

DEVELOPMENT OF RURAL WOMEN ENTREPRENEURSHIP THROUGH SELF HELP GROUPS IN SANGLI DISTRICT – A CASE STUDY

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Abstract: Women entrepreneurship is a recent phenomenon in the rural parts of Sangli District. Many NBFCs are establishing their offices for the development of their micro-finance businesses and the net impact is upgradation of several women centered self help groups that focuses on the economic and social development of the rural women, women are accomplishing multi-dimensional roles, expecting multi-tasking from themselves. Therefore, this study was conducted on economic development of rural women entrepreneurs in an effort to raise economics of the entire society. Hence, the study focuses on women centered self help groups, NGO (IRCED), GOs (NABARD, DCC, and Public Sector Banks) and Private institutions (MFIs, NBFCs) that contribute in their development.

Women are enterprising in their areas of core competencies, like manufacturing of processed food or milk products, veterinary services like dairy farming, poultry, natural manure & fertilizers (composed agricultural bio-waste), cattle rearing for fiber or meat, handloom units, carpet making units and general stores, etc. through SHGs.

Discussions and structured questionnaires helped to narrow down on the key challenges faced by these women. Lack of techno-commercial know-how, tough competition from larger and established organizations, and lack of transport facility, socio-cultural issues, and non-availability of raw material were the significant problems faced by women SHGs. Common entrepreneurial problems can be dealt by formulating self help mutually aided groups.

Keywords: Non Government Organizations (NGOs); Rural Women; Self Help Group; Women Entrepreneurship

I. INTRODUCTION

Women in India usually restrict themselves to homemaking. Rural women have potential and capacity to earn, but they rarely contribute to family income, hence the development of rural women is essential in terms of economic independence and growth of society.

Lack of job opportunities for women in rural areas have resulted in growing number of women entrepreneur. Earning income for the family helps women to gain trust, respect and confidence of the family and society. When women, as a group come together with an objective to earn profit, through innovative ideas or products, that involve an amount of risks and responsibilities, which also would be leading to economic development of individuals and society, it amounts to women entrepreneurship.

Women are more dependable said Mr. Kiran Kulkarni (MD, IRCED), “.....usually women do not take loans, if they do, then they ensure that the banker should not come to door steps for recovery..... hence, the banks are more than ready to lend for women.... provided there is proper documentation and a professional touch.”

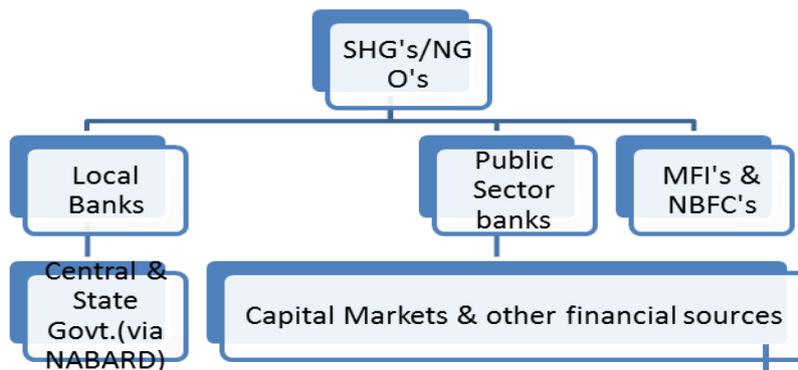
Microfinance Institutions In Sangli:

Microfinance institutes are private sector companies that generate capital from share market, mutual funds, banks, government schemes, debts, etc.

Self Help Group (SHG)-

The origin of SHG is from Grameen Bank of Bangladesh. In India NABARD has launched first in Karnataka and then in whole country the micro finance through co-operative banks to SHGs. The Sangli D.C.C Bank had created SHGs in the year 1999-2000. Bank has also given training to the employees and women of the Self Help Group. The D.C.C Bank provides microfinance to poorer, low income group with the help of SHGs. District Central Co-operative Bank provides loan at 4% interest rate to SHG immediately. The main object of Self Help Group is that to provide finance in emergency.

Diagram 1: Inter-linkages between SHGs and institutions helping them (In Sangli).



Various institutions work with rural women for their development in the Sangli District. Some of the leading institutions are mentioned below:

TABLE 1: Category of existing Microfinance Institutions in Sangli District

Sr. No.	Name of Institution	Category	Role of Institution in women SHG development
1	Equitas Microfinance Company	Private Sector	Socio-Economic Development of SHGs and their by the family and society depending directly on entrepreneurship.
2	Institute of Rural Credit & Entrepreneurship Development (IRCED)	NGO	Turn key projects to SHGs formation and sustaining through providing continuous credit and training.
3	Grameen Koota	Private Sector	Total focus on rural development through SHGs.
4	DCC Bank, Sangli	Cooperative Bank	Forwarding grants to SHGs groups which are BPL.

5	State Bank of India	Public Sector Bank	Forwarding Credit and micro-loans to eligible SHGs
6	SKS Microfinance Ltd	Private Sector	Focus on Rural Women development through SHGs
7	ASMITA Microfinance	Private Sector	Focus on Rural Women development through SHGs
8	BALAJI Microfinance	Private Sector	Focus on rural development through SHGs
9	spandan Society	Private Sector	Focus on rural Women development through SHGs
10	Suryodaya Society	Private Sector	Focus on rural development through SHGs
11	NABARD	Government	Hassle free access to microfinance to rural development through cooperative banks.

Source: Survey study in Sangli district.

Problems of a Woman Entrepreneur

Women entrepreneurs face several socio-economic problems in India. They usually struggle with lack of know-how, illiteracy, health problems, financial and social limitations and marketing.

The results of a survey concerning financial problems of women across 10 SHG's, comprising of 15 to 43 members each is consolidated in the table below (A total of 50 respondents from all the 10 SHGs were considered for the study).

Table 2 : Financial Problems Of Women In Shgs (N=50)

S.No.	Nature of Problems	Number of respondents (Percentage)
1	High cost of required machine or equipment	7 (14%)
2	Long term finance / loan / credit facility	6 (12%)
3	High Cost of financial aid	16 (32%)
4	Long procedures and complicated methods of availing financial aid, documentation	21 (42%)

Table 3: Marketing Problems Of Women In Shgs (N=50)

S.No.	Nature of Problems	Number of respondents(Percentage)
1	Lack of demand in local market (same Taluka / District)	4 (8%)
2	Competition from huge organizations	9 (18%)
3	Lack of Marketing competency	16 (32%)
4	Lack of proper Transportation	6 (12%)
5	Brand awareness	15 (30%)

Table 4 : Production Problems Of Women In Shgs (N=50)

S.No.	Nature of Problems	Number of respondents(Percentage)
1	Availability of raw material	2 (4%)
2	Availability of infrastructure like, roads, water, electricity, land, building, etc.	7 (14%)
3	Availability of machine parts, tools, equipments	8 (16%)
4	Continuous handholding professionals, training	22 (44%)
5	Fear of advanced technology, failure, potential competition	11 (22%)

Table 5 : Social Problems Of Women In Shgs (N=50)

S.No.	Nature of Problems	Number of respondents (Percentage)
1	Dependability for finance, decisions, others	13 (26%)
2	Dominance of male	13 (26%)
3	Family commitments	8 (16%)
4	Personal Health issues	5 (10%)
5	Religious and Cultural restrictions	11 (22%)

Source: Study Survey

Tables 1 to 5 show the various problems faced by the rural women entrepreneurs of socio-economic nature. In the process of survey, it was found that:

The women are tough enough to face their internal, socio-cultural problems and find time from the domestic chores, to ensure economic development of the entire family.

The women are highly concerned with the issues of technical know-how of production and marketing functions. They are constantly looking for financial alternatives and any subsidies. This is the area where they expect help from other institutions help in their development.

Besides the above difficulties the SHG movement empowered the women and the poor and contributes significantly in socio-economic development of the country.

Objectives of the Study:

1. Study the socio-economical issues of women during their development through SHGs in Sangli District.
2. Suggest possible steps in the linkages of institutions assisting rural women development and SHGs.
3. Study the existing Micro Financial Institutions recently emerged in Sangli and also the NGO.

Methodology:

In order to achieve the above set objectives the following methodology has been adopted:

- **Primary Data-** In this study, the primary data is collected through discussion with the managers, and other respective officers at various institutions (GOs, NGO, MFI, SHGs). 50 women respondents were from 10 different SHGs, specifically from rural areas.
- **Secondary Data-** Which is already published in some books, magazines etc. Here in this study secondary data is collected from books, annual reports of the Sangli D. C. C. Bank. A detailed list is provided in the reference column.

Findings:

There are many problems with rural women entrepreneurs who are related to SHGs. The major ones are related to know-how of Marketing, Production and Finance function. There are nearly 7 commercial micro financing institutions, other than NABARD working through DCC Bank and an NGO, in Sangli.

In the year 2006-07, the DCC bank has received second prize award for completing the target of 3800 groups and passing the loan of 3907 groups from NABARD. In the economic year 2007-08 at the Golden Jubilee of civil self labour project continuously for the second time the Karandwadi village women’s self help group had secured first position at divisional level.

The bank charge 4% of the rate of interest from SHGs which is as per guidelines from NABARD.

D.C.C. Bank has maintained separate department and staff for the purpose of micro-financing and follow-up of SHGs of Sangli district.

Women are 96% of the SHGs in Sangli district. There is definitely development of women through SHGs. This is due to combined efforts of NGO and GO. The commercial MFIs are also focusing on rural women for achieving their objectives.

The women are confident of solving their social & cultural, but are very much worried about Marketing and Production areas.

Food processing, textiles, spinning & weaving, agri-based businesses like manure manufacturing, dairy farming, cattle rearing, poultry, are the traditional businesses where the SHGs are presently concentrating. They are away from services focused or technology oriented new business areas due to lack of know-how.

There is only one NGO (IRCED) in Sangli district which works for credit and financing for rural women entrepreneurship development.

SUGGESTIONS

1. D.C.C. Bank has a separate department for financing and follow-up of SHGs. Frequency of training and inspection should increased by DCC Bank relating to BPL-SHG groups.
2. The recovery rate of Loans and overdue in case of SHGs is very nice, still 100% recovery records should be maintained.
3. Success of SHGs will improve financial and social position of the members is covered through micro-financing.
4. Markets like exhibition-cum-sales are arranged by local organizations (NGOs), like, Krushnaai. The frequency is only once a year. More such opportunities should be made available for the SHGs.
5. Long term credit facility and long term financing are essential for those SHGs which are based more on seasonal products and have seasonal impact on their business.
6. The commercial MFIs and NGOs should more focus on turn-key projects which would develop confidence, and continuous training, motivation are essential. The branding, marketing, technical knowledge, are the areas in which the SHGs require training and hand-holding.
7. The number of MFIs and SHGs has rapidly increased; this reflects the success and is a litmus test for MFIs and rural women development in the Sangli District.
8. More NGOs similar to IRCED needs to be developed in Sangli district, at least one per taluka. This will enhance the pace of development of rural women development.

CONCLUSIONS

- The SHGs reported a positive impact on standards of living in rural areas. It has improved in level of food intake, nutrition, dress pattern, children's education and health status etc.
- The number of groups and their functions are increasing day by day which is the partial success of D.C.C. BANK. This has opened a new way for financial inclusion of weaker section of the society through micro-financing.

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