

Economic Empowerment of Women through Self Help Groups

Rosary Ramona Fernando A.

Research Scholar
Department of Commerce
Kanchi Mamunivar Centre for
Postgraduate Studies (Autonomous),
Pondicherry University

Dr. R. Azhagaiah

Associate Professor
Department of Commerce
Kanchi Mamunivar Centre for
Postgraduate Studies (Autonomous),
Pondicherry University

Abstract

The empowerment of women is crucial for the development of the country. Women empowerment is a process in which women challenge the existing norms and culture, to effectively promote their well being. The Indian Constitution grants equality to women in all aspects. In this regard, the year 2001 was celebrated as the year of Women Empowerment. The concept of self help groups (SHGs) introduced by the Ministry of Rural Development has taken its roots in nook and corner of the rural areas and in the semi-urban and urban areas, which help improve the living standards. The present paper examines the economic empowerment of the SHG members through the SHGs. The study is conducted in two blocks of Puducherry viz Puducherry and Oulgaret. Primary data were collected through structured interview schedule from 100 respondents, 50 each from the selected blocks. Paired t test was conducted in order to find out the effect of becoming members in the SHG in respect of economic empowerment. The study proves that the SHGs enabled the women to have a significant improvement in the economic empowerment.

Key Words: Women, Economic Empowerment, Self Help Groups

JEL Classification: C81, G10

Introduction

In the early decades, the concept of women development was totally out of mind and the condition of women was miserable since they were subject to many socio-economic, political and cultural constraints. The situation was more critical in the rural and backward areas. The role of women in economic development is related to the goal of comprehensive socio-economic development. Due to the development of new policies and programmes, the status of women has totally been changed as they provide assistance to the needy women. The empowerment approach is the most recent and it is aimed at empowering women through self-reliance and internal strength. Self Help Group- Bank-Linkage Programme has also emerged as an effective mechanism to help reach financial services to the unreached poor women segment of the society.

The term “empowerment” is a process by which people gain greater control over the resources, actively participate in the process of change and develop skills to assert themselves. It is a multi-faceted

process, which includes many aspects such as enhancing awareness, increase access to resources. It can be viewed as a means of creating a social environment in which one can take decision and make choices individually and independently for social transformation. It strengthens the innate ability by acquiring knowledge, power and experience. The World Bank has identified empowerment as one of the key constituent elements of poverty reduction and therefore, it is considered to be a primary development assistance oriented goal.

Women empowerment (WE) is the key to socio-economic development of the community. It is a dynamic and multi-dimensional process. It refers to increasing the social, economical and political strengths of women.

The SHGs are groups of about 10 to 20 people who come forward with an aim of eradicating poverty and social development through their own contribution. It is a homogeneous class which uses the pooled resources to make small interest bearing loans to their members (NABARD, 2000).

Women Empowerment in India

The Indian Constitution, in its fundamental rights, has the provision for equality, social justice and protection for women. In spite of these rights, women are skill discriminated and exposed to inequalities in all spheres of day to day life. The year 2001 had been declared by the Government of India as “women empowerment year” in order to focus on the vision where women are equal partners on par with men. Women of today are not like the early days. They readily come forward to identify their potentialities and achieve their desired goal. And the Government has provided the scheme - “Self Help Groups” in order to enable women to achieve economic independence through self employment, entrepreneurial development, etc.

Self Help Group in India

SHG is a small voluntary association of poor people, preferably from the same socio-economic background who come together for solving their common problems through self-help and mutual-help. It is informal and homogeneous group of not more than twenty members. SHG promotes small savings among its members.

The SHGs, in India, have come a long way since its inception in 1992. At present, it is widely used as an instrument to empower women socially and economically thereby leading to overall development of women. The SHGs are the viable pathways for empowerment of women.

Review of Literature

Vinayagamurthy (2011), in a study titled “Women empowerment through self help groups. A case study in the

north Tamil Nadu” analyzed the women empowerment through SHGs in the north Tamil Nadu and found that the income of the women has increased after joining the SHG thereby leading to considerable increase in their expenditure and a slow increase in their savings. The SHGs in Tamil Nadu are very successful to develop women empowerment in rural areas.

Venkatesh, J., and K. Kala (2010), in a study titled “Empowering rural women all the way through self help groups” analyzed the economic empowerment of women in the South Tamil Nadu and found that after joining the SHGs the income of the women members have augmented and the monthly household outflow has also been up lifted considerably. The SHGs in South Tamil Nadu are very victorious to extend women empowerment in rural areas.

Uma Narang (2012), in a study titled “Self help group: An effective approach to women empowerment in India” examined the women empowerment through SHGs and explained the position of women empowerment in India and found that the SHGs have been more successful in improving their living conditions thereby help alleviating poverty besides women empowerment.

Mahender, M. V. S., S. A. Reddy and M. S. Bhat (2011), in a study titled “A study on economic empowerment of women through self help groups in Mahabubnagar District of Andhra Pradesh” explored the role of SHGs in the empowerment of women in Mahabubnagar district of Andhra Pradesh and found that there was an increase in the income and savings level among the members of the SHGs thereby help increase in the purchasing power of the women members.

Objectives of the Study

1. To study the profile of members of SHG in Puducherry.
2. To assess the impact of the SHGs in enhancing the economic empowerment of women members of SHGs.

Hypothesis

Based on the objectives, the following hypothesis is developed:

H_0^1 : “There is no significant change in the economic empowerment of women members before and after joining the self help groups”.

Methodology of the Study

Sources of Data

The study includes SHGs in Puducherry and Oulgaret Blocks. Both primary and secondary data were used for the study. The primary data were collected through

structured interview schedule while secondary data were collected from the reports of PUDA, LAD, Oulgaret, and Pondicherry Municipality.

Sampling Design

Puducherry Block comprises seven constituencies and Oulgaret Block comprises five constituencies. The SHGs located in urban areas of the selected two blocks are only selected for the study. Out of the two kinds of SHGs, the SHGs of Government Agency are only considered for the study. From each constituency one SHG is randomly selected. Totally 10 SHGs, which have been functioning for the past ten years, 5 each from the selected two blocks have been selected for the study and totally 100 SHG members

are selected and are interviewed.

Analysis of Data

The data were analyzed using percentage and Wilcoxon Sign Rank Test.

Results and Discussion

Profile of the Respondents

To analyze the profile of the SHG members, the following variables such as age, marital status, religion, education and occupation are considered.

Table-1 Age –Wise Classification of Respondents

Age Group	Puducherry Block		Oulgaret Block	
	Frequency	Percentage (%)	Frequency	Percentage (%)
20-35 Years	8	16	10	20
35-50 Years	17	34	28	56
>50 Years	25	50	12	24
Total	50	100	50	100

Source: Primary Data

It is evident from table 1 that majority (50%) of the respondents in Puducherry Block fall between the age group of '>50' and that of 56% in Oulgaret Block is '35-50 years'.

Respondents of the age group of '20-35' are less in both the selected blocks. A representation of table 1 is given chart 1.

Chart-1 Age –Wise Classification of Respondents

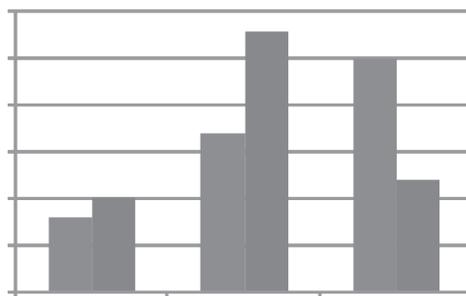


Table-2 Marital Status of the Respondents

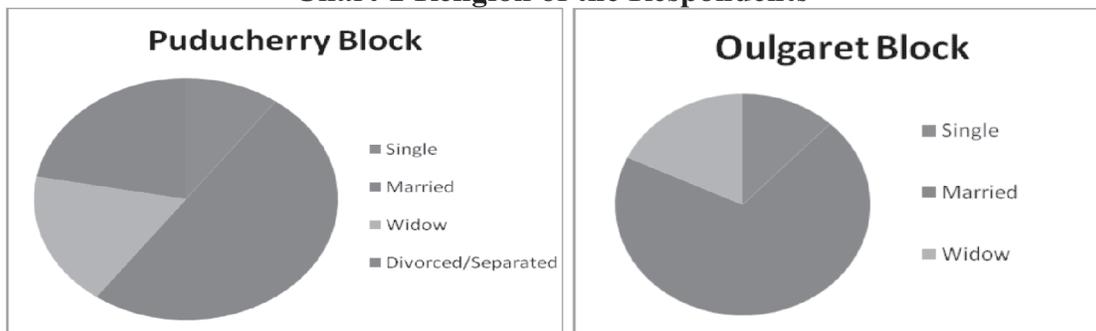
Marital Status	Puducherry Block		Oulgaret Block	
	Frequency	Percentage (%)	Frequency	Percentage (%)
Single	5	10	6	12
Married	25	50	35	70
Widow	9	18	9	18
Divorced/Separated	11	22	-	-
Total	50	100	50	100

Source: Primary Data

It is seen from table 2 that majority of the respondents in Puducherry Block and Oulgaret Block are married who

actively participate in the SHGs. A graphical representation of table 2 is given in chart 2.

Chart-2 Religion of the Respondents



Source: Primary Data

Table-3 Religion of the Respondents

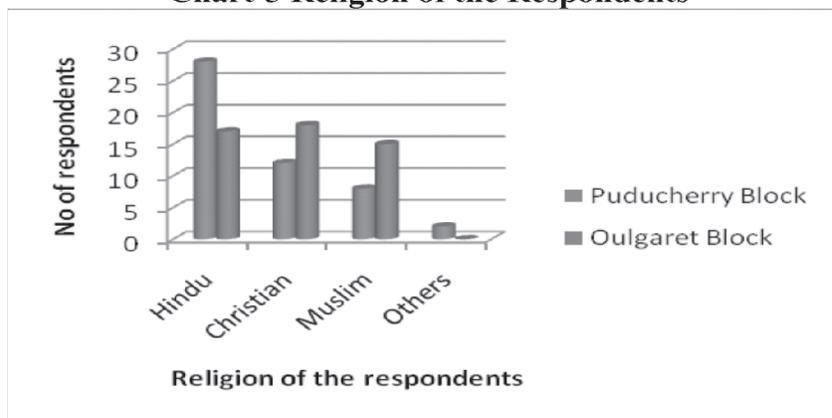
Religion	Puducherry Block		Oulgaret Block	
	Frequency	Percentage (%)	Frequency	Percentage (%)
Hindu	28	56	17	34
Christian	12	24	18	36
Muslim	8	16	15	30
Others	2	4	-	-
Total	50	100	50	100

Source: Primary Data

Table 3 shows that 56% of the respondents in Puducherry Block are Hindus and in Oulgaret Block 36% of them are Christians. Respondents who belong to other religions are

less in both the selected blocks. A graphical representation of table 3 is given in chart 3.

Chart-3 Religion of the Respondents



Source: Primary Data

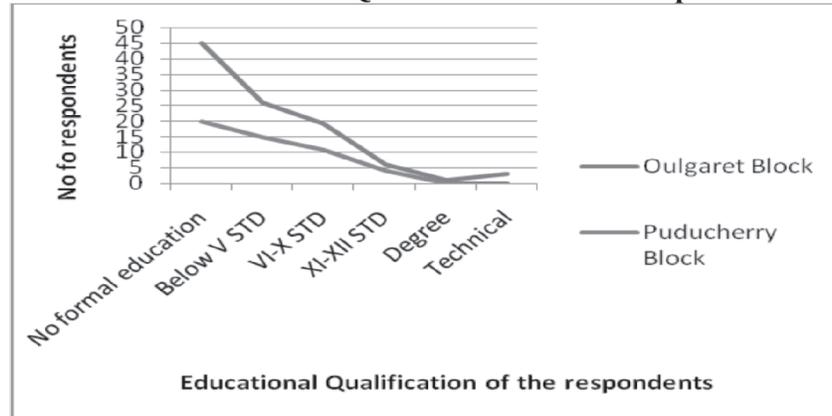
Table-4 Educational Qualification of the Respondents

Educational Qualification	Puducherry Block		Oulgaret Block	
	Frequency	Percentage (%)	Frequency	Percentage (%)
No formal education	20	40	25	50
Below V STD	15	30	11	22
VI-X STD	11	22	8	16
XI-XII STD	4	8	2	4
Degree	-	-	1	2
Technical	-	-	3	6
Total	50	100	50	100

Source: Primary Data

Table 4 shows that 40% of respondents and 50% of the respondents don't have formal education in Puducherry Block and Oulgaret Block respectively. However, there are

no graduate members of SHGs in Puducherry Block while that of is 8% for Oulgaret Block. A graphical representation of table 4 is shown as follows

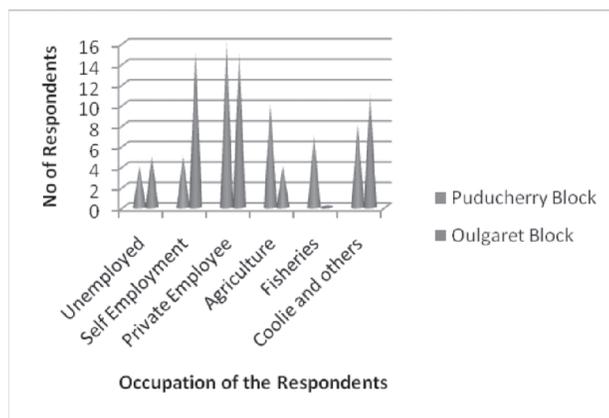
Chart-4 Educational Qualification of the Respondents**Table-5 Occupation of the Respondents**

Occupation	Puducherry Block		Oulgaret Block	
	Frequency	Percentage (%)	Frequency	Percentage (%)
Unemployed	4	8	5	10
Self Employment	5	10	15	30
Private Employee	16	32	15	30
Agriculture	10	20	4	8
Fisheries	7	14	-	-
Coolie and others	8	16	11	22
Total	50	100	50	100

Source: Primary Data

It is evident from table 5 that majority of (32%) the respondents in Puducherry Block are private employees while in Oulgaret Block, 30% each of them are self employed and private employees respectively. However,

respondents who carry out allied activities are less in both the blocks selected for the study. A graphical representation of table 5 is given chart 5.

Chart-5 Occupation of the Respondents

Source: Primary Data

Effectiveness of SHGs in Economic Empowerment

In order to find the reasons for joining the Self Help Group, the weighted mean score method has been used.

Table-6 Motives for Joining the Self Help Group

SL.No.	Motives of Joining SHG	Total Score	Mean Score	Rank
1	Meet Family Expenses	433	4.33	II
2	Earn Money to save	409	4.09	III
3	Get Recognition in the Society	295	2.95	IV
4	Get Loans	444	4.44	I
5	Avail Subsidy	242	2.42	VI
6	Start Business	274	2.74	V

Source: Primary data

Table 6 shows the weighted mean score in respect of motives of joining the SHGs. It is seen from the table that majority of the members have joined the SHG 'to get loans from formal financial institutions' (first rank), followed by 'to meet their family expenses', (second rank), 'to earn money from doing income generating activities or economic activities' (third rank), 'to get recognition from family' (fourth rank), 'to start business' (fifth rank), and 'to avail subsidy from financial

institutions' (sixth rank). The members, after joining the SHGs, give more preference to get loans from formal financial institutions. Hence, it is found that the members join the SHGs in order to promote various economic activities than any other reasons; therefore, it reduces and eliminates borrowing money from private money lenders at a hefty interest rate.

Table-7 Economic Empowerment of Women through Self Help Groups

Economic Variables	Mean Scores	
	Before joining the SHG	After joining the SHG
Monthly Income	0.93	2.44
Monthly Expenses	0.97	2.31
Savings	0.47	2.04
Possession of Durable Goods	0.81	2.11
Possession of Livestock	0.97	0.86
Possession of Ornaments	0.73	1.76

Source: Primary Data

Table 7 shows the mean scores of the women members before and after joining the SHGs. It is noted that the mean scores in respect of the monthly income, monthly expenses, savings, possession of durable goods & ornaments have increased after joining the SHGs. However, the mean scores of the variable possession of livestock have decreased

In order to test the change in the economic empowerment of SHG members before and after joining the SHGs, paired sample t-test is used.

H_0^1 : "There is no significant change in the economic empowerment of women members before and after

joining the SHG"

Table 8 shows that the economic empowerment of the women members after joining the SHG has increased significantly in respect of monthly income [$t(99) = 17.832$, $p = 0.000$], monthly expenses [$t(99) = 16.357$, $p = 0.000$], possession of durable goods [$t(99) = 16.296$, $p = 0.000$], possession of ornaments [$t(99) = 11.122$, $p = -0.00$], and possibility of savings [$t(99) = 16.069$, $p = 0.000$] at 1% level. However, respondents' possession of live stock [$t(99) = -0.830$, $p = -0.408$] does not show statistically significant difference in respect of economic empowerment of women after joining the SHGs.

Table-8 Results of Paired T-test for Economic Factors of Members (Before and after joining the group)

Economic Variables	Before mean	After Mean	Change Mean	t-value	df	Sig.
Monthly Income	0.93	2.44	1.510	17.832*	99	0.000
Monthly Expenses	0.97	2.31	1.340	16.357*	99	0.000
Possession of Durables/Goods	0.81	2.11	1.300	16.296*	99	0.000
Possession of Livestock	0.97	0.86	-0.110	-0.830	99	0.408
Possession of Ornaments	0.73	1.76	1.030	11.122*	99	0.000
Savings	0.43	2.04	1.570	16.069*	99	0.000

Note: Significant at 1% level; **Source:** Primary Data

From the analysis, it is seen that the economic empowerment of women has increased significantly after joining the SHGs. The reason is that before joining the SHGs, the women always depended upon their family for anything and everything, however after joining the SHG, they were completely independent of family and they are also able to meet their economic requirements by and for themselves.

Findings and Conclusion

The role of women in the development of a nation is very important and hence women should be respected both in the family as well as in the society. Women empowerment has emerged as an important issue in India. The SHG model plays a pivotal role for the economic empowerment of women.

In order to analyze the economic empowerment of women, the study is conducted in two blocks of Puducherry viz Puducherry and Oulgaret. Primary data were collected through structured interview schedule from 100 respondents, 50 each from the two selected blocks. Paired t test is conducted in order to study the effect of becoming members in the SHG in respect of economic empowerment before and after joining the SHGs.

Following are the findings of the study:

- Majority of the women members of the SHGs in both the selected blocks fall 'above age of 30 years' and most of them are 'married'.
- Most of the respondents in both the selected blocks don't have formal education and most of them are either self employed or work in private sector at a low cadre.
- Most of them joined the SHGs to avail themselves of loan to meet their financial needs.
- The economic empowerment of women has increased significantly after joining the SHG in respect of all the selected economic variables except for the variable 'possession of livestock'.

Therefore, it is concluded that the SHGs enabled the women to have a significant uplift the economic empowerment.

References

- Mahender, M. V. S., S. A. Reddy and M. S. Bhat. 2011. A study on economic empowerment of women through self help groups in Mahabubnagar District

- of Andhra Pradesh. *International Journal of Commerce, IT and Management* 1(5): 44-9.
- Uma, N. 2012. Self Help Group: An effective approach to women empowerment in India. *International Journal of Social Science and Interdisciplinary Research* 11(8): 8-16.
- Venkatesh, J. & K. Kala. 2010. Empowering rural women all the way through self help groups. *International Journal of Management* 1(2): 156-63.
- Vinayagamurthy, A. 2011. Women empowerment through self help groups. A case study in the north Tamil Nadu,