

Socio-Economic Empowerment of Women Through Self-Help Groups

¹Dr.S. Kamesh, ²Ms.D.Indirani

¹Associate Professor & Head, ²Ph.D Research Scholar, Department of Commerce (CA), Vellakovil Arts and Science College, Tirupur District, India.

ABSTRACT - Empowerment of women would mean equipping women to be economically independent and personally self-reliant, with a positive self-esteem to enable them to face any difficult situation. Moreover they should be able to contribute to the developmental activities of the country. Women empowerment is a dynamic process that consists of an awareness-attainment-actualization cycle. Again, it is a growth process that involves intellectual enlightenment, economic enrichment and social emancipation on the part of women. Women should find appropriate employment / occupation to support themselves and lead a life contributing to the economic status of her family as well as the nation. Self-help groups are considered as one of the most significant tools to adopt participatory approach for the economic empowerment of women. The study focused on confirming the financial and social empowerment status of women belonging to various self-help groups in the country. Self-Help Group (SHG) is a village-based financial intermediary committee usually composed of 10–20 local women or men. The secondary data analysis is made and it also confirms the steady growth on the membership level as number of self help groups in the country in order to achieving both social & financial empowerment goals.

Keywords: Self-help Group, Women Empowerment

I. INTRODUCTION

Self Help Group (SHG) is a voluntary association of persons with common interests, formed democratically without any political affiliations. They are small and homogenous groups of 15-30 members. The uniqueness of these groups lies in the fact that to a large extent they are self-supporting, self-governing organizations free from bureaucratization and politicization. The process empowers the poor and enables them to control direction of own development by identifying their felt needs. SHG support in the financial status of its members. The SHG promotes small savings among its members and the savings are kept with a bank. Generally, the members in one SHG are restricted to 20. Mainly the SHG members are women. The SHG helps women in participating in their family affairs as well as in the society.

HISTORY OF SHG

India adopted Bangladesh's model of SHG after making changes, primarily with the purpose of reducing the poverty and to empower the rural women. In the early eighties, Government of India took serious steps in promoting the apex bank to take care of the financial needs of the poor, rural and informal sectors. Then, NABARD (National Bank for Agriculture and Rural Development) took initiatives and came out with alternative methods to fulfill the financial needs of the poor, rural and informal sectors. NABARD has

played a phenomenal role in the rural development of India. SHG's have come a long way, since the establishment in 1992. SHGs have made a tremendous progress from a status of 500 groups in 1992 (Titus 2002) to some 16,18,456 groups that have taken loans from banks. Through SHG bank linkage programme 24.25 million poor households have gained access to formal banking system. Ninety percent of these groups are 'only women' groups. About 400 women join the SHG every hour and an NGO (Non Government Organization) join the Micro-Finance Programme every day.

OBJECTIVES OF SHG

The aim of the SHG is to bring out all-round sustainable development among the rural poor with the aim of helping them save, collect and manage their funds, and help one another by way of credit from their own funds. Even in cases where the SHGs have come up primarily for taking up economic activity, saving mobilization has become important to the member's families, villages.

- Alleviate poverty
- Empowering women
- Developing leadership ability among rural women and poor
- Encouraging saving habits among rural women

- Motivating women for taking up the responsibilities

a function is executed. In other words, Methodology explains the systematic process for a function.

PURPOSE OF THE STUDY

The purpose of this study is to know the status of SHG in India and its impact on socio-economic development of women and reasons for joining in SHG and the problems faced by the members in SHG's.

II. SOCIO-ECONOMIC EMPOWERMENT

Government of India had declared the year 2001 as the "Women's Empowerment Year", with focus of women's equal status with their partners. SHGs grew to become a powerful instrument in alleviating poverty and empowerment of women in rural economy. They created awareness in self-employment, entrepreneurial development and well-being of women. Development of saving habits among the rural people and poor, paving ways for better technology and access to various promotional assistance was identified. Education and literacy rates of women contribute hugely, and help women reach their full potencies and become empowered. Poverty and unemployment are the major problems of developing countries like India. The Government of India has implemented various poverty alleviation programmes during the planning period to reduce poverty and to promote gainful employment. But the more attractive scheme with less effort is of self help groups (SHGs) approach. This program arranges training, regular meetings, frequent loan repayment installments and savings. Healthcare, basic literacy, family planning, marketing and occupational skills are also included in this program.

The SHGs function on the basis of co-operative principles and provide a forum to the group to extend support to each other. Indeed, SHGs play a crucial role in improving the savings and credit and also in reducing poverty and social inequalities. It is well established fact that about 90 percent of the SHGs in India are female only due to the known fact that world's poorest households tend to rely more heavily on income generated by women of the house. In India, SHGs have been the most popular way to help the poor and make them bankable.

III. RESEARCH METHODOLOGY

Research Methodology includes sources of data, collection of data and analysis of data. It seems appropriate at this junction to explain the difference between research methods and research methodology. Research methods are understood as all those techniques that are used for conduction of research. Research methodology is a way to systematically solve the research problem. Methodology in simple words it means the way, procedure, method in which

RESEARCH DESIGN

The research design used in the study is Descriptive research design. A descriptive study is undertaken in order to ascertain and be able to describe the characteristics of the variables, the research design reveals the study of facts existing.

SOURCES OF DATA

The data were collected from both primary and secondary sources. Questionnaire method is used for collecting the primary data. The data were also collected from published records, journals and Websites.

SAMPLE SIZE

Using the random sampling method, the data were collected from 150 respondents.

TOOLS AND TECHNIQUES USED

- Simple percentage analysis
- GARRET ranking
- Weighted Average
- Chi-Square Test
- Analysis of Variance

LIMITATIONS OF THE STUDY

- Some of the respondents hesitate to furnish the details.
- Accuracy of the primary data depends upon the authenticity of the information given by the respondents in the questionnaire.

IV. RESULTS AND DISCUSSION

Table 1 SHOWING THE DEMOGRAPHIC DETAILS

Category	No. of respondents	Percentage
Age		
Below 20 Years	Nil	Nil
20-30 Years	15	10
30-40 Years	75	50
Above 40 Years	60	40
Educational Status		
Literate	135	90
Illiterate	15	10
Place of Residence		
Rural	15	10
Urban	75	50
Semi-Urban	60	40
Marital Status		
Married	135	90
Unmarried	15	10
Monthly Income		
Upto Rs.5000	45	30
Rs.5000-Rs.10000	30	20
Rs.10000-Rs.15000	45	30
Above Rs.15000	30	20

The above table clearly explains the demographic details of the respondents.

Table No. 2 REASON FOR JOINING SHG’S

S.No	Reasons	Mean	Rank
1	Promote Savings	45.6	VI
2	To raise status in Society	64.7	IV
3	To repay debts	55.6	V
4	To meet household expenditure	71.2	I
5	Easy access of loans	66.3	III
6	Saving Money for the future	44.2	VII
7	To increase income generating activities	70.5	II

It is clear from the above table to meet household expenditure most of them have joined in SHG’s.

Table No. 3 PROBLEMS FACED BY THE SHG MEMBER’S

Particulars	No. of Respondents	Percentage
Resistance from Parents	5	7
Resistance from Husband	50	71
Objection from group members	15	22
Others	-	-
Total	70	100

It is evident from the table 3, 7 percentage of the members face resistance from their parents. 71 percentage of them face the resistance from their husband, 22 percentage of them face the objection from the group members.

Table 4 FACTORS – GARRET RANKING

S.No	FACTORS	GARRET’S SCORE	GARRET’S RANK
1	Self Employment	12789	I
2	Increase in family Income	11236	II
3	For Children’s education and marriage	11007	III
4	Improving the standard of living and social status	10456	IV
5	Economic Development	8766	V

It is inferred from the above table that, the GARRET’S Score is calculated, highest score is awarded to self-employment and least score to economic developments.

Table 5 EMPOWERMENT AFTER JOINING SHG’S

V. ANALYSIS OF VARIANCE

HYPOTHESIS : There is no significant difference between the empowerment of women after joining SHG among various self help group members.

Table 7 Analysis of Variance

Source of Variation	Sum of Squares	Degrees of Freedom	Mean Sum of Square	F Value	P Value	Significant/Not Significant
Between Groups	30818.51	2	15409.25	64.59	0.03	S
Within Groups	23857.85	100	238.58			
Total	54676.36	102				

S-Significant [p Value <0.05]; NS – Not Significant [p Value >0.05]

S.N	Indicators	Weighted Average	Rank
1	Economic Independence	3.958	V
2	Increase in Self Confidence	4.234	I
3	Standard of Living Improved	3.972	IV
4	Easy access to Bank Operations	4.211	II
5	Knowledge in risk, barrier and credit management	4.101	III
6	Able to suit with religious, cultural and social environment	3.512	VII
7	Upgrading skill and knowledge	3.912	VI
8	Leadership Qualities	3.452	VIII

It is clear from the above table that, after joining SHG their self confidence has increased and they felt easy in accessing the banking operations.

Table 6 CHI-SQUARE TEST

S. NO	INDICATORS	CALCULATED CHI SQUARE VALUE	TABLE VALUE AT 5% LEVEL OF SIGNIFICANCE	S/N S
1	There is no significant association between monthly income and increase in the member’s own income	38.09	21.0	S
2	There is no significant association between reasons for joining SHG and empowerment of women after joining SHG	29.38	16.09	S
3	There is no significant association between problems faced by members in SHG and empowerment of women after joining SHG	44.59	16.09	S

By applying the Chi-Square test, it is found that, monthly income and Increase in the member’s own income are significantly related to each other.

It is found from the above table that the hypothesis is rejected [Significant] at 5% level of significance, because its p value is less than 0.05. It is concluded that there is significant difference between the empowerment of women after joining in SHG's among various self help group members.

VI. IMPACT OF SELF-HELP GROUP IN INDIA

Saving and Financial Status

One of the primary benefits of participation in a SHG is the opportunity to save regularly, access formal savings institutions and participate in the management of these savings. They save regularly, have their own bank accounts and make deposits into these accounts. SHG is having a good impact on members, in their ability to save their hard earned money. Access to credit A corollary of participation in SHG's is an improvement in a woman's access to credit. Since the project is perhaps too early in its implementation to directly improve women's access to credit. The financial mobility due to participation in the SHG has led to an improvement in the quality of life, according to some of the successful groups.

Employment

The implementation of SHG has generated Self-employment opportunities for the rural poor. The progress of the program since inception assisted in formation of 35.7 lakh SHG's; assisted 1.24 Cr. Swarozgaris in establishing their own micro-enterprises.

Community Participation

SHG members undertook a lot of community activities which they earlier could not have imagined them self to have done. They distributed school uniforms to poor students; they undertook a plantation drive, distributed pen and notebook sets to poor students and donated some money to a charity during a national calamity. They participated in several social initiatives like the "Clean Village Drive" and other such social upliftment programmes since their involvement in the SHG.

Change in Family Violence

Involvement with SHG has reduced this violence in 25 per cent cases especially due to reduction in economic difficulties. In most of cases the members revealed that their husbands should also be involved in SHGs.

Environmental Management

Research and policy has tended to focus on the relationship between poverty and environmental degradation in terms of pointing out that the poor are both victims and agents of environmental degradation. They are victims in that they are more likely to live in ecologically vulnerable areas, agents in that they may have no option but deplete environmental resources thus contributing to environmental degradation.

VII. FINDINGS

- 90 % of the SHG members were literate and got married
- 40% of the SHG members educational qualification is only HSC
- 50% of the SHG Members were in the age group of 30-40 years
- More training should be given to the members, so that they can run their own business efficiently.
- SHG Members should be effectively utilize the training programs.
- Most of the SHG members in the group were above 30 years, awareness should be created among the younger generation to participate in the SHG's
- Awareness programs should be conducted among the poor income group to participate in the SHG for improving their standard of living.

VIII. SUGGESTIONS

- SHG should be regularly monitored by a qualified and designated body to give corrective input wherever necessary as well as encourage the deserving ones
- The NGOs and the State government must also monitor at a regular interval the overall performance of SHGs and the members included in it.
- There is a need for establishing a computerized MIS for SHGs and SHG federations to monitor the performance on a regular basis.
- Proper Awareness programmes and its related benefits should be educated to the prospects of SHGs
- Training programmes for marketing the products of SHG products have to be organized on regular intervals to be an effective SHG.

SUGGESTIONS TO IMPROVE SELF-HELP GROUP IN INDIA

Promoting agencies should have a clear role transformation strategy and should implement the same in letter and spirit. NRLM (NATIONAL RURAL LIVELIHOOD MISSION) may work on sensitization and orientation to bankers about the commercial value of SHG banking. NRLM may understand the banks' concerns such as quality of groups, political interference in functioning of federations, wrong signals like loan waivers, etc and address them. NRLM may provide interest subsidy as given in Andhra Pradesh.

SUGGESTIONS FOR PROMOTION OF SMALL AND MEDIUM ENTERPRISES

To obtain desirable employment transformation and to take full advantage of booming secondary and tertiary sectors, NRLM may focus on manufacturing and service sectors. The small and medium enterprises may be promoted to village/ cluster; sub-district/ block and district level SHG federations. The potential units could be agro-processing units; milk processing units; common service providing units; cold storages; rural warehouses; market yards to organize weekly markets; etc

Appropriate institutions like „commodity cooperatives and producer companies may be promoted under SHG federations to take up small and medium enterprises as per the pattern of the borrowing from the SHG's. The federations could be assisted to have state of the art units by hiring professional consultancy firms, who can provide these units on turnkey basis. NRLM may provide investment and working capital to the federations to set up these units

If banks are non-responsive, the apex financial institutions like state finance corporations/ SIDBI/ NABARD could be accessed. Acquired units could be pledged as security to the banks and financial institutions. These units would result in development of entrepreneurship in federations, provide a large number of regular employment opportunities to the members and boost the rural economies.

SHG concept should target the holistic development of women members. The ministry may bring out publications pertaining to different aspects of SHG and its development / empowerment. It is felt that efficiency and effectiveness of SHG should be regularly monitored by a qualified and designated body to give corrective input wherever necessary as well as encourage the deserving ones.

Timely release of adequate loans and the eligible subsidy is important. SHG member education and awareness on the high poverty regions should be viewed as long term investment in human capital development. All stakeholders should invest their time for capacity building, handholding and development support.

SUGGESTION FOR BETTER IMPLEMENTATION OF MACHINERY

Implementation mechanism may follow the design of the program. It may be kept in mind that a proper role transformation strategy and implementation of the same in letter and spirit is essential for the development of people's institutions. After joining SHG the income levels of the respondents have increased and with the help of increased income level they could overcome the poverty. Loan facility is available for all the members without any restriction. Thus SHGs are formed with the idea of

mobilizing small savings from the members. SHGs are not treated as financial system but they are formed with a view to social and economic change of the rural people especially for the rural women. Improper emphasis should be given to group lending and SHGs formulation for alleviate poverty. In avoiding of any misuse of money, there should be a need of proper regulating authority at each level such as saving, depositing, and money lending. Periodical training programme at regular intervals to group members may be organised by the NGOs and other Government officials to aware about bank loan, proper accounts keeping, self management, decision making etc. Attendance at meeting and workshops should be made mandatory so that the members can enhance their group cohesiveness. Women should be properly educated so that they will enhance the capability to manage communities and community projects. The NGOs and the State government must also monitor at a regular interval the overall performance of SHGs and the members included in it. There is a need for establishing a computerized MIS for SHGs and SHG federations to monitor their performance on a regular basis.

IX. CONCLUSION

The process of empowerment manifests itself in increased self-esteem. Programme participation is also associated with changes in decision-making at the family level. Program participants are far more aware about the various programs and organizations and have an access to these organizations. Microfinance is playing a significant role in alleviate poverty and rural development. Since women are the sole family caretaker, proper emphasis should be given to the rural women and for empowering the rural women finance is required. SHGs have identified ways for women empowerment and reduction of poverty. They have contributed by developing their social and economic status. They also empower women by increasing their income, expenditure and saving habits.

The study was undertaken for the women empowerment through SHG's in Coimbatore District. It is found that 64% of the debtor paid their monthly due within the time, even some members around 19% paid their due in advance. A few members do not pay in time but this is not affecting the further credit of SHG's. Since the repayment of loan is regular and within the time, we may conclude that the economic activities of SHG's are quite success.

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