

# Economic Empowerment through Micro Entrepreneurship: A Study on Shg Women Entrepreneurs

Krishan Lal Grover,

*Associate Professor, Sri Guru Hari Singh College, Sri Jiwan Nagar (Sirsa)*

Submitted: 25-01-2022

Revised: 05-02-2022

Accepted: 08-02-2022

## ABSTRACT

Women's economic empowerment is a critical component of inclusive growth, which is vital for the development of a good nation. Empowerment is a process of becoming more aware of and conscious of the need for capacity building, which leads to increased involvement, effective decision-making authority and control, as well as transformation action. This refers to one's capacity to acquire what one wants and to persuade others to share one's worries. Women's empowerment entails giving them more authority over the decisions that affect their lives both within and beyond the home. Creating a favourable climate for women's economic participation is a multifaceted task. It is apparent that this progress is not just a social necessity for bettering their lives, but also a financial imperative. Various studies have shown that boosting women's engagement in the economy boosts economic growth. Empowering women to engage in the economy may take many forms, from supporting entrepreneurship to expanding educational and leadership possibilities. The present study attempts to assess women's empowerment through increased autonomy in decision-making, with women's engagement in the workforce serving as well as entrepreneurs. A primary survey of 250 SHGs was conducted to determine the economic empowerment of women through SHGs. It is found that the mean scores of the various Economic Empowerment variables are improved after joining SHGs.

**Keywords:** Economic Empowerment, SHGs, Women Entrepreneurs

## I. INTRODUCTION

Academicians, political intellectuals, and social scientists from all over the world have been drawn to the position and role of women, as well as associated issues. It is a well-acknowledged fact that a society based on gender disparity wastes

human resources that no country can afford. Since the 1990s, there has been a paradigm shift in women's attention, moving from "welfare" to "development" and now to "empowerment." Several projects have been launched to raise rural, semi-urban, and metropolitan women out of poverty and into the mainstream of a booming economy. As part of these efforts, the government designated 2001 as "Women's Empowerment Year," with the goal of achieving a vision "where women are equal partners with men."

The phrase "empowerment" is used to describe "gaining power" or "gaining confidence in one's own abilities and potential." Empowerment, in its broadest meaning, comprises the transfer of power. When it comes to human beings, the concept of power has many facets and is multifaceted. As a result, empowerment is a complex and nuanced concept that is depicted as a process rather than an event. Empowerment is defined by Kabeer (2001) as "the expansion of people's ability to make strategic life choices in an environment where they were previously denied this ability." This study investigates the concept of women's empowerment, concentrating on one of the most significant predictors of women's empowerment, decision-making capacity, or decision-making autonomy. "The development methods, which raise problems regarding women's access to resources, have supplanted the conventional welfare model, which saw women as objectives and recipients. Resources cannot bring about empowerment until women's individual or communal ability to perceive and use resources in their own interests. There are several obstacles to overcome, but adopting efforts to increase women's participation in the workforce will not only generate new economic possibilities but will also ensure that their brilliance is recognised.

## SELF-HELP GROUPS

A self-help group is a small, deliberate association of needy people who are ideally from similar socioeconomic backgrounds. They get together to self-help their basic problems. A single SHG does not have more than 20 people in it. The meeting is limited to 20 people since any gathering larger than that must be registered under India's legal framework. Meeting up on purpose to save a little money is typical. They frequently consent to the addition of a conventional shop and the provision of pooled help to satisfy their crisis requirements.

A financially disadvantaged individual contributes as a significant part of a group, and financing through SHGs lowers exchange costs for both lenders and acquirers, whereas banks must deal with only one. Borrowers who participate in a SHG, save money on transportation (to and from the branch and other locations) and lost workdays due to advance peddling.

## WOMEN ENTREPRENEURS

With increasing sensitivity to women's position and economic standing in society, their latent entrepreneurial potential has increasingly changed. Women are growing more aware of their own existence, rights, and employment conditions. Women entrepreneurs nowadays represent a group of women who have ventured off the beaten path and are investigating new economic opportunities. Women manage structured businesses for a variety of reasons, including their expertise and knowledge, entrepreneurial talents and abilities, and a strong desire to accomplish something great. Life isn't always easy for a woman entrepreneur with a small business. A single woman entrepreneur is faced with a variety of apparently insurmountable obstacles. Despite these multiple hurdles and concrete difficulties, women are increasingly entering the sphere of business. Previously, there were three Ks: kitchen, kids, and knitting. Then there were three Ps: powder, pappad, and pickles. Currently, there are four Es: electricity, electronics, energy and engineering, which are three of the most important fields for female entrepreneurs.

Women entrepreneurs are women who have an idea for a business, start it, arrange and integrate the elements of production, run the firm, take risks, and deal with the economic uncertainty that comes with running a business. "An company owned and controlled by a woman with a minimum financial stake of 51 percent of the capital and delivering at least 51 percent of the employment

produced in the firm to women," according to the Indian government.

## II. REVIEW OF LITERATURE:

In developing countries, research reveal that the majority of self-employed women are forced to establish their own business by economic and social factors such as low pay, poverty, widowhood, high unemployment, and divorce issues, so they can meet their basic requirements or support their families. Despite this, women entrepreneurs have a poor success rate due to a lack of necessary skills, suitable experience, training, and education (**Farrukh et al., 2018**). **Thampi(2004)** highlighted the implementation of a special plan component and the acknowledgment of SHGs as suitable institutional arrangements for economic and other types of women's empowerment in her study. She examined how women in SHGs experience numerous deprivations within their families, regardless of their financial position. **Paula (2005)** pointed out that enhancing the economic outcomes of women's businesses through greater training and access to markets, finance, and capital equipment does not always lead to women's empowerment. Scholars and practitioners of microenterprises must work on enhancing women's status in their families so that they may participate in and benefit from decisions regarding how to spend their resources. In an investigation titled "Engaging Provincial Ladies Right Through Self-Help Groups," **Chattopadhyay (2005)** argued that economic empowerment is a sine qua non for increasing the position of women in our society and that entrepreneurship development might be one feasible strategy to accomplish this goal.

In their study, **Venkateshmurthy and Dinesh (2009)** discovered that SHGs play a significant and critical role in sorting out women, developing initiative characteristics among women, assembling sparing, and including women in various salary-producing exercises for their innovative development. Furthermore, it states that SHGs are an important tool for alleviating poverty in general and women's poverty in particular. SHGs assist women in improving their financial situations, resulting in a monetary strengthening process. **Venkatesh and Kala (2010)** examined the financial strength of women in South Tamil Nadu and discovered that after joining SHGs, women's salaries increased and their monthly family unit surge increased significantly. South Tamil Nadu SHGs have had extraordinary success in expanding women's empowerment in provincial zones. **Malhotra (2016)** investigated the impact of

self-help groups on underprivileged households, particularly women, in the Chandigarh area. Information was acquired mostly from members of Chandigarh-based self-help organisations. The information was received from SHG members who are rural women who have been persecuted. SHGs were formed to encourage the impoverished people of the country. They are quite nimble when it comes to engaging with government and non-government organisations. Women have adopted confident and inspiring demeanors. **Nithyashree et al. (2016)** focusing on eight locations in Karnataka with a total of 400 SHGs and 6338 people to know the reasons for joining SHGs, concluded that the vast majority of respondents joined SHG to obtain financial assistance in a timely manner, in addition to advancing their reserve money tendency, raising their social standing, and repaying debts, while the smallest number of respondents joined to engage in salary-generating activities. While investigating 16 SHGs in Kerala, **Rose and Jose (2017)** concluded that there is a need to strengthen the preparatory programmes provided to SHG members in terms of self-improvement and entrepreneurial skill development.

**III. STATEMENT OF THE PROBLEM:**

Women's economic empowerment through micro entrepreneurship led to women's empowerment in a variety of areas, including socioeconomic opportunity, property rights, political representation, social equality, personal rights, family development, market development, community development, and, finally, national development. Self-Help Groups are increasingly becoming an important tool for empowering women to take action and alter their circumstances.

The Indian government has made a number of efforts to boost women's employment opportunities and status. Self-Help Groups in various parts of the country have focused on, among other things, skill development, awareness age, gaining access to credit from financial institutions for small-scale venture ventures, and teaching of frugality and the board of credit for financially disadvantaged women. This study is an attempt to know the position of women's empowerment through SHGs in India.

**OBJECTIVES OF THE STUDY:**

1. To determine whether women entrepreneurs have achieved economic empowerment through SHGs.
2. To study the social and economic conditions of the SHG members.

**HYPOTHESES:**

**H<sub>0</sub>:** There is no significant difference between Monthly Income of respondents with respect to Economic Empowerment.

**H<sub>1</sub>:** There is significant difference between Monthly Income of respondents with respect to Economic Empowerment.

**IV. RESEARCH METHODOLOGY:**

The data for the study was collected from primary and secondary sources. A sample of 250 women entrepreneurs working through SHGs in India was selected. An interview schedule was used to collect primary data, and secondary data was gathered from books, journals, websites, and other sources. The techniques for analysis used are Percentage Analysis, One-Way ANOVA, Mean, and Standard Deviation.

**V. ANALYSIS OF DATA AND DISCUSSION:**

**Table-I: Demographic Profile of SHG Women Entrepreneurs (Respondents)**

Particulars	Category	Percentage
Age Group (Years)	21-25	10.8
	26-30	13.6
	31-35	14.0
	36-40	26.0
	Above 40	35.6
Marital Status	Unmarried	5.0
	Married	84.0
	Widow	6.0
	Separated	5.0
Literacy Level	Illiterate	24.0
	SchoolLevel	45.6
	Diploma	3.2
	Degree	27.2

Family Occupation	Agriculture	52.0
	Business	32.0
	Service	16.0
Monthly Income	Below ₹10,000	85.0
	₹10,000- ₹15,000	6.0
	₹15,000- ₹20,000	5.0
	₹20,000- ₹25,000	3.0
	Above ₹25,000	1.0

The demographic features of the respondents are demonstrated in Table 1. This table shows that 10.8 percent of the SHG women entrepreneurs in the study are between the ages of 21 and 30, 13.6 percent belong to the age group of 26 and 30, 14.0 percent are between the ages of 31 and 35, 26.6 percent are between the ages of 36 and 40, and the remaining 35.6 percent are beyond 40 years. 85.0 percent of SHG women are married, 6% are widows, 5% of women are divorced, and the same percentage of SHG women are single. Table further reveals that 45.6 % women

entrepreneurs are educated up to school level. School level includes primary, middle, matric and secondary level schooling. 27.2 % women are graduate or post-graduate while 3.2 % women are diploma holders. Illiteracy affects a substantial proportion of SHG members, accounting for 24.0 percent. 85.0% women are having monthly income less than ₹10,000 who have joined SHGs. Only 1.0% of women are from an economic bracket that earns more than ₹25,000 per month.

**Table II: Mean and Standard Deviation of Economic Empowerment Variables**

Sr. No.	Economic Empowerment Indicators	Before Joining SHG		After Joining SHG	
		Mean	SD	Mean	SD
1	Asset acquisition	1.99	0.97	2.27	1.23
2	Earnings generation	2.29	1.00	3.21	1.19
3	Contribution to family income	2.84	1.13	3.73	0.86
4	Control and access to family resources	2.89	1.06	3.20	1.15
5	Participation in house hold financial planning	3.15	1.11	3.75	0.89
6	Control over house hold expenses	3.28	1.06	3.72	0.93
7	Access to bank and other financial services	2.32	1.18	3.30	1.27
8	Savings, deposits and Investments	2.26	1.08	2.98	1.28
9	Managing house hold financial needs	3.06	1.06	3.77	0.85
10	Improvements in standard of living	2.73	1.10	3.79	1.00

Source: Statistically analyzed data

Table II shows that prior to joining the SHG, the variable "Control over household expenses" had the highest mean, followed by "Participation in household financial planning" and

"Managing household financial needs", "Access and control to family resources", "Contribution to family income", "Improvement in standard of living", "Access to the bank and other financial

services", "Earning generation", "Savings, deposits, and investments", and the mean of "asset acquisition" remained at the bottom of the list. Access to banks and other financial services has the highest standard deviation, indicating that women entrepreneurs place a low priority on this parameter. However, after joining SHG, "Improvement in standard of living" has the highest mean, followed by "Participation in household financial planning", "Managing household financial needs", "Control over household expenses", "Contribution to

family income", "Access to bank and other financial services", "Earning generation", "Access and control over family resources", "Savings, deposits, and investments", and "Assets acquisition". The highest standard deviation on "Savings, deposits, and investments" demonstrates the respondents' lack of concentration on this specific variable. From the data, it is clear that the mean scores of the various economic empowerment variables have improved after joining SHG.

**Table-III: Income wise ANOVA Statistics of Women Entrepreneurs with respect to Economic Empowerment**

Sr	Economic Empowerment Indicators	Monthly Income (₹)	Before Joining SHG				After Joining SHG			
			Mean	SD	F	P	Mean	SD	F	P
1	Asset acquisition	Below 10,000	2.02	1.00	2.06	0.086	2.10	1.12	16.758	0.000**
		10,000-15,000	1.70	0.47			3.94	1.29		
		15,000-20,000	2.07	0.95			1.85	0.38		
		20,000-25,000	1.00	0.00			5.00	0.00		
		Above 25,000	1.00	0.00			3.00	0.00		
2	Earnings generation	Below 10,000	2.40	1.02	4.83	0.001**	3.17	1.17	3.658	0.005**
		10,000-15,000	1.46	0.80			2.88	1.65		
		15,000-20,000	1.76	0.44			4.00	0.00		
		20,000-25,000	2.00	0.00			3.00	0.00		
		Above 25,000	2.00	0.00			5.00	0.00		
3	Contribution to family income	Below 10,000	2.94	1.08	5.06	0.001**	3.70	.78	3.060	0.01*
		10,000-15,000	2.37	1.46			3.47	1.58		
		15,000-20,000	2.07	0.95			4.46	0.51		
		20,000-25,000	1.00	0.00			4.00	0.00		
		Above 25,000	3.00	0.00			4.00	0.00		
4	Control and access to household resources	Below 10,000	3.01	1.01	8.96	0.000**	3.17	1.05	4.650	0.001**
		10,000-15,000	1.75	0.96			2.76	1.68		
		15,000-20,000	2.30	0.74			3.31	1.31		
		20,000-25,000	2.00	0.00			5.00	0.00		
		Above 25,000	4.00	0.00			5.00	0.00		

5	Participation in house hold financial planning	Below 10,000	3.29	1.01	11.22	0.000**	3.89	0.73	12.020	0.000**
		10,000-15,000	2.82	1.07			2.76	1.39		
		15,000-20,000	2.15	1.30			3.31	1.32		
		20,000-25,000	1.00	0.00			2.00	0.00		
		Above 25,000	1.00	0.00			4.00	0.00		
6	Control over house hold expenses	Below 10,000	3.38	1.00	4.96	0.001**	3.70	0.91	1.666	0.161
		10,000-15,000	2.88	1.45			3.88	0.78		
		15,000-20,000	2.61	0.96			3.69	1.25		
		20,000-25,000	2.00	0.00			4.00	0.00		
		Above 25,000	2.00	0.00			5.00	0.00		
7	Access to bank and other financial services	Below 10,000	2.36	1.16	2.097	0.082	3.36	1.23	3.108	0.015*
		10,000-15,000	2.29	1.11			2.94	1.44		
		15,000-20,000	2.54	1.45			2.54	1.61		
		20,000-25,000	1.00	0.00			5.00	0.00		
		Above 25,000	1.00	0.00			3.00	0.00		
8	Savings, deposits and Investments	Below 10,000	2.32	1.12	1.39	0.236	2.92	1.28	3.600	0.007**
		10,000-15,000	2.35	0.93			3.71	1.05		
		15,000-20,000	1.62	0.87			2.77	1.24		
		20,000-25,000	2.00	0.00			3.00	0.00		
		Above 25,000	2.00	0.00			5.00	0.00		
9	Managing house hold financial needs	Below 10,000	3.21	1.01	8.22	0.000**	3.82	0.76	6.116	0.000**
		10,000-15,000	2.29	0.92			3.06	1.48		
		15,000-20,000	2.62	1.19			3.54	0.52		
		20,000-25,000	1.00	0.00			5.00	0.00		
		Above 25,000	2.00	0.00			3.00	0.00		
10	Improvement in standard of living	Below 10,000	2.82	1.04	4.62	0.001**	3.83	0.98	2.594	0.037*
		10,000-15,000	2.59	1.28			3.82	0.95		
		15,000-20,000	1.92	1.44			3.69	1.25		
		20,000-25,000	2.00	0.00			2.00	0.00		
		Above 25,000	1.00	0.00			4.00	0.00		

(Source: Author's Compilation, \*\* Significance level 1%, \* Significance level 5%)

Statistically, the results of the ANOVA test were applied to analyse whether there was any significant difference between the monthly income of SHG women entrepreneurs with respect to economic empowerment. It is observed from Table III that prior to joining SHG, women entrepreneurs' economic empowerment variables, namely "Asset acquisition" (F-value = 2.06, p-value 0.086), "Access to the bank and other financial services" (F-value = 2.097, p-value 0.082) and "Savings, deposits, and investments" (F-value = 1.39, p-value 0.236), have p-values greater than the significance level (0.05), showing that there is no significant difference between the respondents' monthly income in terms of asset purchase, access to bank and other financial services, and savings, deposits, and investments) prior to joining SHG. However, after joining the SHG, all the variables, except for only one, "Control over household expenses" (F-value = 1.666, and p-value 0.161), have p-values lower than the significance level (0.05). Consequently, the null hypothesis is rejected, indicating that there is a significant difference in the monthly income of the respondents with regard to asset acquisition, earnings generation, contribution to family income, control and access to family resources, participation in household financial planning, access to the bank and other financial services, savings, deposits, and investments, managing household financial needs, and improvements in standard of living, after joining the SHG. Thus, after joining SHG, the respondents' monthly income improved significantly in terms of economic empowerment.

## VI. CONCLUSION:

The purpose of this paper is to evaluate women's empowerment through SHGs, which are micro-enterprises. Women's empowerment means granting women greater control over decisions that influence their lives both within and beyond the house. A study of 250 SHGs was conducted to assess if women entrepreneurs had gained economic empowerment as a result of joining the SHG and if their social and economic condition had improved as a result of participating. It is discovered that after joining SHG, the mean scores of several economic empowerment indicators improve. Women entrepreneurs' monthly income grew considerably after joining SHG in terms of earnings generation and contribution to family income, access to the bank and other financial services, savings, deposits, and investments, as well as control and access to family assets. It has given them more authority over decisions,

increased their participation in household financial planning, and helped them manage household financial needs, all of which have enhanced the family's standard of living and asset acquisition capability since joining the SHG. It is suggested that actions at the grassroots level should be aimed at altering the societal attitudes and behaviours that are strongly discriminatory towards women. The training programme for women entrepreneurs should be well-organized, include necessary equipment, competent teachers, be practical, easy to grasp, and convenient for them. The government should take initiatives to establish marketplaces in rural and semi-urban regions so that women entrepreneurs may readily sell their produce in nearby markets.

## REFERENCES:

- [1]. Arundhati Chattopadhyay, "Women and Entrepreneurship" Yojana, January 2005.
- [2]. Binitha.V.Thampi, "Decentralized planning and Economic Empowerment of Women in Kerala", Pondicherry University, 2004.
- [3]. Dr. Mu.Subrahmanian,"Women Entrepreneurs: The Emerging Economic Force", THAVAN IJREB, Vol-01: Issue: 01, Oct-Dec-2011, pp.11-13.
- [4]. Dr.D.Lazar and M.Meganathan, "Empowerment of SC women through Micro Finance in Ramanathapuram District, TamilNadu", Paper presented in National Conference. (WCC – Chennai).
- [5]. Dr.Robita Sorokhaibam and Nandita Laishram, "Women Entrepreneurship in Manipur, North East India", Interdisciplinary Journal of Research in business, May 2011, Vol.1, Issue 5, pp.46-53.
- [6]. Frederick Harbison, "Entrepreneurial Organization as a factor in Economic Development", Quarterly Journal of Economics, August, 1956.
- [7]. Farrukh, M., Alzubi, Y., Shahzad, I.A., Wah eed, A. and Kanwal, N. (2018), "Entrepreneurial intentions: the role of personality traits in perspective of theory of planned behaviour", Asia Pacific Journal of Innovation and Entrepreneurship, Vol. 12 No. 3, pp. 399-414.
- [8]. Malhotra, S. (2016). Contribution of Self Help Groups in The Socio Economic Development of The Women. International Journal of Research in Social Sciences, Vol. 6, No. 8, pp.333-344
- [9]. <http://www.rise-of-womanhood.org/women-empowerment-in-india.html>

- [10]. Kantor, Paula, “Determinants of Women’s Micro Enterprise success in Ahmadabad, India: Empowerment and Economics”, *Feminist Economics*, Vol.11, No.3, November 2005, pp.63-83.
- [11]. Navya.V, “Women Empowerment and Inclusive Growth”, Paper presented in National Conference.
- [12]. (WCC – Chennai).
- [13]. S.T.Chandrasekhar Babu, “Women Empowerment and Inclusive Growth”, Paper presented in National Conference. (WCC – Chennai).
- [14]. S. Venkateshmurthy and G.M, Dinesh (2009) –Women Empowerment through SHG – An Analysis.
- [15]. Venkatesh, J. & K. Kala. 2010. Empowering rural women all the way through self-help groups. *International Journal of Management* Vol. No. 2 , pp.156-63.