

Impact of SHGS Training On Women Entrepreneurship

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ABSTRACT

Micro-Finance is a system of delivering small loans to the needy people. SHG's is one of the important agencies of Micro-finance providing loans to rural and urban poor. Microfinance through SHGs has contributed to women entrepreneurial training , poverty alleviation and women empowerment among urban and rural poor.

The present paper attempts to examine and analyse the need of training of the women entrepreneurs through SHGs on the urban poor residing in the Northern part of Bangalore Urban District.

KEY WORDS: *Self Help Group, Entrepreneurial Training and Women Empowerment*

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I. INTRODUCTION

1.1 .OVERVIEW OF SHGs

Government of India from the dawn of independence has been making concrete efforts to provide financial services to poor at affordable cost in its endeavour to solve the problems of poverty and unemployment. The two surges of bank nationalization in (1960 and 1980), establishment of Regional Rural bank and the support of Micro finance , are some of the major initiatives taken towards bringing the underserved rural and urban areas within the fold of banking sector. The credit flow from formal financial institutions to urban population groups have been steady in India since 1970's.This increase has come to and concentrated in large cities and large sized credit brackets. A noteworthy phase of development was the evolution of Self Help Groups. SHGs have brought in a phenomenal change and have acted as an important variable in social development contributing to women empowerment. Social development through SHG-Bank Linkage programme has acted as a potential innovation in the area of urban and rural poor development.

Karnataka State has been in the forefront of the Self Help Groups. The SHGs create confidence; self reliance of the urban and rural poor .The purpose of making the entrepreneurial activities' credit needs are met at a very high percentage through SHGs.SHGs enhances the equality of status of women in democratic, economic, social and cultural spheres of life.

The present paper attempts to examine an analysis of impact of micro-credit through SHGs on the urban poor residing in the Northern part of Bangalore Urban District.

1.2. PROMOTERS OF SHGs IN KARNATAKA

The Government of India has taken various initiatives towards development of the urban poor towards alleviation of poverty. In Karnataka, Self Help Group based micro-finance projects have been implemented with the financial support received from the Central government, Banks & Non-Government agencies. The SHG based micro-finance programmes like Swashakthi, Streeshakthi, Sujala & SSRY, DWCRA & RMK are oriented towards the development of poor women through entrepreneurial activities. These programmes cover all aspects of self-employment such as organizing the poor women into self-help groups , providing training , technology, infrastructure & marketing assistance..

1.3. SHGs IN BANGALORE URBAN DISTRICT

In the urban areas of Bangalore the banks through the micro-finance institutions are involved in providing micro-credit to the urban poor women which enables these women to take up income – generating activities. In the Bangalore urban , the poor women have received micro-credit through the Stree shakthi scheme. It was launched by Development of Women and Children in Rural Areas (DWCRA) in the State during 2000 with an aim to empower rural women economically and socially by organizing them in self help groups. This scheme aims at strengthening the processes that promote rural women's economic development, and creating an enabling environment for their social change.

II. OBJECTIVES OF THE STUDY

- ❖ To study the profile of urban poor.
- ❖ To examine the role of micro-credit in entrepreneurial development.
- ❖ To analyze the impact of SHGs training the women entrepreneurship
- ❖ To offer suggestions based on the findings.

III. MATERIAL AND METHODS

Total of 50 samples of urban women entrepreneurs were chosen for analyzing the impact of SHGs on urban women entrepreneurial development. Keeping in view the role of SHGs in the development of urban women, a micro level field survey was conducted in Northern part of Bangalore Urban District. A structured interview schedule was canvassed. The opinion of the women entrepreneurs regarding the role of micro credit and the support of SHGs was recorded. The data has been tabulated using the suitable statistical tools and findings of the study have been presented according to the objectives of the study.

IV. RESULTS AND DISCUSSION

4.1. Profile of Urban Women Entrepreneurs

- Age wise distribution of sample respondents

Majority of women entrepreneurs belonged to the age group of 25 to 30 years. Engagement of old women in entrepreneurial activities only explains their economic necessity. Hence, women entrepreneurs are relatively at a younger age of 30 on an average.

- Marital status of women entrepreneurs

The study revealed that majority of entrepreneurs started their units after marriage. Theoretically speaking women entrepreneurs are either forced or distressingly assume entrepreneurial occupation. It is always underlined that both push and pull factors contribute to the emergence of entrepreneurs.

- Educational status of sample entrepreneurs

Women were distributed among various levels of education covering from illiterate to degree. The study revealed that 40% of the respondents were illiterates, 24% had primary education, 28% had completed their secondary education, and a very minimal percentage had completed SSLC and PUC. However none were identified with graduation and professional qualification.

- Religion wise distribution of sample respondents

The study revealed that majority of respondents belonged to Muslim religion, a certain percentage belonged to Hindu religion and very less percentage belonged to Christian religion.

- Details of Households

The details of household revealed the asset position of the respondents and their families. Majority of the respondents were living in their own houses and the remaining in rented houses. A very high percentage of the families possessed Mixer, Grinder, Mobile phones, and Television.

- Family Size of the respondents.

The study revealed that majority of women entrepreneurs family was a medium size family with 3 to 5 persons. Nearly only 2% of household belonged to small size and nobody was distributed in large family size.

- Division of mean asset specifics

The entry choice of women entrepreneurs into business was mostly determined by entrepreneurial interest and environmental factors. The important choices were to 'Support the family', and 'Desire to be independent'.

- Supporting factors for start up and sustenance in business.

The study revealed that women were encouraged by the family members and SHGs. It was found that family support was the predominant factor to start and run a business.

4.2. Impact of Micro-credit in Entrepreneurial Development

- Purpose wise credit availed by respondents

The study indicated that 28% borrowed for petty shop business, 20% for tailoring, 8% for cloth shop business, 12% for vegetable shop, 32% borrowed to start other business like mess, bangle store, bakery, medical store etc

- Impact on employment creation

The study revealed that micro-credit had created employment opportunities in absolute and relative terms.

- Impact on generation of income

There is a positive relationship between generation of income and employment opportunities. Micro-credit had a favorable impact on generation of income. The analysis revealed that, income generation varied from one activity to another because each activity had its own capacity to generate income. The data revealed that petty

business gained maximum and steady income, followed by in tailoring and vegetable shop. Other business provided fluctuating income.

4.3. Impact of SHGs training on women entrepreneurship

The basic aim of SHG is to develop thrift among the marginalized sections of the society. Thrift, particularly among the urban poor, reduces the dependency on non –institutional sources and develops self-reliance. Self Help Group (SHG) training programmes is prospective under SHG, for the development of women entrepreneurship. The women entrepreneurs expressed that the training programmes provided awareness regarding entrepreneurial activities of women under SHGs, for securing their social and economic wellbeing. The findings reveals positive impact of SHGs training on women entrepreneurs.

- Increase in women's income levels and control over income leading to greater levels of economic independence
- Access to networks and markets giving wider experience of the world outside the home, access to information and possibilities for development of other social roles.
- Enhancing perceptions of women's contribution to household income and family welfare, increasing women's participation in household decisions about expenditure and other issues and leading to greater expenditure on women's welfare.
- Motivated and strengthened the entrepreneurial quality.
- Facilitated the development of passion and interest in entrepreneurship
- Facilitated the improvement of management related skills.
- Facilitated to gain status

4.4 .Suggestions to enhance SHGs contribution to women empowerment

- Human capital development and poverty alleviation can be ensured through education. The Government should therefore provide quality education to make the women more innovative and productive.
- There is a need for organizing training programmes by the SHGs to increase the business profits of the women entrepreneurs.
 - To frame course content focusing on factors influencing entrepreneurial growth
 - To create awareness of the various laws, procedures etc. relating to entrepreneurship
 - To conduct research and study on the effectiveness of the various programmes, schemes, market potential of various business opportunities etc.
 - To encourage them to enter industry enabling women to start small scale.
- The loan amount should be increased, paving way for the diversification of business.
- SHGs should undertake counseling to women entrepreneurs on general improvements in attitudes to women's role in the household and community.
- Banks should lay emphasis on the benefits of micro –insurance, to develop a practice of saving for the future.
- Government should undertake the development of infrastructure in the economy, particularly through the SHG Federations to provide necessary support services and marketing.
- Micro finance institutions should facilitate trade networking and establishment of market outlets.
- Information centers should be set up for dissemination of information to the entrepreneurs.
- Leadership and management when offered along with credit, make it attractive. The leadership given by informal credit rotation and savings organizers and chit fund managers is valuable, perhaps because the poor have few other alternatives that they perceive to be trustworthy and fair. This is despite the fact that there are many instances of chit fund organizers cheating the public. Likewise, the capacity-building activities of NGO micro credit efforts can help develop leadership and management abilities among the poor.

V. CONCLUSION

To bring about entrepreneurial development and women empowerment, it will require a continuous exercise by the Government bodies, an active Self Help Group and creative MFIs Entrepreneurial Training can become an effective tool through SHGs to facilitate entrepreneurial development.

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