

SHG: A Sustainable Livelihood to Promote Social Entrepreneurship

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Abstract

Globalization has imposed severe constraints to sustainable livelihoods for poor women. This needs solutions that go beyond micro-credit. The SHGs played a major role in achieving a sustaining livelihood. SHG clearly indicated that when it is well administered it can lessen poverty and it can be developed as social entrepreneur. This paper is a study of SHG a sustainable livelihood to promote social entrepreneurship.

SHG a sustainable Livelihood

Self Help Groups are considered as one of the most important tools to adopt participatory approach for the economic empowerment of women. The basic objective of an SHG is to empower rural women and to create income generating capabilities for poor rural women, by providing a sustainable micro enterprise opportunity, and to improve rural living standards through health and hygiene. SHGs reveal that individually these women had accepted their poverty and miseries. They had little hope for improving their life. But, the formation of SHGs has led to growth of awareness, capacity building, education and availability of information which has led to confidence building among rural women. This has helped them to struggle and win over various social issues like prohibition of alcohol in the village, creation of awareness on HIV and ability to handle complex issues. The women after being attached with the SHGs are able to deal with banks, government officials and NGOs. It is an important institution for improving the life of women on various social components.

SHGs comprise of very poor people who do not have access to formal financial institutions. It enables its members to learn to cooperate and work in a group environment

- An SHG is generally an economically homogeneous group formed through a process of self-selection based upon the affinity¹ of its members.
- Most SHGs are women's groups with membership ranging between 10 and 20.

- SHGs have well-defined rules and by-laws, hold regular meetings and maintain records and savings and credit discipline.
- SHGs are self-managed institutions characterised by participatory and collective decision making. Self Help group (SHG) is a self-governed, peer-controlled small and informal association of the poor, usually from socio-economically homogeneous families who are organized around savings and credit activities. Funds for credit activities are coming through regular savings deposited by all of its members on a weekly or fortnightly basis. In the meetings they discuss common village problems and plan solution, share information; make efforts to improve their health and literacy skills.

The very existence of SHGs is highly relevant to make the people of below poverty line hopeful and self reliant. SHGs enable them to increase their income, improve their standard of living and status in society. It acts as a catalyst for bringing this section of society to the mainstream. SHG is a homogeneous group of poor, women, users etc. This group is a voluntary one formed on areas of common interest so that they can think, organize and operate for their development. SHGs functions on the basis of cooperative principles and provide a forum for members to extend support to each other. It is considered as a means of sustainable development. Since the early 1970s, the international community realized the relations between development, poverty and environmental degradation.

SHG to promote Social Entrepreneurship

It is true that SHGs have been seen mainly as entitles for saving and borrowings. This was the thinking of an earlier generation of SHGs, but today, in some parts of the country, SHGs are taking on new roles and responsibilities that lie at the very core of livelihood security for the poor and also developing as social entrepreneur. Globalization has imposed severe constraints to sustainable livelihoods for poor women. This needs solutions that go beyond micro-credit. The SHGs play a major role in achieving a sustaining livelihood by facilitating the rural women to enter into entrepreneurial activities. Globally, it is slowly proving one of the most effective strategies to neutralize poverty. There are many instances that rural women form SHG groups but they are dysfunctional quite after their formation. It is due to lack of social entrepreneurship skills among rural SHG women. SHG clearly indicated that when it is well administered it can lessen poverty and so it can be developed as social entrepreneur.

Entrepreneurship amongst women has been a recent concern. However it is observed that the development of women entrepreneurship is very low in India, especially in the rural areas. Social entrepreneur is an assistance tool for the government and can be applied to the solution of social problem

In the area of development for rural women, the focus must be laid on developing the women through increasing their economic power, social power, participation and decision making levels. This is achieved to a large extent through the formulation of Self Help Groups and it should be promoted to create social entrepreneurship for development. Social entrepreneurship is important for sustainable development because it creates economic growth. Social entrepreneurship creates innovative solutions to mobilizes resources for sustainable development. Social entrepreneurship is a process of involving innovative opportunities to address social needs and change.

Social entrepreneurship is made up of two words Social + Entrepreneur. The word social is very broad term. Social entrepreneurship means different things to different people, since the entrepreneur, entrepreneurial process and the activities involved, as well as the environment that enables or to promote entrepreneurship, all differ substantially

Social enterprises are generally of the co-operative type that are dedicated to the creation of social impact for the community, and combine revenue generation with the work or participatory activity of program beneficiaries.

Social Enterprises:-

- Operate as commercially run businesses
- Aim to make profits
- Generate the bulk of their income through sales of goods or services
- Use good business practices and principles
- Use the majority of their profits to further social or environmental goals
- May hold the Social Enterprise Mark

From the above discussion it can be concluded that SHG comes under the ambit of social entrepreneurship.

Conclusion

The SHG system has proved that it is very relevant and effective in offering women empowerment and has great potentiality to be developed as a social entrepreneur. In our country the pioneer in this field is Self-Employed Women's Association (SEWA). Without the Grameen model SEWA was started in 1972. SEWA has also networked many co-operatives and emerged as the largest federation of co-operatives in the country.

In Southern India organisations like PRADAN, MYRADA, ASSEefa, MALAR etc. have entered into this rural credit system as a social entrepreneur.

Suggestions

Social Entrepreneurship through Self-Help Groups Self-Help Group (SHG) enables the rural poor to earn their own livelihood besides participating in the process of development. The SHG scheme has been extensively used by voluntary agencies for a long time but has been incorporated in the conventional development programmes. A typical rural women's self-help group is a good example of capacity building for prospective entrepreneurs. Its aims include enabling members with no educational or industrial or entrepreneurial background to become self-dependent and self reliant by developing and enhancing the decision-making capacity of members and instilling in them the strength and confidence for solving their problems. They provide poor people a forum where they can learn about collectively mobilising and managing money and matters. Few other Central and State government schemes aimed at capacity building of women and others for entrepreneurship include the „Stree Shakti“ programme in the dairy cooperative sector in M.P., training-cum-employment programme for women called Swa-Shakti and Rashtriya Mahila Kosh Project –supported by the World Bank and International Fund for Agricultural Development (IFAD). In spite of the rapid growth of self-help groups in India, the full potential of utilizing self-help groups remains untapped. One of the reasons may be attributed to the lack of systematic research and solid methodological foundations.

Interventions are needed to motivate SHG towards entrepreneurship through Grassroots Management Trainings (GMTs), to become Social Entrepreneur. Most of the women in these SHGs are already collecting savings for internal lending as well as to become eligible for matching grants and financing from government banks. GMTs are intended to do as orientation to enterprise for women who are primarily used micro-credit for consumption and limited production. This orientation training will be

divided into modules consisting of topics such as gender issues in enterprise, how to do a market survey and select an enterprise, feasibility, business planning and marketing. The orientation will provide women an idea of what business services other than micro-credit are needed for promotion of Social enterprises. This will give an early start to enterprise awareness generation.

SHG needs recognition and visibility. For the best ideas coming from SHG to be replicated to become social entrepreneurship. Nabard Bank recently organized mela in the Bhagalpur District, Coordinator Disha Grameen vikas manch to facilitate the product of SHG. Most of the product of SHG was Marketed by NGO's.

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