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ROLE OF SELF HELP GROUPS IN PROMOTING WOMEN EMPOWERMENT WITH SPECIAL REFERENCE TO ERODE CITY

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Abstract

A Self Help Group (SHG) is defined as a voluntary group valuing personal interaction and mutual aid as a means of altering or ameliorating problems perceived as alterable, pressing and personal by most of its participants. These are small economically homogenous and affinity groups of rural / urban poor, voluntarily formed to save and contribute to a common fund to be lent to its members as per the group's decision and for working together for social and economic upliftment of their families and community. SHGs are concerned with development of poor in all respects along with a sound knowledge about their rights and duties which enhance their level of empowerment. The present article made an attempt to assess the role of self-help groups in promoting women empowerment with special reference to Erode city.

Keywords: *Self-help groups, Women promotion schemes, Women empowerment.*

Introduction

In the modern economy, eradication of poverty is a major concern of rural development strategies in the developing countries like India. Experiences in implementing a wide range of rural development programmes in the country suggest that the incidence of poverty cannot be brought down through wage employment programmes alone. Creation of viable and sustainable self-employment through micro-finance should be complementary to this strategy. Experiences in different geographical parts of India and across the globe have demonstrated that free association of the poor

themselves into Self Help Groups (SHGs) and entrusting the schemes directly to these groups are the best ways to implement the local antipoverty programmes. SHGs are increasingly accepted as agents of social change, development, and empowerment of the weaker sections. SHGs' approach represents a paradigm shift from development towards human empowerment. The SHGs are considered as the agents of government transformation through the mobilization, and the poor organization, banking institutions, and voluntary organizations follow self-help approach to achieve rural development and empowerment of the weaker sections in

society. The self-employment programmes were already transformed into one that of SHGs based. The banking institutions channelize their credit to poor through the SHGs.

Nowadays, there are a number of NGOs organizing SHGs with or without the Government support all over the country. The voluntary, autonomous, self-functioning SHGs are motivated by these external institutions to engage in 'Micro Credit or Micro Finance' operations and income generating micro enterprises.

The policy shift towards human resource empowerment and self-help group centered development needs to be justified and established with strong evidence of success of SHGs' approach in achieving the goals of empowerment and development of people.

Self-Help group, in its present form of development orientation, owes its origin to Grameen Bank founded by 'Mohamed Yunus' of Bangladesh. The experience of Bangladesh has proved the banking wisdom that helps in the women and poor people to improve their condition is the sure way to overcome the problem of poverty. An excellent recovery performance of 99 per cent has been recorded. This has been due to the practice of mutual trust and accountability in the group lending activities. The origin of SHGs may be claimed as the "Brain Child" of Grameen Bank concept in its miniature form in India. And the credit of spreading the concepts of SHGs among the people in India goes to NGOs and NGDOs. The National Bank for Agriculture and Rural Development (NABARD) in India has taken interest to translate the benefits derived from Bangladesh model to develop the poor through SHG Bank financing with the active co-operation of Non Government Organizations. It has announced certain incentives for banking institutions financing SHGs and Self-Help Promoting Institutions (SHPIs) and assisting the NGOs for training in SHG financing.

It is from the mid eighties, the government has also realized that the development programmes aimed at individuals have not succeeded in many areas. As a result, through providing training for self-employment, it has started stressing the group activities for better results. Impressed by the encouraging results, the government, in 2000, has come up with a novel scheme called

'SwarnaJayanthi Gram SwarozgarYojana' under which financial assistance will be provided only to groups which are willing to take up economic and production activities. Therefore, both the government and the non-government organizations are currently encouraging the Self-Help Groups to take up economic activities. The banks have been financing the Self-Help Groups, which take up production and trade activities.

Statement of the Problem

The concept of SHGs is introduced by NABARD in association with NGOs for the development of the poor. The SHGs are increasingly accepted as the agents of social change, development and empowerment among the weaker sections of the society. Since then, there has been curious interest among the researchers to analyse the problems and prospects of SHGs in various aspects. On the other hand, some of the evaluation studies on SHGs have dealt with the structure and composition of SHGs, operation of microcredit and microenterprise under SHGs etc. However such studies have not interrelated with the role of SHGs with their structure and dynamics. They have not enquired into the development and empowerment, either. Against this background, the present article aims at filling these research gaps through conceptualize women empowerment in a holistic way and suggest policy measure for the development of SHGs.

Objectives of the Study

1. To assess the financial, social and political empowerment of women SHG members in the study area.
2. To suggest better ways and means to improve the performance of the groups and develop the empowerment of its members.

Methodology

In this study, it is planned to use Descriptive Research Design and studies concerned with specific predictions, with narration of facts. Simple Random Sampling Technique is used to select the sample respondents. A well-structured questionnaire is distributed among 100 members from selected SHGs in Erode City. The primary data collected have been processed manually and analysed using statistical methods like percentages analysis and Analysis of Variance.

Reviews

KavitaSiradhna (2007) in her thesis

entitled, "Self Help Group and Women Empowerment-A case Study of Swa-Shakti Project", addresses women empowerment through Self Help Group in the rural setting. It is believed that as women affinity groups SHG by mobilizing women around thrift and credit activities have resulted in increasing women's economic self-reliance thereby resulting in women's increasingly greater control over other spheres of life. The SHG has being increasingly viewed as an instrument of women's empowerment and incorporated as a key programmatic strategy in various women development initiative. In order to understand how SHG empowers women a case study of Swa-Shakti Project a joint initiative of International Fund for Agricultural Development (IFAD), International Development Association (IDA) and Govt. of India initiative on women empowerment relying on the SHG model was conducted.

Tracey et al., (2006) examined the empowerment of women by addressing two dimensions: economic empowerment and personal empowerment. One hundred women, aged between 16 and 65 years, participating in self-help groups from two rural Indian villages in North-West India took part in the study. Both quantitative and qualitative data were gathered through self-report surveys and interviews, with the analysis yielding contradictory findings. The quantitative data found that working women reported moderate to high levels on collective efficacy, proactive attitude, self-esteem and self-efficacy with no significant reporting of psychological distress. In contrast, examination of the qualitative data revealed positive appraisals of self-worth, purpose and independence and negative appraisals of pressure, challenge and stress. The implications of these findings and the importance of this study are discussed.

Saravanan (2016) examines the role of SHG in developing socio economic status of rural women. His study was primarily based on secondary sources of data and focus on Tamil Nadu self-help group's impact and movement. Secondary data were collected from Tamil Nadu Corporation for Development of Women (TNCDW) Annual reports. His study concludes that the 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. Microfinance to the rural SHGs is a way to raise the income level and improve the living standards and economic independence of the rural women. The impact on their lives is not just an economic one-gaining more self-confidence is often a more lasting achievement that forms the basis for social and economic improvements.

Velmurugan et al., (2013) addresses women empowerment through self help groups in Perambalur district of Tamilnadu. The information required for the study has been collected from both the primary and secondary sources. Garret ranking technique was used to find the reasons for joining the Self help group. Factor analysis was used to determine the relationship between the observed variables. The results of the study revealed that the SHGs have had greater impact on both economic and social aspects of the beneficiaries.

Debadutta Kumar Panda (2010) in his article titled, "Assessing the Impact of Participation in Women Self-help Group-based Microfinance Non-experimental Evidences from Rural Households in India", a quasi-experimental design was made under which the target group was compared with a selected control group across a set of household variables like income, assets positions, savings, consumption, employment, literacy and migration. A multistage random sampling was used to select 150 cross-sectional samples from Orissa, Jharkhand and Chhattisgarh states of India. Descriptive statistics, test of significance by z-statistics and probit model under econometrics were used to measure the impact of participation in the self-help group-based microfinance. The distribution of household income and assets was measured by Gini coefficient and Lorenz curve. The 'household' was taken as the unit of analysis. The study concluded with the positive impact on the increase in income, assets position, savings and literacy and in the reduction of migration of rural households. Weak evidence of significant impact of the group-based microfinance on the distribution of household income and assets was found. The participation of women in the self-help group was strongly determined by household income, employment, migration, saving and literacy positions.

Sasi Kumar (2009) divulged that Self Help Groups in Tamil Nadu are concerned with development of women in all respects along with a sound knowledge about their rights and duties. Women in the state are to be given more exposure in social economical, political, educational and technical aspects. The literacy rates and labour earnings of women are generally lacking behind men. Self Help Group operations in Tamil Nadu play a vital role in the economic scenario paves a way for the overall upliftment of women in India.

PurusottamNayak and BidishaMahanta (2008) in their article entitled, “women Empowerment in India” have attempted to analyze the status of women empowerment in India using various indicators based on data from secondary sources. The study reveals that women of India are relatively disempowered and they enjoy somewhat lower status than that of men in spite of many efforts undertaken by government. Gender gap exists regarding access to education and employment. Household decision making power and freedom of movement of women vary considerably with their age, education and employment status. It is found that acceptance of unequal gender norms by women are still prevailing in the society. More than half of the women believe wife beating to be justified for one reason or the other. Fewer women have final say on how to spend their earnings. Control over cash earnings increase with age, education and with place of residence. Women’s exposure to media is also less relative to men. Rural women are more prone to domestic violence than that of urban women. A large gender gap exists in political participation too. The study concludes by an observation that access to education and employment are only the enabling factors to empowerment, achievement towards the goal, depends largely on the attitude of the people towards gender equality.

Analysis and Interpretation

In this section, an attempt has been made to identify the socio-economic background of the respondents and its influence on SHG members empowerment in the study area

SHGs & Empowerment

| Factors | F Value | Sig. |
|---------|---------|------|
|---------|---------|------|

| SHG & Social Empowerment | | |
|---------------------------------------------|--------|----|
| Size of the family | 12.036 | * |
| Annual income | 0.908 | NS |
| Annual savings | 2.548 | NS |
| SHGs & Economic Empowerment | | |
| Size of the family | 11.412 | * |
| Annual income | 6.372 | NS |
| Annual savings | 24.668 | * |
| SHGs & Political Empowerment | | |
| Size of the family | 3.640 | NS |
| Annual income | 2.348 | NS |
| Annual savings | 1.676 | NS |
| SHGs & Educational Empowerment | | |
| Size of the family | 10.792 | * |
| Annual income | 14.740 | * |
| Annual savings | 0.521 | NS |
| SHGs & Psychological Empowerment | | |
| Size of the family | 13.154 | * |
| Annual income | 12.215 | * |
| Annual savings | 1.904 | NS |

It is explained from the above table that the factor ‘Size of the family’ has significance difference among the SHG members’ opinion towards social, economical, educational and psychological empowerment. Annual income has significant difference between educational and psychological empowerment. Annual saving has impact on only economic empowerment of the SHG members. However, none of the above factors have significance difference among political empowerment of SHG members.

Hypothesis :There is a positive impact of selected independent variables of the SHG members on their Level of Empowerment.

Results of Goodness of Fit

| Indices | Recommended Value | Model Value |
|------------------|-------------------|-------------|
| X ² P | >0.05 | 0.021 |
| GFI | >0.90 | 0.957 |
| AGFI | >0.90 | 0.913 |
| NFI | >0.90 | 0.966 |

| | | |
|-------|-------|-------|
| TLI | >0.90 | 0.946 |
| CFI | >0.95 | 0.954 |
| RMSEA | <0.05 | 0.036 |
| RMR | <0.05 | 0.024 |

The above table depicts the values of different goodness of fit indices. The values in respect of χ^2 P value is 0.021, GFI is 0.957, AGFI is 0.913, NFI is .966, TLI is 0.946, CFI is 0.954, RMESA is 0.036 and RMR is 0.024.

These values revealing the results in respect of validity of the proposed model fall well within the generally accepted limits. This confirms that the available data set aptly fits into the proposed structural model. Thus the null hypothesis is rejected and yielded a good model fit which proves that there is an impact of select variables on empowerment level of SHG members in the study area.

BOOTSTRAPPING

| Paths | | | Estimates | SE | Mean | 't' Value | Result |
|-------|---|---------------------------|-----------|------|------|-----------|-------------------------|
| LE | ← | Age | .266 | .012 | .668 | 17.167 | H ₁ Accepted |
| LE | ← | Gender | .226 | .022 | .715 | 17.367 | H ₁ Accepted |
| LE | ← | Marital status | .274 | .035 | .879 | 17.032 | H ₁ Accepted |
| LE | ← | Religion | .148 | .025 | .710 | 17.064 | H ₁ Accepted |
| LE | ← | Caste | .227 | .036 | .730 | 18.283 | H ₁ Accepted |
| LE | ← | Education | .221 | .033 | .671 | 18.188 | H ₁ Accepted |
| LE | ← | Occupation | .257 | .040 | .702 | 18.279 | H ₁ Accepted |
| LE | ← | Family Type | .181 | .021 | .925 | 16.547 | H ₁ Accepted |
| LE | ← | Family Size | .877 | .060 | .837 | 18.217 | H ₁ Accepted |
| LE | ← | Family Annual Income | .281 | .036 | .639 | 18.713 | H ₁ Accepted |
| LE | ← | Respondents Annual Income | .086 | .025 | .521 | 17.872 | H ₁ Accepted |
| LE | ← | Debt | .190 | .031 | .665 | 18.042 | H ₁ Accepted |

From the path diagram, measured variables with latent variable of impact of level of empowerment is having positive relationship and also significant at 1 percent level. The analysis of the model, from the viewpoint of the antecedent of impact of level of empowerment, suggests that all the measured variables are significantly associated on the empowerment of self help group members.

Findings

- ❖ Majority of the respondents belong to below 30 years of age category.
- ❖ Maximum of the respondents are married.
- ❖ Most of the respondents are Hindus.
- ❖ Majority of the respondents belong to ST category.
- ❖ Most of the respondents are educated till school level.
- ❖ Maximum of the respondents are Coolies.
- ❖ Most of the respondents have nuclear type of family.
- ❖ Majority of the respondents have 4 to 5 members in their family.
- ❖ Majority of the respondents are saving below Rs.10000 in a year.

- ❖ Most of the respondent's have above Rs.20000 debt in their life.
- ❖ Most of the respondent's group established above 5 years period.
- ❖ Majority of the respondent's SHGs have above 15 members.
- ❖ Majority of the SHG respondents are introduced by existing SHG members.
- ❖ Majority of the respondents had faced the problem of extreme poverty before joining in SHG.
- ❖ Size of the family has significance difference among the SHG members' opinion towards social, economical, educational and psychological empowerment. Annual income has significant difference between educational and psychological empowerment. Annual saving has impact on only economic empowerment of the SHG members. However, none of the above factors have significance difference among political empowerment of SHG members.
- ❖ From the path diagram, measured variables with latent variable of impact of level of empowerment is having positive relationship and also significant at 1

percent level. The analysis of the model, from the viewpoint of the antecedent of impact of level of empowerment, suggests that all the measured variables are significantly associated on the empowerment of self help group members.

Recommendations

1. Regional variation might be removed by identifying the constituent regions on the basis of their level of development so that effective implementation of schemes and programmes in an impartial manner is possible.
2. As the improvement in human resource empowerment for a positive change in socio-economic levels, the prevailing disparities in terms of blocks, community and literacy levels among the SHG members could be avoided.
3. The poor people, irrespective of their heterogeneity in their socio economic status, could be attracted towards active involvement in SHGs by enlightening the significance of SHGs.
4. As literacy and mobility of SHGs are highly correlated, a universal project to develop their literacy could be adopted.

Summary

The involvements in the SHGs have brought about economic and social changes among the women in Erode City. A large number of the members have reported that their family status have increased by becoming a member of their respective SHGs. The income level of the SHG members has raised and this has uplifted their social status in their area and in the society. Since SHGs, help women to attain and enhance their empowerment and this policy measures will contribute a lot to the society.

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