CHAPTER I
INTRODUCTION

1.1 INTRODUCTION

The entrepreneurial world is men’s world predominantly. But recently, there has been a change in the trend. The emphasis is on the idea that women also can contribute to the economy of the nation. The policy makers and administrators have devised ways and means of promoting entrepreneurship among women. Indian women have proved not only that they are second to none in proficiency of doing any work earlier meant for men, but also that they are efficient in effective enterprise management under all circumstances. Indian women have travelled with the times for centuries and have proved to the world that the hand that rocks the cradle rules the world.

Women have strong desirable qualities relevant to entrepreneurship such as their ability to manage details, dedication to the work they take up and tolerance and kindness towards people. It is a misconception that women cannot be good managers. In fact, the complete manager in the Indian household is the mother as she could plan, estimate, execute and show results in day – to –day life.
The Harvard Business School experts are also of the opinion that the basic quality of an efficient management is a futuristic outlook and the capacity to plan for the future. This comes naturally to a woman with her patience, kindness and gentleness. She can generally understand the other side of the world with a keen sense of justice and fairness.

The old saying the men for the plough and the women for the health, has lost its relevance in the present day society. Traditionally women’s occupational status has always been closely associated with home and family. They have only a secondary status, because they are economically dependent on their father or husband. In both the industrially advanced and less developed countries, women are marginalised, as a result of socio-cultural and economic discriminating practices. In the developing countries like India, the forces of commercialization, modernization and industrialization are actually operating and transforming the traditional modes of production in to modern capitalistic enterprises. In order to improve the status and position of women at home and in the society at large, it is necessary to achieve economic independence for women.
Jawaharlal Nehru, the former Prime Minister of India, observed the need for economic freedom of women. Quoting him, Azad Glab says, “freedom depends on economic conditions even more than political: if a woman is not economically free, that is without self-employment and self earning, she will have to depend on her husband or someone else. Dependents are never free”.

For women, an opportunity to productive work is not merely a means to higher income, but it is a means to self respect, to the development of her personality and to a sense of participation in the common purpose of the society. The low status of women in large segments of Indian society cannot be raised, without the opening up of opportunities of independent employment leading to further income. Economic independence makes women conscious of their rights. Working outside the home and coming into contact with other people have broadened their outlook and mental horizon. Till recently, women were considered unfit for roles other than those of housewives, nurses, primary school teachers, sales girls, telephone operators, stenographers and receptionists. The image of women in the society is fast changing. But it is difficult to define or describe clearly the changing shape of the image. One thing is clear, that women are entering the labour force in a large number.
1.2 NEED FOR WOMEN ENTREPRENEURSHIP

Women suffer the most in India. Their involvement in economic activities is marked by low work participation rate, excessive concentration in the unorganized sector of the economy and in low skill jobs. There is a greater dynamism in the rate of growth of female employment. However, in rural areas, agriculture has provided more employment for women. Their literacy rate, which itself is the cause for low economic conditions, creates a vicious circle of low social and economic status. In 1991, the rural female literacy rate was 30.4 per cent, whereas the rural male literacy rate was 57.8 per cent. It is in this specific context that emergence of women entrepreneurs is to be viewed as a socio-economic emancipation of women. The status of women in India is an illustration of paradox. At the micro level, a woman has equal position in the family. She is the pivot of the socio economic fabric of the family as a mother. The scriptures and mythologies give her even the status of a Goddess and many women are remembered even today for their struggle for freedom. However, over the period, the position of women at the macro level of the society has been downgraded, so much so they are the most abused person of the Indian society. The women in India have been neglected a lot. They have not been actively
involved in the mainstream of development, even though they represent a bulk of the population and labour force. Primarily, women are the means of survival of their families, but are generally unrecognized and undervalued, being placed at the bottom of the pile, completely inferior to males. Thus, the inequalities inherent in the Indian traditional social structure based on caste, community and class have a significant influence on the low status of women in different spheres. Thus, the main issue which is still being debated is the kind of strategy to be evolved for raising their status and participation in the process of development. Hence, the emergence of women as entrepreneurs in India should be seen as a resurge of the rightfully respectable socio-economic status of women.

However, a society constrained by the suppressive socio-economic factors cannot generate the much needed woman entrepreneur on its own. Education in India has been the prerogative of men over the centuries. The condition has been such that women were not given the required scope for education. Besides this, the existing pattern of education in the country is not encouraging the enterprising skills of people in general and women in particular. The higher levels of education too, especially commerce and management education are not directed towards generating entrepreneurship. Entrepreneurship as a subject is
not a part of the curricula in many Universities and vocationalisation of education is probably still a dream in India. The politicians and policy makers always talk about the introduction and development of vocational education at plus two level and graduation level. But in many States, vocational courses are not running systematically. The government has not taken any initiative in this regard.

Private initiative directed towards the growth of entrepreneurs as existing in USA and UK is not wide-spread in India. Consequently, the government policy directions as well as the performance of commercial banks, financial institutions and training institutions engaged for promoting and developing the women entrepreneurship become very crucial for the country. After 65 years of independence, the emphasis on the socialistic pattern and the role assigned to the public sector had limited the scope for the growth of private entrepreneurship. The liberalization policy of the government has thrown open a vast area of the economy of private entrepreneurship. Under such circumstance, special efforts to develop women entrepreneurship are more keenly felt.

1.3 FUNCTIONS OF WOMEN ENTREPRENEURS
In developing countries like India, where male and female population ratios are almost equal, the presence of women entrepreneurs has great importance. Otherwise, it amounts to non-utilization of entrepreneurship talent inherent in them. According to Beena¹, developing countries do not require innovative entrepreneurs of the Schumpeterian type. Initiating successful entrepreneurs is sufficient to accelerate the pace of industrialization of such countries. As such, a woman entrepreneur is expected to perform the following important functions.

- Imitation of successful entrepreneurs
- Introduction of innovations
- Exploring the prospects of commencing new projects
- Recognizing risk and uncertainty bearing
- Deciding the nature and types of goods to be produced and
- Performing managerial functions such as formulations of production plans, arrangement of finance, purchase of raw materials, organizing sales and personnel management.

1.3.1 Factors Influencing Women Entrepreneurship
General observations and several studies reveal that two factors influence the women entrepreneurs in India. They are:

1. **Pull factors:** Pull factors imply the factors which encourage the women to become entrepreneurs. These include desire to do something new in life, need for independent, availability of finance and concessions and subsidies.

2. **Push factors:** Push factors are those which compel women to become entrepreneur. They include finance, responsibility in the family, unfortunate family circumstance like death of the husband or father, divorce and the like.

### 1.3.2 Women in Development Process

Women have been playing a crucial role in the development process. Historians believe that it was women who first started cultivation of crops and plants and initiated the art and science of farming. Women also invented basic cooking techniques like boiling, roasting and steaming.

There is a widespread view among the scholars that the best way to judge a Nation’s progress is by assessing the social status of the women. Indeed many writers have equated cultural levels with the types of treatment meted out to women. At the lower level of culture, a woman was simply an object of pleasure of men. In ancient India, particularly during the Vedic period, women enjoyed a
high status in the family, as well as in the society. In the pursuit of knowledge and virtue, in the performance of rituals, in the harder fields of war and statecraft, the Vedic women were found as companions helping men. The Upanishads proclaimed the idea of men and women as equal halves of divine unity, each complementing the other. India has always upheld in theory the spiritual equality of men and men, as well as men and women. But in social practices, there has been an increasing laxity after the Vedic period, not because of deliberate human choice, but due to the vicissitudes of history. Although women were respected in the later Vedic Age, they did not have the same freedom as before. The birth of a daughter was not quite welcome. The evils of child marriage, polygamy and dowry as gift that entered the social system during the Mauriya and Gupta periods and purdah system of the Muslim period downgraded and degraded women in society. The efforts of social reformers such as Rajaram Mohan Rai, Swamy Dayanandha Saraswathi, Pandit Ishwar Chandra Vidyasagar, Gopal Krishna Gokale and Sir Syed Ahmed Khan helped made yeoman efforts for social liberalization of women. Gandhiji worked for placing women on an equal footing with men. He considered education is necessary for both. Through his journals, Harigon and Young India, propagated his ideas on women’s emancipation, he vehemently condemned the system of Devadasi and carried on a crusade against
prostitution. To him, women were not the weaker section, but the very source of inspiration and moral strength to men. Women, according to him, were the embodiment of sacrifice faith and patience. He had a burning desire to see them restored to their natural and rightful place in the society. With the advent of independence, new impetus was given to social reform of women. The Constitution granted them equality of status and opportunity. The Directive Principles of State Policy empowered the State to make special provisions for the progress of women. There is a wide range of Constitutional and legal provisions to protect and safeguard the interests of women. Yet, a lot of women have not improved judging from the current literacy level of women, the attitude of parents to the birth of female child, their lack of rights in ancestral property, their limited employment opportunities, the low level of wages to women workers and their lack of socio-political and economic participation.

1.3.3 Women and Credit Schemes

Credit is of particular relevance to women. It is a crucial input for expanding women’s employment in small scale enterprises. It encourages the adoption of improved technology to enhance the productivity of women’s home-based income generating and cost minimizing work. Further, a large number of studies
have pointed out that increase in women’s income improves their standard of living and quality of life. The most important fact about credit is that it represents a form of economic empowerment, which can improve women’s self-confidence and status within family as independent producers. Credit programmes can improve the bargaining power of the poor by providing alternative to exploitative indebtedness. If women are provided access to credit, it will certainly act as means to encourage their integration in the development of the country.

The origin of microfinance dates back to the beginning of the cooperative movement in Germany by Fredrick Raiffessen in 1849 who mobilized savings from wealthy friends to give loan to the poor during the period of draught. However, this venture failed within a few years. After a series of failures, Raiffessen established the first modern credit unions in 1864, in which they mobilized their own savings and granted loan to one another at low interest rates. Raiffessen established 423 credit unions before his death in 1883 and he is recognized as the “father of the credit union movement”.

The concept of microcredit, however is a Grameen Bank innovation. In many low income countries, microcredit programmes have emerged as an anti-poverty instrument. It was at the International World Conference held in Mexico
City in the year 1975 that the need for targeting women for credit programmes was recognized. In the 1980s, the success of the micro credit scheme of the Grameen Bank among the poor women in rural Bangladesh and the recognition of this scheme by a large number of academic studies have contributed to the spread of micro credit concept all-over the world. However, the interest in micro credit reached its zenith with the micro credit summit held in Washington D.C. in February 1997, the number of financial and development banks like the world Bank, International Fund for Agricultural Development, City Crop. Master card, China Menhatten and American Express etc., patronized the Summit. The micro credit summit in Washington D.C. was followed by a number of identical initiatives. All of them addressed the issues of poverty through micro groups of women and input of micro credit, micro enterprise technology and market support. In 1997 itself, eight million women were organized into SHGs. Grameen Bank of Bangladesh, SEWA of Rural Gujarat and Working Women’s Forum of Tamil Nadu were some of the mass institutions made to address the issues of poverty. Currently, micro credit lending to the poor or women has been globally agreed upon as the basis for the economic and social development of the 21st Century. In India this universal concern found recognition in the Sixth Plan (1980-85).
According to the World Bank (1996), there are more than 900 active microfinance programmes functioning in 101 different countries. A survey conducted in September 1995 which included 206 programmes from 900 institutions stated that total lending was nearly $7 billion and deposit mobilization was over $19 billion. Another survey by World Bank shows that micro lending could reach nearly $12 billion world-wide by the end of 1997. Grameen Bank of Bangladesh, Bank Rakyat, Indonesia, Bolivian Boras Solidaro Bancosol etc., are recognized as the successful micro credit institutions of the world.

1.4 GENESIS OF SELF HELP GROUPS (SHGs)

The lesson from the experiences of other developing countries like Bangladesh, Indonesia, Bolivia and Philippines motivated India too to start experimenting the innovative scheme of SHGs which are also called as thrift and credit groups. The SHGs is the brain child of Grameen Bank of Bangladesh, which was founded by Prof. Mohammed Yunus of Chittagong University in the year 1975. He won the Nobel prize for peace in 2006. In India, the NABARD initiated it
in 1986-87. But, the real effort was made after 1991-92 from the linkage of SHGs with the banks.

The SHG is a small, economically homogenous affinity group of rural/urban poor, voluntarily formed to save and contribute to a common fund to be lent to its members as per group decisions and for working together for social and economic upliftment of their families and community. The SHG is a medium for the development of the saving habit among women. These SHGs come to the rescue of women and they enhance the quality of status of women as participants, decision makers and beneficiaries in the democratic, economic, social and cultural spheres of life. They bring out the possibility of women in moulding the community in right perspective and explore the initiatives of women in taking up micro entrepreneurial ventures. These SHGs empower women and make them sensitized, self-made and self-disciplined. They try to remove the social limitations of women such as superstition and facilitate their dominant role in decision making. In short, this concept of SHGs serves to underline the principle of "for the people, by the people and of the people". The basic principles of SHGs are group approach, mutual trust, organization of small and manageable group, group cohesiveness, spirit of thrift, demand-based
lending, collateral free, women friendly loan, peer group pressure in repayment, skill training, capacity building and empowerment.

The NABARD has expressed the meaning of SHG through the following chart:

**CHART 1.1**

**WHAT IS A SELF HELP GROUP?**

A small economically homogeneous and affinity group of rural poor voluntarily coming together

To save small amount regularly

Conflict solving through collective leadership and mutual discussion

Self Help Group
To mutually agree to contribute to a common fund

Collateral free loans with term decided by the group

To meet their emergency needs

Have simple & responsive rules

Collective decision making

Market driven rates of interest

1.5 THE SHG PROGRAMME APPROACH

The operations of SHGs are based on the principle of circulating the member’s own savings. External financial assistance augments the resources available to the group as operated revolving fund. Savings, thus, provide facility for borrowing by the members. In many SHG programmes, the volume of individual borrowing is determined either by the volume of savings of individual member or the savings of the group as a whole.
1.6 OBJECTIVE OF THE FORMATION OF THE SHG

The main objective of the formation of SHG is to strengthen the cooperative movement by utilizing the resources available in the area. To achieve this objective, SHG selects its members from the same locality and the same income group who join together to live with dignity. As a holistic group, SHGs have many social and economic objectives like inculcating the habit of savings and banking among the rural women, building up trade and confidence between the rural women and the banker, developing group activity to implement various welfare and development programmes in a better way and to achieve women and child welfare goals by actually involving this women groups in universal immunization, small family norms and universal elementary education etc. to

- develop the leadership quality
- increase social awareness
- improve in health and family welfare
- create awareness of legal rights
- achieve economic development
- increase asserts and
- remove the clutches of money lenders

1.7 CHARACTERISTICS OF THE SHG

Every SHG is characterized by common interest, social heritage, small size, intimate knowledge of members strength needs and problems, transparency in operations, conflict resolving through collective leadership and mutual discussion during meetings, common fund through regular savings supplemented by external borrowing loans for traditional and non-traditional production and consumption activities, decision on terms of credit by consensus in group meetings, market oriented rate of interest, simple documentation, peer pressure and group dynamics to ensure repayments. The SHG members are expected to perform the rules like attending SHG meetings regularly, voicing opinion clearly and freely, showing responsibility of SHGs collectively and repaying SHG loans promptly.

1.8 MODUS OPERANDI OF THE SHG
Every SHG consists of 15 to 25 members usually with two or three elected representatives like one Animator Representative and two Representatives who are on rotation basis. The groups initially frame their by-laws and rules for smooth functioning. The rules include periodicity of meetings, savings, procedure for sanction of loan, books of accounts to be maintained, penalties for dealing with erring members etc. Generally, group meets weekly/fortnightly/monthly at a fixed time. Members pay monthly subscription which is normally being used for administrative expenses. Minimum savings to be contributed by each member is fixed, which may vary from Rs.5 to Rs.100 per month. The savings amount, thus, accumulated is given among members based on their credit requirements. Groups lend for consumption and production activities. Initially the repayment period for loan is two to three months, which extends up to 10 to 12 months, when the group matures. The size of loans also increases when the groups gain strength and experience.

The SHG leader performs the duties like convening meetings, resolving conflicts, operating bank accounts and cash dealings, maintaining books like attendance register, minutes book, savings ledger, loans ledger, general ledger, cash books, individual passbooks and subscription register. All the decisions are
taken in open meetings in a participation way. Collection of savings and credit disbursements are carried out during the meetings. The group leaders are trained either by the government representatives or by the NGOs in maintaining various records.

1.9 BENEFITS OF LINKAGE TO THE SHG

The SHG gets the benefit of better technical, economic and administrative knowledge available at banks and has access to greater resources. The bank credit is available on far better terms as compared to the credit available from informal sources, particularly from the money lenders. The SHG gets advice from the banks about income increasing activities. It also gets loan with least paper works and without security needs.

1.10 BENEFIT OF LINKAGE TO THE BANKS
The banks achieve better and wider coverage of the weaker sections in rural areas in a cost-effective manner. Due to externalization of items of credit cycles, there is a reduction in transaction cost and consequent increase in profits. Banks get substantial deposits in the form of small savings of the SHG members. On account of nearly 100 per cent recovery of loans given to SHG, there is improvement in recovery percentages. Further, the banks can mobilize deposits from so far untapped section of the rural population. The SHG financing is one of the most advantageous proportions for banks. The Banks achieve targets of development works easily through framing of the SHGs.

1.11 GROWTH OF THE SHGs IN INDIA

During the year 2010-11 and 2011-2012, in southern region, out of 63315 cumulative number of refinance linked SHGs, 58,005 groups or 91.61 per cent were that of females and 5310 or 8.39 per cent were that of males. It was further observed that except North-eastern region, the rest of the regions had more percentage of women SHGs in India. In the Western region, out of 7821 SHGs, 6909 were that of women and 912 of men which means 88.34 per cent and 11.66
per cent respectively, followed by Eastern region with 87.80 per cent (female) and 12.20 (male). It was only in Central region, that 50 per cent participation between male and female was observed. The region-wise spread of the SHGs is given in Table 1.1.

**TABLE 1.1**

**REGION –WISE SPREAD OF SHGs (AS ON 31ST MARCH 2012)**

<table>
<thead>
<tr>
<th>Region</th>
<th>No. of SHGs Credit Linked</th>
<th>Percentage</th>
<th>Bank Loans availed (Rs. in millions)</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Northern</td>
<td>19321</td>
<td>4.19</td>
<td>373.12</td>
<td>3.64</td>
</tr>
<tr>
<td>North- Eastern</td>
<td>1489</td>
<td>0.32</td>
<td>25.39</td>
<td>0.25</td>
</tr>
<tr>
<td>Eastern</td>
<td>45892</td>
<td>9.94</td>
<td>467.50</td>
<td>4.55</td>
</tr>
<tr>
<td>Central</td>
<td>48182</td>
<td>10.45</td>
<td>569.11</td>
<td>5.54</td>
</tr>
<tr>
<td>Western</td>
<td>29318</td>
<td>6.35</td>
<td>515.12</td>
<td>5.02</td>
</tr>
<tr>
<td>Southern</td>
<td>317276</td>
<td>68.75</td>
<td>8313.14</td>
<td>81.00</td>
</tr>
<tr>
<td>Total</td>
<td>461478</td>
<td>100.00</td>
<td>10263.38</td>
<td>100.00</td>
</tr>
</tbody>
</table>

The annual report of the Ministry of Rural Development (2011-2012) reveals that over 11.45 lakh SHGs were formed in India, where around hundred thousand groups had taken up different economic activities like handicrafts, mushroom growing, piggery, dairy farming, mechanical shops, agriculture, etc. Now, the number of SHGs has grown almost threefold throughout the country. The cumulative number of 4,61,478 SHGs was credit linked with 444 banks (44 commercial banks, 191 RRBs and 209 co-operative banks) covering 78 lakhs rural poor families as on 31st March 2012. The programme is implemented in all the States and Union Territories, spread over to 488 districts. Altogether a sum of Rs.1.026 crore was provided as bank loans to the SHGs against which the NABARD provided refinance assistance of Rs. 797 crore to banks till March 2008. At the all India level, 4,61,478 self-help women were linked with credit schemes under various poverty alleviation programmes as on 31st March 2012 and more than two-third of the bank credit is found only with the SHGs in southern region. The central region has taken the next position (10.45 per cent) with respect to coverage of SHGs. Eastern region takes the third (9.94 per cent), western region the fourth (6.35 per cent), northern region the fifth (4.19 per cent) and north-eastern region the last (0.32 per cent) in respect to the coverage of SHGs and bank credit programmes.
Out of total number of 4,61,478 SHGs in India, northern region has 19,321 groups, north-eastern region has 14,909, eastern region has 45,892, central region has 48,182, western region has 29,318 and southern region has 3,17,276 groups. The NABARD data released in the financial year 2003 reveals that more than 8,67,046 SHGs are functioning successfully in India and 90 per cent of the groups linked with the banks are exclusively women groups. Table 1.2 shows the progress of SHG bank linkage during the period from 2005-06 to 2011-12.

**TABLE 1.2**

**SHG BANK LINKAGE PROGRAMME IN INDIA**

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of SHG linked</th>
<th>Cumulative No. of SHGs</th>
<th>Bank Loan (Rs. in crores)</th>
<th>Cumulative loan Amount (Rs. in crores)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005-06</td>
<td>255882</td>
<td>255882</td>
<td>531</td>
<td>531</td>
</tr>
<tr>
<td>2006-07</td>
<td>274231</td>
<td>530113</td>
<td>774</td>
<td>1305</td>
</tr>
<tr>
<td>2007-08</td>
<td>382786</td>
<td>912899</td>
<td>845</td>
<td>2150</td>
</tr>
<tr>
<td>2008-09</td>
<td>432715</td>
<td>1345614</td>
<td>1972</td>
<td>4122</td>
</tr>
<tr>
<td>2009-10</td>
<td>532741</td>
<td>1878355</td>
<td>2436</td>
<td>6558</td>
</tr>
<tr>
<td>2010-11</td>
<td>687914</td>
<td>2566269</td>
<td>2749</td>
<td>9307</td>
</tr>
<tr>
<td>2011-12</td>
<td>724412</td>
<td>3290681</td>
<td>3318</td>
<td>12625</td>
</tr>
</tbody>
</table>

It is clear from Table 1.2 that there is a steady increase in the number of SHGs financed by the banks and the amount of the bank loans to SHGs from the period from 2005-06 to 2011-12. The number of SHGs linked to banks aggregated to 32,90,681 as on March 31st 2012. The cumulative disbursement of bank loan to the SHGs stood at Rs.12,625 crore as on March 2012.

The Tamil Nadu Corporation for Development of Women Limited (TNCDW Ltd.,) was established for the empowerment of women in December 1983 by the Government of Tamil Nadu. Its Regional Office is located in Chennai, while its area of operation extends to the entire State of Tamil Nadu. The Corporation implements (1) Tamil Nadu Women’s Development Project (Mahalir Thittam) (2) Setting up of Research Centers for women (3) Entrepreneur Development Programme for Women (EDP) (4) District Level Training cum Marketing Centers (5) Free Gas Connection to the newly married couples who are under poverty line.(6) Assistance to Voucher and Stall Training Programme (VTP) (7) Assistance for promotion of 25000 SHGs (8) Total economic development project for Theni District and other programmes for the socio–economic development of women throughout Tamil Nadu.
1.12 MAHALIR THITTAM (Tamil Nadu Women Development Project)

In Tamil Nadu, ‘Mahalir Thittam’ scheme was announced in the Finance Bill for 1996-97. In that scheme, it was proposed to assist 60,000 SHGs for the economic and social upliftment of 10 lakh of poor people. This scheme was proposed to cover the entire State in a phased manner. In memory of the former Chief Minister of Tamil Nadu, Shri. C.N. Annadurai, this scheme was renamed with his mother’s name as “Bangaru Ammair Ninaivu Mahalir Thittam”. At present, this Mahalir Thittam Project is implemented in all the districts of Tamil Nadu both in rural and urban areas, including Chennai Corporation Limit. The Mahalir Thittam is a process oriented project, which lays emphasis on the qualitative and socio-economic aspects of the development of women.

1.13 ROLE OF THE NGOS IN PROMOTING THE SHGS
There is no doubt about the fact that the elimination of poverty to an appreciable extent seems to be not manageable only by the Government sector. There are many areas, where it is very difficult for the government sector to intervene efficiently. They need collaboration and co-operation from other non-governmental institutions. For creating opportunity, facilitating, empowering and providing security to the poor, it requires a very wide network, comprising a number of factors. Here arises the role of non-governmental organizations in diverse fields to fight against poverty. Their motto is selfless service in their chosen area. In a vast country of billion plus population like India, it is not just possible or feasible for the government to line up to its promise of a truly welfare state. There are vast areas concerning development and welfare that are left uncovered due to paucity of funds. It is in this scenario that the NGOs step in and justify their existence in India. Since people feel that the government of the day has failed to cope with their needs as promised by the welfare state, they turn to the voluntary agencies and the NGOs for meeting their short-term and long-term requirements.

In the poverty reduction process induced by the NGOs, special measures are undertaken for protecting the interest of the women. This sort of action is
pursued because of the fact that the poor women face a double disadvantage in the society. One is, due to their inadequate access to the resources and the other emanating from their weak voice. The NGOs in the field of activities targeting women, always make efforts to enhance their awareness of their women clients and consolidate their actions. Networking building collaboration and integrating each other’s activities for building social capital are the pathways, through which the NGOs try to empower the marginalized communities.

Generally, the NGOs follow four clear cut strategies. They are simply charity supplementing welfarism of the state, encouraging people’s participation and implementing programmes launched by the government for the large benefit of the community involving people in programme planning, raising resources implementing activities and sharing fruits of development and conscience instilling and organizing people, enabling them to demand and undertake planning and implementation of development programmes which are beneficial to them.

Today, in India, there are 15000 registered NGOs and many more non-registered informal groups. These organizations have touched the lives of an
estimated number of 15 million persons. According to the international estimates, 100 million persons have been helped world-wide by the NGOs of one sort or another. These NGOs all over the world help in the alleviation of the problems of unemployment and under-employment among the poor.

The NGOs help the SHG in forming the bye-law for proper functioning. They advise the members to arrive at a consensus regarding the rules. They help the groups in conducting meetings, keeping books and accounts and in all other activities. The leaders of the SHGs are trained by the NGOs to carry out their duties effectively. Some NGOs have a system of contributing seed money assistance to the groups in the initial years for augmenting of their resources for internal lending. The exposure programmes of the NGOs in which many groups interact with each other have also helped the members to know about other groups and the way to overcome their problems. Most of the groups feel that they will be able to carry on the group activities even after the NGOs withdraw their support.
Recognizing the strength of the NGOs in organizing the community and the potential in savings and credit programmes, the NABARD has involved itself in associating with the NGOs.

The NGOs, MURADA in Karnataka and SEWA in Gujarat are the forerunners in India. The SEWA has promoted a co-operative bank exclusively for women and is engaged in financing income generating activities of women. The Working Forum, Chennai has organized women co-operative societies for promoting income generating activities and facilitating empowerment of women. Attempts have also been made to replicate Bangladesh Grameen Bank model by SHARE in Andhra Pradesh and RDO in Manipur.

1.4 STATEMENT OF THE PROBLEM

Both men and women, constitute the main strength of economic development of a nation. Women form an important segment of the labour force and the economic role played by them, is vital and integrated. The degree of integration of women in economic development is always an indicator of women’s economic independence and social status. The government is,
therefore, making planned efforts to inculcate the spirit of enterprising among women through many incentives and development programmes. These efforts are expected to widen the field with many more women taking up entrepreneurship.

Some recent researches have indicated that several women are becoming entrepreneurs, especially the middle class women, due to the pull and push of traditional and changing factors. Under the pull factors, the women entrepreneurs choose profession as a challenge or as an adventure with an urge to do something new and to have an independent occupation. Under the push factors, women take up business enterprise to get over financial difficulties, when the responsibility is thrust on them due to family circumstances. As such, women both in the rural and the urban sector, and especially those belonging to the middle class, are turning to entrepreneurship to fulfill their aspiration both economically and socially.

Entrepreneurship itself is being recognized recently as a full fledged profession and women entrepreneurship is an even newer phenomenon. Many research studies had been done on entrepreneurship, but very little had been
done on women entrepreneurs. A lot of data are available on entrepreneurial characteristics and motivators of men, but very little data are available regarding women. How far the driving forces and the socio-economic factors applicable to women are valid, is to be explored.

An SHG is a voluntary association of people with common goal. The concept of SHG appears to be a alternative strategy to involve people in the development process. In these circumstances, it is felt important and necessary to study the SHG concept, its pattern of functioning, its present status in India, the socio-economic changes effected and empowerment acquired by women.

Hence, the present study is undertaken to analyse the entrepreneurship of women through SHG scheme in Sivaganga district of Tamil Nadu.

1.15 OBJECTIVES OF THE STUDY

The specific objectives of the study are:

(i) To study the socio-economic background and personality traits among the women micro entrepreneurs.
(ii) To examine the association between socio-economic profile variables and entrepreneurship of women through SHG.

(iii) To identify the factors influencing the initiation and management of the enterprise of women micro entrepreneurs.

(iv) To analyze the women micro entrepreneurs’ enterprise involvement and their performance.

(v) To identify the problems encountered by the women micro entrepreneurs and their attitude towards enterprise.

(vi) To offer suitable suggestions for the development of women micro entrepreneurs through SHG.

1.16 HYPOTHESES

The study aims at testing the following hypotheses in tune with the objectives mentioned above:

(i) Entrepreneurship among women micro entrepreneurs through SHG is independent of socio-economic background of respondents such as age, education, caste, nature of family, marital status and family size.

(ii) Entrepreneurship among women micro entrepreneurs through SHG is not related to the personality traits of the respondents namely information
seeking, mass media exposure, social participation, cosmopolitaness, level of aspiration, attitude towards self-employment, scientific orientation, decision making ability, economic motivation, managerial ability, problem recognition, risk orientation, urban pull and extension contact.

(iii) Enterprise involvement among women micro entrepreneurs does not vary among the different age groups, educational status, caste, marital status, family size and occupational background.

1.17 CONCEPTS USED

1. **Self Help Group**: A SHG is a mini voluntary agency at the micro level, an economically homogeneous affinity group which is voluntarily ready to contribute to the common fund shared by all the members.

2. **Women Entrepreneurs**: Women entrepreneurs are group of women who organize, co-ordinate and manage an industrial undertaking, business/ trade or activity of any kind /service.

3. **Micro Entrepreneurs**: Micro entrepreneurs are those who have invested their ventures upto Rs.1,00,000.

4. **Financial Assistance**: Financial assistance is conceptualized as the assistance provided by any agency or institution in the form of money.
5. **Micro Credit**: Micro credit in the global context is commonly understood to refer to programmes meant for providing credits for self-employment and other financial and business services to very poor persons.

6. **NGO**: The NGO is an organisation familiar with an area in which they render service to the poor people.

7. **Poverty**: Poverty has been defined in terms of the annual per capita income of a family. A family having an annual per capita income of Rs.10254/ or less is considered to be a family below poverty.

8. **Personal Income**: The income of the SHG member shows her personal income from all sources per month.

9. **Family Income**: The family income represents the total income of the family members through all sources.

10. **Savings**: Savings are made out of excess money available with people. Excess money implies surplus and it is the excess of income over expenditure.

11. **Expenditure**: The amount spent for maintaining minimum living standard of the family members.
12. **Literacy**: People who can speak and write are literate. The literacy level motivates the psychological upliftment of women in SHG and under social awareness.

13. **Loan**: Loan is the amount rotated by the members out of their savings or out of the money rotated earlier.

14. **Economic Empowerment**: Economic empowerment is measured with the help of increase in asset, income, savings, loan amount and family income.

1.18 **CONCEPT OF WOMEN ENTREPRENEURS**

Women entrepreneurs are the women or a group of women who initiate, organize, and operate a business enterprise. The government of India has stated that a woman entrepreneur is one who manages an enterprise owned and controlled by her having a minimum financial interest of 51 per cent of the capital and giving at least 51 per cent of employment to women. However, this view has been severely criticized with reference to the conditions of giving employment to more than 50 per cent of the total workforce to women.

1.19 **CHAPTER SCHEME**
The present study “An Economic Study of Women Micro Entrepreneurs through Self-Help Groups in Sivaganga District of Tamil Nadu” is presented in seven chapters.

In the first chapter, introduction of the subject, statement of the problem, objectives, hypotheses and chapter scheme are given.

Second chapter deals with the review of literature.

Third chapter presents the methodology and profile of the study area.

Fourth chapter examines the socio-economic background and the personality traits among the women micro entrepreneurs. It also identifies the factors influencing the initiation and management of the enterprise.

In the fifth chapter, an attempt is made to analyse the nature of enterprises, entrepreneurs’ involvement, their performance, impact of profile variables on enterprise and the factors discriminating good and poor performers.

The sixth chapter analyses the constraints and attitude of women micro entrepreneurs to their enterprises.

The last chapter presents a brief summary of findings, suggestions and conclusion.