

Original Article

Empowering Through Enterprise: A Study of Problems and Prospects Facing Shg-Owned Income Generating Activities in Selected Mandals of Mahabubnagar District of Telangana

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ABSTRACT: *Micro enterprises (ME) have engaged as real boon for the poor and are considered as growth engines that trigger the development process. The rural poor are to be encouraged to undertake micro-enterprises. Besides solving the problem of poverty, it helps to generate additional income for the poor in rural and urban areas. Development of micro enterprises helps to create immediate employment opportunities, involving a larger number of women at low-level investment. The principal objectives of the study were: to understand the role of SHGs in empowering through enterprise, to study the problems of the Income Generating Activities undertaken by the women SHGs, and to study the prospects of the SHG micro enterprises. The primary data was obtained through administering a structured schedule. Survey method used in conducting the study. The sample size is 100, one hundred SHG representatives of micro enterprises. Random sampling method is applied to select sample representatives. The SHG women, who are pursuing these enterprises, were quite happy and have been running and making good returns. The enterprises have yielded a high level of profit, which enabled the beneficiaries to expect their operations to be successful units located in Mahabubnagar.*

KEYWORDS: *Micro Enterprises, IGA, Self Help Groups, Marketing, Production, Empowerment.*

1. INTRODUCTION

Micro enterprises (ME) have engaged as a real boon for the poor and are considered growth engines that trigger the development process. The rural poor are to be encouraged to undertake micro-enterprises. Besides solving the problem of poverty, it helps to generate additional income for the poor in rural and urban areas. Tailoring, embroidery work, pickle making, fruit scanning, bookbinding, soaps and candle making, dairy, and animal husbandry provide ample prospects for illiterate and poor women to make a livelihood. Providing training to the poor enables them to acquire entrepreneurial ability and, at the same time, to obtain economic independence. Development of micro enterprises helps to create immediate employment opportunities, involving a larger number of women at low-level investment. Besides, it provides to utilization of capital and reduces the wastage of human resources in rural areas, particularly for women. All these become realize only if we tackle the hurdles involved in it.

2. REVIEW OF EARLIER STUDIES

Vinoth Kumar (2023). The study has been carried out with the objective of assessing the major challenges faced by women entrepreneurs. Amit Kumar Dutta (2021), in their research paper, concluded that 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 the sale of products through direct retail outlets. Sheena Jose, et al. (2020). The study concludes that the inability to manage business, lack of basic knowledge among SHG members due to their illiteracy, frequent changes in training, etc., are major problems faced by SHG members. Narsaiah et al. (2006) in their study say that women are the vital human infrastructure and their empowerment would accelerate the pace of development. Investing in women's capabilities and empowering them in all respects is the surest way of contributing to sustainable economic growth. Awasthi P.K. (2001) examined in their study on the problems of Self Help Group enterprises in the watershed area of Madhya Pradesh and found that SHG members suffered from a lack of motivation, lack of backward and forward linkages, inadequacy of infrastructures, insufficient loans, inadequate inputs, poor marketing facilities, lack of systematic monitoring and follow-up of the productive activities.

3. OBJECTIVES OF THE STUDY

The principal objectives of the study were:

- To understand the role of SHGs in the empowerment of enterprises.

- To Study the problems of the microenterprises owned by women SHGs
- To study the prospects of the SHG micro enterprises

4. RESEARCH METHODOLOGY

This present study is based on primary as well as secondary data. The primary data was obtained through administering a structured schedule to the respondent SHG entrepreneurs, supplemented by secondary data secured from various sources and included in the study.

4.1. METHOD OF THE STUDY

Survey method used in conducting the study. The data was gathered from SHG women who are undertaking micro enterprises in the study area.

4.2. SAMPLE DESIGN

The present study aims to identify the problems and prospects of micro enterprises undertaken by women SHGs. The sample size is 100. The number of sample representatives of SHG Income Generating Activities is chosen from three mandals of Mahabubnagar Constituency, i.e., Hanwada, Mahabubnagar Rural, Mahabubnagar Urban and others. Random sampling method is applied to select sample representatives.

- Schedule: A Structured Schedule is administered to collect the primary data. The data was confined to identify the problems and prospects of SHG Income Generating Activities.

4.3. SCOPE OF THE STUDY

The study intended with the major objective of examining the problems and prospects of SHG Income Generating Activities in Mahabubnagar Constituency, and to understand the role of SHGs in eradicating poverty.

5. ANALYSIS AND INTERPRETATION OF SURVEY FINDINGS

The present study examines the problems of Income Generating Activities undertaken by the women SHGs; a field survey was conducted. The three Mandals are covered for this purpose. The survey analyses the women's income-generating activities in the following way.

The findings are as follows.

5.1. ROLE OF SHGS IN EMPOWERING THE ENTERPRISE OF WOMEN

Microfinance programmes are known for their potential to generate income and employment and the empowerment of women entrepreneurs. Microfinance through SHGs is essential to overcome exploitation by local moneylenders and to build confidence in the economic self-reliance of the rural poor. These SHGs enable them to come together for common objectives and gain strength from each other to deal with exploitation, which they are facing in several forms. These groups became banks for action and social change. It also helps build relationships with the rural poor through constant contact with generous effort. SHGs have been formed to uplift the living conditions of the rural women who are below the poverty line. The majority of women were illiterate; they save, borrow, invest and repay, manage their SHG economic affairs, help with assistance for bookkeeping and deal with banks for financial transactions, contribute to the household economy and improve for the first time in their lives, take a positive view of the future with their collective decisions, efforts, and strengths. The present empirical study reveals a strong impact on women.

5.2. PROBLEMS OF SHG MICRO ENTERPRISES

TABLE 1 Types of Problems Faced by SHG Enterprises

Sl.No	Types of Problems	Percentage
1	Socio-Personal	83%
2	Marketing	81%
3	Occupational mobility	57%
4	Govt. assistant	61%
5	Financial	51%
6	Production	24%

(Source: Primary data)

It is evident from Table 1 that the majority of the sample SHG Income Generating Activities faced socio-personal problems to the extent of 83%. Next in the preference of the responses is marketing problems faced by SHG micro enterprises, are to the 81%, occupational mobility stands in the fourth position with 57%, as SHG Income Generating Activities are facing assistance from the government, which stood in third position with 61% as per the response of the economic activity units. Table 1.0

depicts that the problems faced by SHG micro enterprises in effective implementation have been classified as finance, production, personnel, marketing, government assistance, occupational mobility and socio-personal.

5.2.1. SOCIO-PERSONAL PROBLEMS

TABLE 2 Socio-Personal Problems Faced by SHG Micro Enterprises.

Sl. No	Problem	Percentage
1	Resistance from husband's family	56%
2	Dual duties face stress	30%
3	Indifferent attitude of society	10%
4	Others	4%
	Total	100%

(Source: Primary data)

It is evident from Table 2 that about 56% of the respondents in SHG Income Generating Activities faced resistance from either the husband or the family or both at the time of starting Income Generating Activities. While the majority of respondents of SHG Income Generating Activities said that they did not face any resistance from their husbands, about 30% said that they faced stress while playing a dual role as owner of IGA and homemaker. Of course, this type of stress is inevitable because in a typical Indian setting, a woman has to perform the household work even though she may be working elsewhere. About 10% of respondents faced a negative attitude of society, such as male domination. Further, about 4% of the SHG micro enterprises expressed a lack of support towards family development (others). It is also observed that women are faced with many socio-personal problems like lack of education and information, economic backwardness and low risk-bearing capacity.

5.2.2. MARKETING PROBLEMS

TABLE 3 Marketing Problems Faced by the SHG Micro Enterprises

SL. No	Problem	Percentage
1	Competition from cheaper goods	44%
2	Low demand and availability of substitute goods	14%
3	Large distance to the market	12%
4	Lack of information on market changes	10%
5	Delayed payments	16%
6	Inadequate publicity	4%
	Total	100%

(Source: Primary data)

One of the greatest problems that the SHGS and SHG Income Generating Activities are facing is the lack of a market for their products and services. SHG Income Generating Activities lack the minimum skill and knowledge of how to market the product, who to contact and marketing functions. Table 3 depicts that the respondent SHG micro enterprises faced a number of problems pertaining to the marketing of their products/services. It can be seen that about 44% of the respondents cited the problem of competition from the cheaper goods. Delayed payments problem faced by 16% of economic activity units, while 14% had to face lower demand due to the availability of substitute products/services available in the existing market. About 12% of respondents in the sample SHG micro enterprises were paying higher transport charges as the markets were far away from their work spot. Further, only 4% of the sample SHG micro enterprises cited their inability to publicise their products due to meagre financial resources. It is found from the field that SHG Income Generating Activities are suffering from exploitation by intermediaries, difficulties in the collection of dues, inadequate sales promotion avenues and a lack of export marketing.

5.2.3. PROBLEMS WITH GOVERNMENT ASSISTANCE

TABLE 4 Govt. Assistance under SHGS

Sl. No	Causes	Percentage
1	Harassment in Government departments	48%
2	Large amount of paper formalities	26%
3	Ignorance of laws or procedures	14%
4	Discrimination	12%
	Total	100%

(Source: Primary data)

It may be observed from Table 4 that the respondent sample SHG micro enterprises felt unhappy due to harassment by officials and high corruption at various levels. While 26% of respondents SHG Income Generating Activities cited the problems of a large amount of paperwork in getting a bank loan and in the establishment of Income Generating Activities. About 14% were ignorant of various procedures/laws and complicated bureaucratic setup while dealing with the line department or support

organizations. It is known from the field study that the SHG micro enterprises are facing inadequate assistance from the government, red-tapism at various levels, advisory organisations become exploitive and dishonest, and sometimes government policies are not favourable.

5.2.4. OCCUPATIONAL MOBILITY UNDER SHGS

TABLE 5 Occupational Mobility under SHGS:

SL. No	Reasons for Occupational Mobility	Percentage
1	Preference for stability/security orientation	46%
2	The only work known to us	12%
3	Lack of technical knowledge	14%
4	Dual duties	6%
5	Lack of support from family members	8%
6	Lack of resources	4%
7	Lack of self-confidence	10%
	Total	100%

(Source: Primary data)

Occupational problems beneficiaries under SHGS are classified as preference for stability, known work by choice, lack of technical knowledge, lack of duties, lack of support from family members, lack of resources and lack of self-confidence. Table 5 reveals that about 46% of the responding SHG micro enterprises cited preference for stability/security orientation as the prime reasons that inhibited them from exhibiting occupational mobility. While 14% of the responding sample SHG micro enterprises faced a lack of technical knowledge/skills, 12% of the respondents expressed that the only work known to us was a traditional area for their family. Further 10% of respondents had a low level of self-confidence to promote the present occupation.

5.2.5. FINANCIAL PROBLEMS FACED BY SHG ENTERPRISES

TABLE 6 Financial Problems Faced by Economic Activity Units

SL. No	Reasons for financial problems	Percentage
1	Insufficient financial assistance/delayed	46%
2	Problems of security and margin money	16%
3	Tight repayment schedule	22%
4	Lack of traditional financial assistance	
	Total	100%

(Source: Primary data)

Financial resources are a vital force needed for the sustainability of SHG and organising livelihood activities. The role of finance is of great importance in all income-generating activities, including managing microenterprises. Many of the sample SHG Income Generating Activities faced a lack of financial support, insufficient financial assistance/delay, problems of security and margin money, a tight repayment schedule, and a lack of traditional financial assistance. Financial problems are a major problem of SHG micro-enterprises under government-sponsored programmes like SHGS. Finance is essential to start as well as to run a business enterprise. Table 6 depicts that 46% of the respondents' sample SHG micro-enterprises were unhappy since the financial agencies were not providing early loans either to purchase raw material or to start a new IGA. About 22% of the SHG micro-enterprises expressed that the repayment was convenient. 16% of the sample SHG micro enterprises each demanded additional financial assistance and margin money from the concerned agencies.

5.2.6. PRODUCTION-RELATED PROBLEMS OF SHG MICRO-ENTERPRISES

TABLE 7 Production Problems Faced by SHG Micro Enterprises.

SL. No	Reasons	Percentage
1	Non-availability of raw material	32%
2	Lack of technical assistance	28%
3	Inadequate machine tools	4%
4	Power problems	22%
	Total	100%

(Source: Primary data)

The table7 clearly reveals that the problems faced in the production process by the responding SHG micro enterprises in their IGA presented in the table 7. About 32% of the responding sample SHG micro enterprises were suffering from the non-availability of raw materials. The problem of frequent rises in the price of raw materials was leading to increased cost of production and thereby affecting the profitability of economic activity. Whereas 25% of the responding SHG micro enterprises

stated that lack of technical assistance due to low educational qualifications was the main problem. Many of the IGAs were also facing power problems. Further, basic amenities like pucca roads, drinking water, and sanitation facilities were not available to their units, which resulted in production both in the quality and in quantity.

6. PROSPECTS OF MICRO ENTERPRISES

SHGs substantially sustained in mobilizing thrift deposits and timely receiving matching funds, in addition to raising funds to establish income-generating activities and to earn their livelihood. They have awareness about government programmes and social development, democratic values, and economic and social spheres of life (socio-economic progress). Development of micro enterprises helps to create immediate employment opportunities, involving a larger number of women at low-level investment. Besides, it provides to utilization of capital and reduces the wastage of human resources in rural areas, particularly for women.

7. CONCLUSION

Marketing of produce was a common problem for SHG enterprises. The individual was selling/producing at a lower price and was exploited by intermediaries. Sometimes, the amount was not paid to the producers even after 6 to 9 months, resulting in a delay in debt collection. They were not allowed to sell their products in the market until the amount was received; the women had more earning capital, and hence continuity in work was lost. Because of this, many members had discontinued their economic activities and gone back to their earlier activities of helping their men in agriculture, cattle rearing, and household activities. Many of them were found to be incapable because they never learned the training with interest and attended only for the sake of monetary benefits, because their names were selected forcefully under the training programme. The SHG women, who are pursuing these enterprises, were quite happy and have been running and making good returns. The enterprises have yielded a high level of profit, which enabled the beneficiaries to expect their operations are successful units located in Mahabubnagar.

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