

STATUS OF WOMEN ENTREPRENEURSHIP AND MICRO FINANCE : THE MANIPUR EXPERIENCE

Voice of Research
Volume 3 Issue 3
December 2014
ISSN No. 2277-7733

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Abstract

Globalization and economic liberalization with the doctrine of free markets have opened up tremendous opportunities for development and growth and consequent modification in livelihood strategies. In every society women play critical roles in the family and outside. Socio-economic advancement of a country can be judge best by the status and position of women. Women constitute half of the total population in the world Empowerments of women is a critical factor in the eradication of poverty through remunerative and non remunerative work at home, in the community and in the work place. Women in income generating activities is related to increase their status, role and decision making power in the family and in the society. The extension of small loans through Self Help Groups can help in the growth of micro enterprises in any region. Micro finance has evolved as need based policy and programme to cater the needs of neglected groups especially women, poor, rural deprived etc. Microfinance is one of the most effective and flexible strategy to fight against global poverty.

Key words : Microfinance, SHGs, Entrepreneurs, NGOs.

A women entrepreneur is regarded as multi-functional personality discharging different roles such as those of capitalists, an inventor, a promoter, a co-ordinator, a manager, an administrator, a risk-bearer, an innovator and a decision maker. So, her unemployment towards work, paucity of funds and imperfections of markets and other conditions, the functions of entrepreneur would be changed for time and place (Walokar Durga, 2001). As an entrepreneur, the women has to involve for establishing her enterprise regarding the idea generation and screening, determination of forms of business organization, product analysis, determination of objectives, project preparation, completion of promotional formalities, raising funds, procuring men, machine and materials (Khanka S.S. 1999). There should be a link between the entrepreneurial functions and the entrepreneur. Therefore, the activities of a women entrepreneur which she has to perform in an under-developed economy for successful operations of her enterprise are listed as:-

Undertaking of risks and the handling of economic uncertainties involved in business : Risk taking by a woman entrepreneur can be considered as a means of provision for establishing the enterprise and running it. Generally, women have more power of taking risk of any job. Therefore, an important function of an entrepreneur is to reduce uncertainty in her plan of investment as well as expansion of the enterprise. She assumes all possible risks of business considering the changes in market, consumers, techniques or production, new inventions and all the aspects directly or indirectly related to the enterprise. She tries to minimize the uncertainties by her initiative, skills and rational judgement.

Entrepreneurial decision-making : In order to keep best result for future prospects she should decide the nature and the type of product and the organisation. She should take the decision about everything that are essential for everything out and for changing in the size, location and process for the development of her enterprise.

Managerial-functions : The women entrepreneur has to plan everything, organises all the factors, resources and related aspects which were required for successful running of her business.

Innovations : Literary meaning of innovation is doing new things or the doing of things that are already being done in a new way. So, a woman entrepreneur should have to develop the idea for the improvement in the various aspects of business, considering the viability and feasibility of corresponding factors. There were no distinction in entrepreneurial function on the basis of sex. According to Frederick Harbison, the functions of women entrepreneur has classified into five categories as:- Exploration of the prospects of starting a new business enterprise. Undertaking of risks and the- Handling of economic uncertainties involved in business. Introduction of innovations or imitation of innovations Co-ordination, administration and control. Supervision and leadership. Better economic growth of a nation draws vital initiative from a stream of young and talented women entrepreneurs. So, the economic development of a nation depends on the function of effectiveness of women entrepreneurship. It is not much to say that India has remained less developed today because of lacking adequate entrepreneurship among women. Still, Manipur remains poor as compared to other states of India because of the absence of industrial units and also lack of women entrepreneurs. The role of women entrepreneurship in economic development is not unknown to use because the entrepreneurship has been playing a significant role in the development of business in India from the days of Indus valley civilization when our merchants were always ready with new products entering new markets, etc. As society changes over the years, the Indian economic scenario has also undergo a drastic change. Intensified competition has become the order of the day and entrepreneurship among Indian women is considered as the major means which links the socio-cultural milieu with rate of economic development. India in the past and even today, in some orthodox community, the rate of women entrepreneurial participation is dependent on a number of socio-cultural factors like caste, size of the family, economic status, level of education, customs, training, etc. Entrepreneurs help in generating employment both directly as well as indirectly, contributed to improvement in the living standard; facilitate establishment of forward and backward linkages.

According to Joseph A. Schumpeter, "the rate of economic progress of a nation depends upon its rates of innovation which in turn depends upon the distribution of entrepreneurial talent in the population. He further suggested that technical progress alone could not lead to economic development, unless technological breakthroughs are put to economic use by entrepreneurs (Gupta C.B. 2001). Economic development essentially means as process of upward change whereby the real per capita income of a country increase over a long period of time. Here, the entrepreneur acts as a key to the creation of new enterprise thereby increasing the economy of a country. Thus, the entrepreneurs both men and women initiate and sustain the process of economic development in the ways like:

Capital formation : Entrepreneurs mobilise the idle savings of the public through the issues of industrial securities. Investment of public savings in industry results in productive utilisation of national resources. Rate of capital formation increases which is essential for rapid economic growth. Thus, an entrepreneur is regarded as the creator of wealth.

Improvement in per-capita income : Entrepreneurs locate and exploit opportunities. They converted the latent and idle resources like land labour and capital into national income and wealth in the form of goods and services. They help to increase Net-National-Product and Per-Capita income in the country which are important yardsticks for measuring economic growth.

Generation of employment : Entrepreneurs generate employment both directly and indirectly. Directly, self-employment as an entrepreneur offers the best way for independent and honourable life. Indirectly, by setting up large and small scale business units they offer jobs to millions of people. Thus, entrepreneurship helps to reduce the unemployment problem in the country.

Balanced Regional development : Entrepreneurships in the public and private sectors help to remove regional disparities in economic development. They set up industries in backward areas to avail of the various concessions and subsidy offered by the Central and State Governments.

Improvement in living standards : Entrepreneurs set up industries which remove scarcity of essential commodities and introduce new products. Production of goods on mass scale and manufacture of handicrafts, etc. in the small sector help to improve the standard of life of a common person. These offer goods at lower costs and increase variety in consumption.

Economic independence : Entrepreneurship is essential for national self-reliance. Industrialists help to manufacture indigenous substitute of hitherto imported products thereby reducing dependence on foreign countries. Businessmen also export goods and services on a large-scale and thereby earn the scarce foreign exchange for the country. Such import substitution and export promotion help to ensure the economic independence of the country without which political independence has little meaning.

Backward and forward linkages : An entrepreneur initiates change which has a chain reaction. Setting up of an enterprise has several backward and forward linkages. For example, the establishment of a steel plant generates several ancillary units

and expands the demand for iron ore, coal, etc. These are backward linkages. By increasing the supply of steel, the plant facilitates the growth of machine building, tube making, utensil manufacturing and such other units. Entrepreneurs create an atmosphere of enthusiasm and convey a sense of purpose. They give an organization its momentum. The practice of entrepreneurship is as important to establish firms as it is to new ones.

Objectives : To study the growth and development of Self help Groups in Manipur. To enquire into the socio-economic origins of the entrepreneur belonging to Self Help Groups. To assess the qualitative and quantitative outcome of the Self Help Group members.

Hypothesis : SHGs provide opportunities for Self employment to large number of people particularly women in Manipur. If SHGs are properly developed, the unemployment problems can be solved to a great extent. SHGs are contributing a lot in the development of cottage and village industries in Manipur.

Self Help Groups in Manipur : Now-a-days SHGs are gaining popularity in rural and urban areas. The SHGs started playing an important role in the rural development. The World Bank Report (1991) has observed "women are central to success of poverty alleviation effort in the short and medium as in the long run". Manipur, a small land locked state belongs to the North Eastern Region of India. Traditionally man goes for employment and women look after household management. There are no industries, private companies or public sectors companies worth mentioning in the state of Manipur. The agricultural activities, kitchen gardening, handloom, weaving etc. are left to women. Traditionally women are physically strong and carried out rigorous hard work in agriculture sector. At the same time, they have acquired a special skill of traditional handloom, weaving, shawl making and knitting. They want to be economically independent and contribute in bringing the state out of economic crisis. So, Self Help Groups are becoming a significant market force in Manipur due to its socio-economic factors. Self Help Group was started, in 199K-^9 in Manipur with low institutional response. Although efforts were made by NGO and other bodies since 1990's, they couldn't achieve the momentum as in the case of other states. One of the good approaches for growth and development is Self Help Group. SHGs not only provide the member with an "opportunity to carry out economic activities but also discuss and analyse their social and economic situation to arrive at the root causes of their problems and strive to find out the solution. It is a forum for collective voice of the poor against common oppression and exploitation, to understand individual and problems and improve their skill and capacities and manage resources. SHG is the basis "for action and change" (Gupta, 1993). In order to incorporate the basic characteristics of viable SHG, it is important to promote SHG for the poor in a systematic fashion. Thus, the role of Self Help Promoting Institution (SHPI) becomes very important as it is not credit only but SHG operates. Looking into it conceptually, self help groups emerged as an institution which is small but a powerful change agent. It acts as a social institution as well as economic institution at the grassroots level.

The emergence of SHG is an outcome of several experiments conducted at the Saving and Credit Management Groups (SCMG), sponsored by Mysore Resettlement and Development Agency (MYRADA). National funding organizations like National Bank for Agriculture and Rural Development (NABARD), Small Industrial Development Bank of India (SIDBI) and Rastriya Manila Kosh (RMK) and government organization advocated forming of SHG and providing or linking with credit. The Institute of Cooperative Management (ICM) Imphal, a regional branch of National Council for Cooperative Training (NCCT), New Delhi undertook the NCUI - Women Cooperative Education Project (WCEP) in Imphal East in August 2000. The leading role played by this project is the process of gradual recognition of the key position in the micro finance through SHGs for strengthening the socio-economic base of rural development. In 2001, Manipur Rural Bank could help 55 SHGs with Rs. 4.45 lakh as loan. The UBI had gone ahead with 66 SHGs being helped by Rs. 15.75 lakh followed by SBI with only one. The number of SHGs in Manipur increased dramatically from 122 in 2001 to 571 in 2004-2005 registering the increased of 873 percent. The Manipur Rural Bank does better in terms of the number of SHGs while the SBI does better in terms of credit. The number has increased to 2338 SHGs by the end of 2006-2007 with an amount of Rs. 882.80 lakhs. And the number has also dramatically increased to 7229 with an amount of Rs. 3216.38 lakhs in 2008-2009. In Manipur, the SHG Bank linkage programme is making good progress.

Table No.1.

The status and trend of SHGs in Manipur 2002-2009

Particular	2002-03	2003-04	2004-05	2006-07	2007-08	2008-09
No. of SHG credit linked to bank	30	63	571	2338	4719	7229
Amount of bank loan disbursed(Rs. lakh)	-	11.20	241.66	882.80	637.84	3216.38

Source: State Focus Paper, NABARD, 2009 June

In Manipur there are 11 commercial banks, one regional rural bank and 4 co-operative banks. From Sept. 30, 2008, the participation of different Banks i.e. Vijaya Bank and Punjab & Sind Bank have started deposited linked with 5 SHGs and 29 SHGs respectively. Indian Overseas Bank and newly opened Axis Bank have not started with SHGs. State Bank of India has credit linked with 397 SFIGs under Swarnajayanti Grameen Swarojgar Yojana (SGSY) and 2119 SHGs directly with Rs. 412.45 lakhs and Rs. 1,372.59 lakhs respectively. Manipur Rural Bank has the maximum share in the SHG bank linkage programme in Manipur with 3414 SHGs with credit linked of Rs. 855.06 lakhs. As on June 2009, the total credit linked of 7229 SHGs of Manipur with various banks was to the extent of Rs. 3216.38 lakhs. The participation of Banks in the SHG bank linkage programme is given in Table 1.

Table No. 1.2

Status of the SHG- Bank linkage programme in Manipur as on June 2009

Sl. No.	Bank	No. of SHG with deposit		No. of SHG with Credit				Total	
		No. of SHG	Amt.	Under SGSY		Direct SHGs		No. of SHG	Amt.
				No. of SHG	Amt.	No. of SHG	Amt.		
1.	Commercial Banks	11005	1744.66	1331	736.83	2362	1491.77	3693	2228.60
2.	Regional Rural Banks	4544	98.57	7	5.00	3412	850.06	3414	855.06
3.	Cooperative Banks	1250	15.44	76	127.00		5.72	122	132.72
	Total	16799	1858.67	1409	868.83		2347.55	7229	3216.38

Source: SLBC, Manipur, June 2009.

The programme of SHGs started in Manipur fairly late and the state could not achieve the momentum when compared with other states like Andhra Pradesh, Karnataka and Tamil Nadu. In fact, if we could act on time, the capital and human base of the SHGs operating in Manipur could have been strengthened much more than what we see today. In the other words both qualitatively and quantitatively much remains to be done to improve the SHGs in Manipur.

Methodology : Manipur is divided into two tracts - hill and valley. The districts covered for the present study are- Ukhrul, Senapati, Tamenglong, Chandel and Churachandpur from the hill and - Imphal East, Imphal West, Thoubal and Bishnupur from the valley districts. The successful SHGs are found more in Imphal East and Imphal West Districts as compared to other remaining districts. The numbers of groups are not equally selected from each district. The selected number of SHGs from each districts are given in Table 1.3.

Table No. 1.3

District-wise selected number of SHGs

Sl. No.	Districts	No. of SHGs	No. of Women
1	Imphal East	40	80
2	Imphal West	20	40
3	Thoubal	9	18
4	Bishnupur	5	10
5	Ukhrul	5	10
6	Tamenglong	5	10
7	Senapati	5	10
8	Chandel	6	12
9	Churachandpur	5	10
	Total	100	200

Source: Field Survey

Need for the study : Entrepreneurship is essential for national self reliance. The factor that contributes to the development of women is the social mobility Women's mobility depends on the active participation and involvement in any developmental activities specially economic development. Women entrepreneur and labourer is a major thrust in the present economic scenario of Manipur. One of the most important factors for the success of any enterprises is the timely and sufficiently availability of institutional finance. The problem of unemployment is increasing by leaps and bounds in our society. The economic needs of family are increasing day by day compelling women to take up gainful employment outside the home. Self Help Groups work for the upliftment of the women. This study can be considered as an important contribution towards the development and growth of micro enterprises in Manipur. The vulnerable women specially rural women, if turned into entrepreneurs will not only place themselves into the saddle of gainful employment but also creates jobs for the placement of their status in the society. The self-employed women uplift themselves in the socio-economic

sphere. Apart from socio-economic changes, employment also provides some relief from the monopoly of home and routine work. Self Help Group is the only means for the development of socio-economic status of women particularly in the state of Manipur. Being a 'and locked state, the scope of setting up large and medium sized industries are also deemed. The only means for solving unemployment problem and tapping locally available resources is through fostering entrepreneurship in Self Help Groups in Manipur Vinayagamorthy (2007) also stated that poverty and unemployment are the major problems of any underdeveloped countries to which India is not exception. In India, at the end often Five Year Plan 26.1 per cent of the population was living below poverty line. Self Help Group is a tool to remove poverty and improve the development process. So, this study is necessary to focus attention on the entrepreneurship development through Self Help Group coming up in the different districts of Manipur.

Finding : It is found from the study that all the factors related to SHGs are the main factors contributing to the success of the SHG. To confirm this variation of opinion held by SHG members with respect to these factors, χ^2 – test has been used and it is found to be highly significant at 5% level of significance with p-value <0.001. It is observed from the opinion given by the members that to get financial help at the time of emergency, to get socially and economically empowered and develop the habit of saving among women are the most and general expectation of SHG member for joining in the group. Most of the SHGs in Manipur are appreciated by the people due to their social and economic activities.

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