Study of problems faced by Women Entrepreneurs with special reference to Self Help Groups in Eranakulam District


[1] Research Scholar(2011390102005), PG and Research Department of Commerce, Muslim Arts College, Thiruvithancode. Manonmaniam Sundarnar University

[2] Associate Professor and Ph.D Research Advisor, PG and Research Department of Commerce, Muslim Arts College, Thiruvithancode. Manonmaniam Sundarnar University,

E-mail: [1] leyagilbert842@gmail.com, 9562443280., [2] drsiddique05@gmail.com, 9994449144

Abstract: Entrepreneurship is the act of being an entrepreneur, which can be defined as "one who takes over the world, innovations, finance and business acumen in an effort to transform innovations into economic goods". This may result in new organizations or may be part of revitalizing mature organizations in response to a perceived opportunity. An entrepreneur is a person who has possession of a new enterprise, venture or idea and is accountable for the inherent risks and the outcome. When women enter into a business venture a women entrepreneur is born. Lack of specific skills and restriction on availability of any meaningful employment in the rural or semi rural areas compels a woman to start her own business.

A Self-Help Group (SHG) is a registered or unregistered group of micro entrepreneurs having homogenous social and economic backgrounds, voluntarily coming together to save regular small sums of money. They mutually agree to contribute to a common fund and to meet their emergency needs on the basis of mutual help. Also it is a group of people who pool in their resources to become financially stable by taking loans from the money collected by that group and by making everybody of that group self-employed. However a lot of SHG’s face a lot of problems and close down after venturing into their own enterprises. In the present paper the researchers have made an attempt to find out and analyse the reasons for success or failure of the business ventures as established by women SHG’s in the city of Eranakulam.

Keywords: women entrepreneurship, self help groups, problems faced by SHG’s

1. Introduction

Poverty is the biggest problem faced by any developing country as it hinders growth of the economy and standard of living of the people. So the prime activity of the Government of India is alleviation of poverty, and for that different programmes are adopted from time to time. The Census 2011 Report indicates that people who are living below poverty line are 29.5%. In Kerala State, the poverty rate accounts to 11.3%. Poor people suffer from the negligence of formal financial institutions, due to lack of collaterals, the high transaction cost of giving a small amount of loan to a large number of people and poor credit history. Negligible amount of income and its irregularity is the main reason of the financial exclusion of rural poor. Inaccessibility of formal banking system and the influence of informal finance to the rural population forced authorities to think about an alternative source to fulfill their financial needs. So with a view to support this disadvantaged population, the micro finance movement is institutionalised by the Government to give financial support to the rural poor, mainly, rural women. Financial assistance given to women is better utilised than in men. Among many activities such as better education to children and health care, various pension schemes have been introduced by the Government, and microfinance programmes to alleviate poverty through SHGs is one of the prominent approaches to address the issue of rural poverty.

Self-Help Groups (SHGs) have emerged in order to help poor women to secure inputs like credit and other services. The concept of SHG in India was introduced in 1985. A self-help group (SHG) is a financial intermediary usually composed of between 10-20 local women. It is a registered or unregistered group of micro entrepreneurs having homogenous social and economic backgrounds, voluntarily coming together
to save regular small sums of money, mutually agreeing to contribute to a common fund and to meet their emergency needs on the basis of mutual help.

These SHGs are potential “micro-banks”. They work either on their own, or through higher levels of association and are capable of using their own resources, grants and borrowed funds for financial intermediation. Apart from accessing funds from the formal financial sector, SHGs can also become a forum for dissemination of development ideas and information, an association for community mobilisation or an organisational unit for linking up with other economic, social and political interventions.

Microfinance is a poverty alleviation tool to extend financial supports like microcredit, micro savings and micro insurance for rural poor. Through microfinance, different types of financial aids like credit facilities, transfer of money and insurance schemes to the poor population and to their micro enterprises are provided. By providing microfinance, poor people would be able to start micro ventures or other activities to generate income with a view to improve their income level. Microfinance can be defined as an institutional system which provides loans in small amounts to a small group of rural people along with other related services such as training and skill development to enable them to get involved in some economic activities. It is the small sized financial aids and technical support extended to the rural community who run some kind of income generating activity at local levels. Microfinance is interchangeably used as microcredit or micro loans which means a small amount of credit to meet the working capital needs of self-employed or prospective self-employed poor people. In order to arrive at the existing researchable issues previous studies relevant to this subject matter have been reviewed.

2. Review Of Literature

Anju and Raju (2014) in their study identified that lack of supportive network, financial and marketing problems are the major problems for rural women entrepreneurs.

Poornima and Ramanaiah (2019) in their study identified that no stable price for the products manufactured, lack of practical knowledge and marketing problems are the prominent problems faced by SHG Entrepreneurs.

Renu Pathak et al. (2019) in their study identified that group conflict, lack of interest in taking responsibility among SHG members and lack of motivation are the serious problems exist.

Priyanka Kumawat and Vishakha Bansal (2018) in their study ascertained that inadequate training facilities, problems in marketing the products.

3. Statement Of The Problem

Rural women are the most marginalized community, which keep them away from formal financial sources and social activities. Microcredit is the most powerful tool for women empowerment and facilitates them to meet their life cycle requirements. Microcredit helps them to access monetary services in a better manner. The concept of microcredit put in to practice through Self Help Groups, where members started to pool up their small savings and distribute funds among members with low interest. Microcredit movements give opportunities to poor women through their concerned SHGs to participate in income generating and several social activities. This will help them to become empowered in different dimensions of their life. It helps poor people in the backward areas to come forward and enjoy better living conditions. In this situation an evaluation is required for assessing the impact of microcredit. Hence the present study is attempted to understand the problems faced by SHG women empowerment in Kerala.

4. Objective Of The Study

• To identify the problems faced by entrepreneurs towards self help groups

5. Problems Faced By The SHG

Problems of Marketing: Marketing is an important area of functioning of the SHGs. However they face different problems in the marketing of products produced by them. Following are the major problems reported by the SHGs in the study area.

• Lack of sufficient orders.
Lack of Linkage with the marketing agencies.
Lack of adequate sales promotion measures.
Lack of permanent market for the products of SHGs.
Absence of proper brand name.
Poor/Unattractive packing system.
Stiff competition from other major suppliers.
Lack of a well defined and well knit channel of distribution for marketing.

Almost all SHGs in the study area are facing the marketing problem in some form or the other. Particularly the activities like food processing, household industry and commercial farming are facing the above stated problems. The activities like buddy, papad and mixture making, chips & muduki making, mudhi making, Agarbati, bag, balita, basket and candle making are lacking with attractive packing system and absence of proper brand name. Further there is lack of adequate sales promotion measures resulting in low demand of the product produced by the sample beneficiaries. As a result, the sample beneficiaries are not getting sufficient orders. This is mostly found in Thanthoni block, Aravakurichi block, Kadavur block and K.Paramathy block. Besides the activities like agarbati, phenyl and coir rope are getting poor market due to application of traditional technology and poor quality product. This is a grave situation which should be handled seriously.

5.1 Problems Of Finance
Finance is the backbone of any economic venture. It involves both demand and supply related problems. It is observed that financial institutions are not providing adequate finance to the SHGs which relates to supply side and SHG beneficiaries are interested to get more finance which is a demand related problem. The stakeholders argue that they are facing financial problems due to inadequate financial assistance and non cooperative attitude of the bankers. It is found that in most of the SHGs, the financial assistance provided to them by the agencies concerned is not adequate to meet their requirements. The financial authorities also do not disburse subsidy in due time to the SHGs. Thereby the SHGs are not able to be self-sufficient. Further, most of the bank managers in the rural branches are outsiders who don’t understand the local dialect. Thus, there is a communication gap between the stakeholders and bankers. On the other hand, financial institutions are very much concerned about their profit motive. They are of the view that due to weak financial management, low return and lack of proper documentation they are restricting the provision of credit.

5.2 Problems Relating To Product And Quality
This is another major problem among SHGs. Due to inadequate training, the SHG beneficiaries are not able to produce quality products. The training facilities given to the members of SHGs in the study area on product selection, quality of product, production techniques, managerial ability, packing and other technical knowledge are not adequate to compete with that of strong units. It is found that in Kadavur, Thogamalai, Krishnarayapuram, and K.Paramathi Blocks, most of the SHGs are engaged in coir rope making, balita and broom making in a traditional way. It is also found that in agriculture the traditional way of cultivation is undertaken and in food processing the traditional method is also adopted for which quality of the product is affected.

6. Suggestions To Minimize The Problems Faced By SHGS
The following suggestions are offered to minimize the above mentioned issues of SHGs:

Information about locally available materials and their varied uses should be disseminated to SHGs. Proper encouragement and training should be given to them to make innovative products by using these materials. In order to have a knowledge base about the availability of materials, in panchayat levels, surveys can be conducted under the auspices of local authorities.

In order to solve the various problems relating to marketing of SHGs, the state level organisations should extend the activities throughout the state instead of limiting its operations in a particular area.
Various SHGs functioning in a particular panchayat area can form a co-operative society. This society may be entrusted with the task of marketing the products of different SHGs under a common brand name. Further, the society can undertake sales promotion activities and procure rare raw materials for the benefits of member SHGs.

Non-Government Organisations (NGOs) can play a significant role in empowering women entrepreneurs by providing basic education, motivation training, and financial help and so on. All the members in the SHGs may not have the same caliber and expertise. NGOs can identify the inefficient members of the group and can impart proper training to them in order to make them competent. For this purpose, short term training programmes can be arranged at the panchayat level.

Frequent awareness camps can be organised by the Rural Development department authorities to create awareness about different schemes of assistance available to the participants in the SHGs.

Lastly, arrangements may be made by the financial institutions for providing adequate financial assistance to the SHGs strictly on the basis of their actual performance without any discrimination of caste, politics etc.

In the emerging changes in the values and attitudes of the members of the SHGs is a clear manifestation of socio-economic empowerment interventions yielding relatively quicker results. The socio-economic programmes reinforce each other and promote allround development of the children, the women, the households and the communities.

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7. Conclusion

It is concludes that the present article paper, the success of SHGs depends upon efficiency and effectiveness of groups. The government needs to focus on major problems faced by SHGs as to make their resource mobilization meaningful and economic upliftment of members of SHGs. Major constraints faced by a majority of members are male domination, lack of economic freedom, fear of social security whereas, sometimes faced problems are dual role and no family encouragement. Administrative constraints which hindered their growth were ‘irregular visit by extension worker’, ‘the flow of credit by the govt. is not proper’ and ‘indifferent behavior of the administrator’. It is concludes that the present article paper, the success of SHGs depends upon efficiency and effectiveness of groups. The government needs to focus on major problems faced by SHGs as to make their resource mobilization meaningful and economic upliftment of members of SHGs. Major constraints faced by a majority of members are male domination, lack of economic freedom, fear of social security whereas, sometimes faced problems are dual role and no family encouragement. Administrative constraints which hindered their growth were ‘irregular visit by extension worker’, ‘the flow of credit by the govt. is not proper’ and ‘indifferent behavior of the administrator’.

The study concluded that it is necessary to educate rural women, upgrade and improve their skills, provide opportunity for them to express their potential abilities for addressing social, economic and technical problems of members. It is also the responsibility of higher authorities to motivate, guide and educate rural women for their empowerment and to solve their problems.
References


