit, build their capacities to develop micro enterprises and generate income, establish a networking of SHGs, initiate community development and impose a high moral standard. Shaw (2004) reported that economic empowerment results in women's ability to make decisions, increase their self-confidence, better status and role in household etc.

### METHODOLOGY

Present study is carried out in randomly selected 8 villages of three blocks viz. Chopra, Islampur and Itahar of Uttar Dinajpur district. The members of SHGs formed the sample of the study selected by purposive sampling method. Total 25 SHGs and a sample of 300 women members of three blocks of Uttar Dinajpur district were selected for the study. The data were collected in the year 2008-09 by administering a structured and pre-tested interview schedule which include socio- personal characteristics, group savings and engaged enterprises in an informal atmosphere to the members of the selected SHGs. The questions asked were interpreted in the tabular form in simple percentages. The socio-personal characteristics were analysed by using mean and percentage.

Acceptability of various training programmes was measured taking into account the various parameters viz. knowledge, attitude and skill in which pre and post exposure levels were assessed and overall score was grouped in low medium and high categories. The essential entrepreneurial qualities were listed and each quality was assessed based on the opinion held by each member about the other member of their SHG. The score against each member is converted into percentage and weightage was given based on the percentage ranging from 0.15 for 10 to 20 percent to 1 for 100 percent. These weightages were added to give the actual number of women having a particular entrepreneurship quality and expressed in percentages. Actual number of women is calculated by adding the scores over the individual item in the scale.

## RESULT AND DISCUSSION

Table 1 depicts the profile of SHGs under study. Out of 25 self help groups, 17 were formed under Swarnajayanti Gram Swarozgar Yojana (SGSY) and only 8 SHGs had received the financial assistance ranged from Rs. 2,500 to 50,000 from government agencies including public sector banks, cooperative banks and different gram panchayat schemes (Table 1).

Majority of groups had monthly or fortnightly meetings. All the SHGs had joint bank accounts and monthly deposits ranged from Rs. 30 to Rs. 50 per person. The numbers of members in each SHG ranged from 8-14. The main objectives of forming SHG are to encourage the habit of saving and utilize it during need, income generation through establishment of enterprise, develop social participation among them to help each other

**Table 1: Profile of SHGs selected for the study**

S. No.	Name of SHG	Location	Year of establishment	No. of members	Monthly saving per member (in rupees)	Meeting	Amt. of loan/ assistance sanctioned	Funding agency
1.	Ma laxmi MD	Sadhuramgacch	2006	8	50	Monthly	2,500	Gram panchayat
2.	Arjuna MD	Satramgacch	2006	13	50	Monthly	2,500	Gram panchayat
3.	Aasia Begum MD	Satramgacch	2006	12	30	Monthly	-	-
4.	Chuchuradangi MD	Chuchuradangi	2008	12	50	Monthly	-	-
5.	Shakti MD	Kumartole	2006	11	30	Monthly	-	-
6.	Shivam SJSY	Daspara	2005	10	50	Fortnightly	30,000	Nationalised bank
7.	Majhabari ma mansa SGSY	Majhabari	2005	10	50	Fortnightly	50,000	Nationalised bank
8.	Kaligacch Ma Mansa SGSY	Majhabari	2005	10	50	Fortnightly	45,000	Central bank
9.	Sarswati MD	Jhuriagacch	2008	14	30	Monthly	-	-
10.	Sariagacch MD	Sariagacch	2007	12	30	Monthly	-	-
11.	Ma Bhagawati MD	Purv Kumartole	2006	12	50	Monthly	-	-
12.	Bhitorbari SGSY	Bhagtiadangi	2006	10	50	Weekly	-	-
13.	Ma Sarda SGSY	Bilatibari	2006	10	50	Monthly	50,000	Cooperative bank
14.	Janadardi SGSY	Do	2008	12	50	Fortnightly	-	-
15.	Ma Laxmi SGSY	Do	2006	13	50	Fortnightly	-	-
16.	Janasakti SGSY	Do	2006	12	50	Monthly	-	-
17.	Sonali MD	Dhanoygacch	2008	12	50	Monthly	-	-
18.	Neelkamal MD	Kholaigacch	2008	13	30	Monthly	-	-
19.	Swarnajayanti Surjamukhi MD	Lalugacch	2005	10	50	Fortnightly	-	-
20.	Daspara Om Shanti SGSY	Daspara	2005	10	50	Fortnightly	50,000	Nationalized bank
21.	Ma Mansa SGSY	Sripur	2006	12	50	Monthly	-	-
22.	Mahaprabhu Swanirbhar MD	Dolua	2007	13	30	Monthly	-	-
23.	Matangini Hazra SGSY	Bilatibari	2006	10	50	Fortnightly	40,000	Cooperative bank
24.	Gotlu Matangini SGSY	Gotlu	2004	10	50	Fortnightly	-	-
25.	Basthupi Nivedita SGSY	Basthupi	2004	11	50	Fortnightly	-	-

MD – Mahila Dal, SGSY – Swarna Jayanti Gram Swarozgar Yojna

in tough time and immediately cash can be taken from group in the form of loan by the individual member.

Table 2 depicts the socio-personal characteristics of the members of the SHG under study. Majority of the respondents fall in the category of middle age group (31-45 years) and were illiterate (can do signature only). Caste wise distribution indicates that 78 percent of respondents belonged to SC category, followed by ST and general castes. Husband was the head of the family of majority (66 percent) of the respondents. Agriculture was the main occupation of maximum percentage of women (51.67 percent), followed by agriculture labour and tea garden labour, that is, 20.67 percent and 15 percent, respectively almost equal percentage of the respondents had having marginal and small landholdings. The annual income of maximum percentage (49.67 percent) of the members of the SHGs ranged between Rs. 4000 to Rs. 6000 and only 22 percent of members having individual income more than Rs. 6000 per annum. Maximum percentage of families (40.33 percent) belonged to middle income category ranged between Rs. 20,000 -30,000 followed by 38 percent families who belonged to low income category and only 22 percent families were fell under high income category, that is, Rs.30,000 and above per annum.

Majority of SHGs had started their work from group savings, whereas few had taken subsidized loans from bank and only two SHGs had got money from Gram Panchayat office for making concrete vermi pits. Profit earned is equally shared by the members of SHG.

Women entrepreneurship is the right form of women empowerment. It is their entrepreneurial nature that brings socio-economic change however small is their entrepreneurial activities (Semeen 2003). Table 3 gives information on the type of enterprises taken up by the SHGs and the participation of its members. Maximum numbers of SHGs were involved in vermi-compost production, sale of compost as well as vermi worms. Two SHGs each were engaged in rice *kutali* work, making and selling of hand printed fabric and jute products, nursery raising, pineapple cultivation, paddy purchase and sale and only one SHG engaged in *bidi*-making occupation.

On the basis of average score obtained from pre and post exposures, gain in knowledge, attitudinal change and change in skill was worked

**Table 2: Socio-personal characteristics of the members of SHGs**

S. No.	Socio- personal characteristics	Number	Percent-age
1.	<i>Age</i>		
	Young (16-30 years)	112	37.33
	Middle aged (31-45 years)	152	50.06
	Old aged (> 45 years)	36	12.00
2.	<i>Education</i>		
	Illiterate (can do signature only)	158	52.67
	Primary	129	43.00
	Secondary	13	4.33
3.	<i>Caste</i>		
	General	48	16.00
	Schedule caste	233	77.66
	Schedule tribe	19	6.33
4.	<i>Occupation</i>		
	Agriculture	155	51.67
	Agril. Labour	62	20.67
	Cottage industry	25	8.33
	None	14	4.67
	Any other (tea garden labour)	44	15.00
5.	<i>Landholding</i>		
	Landless	42	14.00
	Marginal	119	39.67
	Small	112	37.33
	Medium	25	8.33
	Large	2	0.66
6.	<i>Annual Income(Respondent)</i>		
	Low (<Rs.4000)	85	28.33
	Medium (4000-6000)	149	49.67
	High (> Rs. 6000)	66	22.00
7.	<i>Family Income</i>		
	Low (<Rs.20000)	113	37.67
	Medium (20000-30000)	121	40.33
	High (> Rs. 30000)	66	22.00
8.	<i>Head of the Family</i>		
	Self	5	1.67
	Husband	198	66.00
	Others	97	32.33

**Table 3: Types of enterprises taken up by SHGs selected for the study**

S. No.	Type of enterprise	No. of SHGs	Participating members	Percent-age
1.	Vermi-composting	12	123	94.62
2.	Rice <i>Kutali</i>	2	18	81.82
3.	Fabric printing and painting	2	12	60.00
4.	Nursery raising	2	24	96.00
5.	Bidi making	1	10	93.25
6.	Pineapple cultivation	2	14	66.67
7.	Jute product making	2	18	90.00
8.	Paddy purchase and sale	2	19	86.36

out. It is evident from Table 4 that about 52 percent respondents had medium acquisition of knowledge, followed by 30 percent low and only 18 percent respondents had high acquisition of

knowledge regarding different institutional trainings done under different programme. In case of attitudinal change, near about the same trend was followed. About 60 percent of respondents had medium level of attitude change followed by 20 percent respondents fall in each low and high attitudinal change.

**Table 4: Knowledge, attitude and skill change of the respondents regarding different institutional trainings**

<i>Categories (range)</i>	<i>No. of respondents</i>	<i>Percentage</i>
<i>Knowledge Score</i>		
Low (upto 2)	90	30.00
Medium (3-4)	157	52.33
High (5-6)	53	17.67
<i>Attitude Score</i>		
Low (12-14)	60	20.00
Medium (15-17)	178	59.33
High (18-20)	62	20.66
<i>Skill Score</i>		
Low (Upto 5)	67	22.33
Medium (6-10)	163	54.33
High (11-15)	70	23.33

It was observed that all the respondents had very low level of skills prior to different trainings especially in case of trainings in vermi-compost making and fabric printing and painting etc. Change in skill was worked out on the basis of average scale obtained from pre and post exposures. Data exhibited in Table 4 revealed that 53.44 percent respondents had medium skill change, followed by high skill change (23.33 percent) and low skill change (22.33 percent).

Kala et al. (2004) reported that majority of the trained respondents (56.66 percent) got high quantum of work and faced fewer constraints in comparison to untrained respondents (40 percent) because of higher level of skill acquired by them. The job satisfaction among the trained respondents was more as compared to the untrained respondents because of skill and critical knowledge acquired by the trained respondents during training.

Data presented in Table 5 indicates the entrepreneurship qualities identified by the respondents for the members of their SHGs. Maximum percentage (43.57 percent) of the members of all SHGs possess cooperativeness among them. Rest all other entrepreneurial qualities viz. organizing people, contribution of ideas in meeting, independent, representing SHG, purchasing abilities, taking major decisions, motivation and innovative ideas were possessed by almost equal

percentage of the respondents (16-18 percent). Thus, there is a need to improve all these entrepreneurial qualities in the members of the SHGs.

**Table 5: Entrepreneurship qualities as assessed by the members of SHGs**

<i>S. No.</i>	<i>Entrepreneurship qualities</i>	<i>Percentage of members</i>
1.	Self confidence	16.28
2.	Organizing people	18.25
3.	Purchasing ability	15.86
4.	Contribution of ideas in meeting	17.28
5.	Motivation	16.72
6.	cooperativeness	43.57
7.	Taking major decisions	16.30
8.	Representing the SHG	15.40
9.	Innovative ideas	15.85
10.	Independent	16.50
11.	Decision on domestic matters	94.90

## CONCLUSION

The Self Help Group (SHG) strategy is one of the instruments for empowerment of women through economic intervention. Present study focused on the effects of the SHG strategy on women's economic activities and possible occupational change, analysed the intervention of SHG strategy in asset creation and owing by the women, and also the level of participation of women in decision-making process in domestic issues and group activities. About 94.9 percent women involved in SHGs had taken the responsibility to decide on the domestic matters of their families. After SHGs had formed, women took part in organizing activities, participated in group discussion and also arranged SHG activities. There is need to focus on other diversified activities for women beyond farming. Focus should also be given on identification of local resource based and need based activities, both production and services, that can support the farming activities. The fact remains that most of the work done by the women at farm and home is disguised as daily chores. Present study is mainly based on entrepreneurial activities other than routinely activities.

SHGs are mainly concerned with the enlistment of the women in the society through social, and economic aspects. They lead to provide and bring the empowerment to the women. SHGs not only mobilize micro-finance and provide micro-credit to the needed members but also provide self-employment training, awareness pro-

grammes, promote the leadership qualities and give confidence to their members. Micro-finance is emerging as a powerful instrument for poverty alleviation in the new economy. Hence, providing adequate financial support, guidance to start small business, technical support can uplift their standard of living. If they utilized this efficiently, they won't face poverty, in addition to this, the productivity of the nation will increase, resulting in growth of GDP and per capita income.

### RECOMMENDATIONS

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 assis-

tance and they can strengthen their capacities besides adding to the family income and national productivity. More over formation and strengthening of rural women entrepreneurs network must be encouraged.

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