

Rural Development Initiatives Through Entrepreneurial Ventures

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Abstract.

The present study is an attempt to analyze demographic profile of self help groups functional in Samba block of District Jammu. The functional dynamics of the SHG members such as sociocultural, educational etc. are assessed to see the financial growth of the SHG members. How financial empowerment has transformed into personality development and thus empowering the decision making and negotiation skills of women both at home and at place of work.

Introduction:

The process of Rural Development filters down to a primary goal of providing an opportunity for decent living to the masses of the low income population residing in rural areas, on a self-sustained basis; by implementing various rural development programmes meant for ameliorating the lot of rural poor by providing them the wage employment and earning opportunities through rural development and asset creations. Rural development is more than ever before linked to entrepreneurship. Institutions and individuals promoting rural development now see entrepreneurship as a strategic development intervention that could accelerate the rural development process. Furthermore, institutions and individuals seem to agree on the urgent need to promote rural enterprises: development agencies see rural entrepreneurship as an enormous employment potential; politicians see it as the key strategy to prevent rural unrest; farmers see it as an instrument for improving farm earnings; and women see it as an employment possibility near their homes which provide autonomy, independence and a reduced need for social support. To all these groups, however, entrepreneurship stands as a vehicle to improve the quality of life for individuals, families and communities and to sustain a healthy economy and environment. The entrepreneurial orientation to rural development accepts entrepreneurship as the central force of economic growth and development, without it other factors of development will be wasted or frittered away. However, the acceptance of entrepreneurship as a central development force by itself will not lead to rural development and the advancement of rural enterprises. What is needed in addition is an environment enabling entrepreneurship in rural areas.

The existence of such an environment largely depends on policies promoting rural entrepreneurship. The effectiveness of such policies in turn depends on a conceptual framework about entrepreneurship, i.e., what it is and where it comes from.

Entrepreneurial, orientation to rural development, contrary to development based on bringing in human capital and investment from outside, is based on stimulating local entrepreneurial talent and subsequent growth of indigenous companies. This in turn would create jobs and add economic value to a region and community and at the same time keep scarce resources within the community. To accelerate economic development in rural areas, it is necessary to increase the supply of entrepreneurs, thus building up the critical mass of first generation entrepreneurs (Petrin, 1992), who will take risks and engage in the uncertainties of a new venture creation, create something from practically nothing and create values by pulling together a unique package of resources to exploit an opportunity. By their example they will stimulate an autonomous entrepreneurial process, as well as a dynamic entrepreneurship, thereby ensuring continuous rural development.

This paper attempts to address the role of SHG's in economic transformation.

Research Methodology

The present study is based on collection of data from both primary and secondary sources. Primary data is collected from well-structured questionnaire, interview schedule, Focused Group Discussions (FGDs) and case studies.

Sample and Sampling Method:

50 respondents/women from different SHGs were selected by simple random Sampling method for research study.

Tool used for data collection.

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The questionnaire consisting of 28 questions was prepared to collect the primary data.

There are about 762 SHGs in the whole Samba Block. The block is divided into six clusters. Out of six clusters, the researcher conducted study only on three clusters due to shortage of time, which are as following:

Objectives of the study:

The following are the main objectives of this research study undertaken:

- To study the importance and role of the Self Help Groups and micro-finance in poverty alleviation and empowerment of women.
- To analyze the growth of microfinance sector and Self Help Groups in India.
- To overview the profile of and general performance of JKSRLM in Samba block of Jammu district.
- To critically analyze the impact of JKSRLM in enhancing the income levels of women after joining the SHGs.
- To study the participation of women entrepreneurs in SHGs and to determine the factors affecting the women participation in SHGs.

OPERATIONAL DEFINITIONS

It aims at defining the operational concepts used in the study.

- **Self-Help group:** It is a woman group in rural area formed with at least 20 members and involved in savings, internal lending, micro-entrepreneurial activities, assimilation and dissemination of

knowledge about health, childcare, education, participation of woman in decision making in households etc.

- **Women Empowerment:** It refers to SHG women's influence over the economic resources of the households, participation in decision-making in money matters, and influence over other decisions pertaining to general welfare of the households.
- **Poverty:** Poverty is a situation of lack of the usual or socially acceptable amount of money or material possessions (Michael 2004). Poverty is a problem for all the countries irrespective of their level of development. It may be a lack of income or resources, a lack of coping capacity, a lack of basic human capabilities, a lack of institutional defenses or in extreme cases a lack of all these. In a wider sense, it may be a combination of economic, social and political deprivations.

• Results and discussion

a) Age group of members of SHGs

The young and middle-aged people can actively participate in the social-economic activities, which is also visible in activities of SHG in Samba block where women in the age group 20-30 and 30-40 age groups are actively participating in SHGs activities. The women between age group 40-50 are also in the SHGs and their role is important for SHG. They can only control and solve the problems, if any, arising in the group. But the age group between 18-35 years is more participative in various SHGs activities as they are more active and aware about outside issues also.

| Age group | No. of members | Percentage |
|--------------|----------------|-------------|
| 18-35 | 25- | 50% |
| 36-45 | 10 | 20% |
| 46-60 | 10 | 20% |
| 61 & above | 5 | 10% |
| Total | 50 | 100% |

b) Reasons for joining SHGs

The main function of SHG is to promote savings and provide credit for the productive and consumption purposes. This is true because many people in the present study joined SHGs for the purpose of getting

loan. In addition, some joined for raising their social status. In the Samba block, 30 women joined SHG for the purpose of getting loan, 15 joined for improving their savings and only 15 women joined for raising their social status.

Table 2: Reasons for joining SHGs:

| S. No | Reasons | No. of Respondents | % |
|--------------|-------------------|--------------------|------------|
| 1. | For Loan | 30 | 60 |
| 2. | Savings promotion | 15 | 30 |
| 3. | Social status | 5 | 10 |
| Total | 50 | | 100 |

c) Income Level of Members:

Income is a major factor which determines standard of living. The SHG members' income increases after joining the group. Many women don't earn anything before joining SHGs but after becoming a member of SHGs, they are able to

earn their livelihood. The women are now becoming self-dependent and economically strong in the Samba block. There is a rise in the income levels of the members of SHGs.

**Table 3: Income levels of members of family
(i) Before Joining SHGs**

| S.NO | Monthly Income(Rs) | No. of Respondents | Percentage |
|------|--------------------|--------------------|-------------|
| 1 | 1000-2000 | 15 | 30% |
| 2 | 2000-3000 | 5 | 10% |
| 3 | 3000-4000 | 10 | 20% |
| 4 | 4000-5000 | 10 | 20% |
| 5 | 5000-6000 | 5 | 10% |
| 6 | 6000-7000 | 5 | 10% |
| 7 | TOTAL | 50 | 100% |

(ii) After joining SHGs

| S.NO | Monthly Income | No of Respondents | Percentage |
|------|----------------|-------------------|------------|
| 1 | 1000-2000 | 5 | 10% |
| 2 | 2000-3000 | 5 | 10% |
| 3 | 3000-4000 | 7 | 14% |
| 4 | 4000-5000 | 8 | 16% |
| 5 | 5000-6000 | 10 | 20% |
| 6 | Above 6000 | 15 | 30% |
| 7 | Total | 50 | 100% |

d) Purpose of taking loan:

The members of self-help groups borrow money for some small entrepreneurial activity. Some women borrow money for other purposes also such as for agriculture, education purposes or for household purpose. Out of 50 sample taken, a total of 20 women borrowed money for some micro-enterprises, 15 for

agriculture, 10 for household consumption and 5 for education of their child. Loan is the main reason for some of the women for joining SHGs as in other formal institutions there is a number of formalities and paper work for getting loan. But through SHGs, they can get this loan easily without any formalities.

Table 4: Shows purpose for which SHGs member takes loan

| No. | Agriculture Livestock assets | Household | Micro entrepreneur | Education |
|----------|------------------------------|-----------|--------------------|-----------|
| 1 | 15 | 10 | 20 | 5 |
| Total 50 | | | | |

e) Landholding of Respondents

The sample respondents were classified into landless, marginal, small and large farm holding categories. A majority of the women belonged to the landless category (30) in the study area of Samba block. The

remaining 20 were from the marginal and small farmer category that was holding land up to 5 acres. Thus the women having landless holding are more participative as a member of SHG.

Table 5: Land holding of respondents

| Category | Numbers | Percentage |
|--------------|-----------|-------------|
| Landless | 30 | 60% |
| Marginal | 4 | 8% |
| Small | 15 | 30% |
| Large | 1 | 2% |
| Total | 50 | 100% |

f) Average size of family of Respondent:

Out of the 50 samples taken in the Samba block, the average family size of the respondents was nuclear i.e. about 35 members belonged to nuclear family and 15 members were from joint family. The women with small family size were more participative in self help

groups as they had more time to attend SHGs meeting and other activities in comparison to joint family. In joint families, women have a lot of household work and do not have much time to participate in SHG activities in comparison to the women from nuclear families.

Table 6: Size of respondent's family

| S. No. | Family Size | No Of Respondent | Percentage |
|--------|----------------|------------------|-------------|
| 1 | Nuclear family | 35 | 70% |
| 2 | Joint family | 15 | 30% |
| 3 | Total | 50 | 100% |

g) Educational status of members of SHGs:

Education is boon for any developmental activity. For the betterment of self help groups, education of its members plays an important role. Through education they become more aware and active in various work done in SHGs. Educated women are more participative in SHGs as is evident from the present field undertaken among the SHG members. The highest

number of respondents, that is, 35 women are under matric about, another 7 respondents have completed their higher secondary education, three are graduates and 5 members are neo-literate .It was observed that the educated women are more confident. They have leadership qualities to take decisions.

Table 7: Educational status of the sample respondents

| S.No | Educational status | No. of Respondents | Percentage |
|------|--------------------|--------------------|-------------|
| 1 | Matric | 35 | 70% |
| 2 | Higher secondary | 7 | 14% |
| 3 | Graduate | 3 | 6% |
| 4 | Neo literate | 5 | 10% |
| 5 | Total | 50 | 100% |

h) Loan Repayment

Repayment of loan is one of the main factors for the successful functioning of any SHGs. Regular repayment of loan by SHGs members enable those SHGs to grow in a sustainable manner. Out of 50 samples taken from the Samba block of Jammu district, 35 members were

able to repay their loan on time while 15 of them were unable to repay their amount within the given period due to some household issues. But after some time, they did repay their amount taken from the SHGs.

Table 8: Repayment of loan

| S.No. | Repayment of loan | No. of Respondent | Percentage |
|-------|--------------------------------|-------------------|-------------|
| 1 | Respondents repay timely | 35 | 70% |
| 2 | Respondents don't repay timely | 15 | 30% |
| 3 | Total | 50 | 100% |

i) Social Empowerment of women:

Social development is one of the main aims of SHGs. The present study shows that the women, after joining the SHGs, become more socially aware and responsible. The women in the SHGs are now participating in the social affairs of the society. They

can raise their voice against various issues such as dowry and other social evils. They are also able to express their views freely in the group as well as among their family.

| S.No. | No. of Respondents | Expressing opinion freely | Percentage |
|--------------|--------------------|---------------------------|-------------|
| 1 | 46 | YES | 92% |
| 2 | 4 | NO | 8% |
| TOTAL | 50 | | 100% |

| S. No | No. of respondents | Moving independently | Percentage |
|-------|--------------------|----------------------|------------|
| 1 | 42 | YES | 84% |
| 2 | 8 | NO | 16% |

j) Financial development

The study conducted by the researcher reflected that SHGs have emerged as a big positive change in the lives of the people. As most of the people in the rural areas are very poor, they are unable to fulfill their basic necessities of life. Through SHGs they can

develop a habit of saving in them and can borrow money from the groups whenever required. It can help a lot in eradication of poverty and make them financially strong and stable.

Table No. 10: Financial development of respondents

| S.No. | No of respondents | Financial empowerment | %age |
|--------------|-------------------|-----------------------|-------------|
| 1 | 48 | YES | 96% |
| 2 | 2 | NO | 4% |
| Total | 50 | | 100% |

Table No.11: Participation in decision making

| S No | Participating in decision making | No of respondents | % |
|------|----------------------------------|-------------------|-----|
| 1 | Yes | 42 | 84% |
| 2 | No | 8 | 16% |

The respondents have been able to participate in decision making in their family and society as now they have become a bit partially socially and financially strong. Through SHGs, their ability to take decision in their family and in their group meetings has certainly been increased. The researcher observed that the male members of their families and immediate surroundings have now a changed opinion about these females. They are, to a large extent, being given equal importance in taking decisions in the family.

Chapter 5

Conclusion and recommendations

In the light of above discussions following the field visits by the researcher in the Samba block of Jammu district, it was reflected that the overall progress of the SHGs in the block is good. It was found that there is a rise in income after joining the SHGs. The timely repayment of loan by SHGs is one of the best practices seen in the block, this stimulates further credit generation. Participation in SHGs has been the emancipating experience for women and has enhanced their role in the decision making processes within their respective families. There is an resurgence in the economic level of the SHG members. These benefits were savings and credit facility and use of credit for undertaking income generation activities. However, it was observed that more efforts were needed to bring the SHG'S up to the desired level. An interview with some SHG members also revealed that some members of the SHG were not happy because of the small loan capacity of SHG.

The study concludes that micro-finance brought social and economic empowerment than economic empowerment. Impact of micro finance is appreciable in bringing confidence, courage, skill development and empowerment among the women. The women who used to work within their four walls only, are now free to move with their groups and leaders. Some of the women from remote Samba block have even visited Andhra Pradesh for bringing further improvement in themselves and their SHGs functioning. It resulted in their further participation in various social welfare activities. Thus, SHGs have a positive impact on decision making power among women in Samba. The women members of SHGs are now able to take

decision on various matters of family as well as society. The respondents reveal that their status in the family increased, now their opinion is given due importance among their family members.

As education is the necessity for all round development of individual, it emerged from the study that every SHG of women should try to develop educational awareness among its members and their families.

Financial and accounting training should be given to all women of SHGs as they have to maintain register of SHGs such as Minutes book, Loan ledger, Cash book etc. Training programmes should be organized regularly for these women. A number of SHGs members in the Samba block buy cow or other livestock assets through lending money from SHGs. Thus, they need marketing facilities for the sale of products. The SHGs can create this facility for their group members.

Awareness programme about other social issues should be organized by the SHGs members from time to time to aware people. Training programmes need to be organized for the women so that they are also able to focus on their income-generation activities and for enhancing standard of living. A proper direction is required so that they enhance their skills and potential by participating in various training programme such as stitching of clothes, jute bags, beauty parlour, poultry farming etc. Such vocational training programme organized for SHGs women will help them in increasing their livelihood and alleviate poverty in the rural areas.

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