



# Constraints and Suggestions Regarding Entrepreneurial Behavior of SHGs Member under National Rural Livelihood Mission (NRLM) in Khanpur Block of Samastipur District in Bihar

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## Authors' contributions

This work was carried out in collaboration between both authors. Both authors read and approved the final manuscript.

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## ABSTRACT

The present study was undertaken to assess the constraints and suggestions regarding entrepreneurial behaviour of SHG members under the National Rural Livelihood Mission in Khanpur block of Samastipur district in Bihar during the year 2022. The data were collected through a pre-tested schedule from 120 respondents who were selected randomly. The collected data were tabulated, analysed, and interpreted with the help of appropriate statistical tools. The descriptive research design was followed for the current study. It was found that more than half of the

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respondents, i.e., 48.33 percent, were middle-aged, a large proportion of the members (83.33 percent) were literate, and in the case of size of family, the majority of respondents of small families (up to 4 members) (55.83% and 86.67%) had a nuclear family, and a higher percentage (40.00%) of the respondents had semi-cemented houses. The majority of the respondents depend on agriculture for their livelihood. The major constraints faced by the respondents were the low price of products (67.5%), ranked I, followed by a lack of knowledge about the market trend of SHG products (65.83%), ranked II. The major suggestions given by the respondents were the increase in the price of products (68.34%), ranked I, followed by organising various types of entrepreneurial development programmes (65.83%), ranked II.

*Keywords: Constraints; suggestions; NRLM; entrepreneurial behaviour; SHG.*

## 1. INTRODUCTION

The origin of the self-help group can be traced back to the history of Grameen Bank of Bangladesh, which was founded in 1975 by Md. Yunus, who tried out the new approach to rural credit concepts of microcredit and microfinance. The Bangladesh Grameen Bank provides loans without asking borrowers to provide collateral or engage in paperwork. In India, the National Bank for Agriculture and Rural Development (NABARD) initiated the promotion of SHGs in 1986–87, but the real effort came after 1991–92 with the linkage of SHGs with the banks. A self-help group (SHG) is a small affinity group of economically identical rural or urban poor people. They work together for a common goal of social and economic upliftment for their families and community. The members of SHGs save and contribute to a common fund for business and provide it to members by taking a group decision [1]. SHG is a therapy that involves a group of two or more people who desire to share problems and help each other with things that are experienced or that are the focus of attention, in this case, those related to mental problems [2]. The formation of SHGs takes place when a group of people share a common need, but often just one person takes the initiative. Furthermore, interested individuals discuss this concept and involve more people, and potential members of the community are informed. The group elects leaders democratically and conducts meetings for implementing ideas and developing business [3]. Entrepreneurial behaviour of SHG Members established under NRLM can be attributed to the change in knowledge, skills, and attitude of entrepreneurs in the enterprise. They have taken up the major problems faced by farm women, including social customs and beliefs, marketing problems, financial problems, a lack of independence, a low level of education, the caste system, difficulty obtaining loans, and a lack of knowledge.

The Indian government is providing several schemes and programmes for the support and development of entrepreneurship, which are also applicable to self-help groups. It includes the Prime Minister's Rozgar Yojana and Swarnajayanti Gramme. Swarnajayanti Yojana, Swayam Rojgar Yojana, Rural Employment Generation Programme, District Rural Industrial Project, Support to Training and Employment Programme, and Rashtriya Mahila Kosh Yojana Kumar et al. [4]. The main aim of SHG is to make group members self-reliant and independent through self-employment and empowerment through group dynamics. The basic principles of the SHGs are group approach, the mutual trust of the small and manageable group, a spirit of thrift, demand-based lending, collateral-free, poor-friendly loans, and peer group pressure. Empowerment "is a process of change where individuals or groups gain power and the ability to take control over their lives. It involves increased well-being, access to resources, increased self-confidence, self-esteem, and respect, increased participation in decision-making and bargaining power, and increased control over benefits, resources, and one's own life" [5]. The Gender Empowerment Measure of India reflects the level of empowerment of women in India. To empower women, reducing poverty and promoting gainful employment are necessary. "Self-Help Groups" were introduced in 1986–87, initiated by NABARD. But the real efforts were made after 1991–92 with the linkage of SHGs with the bank. It is a tool to remove poverty and improve rural development [6]. In India, a majority of the self-help groups consist of poor rural women who become members of the groups to enhance their socio-economic status by engaging themselves in productive pursuits [7].

Over the last few decades, the mechanism of microfinance, which essentially refers to the provisioning of financial services to low-income

client groups, has seen rapid growth, with banks and other institutions joining in to provide financial services to the poor and marginalised sections of society [8].

SHGs are continuously striving for a better future for tribal women as participants, decision-makers, and beneficiaries in the domestic, economic, social, and cultural spheres of life. But due to certain constraints like gender inequality, exploitation, and women's torture, various SHGs are not organised properly and effectively [9]. Several self-help groups from India are associated with the 'SHG Bank Linkage' programme with the National Bank for Agricultural and Rural Development (NABARD) to borrow the loan for their businesses after accumulating their operating capital. This type of model is attracting many new self-help groups for business support. It is backing the sparse population by providing microfinance services and making it possible to reach an unreached population that has difficulty reaching banks or other institutions directly. This initiative especially helps upcoming entrepreneurs, and the bank pays them interest as per the market rate on their

small deposits. Self-help groups reduce the bank's transaction costs by gathering their total earnings and savings into a single deposit. It also generates a good amount of deposits for the bank [10].

## 2. MATERIALS AND METHODS

The research study was concluded in Khanpur block of Samastipur district in Bihar during the years 2022. In Khanpur block, 5 villages were selected randomly for study. Thus, 120 SHG members under National Rural Livelihood Mission constituted sample for the investigation. Based on the objectives of study, an interview schedule was prepared and descriptive research design was followed for the present study. The respondents were asked for questions to check the major constraints regarding Entrepreneurial Behavior of SHGs Members Under National Rural Livelihood Mission. The information was elucidated from respondents with the help of structured scheduled through descriptive research design. The information was collected by personally interviewing respondents using structured interview schedule.

## 3. RESULTS AND DISCUSSION

### 3.1 Socio Economic Profile of the Respondents

Table 1. Socio economic profile of respondents

S. no	Variables	Frequency (F)	Percentage (P)
01.	<b>Age</b>		
	Young	36	30.00
	Middle	58	48.33
	Old	26	21.67
02.	<b>Education</b>		
	Illiterate	20	16.67
	Up to primary	45	37.5
	Up to high secondary	34	28.33
	Graduate and above	21	17.5
03.	<b>Family size</b>		
	Small (up to 4 members)	67	55.83
	Medium (4 to 6 members)	47	39.17
	Large (6 and above)	6	5.00
04.	<b>Family Type</b>		
	Nuclear family	104	86.67
	Joint family	16	13.33
05.	<b>Housing pattern</b>		
	Kaccha/Hut	40	33.33
	Semi Cemented	48	40.00
	Cemented	32	26.67

S. no	Variables	Frequency (F)	Percentage (P)
<b>06.</b>	<b>Caste Category</b>		
	General caste	39	32.50
	Other Backward Classes	57	47.50
	Scheduled caste	19	15.83
	Schedule Tribe	5	4.17
<b>07.</b>	<b>Land holding</b>		
	Marginal (Up to 1 ha.)	59	49.17
	Small (1.1 to 2 ha.)	38	31.67
	Medium (2.1 to 4 ha.)	18	15.00
	Large (above 4 ha)	5	4.17
<b>08.</b>	<b>Annual Income</b>		
	Up to 1 Lakh	31	25.83
	1 Lakh to 2 Lakh	54	45.00
	2 Lakh to 4 Lakh	29	24.17
	Above 4 Lakh	6	5.00
<b>09.</b>	<b>Occupation</b>		
	Agriculture	80	66.67
	Agriculture+ Business	16	13.34
	Agriculture+ Service	13	10.83
	Agriculture + Labour	11	9.16
<b>10.</b>	<b>Source of information</b>		
	Low (12-17)	38	31.67
	Medium (18-22)	69	57.5
	High (23-27)	13	10.83
<b>11.</b>	<b>Economic motivation</b>		
	Low (21-26)	28	23.33
	Medium (27-31)	68	56.67
	High (32-36)	24	20.00
<b>12.</b>	<b>Scientific orientation</b>		
	Low (9-11)	26	21.67
	Medium (12-13)	65	54.16
	High (14-16)	29	24.17
<b>13.</b>	<b>Risk Orientation</b>		
	Low (22-26)	35	29.17
	Medium (27-30)	59	49.16
	High (31-34)	26	21.67
<b>14.</b>	<b>Market Orientation</b>		
	Low (19-25)	36	30.00
	Medium (26-31)	56	46.67
	High (32-37)	28	23.33

It was found that half of the respondents (48.33%) were middle-aged, a large proportion of the members (83.33%) were literate, and In case of size of family, the majority of respondents of small families (up to 4 members) (55.83% and 86.67%) had a nuclear family, and a higher percentage (40.00%) of the respondents had semi-cemented houses. It was found that the majority of the respondents were from the other backward category (OBC), i.e., 47.50%. The majority of respondents were marginal (49.17%). It was found that 49.17 percent of respondents had marginal land holdings, and about one-third (45.00 percent) of respondents had an annual income of Rs. 1–2 lakh. The majority of

respondents (52.20%) were found to have a medium level of economic motivation; 54.16%) were found to have a medium level of scientific orientation; and 49.16%) were found to have a medium level of risk orientation. 46.67%), were found in the medium-level market orientation group.

### 3.2 Constraints Faced by the Members Related to Entrepreneurial Activities under NRLM and Seek their Suggestion for Overcome it

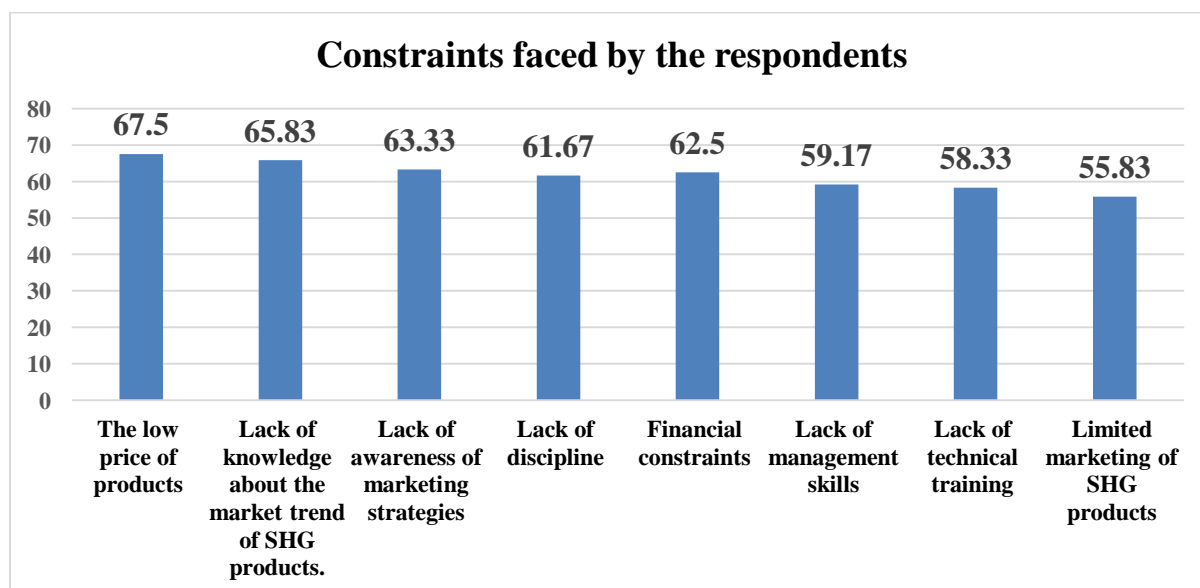
The data was observed in Table 2. showed that the major constraints faced by the respondents

were the low price of products (67.5%), ranked I, followed by a lack of knowledge about the market trend of SHG products (65.83%), ranked II, followed by a lack of awareness of marketing strategies (63.33%), ranked III. The majority of the respondents faced problems with lack of discipline (61.67%), ranked IV, followed by

financial constraints (62.5%), ranked V, and lack of management skills (59.17%), ranked VI. The other constraint faced by the respondents was a lack of technical training (58.33%), ranked VII, followed by limited marketing of SHG products, ranked VIII, respectively.

**Table 2. Constraints faced by the respondents**

S. No.	Statement	Frequency	Percentage	Rank
1.	The low price of products	81	67.5	I
2.	Lack of knowledge about the market trend of SHG products.	79	65.83	II
3.	Lack of awareness of marketing strategies	76	63.33	III
4.	Lack of discipline	75	61.67	IV
5.	Financial constraints	72	62.5	V
6.	Lack of management skills	71	59.17	VI
7.	Lack of technical training	70	58.33	VII
8.	Limited marketing of SHG products	67	55.83	VIII



**Fig. 1. Constraints faced by the respondents**

### 3.3 Suggestions to Overcome these Constraints

**Table 3. Suggestions to overcome constraints**

S No.	Statement	Frequency	Percentage	Rank
1.	Increase in the price of the products	82	68.34	I
2.	Organizing various types of entrepreneurial development programme	79	65.83	II
3.	Increases the fund for SHGs	76	63.34	III
4.	Gave special practical training on various aspects	71	59.16	IV
5.	Proper management in the group	67	55.83	V
6.	Increase in the marketing of SHG products	65	54.16	VI
7.	Increase in awareness among the members	62	51.67	VII

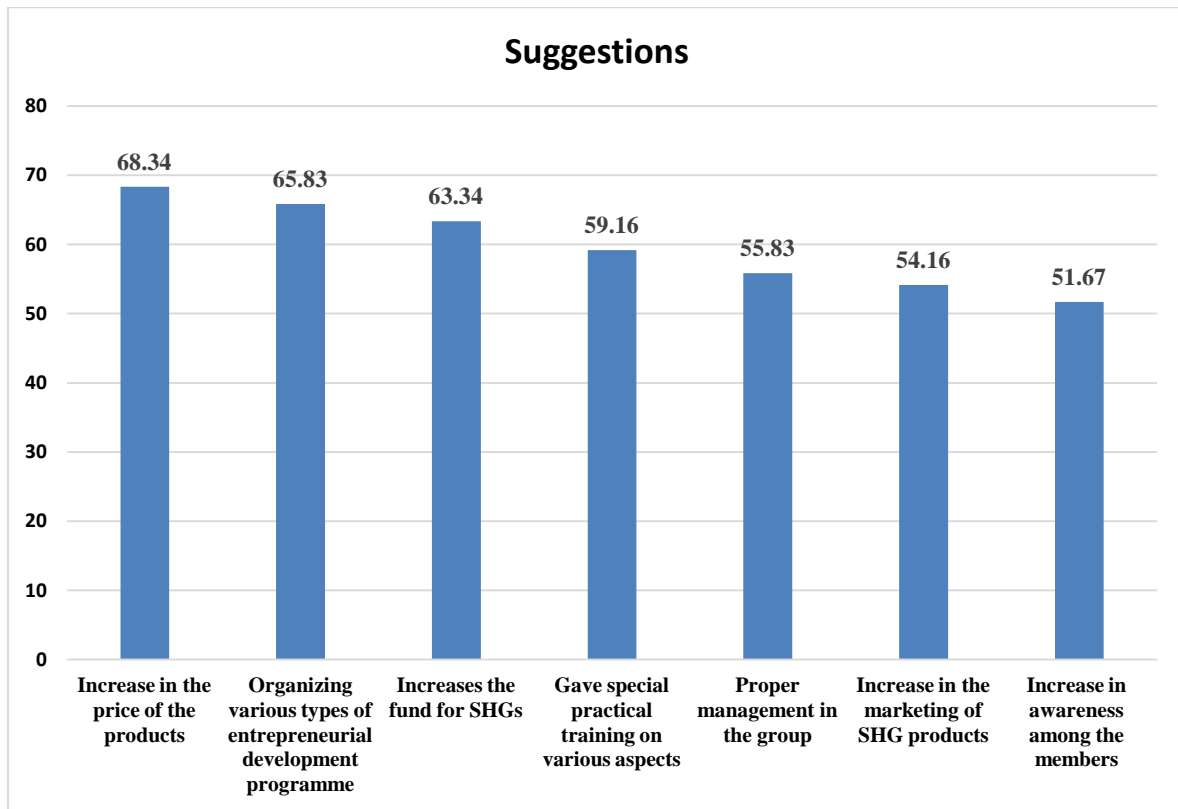


Fig. 2. Suggestions to overcome the constraints

The data observed in Table 3 showed that the major suggestions given by the respondents were the increase in the price of products (68.34%), ranked I, followed by Organizing various types of entrepreneurial development programme (65.83%), ranked II, followed by a Increases the fund for SHGs (63.34%), ranked III. The majority of the respondents ranked, special practical training on various aspects (59.16%), Proper management in the group (55.83%), Increase in the marketing of SHG products (54.16%) and increase in awareness among the members (51.67%) IV, V, VI and VII respectively.

#### 4. CONCLUSION

It was conclude that than half of the respondents (48.33%) were middle-aged, a large proportion of the members (83.33%) were literate. The majority of respondents (52.20%) were found to have a medium level of economic motivation; (54.16%) were found to have a medium level of scientific orientation. The major constraints given by the respondents were the low price of products (67.50%), and the major suggestions given by the respondents were an increase in the price of products (68.34%).

#### COMPETING INTERESTS

Authors have declared that no competing interests exist.

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