

Economic Empowerment of Rural Women through SHGs with reference to Coimbatore District

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Abstract - Economic development of the members is said to be attained when the society improves the quality of members' life through increasing per capita income, reducing poverty, enhancing individual economic opportunities etc.. The SHG members are involved in activities which yield income to them and it would make a lot of difference to the lives of rural women. The present study is a fact finding exercise to know the extent of influence of socio-economic variables on the economic benefits derived by members of Self - Help Groups. The primary data relating to the perception of the members on the economic benefits derived by them were collected by interviewing selected sample members with the help of an interview schedule. It was found that the members are economically benefited because of their membership in self help group.

Key Words: Economic empowerment, Economic variables, Economic productivity, Sustainability

Introduction

Till the end of 20th Century the concept of empowerment was absent. The position of women was miserable in the society and even they were not ready to undertake any assignment or job due to many reasons like fear, shyness, male dominance in the society etc. But time has been changed now. But today's women want economic independence, and are interested in their own identity in the society and to enjoy greater freedom in making them involved in various domestic and social activities. Empowerment provides a greater access to knowledge and resources, more autonomy in decision making, greater ability to plan lives, more control over the circumstances which influence lives, and freedom from customs, beliefs and practices. Thus, empowerment is an active multidimensional process to enable women to realize their identity and power in all spheres of life.

The economic development of the members is said to be attained when the society improves the quality of members' life through increasing per capita income, reducing poverty, enhancing individual economic opportunities, better education, improved health and nutrition, conservation of natural resources, a cleaner environment, and a richer cultural life. The development of new policies programmes and even projects facilitated changes in the status of women by providing assistance to the low income women. This concern for low-income women's needs has coincided historically with recognition of their important role in development. The empowerment approach is the most recent and is aimed at empowering women through greater self-reliance and internal strength. Government of India has initiated, through its policy of empowering the women, formation of self-group provided to give proper attention to their economic independence through self-employment, entrepreneurial development and well-being that ultimately leads to its contribution.

The SHGs empower women with common perception both socially and economically. The SHG members are involved in activities which yield income to them and it would make a lot of difference to the lives of rural women. Economic independence is one of the means to empower the women. Enhancing women's economic productivity is an important strategy for improving the welfare of Indian households living below the poverty line. The existence of disempowered women in a state of economic, political, social and knowledge is known to be a major hindrance to economic development. Income generating activities are considered as those initiatives that affect the economic aspects of people's lives through the use of economic tools such as credit. The Self-Help Group provides an appropriate platform for initiating and sustaining income generating activities for the rural women with the help of the credit facilities provided through the varied financial institutions.

SHGs have been emerged as a powerful instrument in order to alleviate poverty and for the empowerment of women in the rural economy. SHGs through the network of commercial banks, co-operative banks, regional rural banks, NABARD and NGO's has been largely supply driven and a recent approach in the provision of financial services to the poor and further upgrading their status in the society. In this way, SHGs are important not only to reduce rural poverty, to promote rural savings but also to increase gainful employment.

In fact, it is a home grown model for poverty reduction which simultaneously works to empower and shape the lives of its members in a better way. Groups are expected to be homogenous ensuring that the members with similar interest can participate freely in the self-help group. Self-help groups (SHGs) movement has triggered off a silent revolution in the rural credit delivery system in India. SHGs have proved as an effective medium for delivering credit to rural poor for their socioeconomic economic empowerment.

Literature Review

1. Jothy.K. and Sundar.J., (2002) in their study "Self-Help Groups Under the Women's Development Programme in

Tamilnadu: Achievements, Bottlenecks and Recommendations", evaluated the programme of Tamil Nadu Mahalir Thittam and found that Self-Help Group women are currently involved in economic activities effectively and helped them to gain improvement in their economic conditions of the members.

2. Manimekalai (2004) in her article entitled "**Economic Empowerment of Women Through Self-Help Groups**", revealed that the SHGs depended on NGOs for their income generating activities. It is remarked that the formation of SHGs have boosted the self-image and confidence of rural women. The study recommended that bank officials should counsel and guide the women in selecting and implementing profitable income generating activities.

3. Shiralashetti .A.S., (2010) in her study entitled "**Women Empowerment Through Self-Help Groups in Bijapur District: A Study**" found that monthly income, increase in monthly expenses, enhanced savings, increase in power to take family decisions and so on. This shows that the SHG movement is in the right direction towards eradicating the poverty of the people.

4. Ranjula Bali Swain and Fan Yang Wallentin in the study "**Does Microfinance Empower Women? Evidence from Self-help Groups in India**" (2007) found that women empowerment takes place when women challenge the existing social norms and culture, to effectively improve their well-being and there is significant empowerment in the women empowerment of SHG members.

5. Dr. Percy Bose in the study "**A Case study on Self-help Groups in North Tamil nadu**" (2013) analyzed the economic empowerment of women through SHGs and found that the income of the members increased after joining the SHGs.

Statement of the Problem

Empowerment is an active process of enabling women to realize their full identity and power in all spheres of life. The empowerment process encompasses several mutually reinforcing components but begins with and is supported by economic independence. Empowerment is about organizing people, particularly around credit and building capacities to manage money. The focus is on getting the poor to mobilise their own funds through mutual help, building their capacities and empowering them to leverage external credit and building capacities to manage money. The focus is on getting the poor to mobilize their own funds through mutual help, building their capacities and empowering them to leverage external credit. Women perceive that learning to manage money and rotate funds builds women's capacities and confidence to intervene in local governance beyond the limited goals of ensuring access to credit.

Self-help Group concept has been mooted along the rural and semi urban women to improve their living conditions. It reduces poverty by enabling the poor household to access gainful self-employment and skilled wage employment opportunities, resulting in appreciable improvement in their livelihood on a sustainable basis, through building strong grass-root institutions of the poor (SHGs). Thus, SHGs have been showing the way ahead to alleviate the poverty existing in Indian houses along with women empowerment. Empowerment in women shows their full identity and their ability to take part actively in all spheres of life. Women's economic empowerment relates to the enhancement of women's capacity for strategic choice and agency in the sphere of the economy and to the possibilities this opens up for change in other spheres of their lives. Under this environment, the present study concentrated on the opinion of the sample respondents towards their economic enhancement on becoming their membership in SHG in terms of the variables or aspects identified the researchers which show the symptom of economic empowerment.

The study is carried out with the following objectives:

- To study the economic profile of the sample members and assess the perception of members towards the economic benefits derived by them.
- To identify the influence of the socio-economic aspects on the economic empowerment of women members

Research methodology

The present study is empirical in nature and it is based on survey method. The whole data required for the present study were collected from primary sources, secondary sources and discussion with the SHG members in Pollachi Taluk. The primary data relating to the perception of the members were collected with the help of an interview schedule. The secondary data relating to the study relating to the number of SHGs in the study area, its members and other relevant information were obtained from various published and unpublished records.

Sampling

The study used multi stage sampling method. In the first stage, List of villages was obtained from the local authorities. From the list, SHGs with more than 4 years of experience were identified. There are 1562 SHGs were existing for a period more than 4 years. Among the groups, 10% of the groups were selected by applying simple random sampling method by using Tippet random numbers and it worked out for one hundred and fifty six groups. Then, two members from each group were selected as the respondents for the study using simple random sampling method and it worked out for a total of three hundred twelve. Thus, on the whole, sample respondents for the present study was 312.

Analysis of the Data

The interview schedule is constructed by including Personal variables and variables for their economic activities and personal behavior of the group members. It includes variables like Age of the members, Marital status of the members, Social category of the members, Taluk in which members reside, Literacy level of the members, Occupational status of the members, Family type of the members, Family size of the members, Status of the members in their family, Monthly family income of the members, Average monthly expenses of the members, Average monthly savings of the members, Value of assets possessed by the members, Reasons for joining as a member in the SHG's, Period of association with SHG's, Member's status in their groups, Grade status of their groups. Information was also collected for the perception of members in terms of economic variables or aspects which are considered as one which gives empowerment. The different aspects identified are – Control over her personal income, takes part in family expenditure, able to purchase consumable assets, efficiency in meeting expenditure on social function

and education of children, access to household resources, promotion of savings, decision on purchasing assets, freedom in joining SHGs, ability to conduct bank dealings freely and enhanced income and expenditure.

Tool used for analysis

Perception of the members on the economic benefits derived by them on becoming member in Self - Help Groups has been obtained using Likert's 4-point scale viz., benefit derived on account of the economic aspects identified has been significantly improved, improved, no change/ usual and no response. The impact of the socio-economic variables on the economic benefits gained by the members was analysed using chi-square analysis. The results of such analysis are given in the following table.

TABLE 1
Perception of Women towards Economic Variables (In percentage)

Economic aspect	Significantly improved	Improved	No change/ Usual	No response
Control over her personal income	58	42	-	-
Takes part in the family expenditure	56	38	6	-
Able to purchase consumable assets	64	31	5	-
Expenditure on Social function and education of children	62	27	11	-
Access to household resources	74	26	-	-
Promotion of savings	82	18	-	-
Decision on purchasing assets	66	26	8	-
Freedom in joining SHGs	73	27	-	-
Ability to conduct bank dealings freely	52	28	18	2
Increase in income and expenditure	86	14	-	-

Source: Calculated from Field survey

Analysis of Influence of Socio-economic variables on economic Benefits

In order to find out the influence of various demographic factors relating to the sample members (Independent Variables) on their perception on the Economic Benefits derived by them as members in SHG's (Dependent Variable). Null Hypotheses were formulated that "personal factors relating to the sample members do not significantly influence economic benefits derived by them because of their membership in SHGs". This hypothesis was tested with the help of Chi -Square test and the result of the same is presented in Table - 2.

Table 1: Factors Influencing the Economic Benefits Derived by the Members
- Chi - Square Test

S.No.	Variables	Calculated value	Table value	DF	Significance
1	Age of the members	3.34	9.49	4	Not significant
2	Marital status of the members	5.262	5.99	2	Not significant
3	Social category of the members	55.748	9.49	4	Significant
4	Taluk in which members reside	186.77	15.50	8	Significant
5	Literacy level of the members	6.616	11.1	6	Not significant
6	Occupation status of the members	235.105	11.1	10	Significant
7	Family type of the members	0.859	5.99	2	Not significant
8	Family size of the members	0.825	9.49	4	Not significant
9	Status of the members' in their families	6.285	5.99	2	Significant
10	Monthly family income of the members	12.762	9.49	4	Significant
11	Average monthly expenses of the members	8.798	9.49	4	Not significant
12	Average monthly savings of the members	13.460	9.49	4	Significant
13	Value of assets possessed by the members	7.429	9.49	4	Not significant
14	Awareness source	32.758	21.00	12	Significant
15	Reasons for joining as members in SHG's	34.208	15.5	8	Significant
16	Promotion of their groups	26.790	15.5	8	Significant
17	Period of association	5.983	9.49	4	Not significant
18	Status of the members' in their groups	12.933	5.97	2	Significant
19	Grade status of their groups	3.247	5.99	2	Not significant
20	Nature of savings of the members	15.965	12.60	6	Significant
21	Loan type received by the members	27.916	12.6	6	Significant

Source: Calculated from Field survey

The result of Chi-Square test from the above table indicates that the calculated values are more in the factors such as social category of the members, taluk in which the members reside, occupational status of the members, status of the member in their families, monthly family income of the members, status of the members in their group, average monthly expenses of the members, average monthly savings of the members, awareness source about the SHG concept, reasons for joining as a member in SHG, mode of promotion of their group, status of the member in their groups, nature of savings, benefit received by the member, loan type received by the member. Hence, these factors influenced empowerment of women significantly. Hence, null hypothesis is rejected and it is revealed that identified socio-economic factors played a significant role in enhancing the economic status of women on becoming the member in SHGs.

Conclusion

The present study justified the greater role played by the said socio economic variables on becoming member of SHGs. The process of women empowerment is conceptualized in terms of said factors as it was found that there was significant change in the economic activities related to their daily life. Thus, they will be able to spend for education of children and also on purchase of household assets and they are able to meet financial challenges in the walks of their life. Hence, it is proved that SHG's in India are integrating the low income segments with the other segments having moderate or more income ensuring them a better development in their position. It is significantly important that efforts to provide more help to increase the level of activities by adopting different strategies to have sustainable improvement in the economic status of women.

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