Problems And Prospects Of Self Help Groups Micro Enterprise Activities And Its Impact On Empowerment With Reference To Tamil Nadu

Dr. R. Suresh* & Dr. B. Venkateswara Prasad*

*Associate Professor, Department of Management Studies, Sri Sai Ram Engineering College, Chennai-44

* Associate Professor, Department of Management Studies, Sri Sai Ram Engineering College, Chennai-44

Abstract

Micro enterprise is an efficient tool for social and economic upliftment in rural India. Micro enterprises are inherent part of a deliberate action plan for securing the balanced development of the empowerment of the economy of the weaker women. SHGs play a significant role in bringing desirable changes in rural economy by initiating a micro level business. Self Help Group members are operating grocery and kirana shops for the last so many years. In addition to NGOs collaboration with SHGs as channel partners to meet the growing demands of the distant rural areas attracted attention of many because of its prospective growth. This study also explored the literature survey and the insights of previous studies undertaken by researchers, as it is conducted for SHG members involved in business The study analyzed the performance and problems of SHG members in business, it analyses the overall satisfaction of on empowerment outcomes.

Keywords: Micro enterprise, Economic development, Planned strategy, Balanced development, Empowerment outcomes

1.1 INTRODUCTION & PROBLEM STATEMENT

Rural Indian population accounts for 68.84% (Census report, 2011) of the total population. Therefore, rural development has become the significant inherent part of development, hence due importance was given in the Five Year Plans. Persistent endeavours are being made by the Central and State governments for upbringing the rural economy so as to redesign and bringing revolutionary changes in the rural standards throughout the country. Besides to minimize the existing gaps between rural and urban India, the government has also opened up the doors for private participation to be a part of national building process to bring drastic changes in the rural economy

Rural development in our country has noticed numerous changes for the last so many years while emphasizing in its plans, approaches , action plans and programs as it has taken a paradigm shift, rural development can be more progressive, richer and reasonable only with the effective participation of clienteles' development. To make implementation more effective and efficient people's participation is the core and in the area of rural development from the philosophical and procedural perspectives. Hence for the rural development, process planners and administrators play a key role in seeking the active participation from various groups in rural areas.

SHGs play a vital role in transformation of rural economy. Micro finance aids the poor rural to improvise their standards of life to meet their credit needs. SHGs are a new invention in the area of the rural economic development to assist financially and satisfy their credit needs, which in turn leads to development of rural economy in the form of enhancing the economic status of each and every single member of SHG in the rural areas, besides increasing scope for empowerment of rural women. (Arunkumar, 2005)

India has 7 million SHGs that are like to increase to 15 million in the coming five years. Members of SHGs requires transcend from micro finance to micro enterprises, if they want to exit out of poverty. Now it is very much accepted that to run the business credit is necessary as it is not sufficient for poor women to start any financial activity on their own source of funds. They do need the support of Business Development Services (BDS) to sustain their micro enterprises. NGOs extensive help to support SHGs lacks knowledge in how to manage business successfully. Hence their ability needs to be strengthened

1.2 SIGNIFICANCE OF THE STUDY

Micro enterprises enhance national productivity, employment and also develop economic independence, social capabilities among rural women (Verma, 2013)

In many developing nations the unorganized and non-manufacturing sectors are prime sources for employment, more particularly in rural segment. As a matter of fact thee firms are significant to national growth, the current study might underestimate the role of micro and small enterprises to grow. A recommended source for further research is to develop data on micro, small and medium enterprises is widespread beyond the manufacturing sector. (Leegwater & Arthur Shaw, 2008)

Savings activity can be improved by starting more income generating activities. Involving the SHGs in enterprising activities creates more income for their sustainable growth and economic empowerment. Most of the enterprising activities focus on traditional occupation, mostly in an unorganized way. A very few SHGs are concentrating on non traditional business baring a few, mostly unorganized, the SHGs and their activities are more in rural India.

1.3 OBJECTIVES & SCOPE OF THE STUDY

The study explores the performance of women Self Help Group members involved in business from Tamil Nadu state. The study elucidates the changes occurred among Self Help Group members involved in the business before and after on the following dimensions such as confidence building, self esteem, decision making pattern, social empowerment, capacity building and psychological aspects. The study explores the problems faced by Self Help Group members on environmental, institutional, demographic factors. It also measures the various factors impacting on overall satisfaction.

1.4 REVIEW OF LITERATURE

Leach Fiona et al (2002) Investigated the effectiveness of training on women's micro enterprise development in four activities in Ehiopia, India, Peru and Sudan. The effectiveness of training assessed based on the four indicators like income, access to and managing resources, status and quality of life.

Mohanty (2004), examined credit requirements concerning institutional perspectives of rural skilled workers in Orissa. The needs and expectations of these workers turned as micro-entrepreneurs were investigated with testable date evidence .Mohanty proved these micro-entrepreneurs are domestic-based and their products are regularly sold in the local markets. Further study examined problems in securing adequate raw material predominantly supplied by co-operatives

Shashi Vashisth, et al.(2007) researched that entrepreneurial characteristics are the qualitative progressions among the members of SHGs after initiating income producing schemes which are highly required in the members to become successful entrepreneurs

Preeti & Varma (2011) explored on the profile and entrepreneurial qualities of members of self-help groups, to   ascertain the empowerment of women in the form of participation in select entrepreneurial programmes, to study the marketing networks of entrepreneurial units and ignoring the factors impacting empowerment. Study proved that the respondents   have medium to low level of overall empowerment

Vanithamani & Sandhya Menon (2011), in their study identifies the problems faced by SHGs involved in Business as high indebtedness, poverty and marriage disputes etc., which intern affects their entrepreneurial performance. The second most important factor is the poor awareness about policies and procedures, poor interpersonal relationship among the group members.

Abiola Babajide (2012), Investigated that micro-financing as practiced in Nigeria microfinance banks do not increase the growth and capacity micro and small enterprises in Nigeria. The development of SMEs is not simply dependent on availing bank loans but availing the right size of loans at the right time

Suja, S., (2012) in her study Women's education and literacy play a pivotal role if they have to reach their fullest potential and become empowered. Lack of education creates conditions for depending on others that could restrict an individual's opportunities for empowerment. The education and literacy further contribute to empowerment and enhances financial independence.

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Subas Chandra Das, & Satyabrata Dash, (2012) studied the changing perspectives of the Indian rural markets and paves the way in minimising bottlenecks in rural selling. The study is based on consumer survey to find out the awareness and preference particularly by the rural respondents

Pardeep Kumar, (2013) in his study identified the various kinds of problems associated in marketing , product designing, promotion, distribution, pricing and positioning. The firms change their strategies according to the rural consumer needs and expectation in the ensuing years. Despite of the

challenges associated in rural marketing, has been witnessing hopeful signs in bringing desirable changes in rural India.

Kappa Kondal (2014) in a study on women empowerment through SHGs in Gajwel Mandal of Medak District in Andhra Pradesh. It was found that there is a positive impact of SHGs on women empowerment in this particular Mandal

Rai, Rakshitha & Devadasan, Pradeep. (2019) examined the SHG movement among the rural poor in various of parts of the country is happening as most trustable and apt model for transferring the technology. Therefore, SHGs have accepted that this is one such effective way of facilitating women empowerment in rural areas to build solidarity and socio-economic betterment of the weaker sections as it has been proved to be the most successful in handling the welfare of women in a sustainable way.

1.5 METHODOLOGY

Descriptive study has been undertaken to solicit the information related to the present status of the phenomena to depict "what Exists" with regard to variables or conditions in a given situation. As the exact population is unknown in case of Self Help Group members engaged in business in the select districts. Tamil Nadu state has been considered for the purpose of the study Due to the vastness of the area, study is restricted to 11 districts of Tamil Nadu state such as Dharmapuri, Karur, Krishnagiri, Madurai, Namakkal, Pudukkottai, Nagapattinam, Ramnad, Kanniyakumari, Thoothukudi and Tirupur with a sample size of 362. The convenience sampling technique was adopted for the selection of samples. The Primary data of the study were collected through a structured questionnaire.

1.6 RESULTS & DISCUSSIONS

The Self Help Group members involved in business analyzed based on sales, support received, entrepreneurship development and empowerment. First part of the research findings show the performance of sales on the socioeconomic profile of SHGs, the second part presents the Impact of SHG's before and after starting business and the problems faced. Finally, the entrepreneurship development, empowerment outcome of SHGs is addressed.

1.6.1 Socioeconomic Profile and Performance of SHGs

Age is an important factor which decides the active participation in innovative activities and risk-taking ability. An increase in age leads to decrease in sales for Self Help Group members involved in business (r = - 0.413). The SHG members involved in business and having a high school education and above are making more sales when compared to the low education and illiterates category Significant mean difference exists between education level and average sales per month from business. The above result indicates that education is considered as one of the important factors for increased

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sales in business. The majority of the Self Help Group members involved in the business are married. The significant mean difference does not exist between average sales per month and marital status of SHG members involved in business. A significant mean difference exists between average sales per month and previous occupation of SHG members involved in business. SHG members correlation is significant among family size and sales performance (r= 0.226)

Most (57.1%) of the business SHG member family size are more than 6 and in an business category most of the SHG members (80.1%) family size is 4 to 6. Most of the business SHG members (87.6 %) have more than two and more dependents, 79.8 % of the SHG members have two and more dependents. SHG members correlation is significant among the number of dependents in business SHG members' family and sales performance (r= 0.364) . SHG members are mostly doing business from shops and they may receive informal support from dependent family members. The majority of the Self Help Group members involved in business are from backward communities. The significant mean difference does not exist between average sales per month and community of SHG members involved in business. Most of the SHGs are utilizing Self Help Group loan as a capital source. Correlation results show that increase in investment leads to increased sales for Self Help Group members involved in business (r = 0.356).

1.6.2 Impact of SHG's before and after starting business and problems faced

Impact of SHG's before and after starting business   for the variables confidence building, self Esteem, decision making pattern, capacity building psychological aspects and social empowerment increases after starting a business by using the paired sample 't' test.

Table 1

Paired Sample t test for Respondents Involved in business.

Paired Sample t test for Respondents Involved in Business Variables	Pair	N	Mean	S D	t-value
Confidence Building	Before Starting Business	362	1.4669	.64243	-58.720* (p<. 001)
	After Starting Business	362	4.2624	.75349	
Self Esteem	Before Starting Business	362	1.5794	.58259	-60.589* (p<. 001)
	After Starting Business	362	4.3412	.71416	
Decision Making Pattern	Before Starting Business	362	1.7030	.60200	-64.348* (p<. 001)
	After Starting Business	362	4.2645	.63428	
Capacity Building	Before Starting Business	362	1.5028	.43440	-73.062* (p<. 001)
	After Starting Business	362	4.0518	.71338	
Psychological Aspects	Before Starting Business	362	1.4576	.53635	-66.081* (p<. 001)
	After Starting Business	362	4.2302	.59218	

Social Empowerment	Before Starting Business	362	1.3439	.37191	-60.613* (p<. 001)
	After Starting Business	362	4.1588	.86501	

* significant at 1% level

Source : Primary data

With the help of the mean it is observed that score for the variables confidence building, self Esteem, decision making pattern, capacity building psychological aspects and social empowerment increases after starting a business. The paired sample ' t' test results that show before and after values are significant at the 1% level. The change in mean value indicates respondents involved in business are able to improve their confidence building, self esteem, decision making pattern, capacity building, psychological aspects and Social empowerment increases after starting a business.

Table 2 : Mean and Standard Deviation Analysis of Problems in Business

S. No	Statements	Mean	SD
1	Difficult to manage for working capital needs	3.05	.99
2	Non availability of products	2.61	.72
3	Lack of effective training by Government / NGOs	3.01	1.13
4	The product has no market	2.56	.84
5	Loans are not sufficient	2.88	.97
6	Low profit margin	3.18	1.31
7	Less support from family	2.66	1.01
8	Lack of freedom to take decisions in business	2.18	.78
9	Lack of social mobility restrictions in the family	1.98	1.00
10	Difficult to reach nearby villages	2.15	1.22
11	Less support from other communities	2.28	1.34
12	Less support within the group	3.93	1.45
13	Less support from other groups	3.66	1.01
14	Difficulty in getting payments from customers	3.52	1.27

Source: primary data

The above table 2 explores the opinion given by the respondents regarding the problems and constraints faced by them in business. A five point Likert Scale (ranging from 1 to 5) is used to obtain the responses. It is found that the mean values are above average for difficult to manage for working capital needs due to family commitments, lack of effective training by government / NGOs, low profit

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margin, less support within the group, less support from other groups and difficult in getting payments from customers. Self Help Group members those who are in business facing problems in managing the working capital needs, training provided by the government/NGOs, profit margin, support within the group, support from other groups and receiving payments from customers.

It is found that the mean values are below average for non availability of products / raw materials, no market for the product, insufficient loans, less support from family, lack of freedom to take business decisions, lack of social mobility due to family restrictions, difficult to reach nearby villages, less support from other communities. Self Help Group members doing business are comfortable with product/raw materials availability, marketing, loans, family support, freedom to take business decisions, social mobility, market access and other communities.

1.6.3 Model for Overall Satisfaction

Structural Equation Modeling (SEM) is a computational methodology using a mixture of statistical data and qualitative causal assumptions to check and predict causal relations. Models have been developed using a Moment Structure Analysis (AMOS). These model variables include non-public, non family, economic empowerment, entrepreneurial growth and overall satisfaction.as observed variables. Social empowerment is taken as unobserved variable. e1 is an error term (residual) for observed variable overall satisfaction.
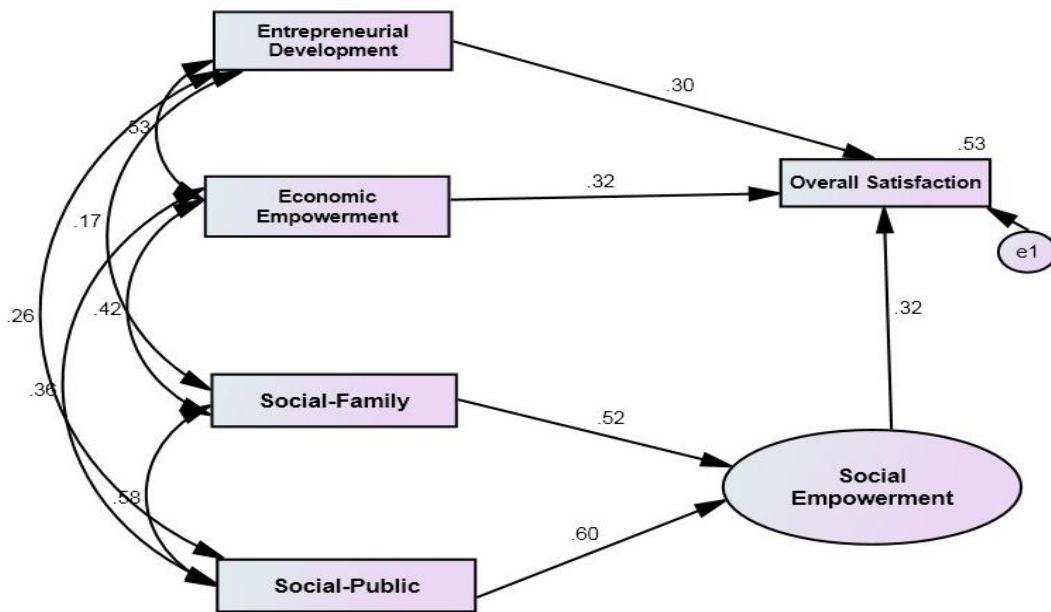
Null hypothesis H_0: The model fitted for the overall satisfaction of SHG members involved in business is good

Table 3

Comparison of Models

	SHG members involved in business
Chi-square $\square^2$	41.902**
p-value	<.001
GFI	.958
AGFI	.370
RMSEA	.337
ECVI	.194
Model's R^2	.53

** significant at 1% level

Figure 1 : SHG members involved in business

Model fit Summary for the Model :

The fit model of SHG members involved in business is 41.902 (Chi-square) and its p value < .001 shows that the null hypothesis "The model suited for the overall satisfaction of SHG members involved in business is fine" is rejected at the level of 1 per cent. The performance index goodness (GFI) is 0.958 of the model, shows relatively good performance, but its adjusted goodness of fit (AGFI) is .370 shows more difference with the GFI. The Root Mean Square Error of Approximation (RMSEA) is.337, model and Expected Cross Validation Index (ECVI) is.194, which are within the acceptable range.

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1.7 CONCLUSION

The group-based Self Help model widely practiced for rural development, poverty alleviation and empowerment of women. CEMEX a cement manufacturer from Mexico organizes SHG group based distribution model for marketing of construction material. The planning commission report on "Effectiveness of Public Distribution System in rural Tamil Nadu" appreciates the emerging role of SHGs in Public Distribution system. The findings of this study identify that only very few SHGs availed loan from the bank, as an individual member of SHGs have limited access to bank loans. The group members support and cumulative effort of Self Help Group may give more financial and marketing

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support. Economic empowerment is an important factor in determining the overall satisfaction among Self Help Groups involved in business.

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