

## **EMPOWERING RURAL WOMEN THROUGH SELF HELP GROUPS AND CORPORATE PARTNERSHIP**

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### **ABSTRACT**

*It is no wonder that India has a long way to go in improving women's education, financial independence and entrepreneurial abilities. The literacy rate for women is 22.7%, which is less than half the rate for men (51.6%). It is sad to observe that though the women in rural India have inherent skills and expertise in making beautiful handicraft items with locally available raw materials like thread, beads, jute, straw, wood, paper, etc but they cannot do much as most of them live in remote areas, below the poverty line, earning less than a dollar a day, with no reliable source of a steady income. By the year 2000 there were a large number of Micro finance institution's and Self Help Group's (SHG) coming up in various part of the country. The Micro finance institution's provides micro credit for micro-enterprises which surprising result in elevating the livelihoods of these SHG members. HLL took notice of this phenomenon and started "Project Shakti" as a corporate SHG partnership. Project Shakti was started by Hindustan Unilever Limited in the year 2000 as an ambitious plan to stimulate new demand in the lower income, rural segment by creating a self sustaining cycle of business growth through people growth. This project was planned as a win-win partnership between HUL and rural self-help groups (SHG's) comprising mostly illiterate women's. HUL helped the SHG's to access micro-credit, buy HUL products and sell them in their villages. In return this project helped HUL to distribute its product's even to the most inaccessible rural villages in India. The paper shall discuss the business model adopted by HUL to empower the rural women.*

**Keywords:** Self Help Group's, Rural women, Project Shakti, HUL

### **Women Entrepreneurs and Empowerment**

Women Entrepreneurs may be defined as the women or a group of women who initiate, organize and operate a business enterprise. Government of India has defined women entrepreneurs as an enterprise owned and controlled by a woman having a minimum financial interest of 51% of the capital and giving at least 51% of employment generated in the enterprise to women. Empowerment strategies are varied and refer to those strategies which enable women to realize their full potentials. They consist of greater access to knowledge and resources, greater autonomy in decision making, greater ability to plan their lives, greater control over the circumstances that influence their lives and finally factors which would free them from the shackles of custom beliefs and practices. Unless they themselves become conscious of the oppression meted out to them and show initiative to push forward it would not be possible to change their status much. Some of the empowerment mechanisms identified are as follows:

1. Literacy and higher education;
2. Better health care for herself and her children;
3. Higher age at marriage;
4. Greater work participation in modernized sector;
5. Necessary financial and service support for self employment;
6. Opportunities for higher positions of power including Governance
7. Complete knowledge of her rights;
8. Self reliance, self respect and dignity of being a woman.

Several measures have been introduced to encourage women education. Incentives have been provided for larger enrollment of Girls in schools and reserved seats for higher education. Reduction in fees, provision of bicycles in rural areas, scholarship, exclusive schools & colleges for girls and many more literacy programs like each one teach one, project approach, continuing education approach are other measures. The % of literacy has risen; more girls are enrolled in technical education, like medicine/ engineering, Management etc. They are proving their merit in competitive examinations. Women have become sensitive to better health care for them and their children. In new Panchayat Raj System (under 73rd amendment ) & in Urban bodies (under 74th amendment) they occupy 33% of the elective seats with decision making powers, which enables them to implement; & oversee all such welfare programs. Early marriage is now a rarity especially in urban area.

Women are working in most of the modern sectors. Some of the sectors are exclusively owned by women, with women in higher management seats. There are a large number of self help groups exclusively for women. They are managing it with profit. This is giving them confidence. The opportunities for higher positions of power have increased under Panchayat Raj Institutions & municipal bodies. They have developed confidence in occupying such seats of power and function without the crutches of their male relatives. All these measures have given tremendous self confidence, respect and dignity of being women.

### **Identification of Inherent Skills of Rural Women in India**

Business opportunities for women comprise of using wood, stone, and metals like bronze, iron, steel to create handicrafts and handcrafted gift items, such as bangles, glass, utensils, cane and bamboo for making furniture, clay for making statues of Indian deities, pots, vessels, other decorative pieces, making baskets from straw, embroidery from thread called chikankari, carpet making, and retailing etc. Here is a list of Business opportunities for women in India:

- Floriculture
- Banana cultivation
- Mushroom Cultivation
- Processing of milk / dairy products
- Agro - processing (dal, papad, badi making)
- Pickle, sauce, jam, jelly, squash etc.

- Coir work (preparation of yarn, door mats, rope, toys)
- Tailoring & Embroidery, Handicraft
- Agarbatti / Chalk / Candle / Phenyl preparation
- Jute Bags, Baskets, Hats
- Retailing / Salesman

### **The Role of Government of India in Women Empowerment**

The initial few plans followed a welfare approach and treated women as recipients of aid. The first five year plan focused its attention on the problem of high infant and maternal mortality. Second plan was on the problems of women workers. The main thrust of the third & fourth plan was the expansion of girls' education. On the social welfare side the largest share was provided for expanding rural welfare services and condensed courses of education for adult women. The fifth plan gave priority for training of women in need of care and protection, women from low income family's needy women with dependent children and working women. Bureau of Women's Welfare and Development (WWD) was set up in 1976 to entrust with the major responsibility of implementing the National Plan of Action for Women besides coordinating the activities relating to women's welfare and development.

The sixth plan emphasis on Women and Development through economic independence, educational advancement and access to health care and family planning. A number of technology demonstration cum training centers at selected focal points all over the country were set up by the National Research Development Corporation (NRDC) to provide expertise and resources to women entrepreneurs. During the seventh five-year plan an integrated multidisciplinary approach was adopted covering employment education health nutrition application of science and technology and other related aspects in areas of interest to women. It is only during the seventh plan 'Women Development Corporations' were established for promoting employment generating activities for women.

### **Voluntary Efforts and Women Empowerment in India**

In serving the cause of poor, women voluntary organizations are considered to be superior to the government for certain obvious reasons. The members of a voluntary organization are willing to spend time energy and even money for an activity which they think is good. This motivation and commitment make them work more sincerely for the cause when compared to government officials. The voluntary organizations are flexible in operations. Revisions and modifications in the light of experience are possible as against Govt. organization which works with fixed predetermined norms. Thus there is feedback and learning through experience. The limited size of operations ensures efficiency and immediate accountability to the target group. Moreover a new society needs a new value system. The voluntary organizations are best suited to carry out this task. Some NGOs keep the goal of achieving mobility i.e. they assist one particular target group and once the target group 'takes-off' and becomes self reliant the voluntary organizations move on to the other groups. Thus they are ever dynamic in socio-spatial terms.

Women entering into the business field are not something uncommon today. Though it is very difficult to single out the reason for the emergence of women entrepreneurship in the recent past, it is a fact that more and more women evince interest in choosing business as a

career. Self employment is one among the many strategies and is considered to be the best strategy since simultaneously it helps to change women's own self perception and also helps to attain social status. Women empowerment and poverty alleviation are two areas which are attracting concern from various groups of people worldwide - like economists, politicians, NGO's and business organizations. Some business houses through partnership with NGO's and self help groups (SHG) and effectively using micro finance are trying to create opportunity for self employment of rural women's. The efforts has significantly increased women's security, autonomy, self confidence and status within the household and also helped the business houses increase their market share and net worth.

### **Corporate – Self Help Group Partnership: “Project Shakti”**

Hindustan Lever Limited (HUL) generates half of its business in India from rural areas where its products are sold in some 100,000 villages with populations ranging from 2,000 to 3,000. Faced with increased competition the company realized by the end of 1990 that to increase its market shares it has to increase and strengthen distribution network to cover more villages. HUL identified 500,000 villages, but the challenge was in reaching to these villages located in remote parts of India. As these villages were sparsely populated, a regular distribution network will be difficult to maintain. With millions of potential customers HUL was unable to tap them because of poor road conditions, transport facilities, no advertising coverage and lack of retail distribution network. Moreover just by reaching this potential customers won't sell the products, because the consumers needed to be educated in both personal and oral hygiene matters. HUL products would be entirely new to these rural communities lifestyle. Therefore the company understood the need for a new type of distribution network. Hindustan Lever came up with a solution in the form of Project Shakti.

The access to credit for the below poverty line rural Indians was quite impossible in the early 1970's. But by the year 2000, there were a large number of SHGs located in various part of the country. The company decided to form a nexus with the growing number of women's self-help groups that have formed all over the country. These groups are usually formed to help women, save money and borrow from each other to avoid the excessive demands of unscrupulous village moneylenders. HUL took notice of this phenomenon and started project Shakti as a corporate SGH partnership. It was an ambitious plan to stimulate new demand in the lower income, rural segment by creating a self sustaining cycle of - business growth through people growth. This project was planned as a win-win partnership between HUL and rural self-help groups (SHG's) comprising mostly illiterate women's. HUL helped the SHG's to access micro-credit, buy HUL products and sell them in their villages. In return this project helped HUL to distribute its products, even to the most inaccessible rural villages in India.

Project Shakti was started in the Nalgonda district of Andhra Pradesh in November 2000 with 50 SHGs in 50 villages with 1000 to 2,000 inhabitants participating. HUL executives started with giving presentations at rural self-help group meetings and explaining the benefits of the project. HUL gave these self-help group women's extensive training in sales, commercial knowledge and bookkeeping techniques to help them become microentrepreneurs. Each woman who chooses to become a shakti distributor have to initially invest Rs.10, 000 to 15,000. This amount is usually borrowed from self-help groups or micro-finance banks facilitated by Hindustan Lever. Each such distributors target to serve 500 customers generating a monthly sales of Rs.10, 000 plus. As farmers have seasonal cash inflows (post harvest time), there wives can generate a sustained income on a monthly basis along with

raising her self esteem and position in the house. For single or widowed mother shakti gives security. Within a span of four years project shakti have spread to twelve states covering 50,000 villages with 13,000 shakti distributors reaching out to 70 million, hugely scattered customers residing in remote villages. The uniqueness and simplicity of the model through which project Shakti operates ensured its tremendous success in rural India. The Shakti entrepreneurs operated as teams of rural direct to home saleswomen who other than selling HULs products also accomplished the task of educating the people about the various products and their benefits. These teams would give demonstrations of the products like detergents and shampoos to convince the prospective customers to buy. Often the Shakti women's fondly called *Shakti Ammas* will visit the weekly village market (haat) and offer free washing of hair to promote their products and make new contacts. As the rural consumers do not have access to television and radio, product demonstrations help the target customers to understand the directions of use and product benefits. HUL negotiated with the banks and convinced them that the company will provide the local women with a meaningful income generating activity. As the products offered health and hygiene benefits, HUL made tie ups with UNESCO and NGOs jointly increasing the rural people's health awareness levels. To make project shakti successful HUL partnered with 300 NGOs, banks and both state and local government departments.

In 2003 HUL started a new initiative called i-Shakti. This project was started with the objective to meet villager's information needs and allow organizations with communication access to those parts of the country not touched by TV, radio and newspapers. This was accomplished by creating village 'kiosks' containing internet-linked computers mostly housed in the homes of Shakti entrepreneurs. i-Shakti was launched formally in November 2004 in Andhra Pradesh with the help of the state government. Through this initiative villagers could get free information on a wide range of topics like agriculture and horticulture, health and hygiene, finance, child and adult education, employment, and entertainment. The content for i-shakti is available in local language and has been developed by NGO's and institutions like the Tata Consultancy Services' Adult Literacy Programme and the Azim Premji Foundation for children's education. Tie-up with ICRISAT (International Crops Research Institute for the Semi-Arid Tropics) is done regarding information on agriculture. Using i-shakti kiosks villagers can email questions to a panel of experts. Through i-shakti educational modules could easily be distributed specially among the children of the villages helping specially the youth to learn basic computers. i-Shakti is a very versatile and innovative way in reaching out to villagers 24 hours X 7 days located in remote parts of the country.

HUL pushed project shakti further by launching another initiative aimed at improving the lives and livelihoods of the people of India. Project Shakti Vani (meaning strength in voice) is a program designed to spread awareness of best and proper practices in health and hygiene like disease prevention, pre-post natal care etc. HUL executives appointed local women and imparted them training in matters relating to health and hygiene. Communication materials like pictorial literature were used and awareness meetings were organized in schools and other social events.

Presently project Shakti is present in 15 states viz Andhra Pradesh, Karnataka, Madhya Pradesh, Gujrat, Chhattisgarh, Maharashtra, Orissa, Punjab, Rajasthan, Tamilnadu, Uttar Pradesh, West Bengal, Bihar, Haryana and Jharkhand. By 2010 HUL wants to see shakti

reach 500,000 villages, covered by 100,000 shakti entrepreneurs , serving to 500 million customers.

### **Problems of Women Entrepreneurs in India**

Rural Women in India face many problems to get ahead in their life in business. A few problems that women entrepreneurs face are:

1. India is still a male dominated society and this male dominant social order blocks women entrepreneurs in their way towards business success. Male members think it a big risk financing the ventures run by women.
2. Women's family obligations also bar them from becoming successful entrepreneurs. The financial institutions discourage women entrepreneurs on the belief that they can at any time leave their business and become housewives again. The result is that they are forced to rely on their own savings, and loan from relatives and family friends.
3. The financial institutions are skeptical about the entrepreneurial abilities of women. The bankers put unrealistic and unreasonable securities to give loans to women entrepreneurs. According to a report by the United Nations Industrial Development Organization (UNIDO), "despite evidence that women's loan repayment rates are higher than men's, women still face more difficulties in obtaining credit,".So, The women entrepreneurs suffer from inadequate financial resources and working capital as they lack access to external funds due to their inability to provide tangible security.
4. Women give more emphasis to family ties and relationships. The business success depends on the support the family members extend to women in the business process and management.
5. The literacy rate of women in India is at low level compared to male population. Many women in developing nations lack the education needed to spur successful entrepreneurship. They are ignorant of new technologies or unskilled in their use, and often unable to do research and gain the necessary training .
6. Low-level risk taking attitude is another factor affecting women folk decision to get into business. Low-level education provides low-level self-confidence and self-reliance to the women folk to engage in business, which is continuous risk taking and strategic decision making profession. Investing money, maintaining the operations and ploughing back money for surplus generation requires high risk taking attitude, courage and confidence. Though the risk tolerance ability of the women folk in day-to-day life is high compared to male members, while in business it is found opposite to that.
7. The feeling of achievement motivation and advancement of the women folk is found to be less as compared to that of male members. The low level of education and confidence leads to low level achievement motivation and advancement among women folk to engage in business operations and running a business concern.
8. Finally high production cost of some business operations adversely affects the development of women entrepreneurs. The installation of new machineries during expansion of the productive capacity and like similar factors dissuades the women entrepreneurs from venturing into new areas.

**How to Develop Women Entrepreneurs**

Right efforts on from all areas are required in the development of women entrepreneurs and their greater participation in the entrepreneurial activities. Following efforts can be taken into account for effective development of women entrepreneurs:

1. Government should extend better educational facilities to women.
2. Adequate training program on management skills should be provided to the women community.
3. Vocational training should to be extended to the women community so that it enables them to understand the production process and production management.
4. Skill development programs should be conducted in women's polytechnics and industrial training institutes. Skills should be put to work in training-cum-production workshops.
5. Training on professional competence and leadership skill should be extended to women entrepreneurs.
6. Training and counseling sessions should be held on a large scale for existing women entrepreneurs so as to remove psychological problems like lack of self-confidence and fear of failure.
7. Counseling through the aid of committed NGOs, psychologists, managerial experts and technical personnel should be provided to existing and emerging women entrepreneurs.
8. Activities in which women are trained should focus on their marketability and profitability.
9. Government should make provisions for providing marketing and sales assistance to the women entrepreneurs.
10. Women's development corporations should gain to have access to open-ended financing.
11. A Women Entrepreneur's Guidance Cell should be set up in each state to handle the various problems of women entrepreneurs.
12. District Industries Centers and Single Window Agencies should make use of assisting women in their trade and business guidance.
13. Women's participation in decision-making should be encouraged.
14. Training in entrepreneurial attitudes should start at the high school level through well- designed courses, which will help to build up confidence in women.
15. Government should come up with more schemes to motivate women entrepreneurs to engage in small scale and large-scale business ventures.
16. Non Governmental Organizations should be engaged in women entrepreneurial training programs and counseling.

**CONCLUSION**

Entrepreneurship among women, no doubt improves the wealth of the nation in general and of the family in particular. Women today are more willing to take up activities that were once considered the preserve of men, and have proved that they are second to no one with respect to contribution to the growth of the economy. Women entrepreneurs must be moulded properly with entrepreneurial traits and skills to meet the changes in trends, challenges in markets and also be competent enough to sustain and strive for excellence in the entrepreneurial arena. Through micro- finance their entrepreneurship ability and skill levels can be enhanced. There are other major benefits that we can get through micro – finance. The Project Shakti trained & developed rural women to become entrepreneur and is targeted to train 100000 women by 2010. This will not only increase in revenue and market share of HUL but will also help in uplifting the living standard of rural people.

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