

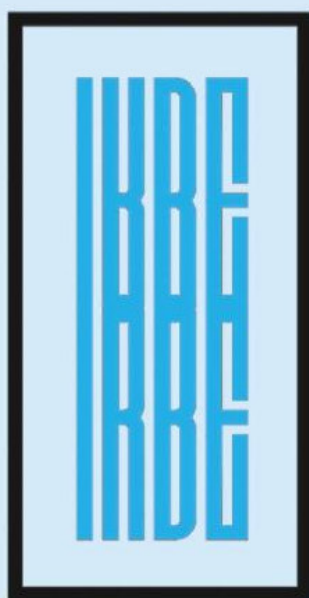
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DYNAMICS OF BUSINESS AND ECONOMICS : GLOBAL PERSPECTIVE



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52. ROLE OF SELF HELP GROUPS IN PROMOTING RURAL ENTREPRENEURSHIP FOR STRENGTHENING AATMA NIRBHAR BHARAT

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ABSTRACT

The corona-19 pandemic has pervaded into every nook & corner of the world. Since the entire globe has announced lockdown for uncertain period, the commercial activity has pushed the indicators of economic health in a state of depression. A multi-centered approach is the need of the hour to take the economy out of this crisis. In India on May 12th, the Prime Minister, Mr. Narendra Modi, announced a special economic package of Rs 20 lakh crore with the aim of making the country independent against the tough competition in the global supply chain and to help in empowering the people who have been adversely affected by COVID. In order to achieve this vision, India needs to focus on holistic and sustainable development. The formation of SHGs is a holistic program with an objective to bring the rural entrepreneurs in a platform and encourage them to initiate innovation. This research paper makes an attempt to study the potentialities of Self Help Group (SHGs) in strengthening economy of India to support Atma Nirbhar Bharat Abhiyan.

KEY WORDS

Economic health, Atma Nirbhar Bharat, rural entrepreneurs and Self Help Group

INTRODUCTION

The unprecedented Covid – 19 pandemic has pushed the entire global economy into a recession by bringing down the GDP growth to a historic low. Due to the lockdown announced by all most all countries of the world the economy starts shrinking and growth stops. The high income countries, the upper middle income countries and lower middle countries suffered huge loss as the production activities could not take place. The countries have witnessed collapse of the supply chain due to lack of demand, non availability of raw materials and non availability of human resources. In India also the scenario was not different.

In order to ease out the blocks in the circular flow of money as a bid to revive economy the Government of India announced Economic Package of 20 lack crores which amounts to 10 percent of country's GDP under Atma Nirbhar Bharath Abhiyan concept.

Atma Nirbhar Bharath Abhiyan though not a new concept for India, it is sounding well in the present free market economy of India. India exposed itself to global economy in 1991 by introducing New Economic Policy. Contrary to the socialistic pattern of society as promised in the constitution, the policy makers shifted the focus towards capitalistic economic system which advocated Liberalization, Privatization and Globalization.

The Covid 19 pandemic made us to rethink our economic policies. The government intervention is necessary and public expenditure is best panacea to the present crisis. There seems to be a major transition from Smithianism to Keynesianism. In India, Gandhian ideologies would provide a good solution to the current problems.

There is a need to promote Micro, Small and Medium Scale enterprises to revive Indian economy. MSMEs play significant role in providing large employment opportunities at comparatively lower capital cost than large scale industries. These enterprises also help in the process of industrialization of rural & backward areas. They are suitable to address the problems like regional imbalances, unequal distribution of national income and wealth and many problems of urbanization coupled with concentration of industries in urban areas.

Among MSMEs Micro enterprises play a vital role and contribute sizeable portion of National Income. According to the Annual Report released by the Ministry of MSME for the Financial Year 2019, the MSME sector is dominated by micro-enterprises. In India out of 6.33 crore MSMEs, 6.30 crore enterprises are micro enterprises which accounts for 99.4 per cent, while 0.52 per cent i.e., 3.31 lakh are medium and 0.007 percent i.e., around 5,000 are medium enterprises. This fact made researchers to focus on the role of Self Help Groups in strengthening rural economy through

motivating innovative entrepreneurs. The formation of SHGs is a holistic program and objective to bring the poor families above the poverty line and empowerment of women. The SHGs are playing revolutionary role in changing the life style of poor families in rural areas. SHG members are mainly engaged in the micro-enterprises and become entrepreneurs. Self-Help Groups play a vital role in poverty eradication in rural as well as urban areas. SHGs are fostering the entrepreneurship through micro enterprises. The study was conducted in Shivamogga district in post Covid period to ascertain the problems of SHGs and possibility of converting the challenges in to opportunities in the light of Atma Nirbhar Bharat Abhiyan.

REVIEW OF LITERATURE

Mishra Babulal and Mahesh Chowbey (2010) in their Study Scope for Promoting Micro Enterprises Activities through SHGs in Selected Districts of Bihar and Uttar Pradesh pointed out that Self Help Groups are providing a very good platform for the rural entrepreneurs to start micro enterprises. Micro enterprises have been widely accepted as an engine of economic growth and equitable development. Micro enterprises encourage self employment to a greater extent. Micro enterprise support programs aim to help people with modest means to start, strengthen and to expand very small businesses. Availability of financial services is key to the success of microenterprises. Micro-entrepreneurs live on the fringe of the informal sector known as microfinance sector. So there is a need to strengthen micro finance sector which help SHGs.

Shweta Singh, Guido Ruivenkamp and Joost Jongerden (2011) in their study on A State of the Art of Self Help Groups in India concludes that the SHGS have

greater role to play in the development of micro-enterprises. They are of the opinion that SHGs engaged in building successful micro-enterprises in India generally need to be able to fulfil the needs of finance, training and skills development. How fast the SHGs can move forwards and become a sustainable strategy for alternative development organized by people themselves also depends on their ability to intervene in and change the circumstances in which they live and develop new production and market relations. An imperative challenge is to create linkages with markets by local people of local organizations (SHGs) in such a way that they will receive a higher share in the value developed. Sangtam Therila, Dr. Sangyu Yaden (2017) in their study on Role of Self Help Groups (SHGs) in Rural Development with Special Reference to Chare, Longkhim and Sangsangyu Block under Tuensang District, Nagaland suggest that the marketing networks of the SHGs should be more widened so that the goods can be sold at a reasonable price. The activities of the SHGs should focus more on those activities which generate good return. There should be system of conducting frequent training of management for the SHGs. This help the SHGs to achieve the desired goals. Good transportation system is also essential to widen the market network. The economic development of rural areas may be realized if the working of SHGs made effective.

Venkatesh R (2009), in his study on Micro Finance and Self Help Groups : Catalyst for Rural Transformation argued that in order to change face the of socio economic development of rural areas micro enterprises and Self Help Groups play an important role. SHGs significantly become responsible for the generation of self employment and entrepreneurship by raising the level of income and standard of

living among the rural people and weaker sections. In this context one of most achieved objectives of rural entrepreneurship is the formation of Self Help Groups. Forming SHGs is a valuable investment in human capital through training and capacity building measures.

Suthamathi D and Prabu G, 2018 analyse in a study on Role of Self Help Groups in Promoting Entrepreneurship among Women at a Salem District of Tamilnadu forms the opinion that women entrepreneur is defined as a person who accepts a challenging role to quench their behavior needs and to become economically independent by making appropriate adjustments in both family and social life. They are constantly on the look-out for new and innovative conduct which leads to strong economic participation. Their ability, skill and knowledge, their insight in business and a pushing desire to do something positive are the reasons for women to ascertain and manage organized industries and take up challenging ventures. Self Help Groups play significant role in realizing this objective.

STATEMENT OF THE PROBLEM

The countries of the globe have to promote innovative measures to handle the impact of Post Covid 19 on economy particularly on business enterprises. Business activities need to be strengthened. The announcement of Atma Nirbhar Bharath Abhiyan has resulted in lot of changes in business activities. The government of India is announcing various schemes which promote self reliant economy. This has created lot of opportunities for micro enterprises to produce and market. The wide market is available to local entrepreneurs. The local entrepreneurs have to make use of this situation and find innovative business techniques. The Union Finance Minister has announced Rs 1.76 lakh crore stimulus

package fight COVID 19. One of the announcements included doubling collateral free loans to women Self Help Groups (SHGs) from Rs 10 lakh to Rs 20 lakh which will help 63 lakh SHGs covering 7 crore families. The measure announced has the potential to have a substantial impact on the rural economy.

In view of this A study on Role of Self Help Groups in promoting Rural Entrepreneurship for strengthening Atma Nirbhar Bharat has been undertaken in Shivamogga District in the post Covid – 19 situation This study restricted to SHGs who are into Production & marketing of products in rural areas.

OBJECTIVES OF THE STUDY

- a.To study the Socio-Economic status of SHGs
- b.To evaluate the performance of Self Help Groups in Entrepreneurship.
- c.To find out the practical problems faced by SHGs during Covid-19.
- d.To offer suggestions based on the findings.

HYPOTHESES

H₀-There is no significance difference between education and income generation

	Education	Income of the Respondent
Chi-Square(a)	67.440	53.040
Df	3	3
Asymp. Sig.	.000	.000
Monte Carlo Sig.	.000(b)	.000(b)
Sig. 95% Confidence Lower Bound	.000	.000
Upper Bound	.000	.000

H₁- There is a significance relationship between education and income level. The null hypothesis has been rejected as the observed value at 95% level of significance is less than 0.05. Hence, the alternative hypothesis is accepted which says that there is a significance relationship between education and income level.

H₀-There is no significance difference between area of marketing operation and income generation

Test Statistics

	Income of the Respondent	Area of Marketing
Chi-Square(a,b)	53.040	6.320
Df	3	2
Asymp. Sig.	.000	.042
Monte Carlo Sig.	.000(c)	.045(c)
Sig. 95% Confidence Interval Lower Bound	.000	.041
Upper Bound	.000	.049

H₁- There is a significance relationship between area of operation and income level. The null hypothesis has been rejected as the observed value (0.041) at 95% level of significance is less than 0.05.

Hence, the alternative hypothesis is accepted which says that there is a significance relationship between area of operation and income level.

METHODOLOGY

a. Type of Research and Description of Study Area

The present research paper is descriptive and analytical in nature. The study covers entire Shivamogga District of Karnataka State, India. This district is considered as prominent district among Malnad region. It is also one among the fastest growing tier city in Karnataka. The SHGs of Six Taluks of the District are covered for the purpose of collecting data.

b. Sampling Procedure

A total of 100 respondents chosen randomly, were personally interviewed by the researchers using structured interview schedule. The information gathered are presented in appropriate tables and analyzed accordingly.

c. Nature and Sources of data

The primary data has been collected through a structured questionnaire which is limited only to those SHGs which are involved in production & marketing activities. The data are collected by SHGs located in rural areas. While selecting the samples stratified random sampling method

was adopted. The findings are based on the information provided by the members who are running micro enterprises. The results are also appropriately interpreted with the help of information obtained in the form of Secondary data is obtained by Journals, Magazines, report of Zilla Panchayats, RDPR report and other documents.

d. Sampling Plan & Size

The researchers have selected 100 samples for the study by giving more weightage to only to those SHGs which are involved in production & marketing activities. The data are collected by SHGs located in rural areas. While selecting the samples stratified random sampling method was adopted. The findings are based on the information provided by the members who are running micro enterprises. The results are also appropriately interpreted with the help of information obtained in the form of Secondary data is obtained by Journals, Magazines, report of Zilla Panchayats, RDPR report and other documents.

Table No.-1 Selection of Taluk wise sample

Sl. No.	Name of the Taluk	Selected Sample Size
1	Shivamogga	20
2	Thirthahalli	16
3	Sagara	16
4	Soraba	16
5	Bhadravathi	16
6	Shikaripura	16
Total		100

Shivamogga Taluk as it is big in geographical area and more SHGs involved in production & marketing activities. The allocation of samples as mentioned above.

LIMITATIONS OF THE STUDY

1. The study was conducted in the post lockdown period
2. The study is confined only for the SHGs which are operative in nature

Table-02 Age and Literary Level of the Respondents

Age	Number of respondents	Education	Number of respondents
Less than 20 years	15	Illiterate	05
21-25 years	48	Primary and Secondary	47
26-30 years	27	Graduate	39
Above 31 years	10	Post graduate	09
Total	100	Total	100
Source: Field Survey			

From the data presented in the Table 02, it can be observed that 15 percent belong to less than 20 years, 48 percent is 21-25 years, 27 percent is 26-30 years and 10 percent belong to above 31 years. Of the total 100 respondents 5 percent are illiterate, 47 percent are having Primary and Secondary education, 39 percent are Graduates and 9 percent are Post Graduates.

Table-03 Occupational Background and Income of the Respondents

Occupation	Number of respondents	Monthly
Family Business	34	Less than 5000
Agro Based Business	45	5001-7000
Small Business Activities	12	7001-9000
Service	9	More than 9000
Total	100	Total
Source: Field Survey		

Table-04. Caste & Year of establishment

Religion	Number of respondents	Year of establishment	Number of respondents
SC	28	Less than 5 yrs	39
ST	23	5 to 7 Yrs	32
OBC	41	7 to 9 Yrs	22
Others	8	More than 9Yrs	7
Total	100	Total	100

From the data presented in the Table 04, it can be observed 28 percent of the SHGs belong to SC, 23 percent ST, 41 percent of them are OBC, 8 percent of the SHGs belong to others categories. 39 percent of the respondents have established their enterprise from less than 5 years , 32 percent are between 5 to 7 years , 22 percent between 7 to 9 years, and 7 percent of them are more than 9 years.

Table -5 Scope of marketing operation

Geographical area	Total No of Respondents	Percentage
Within the village	36	36
Surrounding locality	42	42
No geographical restriction	22	22
Total	100	100%
Source: Field Survey		

It is observed that, 36 percent & 42 percent of entrepreneurs market their products within the village & surrounding locality respectively and 22 percent of them do not have any geographical restrictions.

Table -6 Knowledge of marketing activities & Type of marketing activities undertaken

Knowledge of marketing activities	Total No of Respondents	Type of marketing activities	Total No. of Respondents
Yes	34	Promoting own products	66
No	66	Promoting own & other SHGs products	34
Total	100	Total	100

Source: Field Survey

It is clear that, 34 percent of the respondents possess knowledge of marketing and 66 percent of them do not have proper marketing knowledge. It is also observed that, 66 percent of them promote their own products in the market, whereas 34 percent of them promote own products as well as products of other entrepreneurs.

Table-7 Nature of products produced & Marketed

Nature of commodity	Total No of Respondents	Type of products produced & marketed	Total No of Respondents
Perishable	60	Handlooms & Handicrafts	31
Consumer durables	40	Food items	58
Others	00	Others	11
Total	100	Total	100

Source: Field Survey

According to the Table-7, 60 percent of entrepreneurs produce & market perishable commodities & only 40 percent of them produce & market consumer durables. It can also be noticed that 31 percent of the entrepreneurs are producing & marketing Handlooms & Handicrafts 58 percent of them are involved in food items and the other 11 percent are involved in the activities like Animal Husbandry, poultry farming, floriculture, production, Areca plates, Vermi compost, candle & Agarbathis, carry bags, hand bags, decoration items etc.

Table-8 Modes of Marketing

Modes of Marketing	Total No of Respondents	Percentage
Intermediaries	12	12
Own shop	12	12
Exhibition	44	44
Against order	32	32
Total	100	100

Source: Field Survey

It clear that, 12 percent entrepreneurs sell their products through intermediaries and own shop, 44 percent and 32 percent of them sell their products through exhibition and against order respectively.

Table-9 Source of Training program & Source of finance

Source of Training program	Total No of Respondents	Sources finance	Total No of Respondents
Government Institutions	58	Own Capital	17
NGO	26	Borrowed from Banks	62
Other sources	16	Money lenders & other agencies	21
Total	100		100
Source: Field Survey			

It is evident that 58 percent, 26 percent & 16 percent of entrepreneurs have gone through the training programs organized through Government institutions, NGOs & other sources respectively. Other sources include traditional skills, informal training through other SHGs etc. It is also observed that, 17 percent of entrepreneurs have started their venture through their own capital, 62 percent of them are borrowed funds from the Banks and 21 percent of them have borrowed funds from the Money lenders & other agencies.

Table-10 Contribution of SHGs towards economic condition

Economic impact	Total No Of Respondents	Percentage
To lower extent	15	15
To some extent	17	17
To larger extent	68	68
Total	100	100%
Source: Field Survey		

As per the data collected the enterprises started through SHGs, 15 percent of them are of the opinion that there is no significant contribution towards their income, 17 percent and 68 percent of them have said that entrepreneurial activities have contributed towards their economic condition to some extent and to a larger extent respectively and they held the opinion that their activities also contributes towards overall development of rural economy.

Table No. 11- Problems faced during post Covid-19 by the members of self help groups - Field Survey

Sl. No.	Problems	Average Percentage Mean Score	Rank
01	Production problems	47.5	V
02	Marketing problems	72.50	I
03	Financial problems	53.5	IV
04	Leadership problems	40.5	VIII
05	Organizational problems	44.5	VI
06	Social problems	41.5	VII
07	Technological Problems	67.5	II
08	Labor Problem	58.5	III

The data pertaining to the problems faced by the members of self help groups of Shivamogga District based on average percentage of mean score and rank is shown in Table 11. Data revealed that among various problems faced by rural entrepreneurs during covid-19 pandemic period, Marketing problems emerged as the most serious problem perceived by them with the average percentage mean score of 72.50. It was followed by Technological Problems, Labor Problem, Financial problems, Production problems; Organizational problems, Social problems and Leadership problems with a average percentage mean score of 67.5, 58.5, 53.50, 47.5, 44.51, 41.5 and 40.5 respectively

SUGGESTIONS

- a. The government should institute a separate board to promote and market their products at district and state level.
- b. There is a need to focus on strengthening storage facility and distribution channel to their products throughout the year.
- c. Provision of separate logistic facility to reach different market centers at concessional charges.
- d. Market information should be made known through their smart phones under digital India concept.
- e. The government should devise special security schemes to rural entrepreneurs.
- f. Special training programs have to be arranged through local governments to enhance their knowledge about latest technology.
- g. The government should create separate platform to promote their products and take initiation to purchase directly.
- h. In order to strengthen their financial source, MUDRA scheme should be extended to rural SHGs.

CONCLUSION

The rural entrepreneurial activities are certainly strengthened if SHGS are promoted. SHGs are going to play a pivotal role in realizing the concept of

Aatma Nirbhar Bharat abhiyan and also the concept of SWARAJYA and SURAJYA of Mahatma Gandhi.

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