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Problems and Challenges of Women SHGs Entrepreneurship in India

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INTERNATIONAL JOURNAL OF RESEARCH REVIEW IN
ENGINEERING AND MANAGEMENT (IJRREM)

Tamilnadu, 636121, India

Indexed by

Scribd, Google Scholar, Academia



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Abstract

The first Prime Minister of India Pandit Jawahar Lal Nehru has rightly pointed out that “to awake the people it is the women who should be awakened first. Once she is on the move the family moves... the nation moves”. There is a need for changing the mindset towards women so as to give equal rights as enshrined in the constitution. Women SHG Entrepreneurs are inspiring. An SHG entrepreneur is someone that organizes, manages, and assumes the risk of a business enterprise. Today, more women are breaking free from the traditional, gender-specific roles and venturing into the business world. Not only are they holding high corporate positions but they are also successful women entrepreneurs. The steady rise in female entrepreneurs can be due to many different reasons, most of which share the same rational as their male counterparts – passion for their ideas, the desire to become their own boss, and the need to address philanthropic causes. Keeping the above background, it is very clear that the SHG entrepreneurship for women group is essential and it is to be developed. So some measures should be introduced to reduce their household burden. This requires a drastically change in the mind set of the men towards women in general and working women in particular. Hence, it becomes necessary for the society and Government to find remedies for the problems of women SHG entrepreneurship.

Key words: Entrepreneurs, Traditional, Counterparts, Change, Government



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Chapter – I

Introduction

A SHG is a group of about 20 people from a homogenous class, who come together for addressing their common problems. They encouraged making voluntary thrift on a regular basis. They use this pooled resources to make small interest bearing loans to members. The process helps them imbibe the essentials of intermediation, prioritization of needs, setting conditions, and accounts keeping. This gradually builds discipline and credit history for them, as the money involved in the lending operations is their own hard earned over time with great difficulty. They also learn to handle resources of a size that is much beyond their capacities. Once the groups show this mature financial behaviour, banks are encouraged to make loans to the SHG in certain multiples of the accumulated savings of the SHG. The bank loans are given without any collateral and at market interest rates.

Banks find it easier to lend money to be groups as the members have developed a credit history cold (outside money) money gets added to the own “Warm money” in the hands of the groups, which have become structures, which are able to enforce credit discipline among the members.

SHG is the small group formed by the women members (normally 20 members) residing in a particular locality, possessing the core skill, capacity of producing a product individually or in groups and have started business venture of their own with the support of the government agencies. Government of India through state governments are developing SHGs consisting of women members who are interested in



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taking up entrepreneurship to set up their own business ventures jointly as a group.

The group containing members are identified through Magalir Mandrams of the rural areas by the government where the members are from families which are in below poverty line, not much educated and unemployed but young and energetic who are interested in becoming entrepreneurs. Government wants to help these groups during initial period of the business to overcome the teething problems and provides support and training ultimately to function independently as a successful business venture. SHGs normally engage themselves in the manufacturing and marketing business in the small scale level like bakery, readymade, garment unit, embroidery etc.

They are also in the service sector like restaurants, tourist taxi operators etc. Government provides loans at subsidized interest rate, does not insist on guarantee while provides loans. They provide all supports in formation, implementation and running the business venture. Government to help the destitute women population has come out with the SHG scheme.

Government is implementing this SHG scheme through its agencies (like Tamil Nadu women Development Corporation, Block development office, Industries department and other departments) in all the states of India and monitoring efficiently in spite of many constraints by taking appropriate steps.

Chapter – II

Objectives of the scheme

1. To increase the income level of the destitute women.



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2. To develop entrepreneurial culture among women.
3. To create employment potential by encouraging self employed concept.
4. To utilize the available resources more efficiently without wasting in transportation and storage.
5. To increase the supply of the products at the lower cost to the consumers of the local area by minimizing the over need cost and distribution cost which is very high in MNC's products.
6. To exhibit the technical and managerial skills of the women entrepreneurs.

Chapter – III

Review of Literature:

The religious ideology and history of a nation have a great influence on the youth and the proof of the above arguments is validated by various studies which have been conducted on the attitude and perception of the youth towards entrepreneurship. In study conducted on youth entrepreneurs in Orissa more than 50% of the respondents felt that entrepreneurship was perceived by the society as a risky carrer. (Manjusmita and Kulveen, 2012). Similarly social risks and stigma associated with failure worked as demotivating factors for these youngsters. In another similar study conducted on youth across India, 50% entrepreneurs stated that they would not search for an entrepreneur as life partner. Only 43% of respondents felt that entrepreneurs have a good family life. Majority youth rank MNC jobs, government jobs higher than entrepreneurship ventures (Goel et al., 2007) Almost 80% of the Indian population is Hindus. One of the important philosophies of Hinduism is centred on Karma. The philosophy of Kerma

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propagates that one should do one's duty (Karma) with a certain sense of detachment and not to be affected by success or failure. The Indian values have always centered round the philosophy of sacrificing for others rather than individuality and independence which are the basis of US culture (Radhakrishnan, 2003).

The moral codes seem contrary to entrepreneurship which encourages passion and reward. In fact "passion is said to be secondary" and "being non-passionate is a superior state of being. Hence several beliefs and values run counter to capitalism and entrepreneurship explains Dana (2009).

Another factor that has restricted the growth of entrepreneurship to certain communities is caste system. Though the rigidity of the caste system has been fast reducing, its impact on work culture has been very strong. It was once believed that business was the job of only the vaishyas (Elliot, 1998). It comes as no surprise that the few communities in India driven by entrepreneurship belong to the vaishnava class.

Various studies have been conducted to understand the attitude of Indian youth to entrepreneurship. In a study conducted on the youth of Orissa, Manjusmita Dash and Kulveen Kaur (2012), discuss the challenges that young entrepreneurs face. The entrepreneurs have stated their opinions on stigmas of the society, cultural problems and regulative barriers. Vishal Gupta (2011) noted that the women entrepreneurs face work family conflicts which are not faced by women entrepreneurs in the developed countries which are vital points to be noted.

Singh et al. (2011) identifies the reasons & influencing factors behind entry of women in entrepreneurship. He explained the characteristics of their business in Indian

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context and also obstacles and challenges. He mentioned the obstacles in the growth of women entrepreneurship are mainly lack of interaction with successful entrepreneurs, social un-acceptance as women entrepreneurs, family responsibility, gender discrimination, missing network, low priority given by bankers to provide loan to women SHG entrepreneurs. He suggested remedial measures like promoting micro enterprises unlocking institutional framework, projecting & pulling to grow and support the winners etc. The study advocates for ensuring synergy among women related ministry, economic ministry, social and welfare department ministry of the government of India.

Das (2000) performed a study on women SHG entrepreneurs in two states of India, viz, Tamil Nadu and Kerala. The initial problems faced by women SHG entrepreneurs are quite similar to those faced woman in western countries. However Indian women SHG entrepreneurs faced higher level of work family conflict and are also found to differ from their counterparts in western countries on the basis of reasons for starting and succeeding in business. Again the statistics showed that the proportion of business setup and operated by women is much lower than the figures found is western countries.

D. Pulla Rao (2011) noted that the women in India did not enjoy social freedom so as to freely mingle with the mainstream of life sharing the national building activity through realizing their full potentials. So some measures should be introduced to reduce their household burden. This requires a drastical change in the mind set of the men folk towards women in general and working women in particular.

P.K.Manoj (2012) noted that micro enterprises under 'Kudumbashree' have got



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high potential for women empowerment, in spite of a number of problems like lack of skills, lack of co-operation among members, non-availability of raw materials and marketing of products that they face in their day to day activities.

Sivakumar. V and Prabakaran. G (2012) noted that gender strategies in microfinance not only focus on increasing women's access to savings and credit and also organizing self help groups to look strategically at how programmes can actively promote gender equality and women empowerment.

R. Prabhavathy (2012) noted that SHGs started functioning all over Tamil Nadu, in some areas they are functioning effectively where as in some areas they face problems. Since SHGs help women to achieve economic empowerment, this policy measures can contribute a lot to the nation. Now a day, the women in the SHGs are also respected by the others, because they are independent in earning the income and they are contributing to household income, expenditure and savings.

L. Joseph (2005) stated that women are generally weak at marketing their products and findings customer's products produced by women are dependent on middleman for marketing their produce outside their local areas. This reduces the community's earnings even though their products are of very good quality.

Chapter – IV

Major areas of women SHG:

Most of the women SHG members are engaging in agriculture, horticulture, sericulture, dairying and animal husbandry, fisheries, home based industries like handicrafts, beedi industry, Agarbati marking, tailoring and garment industry, pottery &



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black smith industry, doll making, fancy items, bee keeping, beauty parlour, printing, textile, electronic, chemicals, food processing, nursery, baby crèche centre and stationery etc. Thus women self help group can take a lead in both organized and unorganized sectors.

Major problems of women SHGs:

Women as compared to men have always been delicate and therefore they have to face many problems when they come out of the house to work with men. Women in developed economy do not face the problems which are faced by the Indian women. Despite many achievements, women get trifled by many difficulties. Some being common for both male and female and some are the curse only to the women. There are many psycho-social factors which hinder the path of women empowerment and her stepping towards entrepreneurship. Women have always been criticized by the male dominant society for their out of home activities. Indian women are confronted with many such problems. Indians believe in the philosophy that "Women should never be left independent, she should be under the control of her father in childhood, under the control of her husband after marriage and under the control of her son in old age". Some of the major difficulties in this respect can be illustrated as below.

1. Family discouragement: As women in India have to work amidst social taboos, restrictions etc., they are not supported much to undertake entrepreneurship by their family members.

2. Social Barriers: Women SHG in India are always seen with suspicious eyes, particularly in rural areas, they face more social barriers.

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3. Caste and Religion: Though India is a secular country in practice, caste and religious systems dominate with one another and it hinders women SHGs.

4. Lack of self confidence and risk bearing capacity: Women lack self confidence and always feel that they may not be successful and hence hesitate to take risks.

5. Psychological factors: Always women feel that she is 'women' and less efficient than men and hesitates to take risks. She has to play a dual role if she is employed or engaged in work. She has to strive hard to balance her family life with care hence feels better to be housewife.

6. Lack of practical knowledge: Though women may be educated and have qualified knowledge, she lacks practical knowledge and hence hesitates to establish her own venture.

7. Problem of finance: Women entrepreneurs lack property in their own name and hence banks and financial institutions may hesitate to finance women based projects.

8. Lack of information: Women SHG lack knowledge of availability of raw materials, finance facilities and government help and subsidy etc; they lack knowledge of advanced technology also and hence cannot widen their markets.

9. Problems of middlemen: Women SHG have to face the problems of middlemen more, as they generally depend more on them. Their margin of profit will be more and hence cause for higher selling price, which affects consumer's attraction towards women's products.

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10. Problem of Marketing: As generally women SHG will have small scale business they have to strive hard to sell their products in the modern competitive world. Their marketing knowledge will be less and lack of marketing skills as compared to men.

11. Delay in obtaining credit facilities: Loan facilities, though extended by banks and other financial intermediaries, quite often there is delay in getting the loan sanctions and receiving the disbursement of such facilities.

12. Female child discrimination: Most of the Indian families treat female child as a curse. There is biasness in case of promoting education and business opportunities for a girl. Although a girl is well in studies, she is not given an opportunity for higher studies. However this perception is lowering down day by day. It is also advisable that we should start the task of promoting a girl child from our own self. The integrated effort by all of us will definitely lead to women entrepreneurship at the top level.

13. Lack of financial and family support: Indian SHG women also suffer from the problem of acquiring venture capital and other financial resources for starting a business. Further, they also lack a moral support from their family members including parents, husband etc. They are enclosed within their personal and family obligations, which are greater barriers to them. They play various role at the same time (i.e., mother, wife, daughter, etc.) so they also face problem of role conflict.

14. Problems inherited in women: Indian women also fight, with the perception of the society. They are not so easily accepted as a business organizer by the people in the society. Women lack courage and self confidence in starting a new venture. They even

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do not have access to entrepreneurial training and lack confidence from within. Moreover they lack role model and experience, thus being a problem for lower confidence of finances and suppliers.

15. Market risk and uncertainties: Women are not fully aware about market uncertainties and they also lack the skill of boldly facing the market risks. They are afraid of such risks and uncertainties. They face difficulty in capturing market and enhancing product sales. There is a need for training to women entrepreneurs so that they are able to fight with the uncertainties very well.

16. Lack of technical knowhow Most of the Indian women do not have much knowledge about the latest technologies used in business. Due to this problem they fail to grow along with the flow of the economy. There is a need of technical training for them.

17. Lack of self confidence, will-power, strong mental outlook and optimistic attitude amongst women creates a fear from committing mistakes while during their piece of work. The family members and the society are reluctant to stand beside entrepreneurial growth of SHG members.

18. Women in India lead a protected life. They are not even less educated, economically not stable nor self dependent which reduce their ability to bear risks and uncertainties involved in a business unit.

19. The old and outdated social outlook to stop women from entering in the field of entrepreneurship is one of the reasons for their failure. They are under a social pressure which restrains them to prosper and achieve success in the field of SHG

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entrepreneurship.

20. The greatest deterrent to women entrepreneurs is that they are women. A kind of patriarchal male dominant social order is the building block to them in their way towards business success. Male members think it is a big risk financing the ventures run by women.

21. Male chauvinism is still prevalent in many parts of the country yet. Women are looked upon as “abla” i.e weak in all respects. In a male dominated society women are not treated equal to men that acts as a barrier to women entry into business.

22. Indian women give more emphasis to family ties and relationships. Married women have to make a fine balance between business and family. The business success also depends on the support of the family members extended to women in the business process and management.

23. Women's family obligations also bar them from becoming successful entrepreneurs in both developed and developing nations. The financial institutions discourage women entrepreneurs in SHG on the belief that they can at any time leave their business and become housewives again.

24. Unlike men, women mobility in India is highly limited due to many reasons. A single woman asking for room is still looked with suspicion. Cumbersome exercise involved in starting with an enterprise coupled with officials humiliating attitude towards women couples them to give up their spirit of surviving in enterprise altogether.

25. Women SHG entrepreneurs have to face a stiff competition with the men



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entrepreneurs who easily involve in the promotion and development and carryout easy marketing of their products. Such a competition ultimately results in the liquidation of women SHG entrepreneurs

Chapter – V

Opportunities to women SHG entrepreneurs:

Highly educated, technically sound and professionally qualified women should be encouraged for managing their own business, rather than dependent on wage employment outlets. The unexplored talents of young women can be identified, trained and used for various types of industries to increase the productivity in the industrial sector. A desirable environment is necessary for every women to inculcate entrepreneurial values and involve greatly in business dealings. The additional business opportunities that are recently approaching for women SHG entrepreneurs are:

- ✓ Tourism industry
- ✓ Telecommunication
- ✓ Plastic materials
- ✓ Mineral water
- ✓ Eco-friendly technology
- ✓ Herbal and health care
- ✓ Food, fruits, & Vegetable processing
- ✓ Bio-technology
- ✓ Event management

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Measures to remove obstacles:

The elimination of obstacles for women entrepreneurship requires a major change in traditional attitudes and mindsets of people in society rather than being limited to only creation of opportunities for women. Hence it is imperative to design programmes that will address to attitudinal changes, training, supportive services. The basic requirement in development of women entrepreneurship is to make aware the women regarding her existence, her unique identify and her contribution towards the economic growth and development of country. The basic instinct of entrepreneurship should be tried to be reaped into the minds of the women from their childhood. This could be achieved by carefully designing the curriculum that will import the basic knowledge along with its practical implication regarding management (financial, legal etc.) of an enterprise.

Adopting a structured skill training package can pave the way for development of women SHG entrepreneurship. Such programmes can train, motivate and assist the upcoming women SHG entrepreneurship is achieving their ultimate goals. Various schemes like the World Bank sponsored programmes can be undertaken for such purposes. The course design should focus on imparting input on profitability, marketability and practical management lessons.



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Chapter – VI

Conclusion:

Hence, it becomes necessary for the society and government to find remedies for the problems of women SHG. Already the central and state governments, non-governmental organizations banks, NABARD and various micro finance institution have taken so many steps to solve the problems of women SHG by the way of providing training to impact various marketing related skills, communication skills, leadership skills and team building skills etc., apart from providing various types of incentives and subsidy. So no doubt that the SHGs movement in India has been working in the right direction, but it is necessary to further empowerment of women in social, economical, cultural and political for the interest of the family in particular and the nation in general.

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