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Re-imaging Capitalism through Social Entrepreneurship

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29 December 2016

Online at <https://mpra.ub.uni-muenchen.de/75885/>

MPRA Paper No. 75885, posted 11 Jan 2017 06:55 UTC

Re-imagining Capitalism Through Social Entrepreneurship

Introduction:

Social Entrepreneurship is defined as “Entrepreneurial activity with an embedded social Purpose” (Austin, Stevenson & Wei-Skiltern, 2006). Bornstein, D. (2004) defined social entrepreneur as ‘ A path breaker with a powerful new idea who combines visionary and real world problem solving creativity, who has a strong ethical fibre, and who is totally possessed by his or her own vision for change’.

We are facing many challenges like poverty, scarcity of natural resources, environmental degradation etc. Sometimes it is not possible for the government alone to face those challenges. Social entrepreneurs are the ones who often come up with innovative solutions to the social problems. Ashoka founded by Bill Drayton in 1980 to provide seed funds to social entrepreneurs or Grameen Bank set up by Professor Muhammad Yunus in 1976 for eradication of poverty and empowerment of women of Bangladesh are examples of social entrepreneurs. Social entrepreneurs try to solve small local problems but most of the times the solutions have global relevance (Santos, 2009).

Self Help group as defined earlier is a group of people who come together with the common objective of increasing their income as well as their status in the society. It acts as a catalyst for bringing this section of society to the mainstream. This group is a voluntary one formed on areas of common interest so that they can think, organize and operate for their development. SHGs have helped in emergence of women micro entrepreneurs. These women micro entrepreneurs not helped in transforming lives of other women. They are empowered themselves. They also helped in

empowering other women in their villages. National Bank for agriculture and Rural development (NABARD) of India started SHG-Bank Linkage programme on a pilot basis in the year 1992. The objective of the project was to give collateral free loan to the people living below poverty line. They could get loan without any project as well. The money that the SHGs would receive could be used for lending among themselves. 10-20 members were allowed to form the group and they formed the group based on mutual trust. They members develop their own corpus fund based on small contribution from each member on a monthly basis. The group gets credit to the tune of six times the savings. This loan is given six to eight months after the formation of SHGs. After the success of the pilot project, it was decided to scale up the project. SHGs were also formed under Swarnajayanti Gram Swarojgar Yojana(SGSY). There is difference between NABARD project and SGSY project. In case of SGSY, the SHGs need to be formed from people below poverty line which is not the case with NABARD. There is also interest on revolving fund in case of SGSY self-help groups. Women who are part of SHGs are part of many economic activities like agro based product, livestock rearing, Floriculture handicrafts manufacturing (Zari, Kantha , Shola etc.), sericulture, 'dhoop' making, Mat making, ' maduli making 'bori' making etc.

SHGs need to be nurtured so that there is active participation from all members of the group. These micro enterprises set up by the women need proper guidance and training. Their products need to be marketed well. Government and Banks need to play an important role in nurturing the SHGs. Members of SHGs should meet regularly and should maintain important documents like cash book and minutes of their meetings. To help the SHGs in proper functioning, Mahasangha, ' Sangha' and 'Upasangha' have been formed. SHGs form 'Upasangha' which in turn form 'Sangha' which is a cluster of SHGs.' Mahasangha' is a federation of clusters. Upasangha has to ensure proper functioning of the SHGs. They have to ensure that records are kept properly and meetings are held

regularly. They also step in whenever there is any problem. Sangha is the link between banks and SHGs,

SHGs function 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. Self-help groups act as a catalyst to pull the people below poverty line and initiate the process of social and financial inclusion. One of the main benefits of self-help groups is social recognition of women leading to social inclusion and empowerment. It is important to note that the effectiveness and future of self-help groups depend upon the role played by the women who have been empowered by self-help groups to take the movement forward. This study looks into that aspect. The study looks at how two micro entrepreneurs have been able to transform the life of other women by providing them with income and social recognition. The study is carried out in the Kumra block of North 24 Parganas district of West Bengal and in the Kolkata municipality area of West Bengal. Two micro entrepreneurs were interviewed. Face-to-face interviews through semi-structured questionnaires were conducted with two micro entrepreneurs on their empowerment levels in three dimensions-Economic, Social and Political. They were asked about the help they got from SHGs in setting up their own micro enterprise. They were also asked how they are ensuring income for other women in their locality through their enterprise. They were asked to elaborate on the social inclusion aspect. How setting up of micro enterprise empowered them and what role they are playing in empowering other women in their village. Handwritten notes were taken during the interview. They were transcribed right after the interview. Micro entrepreneurs were identified through the personal network of the authors. We opted for exploratory research. As suggested by Malhotra (2010), exploratory research reveals certain values and emotions which are absolutely

necessary for this kind of study. The interview method is also considered to be a superior technique compared to other techniques (Gray, 2004).

The paper is organized as follows. The next section looks at the literature on the SHGs in India and other countries and the role played by SHGs on empowerment of women, and ensuring economic independence for them. The section that follows looks at the role of two micro social entrepreneurs and the role played by them in ensuring economic independence of other women and the empowerment. The last section summarizes the findings of the study and elaborates on policy implications

Literature Review:

Our study looks at how the SHGs are helping in the emergence of micro entrepreneurs. These micro social entrepreneurs are playing an important role in solving one of the pressing challenges of rural India that is poverty. They are also ensuring empowerment of women and their social inclusion.

There has been extensive research on the role of SHG on eradication of poverty and economic upliftment of the people below poverty line. Role of SHGs on the financial system has been studied extensively (Sinha, 2006, Basu and Srivastava, 2007, Shah et al., 2007). Yunus (2004) showed through Grameen Bank that collateral free loan has significant impact on poor. A study by Basu and Srivastava (2005) showed how the linkage between SHG and Bank was helpful in reaching the poor. Pitt and Khandekar (1998) did their research on Bangladesh and concluded how Grameen Bank and two other micro credit organizations of Bangladesh had an impact on labour supply, schooling, household expenditures and assets.

There have been few studies on how self-help groups played an important role in empowerment of women and took a stand against social evils. A study (Deininger and Liu, 2009) found there is a significant increase in the empowerment of women in the SHG members group. No such significant change is observed however, for the members of the control group. The study by Jaya .S. Anand (2002) on the performance of selected SHGs in Kerala on the empowerment of women showed that the impact has been positive on the families of the members. Several groups have become centres for initiating social action against the dowry system, alcoholism, illiteracy and divorce. A study by Deshmuk- Randive (2004) on the SHGs of Andhra Pradesh revealed that there has been positive economic outcome for the group members and there is value in using SHG as a conduit for poverty alleviation. A study, using representative household-level employment data (Ejaz Ghani, Anandi Mani and Stephen D. O'Connell ,2013), found that longer exposure to women PRs significantly increases women's labour force participation. The research found evidence of both a direct channel (whereby women public representatives allocate more employment to women in public works) and indirect channels (whereby women leaders at the district level facilitate/encourage greater female labour force participation through the public goods they provide). Swain et al. (2012) evaluated the impact of economic and non-economic factors on women's empowerment of self-help groups. They estimated a Structural equation model(SEM) and correct for ordinality in the data to account for the impact of the latent factor's on women's empowerment. SEM results reveal that for the SHG members, the economic factor is the most effective in empowering women. Greater autonomy and social attitudes also contribute significantly to women empowerment.

Eradication of Poverty and Women empowerment: The role of micro social entrepreneurs.

SHGs play an important role in empowerment of women through economic independence and eradication of poverty.. The main objective of SHGs is empowerment of women and ensuring economic independence for them. Micro Entrepreneurs who emerged through help from SHGs have gained economic independence and social recognition. Women are visiting banks, having bank accounts, learning to sign, participating in political meetings meeting outside people. This was not the case before they joined SHGs.

Economic independence has made these women less dependent on other members of the family. Even men realize the importance of SHGs. Women are encouraged to attend meetings. Women have become the decision makers. They are taking decision about education of their children, marriage of their children etc. SHGs have been able to achieve financial as well as social inclusion. It has been found out that all women self-help groups tend to do better compared to mixed group. This particular study will look into two micro social entrepreneur and the role played by them.

In a male dominated society it is not easy to establish own identity. Mobility is restricted in village community. In the financial ground lack of support both from family and institutional. Due to restricted mobility marketing problem arises. Women are tied up heavily with family responsibilities. The family surroundings, societal norms, low education all play roles for lack in self- confidence and aptitude for entrepreneurship. With passage of time and spread of education women shifted to new economic activities. Women Entrepreneur is believed to accept challenging role to meet her personal needs and become economically independent. A strong desire to do something positive is an inbuilt quality of entrepreneurial women, who is capable of contributing values in both family and social life.

For Swapna Sarkar of Kumra district , the glass ceiling had to be shattered as she was a housewife of a conservative rural family. The entry of her into business was traced out as an extension of kitchen activities. Her husband trained her after he came back to home from Mumbai. He was working as craftsman and

trained in making handicrafts of sand dust, sand stones. He then wanted to start his own business but fund crunch was prohibiting him to start up. The so called housewife Swapna entered in with Asha (self-help group , formed by her).She got the loan , amount of nearly seventy thousand from Grameen Bank of Kumra district. They started the business, she also got training from her husband .She started the craft manufacturing business and engaged two members from her group. The family with two children now in a solvent financial position. The marketing of the products are taken care by her husband. Her products are available in retail markets of Habra Barasat, Newbarrackpore and Bongaon. Entrepreneurship is not a bed of roses to her .Her participation in business to complement to her family income, in no way reduces her family duties. The task of her has become more tedious and full of challenges. When asked to visit fairgrounds organised by government , she refused due to family obligations.

The “disease” (as told by Kabita) of helping others transmitted to her from her father. The dilemma had been troubling her “How to help them?”. Kabita knew she cannot afford any more to be the cat on the wall. She was not prepared for traditional way of thinking and pass her life. Hailing from a conservative middle class family, Kabita not had the ritualistic attitude of sticking to the system. Her father, a medical officer, hardworking man, had continuously worked for other people in their neighbourhood. Her mother was a prudent social worker and associated with several self help groups,, supported her and ensured that the ends met even under trying conditions. The only child of the family , Kabita wanted financial liberation of her family. A consistent good student in school with special inclination to co-curricular activities, Kabita an amiable nature was liked by all at school . Kabita was always inclined to pursue education along with some vocational course. However, the strong family ties and entrenched conservative outlook kept it at bay. Though most people assured her that within six months she would be able to become self-sufficient, the possibility of adding more financial burden on her parents discouraged Kabita from taking any new step.

The bonhomie character and the adrenalin rush of the start-up appealed to the dormant adventurer in Kabita. But soon pressure started building up on home front for a more concrete career step. Without a mentor to guide him, Kabita found herself job hopping. Getting a job was not difficult for her. But in every job, irrespective of the position she started with, kabita would end up in a trainer or business development role. Despite being an introvert, her sales skills were good and she could match herself with others. It seemed that she changed into someone else when faced with a sales issue or opportunity. Though she cherished the positions, at the end of the day she was always left wanting for something else. Kabita wanted a change. After two to three years of such jobs , Kabita felt that she must have proper training for doing her own business. As her mother is also associated with several SHGs and knew various organisations those provide trainings, Kabita contacted them. She soon got admission in La Martiniere Seomp Society – an NGO In Kolkata,

one of the premier institute of helping SHGS and providing different skill development trainings. She found that programme intriguing. She would spend days to make herself perfect. She got the certificate .But she did not end the process of being trained .She took training from Entrepreneurship Development Institute local tailoring Institute as well. Then the day for which she was waiting and toiling finally seemed to have arrived. Kabita formed Pragati sonirbhar ghosti in 2010.The desire for making a difference through group formation was successful. She dreamed of a career where she would enable other people to fight against odds. Kabita, a very hardworking woman found herself working long hours to arrange works for her group members. But the job was making a difference to her. The members of the group were been taken from the her near -by localities, she approached with this idea especially to women. ,Then seven women of her area who were from distress families took initiative of joining the SHG for income earning purposes. The group make product such as ready-made garments, mix-match, tie & dye, doll-making , handicrafts, computer embroidery , bori-making , jam-jelly ,pickles ,sauce, coir, jute-making , decorative candle-making ,spices and knitting.

Kabita the group by self financing as no loan was been given to her from any bank. She started her group by making bori and the initial capital of rupees 3000. At the onset there were seven members. They started with Pragati Bori (homemade product) and marketed the final product on their own in various places such as state court, district court and banks and made a profit for rupees 4000. Then half of the profit amount was reinvested into their next venture by manufacturing coconut sweets and at that time their member increased by 5. They sold their products in various places for rupees 9000 and made a profit for rupees 2500. Kabita has also made bank accounts and LIC for the members. Now, after 6yrs of their business they now are focusing on ready-made garments making only named Pragati Garments and has increased their capital amount to rupees 25000.

Within two months of forming the group she got a place in Shambazar area .Her cousin brother provided his two storied house for her manufacturing business.The nated as the Pwife if his brother also joined the group and designated as the President of the group. Her approach to work attracted the attention of both her group members and some political leaders and wealthy people of the locality. All these motivated Kabita to go on giving her best in the work. She found the group getting recognition steadily. Diligently she took up professional certifications in the area of different skill development. Though she was pleased with the attention and appreciations received, those were not enough to whet her passion for doing own business. Her mother by then took on the next obvious task of searching a suitable match for her. The horoscope was circulated, photos were exchanged, but Kabita was not comfortable with all these. She approached the local Member of Assembly . The person expressed his interest and helped the group with a place to sell their products. She got accolades for her products. For a while Kabita was placated and happy with her achievements. Kabita was not sure whether she could take a call independent of her family's wishes. During those hectic days, Kabita also managed to help women of her group. Few months passed in indecisiveness and dissonance. She tried to restrain her mother from making marriage arrangement. At this time two things happened independently, albeit simultaneously. The first one was joining of Mamoni (a lawyer by

profession) in the group and who was aware of Kabita's ambition. Her support makes difference to Kabita's life and other members who need both financial and mental support.

Conclusion

Still some of the women are not showing interest to become as entrepreneurs because of their family reticence and social environment in which they have grown. The funds from the government are not really reaching to the target group which they are granted for. However, there is an overall change in the mind-set of the society as well as family members in supporting the children to become entrepreneurs.

Positive efforts from all areas are required in the development of women entrepreneurs and their greater participation in the entrepreneurial activities. The following measures are suggested to empower the women to seize various opportunities and face challenges in business. There should be a continuous attempt to inspire, encourage, motivate and co-operate women entrepreneurs. Awareness programmes are needed a mass scale with the intention of creating awareness among women about the various areas to conduct business. Attempts should be there to enhance the standards of education of women in general as well making effective provisions for their training, practical experience and personality development programmers, to improve their over-all personality standards. Self- help groups of women entrepreneurs should be provided with capital funds, in order to help them in the field of industry, trade and commerce and to make them self-sufficient.

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