

# *‘A Conceptual Framework of Entrepreneurship through Inclusion of ICT for Advancement of SHGs’*

By

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## **Abstract:**

Women confined almost every sector such as economic, political, and social, sports, education, corporate sector, etc. Women are crucial part of Indian Economy. The movement of Self-help Group (SHG) which was started in 1980s imprinted the marks of empowerment of Indian women.

It is universally accepted that ICT offer immense opportunities for economical, social, educational development of the people. Inclusion of ICT enabled services given various new trends for the market such as E-commerce, E-learning, and G-governance. The present research work will highlight significance ICT for advancement of SHGs to remain competitive in the sense of *Efficiency, Effectiveness, and Sustainability*. With SHGs initiation government of India has taken lot of initiatives for women empowerment among them SHG is playing vital role. Through SHG movement women come together, share their problem and develop solution for survival and progress. This study initiated to place ICT for the real progress of SHGs.

Women’s entrepreneurship in rural areas faces some problems applying the ICT for examples barriers to access and affordability of ICTs due to lack of infrastructure, high cost of hardware and software, concerning connectivity and illiteracy, including computer illiteracy. Other than this even access to and affordability of internet are met, another challenge arise in creating and maintaining effective websites with good content, clear presentation and easy accessibility. Thus *‘There is great significance of ICT for advancement of SHGs to remain competitive in the sense of Efficiency, Effectiveness and Sustainability.’*

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## **(i) Introduction:**

### **Conceptual Framework**

"Basic literacy and numeracy are needed to read and compose simple messages, navigate the Internet, and execute commands in software applications. Women make up nearly two-thirds of the world’s illiterates, and one out of every two women in developing countries is illiterate. Consequently, women are more likely than men to lack the basic literacy and computer skills that would enable them to take advantage of new global communication opportunities".

P. Fraser-Abder and J.A. Mehta (1995)

It is essential for a sustainable development in developing, over-populated countries like India. Out of the five thrust areas earmarked for India’s Vision 2020, the information and communication technologies (ICT), like the other four, have also given us basic tools to achieve our development strategies. These tools and technologies coupled with the power of knowledge can enable women in developing countries to join the battle for Personal, Social, educational, Psychological, Political, Technological and Economical Empowerment.

The first Prime Minister of India Pandit Jawaharlal Nehru once said that “To awaken the people, it is women who must be awakened. Once she is on the move, the household moves, the village moves and the country moves; and through the women, its children are brought in to the picture and given the opportunity of a healthier life and better training. Thus, through the children of today we build the India tomorrow”.

The sex ratio of India improved to some extent from 933 (2001) to 943 (2015). The literacy rate of male and female was 82.14% and 65.4% respectively in Census 2011. It is an important fact that ‘no society will progress satisfactorily unless women, who constitute almost half of their population are given equal opportunities’. So there is a greater need for bringing women in to middle-of-the-road for progress of India. (Nirmala Sharma, (2007). Women and Education; Issue and Approaches.)

### **Information and communication technology (ICT)**

ICT is another/extensional term for information technology (IT) which stresses the role of unified communications and the integration of telecommunications (telephone lines and wireless signals), computers as well as necessary enterprise software, middleware, storage, and audio-visual systems, which enable users to access, store, transmit, and manipulate information.

The term *ICT* is also used to refer to the convergence of audio-visual and telephone networks with computer networks through a single cabling or link system. There are large economic incentives (huge cost savings due to elimination of the telephone network) to merge the telephone network with the computer network system using a single unified system of cabling, signal distribution and management.

However, definition, as "the concepts, methods and applications involved in ICT are constantly evolving on an almost daily basis." The broadness of ICT covers any product that will store, retrieve, manipulate, transmit or receive information electronically in a digital form, e.g. personal computers, digital television, email, robots. For clarity, Zuppo provided an ICT hierarchy where all levels of the hierarchy "contain some degree of commonality in that they are related to technologies that facilitate the transfer of information and various types of electronically mediated communications". Skills Framework for the Information Age is one of many models for describing and managing competencies for ICT professionals for the 21st century. (Wikipedia)

Women confined almost every sector such as economic, political, and social, sports, education, corporate sector, etc. Women are crucial part of Indian Economy. The movement of Self-help Group (SHG) which was started in 1980s imprinted the marks of empowerment of Indian women.

It is rightly mentioned that the "Woman is the full circle, within her is the power to create, nurture and transform." Empowering women entrepreneurs is truly essential for achieving the goals of sustainable development of the nation in totality. Right efforts from all areas are required in the development of women entrepreneurs and their greater participation in the entrepreneurial activities. Government should extend better educational facilities, suitable financial schemes, training on technical and management skills and professional competence to women folk and on the part of the society, incessant support and recognition is equally essential. In this respect government initiative towards SHGs in the current situation is not extraordinarily brilliant paradigm shift but definitely the best alternative.

About approx.70% of the population lives in some 638,000 villages and rest 30% in towns and urban area. In 2013 male to female ratio is 940 female for every 1000 males. In 2012 in total female population was 591.4 million. Hence huge women population is leaving in India and women empowerment is most important challenge India. As women are the crucial part of Indian economy and social system of India. Women are actively involved in education, sports, politics and other field but the rate of women empowerment is not as per the expectation compared to developed countries. SHGs are voluntary associations of people with common interests formed to achieve collective social economic goals. Such groups are organized for mutual help and benefit. As on March 2013 SHGs representing total membership 2,52,070 rural poor women. These SHGs have mobilized a total saving of 1,230 million rupees.

It is universally accepted that ICT offer immense opportunities for economical, social, educational development of the people. Inclusion of ICT enabled services given various new trends for the market such as E-commerce, E-learning, and G-governance. The present research work will highlight significance ICT for advancement of SHGs to remain competitive in the sense of *Efficiency*, *Effectiveness*, and *Sustainability*. With SHGs initiation government of India has taken lot of initiatives for women empowerment among them SHG is playing vital role. Through SHG movement women come together, share their problem and develop solution for survival and progress. This study initiated to place ICT for the real progress of SHGs.

No one deny that if all members of the SHGs are get aware about this they can enjoy lots of benefits through this ICT enabled services. ICT consists of various hardware, software, and internet other communication network and media used for collection, storage, processing of the data and transmit information in the form of data, voice, text, images, etc. It offers time and space these offers valuable resources for women especially in developing countries like India who suffer from limited availability of the time, social isolation and lack of assess of knowledge and productive resources. It covers e-commerce, online trading and online banking etc. If all members of the SHGs are get aware about this they can enjoy lots of benefits through this ICT inclusion. Practically speaking rural women and ICT these are not directly concerned with the each other like urban population due to non-availability of resources, and lack of awareness and implication of ICT.

ICT consists of various hardware, software, internet other communication networks and media used for collection, storage, processing of the data and transmit information in the form of data, voice, text, image, etc. information technology offers time and space, these offers valuable resources for women especially in developing countries who suffer from limited availability of the time, social isolation and lack of assess of knowledge and productive resources. On the individual background the inclusion of ICT is for :

**Social Empowerment:** Includes – New knowledge and information, Awareness and understanding of issues, Skills, ability and competence, Support, friendship and inspiration, and Participating in group activities with women.

**Political Empowerment:** Participating in policy making, Tacking action to change life or community, Networking and lobbying, Changing stereotypes about rural women.

**Psychological Empowerment:** Self confidence and self esteem, Feeling more valued and respected, Motivation, interest and enthusiasm, Freedom to do things or express yourself, Feelings of belonging wellbeing and happiness.

**Technological Empowerment :** Knowledge about ICTs, Awareness and understanding about ICTs, Skills and competences in using new ICTs, Ongoing support and advice in using ICTs, Access to high quality technologies, Confidence to use and speak about ICTs.

### (ii) Review of Literature:

The origin of SHGs is the brain child of Gramin Bank of Bangladesh, which was founded by the economist Prof. Mohmmed Yunus in the year 1975 to provide micro-finance as a most powerful instrument to tackle poverty. From the government front Ministry of Human Resource Management in 1996 first time explained that the SHG is a homogenous group of 10-20 women each with own leader...and to relate to them in a variety of ways including facilitating credit availability. In the literary term the concept was introduced by Hooja in 1987 explaining that self help has been the philosophy of the projects of voluntary organizations.

Devasia and Antony (2004) explored that the social development is a plea for integrated view of the scope of development which would embrace development in all aspects. This can be ensured with information technology and communication technology reaching SHGs. Mathew & Nair (1986) stated that grass roots organizations of the rural women were earlier seen as delivery mechanisms for certain service and for training women in household activities. These organizations are now seen as mobilizers and participatory mechanisms to increase the visibility and bargaining power of women to strengthen their voice in development decisions and to develop economic activities on a collective basis and ensure access to developmental inputs. Gaiha & Nandhi (2007) focus SHGs as an attempt assess some key dimensions of women's empowerment defined as expansion of freedom of choice and action to shape their own lives. Das S K (2012) reported in his research paper that SHGs plays an important role in developing decision making ability and leadership qualities.

Talwar S, (2012) pointed out that financial inclusion at Micro level is a necessary condition for India...Laxmi & Vadivalagan pointed out that the women empowerment is the process in which women challenge the existing norms and culture to effectively promote their well being. Whereas Shivaprakash C.S. (2010) reported that role of information communication technology has the vast potential for women empowerment. Tanuja Gill reported that the role of IT is most important for the development of women in various aspects such as education, SHGs, motivation aspects and focused that science and technology brings economic growth and well being to people and it is not only the empowerment of women through science and technology but also the enrichment of science and technology through women's participation.

The research done by the Prof. Vibhuti contains an inquiry into the cost of promotion of SHGs program and the sustainability of SHGs based institutions and frameworks for financial services delivery in India. The study also undertakes a critical analysis of the paths of SHGs development emerging from current practices in different regional contexts.

Most of the literature explains the nature and function of the SHGs but not explores the use of ICT by SHGs.

### (iii) Objectives:

Self-reliant rural communities striving for sustainable livelihood with appropriate use of ICT is main object of the present research. SGH working in Nagpur district consisting of approx.38000 members in the district has on ICT. Use of computerized record maintenance, cell-phone, internet and SMS are common uses of ICT with an especial financial monitoring system. With an aim to know what extent the SHG seek to use a computer, mobile or any other ICT tool. To know the level of knowledge of ICT and how has it benefited the SHGs. Present research seeks to examine the use of ICT by SHGs. The program has growth in an exponential manner particularly during last five years. Initiation has taken by the women lead to form SHGs and now it's time to take initiation for use of ICT. It makes a preliminary attempt to examine SHGs through the SGHs development.

To identify the overall use of ICT as an effective tool and scrutinize SWOT analysis of ICT adopted by SHGs of Nagpur District.

To identify good practices in terms of operational process, quality control, Marketing strategies and participation in business opportunities for SHGs through inclusion of ICT.

To analyze problems & challenges faced by SHGs in ICT application.

To put practical suggestions to overcome the barriers for the SHGs in accessing ICT tools and to prepare 'Imperative Model' to promote use of ICT for SHGs.



**(iv) Methodology :**

The present study assesses the benefits of ICT for SHGs, based on a specially designed survey in selected villages in Nagpur district. With an objective of the project is the economic empowerment of rural women through capacity in entrepreneurship and ICT skills to enable them to become successful entrepreneur, it is estimated to study role of ICT for SHGs working in Nagpur district. The **exploratory** method will be adopted for the present research work.

Self-help Groups (SHGs) are small voluntary associations of people preferably from the same socioeconomic background that come together for the purpose of solving their common problems through self-help and mutual help. They have strong potential for promoting women's entrepreneurship.

The researcher had going to collect data with the help of primary as well as secondary sources. Primary data were collected through the discussion with the office bearer and members of SHGs, observations and interview. Secondary data was collected through the reference books, internet and journals. This was supplement with interviews, findings of unpublished notes and reports, internal evaluations project submissions, workshop presentations and proceedings and other similar 'grey' material. Comprehensive interview with chief executives and staff of a dozen of NGO/agencies had provided useful insights into the SHGs phenomenon.

**(v) Conclusion:**

Under-developing countries identified as a priority area for launching a science and technology based poverty eradication programme using ICT in a significant way. The microcredit supported microenterprise revolution triggered by SHGs has provided hope that a new deal can be extended to the self-employed. For SHGs to become sustainable SHGs it is essential that forward linkages with markets and backward linkages with research institutions and data management centres are established, ICT has a major role in sustaining and extending this self help revolution.

Along with the internet, cable TV, local vernacular press and the radio community radio stations will be best source and will be of immense help in communicating up-to date information to those who will benefits from it. Reaching the unreached and including the excluded will be possible only through an integrated ICT system. As a part of every village a knowledge centre into reality it is need to adopt ICT at every stage of economic activity.

Moreover the usefulness of a computer-aided knowledge centre in villages will be directly proportional to the social, ecological and economic significance of the static and dynamic information being provided. Hence a consortium of content providers will have to be developed for each agro-ecological zone. Leading industries could be participate activity in such a knowledge and skill empowerment revolution by adopting specific villages where they could be integrated in the procedures for monitoring and evaluation.

E-governance is invariably a passive system of information empowerment. There is need for promoting participatory methodologies of content creation and knowledge management.

There is a growing acceptance that appropriate use of ITC can lead to improved knowledge and productivity necessary for long term economic growth and sustainable development. Although ICT has great potential for development, access to ICT is not equal between countries and between different groups within a country, creating the 'digital divide'.

The potential benefits of ICT are noted globally in almost all fields. It creates new types of economic activity and employment opportunities by changing the nature of work, the range of occupations and skills requirements. By reducing transaction costs ICT contributes a large to business efficiency, productivity and profitability and also crates new opportunities to directly market products and services. It also offers new methods of education and training such as distance learning, lifelong education, alternatives to formal education and community based learning.

At the being of ICT penetration is in general, low in rural areas owing to a low level of infrastructure development for communication in rural areas and costs involved for access to ICT. But the situation is changed in the recent years. To provide affordable and wider access to ICT, community e-centers have been established in most of the part of rural area of the Maharashtra state. A community e-centers a place equipped with computer and communication facilities, provides access to ICT based services such as the Internet, Fax, e-business and e-learning and e-training, etc.

Rural entrepreneurship rise due to different reasons. Population growth and environmental degradation impose severe stress on natural farm resources, driving rural people to turn to non-agricultural activities for supplementary income. In addition, globalization is increasingly exposing small-scale farmers, a majority of them women, to market conditions for which they are poorly prepared. To cope with the competition in the global economy, farmers need to adopt new means such as diversification, value-addition, non-farm production and improved marketing. To match the current trend they also need to be able to follow market trends and plan their production and marketing strategies and to be aware of quality controls and standards of farm products to compete effectively in the open market. ICT can be a vital tool for rural communities in accessing market information and practical knowledge regarding new ways of farming and developing new products.

Moreover in order to transform small formers into entrepreneurs, it is important to provide them with access to credit, product and market information, technology and training in management skills and enterprise development. SHGs hold enormous potential for the development of women, particularly rural women entrepreneurs. Although rural women are actively involved in the process of farm production, processing and marketing, they often lack the legal status which prevents them from gaining access to credit, education and technology. Basically SHGs can help accelerate the process of development and participation of women in their entrepreneurship activity.

From the market oriented point of view SHGs are working in isolation within a market that is restricted to their local area. Their limitation in promoting the sales of products has often been exploited by middlemen. E-business applications have great potential for such enterprises to sell their products on the local as well as global market.

Women's empowerment in the knowledge society denotes that women possess the capacity, skill and resources to access, manage and produce information for their needs by means of ICT. Moreover the ICT inherently make possible flexibility in time and place, offering great possibilities for women in view of their multiple roles. ICT contributes to enhancement of women's capabilities by providing educational opportunities and information sharing. Their education regardless of geographic area at their own pace can serve with ICT which further serve their self confidence as well as expand their roles in the society. ICT provides a tool for e-governance, networking and advocacy, contributing to women's social empowerment. Moreover E-governance delivers online public services and offers citizens opportunities to participate in formulating and implementing policy. Transformation of the governance process by means of ICT opens up new dimensions for women's participation in civil society. In case of rural women it can enables to access information regarding policies, laws and regulations, utilize administrative and civil services and assistance provided by the government, online interaction, participation in policy framing and political processing. In terms of networking and advocacy, ICT plays an important role in building alliances and support communities.

In this context SHGs needs to initiate the project on use of ICT. The present research study is initiated to empowerment of rural women through building capacity in entrepreneurship and ICT skills to enable them to produce and market their products in competitive market.

Rural women especially in developing countries are at the lowest strata in terms of ICT utilization owing to a general lack of resources and capacities.

ICT play a vital role in facilitating this change in the producer and consumer market. The transformative role ICTs have played in the marketing of specialized goods. It helps to cater to differentiated and specialized consumer tastes proved to be major barriers for producers; ICTs today are increasing making this economically and technically viable. Use of ICT enables entrepreneurs to analyze and develop highly targeted production and marketing plans which can respond to the variegated consumer demands of the market. Although basic ICT tools and knowledge may initially be costly for small or subsistence entrepreneurs but offer in helping to narrow the knowledge gap and are able to gain access to them. ICT include any communication device or application, encompassing radio, television, cellular phones, computers and network hardware and software and satellite systems as well as various services and applications associated with them. People are connected through an online database which helps them access required information in the local languages.

Internet in particular is a communication technology that has great potential to create and reach national and international markets. It is being effectively used for direct online sales, income distribution, marketing and public relations.

For SHGs utilizing ICTs can greatly strengthen the effectiveness of their entrepreneurship. The powerful marketing capacity of ICTs makes possible for women entrepreneur to widen their market from local to global. It helps to increase the capacity to deal directly with customers strengthens women's business position, bring them a sense of empowerment and increased exposure to the world of business and enhances women's entrepreneurial competitiveness in the local, regional and global market.

Further the Maharashtra state government has decided to create a four-tier network of Self-Help Groups (SHGs) in rural areas and provide those marketing facilities and finance to raise their income. According to a private survey "There are over two lakh SHGs operating across the state. Among them, 1.67 lakh SHGs are exclusively for women," said a senior official of the rural development department. "Of these, 53,465 SHGs have started economic activities to supplement the income of their members. Women SHGs lead in such activities with 45,449 groups being operational. They manufacture foodstuff and products for domestic use. The idea is to create a network of the SHGs, help them in their economic activities and thereby raise the income of individual members to at least Rs 2,000 per month."

Also, the state government has decided to form 'Seva Sanghs' at village, revenue circle, taluka and district levels. The Sanghs would monitor the flow of credit and coordinate with banks. The government would provide financial aid for the first four years for the administrative work. The government would finance the exercise with the funds available

under the Swarna Jayanti Gram Swarajgar Yojana, which is funded by the Centre (75%) and the state government (25%).

The then minister for rural development, Vijaysinh Mohite-Patil, said permanent marketing outlets would be provided for the SHGs in talukas and districts. The government would provide financial aid of Rs 25 lakh for creating an outlet in each taluka and Rs 50 lakh for each outlet in district headquarters. He said SHGs were being provided loans at four per cent interest.'

To consider the use of ICT the present study will focus on various usages of information technology. The researcher highlights the importance of ICT with the help of self help groups. It is also focused on importance of internet for women empowerment especially with reference to women members of SHGs. Along with other technique the present study highlights role of ICT especially internet, computer, online bank, use of ATM by SHGs.

#### **(vi) Implication of Project:**

The members of the SHGs functioning well and the members belonged to different educational backgrounds, varied employment and income groups. But practically the members are not much aware of the ICT tools and its benefits. SHGs are the main beneficiaries of the project. ICT training institution has to keep in mind there is a large number of the stakeholders of the project initiation especially inclusion of ICT for the SHGs. The monitoring authorizes including finding banks, NGOs as well as the producers and service providers of SHGs has great deal with the research finding especially convenience of ICT for the efficiency, effectiveness and sustainability of SHGs. It may also deserve transparency and feasibility in day to days working.

On government front the Maharashtra state government declared that in a bid to curb financial irregularities by SHGs and money lenders Govt. has decided to start e-banking facilities in 20,000 state gram Panchayats out of 28000. Clarity will be curbed and Gram Panchayats will become the centre of financial transactions. Due to ICT applications duping by money lenders SHGs and financial irregularities. Women's entrepreneurship in rural areas faces some problems applying the ICT for examples barriers to access and affordability of ICTs due to lack of infrastructure, high cost of hardware and software, concerning connectivity and illiteracy, including computer illiteracy. Other than this even access to and affordability of internet are met, another challenge arise in creating and maintaining effective websites with good content, clear presentation and easy accessibility. Thus '**There is great significance of ICT for advancement of SHGs to remain competitive in the sense of Efficiency, Effectiveness and Sustainability.**'

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