

ECONOMIC EMPOWERMENT OF WOMEN THROUGH SELF-HELP GROUPS: A STUDY IN COIMBATORE DISTRICT

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Abstract: Self-help groups play a major role in poverty alleviation in rural India. A growing number of poor people in various parts of India are members of SHGs and actively engage in savings and credit (S/C), as well as in other activities. The S/C focus in SHG is the most prominent element and offers a chance to create some control over capital. The SHG system has proven to be very relevant and effective in offering women the possibility to break gradually away from exploitation and isolation. Though Women can empower themselves in different aspects through Self Help Groups, this paper aims to find out the Economic Empowerment of women through SHGs. The study was conducted in Coimbatore District and the sample respondents were Women who have engaged themselves in different activities through SHGs. Descriptive research design were used.

Key Words: SHG, Economic Empowerment

INTRODUCTION

Self Help Group is about people coming together with others who are affected by a particular issue viz., experience, disadvantage, discrimination, etc., to support each other and to work together to change the disadvantage affecting them. Self Help group is a self-governed, peer-controlled small and informal association of the poor, usually from socio-economically homogeneous families who are organized around savings and credit activities. Funds for credit activities are coming through regular savings deposited by all of its members on a weekly or fortnightly basis. In the meetings, they discuss common village problems and plan solution, share information; make efforts to improve their health and literacy skills.

ORIGIN OF SHGS IN INDIA

In 1976, Prof. Mohammed Yunus of Bangladesh started women's groups in Bangladesh and developed thrift and savings among the poorest. Now it has developed into a

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bank named Bangladesh Grameen Bank. Its report in February 1998 states that the bank has 1138 branches and covers 39572 villages. It has 2367503 members of which only 124571 are men. The bank has disbursed a cumulative amount of US \$ 2714.61 Million whereas the savings of the members has reached US \$ 202.73 Million. With the success of BGB and similar organizations elsewhere, the concept of Micro credit has gained momentum in India. Based on this success many Non-Governmental Organizations in our country are involved in organizing SHGs and they serve as an agent between the bank and the poor. Self-help groups play a major role in poverty alleviation in rural India. A growing number of poor people, especially women in various parts of India are members of SHGs and actively engage in savings and credit, as well as in other activities like income generation, natural resources management, literacy, child care and nutrition, etc. The SHG system has proven to be very relevant and effective in offering women the possibility to break gradually away from exploitation and isolation.

MEANING OF EMPOWERMENT

Empowerment is a process of change by which individuals or groups gain power and ability to take control over their lives. It involves access to resources, resulting into increased participation in decision-making and bargaining power and increased control over benefits, resources and own life, increased self-confidence, self-esteem and self-respect, increased well being. It means 'empowerment' is a multi-fold concept that includes economic, social political empowerment.

ECONOMIC EMPOWERMENT

For economic empowerment, it is necessary for a woman to have access to and control over productive resources and to ensure some degree of financial autonomy. According to the report by National Commission for Women, in India, women work for longer hours than men do. The proportion of unpaid activities to the total activities is 51 per cent for females as compared to only 33 per cent for males. Over and above this unpaid work, they have the responsibilities of caring for household which involves cooking, cleaning, fetching water and fuel, collecting fodder for the cattle, protecting the environment and providing voluntary assistance to vulnerable and disadvantaged individuals in the family. To achieve the goal, there is an urgent need of change in the mindset of the entire society. In rural region, winds of changes development have yet to reach and basic economic needs are yet to be fulfilled. The main source of employment for women is farm labour. But this does not fulfill all their needs. Indebtedness has become the hallmark of the rural life. Participation in self-help groups helps in saving some money out of their daily household expenses. Also, they can avail loan with lower interest rates. This has led a sort of change in the society's view towards woman, in general. The impact of economic empowerment through Self Help Groups plays a vital role in families.

STATEMENT OF THE PROBLEM

SHG programme has emerged across India as one of the most popular strategy for empowering women. Like a majority of microfinance programmes that target women, SHG programme also aims to empower women. It is the largest and fastest growing microfinance programme in the developing world. SHG programmes are also linked to other development initiatives of the non-governmental organisations and government agencies. Both the central as well as state governments are more involved and paid sincere attention to improve the self-help programme with an aim of empowering women.

OBJECTIVES OF THE STUDY

1. To analyze the factors that influences the economic empowerment of women through self-help groups in Coimbatore District.
2. To find out the level of economic empowerment attained by Women through Self Help Groups
3. To understand the socio-economic profile of the members of self-help groups in Coimbatore District
4. To find out the reasons for joining SHGs

HYPOTHESES

1. There is no significant difference between demographic profile of members of SHGs and level of economic empowerment.
2. There is no significant association between demographic profile of members of SHGs
3. There is no significant relationship between demographic profile of members of SHGs and level of economic empowerment.
4. There is no significant impact of demographic profile of members of SHGs on level of economic empowerment.

RESEARCH METHODOLOGY

Research Design

Research design is an arrangement of conditions for collection and analysis of data in a manner that aims to combine the relevance to the research purpose with economy in procedure. The descriptive research design has been employed for the present study.

Sampling Procedure

The Coimbatore district has been purposively selected for the present study. The members of self help groups have been selected by adopting random sampling technique through pre-tested and structured questionnaire.

Sample Size Determination

The sample size for the present study is determined by using the following formula:

$$n = [t^2 \times p(1-p)] / m^2$$

n = Required Sample Size

t = Confidence Level at 95% (standard value of 1.96)

p = Response from the Women Members of SHGs in Pilot Study

m = Margin of Error at 5% (standard value of 0.05)

Hence, the sample size for the present study is 500 women members of SHGs in Coimbatore District.

LIMITATIONS OF THE STUDY

The present study is with the following limitations:

1. The present study is carried out in Coimbatore district only.
2. The present study is based on the primary data collected from the women members of SHGs.
3. The drawbacks and limitations of the field level survey are very much applicable to the present research.
4. The data and information collected from the women members of SHGs are subjected to recall bias.

Research Reviews

Hashemi (1996) identified eight indicators for components of empowerment and they were: mobility, economic security, ability to make small purchases, ability to make larger purchases, involvement in major decisions, and relative freedom from domination by the family, political and legal awareness, and involvement in political campaigning and protests.

Snehalatha and Reddy (1998) studied the effectiveness of thrift and credit activity in income generation of women. The findings of the study indicated that education, achievement, motivation, education of children, food intake and health care, knowledge on thrift and credit showed positive significant correlation with additional income generation. The study also suggested that the groups should be spread to all the rural areas by linking them to banks or credit institutions to provide technical and infrastructural inputs for developing the women entrepreneurs and ultimately reaching the goal of empowerment.

Saundrajya and Rakul (2001) evaluated the RGVN's Credit and Saving Programme (CSP) in Assam over the years. The study indicated that the SHGs helped to set up a number of micro enterprises for income generation. The CSP was found to be successful

as its focus was exclusively on the rural poor; it adopted a credit delivery system designed especially for them with the support of a specially trained staff and a supportive policy with no political intervention at any stage in the implementation of the programme.

Bharat Dogra (2002) reported that 15 to 20 women formed such groups with as monthly savings of Rs.10 each or Rs.20 each. Initially, men in many villages used to make fun of these groups with their small savings. They had also observed that when these savings grew and women were able to take loans to meet several pressing needs, men also started self-help groups with monthly savings of Rs.50 each or more.

Rao (2003) revealed that majority of people had taken loans for their occupational development, whereas only a few had taken for health, education and marriage purposes. The study concluded that the impact of group on the member's perceptions on some important social indicators between two points of time showed appreciable improvement on sending girl child to school, reduced family size, and improvement in individual income and increased working days.

AGE WISE DISTRIBUTION OF MEMBERS OF SHGS

The age wise distribution of members of SHGs is presented

Table 1
Age Wise Distribution of Members of SHGs

<i>Sl. No.</i>	<i>Age (Years)</i>	<i>Number of Members</i>	<i>Percentage</i>
1.	Less than 20	4	0.80
2.	21- 30	123	24.60
3.	31- 40	247	49.40
4.	41- 50	117	23.40
5.	51- 60	9	1.80
	Total	500	100.00

Source: Primary Data

The results indicate that about 49.40 per cent of members of SHGs belong to the age group of 31-40 years followed by 21-30 years (24.60 per cent), 41-50 years (23.40 per cent), 51-60 years (1.80 per cent) and less than 20 years (0.80 per cent).

It reveals that the most of the members of SHGs belong to the age group of 31-40 years.

EMPLOYMENT STATUS WISE DISTRIBUTION OF MEMBERS OF SHGS

The employment status wise distribution of members of SHGs is presented

Table 2
Employment Status Wise Distribution of Members of SHGs

<i>Sl. No.</i>	<i>Employment Status</i>	<i>Number of Members</i>	<i>Percentage</i>
1.	Unemployed	87	17.40
2.	Agricultural Labour	112	22.40
3.	Industrial Labour	134	26.80
4.	Self-employed	15	3.00
5.	Vendor of Goods	152	30.40
	Total	500	100.00

Source: Primary Data

The results show that about 30.40 per cent of members of SHGs are vendor of goods followed by industrial labour (26.80 per cent), agricultural labour (22.40 per cent), unemployed (17.40 per cent) and self-employed (3.00 per cent). It reveals that the most of the members of SHGs are vendor of goods.

REASONS FOR JOINING SHGS

The reasons for joining SHGs were analyzed and the results are presented

Table 3
Reasons for Joining SHGs

<i>Sl. No.</i>	<i>Reasons</i>	<i>Number of Members</i>	<i>Percentage</i>
1.	Getting Loan	112	22.40
2.	Starting Business	123	24.60
3.	Promoting Savings	265	53.00
	Total	500	100.00

Source: Primary Data

It is clear that about 53.00 per cent of members of SHGs opine that they are joining SHGs for promoting their savings followed by starting business (24.60 per cent) and getting loan (22.40 per cent). It reveals that the most of the members of SHGs opine that they are joining SHGs for promoting their savings.

Table 4
Age and Level of Economic Empowerment-anova

	<i>SS</i>	<i>df</i>	<i>MS</i>	<i>F-Value</i>	<i>Sig</i>
Between Groups	104.776	4	26.650'	15.430	0.000
Within Groups	412.201	495	1.698		
Total	516.977	499			

Source: Primary Data

The F-value of 15.430 is significant at one per cent level indicating there is significant difference between age of the women members and the level economic empowerment through SHGs. Hence, the null hypothesis of there is no significant difference between

age of the women members and the level economic empowerment through SHGs is rejected.

Table 5
Monthly Income and Level of Economic Em4powerment

Sl. No	Monthly Income (Rs.)	Level of Empowerment			Total	Average Score	Range	SD	CV
		Low	Medium	High					
1.	Less than Rs. 3,000	25 (26.04)	28 (14.10)	36 (17.50)	89	78.35	47-69	14.51	25.65
2.	Rs. 3,001 – Rs. 5,000	10 (10.41)	51 (25.80)	13 (6.31)	74	69.77	56-68	21.90	36.24
3.	Rs. 5,001 – Rs. 7,000	29 (29.20)	30 (15.20)	53 (25.73)	112	99.10	78-90	19.47	29.01
4.	Rs. 7,001 – Rs. 9,000	32 (33.30)	79 (39.90)	90 (43.70)	201	103.20	110-167	23.09	35.24
5.	Rs. 9,001 and Above	0 (0.00)	10 (5.05)	14 (6.80)	24	14.03	11-21	9.89	14.28
	Total	96	198	206	500				

Source: Primary Data

The results show that among the highly empowered women members, a high level of 43.70 per cent belong to an income range of Rs.7001/- Rs.9000/-. Also in the case of medium and low level of economic empowerment category, majority of the women members belong to this particular income range. Hence, the high level of income of the women members is responsible for the high level of economic empowerment obtained by them. Further, the average empowerment level of the women members is found to be 103.20 and it ranges between 110 and 167. The standard deviation and coefficient of variation are 23.09 and 35.24 respectively.

Table 6
Relationship between Demographic Profile and Level of Economic Empowerment

Sl. No.	Demographic Profile	Correlation Coefficients	Level of Significance (1%)
1.	Age	0.349	Significant
2.	Educational Qualification	0.561	Significant
3.	Religion	0.781	Significant
4.	Employment Status	0.908	Significant
5.	Dependents	0.231	Not Significant
6.	Monthly Income	0.983	Significant
7.	Monthly Expenditure	0.562	Significant
8.	Reasons For Joining SHGs	0.453	Significant

Source: Primary Data

The correlation analysis shows that employment status and monthly income of women members of SHGs are very strongly associated with the level of economic

empowerment, while religion is strongly correlated with economic empowerment. Besides, educational qualification, monthly expenditure and reasons for joining SHGs are moderately associated with economic empowerment, while the age is weakly correlated with the economic empowerment. Hence, the null hypothesis of there is no significant relationship between demographic profile and level of economic empowerment of women through SHGs is rejected.

FINDINGS

The results indicate that about 49.40 per cent of members of SHGs belong to the age group of 31-40 years followed by 21-30 years (24.60 per cent), 41-50 years (23.40 per cent), 51-60 years (1.80 per cent) and less than 20 years (0.80 per cent). The women members of SHGs perceive that involved in money lending to their group members is the major economic empowerment indicator. The factor analysis shows that increase in income, no loan, healthy food, savings, and new purchase, supporting family, sophistication and general factor are the factors affecting the economic empowerment of women members through SHGs.

The F-value of 15.430 is significant at one per cent level indicating there is significant difference between age of the women members and the level economic empowerment through SHGs. The F-value of 17.209 is significant at one per cent level indicating there is significant difference between educational qualification of the women members and the level economic empowerment through SHGs. The F-value of 16.351 is significant at one per cent level indicating there is significant difference between religion of the women members and the level economic empowerment through SHGs. The F-value of 28.405 is significant at one per cent level indicating there is significant difference between employment status of the women members and the level economic empowerment through SHGs.

The F-value of 29.562 is significant at one per cent level indicating there is significant difference between dependents of the women members and the level economic empowerment through SHGs. The F-value of 16.723 is significant at one per cent level indicating there is significant difference between monthly income of the women members and the level economic empowerment through SHGs.

The F-value of 19.341 is significant at one per cent level indicating there is significant difference between monthly expenditure of the women members and the level economic empowerment through SHGs. The F-value of 17.662 is significant at one per cent level indicating there is significant difference between reasons for joining SHGs by women members and the level economic empowerment through SHGs.

The results show that there is a significant association between age and economic empowerment, dependents of women members and economic empowerment, monthly income and economic empowerment and reasons for joining SHGs and economic empowerment. The correlation analysis shows that employment status and monthly income of women members of SHGs are very strongly associated with the level of

economic empowerment, while religion is strongly correlated with economic empowerment. Besides, educational qualification, monthly expenditure and reasons for joining SHGs are moderately associated with economic empowerment, while the age is weakly correlated with the economic empowerment. The multiple regression analysis reveals that age, educational qualification, religion, community, employment status, number of dependents, monthly income, monthly expenditure and the reasons for joining SHG are having the positive impact on economic empowerment of women through SHGs.

SUGGESTIONS

- Since the majority of SHG members are from rural and semi-urban areas and are in the age level of less than forty years, it is suggested that in **urban area SHGs could be started** with young women. These members even though literates got maximum level of education as completed higher secondary education.
- SHG members must be **encouraged to get additional education** so that educational status may be improved in rural and semi-urban areas.
- Most of the family's monthly income ranges between seven to nine thousands per month. Therefore, women belonging to other **income groups should also be encouraged** to join SHGs. Their monthly expenditure shows that they are spending most of their income for food, shelter and transport. And very meager amount of money is spent on Education. Imparting Education must be made as a prime Factor
- It is found from the Rank analysis that money lending among the group members were given foremost importance and improving agricultural income is given the least importance. It is suggested that when proper guidance and training for the same is provided, it will be of great help to the SHG members as well as to the society.

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