# CHAPTER ONE

# INTRODUCTION

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CHAPTER ONE

INTRODUCTION

1.1 Introduction-

Women from all the corners of the world participated in the 'Forth World Conference on Women' (FWCW) in Beijing in September 1995. They demanded many things from the government. There was a call for an agenda for the development of the people, eradication of poverty, sustainable livelihoods, stability in communities and promotion of peace on a long-term basis. It was recognized that progress had been persistently uneven among men and women. The major obstacles remained with serious consequence for the development of all the people. Women's empowerment and full participation on the basis of equality in all the spheres of society were fundamental for the achievement of equality, development and peace. The numbers of people living in poverty in the world was 1.3 billion and amongst them 50 per cent of them were from south Asia. The number of women in it was far above the ground and amongst them the women from the rural area were the leading ones for last two decades.

The overall growth rate of employment of rural workers in India decreased from 1.75% to 0.66% per annum during 1983 to 1993. It was decreased from 1.94 % to 0.94 % for rural males and 1.41 % to 0.15 % for rural females respectively. Survey of the employment and unemployment 1999-2000 shows that:

a) There had been considerable decline in the crude worker population ratio in all the four segments of the population, namely males and females in rural and urban areas, during 1993-94 and 1999- 2000, and
b) This decline has been much steeper in the case of women than in the case of men*1.

Women have very restricted access to credit because of their lack of collateral in the form of property or other assets. A study of 38 branches of major banks in India found that only 11% of the borrowers were women (UNDP 1995). Women farmers are not included among extensive beneficiaries in most Indian States.

Secondly, many women have limited geographical mobility, economic independence on personal autonomy. As a result women economically depend on male kin (father, husband, son depending on their stage in the female life cycle). According to Batliwala Srilatha (1994)*2, those who promote women’s empowerment through economic interventions see women’s disempowerment as stemming from their low economic status and lack of decision making power.

In the study of empowerment of women in Bangladesh, Sydney Schuler and Syed Hashemi (1993) focused on empowerment as envisioned and experienced by women members of the Bangladesh Rural Advancement Committee (BRAC) and Grameen Bank.

1] Sense of self and vision of future.
2] Mobility and visibility.

*1 Indira Hrvey, Employment and unemployment situation in 1990s, How good are NSS data ?, Economic and political weekly, A Sameekha trust publication, May 25-31, 2002

4) Status and decision making power within the household.
5) Ability to interact effectively in the public sphere.
6) Participation in nonfamily groups.

For the research work these components are very helpful. We can study the self help groups and examine the result keeping in mind the above components.

The poor may organise themselves into small groups of up to 20 members, known as Self Help Group (SHG), to inculcate the habit of thrift and credit operations. SHGs may be organised by reputed Voluntary Agencies or at the initiative of Branch Managers of commercial, cooperative and regional rural banks.

Now a day there is need of promoting income generating enterprises among the poor and weaker sections in particular with women due to the availability of financial support and guidance from NABARD and SIDBI. NGOs, furthermore, are being linked with commercial banks for making available credit to SHGs.

Under the rural development programs including DWCRA (Development of Women and Children in rural areas), the impact of support given to SHGs has been quite noticeable. From April 1999, six rural development programs including DWCRA have been integrated under Swarnjayanti Gram Swarozygry Yojana (SGSY) which focuses on cluster approach for groups of poor. Women continue to be given special attention.

Micro enterprises play an important role in promotion of self employment. The importance of micro enterprises has been gradually increasing due to the implementation of several income generating and self employment schemes.

Hence, main focus of this research work was on micro enterprises started by women.

1.2 Selection of the topic:

Rural women had limited economic power, low level of education, absence of specific skills and information, limited support from formal or informal institutions.

Self Help Group movement was started in India very recently; it is getting momentum now a day. Self Help Groups had started mutual credit arrangement to
help each other. This activity had increased confidence amongst women. The informal credit schemes, set up by women, were a way to reduce the dependency of women on other family members.

Women had started micro enterprises with the support of SHGs. This research work attempts to examine the performance of micro enterprises started by women. Keeping in mind the above reasons this topic was selected for the research. This research will be helpful for the evaluation of Self Help Groups and to guide the Self Help Groups for the development of micro enterprises.

1.3 Objectives of the study -

1. To study the nature and Characteristics of micro enterprises set up by the women members of SHG
2. To study the performance of micro enterprises set up by women.
3. To study the causes of poor performance of micro enterprises.
4. To study the enterprises started by the SHG group.
5. To study the feedback of bankers about loan provided to micro enterprises.
6. To give the recommendations to the Government to improve the performance of micro enterprises.
7. To study the social impact of SHG on women’s personality.

1.4 Hypotheses -

A) Hypothesis for working Enterprise-

4.1 Descriptive Hypothesis-

The performance of working micro enterprises set up by women members of SHG is satisfactory.

Parameters for evaluating the performance of micro enterprises.

1) Growth 2) Innovation 3) Problems Overcome 4) Profit
5) Marketing 6) Income 7) Internal Changes 8) Accounts

4.2 Statistical Hypothesis-

a) Changes among women members after joining Self Help Group

1) Reading newspaper:

H₀: There is no significant association between the habits of readings
newspaper and joining Self-help group

$H_1$: Joining self-help group has changed the habit of reading newspaper.

2) **Reading books:**

$H_0$: There is no significant association between the habits of readings books and joining Self-help group

$H_1$: Joining self-help group has changed the habit of reading books.

3) **Accounts writing:**

$H_0$: There is no significant association between the habits of writing accounts and joining Self-help group

$H_1$: Joining self-help group has changed the habit of writing accounts.

4) **Banking habit:**

$H_0$: There is no significant association between banking habit and joining Self-help group

$H_1$: Joining self-help group has changed the banking habit.

5) **Discussion on different social topics:**

$H_0$: There is no significant change in the habit of discussing different Social topics and joining Self-help group

$H_1$: Joining self-help group has changed the habit of discussing different Social topics.

6) **Discussion of economical problems:**

$H_0$: There is no significant change in the habit of discussing economic problems and joining Self help group.

$H_1$: Joining self-help group has changed the habit of making discussion of economical problems.

7) **Confidence:**

$H_0$: There is no association between the confidence level of women and Joining Self-help group.

$H_1$: Joining self-help group has changed the confidence of women.
8) Participating in decision making:
   \[H_0\]: There is no significant change in the participation in decision making of women members after joining Self-help group
   \[H_1\]: Joining self-help group has changed the participation of women in Decision making.

b) Changes among women members after starting enterprise:

1) Time management:
   \[H_0\]: There is no significant change in time management skill of women members after setting up enterprise.
   \[H_1\]: There is a change in the time management skill of women members after setting up enterprise.

2) Work allotment:
   \[H_0\]: There is no significant change in work allotment skill of women member after setting up enterprise.
   \[H_1\]: There is change in the work allotment skills of women members after setting up micro enterprise.

3) Decision Making Skill:
   \[H_0\]: There is no significant change in the decision making skill of women member after setting up micro enterprise.
   \[H_1\]: There is a significant change in the decision making skill of women member after setting up micro enterprise.

4) Participation by others:
   \[H_0\]: There is no significant change in skill of inviting others participation after setting up micro enterprise.
   \[H_1\]: There is a change in the skill of inviting others’ participation.

5) Management of money:
   \[H_0\]: There is no significant change in money management skill of women after setting up micro enterprise.
   \[H_1\]: There is a change in the money management skill of women after setting up micro enterprises.
6) Future planning:

\[ H_0: \text{There is no significant change in future planning skill of women after setting up micro enterprise.} \]

\[ H_1: \text{There is a change in the future planning skill of women after setting up micro enterprise.} \]

7) Solutions for difficulties:

\[ H_0: \text{There is no significant change in the skill of finding solutions for difficulties after setting up micro enterprise.} \]

\[ H_1: \text{There is a significant change in the skill of finding solutions for difficulties after setting up micro enterprise.} \]

8) Disaster management skill:

\[ H_0: \text{There is no significant change in disaster management skill after setting up micro enterprise} \]

\[ H_1: \text{There is a change in the disaster management skill after setting up micro enterprise.} \]

B) Hypothesis for Closed Enterprise

"Micro enterprises become sick due to the wrong selection of business opportunities, wrong selection of location of business, lack of team spirit, lack of entrepreneurial qualities, small market, lack of required facilities, lack of achievement motivation etc."

1.5 Research Methodology -

1.5.1 Type of research- Quantitative and Qualitative

1.5.2 Sampling frame-

The list of beneficiaries of Swarnajayanti Gram Swayanrojgar Yojana was collected from DRDA, Zilla Parishad, Pune. Total 627 groups were benefited from 2002 to 2007.

1.5.3 Universe: SHGs 627.
पुणे जिल्हा

Total Number of Self Help Groups

🌟 SHG1
Table 1.1
Table showing number of SHGs, year wise and Taluka wise.

<table>
<thead>
<tr>
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<td>3</td>
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<td>14</td>
<td>16</td>
<td>14</td>
<td>11</td>
<td>63</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>85</strong></td>
<td><strong>121</strong></td>
<td><strong>193</strong></td>
<td><strong>150</strong></td>
<td><strong>78</strong></td>
<td><strong>627</strong></td>
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Table 1.2

Table showing Classification of Self Help Groups selected according to year

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Year</th>
<th>Number of Self Help Groups(Individual Enterprises)</th>
<th>Number of Self Help Groups (Group Enterprises)</th>
<th>Total</th>
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<tr>
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<td>10</td>
<td>4</td>
<td>14</td>
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<td>2</td>
<td>2003-2004</td>
<td>5</td>
<td>-</td>
<td>5</td>
</tr>
<tr>
<td>3</td>
<td>2004-2005</td>
<td>10</td>
<td>2</td>
<td>12</td>
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<tr>
<td>4</td>
<td>2005-2006</td>
<td>16</td>
<td>1</td>
<td>17</td>
</tr>
<tr>
<td>5</td>
<td>2006-2007</td>
<td>13</td>
<td>1</td>
<td>14</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>54</td>
<td>8</td>
<td>62</td>
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</table>

1.5.4 Sampling Fraction – 10% of SHGs.

1.5.5 Sampling Technique-
Random sampling method was used for the selection of groups. Sampling method was snow ball to select the micro enterprises run by the selected SHG.

1.5.6 Sampling Area- The study is confined to 13 Talukas of Pune district.

1.5.7 Sample size –
Sample has been selected of three levels-

a) Selection of SHG- 62 SHGs.

b) Selection of women members – out of 62 SHGs
   i) 200 individual women entrepreneur members of SHGs whose enterprises are functioning.
   ii) 80 individual entrepreneur women members of SHGs whose enterprises are closed.
   iii) 8 Group enterprises.

c) 8 Bank Managers.
Table 1.3
Table showing Talukawise classification of sample Size

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Taluka</th>
<th>Functioning Enterprises (Women Members of SHG)</th>
<th>Closed Enterprises (Women Members of SHG)</th>
<th>Group Enterprise (Women Members of SHG)</th>
<th>Bank (Managers)</th>
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</thead>
<tbody>
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<td>Junnar</td>
<td>20</td>
<td>2</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>2</td>
<td>Khed</td>
<td>1</td>
<td>7</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>3</td>
<td>Purandhar</td>
<td>1</td>
<td>17</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>4</td>
<td>Shirur</td>
<td>37</td>
<td>1</td>
<td>1</td>
<td>-</td>
</tr>
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<td>Maval</td>
<td>1</td>
<td>6</td>
<td>1</td>
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<td>Mulshi</td>
<td>5</td>
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<td><strong>Total</strong></td>
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<td><strong>80</strong></td>
<td><strong>8</strong></td>
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1.5.8 Method of data collection – Survey Method
1.5.9 Instrument – Structured Questionnaire.
1.5.10 Primary Source –
1) There are three separate questionnaires prepared for
   a) Individual Enterprises which are in running position.
   b) Individual Enterprises which are closed.
   c) Bank Managers.
The Questionnaire consisted of following sections:

a) General information about member of self help group.
b) Information about micro enterprise.
c) Changes due to micro enterprise.
d) Miscellaneous.

The questions were aimed at evaluation of micro enterprise.

2) Interviews:

A) Group Enterprises : Cases
2) Taraskhila Bachat Gat – Cow Farming- Nimgaon Mhalungi, Tal - Shirur.
3) Kalamjadevi Bachat Gat –Bardana- Kalam, Tal- Ambegaon
4) Rani Laximibai Bachat Gat –Mirchi Kandap- Pavananagar, Tal- Maval.
5) Rani Laximibai Bachat Gat – Cow Farming- Varvand, Tal- Daund.
7) Dr. Babasaheb Ambedkar Bachat Gat- Mirchi Kandap- Rajgurunagar
8) Ambika Bachat Gat – Masala Production - Khutbav, Daund.

1.5.11 Survey Period –
The researcher conducted the field work from June 2009 to November 2009.

1.5.12 Statistical techniques-
The following statistical techniques were used for testing the hypothesis.

2. Chi squire test for attributes

1.5.13 Secondary Source-
Library work -Various journals, periodicals, government reports, newspapers, books etc were referred from time to time for getting supportive information related to the study. Important information was also collected from NABARD, Zilla Parishad, MCED, NIBM, EDI Ahmadabad, and Chaitanya Rajgurunagar.

1.6. Parameters for evaluating performance of micro enterprise

1. Innovation - If any little different idea is introduced for the business.
2. Profit - If the amount received from sales is more than expenditure.
3. Growth - If there is increase in capital, financial transactions, etc.
4. Changes in Business - If there are any internal changes in business.
5. Problems overcome - In the crises problems overcome.
6. Income - Amount which is collected from business.

1.7 Definitions

1. Enterprise: An enterprise is defined as an undertaking engaged in some
gainful activity of production of some goods and for services by the members of a
household with or without hired labour.*1

2. Micro Enterprise:
"The investment in plant and Machineries is up to Rs 2 lakhs should be termed as
a micro enterprise"*2.

3. Self Help Group: “Self help group is a voluntary association of the people
formed to attain certain goals, collectively”

4. Pune District: Pune District of Government of Maharashtra

1.8. Limitations of the Study:

1. It was a study of rural micro enterprises.
2. It was a study of micro enterprises set up by women members of Self Help
groups.
3. Sample was selected from 13 taluka of Pune district.
4. Period of study was 2002-2007.
5. The women members of SHG were semi literate. They didn't have any
written record of business transactions. Therefore the researcher made
certain estimates after discussing the issue with them.

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1 Indian institute of Entrepreneurship.
2 Micro Credit summit held in Washington DC during February 1997.
1.9 Chapter Scheme:

1. **Introduction:** This chapter includes: Selection of the Topic, Objectives of the Study, Hypothesis, Research methodology, Some Definitions & Limitation of the Study.

2. **Informal Sector:** The chapter focused on Definitions of Informal Sector, Theories, Unorganized Sector in the Indian Economy, Problems faced by Informal sector.

3. **Micro Enterprise:** The chapter broadly covered Definition of Enterprise, Definitions of Micro Enterprise, Importance of Micro Enterprise, Micro enterprises in India, SIDBI’S experience in promoting Micro Enterprise in India

4. **Micro Credit:** The chapter mainly focused on Micro Credit – Definition, Need of Micro Credit, Rural Micro Credit, Micro finance in India, Credit finance Model in Bangladesh, Performance of Micro Credit Programmes, NABARD and Micro Finance, Worldwide Micro Credit Scenario

5. **Self help group:** This chapter includes: Definition of Self Help Group, Organization of Self Help Group, Management of Self Help Group, Linkages of Banks, Significance of women SHG and Entrepreneurship Development.

6. **Profile of Pune District:** This chapter is about information of Pune District.

7. **Review of literature:** This chapter takes a review of research pertaining to micro credit and micro enterprises.

8. **Survey findings (Working Enterprises):** This chapter presented the analyzed data of survey with the help of tables and graphs. The data is analyzed for working enterprise.

9. **Survey Findings (Closed Enterprises):** This chapter presents the analyzed data of survey with the help of tables and graphs. The data is analyzed for closed enterprises.
10. **Group Enterprise & Bank managers Views**: This Chapter presents various Cases of group enterprises. This chapter also contains Bank Managers views about self help group, Loan disbursement, Loan Recovery etc.

11. **Experts Views**: This chapter presents experts views about self help group and micro enterprises.

12. **Statistical Analysis**: Testing of Hypothesis: The chapter comprise the statistical analysis of data by using chi-square test for attributes.

13. **Summary and Conclusions**: The Chapter presents Summary, Testing of Hypothesis and Conclusions.

14. **Recommendations**: This chapter mainly focuses on Recommendations for SHG members, Recommendations for SHG / NGO, Recommendations for banks, Recommendations for Government & Recommendations for Group enterprise.