

A Study of Self - Help Group (SHG) based Micro Enterprises in Sikkim

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Abstract

Self– help Groups (SHGs) provide opportunities to its members to engage in entrepreneurial activities through SHG based micro enterprises. The SHG based micro enterprises play an important role in Women Empowerment besides development of Women Entrepreneurs. The present paper deals with SHG based micro enterprises in the State of Sikkim. The paper is based on primary data collected from respondents through a well structured questionnaire. The paper concludes that the SHG based micro enterprises faces many problems specifically, marketing in their entrepreneurial activities and the authorities should take appropriate initiatives and measures to ensure sustainable development of SHG based micro enterprises in Sikkim.

Key Words : Self – help Group (SHG) Micro Enterprises Marketing Problems Sikkim Authorities Sustainable Development

INTRODUCTION

Poverty and denial of opportunities have resulted in backwardness and squalor among a vast section of women in the world. Self Help Groups (SHGs) are an important mechanism to address poverty among rural women. Besides, access to credit, SHGs also offer opportunities for micro entrepreneurship by which the SHG members can utilise their entrepreneurial talent and create SHG based micro enterprises. The SHG based micro enterprises helps the poor women to enjoy the benefits of empowerment.

SHG BASED MICRO ENTERPRISES

Self Help Groups provides an excellent opportunity for entrepreneurship through SHG based Micro Entrepreneurship. The provision of micro credit allows the SHG members to become micro entrepreneurs and enjoy the benefits of social and economic empowerment. Moreover, the SHG based Micro Enterprises offers various opportunities to the SHG members to develop leadership qualities, team spirit, problem solving skills, decision making ability, self confidence.

The Micro Enterprises are heterogeneous in nature depending on many factors. They can be classified under the following categories [1]

1. Micro Enterprise associated with agriculture and allied agricultural activities.
2. Micro Enterprise connected with livestock management activities.
3. Development of Micro Enterprise connected with development of household based operations.

REVIEW OF LITERATURE

Suresh and Venkateswara Prasad (2020) [2] studied the performance of women Self Help Group members associated with business in Tamil Nadu state. The study highlights the difference the SHG members felt before and after joining business based on aspects such as confidence building, self esteem, pattern of decision making, social empowerment, capacity building, psychological aspects. Moreover, the authors also found the various factors impacting overall satisfaction of SHG members besides the problems.

Archana and Gnanaprakasam (2017) [3] studied and analyzed the various business problems faced by SHG entrepreneurs in the state of Tamil Nadu.

Deepika Gautam and Narta (2016) [4] studied the impact of training on Self Help Group members on various aspects such as formal rural finance linkage, market linkages, confidence building of self help group members, entitlement programme awareness, development programme, managerial efficiency, improving skill development programme, enhancing family income. The authors have concluded the effectiveness of micro enterprise training programme for SHG members.

Suprabha K.R (2014) [5] did an empirical study to understand the determinants of SHGs empowerment from micro finance clients to micro enterprise investors and the problems faced by SHGs in this transition besides running micro enterprises on a viable and sustainable basis.

Thileepan and Soundararajan (2013) [6] studied the important problems regarding the women SHG entrepreneurship in India. The authors have suggested important measures to overcome the hurdles that SHG entrepreneurs face.

Ajay Sharma, Sapna Dua and Vinod Hatwal (2012) [7] comprehensively reviewed literature on Economic Empowerment through Micro Enterprise Development and Rural Women Entrepreneurship and the various opportunities and challenges faced by women entrepreneurs in rural areas. Moreover, the authors examined the impact of micro entrepreneurship development and SHGs on women empowerment.

Sanjay Kanti Das (2012) [8] did a study on the basis of secondary sources, the prevailing literature on entrepreneurship through Microfinance – SHG linkage in our country, specifically, the North Eastern Region. The author also focuses on the problems of micro, rural and women entrepreneurs and provides necessary measures for the promotion of such kind of industries in India.

Subodh Kumar and Hema Tripathi (2012) [9] did a gender analysis to study the entrepreneurial behaviour of SHG members towards dairying in Eastern Uttar Pradesh. Data was collected from 208 members of 52 SHGs comprising 50% male and 50% female groups through structured interview.

RESEARCH OBJECTIVES

Following are the objectives of the paper –

1. To study the entrepreneurial activities of the SHG based Micro Enterprises in the area of study.
2. To recommend suitable suggestions to address the issues of the SHG based Micro Enterprises in the area of study.

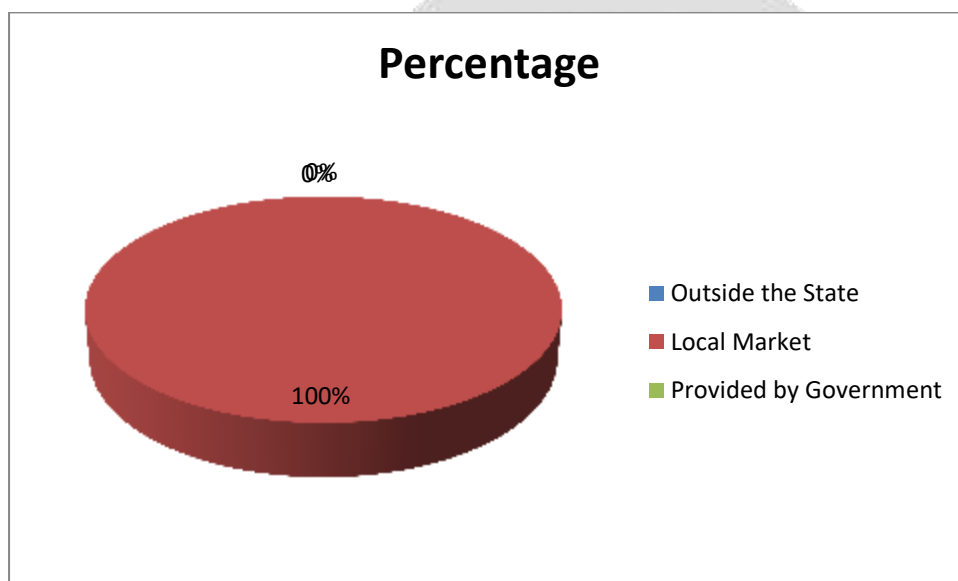
RESEARCH METHODOLOGY

The study is based on primary data. The data has been collected from the SHG members from all the districts of Sikkim based on stratified random sampling and a structured questionnaire. The sample size consists of 80 respondents. Appropriate statistical analysis has been done using tables and pie charts to analyze the data.

DATA ANALYSIS**Table 1 : Supply of factor used for manufacturing**

Source of factor	Frequency	Percentage
Outside the State	0	0
Local Market	80	100%
Provided by Government	0	0
Total	80	100%

(Source – Field Survey)

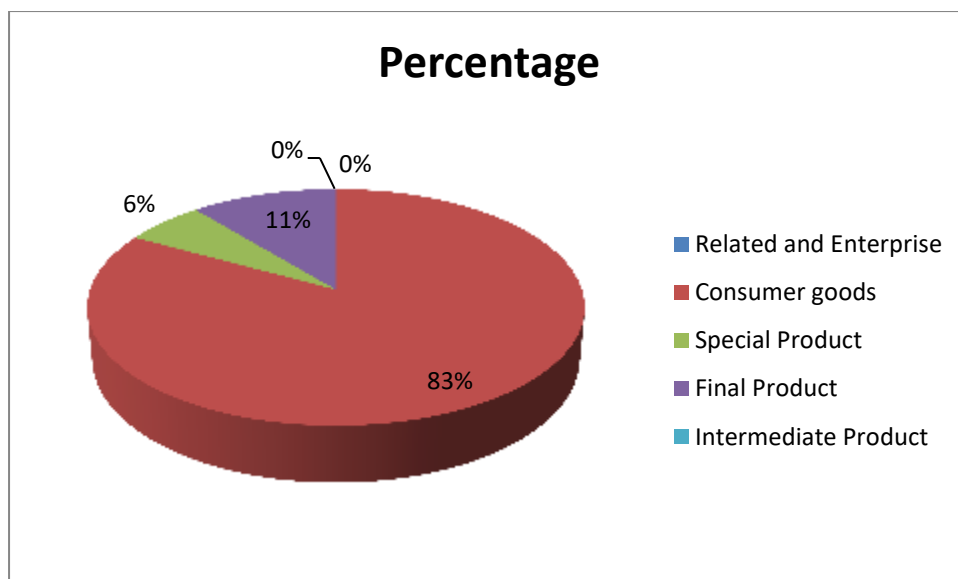


Interpretation – From the above table and pie chart, it can be observed that the SHG based Micro Enterprises in Sikkim get the entire factor needed for manufacturing from outside the state.

Table 2 : Type of Products Manufactured

Type of products manufactured	Frequency	Percentage
Related and Enterprise	0	0%
Consumer goods	66	83%
Special Product	5	6%
Final Product	9	11%
Intermediate Product	0	0%
Total	80	100%

(Source – Field Survey)



Interpretation - From the above table and pie chart, it can be observed that majority of the products manufactured by the SHG based Micro Enterprises in Sikkim are consumer goods. Besides, Final Products and Special Products are also manufactured.

Table 3 : Manufacturing Cost of Product

Cost of Manufacturing	Frequency	Percentage
High	64	80%
Low	0	0%
Moderate	16	20%
Total	80	100%

(Source – Field Survey)

Interpretation - From the above table and pie chart, it can be observed that majority of the respondents said that the manufacturing cost of the products of SHG based Micro enterprises is high. However, some said that the manufacturing cost is moderate.

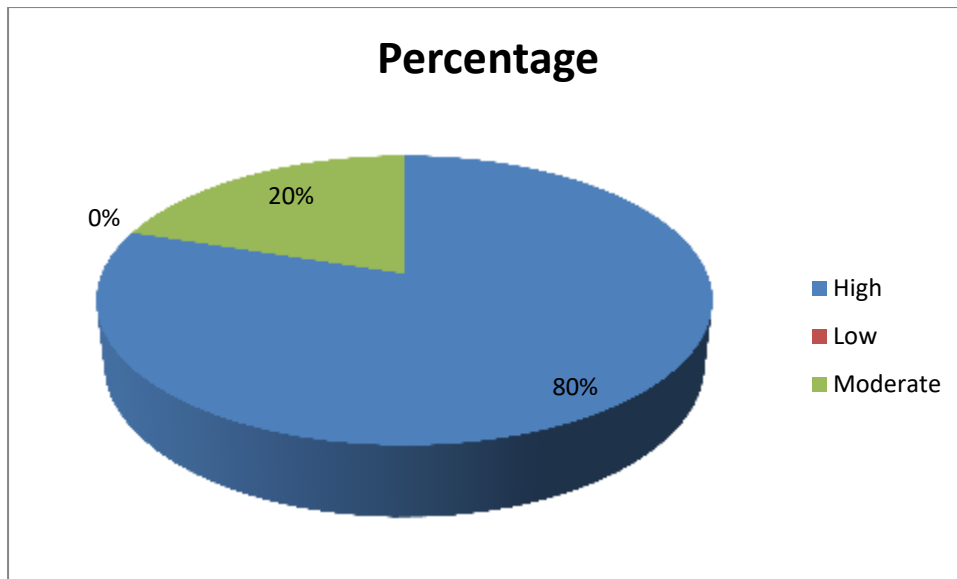
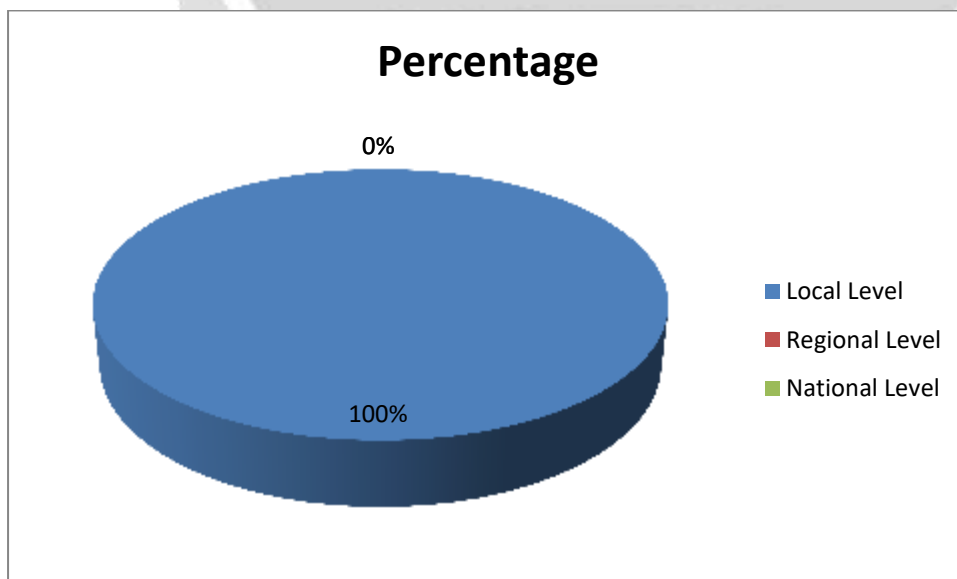


Table 4 : Product Market

Product Market	Frequency	Percentage
Local Level	80	100%
Regional Level	0	0%
National Level	0	0%
Total	80	100%

(Source – Field Survey)

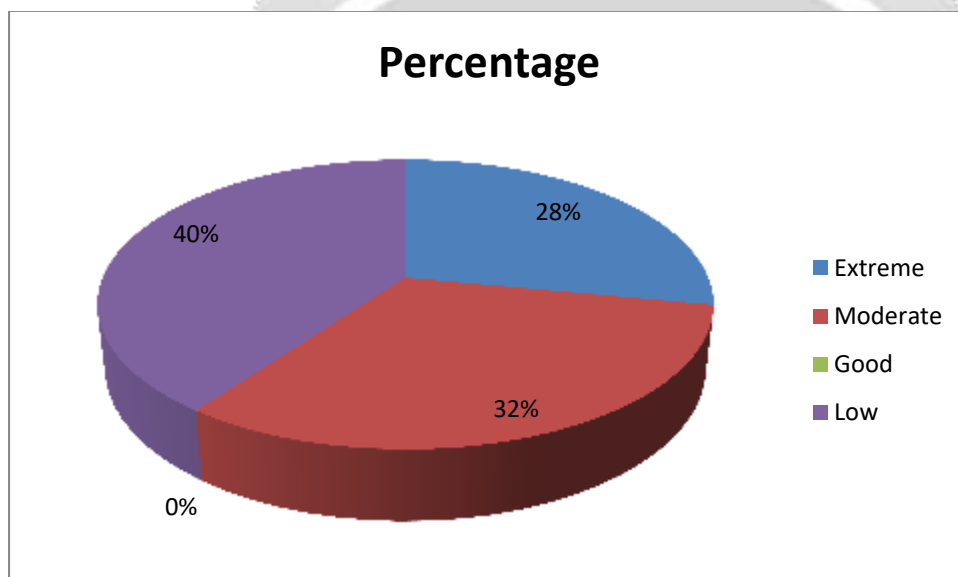


Interpretation - From the above table and pie chart, it can be observed that all the SHG based Micro Enterprises sell their products in the local market.

Table 5 : Product Demand

Product Demand	Frequency	Percentage
Extreme	22	28%
Moderate	26	32%
Good	0	0%
Low	32	40%
Total	80	100%

(Source – Field Survey)

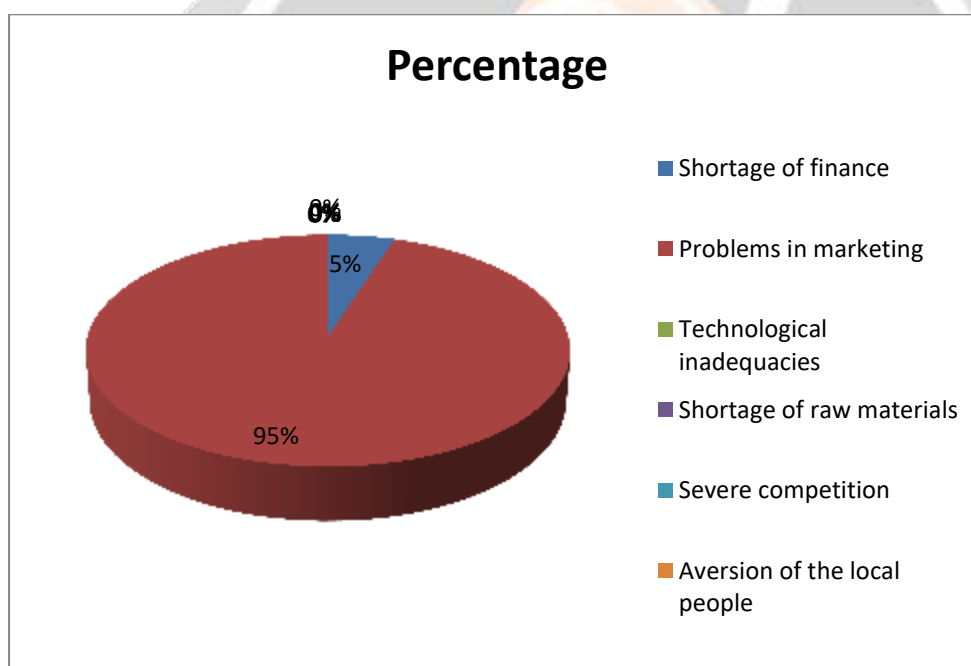


Interpretation - From the above table and pie chart, it can be observed that majority of the respondents have said that the demand of the products made by the SHG based Micro Enterprises in Sikkim is low.

Table 6 : Problems faced in running the enterprise

Nature of problem	Frequency	Percentage
Shortage of finance	4	5%
Problems in marketing	76	95%
Technological inadequacies	0	0%
Shortage of raw materials	0	0%
Severe competition	0	0%
Aversion of the local people	0	0%
Poor Infrastructure	0	0%
Others	0	0%
Total	80	100%

(Source – Field Survey)



Interpretation - From the above table and pie chart, it can be observed that majority of the SHG based Micro Enterprises in Sikkim experience problems in marketing in running their enterprises.

FINDINGS

1. From Table 1 and pie chart , it can be observed that the SHG based Micro Enterprises in Sikkim get the entire factor needed for manufacturing from outside the state.
2. From Table 2 and pie chart, it can be observed that majority of the products i.e 83% manufactured by the SHG based Micro Enterprises in Sikkim are consumer goods. Besides, Final Products and Special Products are also manufactured.

3. From Table 3 and pie chart, it can be observed that majority of the respondents i.e 80% said that the manufacturing cost of the products of SHG based Micro enterprises is high. However, some said that the manufacturing cost is moderate.
4. From Table 4 and pie chart, it can be observed that all the SHG based Micro Enterprises sells their products in the local market.
5. From Table 5 and pie chart, it can be observed that that majority of the respondents i.e 40% have said that the demand of the products made by the SHG based Micro Enterprises in Sikkim is low.
6. From Table 6 and pie chart, it can be observed that majority of the SHG based Micro Enterprises in Sikkim i.e 95% experience problems in marketing in running their enterprises.

LIMITATIONS

Following are the limitations of the study –

1. Limited sample size of SHG based Micro Enterprises due to practical constraints resulting from hilly, in accessible conditions in the Himalayan State of Sikkim.
2. Findings of the study may not be applicable to other places.

SUGGESTIONS AND CONCLUSIONS

Following are some suggestions made to address the various problems faced by the SHG based Micro Enterprises in Sikkim –

1. The Government and authorities must take appropriate measures to reduce the manufacturing cost of the SHG based Micro Enterprises so that the products made by such enterprises can compete successfully.
2. Necessary initiatives must be taken by the authorities to ensure that the products of the SHG based Micro Enterprises of Sikkim are sold in the regional and national level. This will help in creating market for the products outside the State.
3. The Government and the authorities must implement appropriate measures to increase demand for the products made by the SHG based Micro Enterprises by creating strong marketing channels both in and outside the State, encouraging sale of products through direct retail outlets.
4. The marketing problems of the SHG based Micro Enterprises must be seriously addressed by the Government and the concerned authorities.

SHG based Micro Enterprises play an important role in development of micro entrepreneurs at the grass root level which can solve the problem of un employment in the rural economy. They also facilitate Women Empowerment. The SHG based Micro Entrepreneurs are extremely significant in the context of Sikkim's rural economy. Therefore, the Government of Sikkim in conjunction with other authorities must take all the necessary measures to address the problems of such enterprises for sustainable development of SHG based Micro Enterprises in the State.

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