

WOMEN ENTREPRENEURSHIP THROUGH MICROFINANCE: A CASE STUDY OF PRAYAS JAN VIKAS BHANDOL - GANDHINAGAR

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ABSTRACT

Microfinance is emerging as a powerful instrument and dominating force for poverty alleviation, and providing linkage between Self Help Group-Bank as a cost effective mechanism for providing financial services to the marginalized families by women entrepreneurship in the state of Gujarat. This article tries to document how Prayas Jan Vikas Bhandol (PJVB) micro finance wing has received extensive recognition as a strategy for economic empowerment and poverty alleviation of rural women through entrepreneurship. In its methodology, the article deals with descriptive research design; Social Impact and case study research designs were allowed to examine the role of Prayas and accessibility of microfinance. A sample of 30 (Cases) women entrepreneurs from PJVB have been collected for the study. The Prayas Microfinance wing was approached through interview schedule, participant observation and applied stratified random sampling method for collecting primary data. Secondary data was collected from Prayas annual reports, relevant books, journals, government publications, research reports, and various web sites. On the basis of the findings of the data collected from 30 women entrepreneurs, the connection between empowerment of women with increased self-esteem of the marginalized women through the services of microfinance is clearly visible.

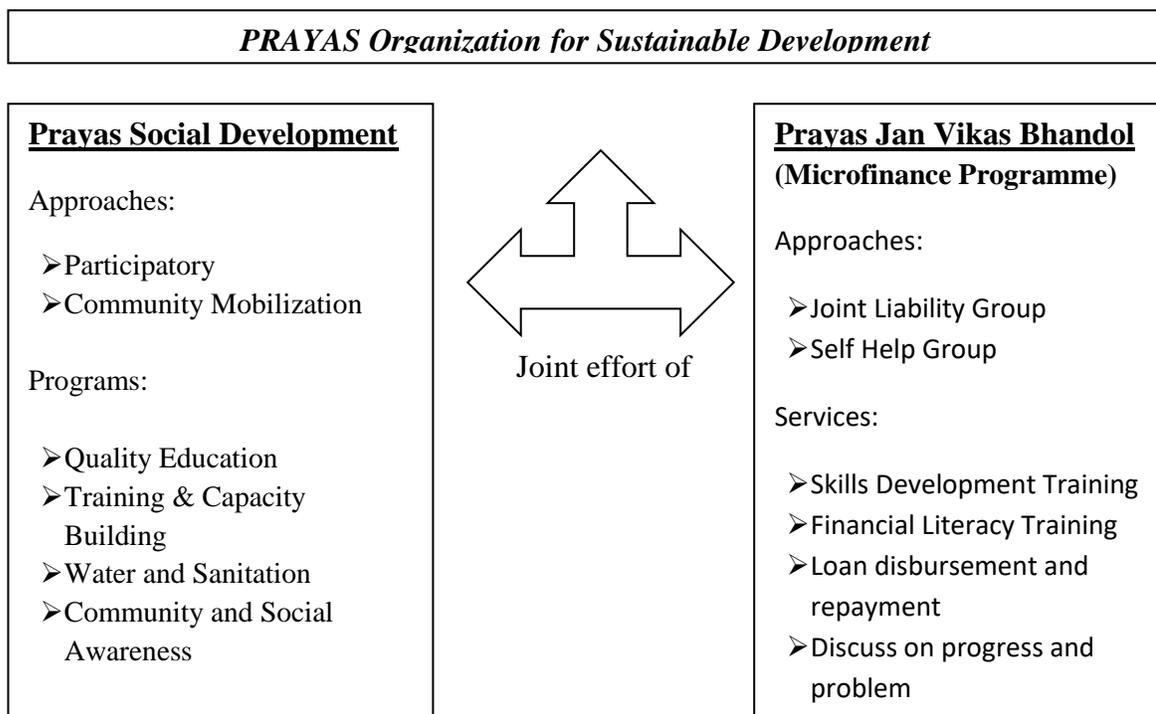
Keywords: Women Entrepreneurship, Empowerment, Microfinance, Prayas

INTRODUCTION

The seeds of Prayas were aimed at the gross root level empowerment, motivation and handholding support for deprived communities. The interventions of Prayas included in social development and microfinance enterprises over the period of last 17 years in Gujarat, Madhya Pradesh and Assam. They work especially with the needy women and children to bring positive changes in their life with the congregation of community members to enable them to avail government facilities as well as increase their knowledge and capacity for ensuring good health, education and financial security. Prayas vision envisions a society where people have better

social and economic opportunities, accessibilities for financial services and awareness of rights and duties.

Prayas – Organization for Sustainable development emphasized on the activities which assembled towards finding solutions for the core development issues confronting the poor and marginalized women of needy community viz. entrepreneurship development and financial support to vulnerable families through microfinance, HIV/AIDS awareness, quality education, Adolescents health and hygiene, youth empowerment, water and sanitation.



*Source: Prayas – Annual Report 2017-18.

Prayas Microfinance Wing - Prayas Jan Vikas Bhandol (PJVB): It was set up in the year 2006 as a separate wing of PRAYAS with a commitment to enriching the lives of marginalized families through loans for income generation. PJVB is the second wing of the organization which provides economic support to the marginalized women through the services of microfinance. Its initiatives have cumulatively touched the lives of over 17000 members across the states of Gujarat and Madhya Pradesh. It has separate structure and employees from the social program of the organization are active in more than 92 villages and 47 urban localities. The implementation strategies of PJVB is SHG model in Bank partnership with YES bank and using Joint Liability Group (JLG) model for own portfolio. Prayas is presently focused to

support to needy families through their female members only, which means to provide loan amount to the needy women microenterprises. The objective of providing microfinance services to the members are for their – Income generation; Help in the incidental economic crisis; House Construction.

The overall execution of PJVB program has been done by two teams: A core team at head office and a unit team at filed offices. The core team of microfinance is responsible for planning of routine tasks such as the goal of program can be achieved. The core team planning is included with financial planning, monitoring and controlling of microfinance operations. While the unit team works at the field level with group members as per decided planning and policies and are responsible for executing all field operations within time frame.

Loan Products through PJVB

Features	JLG Monthly	SHG Monthly
Purpose	Agriculture, Live stock, Debt Redemption, Health, Business (Trading, Manufacturing/Service)	Agriculture, Live stock, Debt Redemption, Health, Business (Trading, Manufacturing/Service)
Group Size	5 to 20 members	8 to 20 members
Client Profile	Rural and urban poor women	Rural and urban women entrepreneurs
Loan Size in Rupees	5000 – 15000	10,000 – 30,000
Loan Tenure	12 month	12 month

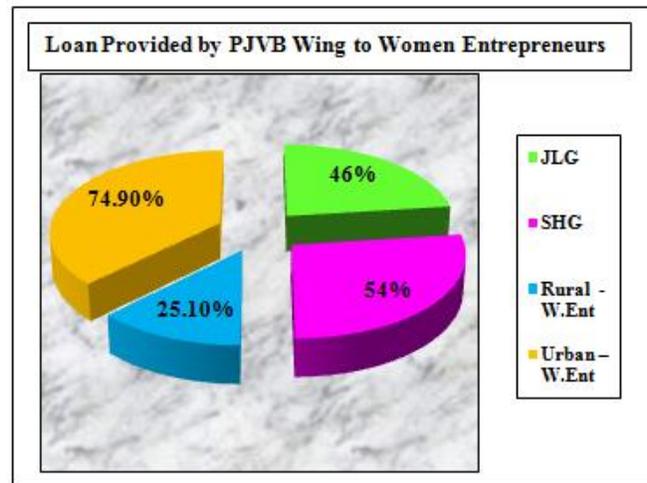
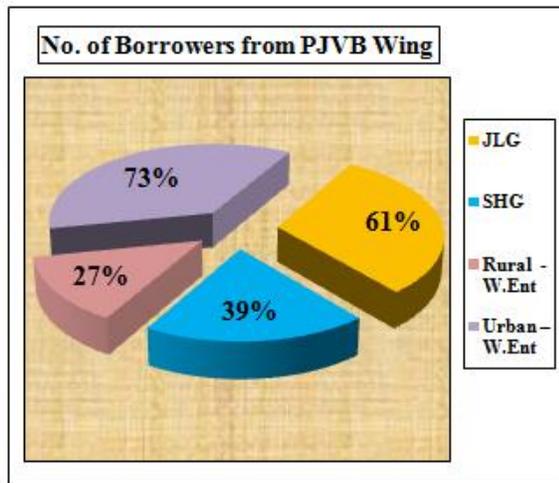
*Source: PRAYAS – Annual Report 2017-18.

The PJVB loan process is being carried out in two ways JLG and SHG. For the study, the researcher collected data only from SHG clients. This group consists of 8 to 20 members in maximum of both rural and urban women entrepreneurs with the loan of ten thousand to thirty thousand depending on their business with one year tenure. Majority of 70% women are interested in starting their medium scale business of vegetables, flowers and diyas in rural areas and urban localities the nature of business is slightly different from rural villages. Here, the urban women are keen in doing business of fruits and bangles, studs and ladies cosmetics.

Present Scenario of PJVB

Product	No. of Borrowers	Percent (%)	Loan in Rupees.	Percent (%)
JLG	10534	61%	72,047,748	46%
SHG	6685	39%	87,791,876	54%
Rural W.Ent	4657	27%	4,07,18,629	25.1%
Urban W.Ent	12562	73%	12,13,59,060	74.9%

*Source: PRAYAS – Annual Report 2017-18.



OBJECTIVES OF THE STUDY

- To elucidate the approach of Prayas Jan Vikas Bhandol (PJVB) for women entrepreneurship.
- To study the kind of microenterprises and the impact of PJVB Microfinance Program.
- To find out the Loan drawn from PJVB program and Monthly Earnings among women entrepreneurs
- To identify the specific role of PJVB Microfinance program in developing women entrepreneurs and some successful beneficiaries case studies.

LITERATURE REVIEW

Manju & Mohan (2014) in their study “Role of NGO in Empowering Women through Microfinance: A Conceptual Study”, emphasis on women empowerment in a multi-dimensional ways and which helps women to gain self realization, financial security, and access to equal

opportunities through microfinance. They found out the microfinance sector is the supporting system for the economic empowerment of women in both rural and urban poor and marginalized women. The study divulge that NGOs plays a key role in creating a feasible alternative platform for these women through microfinance program with the banking partnership by creating SHG models and awaring about the various government welfare schemes. Microfinance programmes are currently being promoted as a key strategy for simultaneously addressing both poverty alleviation and women's empowerment; whereas the financial service provision leads to the setting up or expansion of their micro-enterprises within the vicinity.

Richard, Ernest & Edith (2015) in the article entitled 'Microfinance and Entrepreneurial Empowerment of Women: The Ugandan Context', explained the role of microfinance in the entrepreneurial empowerment of women by adopting an exploratory cross sectional research design involving 150 women in Eastern and Central Uganda. The study revealed that access to credit is the major benefit from the microfinance services and the overriding benefit in the groups was observed to be social capital, networking superseding trust and reciprocity. Considering services received by women from the MFIs, there is need to support sensitization and technical skills such as marketing and financial literacy in order to enable women entrepreneurs put the borrowed finances to good use. Results reveal that microfinance and social capital have a significant relationship with entrepreneurial empowerment. This implies that Microfinance is an important tool towards the entrepreneurial empowerment of women in a resource perspective.

Sabiha (2014) in her study 'Women Entrepreneurship as the Way for Economic Development' analyzed the role of women entrepreneurs with respect to the banking institutions. This article studies the four aspects, such as the growth of women entrepreneurs in India; Studies tapping this growth in financing women entrepreneurs which is a major problem of failure in their businesses; third deals with the role of self help groups (SHGs) in promoting finances and empowering them through capacity building programmes; and the fourth aspect deals with future policies of the government providing conducive environment for their business and for their livelihood. The study critically analyzed many obstacles of women entrepreneurs, specifically in knowledge in accessibility to loans, funding agencies, awareness of government welfare programs, motivation, technical training and support from organizations, marketing their products and financial literacy as well as entry of rural women entrepreneurs in micro-enterprises by their effectual and competent involvement in entrepreneurial activities by strengthening entrepreneurial network.

Isidore, Norsiah & Razli (2010) in their work 'The Effect of Microfinance Factors on Women Entrepreneurs' performance in Nigeria: A Conceptual Framework', discussed about the obstacles

such as poverty, unemployment, low household income and societal discriminations mostly in developing countries have hindered their effective performance. It is discovered that women entrepreneurship could be an effective strategy to support their families as well as for poverty reduction in a country. However, women entrepreneurs do not have easy access to microfinance for their entrepreneurial activity than their men counterparts. The study also highlighted by examining the effect of credit, savings, training and social capital on women entrepreneurs' performance in Nigeria by analyzing data with Structural Equation Modelling.

Shaik & Nikhat (2011) in their article 'Women Entrepreneurship Development through Microfinance: A Study Focused on Hyderabad', emphasized on entrepreneurship represents an appropriate opportunity for women and responds flexibly to entry, change and innovation. Women's entrepreneurial activities are not only a means for economic survival but also have positive social repercussions and the objective of the study focused on the impact of Microfinance programs on entrepreneurial skills and socio-economic development of Muslim minority women entrepreneurs. A sample of 157 Muslim minority women confined to Hyderabad District financed by APSMFC is taken to test the hypothesis of the research work. The study found that Microfinance scheme of APSMFC is useful in development of women entrepreneurship. The authors conclude that, women can benefit from microfinance in increased income levels, empowerment, sustainability and self reliance which are the positive points in entrepreneurship development and if the constraints be removed, the micro finance sector is overall improving Entrepreneurship Development of Women.

Bernard (2015) in his work entitled 'Microfinance Services: Facilitating Entrepreneurial Success of Poor Women', was based on the review of literature on microfinance and the influence of microfinance services (factors of microfinance) on entrepreneurial success of poor women and understand weaknesses of such services in the process of women achieving entrepreneurial success with specific reference to Sri Lanka. The paper argues that the microfinance services play a major role in achieving entrepreneurial success of women, and also highlights drawbacks of microfinance as a strategy for developing entrepreneurship of poor women. The research identifies some important areas for empirical research and the findings would facilitate microfinance service providers to design their service offers to enhance entrepreneurial outcomes of their clients. Hence, there is a clear need for studies to explore as to how far poor women in Sri Lanka achieve entrepreneurial success through microfinance services and the relative importance of each of these services.

Rashid, John, Consolatta & Stephen (2015) the study 'Impact of Microfinance Institutions on Economic Empowerment of Women Entrepreneurs in Developing Countries', mirrored out with the Descriptive research design and assessed the extent to which Women economic

empowerment co-relates with Microfinance Institutions services. The study found that there was an improvement in advisory services and savings services besides the microcredit services. Therefore the MFIs have assisted the women entrepreneurs get more empowered economically than before. The data indicated that there was increased women responded that their standard of living had improved, participating in decision making in their houses, control over resources, self employment and increase in savings insurance services. The findings are highlighted that the policy proposals of MFIs meet the economic empowerment needs of women Entrepreneurs to make developing countries progress as Kenya prepares to achieve vision 2030.

Naeem, Khan, Sheik, Ali & Faqir (2015) in their article ‘The Impact of Microfinance on Women Micro-Enterprises “A Case Study of District Quetta, Pakistan”, analyzed that lack of financial resources are the major constraints for women participation in economic development.

The microfinance is considered as one of the important tool for resolving this problem. This study also explored the impact of BRAC, Pakistan microfinance program on women microenterprises. Results of the study show that microfinance has positive impact on creation of microenterprises such as trading, business and self employment. It has significant impact on beneficiaries’ enterprise working capital and fixed assets as compare to non-beneficiaries. Therefore it is concluded from this research study that overall microfinance services are playing positive role in women entrepreneurial performance.

METHODOLOGY

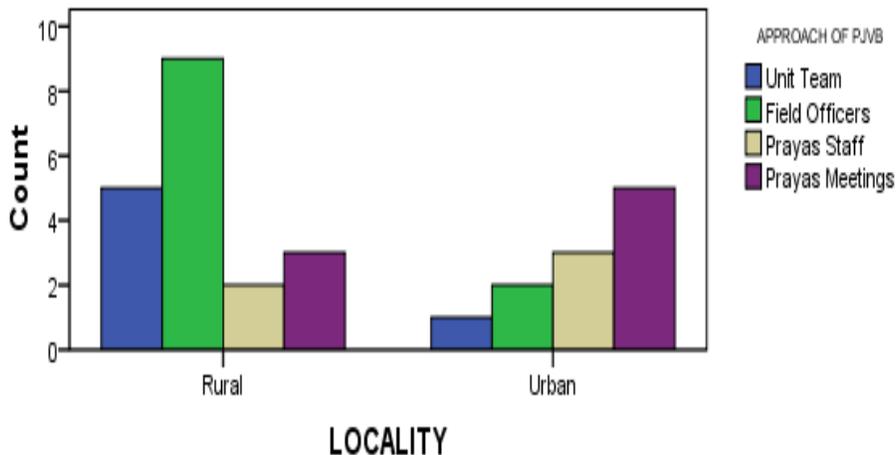
PRAYAS is a Gujarat based Organization for Sustainable Development work with a vision to bring positive changes in the life of women. With the help of survey design; the primary data is collected through structured questionnaires covering a sample size of 30 women entrepreneurs who availed microfinance loans from the Prayas Jan Vikas Bandhol (Microfinance Program) with banking partnership of YES and IDBI banks. The sample population was women entrepreneurs from PJVB Wing within Gandhinagar selected who are the actual owners of the microenterprises in order to draw impact of microfinance on enterprise accurately. The stratified random sample is used for selection of members from both groups of JLG (Joint Liability Group) and SHG (Self Help Groups). The interview was conducted by visiting the clients on their enterprise and at the regional office where the clients have visited to pay their installments. Data collected was presented by descriptive statistics with univariate and bi-variate analysis by using pie charts and graphs. The collected data analyzed by using the Statistical Package for Social Scientists (SPSS) version 16.

DATA ANALYSIS

Table 1: LOCALITY * APPROACH OF PJVB

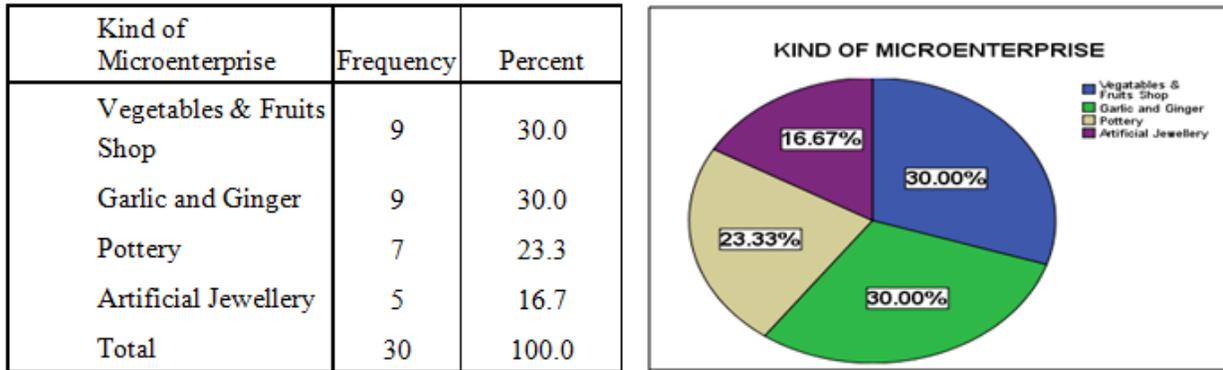
LOCALITY	APPROACH OF PJVB				Total
	Unit Team	Field Officers	Prayas Staff	Prayas Meetings	
Rural	5 26.3%	9 47.4%	2 10.5%	3 15.8%	19 100.0%
Urban	1 9.1%	2 18.2%	3 27.3%	5 45.5%	11 100.0%
Total	6 20.0%	11 36.7%	5 16.7%	8 26.7%	30 100.0%

*Source – Field Survey



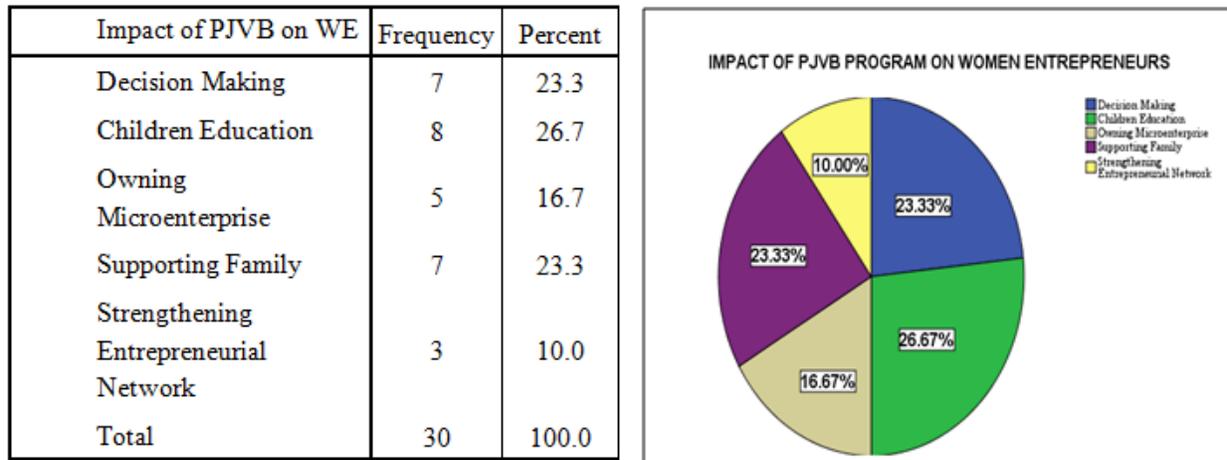
The above table explains about the approaches/strategies of PJVB Microfinance Program for the women entrepreneurship in both and urban localities of Gandhinagar. The respondents shared their opinion about the awareness of PJVB program through the services of unit teams by (20%), Field Officers (36.7%), by Prayas staff (16.7%) and through Prayas meetings (26.7%).

Table: 2 (A)



The table 2(A) enumerates about the kind of Microenterprise owning by the women entrepreneurs with the regard to PGVB Microfinance program. The equal percentage of women entrepreneurs with 30% own vegetable and fruits shops and Garlic and ginger business, followed by 23.3% of the respondents are with pottery business and around 16.7% are having their artificial jeweler business.

Table: 2(B): IMPACT AND BENEFITS OF PJVB PROGRAM ON WOMEN ENTREPRENEURS



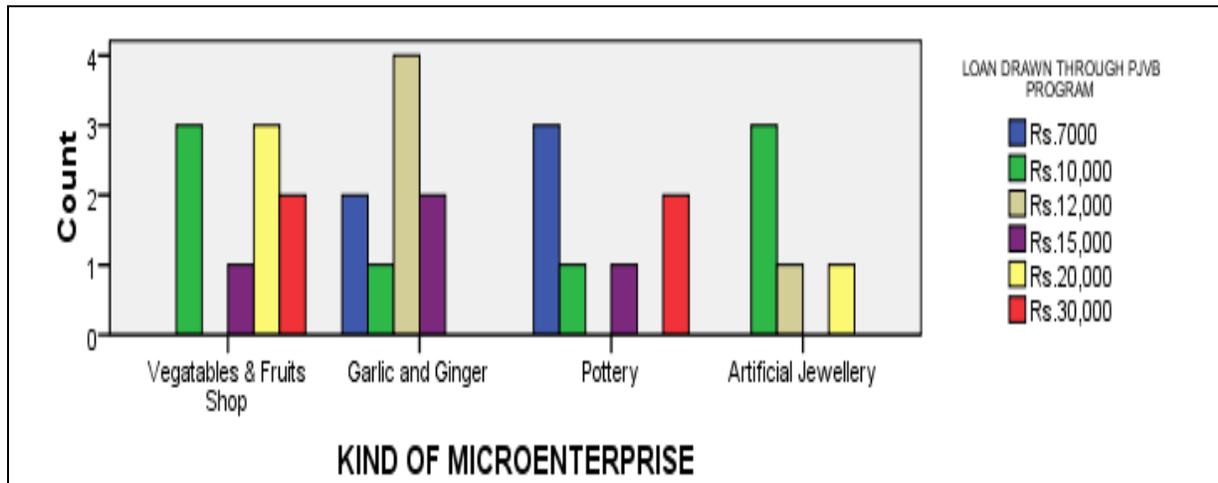
*Source:-Field Survey

Majority of 26.7% of the women entrepreneurs have benefitted with the PJVB microfinance program and spent their money to their children’s education; whereas equally 23.3% of the respondents have support their family needs and acquired the decision making capability at household level. Around 16.7% had responded that they started owning their business despite

working under someone else. Lastly, around 10% had opined that they strengthen the entrepreneurial network from their localities to district level.

Table 3: KIND OF MICROENTERPRISE * LOAN DRAWN THROUGH PJV B PROGRAM

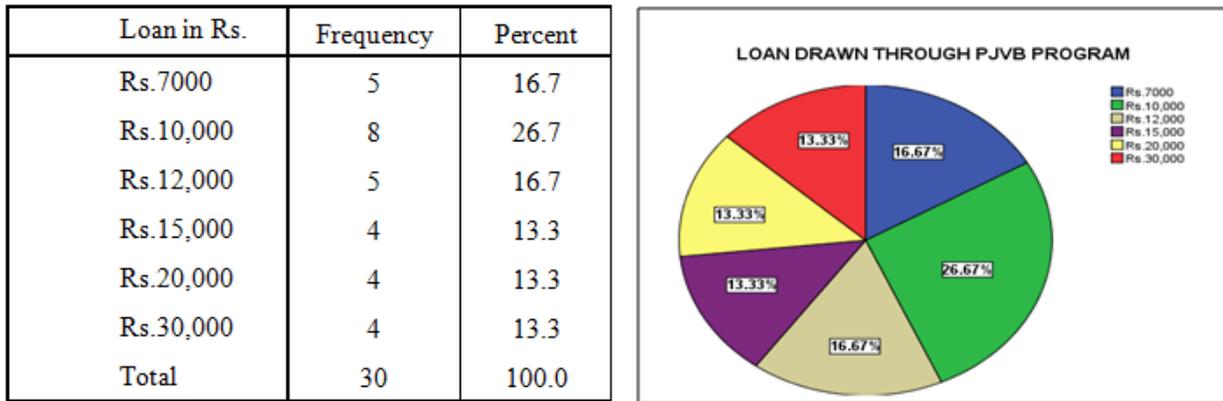
Kind of Microenterprise	LOAN DRAWN THROUGH PJVB PROGRAM						Total
	Rs.7000	Rs.10,000	Rs.12,000	Rs.15,000	Rs.20,000	Rs.30,000	
Vegetables & Fruits Shop	0 .0%	3 37.5%	0 .0%	1 25.0%	3 75.0%	2 50.0%	9 30.0%
Garlic and Ginger	2 40.0%	1 12.5%	4 80.0%	2 50.0%	0 .0%	0 .0%	9 30.0%
Pottery	3 60.0%	1 12.5%	0 .0%	1 25.0%	0 .0%	2 50.0%	7 23.3%
Artificial Jewellery	0 .0%	3 37.5%	1 20.0%	0 .0%	1 25.0%	0 .0%	5 16.7%
Total	5 100.0%	8 100.0%	5 100.0%	4 100.0%	4 100.0%	4 100.0%	30 100.0%



The table: 3 explain about the relationship between the kind of microenterprise started with the support of PJVB program and the loan drawn from the microfinance wing. Majority of equally 30% respondents have started their vegetables and fruits, garlic and ginger business by getting first loan of Rs.7000 and at second loan with Rs10, 000 to Rs.15, 000 and third loan with an

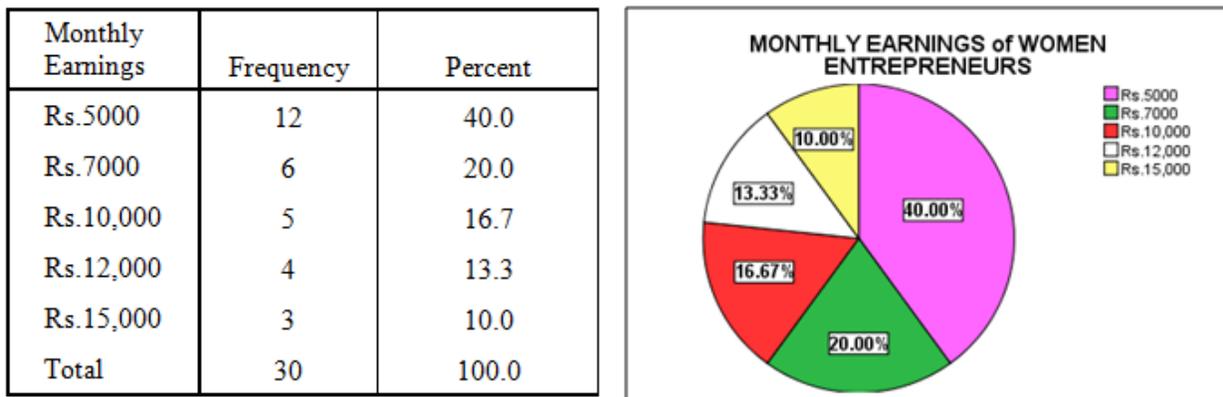
amount of Rs.20, 000 to Rs.30, 000. Followed by 23% have started pottery toys and diyaas. Lastly, 17% had started doing business with artificial jewels for their livelihood.

Table 4: Loan Drawn through PJVB Program



The above table 4 (A) explains the loans drawn by the women entrepreneurs from Prayas Microfinance program. The respondent’s loan drawing is ranging from Rs.7000 to Rs.30, 000. But the majority of 26.7% are borrowed the loan amount of Rs.10,000 followed by 16.7% of women entrepreneurs borrowed from the first loan cycle with Rs.7000 to second loan cycle of Rs.12,000. Lastly, equally 13.3% of the respondents borrowed the third cycle of loan amount with an increasing range of loan from Rs.15, 000 to Rs.30, 000.

Table 4(B): Monthly Earnings of Women Entrepreneurs



The above table: 4 (B) explains about the women entrepreneurs monthly income and earnings out of their microenterprises. Majority of 40% have Rs.5000 after all the expenses and loan pay.

Around 20% have their earnings of Rs.7000 and 16.7% had their earnings with Rs.10, 000 and 13.3% had with Rs.12, 000 and very of 10% had a good earning amount of Rs.15,000.

Case Studies of PJVB Women Entrepreneurs

Sumitra Ben is a 35 years old working women and a member of Shree mahamati mahila samuh. She has husband and two sons go on migration to big cities of Gujarat for livelihood. The family decided to stay in village for better upbringing and continuity of education for their children, but they were finding very difficult in fulfilling their family expenses. She was supported by the PJVB program by providing loan. She has brought a cart from a loan amount to carry vegetables and fruits for selling in the market. The positive impact of PJVB microfinance program and her hard work enable her to save Rs.4000 every month after deducting the loan installment and other expenses. Sumitra is looking forward to borrow more loans in next cycles and planning to expand her business from cart to establish her own shop.

Sumali Ben is a 42 year old woman attended a meeting of PRAYAS at her village and decided to start her own microenterprise despite doing labour work for building construction for Rs.%0 per day. She was supported by a small loan with Rs.7000 in first cycle to buy garlic in bulk and sell it in the market. She borrowed Rs.12000 and Rs.15000 in second and third cycle and now expanded her business to sell garlic in wholesale to other shopkeepers at weekly market. After completing the third cycle loan, she has borrowed loan of Rs.50, 000 for constructing her house. The impact of this microfinance program led to avail proper education of her grand children.

Zareena Ben is a member of Acharya Peer Dada Mahila Mandal. Earlier she was involved in household work and was able to earn only Rs.3000 to Rs.3500 per month and is really difficult to meet the basic family needs. Sit he came to know about Prayas microfinance in 2008 and decided to take loan to start a small business of pottery work. After the setting up of small unit to make pottery and expanded their business and successfully settled and able to earn Rs.15000 per month after deducting the installments for loan amount and other expenses. The impact of PJVB program brought her new hope and a sustainable income source despite labour work.

CONCLUSION

The study concludes with the positive impact of microfinance program on women entrepreneurship and entrepreneurial networks. The Prayas Jan Vikas Bandhol (PJVB) is popularly known as Prayas Microfinance Wing which provides economic support to the marginalized families through the microfinance services in collaboration with banking sector. It has proved that micro-credit is significantly related to self-employment, education of respondent's children, training, skills acquisition, and economic empowerment. Women

entrepreneurs need micro-credit to become or remain self-employed either by starting their own businesses or by expanding their existing businesses. To increase their capability and level of empowerment and entrepreneurial skills in their chosen firms would produce and generate a sustainable income. The PRAYAS plays a pivotal role in creating awareness among rural women to start their business by providing Prayas financial support to empower them as women entrepreneurs.

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