

Micro-Women Entrepreneurship and its potential for hospitality and tourism related enterprises amongst others: a study on YSR District, Andhra Pradesh, India

Dr. P. Saritha
Department of Business Administration
Yogi Vemana University
Kadapa 516003
Andhra Pradesh
India
sarithams@yaho.co.in
C: 91- 9440988045.

Abstract

The position of women and their status in any society is an index of its level of civilization. Women are to be considered as equal partners in the process of development. But, because of centuries of exploitation and subjugation, Indian women have remained at the receiving end. Women in India have been neglected a great deal. The rate of growth of women employment in India is very low when compared to developed nations. This is because of the low growth rate of new and productive employment. There is a scheme which women can access with less effort than the traditional routes to business development in areas such as food production and even hospitality and tourism, and this is the Self Help Group (SHG) which is categorized as micro finance. It is a tool to eradicate poverty and improve entrepreneurship and financial support for women in India. An SHG is a small economically homogeneous affinity group of the rural poor which voluntarily comes together to save small amounts of money but on a regular basis. SHGs enhance the equality and status of women as participants, decision-makers and beneficiaries in the democratic, economic, social and cultural spheres of life.

The article focuses on SHG formation, women entrepreneurship and economic empowerment of women after they have joined SHGs in YSR district, A.P. India. YSR district (Kadapa district) is one of the pioneering districts for the implementation of the SHG programme as a pilot project in the Andhra Pradesh state. At the present time there are 21 Mandals in YSR district of Andhra Pradesh which consist of a total of 35,338 SHGs. Of these, the best two mandals, namely, **Kodur** and **Ramapuram** were selected for this study because of the SHGs in these mandals which are operating very successfully. This success is based on age, education, income level, nature of family, size of the family, reasons for joining SHGs and the amount of loan availed of by the selected women entrepreneurs. There are 19087 members from 1567 SHGs in select mandals in YSR district. From these, 100 respondents were selected for the study representing 50 members from each mandal. The selection was made based on a convenient sampling method.

Key words: entrepreneurship, women empowerment

OBSERVATIONS AND FINDINGS OF THE ANALYSIS

- The members from the age-groups 21-30 and 31-40 years of age were voluntarily involved and highly influenced by entrepreneurial activities. They had studied at the primary and secondary levels' of education but were all below the 10th standard. This comprised 45 members in the study area.
- The most of the members (about 53) earn less than Rs.1500 and earning capacity increased from Rs.1500 to 3000 and 4000 in the study area.
- Most of the selected women entrepreneurs were from a nuclear family with 4-6 members in the family and the most of the women entrepreneurs sampled in the study preferred catering and food activities, like small tiffin stalls. This was to provide supporting for their family and to give them greater financial security.

SUGGESTIONS AND RECOMMENDATIONS

- Based on the findings below, the Government of India should implement all micro-finance schemes effectively and systematically.
- Women should be educated about their opportunities and upgrade their knowledge as they seek to change society.
- Women should maintain interest in self-empowerment and entrepreneurship development for themselves and prepare to face any problems in their businesses with a positive attitude.
- Encouragement by the family is the most important factor facilitating entrepreneurship in spite of a strong will and firm determination in the immediate society.
- As these women try to be part of a variety of business ideas, they need support from family members and require a positive attitude from society in general. This is particularly important in the establishment phase as well as in the subsequent sustenance of their budding enterprises.

INTRODUCTION

The position of women and their status in any society is an index of its civilization. Women are to be considered as equal partners in the process of development. But, because of centuries of exploitation and subjugation,

Indian women have remained at the receiving end. Women in India have been somewhat neglected when it comes to entrepreneurship ventures. They have not been actively involved in the mainstream of development even though they represent an equal proportion of the population and labour force. No country can achieve its potential without adequately investing in and developing the capabilities of its women. In the interest of long-term development it is necessary to facilitate their empowerment. In many developing countries, including India, women have much less access to education, jobs, income and power than men. There is need to strengthen and streamline the role of women in the development of various sectors by harnessing their power towards nation building and to attain accelerated economic growth. The majority of women do not undertake entrepreneurial ventures and these are the key to economic development of a country. Women Entrepreneurs are women or a group of women who initiate, organize and operate a business enterprises. The Government of India refers to women entrepreneurs as: *"an enterprise owned and controlled by women saving a minimum financial interest of 51 per cent of the capital and giving at least 51 per cent of the employment generated in the enterprise to women"*.

Micro-finance is emerging as a powerful instrument for poverty alleviation in the new economy. In India, the micro-finance scene is dominated by Self Help Groups (SHGs) – a Bank Linkage Programme aimed at providing a cost effective mechanism for providing financial services to the "unreached poor". The government has been implementing various programmes to provide self-employment opportunities to the unemployed including women. Self Help Groups (SHGs) play a significant role in this regard.

The SHG growth which has almost assumed the form of a movement represents a massive grassroots level mobilization of poor rural women to small informal associations- capable of forging links with formal systems to help access financial and other services needed for their socio-economic advancement. Basically, SHGs are being promoted as a part of the micro-finance interventions aimed at helping the poor to more easily obtain financial services like savings, credit and insurance. The group formation and functioning are not ends but means for development. If SHGs are to play their intended role, it is important that these emerge as sustainable entities. The

group sustainability largely depends on the preparedness of group promoter and SHG members. If SHG members have been actively performing in a democratic and participatory mode with the spirit of self-help and financial discipline and the SHG promoter has been successful in implementing its withdrawal strategy, sustainable SHGs will emerge. Such SHGs will continue to function without external support from the promoter.

FUNCTIONS OF SHGs

The more attractive scheme requiring far less effort than traditional routes, is the Self Help Group. It is a tool to remove poverty and improve women entrepreneurship and financial support for them in India. SHGs enhance the equality and status of women as participants, decision-makers and beneficiaries in the democratic, economic, social and cultural spheres of life. The basic principles of the SHGs are a group approach, mutual trust, organization of small and manageable groups, group cohesiveness, a spirit of thrift, demand-based lending, collateral free, women friendly loans, peer group pressure in repayment of loans, skill training, capacity building and empowerment.

The SHGs are active in the following:

- Create a common fund by the members through their regular savings.
- Support a flexible working system and pool the resources in a democratic way.
- Meet periodically and make group decisions.
- Ensure that the loan amounts are small and reasonable so that they are

easy to repay in the required timespan.

- The rate of interest is affordable, varying from group to group and from loan to loan. However it is little higher than the banks but lower than the money lenders have to offer.

It is clearly understood that the SHGs are a tool to promote rural savings and gainful employment. Through this the rural poverty is greatly reduced. This helps women members to become economically independent and their contribution to the household income is also increased.

AIM OF THE PAPER

The article focuses on women entrepreneurship through the micro-finance scheme of the SHGs in select mandals of YSR district, A.P. India. The idea is to evaluate the role of the SHGs.

SELF HELP GROUPS IN YSR DISTRICT

The Government implemented the "Development of Women and Children in Rural Areas (DWCRA)" for empowering the rural women into viable self reliant groups with the task of evolving strategies during 1982-83. YSR district (Kadapa district) is one of the pioneering districts for the implementation of the DWCRA as pilot project in the Andhra Pradesh state, along with Srikakulam and Adilabad. Formation of SHG is not the criteria but nurturing them into self managed grass-roots organizations of the poor to manage their affairs. At present, there are many SHGs in YSR district (see **Table 1.0**). This table demonstrates the growth of SHGs from 1984 to the present time.

Table 1.0.
NO. OF SHGs IN YSR DISTRICT, A.P. INDIA

YEAR	NO. OF SHGs (in Groups)
1984-97	1,000
1998-99	3,000
1999 – 2000	4,500
2000 – 01	9,000
2001 – 02	12,000
2002 – 03	15,000
2003 – 04	18,000
2004 – 05	20,250
2005 – 06	22,950
2006 – 07	27,693
2007 – 08	31,322
2008 – 09	34,890

2009 – 10	35,338
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SHG – BANK LINKAGE IN YSR DISTRICT

Bank Linkage is the scheme of linking SHGs to Bank Finance. The scheme was introduced during the period 1996-1997 by the NABARD. By this scheme, people gained access to institutional credit without any collateral security and the cost of lending was less. The recovery rate or percentage repayment has improved a lot, leading to the better performance of banks. Each Bank branch in the district is linked to a dedicated bank assistant. 126 Bank Branches in rural areas of

various banks in the district are extending the Bank Linkage to the SHGs. Each SHG becomes eligible for Bank Linkage after a period of 6 months. Regularity of thrift, meetings and attendance, internal lending and repayment supported by book-keeping are eligible for bank finance. The recovery rate of the loans is 99.76%. To date an amount of Rs. 748.372 crores were financed to as many as 78378 SHGs in YSR district. Progress of SHG bank linkage in YSR district is shown in **Table 2.0**.

Table 2.0
PROGRESS OF SHG BANK LINKAGE

(Rs. in Crores)

Sl. No	Year	Target		Achievement	
		No.	Amount	No.	Amount
1	1999-2000	150	1.00	92	0.730
2	2000-01	500	3.00	268	1.583
3	2001-02	500	3.00	463	3.875
4	2002-03	1250	10.00	1327	10.376
5	2003-04	4000	25.00	5342	20.762
6	2004-05	5000	30.00	5426	31.426
7	2005-06	9560	100.00	9330	72.45
8	2006-07	13150	180.00	12820	102.74
9	2007-08	15620	380.00	16210	204.45
10	2008-09	17855	459.00	22120	213.69
11	2009-10	11153	314.00	11053	86.29
Total:		78378	1505	84451	748.372

METHODOLOGY AND DESIGN

As stated earlier, there are 21 Mandals in YSR district of Andhra Pradesh consisting of 35,338 SHGs. Of these, the best **three** mandals of **Kodur, Ramapuram** and **Sidhout**, were selected for this study because the SHGs in these mandals are functioning very well. The study involves and was compiled with the use of the primary data and was collected with the help of specially prepared interview schedule. The schedule included the questions related to the general information about the SHGs members, income, expenditure, savings and loan schemes available to SHG members. There are 19,087 members from 1,567 SHGs in select two mandals in YSR district. Among

these, a total of 100 respondents were selected based on 50 members from each mandal selected by means of a convenient sampling method. This is purely a descriptive study. Therefore, no complicated models and tools were used. Only simple averages were used for the analysis of the data collected.

SHGs MEMBERSHIP

In the study area in question, a total of 2,229 SHGs are functioning comprising 24,676 members. Of these members, 100 were selected as sample respondents for the study. **Table 3.0** shows the membership in SHGs in the selected mandals in the study.

Table 3.0
SELECTED MEMBERS IN SHGS

SI.No.	Name of the Village	No. of SHGs	Total Members
1.	Kodur	1064	13273
2.	Ramapuram	503	5814
3.	Sidhout	662	5589
Total		2229	24676

From the Table 3.0, it is evident that there are 13,273 members in 1,064 SHGs in **Kodur** mandal, 5814 members in 503 SHGs in **Ramapuram** and 5589 members in 662 SHGs from **Sidhout** in YSR district for the study.

AGE-GROUP OF SELECT SHG MEMBERS

It is evident that age and socio-economic activities are inter-related in Indian society. The young and middle age-group people can actively participate in the socio-economic activities, which is true in the activities of the SHGs in the study area. **Table 4.0** deals with the age-group of sampled respondents for the study.

Table 4.0
AGE-GROUP OF MEMBERS OF SHGS

SI.No.	Age-Group	No. of Respondents
1	18-20	0
2.	21-30	30
3.	31-40	50
4.	41-50	15
5.	51-60	5
Total		100

From the above table, it is observed that the age-group of 31-40 years old members were actively participating in the SHGs. The age-groups 21-30 and 31-40 years members were voluntarily involved and highly influenced by entrepreneurial activities. The age-group (41-50) members are also in the SHGs and they play an important role as they know how to control and solve the problems arising in the groups.

EDUCATIONAL QUALIFICATIONS OF SELECT SHG MEMBERS

Education is one of the inputs for women empowerment. It enables the women to gather information from different sources and helps them to properly analyse information and think innovatively to begin a new venture in the business world. The education levels of the selected women SHGs for the study are represented in the **Table 5.0**.

Table 5.0
EDUCATIONAL QUALIFICATIONS OF SELECT SHG MEMBERS

S.NO.	Education	No. of Respondents
1.	Illiterates	30
2.	Below SSC	45
3.	Up to SSC	18
4.	Intermediate	7
Total		100

From the above table, it is clearly indicated that most of the SHG members studied below 10th standard (45 members) 30 members were illiterates and 18 were studied up to S.S.C. and only 7 members had better educational qualifications. The data reflects that educational qualifications are not

influencing them to join the SHGs. Although some women may be totally illiterate, they have their own system of accounting and they do manage their small businesses such as vegetable sellers, fisher women, petty shop and beauty parlours and the like, in a successful manner.

INCOME LEVEL OF SELECT SHG MEMBERS

Income is the major determinant of the standard of living of the people in the

society. **Table 6.0** depicts the income level of SHG members before joined and after joining SHGs.

Table 6.0
INCOME LEVEL OF SELECT SHG MEMBERS

Sl. No.	Monthly Income Rs.	No. of Respondents
1.	Less than 1500	53
2.	1501-3000	22
3.	3001-4000	15
4.	4001-5000	10
Total		100

From the above, it is clear that most of the members about 53 members earn less than Rs.1500, 37 were earned from Rs.1500-4000 and 10 were earning from Rs.4001-5000. This increases the willingness to participate in the SHGs' activities. Many women members are independently involved in the economic activities, both individually and with other group members after joining SHGs. Therefore they are now economically independent and contribute to increasing their total household income. Many are involved in food production and also tourism initiatives. The income level of SHG members has been increased after joining SHGs and they are now able meet their

personal expenses and also contribute more to their total household income.

MARITAL STATUS OF SELECT SHG MEMBERS

The marital status of the women has a major influence on the women entrepreneurship. The details of the marital status of selected women entrepreneurs in YSR district are provided in **Table 7.0**.

Table 7.0
MARITAL STATUS OF SELECT WOMEN ENTREPRENEURS

Marital Status	No. of Respondents
Married	90
Unmarried	0
Widow	10
TOTAL	100

From the above table, it is clear that all the women entrepreneurs for the study (100) are married and 10 are widows among the sample respondents. Furthermore, some of the married women would receive help directly or indirectly in running the enterprise. No unmarried girls are members of the SHGs because many of their parents feel the economic independence of unmarried girls through entrepreneurship is a barrier for fixing their marriage in a rigid caste system.

NATURE OF THE FAMILY OF SELECT SHG MEMBERS

The nature of the family is the most important consideration for women entrepreneurship because major support is provided by family members. The following **Table 8.0** depicts the nature of the family of select women entrepreneurs in YSR district.

Table 8.0
NATURE OF THE FAMILY OF SELECT WOMEN ENTREPRENEURS

Nature of Family	No. of Respondents
Individual	90
Joint	10
TOTAL	100

About 90 per cent of women entrepreneurs have nuclear/individual families and the remaining 10 per cent have joint families as in the present day society, joint families are few. It is assumed that in joint families, elders do not like their daughters / daughter-in-laws to go out and practice non-traditional roles despite the dire economic need that may be plaguing a family.

FAMILY SIZE OF THE SELECT SHGs

The size of the family was also an important factor for the women when they entered into their new business venture. **Table 9.0** shows the size of the family of the select SHGs in YSR district.

Table 9.0
SIZE OF THE FAMILY OF SELECT WOMEN ENTREPRENEURS

Family Size	No. of Respondents
Nuclear	0
1 – 3	30
4 -6	70
6 – 9	00
TOTAL	100

The above table indicates that, most of the respondents are from a family size of between 4-6 members and 30 members are from a family size of 1-3 members because most women have 2 to 3 children in their family.

REASONS FOR JOINING SHGs BY THE SELECT SHG MEMBERS

The main aim of the SHGs is to promote savings, family support and to get credit for the productive and consumption purposes. The **Table 10.0** shows the reasons for joining SHGs by the sample respondents.

Table 10.0
REASONS FOR JOINING SHGs

Sl. No.	Reasons	No. of Respondents
1.	For family support	35
2.	For promoting savings	15
3.	For social status	5
4.	For financial security	25
5.	For getting loan	20
Total		100

FAMILY EXPENDITURE OF SELECT SHG MEMBERS

It is observed that the most of the respondents in the study are joined in SHGs for family support (35 members) and financial security (25 members). 20 members joined to obtain loans from the Government and 15 members so as to be able to promote their personal savings and additionally to get higher social status.

Individual family expenditure has been increased due to positive changes in the income level of the SHG members. An increase in the income level not only enhances the expenditure of the family but also promotes the savings of the family after they joined SHGs (see **Table 11.0**).

Table 11.0
MONTHLY FAMILY EXPENDITURE OF THE MEMBERS OF SHGs

Sl. No.	Monthly Expenditure Rs.	No. of Respondents (Before Joining SHGs)	No. of Respondents (After Joining SHGs)
1.	Less than 1000	23	10
2.	1001-2000	28	18
3.	2001-3000	37	27
4.	3001-4000	10	36
5.	Above 4000	2	9
Total		100	100

From the above Table, it is clear that most of the members incurred Rs.2001-3000 before joining SHGs. But the expenditure level has increased to Rs.3001-4000 or more after joining as members of SHGs. Thus, after joining in the SHGs, the members' well-being has been improved due to additional income.

TYPE OF LOANS ISSUED TO THE SELECT SHG MEMBERS

One of the reasons for joining SHGs is to avail credit, which is true in the present study area. The second objective is to know the rural

credit of SHGs. The credit organizations like Nationalized Banks, Co-operative Societies and financial institutions followed different rules and formalities to provide credit to the rural people.

The SHGs charge reasonable interest rates i.e., 1- 4%. All the members are responsible to repay their loan to the banks providing finance. **Table 12.0** shows various types of loans and the amount sanctioned by the Government to the SHG members.

Table 12.0
TYPES OF LOANS TO THE SHGs

Sl.No.	Type of Loan	Maximum Amount	Rs.
1.	Business Loan	20,000 to 30,000	
2.	Marriage Loan	Up to 20,000	
3.	Repay the old Loan	10,000 to 15,000	
4.	Medical Loan	10,000 to 15,000	
5.	House repairing Loan	Up to 5,000	
6.	Cattle Loan	5,000 to 7,500	

The above Table shows that the more loans were sanctioned for the purpose of business so as to empower the women and their families. The maximum loan amount per member is decided by the general body meeting.

AMOUNT OF LOAN AVAILED BY THE SHG MEMBERS

Table 13.0 explains the amount of loan availed by the sample respondents of the study.

Table 13.0
AMOUNT OF LOAN AVAILED BY THE SHG MEMBERS

Sl.No.	Loan Availed (in Rs.)	No. of Respondents
1.	Less than 10,000	17
2.	10,001 to 15,000	21
3.	15,000 to 20,000	22
4.	20,001 to 30,000	26
5.	Above 30,000	14
Total		100

From the above Table, it is proved that most of the members (26 members) are availing the loans from Rs. 20,001-30000 to start the business and their family support.

TYPE OF PRODUCTS / BUSINESS CARRIED OUT BY SELECT SHG MEMBERS

Generally the members receive guidance from NGOs and Government in either selecting or while marketing their products. **Table 14.0** gives various products and types of business running by the select SHG members.

Table 14.0
TYPE OF BUSINESS CARRIED OUT BY BUSINESS

Sl.No.	Product / Type of Business	No. of Respondents
1.	Tailoring	15
2.	Catering & Food Items	75
3.	Petty Shop	10
Total		100

From the above table, majority of the members (75) go for catering and food items business which is has an immediate local demand as they require less capital investment as well. The other 25 members of the sampled respondents had selected tailoring and petty shop businesses as these require skill and experience.

FINDINGS FROM THE ANALYSIS

The study was undertaken for the women entrepreneurship through SHGs in YSR district IN A.P. India. Findings of the study are :

- There are 35,338 SHGs existing in the YSR district, A.P. India on 2009-10.
- An amount of Rs. 748.372 crores were financed to 78,378 SHGs in YSR district until 2009-10.
- Totally 1567 SHGs are functioning with 19087 members in the selected mandals of Kodur and Ramapuram in YSR district
- The age-group 21-30 and 31-40 years members were voluntary involved and highly influenced with entrepreneurial activities.
- Most of the SHG members studied primary and below 10th standard (45 members) in the study area.
- The most of the members about 53 members earn less than Rs.1500 and earning capacity increased from Rs.1500 to 3000 and 4000 in the study area.
- Most of the select women entrepreneurs are from the nuclear family and with size of 4-6 members in the family.
- The most of the respondents (60 members) in the study are joined in

SHGs for family support and financial security.

- Most of the sample respondents incurred Rs.200-3000 before joining SHGs. But the expenditure level has increased to Rs.3000-4000 and above after joining SHGs.
- The most of the sample women entrepreneurs in the study have preferred catering and food items like small tiffen stalls in the study.
- The more loans sanctioned for the purpose of business as to empower the women and their families in the SHGs.
- Most of the members of the study (26 members) are availing themselves of loans from Rs. 20,001-30000 to start the business and better support their families.

SUGGESTIONS FOR THE STUDY

The following suggestions are made for women entrepreneurship and effective implementation of SHGs in YSR district in particular and in India in general.

- The Government should implement all micro-finance schemes effectively and systematically.
- Women should be educated towards their opportunities and upgrade their knowledge according to the social and technological changes.
- Women should maintain interest in empowering themselves and prepare themselves to face any problems in their businesses.
- The women are trying to exercise variety in their business ideas, but

need support from the family members and a positive attitude from society, in particular for establishing and sustaining in their enterprises. Women should balance both the family and business to empower themselves.

- Encouragement by the family is the most important factor facilitating entrepreneurship. In spite of strong will and firm determination, women entrepreneurs look for support from family members, friends, Government and from others in the immediate society in which they operate their business.

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