Community - Based Women Entrepreneurship : Reappraisal of Self Help Group

Brajaballav Kar

Introduction:
There is a radical undercurrent of socio-economic transformation in Odisha. Women Self Help Groups as entrepreneurial organization have started contributing to their own cause and to the economy. Women entrepreneurship has many interwoven dimensions and hence presents many challenges. This article would consider few aspects of such complexity.

Entrepreneurship as a phenomenon depends on multiple factors. Individual demographic factors (age, sex, income, community, education, region etc), psychological factors (intention, attitude, need for achievement & power etc) and situational factors (role model, life events, and influences etc) all contribute in a complex way for entrepreneurship. Along with the factors above, societal factors like culture, belief, value system, competition and cooperation between individuals, familism and support system also contribute towards formation and growth of entrepreneurship. Indian society being a multi-cultural and multi-stratified one presents huge variation in entrepreneurial behaviour and activities.

As defined by Kauffman centre of USA, entrepreneurship is “the process of uncovering or developing an opportunity to create value through innovation.” It divides entrepreneurs into two categories: “lifestyle entrepreneurs” and “high growth entrepreneurs”. If the entrepreneurship is towards the objective of supporting family income or to maintain a desired lifestyle, then it is called lifestyle entrepreneurs. They are generally independent minded and have control over their own organizational activities. These entrepreneurs are more likely to be solo-entrepreneurs, or in some cases sacrifice little control by taking few employees for organizational growth. Family owned business is a classic example of such entrepreneurs. In case of high growth entrepreneurs, they go for substantial innovation, acquire business growth based on innovation.

In general, there is no fixed or predictable pattern to identify entrepreneurs; there is no ideal entrepreneur profile. Secondly, new firm creation is generally attributed to single individual, however in recent past there have been some researches as to collective efforts for creation of single organization. In this context the experimentation of creation of women self help groups for livelihood presents different dimensions for analysis. Dimensions of gender, group, sustainability of the organization, external intervention to create an organization, and expected outcomes are complex.
Employment and Entrepreneurial status of women in Odisha:

Women employment in Private and Public Sector: Economic Survey 2013-14 indicates that women are about 45 percent of the total workforce in Odisha. From the Annexure 2.19: Employment in the Organised Sector 2000 to 2012, it can be calculated that from 2006 to 2012, the share of women employment in public sector has increased from 16 percent to 18%, however the total public sector employment itself has gone down by 6 per cent during the same period. Women employment itself has increased 4 per cent during the same period.

But in case of private sector, during the period 2006 to 2012 the total employment has increased about 40 percent. Women employment as the percentage of private total employment remains more or less constant about 10 percent during the period. The increase of women in private employment is 27 percent during the period. However in Odisha, private sector employment is 17% of the total private and public sector put together. This share of private sector has increased from 12 per cent in 2006 to about 18 per cent in 2012.

Women & agriculture: The economic survey 2013-14 quotes an interesting fact in the census 2011. Out of 175.41 lakh workers, 61.8 percent of the total workers were engaged in agricultural activities either as a cultivator or workers as compared to 64.8 percent in 2001 census. The fall in the number of cultivators, during the decade 2001-11 was due to less participation of women cultivators. The number of women cultivators decreased from 9.00 lakh in census 2001 to 7.29 lakh in census 2011 while the numbers of male cultivators has increased by 0.28 lakh during the decade.

Women in MSME: In the district-wise break up of MSME for the year 2012-13 (Annexure 4.3), the Economic survey 2013-14 points that, the number of MSMEs were 5931 and the total employment created was 27104 of which women were 3693 constituting about 13.6 percent of the total employment.

The Gender Disparity report of Odisha for the year 2010 in its Table -73 gives number of MSME set up by women entrepreneurs in Odisha. This report quotes the source as Directorate of Industries, Odisha. From the report it can be calculated that, in the year 2007-08 and 2008-09, 13.4 per cent of total MSMEs were by women. In urban areas, during these two years the percentage was 16 per cent whereas in rural areas it was about 12.2 per cent. The distribution of sector for women entrepreneurship for few of the sectors are as follows; Repairing & Servicing 46.1 per cent, Textiles 16.3 per cent, Food & Allied Based 12.6%, Forest & Wood based 9.2 per cent, Engineering & Metal based 4.8 per cent, Chemical & Allied Based 3.0 per cent, Glass & Ceramics 3.1 per cent, Manufacturing 2.2 per cent.

Women Self help Groups: As per the economic survey, about 64.37 lakh women are enrolled in 5.36 lakh WSHGs. These have been supported by the Mission Shakti programme. They have taken up various livelihood programmes and have been contributing to the economy.

National Rural Livelihoods Mission (NRLM)

NRLM, in its Annual Action Plan for Odisha (2012-13) indicates that economic vulnerability of people is due to lack of skills, opportunity and market, for activities beyond farming.
The NRLM status report quoting State Level Banker Committee (SLBC) report of September 2011, indicates that 4.38 lakh of Women SHG (WSHG) has been formed. The SHGs have saved Rs.341.91 crores, availed credit of Rs. 2748.87 crores. The SLBC report does not indicate if the financial figures are as on figures or during the period figures. These figure indicate that per single SHG the saving is Rs 7806 but if we compare the per SHG credit; it is about Rs 63000. It is an unlikely situation without considering accrued interest and non performing assets. Even considering the average number of members to be 7 per SHG, the amount of savings is very low compared to expectation. It raises the questions like, “Are the savings adequate?”, “Are the credit off-takes adequate considering the operations?” and “what level of Non Performing Assets and accumulated interest are included in these numbers?” As per the NRLM report itself, there are issues like exact estimate of number of SHGs, functioning status and quality of operation. Second major issue is that of quality of book-keeping and repayment status. It seems that many such are formed without a goal and financial viability, at the same time livelihoods portfolio of rural poor household is sub-optimal.

Government is considering different strategies and intervention programmes to support SHGs in Marketing and Infrastructure. It plans to create market networks for selling out the rural products. There is also a strategy of “Demand Driven Approach” wherein the livelihood activities, requirements and placement of funds will be as demanded by the SHG.

In a sense, there are concerns about the effectiveness of the whole process. It may not be enough to just push for formation only, the group must function effectively in order to be sustainable. Sustainability would require that the group continuously identifies the market need and has the capability to satisfy the market need. These efforts would come from group-dynamics as well as continuous innovation.

Odisha Rural Marketing Society (ORMAS):

It is engaged in giving marketing related support services and organizes different exhibitions for rural products. The data of ORMAS in its website indicates that the number of exhibitions to promote rural products has gone up over the years, but revenue per stall and per participant is not substantial. The product profile of ORMAS involves agri-products such as Dal, Rajma, Minor Pulses, Turmeric, Ginger, Jeera Rice, Hill Broom (Phooljhadu), Tamarind, Amla, Honey, Agarbatti, Groundnut and Badi etc. Such agri-consumable products are not bulk procured by customers. Thus the market demand at any given time, will be maximum of few weeks of requirement. Though such products have the goodwill of being pure, would not be generating enough revenue for the producers. From the marketing perspective, the positioning is good, but place and price do not justify its value proposition.

Most of the SHGs are involved in producing such products. Marketability of such agri-based products of SHGs is quite challenging. So, the formation of SHG and its sustainability will have its own issues and challenges. In the subsequent section, the article discusses the structural aspects group, gender and location, to establish the relevance of innovation as proposition.

Individual vs Community approach:

Entrepreneurship literature emphasizes entrepreneur as a single individual in general, with creative ideas and urge to establish an organization. At the beginning s/he keeps working on the ideas,
brings out products and services to the market and gradually builds up the organization as the demands of business grows up. Thus there is one individual or few individuals in the beginning. But in case of SHG, the very first step is to have collective persons to form an organization and then think about the ideas of business or take up some economic activities that the members are capable of. Bertaux and Crable (2007) took a case study of Indian women in rural area who have become successful entrepreneurs with the help of technology, training and other resources. In this case it was community based entrepreneurship. Entrepreneurship gives flexibility to women to engage both in income generation as well as in attending household works.

In a community based approach, there could be many issues starting form the intention of the individuals to join the group. All the members may not be equally inclined to do a business. They may not come with equal skill base and ideas for business. The business decision making process may become more democratic and less business like. The capability and competency of each of the members to display business jurisprudence may also skew the decision making process. Further it may be difficult to push radical product or process design in case the members are conservative in nature. Most ideal situation could be of a well directed effort for shared vision of its members. Depending on the constitution of SHG the leadership of the group may change in different periods, posing a challenge to generation of ideas and implementability.

Rural vs Urban:

Self Help Groups formation is predominantly a rural phenomenon, wherein there are inherent challenges of rural market. In a rural market, number of marketable ideas, demand, information availability, scale of operation, infrastructure, support system, market linkages etc. also present challenges to success and sustainability of SHGs. In the current market scenario, the bottom of the pyramid concept by C.K. Prahalad and Stuart Hart is forcing the large companies to penetrate into remote rural places. So the SHGs do have competitions. The challenges have industry specificity. Some industries provide more opportunities for new ventures because they produce a broader range of products (Malecki 1994). Multitude of products allows many entrepreneurs to find niche markets in that segment. Few industries provide more opportunities because of the low barrier to entry such as lower start-up costs.

Because of lack of economy of scale, low demand for product and difficulty in resource acquisition, fewer numbers of rural entrepreneurs are found in small and remote communities (Dabson).

Men Vs Women:

There are many issues with women entrepreneurship. Many studies point that woman entrepreneurs in India are quite often prevented from running competitive businesses because of their relatively low education and skill levels. These factors often limit their access to the various support services (Kitching, Mishra and Shu, 2005). Mishra and Kitching found in their study that majority of the women entrepreneurs were young and educated. These women entered into the business after their marriage. Their study supports the idea that women take up business activities after being relatively free of the familial responsibilities. Thus business as a priority would come second compared to family responsibility. It is consistent with views of Anderson and Dunkelburt (1990) that in general women go through the initial phases of traditional role. The studies also point out that the decision to go for
business is influenced by advices of parents, relatives and husband, so it can be argued that there is a support system in the community or society in favour of decision of business by women. Contrary to the assertion that men are hostile to the idea of women doing business. Few other motives of women doing business have been that they don’t want to waste their time and want to do something constructive with their skill and capabilities. These can be taken up as supporting the theory of achievement orientation of entrepreneurs. However some women are forced into business by compulsion or situation. Death of earning member or loss in the earning potential of the earning member by job loss could trigger a decision towards entrepreneurship. Widowhood and divorce situation could impact the inclination to do business. There are other supporting motives, where in women would like to constructively utilize their time. Wage of paid job being restrictive in terms of time, the natural choice becomes entrepreneurship. In few cases it is to help husband, family members already in business, by contributing labour.

Of late, there has been a growth of literacy and higher education level of women. Such growth, inflates the self-efficacy, ambition towards to fruition of entrepreneurship. Individual capabilities with right degree of environmental support and availability of opportunity become the breeding triad for entrepreneurs. So the support systems for good education, motivation, social and family support, role models, availability of seed capital and suitable entrepreneurship development programmes become important to promote women entrepreneurship.

The size of organizations, owned by women entrepreneurs reflects that they prefer micro-enterprises for their low entry barriers and high flexibility. This made easy for them to manage the enterprises along with their domestic responsibilities (Lalitha, 1996). It is also asserted that many women find difficult to overcome gender stereotype, but the need to support the family, makes them open the small family business (Palanivelu and Balakrishnan, 2006). Now a days, it can be found that women in general venture into; beauty parlours, garments and textile items, cosmetics retailing, education and training, information and communication technology, financial products like insurance & mutual fund distribution, fashion designing, interior decoration, nursery and crèches, handicrafts, fast food restaurants, catering services, nursery of plants and flowers, health club and gym, soft toys, mushroom growing and processing, floriculture etc. These choices could indicate, low scale, low skill, high flexibility, low perceived risks of business. At the same time it indicates that this business portfolio is predominantly service oriented.

Though it is indicated that there are many differences between men and women getting into business, Singh (1993) in his study concluded that factors responsible for manifestation of women entrepreneurship are not different from the factors responsible for that of men. Similarly Gayathridevi (2014) found that these issues related to business are not women specific.

deHoopa et.al (2014) find evidence that women’s autonomy is positively impacted by SHG membership, but the membership does not affect subjective well-being. At the same time if the gender norms are more conservative, the SHG members have lower subjective well-being, which could be because of loss of identity or when women’s enhanced autonomy indicates a stronger violation of gender norms at the community level. On the contrary it could also mean social sanction acting against the well-being Ganesan et al (2002) indicate that the problems faced by women in
business can be effectively mitigated by building network and alliances.

**Innovation vs Capability:**

Odisha in the past and to an extent at present has lot of traditional products or services that are well known. Handicraft and weaving works like Sarees and appliqué works, filigree works, Brass and stone works, different geography specific food items are well known. These facts could indicate that, these items had had the market demand. People involved in such production have built up skill set and expertise in these areas. There are incentives from various quarters to promote such work and entrepreneurship in these areas. However it can be seen from the Economic Survey of Government of Odisha 2012-13, that number of units and per unit employment in such handicraft units are consistently decreasing. This could indicate that market demand of such traditional items is dwindling. The promotion of such product and occupation is not indicating profitability.

Thus business survival and sustainability depend on the ability to have different profitable propositions for the customers. This can be called innovation, where in one business is differentiated from others. A closure look at recent market indicates that innovative organizations survive better. Innovation demands expert knowledge, and involvement. Research suggests that there is innovation premium (Cefis and Marsili, 2006) for organization. Innovation being a drastic change is a highly competitive process and comes through contradictory multidimensional process (Cefis and Marsili, 2005).

But it is noticed that most organizations imitate the product or process (Schumpeter, 1934, 1939) and are called “Replicative Entrepreneurs” (Baumol, 2005). Innovation can add to the risk of business model (Caggese, 2012) as it would make it a different business. Innovation may not be only about a new product. It can be with regard to the process/ target segment/ branding etc. Mere adaptation has also been taken by some researchers as innovation. The only distinction between the two is that adaptors are the individuals who do things better whereas innovators are those who do things differently (Kirton, 1976).

**National Innovation Fund:**

“The purpose of innovation is to create a new value for an individual, team, organization or for society at large”- Dr RA Mashelkar. The National Innovation Fund lists few interesting innovations from Odisha. Common people have brought out innovations that could be used by the society for its betterment. Innovations like “Potato cultivation in a hay stack”, “multipurpose crutch for physically challenged”, “multipurpose farming machine”, “disease resistant brinjal through grafting”, “pedal grinder”, “paper rolling machine”, “machine for reusing waste water” and “Herbal fruit ripener” could be very relevant for people and unlock the economic potential. These innovators are yet the unsung heroes of Odisha”.

Henderson (2002) mentions that small firms have brought many new technologies, products, and services. Major innovations like the heart valve, fluid flow meter, frozen foods, safety razor, and soft contact lens are few of the important innovations by small entrepreneurial firms.

The choice of products, competition, market size determine the sustainability of any organization. Though there is no research to indicate the mortality of entrepreneurial organization, research indicates that in rural USA, less than half of all new firms survive the first few years of operation, and far fewer become high-growth businesses (Malecki 1988; “Entrepreneurs” 2002). Thus it can be anticipated
that the SHGs as entrepreneurial organization, would have similar mortality if not worse off. In that sense, it is a stupendous challenge to ensure that at least half of new formed SHGs are working properly by the end of first year. Instead of an idealistic expectation of all to survive, there should be a pragmatic estimate. The data can be generated from research to have policy indication.

Two case studies below would indicate the aspects discussed as above. These two case studies are in different context and setting.

**Case Studies:**

Goyal and Jai Prakash (2011) discuss about Rajni Bector, a woman entrepreneur, who started “Cremica”, one of the largest food processing companies of India with an annual growth rate of 30%. She had no formal training or background. She was a housewife and in late 1970's started making ice cream, sold her it at Diwali Melas. Her products were a runaway success. By the time the case was written, the company sells buns, breads, sauces, ketchups and ice creams toppings to different food industries. The company has variety of product range like Biscuits, Sauces, Jams and Ketchups, Indian Snacks, Ready to Eat Food, Condiments, Frozen Products and Bakery Products.

In another article, Padhi and Padhy (2014) bring out the case of Dibyajyoti SHG group — success story of women in rural Odisha. In this case Manasi Mahanta, the secretary of Dibyajyoti SHG group, established the brand of “Maa Pickles”. Manasi was a rural tribal housewife. She and her SHG member learnt the technique of pickle making. This brand has become renowned in Jajpur district of Odisha. The SHG started as Dibyajyoti Griha Udyog in 2008 with a loan of Rs.1,07,000 from a nationalized bank. The current annual sales turnover of this unit is Rs. 2,306,67 and also have been able to repay the bank loan.

**Discussion and conclusion:**

SHG formation and sustainability would depend on the group dynamics, attitude, interaction and team spirit among members. The growth of individual SHG would depend on innovation or adaptation of innovation elsewhere, to the changing market conditions. Growth would pose a major challenge, because a commercially successful SHG would no longer stay as SHG, they have to design ways and means of organic growth. At the same time, interview with SHG members indicate that SHG as a business form and entity enjoys social legitimacy, compared to individual driven business.

Different entrepreneurship development programmes are trying to overcome the cultural and attitudinal barriers in rural areas. One way in which attitudes change is through the increased recognition of entrepreneurs at different levels of village, district, state and nation. Entrepreneurial culture to be brought out from within, since externally imposed structure, system and procedures fail in a non-accepting culture.

Innovation and adaptation of Innovative ideas elsewhere could make SHG to have enduring success. However the ideas are to be innovated, adapted by the members depending on feasibility, capability and desirability. Such ideas can not be imposed beyond context, it can be facilitated at best. Few of the ideas like rural centre for business process outsourcing (BPO), rural or firm tourism, health rejuvenation centre, recreation and retirement-destination could be evaluated with changing context. Active co-creation of services could be considered to make sure that SHG gets started with right ideas rather than stumble along the way.
SHG Newsletter can help to promote a sense of unity, competitiveness, cooperation and recognition. Academia and SHG cooperation can be established by a mechanism to supplement for the skill and information gap.

Creation of Self Help Groups (SHG) and making them entrepreneurial, is a historical opportunity and experimentation towards the objective of a financial successful, strengthened community. This will also ensure that sociocultural issues of cooperation, trust can be revived. At the same time it may help starting an entrepreneurial tradition where subsequent generation picks up though experiential and experimental learning from the family and community.

References:


Brajaballav Kar, School of Management, KIIT University, Bhubaneswar, brajkar@gmail.com.