



## Entrepreneurship Development through Self Help Groups (with special reference to Gokhale Nagar Area)

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### Abstract

**Significance:** Women self-help group means a group of local women framed with homogenous objectives savings or gather for social purpose for self-promotion. Various objectives can be found behind the formation.

It is a significant study, how SHG activities changing economic and social life of the members

**Objectives:** 1. to study who entrepreneurship is increasing with SHGs.

2. To provide a module for entrepreneurship development

3. To Give probable suggestions for better working of entrepreneurship development

### Scope:

This study is restricted to the SHG in Gokhale Nagar only. It has wide scope. wherever SHGs are working the study is relevant.

### Research methodology:

Data collection is done by two types for research

Secondary data-Secondary data collected from standard books on SHG.

Primary data- Primary data is collected through direct personal interview and with the help of structured questionnaire filled by 20 members.

### Conclusions:

Going through the difficulties the major difficulty the member is facing is to market their product and to insufficient training of business. If the two major difficulties can be solved, the development of members is possible.

### Key Terms: Self Help Groups, Entrepreneurs, Gokhale Nagar:

The Self Help Group is defined as, “a homogenous group of poor people, voluntarily formed to save small amounts within their earnings and to mutually agree to contribute to a common fund which is on-lent to members for meeting their credit needs, either for consumption or income generating activities, on interest rates, maturity terms and other conditions mutually agreed upon by the group members.” it is generally accepted definition.

Women self-help group means a group of local women framed with homogenous objectives savings or gather for social purpose for self-promotion. Various objectives can be found behind the formation.

It is a tool of poverty alleviation and a way of reaching to the section of the population commercial banks, and other financial institution can't reach due to their administrative limits. This population is covered by SHG. Self-help group provides loan for business by giving group guarantee to the loan which otherwise could not be given by the bank. SHG promote saving habits among their members.

Women SHG are a group of 15 to 20 women. The member suffers from various to difficulties and problems relates with health, Finance, social status, harassments. Meetings are the simple and easiest way to place to discuss their problems. They voluntarily come together and regularly collect their small savings and deposits in SHGs bank A/C

After six months SHG become eligible to get loan from bank. SHGs own savings and bank loan is distributed among members which becomes tool of economic change. So it is very important activity in the society for uplifting economic and social status of members. So the study is very significant.

Gokhale Nagar is the area which covers three municipal wards in Pune Municipal Corporation. In Gokhale Nagar, large section of population is low income group. They are small businessmen engages small business i.e. selling vegetables, driving rickshaw, pan walls, hawkers, running general stores, selling papers and milk. Some section of the population is laborer. Gokhale Nagar area is in general low and middle income group area.

There are 41 SHG in Gokhale Nagar. They are generally spread in all section of population. They are helping for increasing income level of the member which is affecting on social life of members. It is a significant study, how SHG activities changing economic and social life of the members.

The study will also give probable suggestion for effective working of SHG.

These suggestions may be applicable in general for other SHG also and hence this study is significant.

**Important Definitions:****Entrepreneurship**

Entrepreneurship is more than simply “starting a business.” The definition of entrepreneurship is a process through which individuals identify opportunities, allocate resources, and create value. This creation of value is often through the identification of unmet needs or through the identification of opportunities for change.

Entrepreneurs see “problems” as “opportunities,” then take action to identify the solutions to those problems and the customers who will pay to have those problems solved.

Entrepreneurial success is simply a function of the ability of an entrepreneur to see these opportunities in the marketplace, initiate change (or take advantage of change) and create value through solutions.

**SHGs**

A small group (15 to 20 members), voluntarily formed and related by Affinity for specific purpose, it is a group whose members use savings, credit and social involvement as instruments of empowerment microfinance

\*To most, microfinance means providing very poor families with very small loans (microcredit) to help them engage in productive activities or grow their tiny businesses. Over time, microfinance has come to include a broader range of services (credit, savings, insurance, etc.) as we have come to realize that the poor and the very poor that lack access to traditional formal financial institutions require a variety of financial products

**Micro Credit**

\*Micro Credit is defined as provision of thrift, credit and other financial Services and products of very small amount to the poor in rural, semi-urban and urban areas for enabling them to raise their income levels and improve Living standards. Micro Credit Institutions are those which provide these Facilities.

**Gokhalenager:**

The area contains Janawadi, Part of vadarwadi, Niljyot Society, Navnath Housing Society. Three ward of Pune Municipal Corporation.

**Objective:** Following are the objectives of the study

1. To study who entrepreneurship is increasing with SHGs.
2. To provide a module for entrepreneurship development
3. To Give probable suggestions for better working of entrepreneurship development

**Scope of study:**

This study is restricted to the SHG in Gokhalenagar only. It has wide scope. wherever SHGs are working the study is relevant.

**Limitations:**

This is an individual study which researcher has to complete in limited period. This study is based on the information given by members.

**Research Methodology:** Data collection is done by two types for research

Secondary data-Secondary data collected from standard books on SHG.

Primary data- Primary data is collected through direct personal interview and with the help of structured questionnaire filled by 20 members.

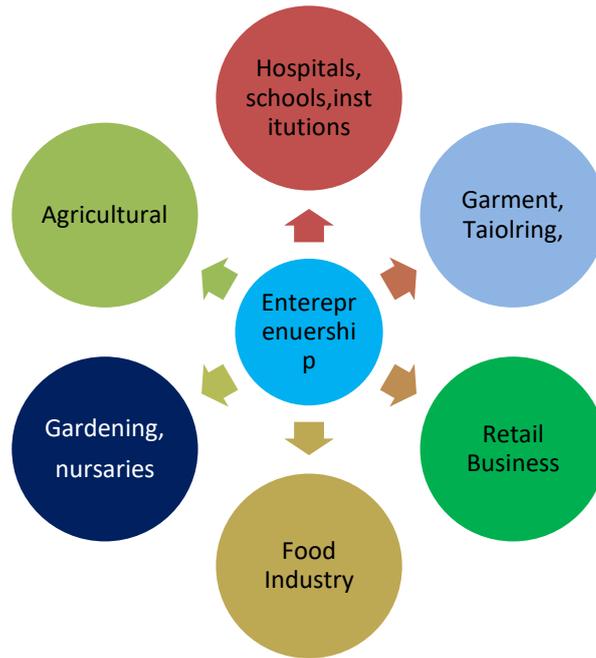
This data will be systematically tabulated, analyses and presented with the help of bar diagram, graphs. On the basis of these analysis and findings will be drawn, probable suggestions for improvement of SHG will be drawn.

**Explanation:**

SHGs are a group activity which generally has female members. Most of them are house views and neglected part of the family and society. As the discussed above the area is middleclass always searching new earning source for the family. Most of them join SHGs for economical cause. Training given by NGO i.e NVY is helping them to set their business. NGO is also providing training for other activity also. It is also available to their family members within very low cost. SHGs are supporting them to set their business.

NGO is providing revolving funds for the small business and a group loan. Government is providing various schemes for employment. Most of the members are in Shaleya Poshan Ahar, distributing light bills, filing the papers, making paper bags, gardening, running canteen for hospitals, colleges, schools etc.

The area that offers entrepreneurship can be:



Hospitals, schools and institution are the service industries. It is proved that women are handling these businesses more capably.

Indian market is the traditional market that provides places for readymade garments and tailoring. Members are selling vegetables, fruits, and stationary.

Retail business is providing many employment opportunities. Selling products to individual is now retail business.

Many of them are in food industry providing ahar to school going. Running canteen, making papad

and achar, masala, jam, jelly, making sweets. Food market is also vast and offer many opportunities to members.

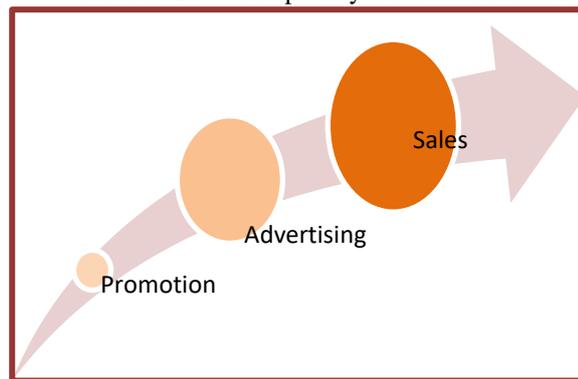
NGO is giving special training for gardening. Creating nursery for plantation is the business now. Nursing of plants is the business opportunity.

Agricultural and horticulture is sector that is providing number of business. Cultivation and processing on agri products, pesi-culture, fishery, poultry is sectors that are need special care. Which can be done by the members. In fact most of the rural SHGs members are in these sectors. helping their families with poultry and animal husbandry.



Marketing is the different area that leads the products towards the end users. Most of the SHGs products are homemade and they maintain the quality that commercial product cant.

These products provide hygienic safety to the customer. Proper promotion and advertising can



improve the sales that will increase the income of the member.

While serving the members some facts come in light those are:

1. Majority of members have taken loan of Rs.1000-4000 from SHG. The loan is taken for



- personal and business purposes. Business loan is mostly used for trading business.
2. Almost all members are trained by NVY for starting the business. Many of the SHGs have taken help from Government for selling products, putting stalls in the market.
  3. SHGs used stalls in exhibition for selling their products. Generally members have booked stalls minimum at once & earned net income from Rs.500 to Rs.3000/-
  4. Majority of members are well aware about the problems like dowry, women injustice, pollution, domestic violence, variety of addictions through SHGs. SHGs are also creating awareness about fundamental rights and promoting cooperation among the members.
  5. Women are starting business by taking loan from SHGs but inadequate knowledge of marketing is main problem of SHG.
  6. Most the members are house wives. They are busy in their housework in the morning and evening. So members did not attend the meetings which are generally conducted in afternoon.
  7. Funds generated through savings are used for granting loan to members. Very few members are using loan for business & others used for non productive purposes, for groceries, fees, medicines. Members can't repay loan in time or installments. This will create problems in SHGs.
  8. Government is allotting revolutionary funds to members, loan for business, marketing facilities, and stalls. Some groups are formed to get these benefits. After getting all these benefits SHGs were discontinued.
  9. Government is providing subsidy for various welfare schemes. This information of subsidies is not reaching to the members in time due to which SHGs are not able to take proper benefit of schemes.
  10. Women are less educated so there is problem of planning and managing the funds generated through SHGs.

**Some suggestions:**

1. SHGs should use the training for self employment & create employment opportunities for members by starting their own business.
2. For the sake of distribution of loan among all members specific rules should be laid down and monitored by authority to insure that every member will get loan as and when they will require.

3. Proper follow-up of loan should be taken by SHG for purpose of the loan. So that members will not use this loan for unproductive purpose.
4. Uniform recovery system should be developed and maintained. Proper recovery of loan will increase ability of SHG to give more loans.
5. There should be close monitoring of use of loan to avoid unproductive use.
6. SHGs are offering business loan as a capital, if SHG offers loan for

Extending, more members will take benefit of this.

7. SHG should encourage every member to open individual bank a/c in the bank. Most of the members are housewives. They can get knowledge about bank transactions. Most of members are unknown about banking transactions. Lecture by banker's can improve interest for banking transactions.
8. Evaluation of group should be done by banker or by officers. This can improve the efficiency of group.
9. SHG should collect list of various problems faced by SHG members and prepare a realistic plan to solve the problem.
10. Govt. should provide a fix place to SHGs for selling products so that they can increase their business. Govt. should provide continues market to the product of SHGs.
11. Facilities given by Govt. and NVY should be properly discussed with the members in time. So that they can get benefit from the scheme.
12. Subsidies, concession and other facilities should be given to all SHGs by Govt. without any discrimination.
13. A help from NGO should be taken to create awareness about various problems in SHG members.
14. More intensive simplified training should be provided by NVY.
15. Various schemes by NVY should be properly publicized.

**Conclusion :**

Going through the difficulties the major difficulty the member is facing is to market their product and to insufficient training of business. If the two major difficulties can be solved, the development of members is possible.



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