

# Role of Self-Help Groups in Women Empowerment and Entrepreneurship in Rajasthan

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## ABSTRACT

The state of Rajasthan is witnessing a notable rise in women's entrepreneurship, marked by the emergence of profitable businesses. This growth has been fostered by Self-Help Groups (SHGs), which have played a pivotal role in empowering rural women engaged in micro-entrepreneurship across sectors like handloom weaving, dairy farming, ceramics, and handicrafts. Despite these advancements, the pace of growth remains insufficient due to various socioeconomic obstacles. A comprehensive research effort was undertaken to identify the driving forces and limitations faced by female entrepreneurs, along with potential remedies. The study involved 200 women active in SHGs, participating in diverse entrepreneurial activities. The findings revealed a multitude of challenges faced by rural women in initiating and sustaining their businesses, encompassing financial, marketing, and production constraints, which are further compounded by societal norms and limitations. It is imperative for the government to establish programs aimed at motivating women to embark on entrepreneurial journeys and providing support to ensure their success.

**Keywords:** Women entrepreneurs, Motivating factors, Working Women, Empowerment.

## INTRODUCTION

Entrepreneurship is a dynamic process that involves the accumulation of capital. It entails individuals who willingly take substantial risks in terms of financial investment, time, and personal commitment to create value through a product or service, ultimately amassing wealth. Entrepreneurship can be described as a deliberate endeavor undertaken by an individual or a network of connected individuals to establish, manage, or organize a profit-driven business entity dedicated to the production or distribution of economic goods and services. It represents a journey in which one person becomes self-employed while also providing employment opportunities for others, with this individual often referred to as an "entrepreneur."

Entrepreneurship encompasses any actions taken by an entrepreneur to establish and grow a business venture, with self-employment serving as the driving force that fuels entrepreneurship, contributing to a nation's economic prosperity. Small-scale businesses play a crucial role in fostering balanced economic growth by reducing the concentration of wealth in a few hands. In many countries, entrepreneurship development is seen as a means to foster self-employment, support economic development, and enhance industrial competitiveness, especially in the context of globalization and liberalization.

In the past, women were traditionally confined to domestic roles, often labeled as housewives. However, contemporary society has witnessed a significant shift, with women actively participating in various aspects of life as their children have grown and become independent. Women are now venturing into the realm of entrepreneurship, and since the 1990s, their contributions to economic progress have gained recognition worldwide. Women entrepreneurs are making significant strides across various sectors in today's business landscape. A United Nations study has underscored the close link between women's achievements and economic advancement, noting that countries with empowered women have typically experienced consistent economic growth, while those with limited women's rights have faced economic stagnation. Therefore, this research aims to explore the role of women in driving overall economic growth within the country.

The potential of women entrepreneurs in Rajasthan has long been acknowledged, with the new industrial policy highlighting the importance of fostering entrepreneurial initiatives among women in both rural and urban areas to improve their economic and social status. Initiatives, such as product and process training, are designed to equip women for careers in the manufacturing and commercial sectors. The five-year plan also explicitly underscores the necessity of affording women special recognition and providing them with the essential resources to integrate them into the mainstream of economic progress. This paper aims to underscore three critical aspects: elucidating the motivational factors behind entrepreneurship, uncovering the challenges women encounter as they strive to become entrepreneurs, and identifying strategies to promote entrepreneurship and leadership qualities. Female entrepreneurs in Rajasthan face numerous socioeconomic obstacles. The success of women in business is significantly influenced by societal attitudes and support systems. Women's societal and cultural responsibilities often add an extra layer of complexity, as they are expected to balance household tasks with their roles as business owners. A woman entrepreneur is often required to fulfill the roles of a wife, mother, daughter, daughter-in-law, and businesswoman due to cultural expectations.

The study is being conducted in Rajasthan's Jaipur Division, an industrially underdeveloped region compared to other districts. This location is considered ideal for studying female entrepreneurship, as it presents unique insights into the entrepreneurial development of women, the motivating factors driving women to become entrepreneurs, the challenges they face, and the overall attitudes and aspirations of Rajasthan's women entrepreneurs toward achieving success.

## REVIEW OF LITERATURE

**Anchal Soni (2015):** The study examines the entrepreneurship skills of women in rural areas, highlighting the gender disparity and low-income opportunities faced by women. Self-Help Groups play a crucial role in developing these skills, utilizing micro-saving and micro-credit facilities to boost financial independence and confidence. However, more attention is needed to promote small-scale business growth.

**Dr. D. Suthamathi & G. Prabu (2018):** This paper explores the characteristics of women entrepreneurs, their socio-economic profile, personality traits, and entrepreneurial skills. It examines the structure and functioning of Self-Help Groups in Salem district, with a sample size of 1200 respondents. The study finds that women entrepreneurs have good decision-making power, information seeking, and problem-solving personality, but their personality traits need improvement. The paper suggests government and Self-Help Groups should conduct more training programs to improve these skills.

**Dr. S.S. Kabiraj (2018):** Researchers in Nagpur District, Maharashtra, studied women empowerment through self-help groups. They found that these groups effectively enhance women's socio-economic development. They suggested an orientation program, awareness of social issues, and leadership development programs. They also highlighted the importance of integrating economic, social, cultural, and environmental aspects for sustainable community development. Each group should have a separate minute book.

## **OBJECTIVES OF THE STUDY**

1. To analyze the motivating factors for women entrepreneurs.
2. To identify the entrepreneurship activities, undertaken by women.
3. To identify the challenges faced by women entrepreneurs in the region.
4. Propose policy recommendations for enhancing the effectiveness of SHGs in promoting women's empowerment and entrepreneurship

## **METHODOLOGY**

### **Universe of the Study**

This study focuses on the growth of women entrepreneurship through Self-Help Groups (SHGs) in the Jaipur Division of Rajasthan. The study encompasses all SHGs formed by women in the five districts within Jaipur Division. To fulfill the study's objectives and for logistical convenience, two districts, namely Jaipur and Dausa, have been chosen for the sampling process.

### **Selection of Respondents**

The research is centered on rural women entrepreneurs engaged in diverse income-generating endeavors. Consequently, study participants were selected from Self-Help Group (SHG) members involved in various income-generating activities, including small businesses.

A purposive random sampling approach was employed to select 10 SHGs from each district, totaling 20 SHGs. Within each SHG, 10 members were chosen as the study sample, resulting in a total of 200 participants. This study involved the analysis and evaluation of the motivating factors, barriers, and support received by 200 women entrepreneurs selected from the two districts.

### **Development of Tools and Analysis**

The primary instrument for data collection consisted of a structured interview schedule encompassing aspects such as the motivational and enabling factors of entrepreneurship, the specific activities selected by female entrepreneurs, encountered constraints, aspirations for success, and more. Furthermore, alongside the planned structured interviews, the researcher also incorporated personal observations made during face-to-face interactions as an integral component of the data-gathering methodology from the participants.

## **RESULTS AND DISCUSSIONS**

### **Motivating Factors**

The advancement of entrepreneurship relies on a variety of motivating and supportive factors. Entrepreneurs are compelled to establish businesses or enterprises due to various incentives, including ambitious aspirations and persuasive influences. These motivational components function as intermediate factors, mediating between the stimulus and an individual's response, and play a significant role in influencing one's dedication to any form of work or activity. When an individual is internally

driven, it results in an enhancement in the quality of their work. Women in the state of Rajasthan are motivated to explore opportunities in entrepreneurship for a multitude of reasons, including achieving independence, gaining recognition and acceptance in society, contributing to the well-being of their families, and supporting their children's education. The present study is dedicated to examining the diverse motivating factors that impact the entrepreneurial decisions of women in rural areas of Rajasthan. Table 1 provides an overview of the numerous drivers of women entrepreneurs in Rajasthan.

**Table 1 Motivating Factors of Women Entrepreneurship**

S. No	Factors	Frequency	Percentage(%)
1.	To earn money for increasing family income	76	38.0
2	To secure Self employment	43	26.5
3	To apply professional Skill	18	9.0
4	To avail financial benefit of government scheme	31	15.5
5	To improve socio-economic status	27	13.5
6	Others (Death of husband, Family Responsibility)	15	7.5

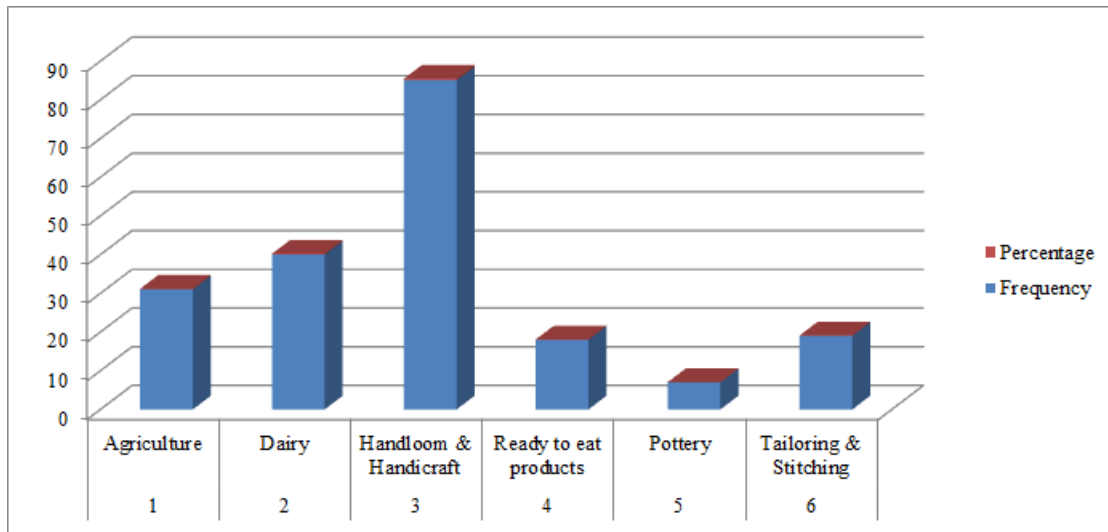
Based on the provided information, 38% of the surveyed individuals expressed a desire to initiate entrepreneurial endeavors with the goal of augmenting their family's income. Additionally, 26.5% of respondents found inspiration to pursue self-employment, while 15.5% embarked on entrepreneurial ventures in order to financially benefit from government programs. Another 9% of those surveyed chose to leverage their professional skills by commencing entrepreneurial activities. Furthermore, 13.5% of the participants aspired to establish small businesses to enhance their socioeconomic status, and a further 7.5% felt compelled to start their current ventures due to the loss of their husbands or relatives.

**Activities Adopted by Women Entrepreneur:**

Women entrepreneurs engage in a variety of economic activities, which are typically influenced by factors such as the local resource availability, traditional practices, market opportunities, and other relevant considerations.

**Table 2 Economic activities undertaken by respondents**

S. No.	Economic Activities	Frequency	Percentage
1	Agriculture	31	15.5%
2	Dairy	40	20%
3	Handloom & Handicraft	85	42.5%
4	Ready to eat products	18	9.0%
5	Pottery	7	3.5%
6	Tailoring & Stitching	19	9.5%



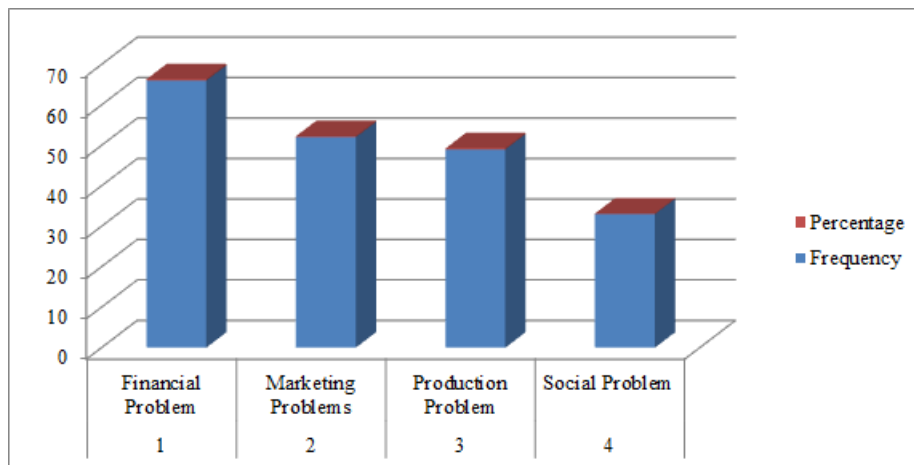
According to the data presented in the table, 42.5% of the top 85 sample respondents have opted for Handloom and Handicraft activities as their economic pursuit within the SHG microfinance program. Dairy farming, chosen by 20% of the sample respondents, is another prevalent economic activity, particularly among tribal communities and other groups with a historical preference for this endeavor. Other economic activities reported by the survey participants include agriculture (15.5%), the production of ready-to-eat items (9%), tailoring and stitching (9.5%), and pottery (3.5%). The survey findings reveal that, even though the majority of respondents are engaged in agriculture, handloom and handicraft activities are considered the most lucrative and desirable economic pursuits among rural women entrepreneurs.

**Constraints Faced by Women Entrepreneur:**

Women are increasingly participating in entrepreneurship, venturing into fields such as handloom weaving, dairy farming, pottery, tailoring, and handicrafts. However, the rate of growth in female entrepreneurship remains insufficient, primarily due to various underlying societal impediments. Entrepreneurs encounter a multitude of hurdles in establishing and running their businesses, including financial, marketing, and production challenges. Notably, women entrepreneurs face significantly greater difficulties compared to their male counterparts due to cultural stigmas and restrictions. The following table outlines the primary challenges faced by female entrepreneurs in Rajasthan.

**Table 3 Constraints faced by Women Entrepreneur**

S. No.	Constraint	Frequency	Percentage
1	Financial Problem	66	33%
2	Marketing Problems	52	26%
3	Production Problem	49	24.5%
4	Social Problem	33	16.5%



Based on the provided data, a significant portion of female entrepreneurs, totaling 33%, grapple with financial challenges. These difficulties encompass the high costs associated with essential machinery and equipment, a limited grasp of government subsidies and technical know-how, intricate and protracted processes for obtaining financial support, along with burdensome documentation requirements. Furthermore, 26% of the surveyed respondents encountered impediments due to insufficient demand in their local markets. They cited intense competition from larger corporations and challenges related to transportation infrastructure as primary hindrances.

Additionally, the data reveals that 24.5% of female entrepreneurs faced issues related to sourcing raw materials. These individuals attributed the exorbitant cost of raw materials to their scarcity and a lack of technical expertise. According to the information presented in the table, 16.5% of female entrepreneurs rely on their spouses for financial support, and their decision-making processes are often influenced by male-dominated choices. Moreover, financial institutions exhibit reluctance to fund ventures specifically oriented toward women due to the absence of property in their own name. Personal constraints, such as an increased workload and responsibilities for young children or dependent in-laws, played a pivotal role. Additionally, some women faced personal health issues as part of their entrepreneurial journey.

## SUGGESTIONS AND CONCLUSION

The study's results have highlighted several key considerations for improving women's entrepreneurship, including the following suggestions:

- It is important to implement a strategy for identifying women with potential management talent who have systematically acquired the necessary mindset and skills from the beginning.
- Entrepreneurs should provide essential training with a strong emphasis on motivation, ensuring that this training is well-supported by managerial guidance and technical orientation.
- Challenges often arise when selecting machines and technology. Prospective female entrepreneurs should have access to well-structured organizations that can offer guidance on suitable machinery and the technology transfer process. The creation of a "Machine and Process Bank" to consolidate machine and process information could significantly benefit the development of women entrepreneurs in Rajasthan.
- Entrepreneurs often face complexities when dealing with various authorities and departments for registration and licensing processes. It is crucial for a promotional agency to step in and assist female entrepreneurs in navigating this realm.



- Access to adequate data and market information is essential, and the government and private sector should extend their support to the products and services offered by women entrepreneurs.
- Success in women's entrepreneurship development requires a collaborative effort between the government and the private sector, working together in a coordinated and integrated manner.
- To facilitate the effective and rapid growth of women entrepreneurship, it is imperative to establish a dedicated apex body at the state capital level, complemented by district-level structures, to provide essential support from government banks and financial agencies to both existing and prospective women entrepreneurs.

The previously mentioned discovery has furnished valuable insights into the progress of women entrepreneurs in Rajasthan, shedding light on the motivating factors for entrepreneurship, the diverse approaches employed to address their specific challenges, and offering a deeper understanding of how women entrepreneurs engage with self-help groups.

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