Impact of self help groups on empowerment of women: a study in dharmapuri district, tamilnadu.

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ABSTRACT: *Women empowerment is a process in which women challenge the existing norms and culture, to effectively promote their well being. The participation of women in Self Help Groups (SHGs) made a significant impact on their empowerment both in social and economical aspects This study addresses women empowerment through self help groups in Dharmapuri district of Tamilnadu . The information required for the study has been collected from both the primary and secondary sources A multistage random sampling method has been followed. Average and percentage analysis was carried out to draw meaningful interpretation of the results. Garret ranking technique was used to find the reasons for joining the Self help group. Factor analysis was used to measure the 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.*

Key words: Woman empowerment, SHG, Dharmapuri, Tamilnadu

1.INTRODUCTION

Women constitute around fifty percent of the total human resources in our economy. Yet women are the more poor and under privileged than men as they are subject to many socio-economic and cultural constraints. The situation is more severe in the rural and backward areas. Women development activities must be given importance to eradicate poverty, increase the economic growth and for better standard of living. Self Help Group (SHGs)-Bank Linkage Programme is emerging as a cost effective mechanism for providing financial services to the "Unreached Poor" which has been successful not only in meeting financial needs of the rural poor women but also strengthen collective self help capacities of the poor ,leading to their empowerment. Rapid progress in SHG formation has now turned into an empowerment movement among women across the country (Tiyas biswas, 2007) . Investing in women brings about a multiplier effect. Stories of women who not only are better off economically as a result of access to financial services, but who are empowered as well. Simply getting cash into the hands of women (by way of working capital) can lead to increased self-esteem, control and empowerment by helping them achieve greater economic independence and security, which in turn gives them the chance to contribute financially to their households and communities because women "tend to keep nothing back for themselves they contribute decisively to the well-being of their families"(Susy

Cheston and Lisa Kuhn, 2002).SHG by mobilizing women around thrift and credit activities have resulted in economic self reliance there by changing their social attitude and status in the family and society SHG has emerged as a key programming strategy for most of the women development activities.

2. LITERATURE SURVEY

During the course of the study, the study of several authors was referred and it is imperative that an outline of the literature survey is put to note and the following references are worth mentioning. **Rekha Goankar**(2001)in her study concluded that the movement of SHGs can significantly contribute towards the reduction of poverty and unemployment in the rural sector of the economy and the SHGs can lead to social transformation in terms of economic development and the social change. **Naila kabeer** (2005) in a study apparently concludes that while access to financial services can and does make important contributions to the economic productivity and social well-being of poor women and their households,it does not "automatically" empower women – any more than do education, political quotas, access to waged work or any of the other interventions. It has been observed by **M. Anjugam** (2007) that socially backward, landless and marginal farm house holds participate more in the self help group programme. Possession of livestock and consumer goods by the member households has been found to deter the joining of group. **Gladis Mary John** (2008) found that membership in SHG

inculcated a great confidence in the mind of majority of women to succeed in day to day life. Positive change was found in the attitude of relatives and friends towards the women in self help groups.

3. STATEMENT OF PROBLEM

Several studies indicate that self help group programmes often in the form of credit or micro credit schemes and savings have succeeded in changing the lives of poor women by making way for enhanced income and increased self-esteem. This is evident from the mushrooming growth of self- help groups in the state. This study is undertaken to analyse the structure, conduct and performance of self help groups and their impact on the women in Dharmapuri district, Tamilnadu.

4. OBJECTIVES

The objectives of this study are**:**
1. To study the socio-economic profile of SHG women
2. To analyse the reasons for joining SHG
3. To study the structure conduct and performance of self help groups
4. To find the impact of SHGs in women

5. METHODOLOGY

The study is analytical based on collection of data from both primary and secondary sources. Primary data is collected from well structured questionnaire, Secondary data is obtained from various published and unpublished records, books ,journals and information given by the Mahalir thittam office

Dharmapuri. Multi stage purposive and random sampling has been adopted for the present study. At the first stage all the five taluks have been selected for the study. 20 women self help groups (WSHGs) established in not less than 1year have been randomly selected from each taluk. 6 respondents who are member of the group for at least one year and taken at least one loan have been randomly selected from each group. Thus 600 respondents are selected for the present study.

6. ORIGIN AND CONCEPT OF SHGs

The origin of Self Help Groups (SHGs) is the brainchild of Grameen Bank of Bangaladesh, founded by Prof. Mohammed Yunus in 1975, who tried out a new approach to rural credit in Bangaladesh. Grameen gave loans without asking borrowers either to provide collateral or engage in paper work. In India NABARD initiated SHGs in the year 1986-87 But the real effort was taken after 1991-92 from the linkage of SHGs with the banks. A SHG is a small economically homogeneous affinity group of the rural poor voluntarily coming forward to save a small amount of money regularly, which is deposited in a common fund to meet the members" emergency needs and to provide collateral free loans decided by the group. The SHGs have been recognised as useful tool to help the poor and as an alternative mechanism to meet the urgent credit needs of poor through thrift(N. Thalavai pillai and S. Nadarajan 2010)

7. WORKING OF SHGs

The SHGs in India are small, informal and homogenous groups of not more than twenty members each. Among them a member is selected as an „animator" and two members are selected as representatives. The animator is selected for a period of two years. Members of the group meet every week. They discuss social and community programmes, group savings, rotation of funds, bank loan and repayment of loan. The group members are encouraged to make voluntary thrift on a regular basis. These pooled resources are used to make small interest bearing loans to their members. The process helps them imbibe the essentials of financial intermediation including prioritization of needs, setting terms and condition, and accounts keeping. This gradually builds financial discipline in all of them. Once the groups show this mature financial behavior, banks are encouraged to make loans to the SHG in certain multiples of the accumulated savings of the SHG. The bank loans are given without any collateral and at market interest rates.(Progress of SHG--Bank linkage in India 2003-2004, NABARAD)

8. SHGs IN THE STUDY AREA

Present study has been conducted in Dharmapuri district of Tamil Nadu. This district has been chosen, as it had the history of SHG movement being started in a small way in Dharmapuri distric t in 1989 in the entire state. The success of the Project encouraged extending the project to other areas. The Tamil Nadu Corporation for Women Development-

TNCDW is the nodal agency implementing the SHG programme in Tamil Nadu. Its main aim is to empower the women economically, socially and also ensure skill development through training.

The self help groups in the district are formed through NGOs, who help in the formation of SHGs, provide training and monitor the SHGs. The NGOs are provided formation cost and monitoring cost for the above activities. The NGOs who are interested in partnering with TNCDW for implementation of Mahalir Thittam are affiliated. There are more than 20 NGOs affiliated in this scheme in the district,the number of groups being formed increases day by day. Apart from the NGO the District rural development agency(DRDA) and the TNCDW also assist in the formation of SHGs

Table-I Group Formation as on 30.03.2010 in Dharmapuri District

	Rural	Urban	Total
Groups Formed	6807	1198	8005
Women Enrolled	108912	118569	127481
Savings(Rs in lakhs)	6665.92	581.97	7247.89

As on march 30th march 2010 8005 groups were formed and the women enrolled are 1,27,481with a saving of Rs7247.89 lakhs**.**

9. SOCIO ECONOMIC PROFILE OF SHG MEMBERS

The study reveals that out of 600 respondents selected for the study, 2.3% of the members are below 20 years of age.27.35 of the members are in between 20 to 30 years. 35.3% of the members are in the age group of 30to 40 years .26.8% of the members are in the age group of 40to 50 years. 7.5% of them are in the age group of 40 to 50 years. 0.7% of them are above 60 years .8.7% of the members are illiterates. 6.5%of the members have no formal education but know to read and write.14.3% of the respondents have education from class1to5. 19.3% are in the category of 5to 9 classes.18.3 % of them are educated to SSLC. Level. 23.3% of them have education up to plus two . 8.7% of the respondents are undergraduates. 1% of the respondents have other type of education like teacher training ITI and the like. 5.3% of the respondents are unmarried. 85.3%of them are married. 8.3% of them are widow. 1% of the respondents are divorcee. Regarding the family annual income 24.3% of the respondents family annual income is below Rs.30,000. 32.7% of the respondents family income is from Rs 30, 000 to 50,000 per annum. 21.5% of them have a family income between Rs 50,000 to 75,000 per annum. 16.5% of the respondents family income range is between Rs 75,000 to 1,00, 000 per annum. 5% of the respondents family annual income is above Rs1,00,000(Source: primarydata)

10. ANALYSIS OF DATA

Average and percentage analysis was carried out to draw meaningful interpretation of the results. Garret ranking technique was used to find the reasons for joining the Self help group. Factor analysis used to determine the relationship between the observed variables

10.1 REASONS FOR JOINING SELF-HELP GROUP

For carrying out this analysis, the members of SHGs were asked to prioritize the specific reasons for joining the groups. To analyze the reasons for joining the group by the member households, all the possible reasons were made known to the members of self-help groups. They were asked to rank the reasons in the order of their importance. The ranks given by them were quantified using the Garrett Ranking Technique (Garrett, 1969) using the following formula:

$$\text{Per cent position} = \sum_{j=1}^{n} [\,(R_{ij} - 0.5)\,/\,N_j\,] \times 100 \qquad \ldots(1)$$

where,

R_{ij} = Rank given for the ith item by the jth individual, and

N_j = Number of items ranked by the jth individual.

TABLE II: Reasons for Joining SHG

	Rank						Mean Rank
	I	II	III	IV	V	VI	
To repay old debts	126	186	148	32	39	69	2.688
To maintain house expenditure	186	173	44	22	60	116	2.432
To promote savings	137	119	78	30	64	172	3.369
To raise status in society	78	56	145	118	120	85	4.802
To promote income generating activities	58	50	139	145	130	78	4.339
To get loan	18	16	46	253	187	80	3.378

Source: primary data

From the Table-II and III , it is clear that „To raise status in society‟ is the prime reason for respondents joining the SHG, followed by „To promote income generating activities ‟.The next reason was „To get loan‟. The fourth reason was „To promote savings‟ and the next reason was „To repay old debts‟. „To maintain house expenditure‟ stood as the last reason for joining the SHG

TABLE III: Reasons for Joining SHG

S.No	Reasons	Score		Rank
		Total	Mean	
1	To repay old debts	21883.33	36.5	5
2	To maintain house expenditure	19316.67	32.2	6
3	To promote savings	28683.33	47.8	4
4	To raise status in society	43016.67	71.7	1
5	To promote income generating activities	38383.33	64.0	2
6	To get loan	28783.33	48.0	3

Source: primary data

10.2. STRUCTURE, CONDUCT AND PERFORMANCE OF SHGS

10.2.1 DISTRIBUTION OF THE RESPONDENTS ON THE BASIS OF AGE OF THE GROUP.

TABLE-IV Distribution of the Respondents on the Basis of Age of the Group

Age of the group	No. of respondents	Percentage
below 3 years	150	25.0
3-5 years	168	28.0
Above 5 years	282	47.0
TOTAL	600	100

Source: primary data

Majority of the respondents 47% belonged to the groups which were established five years ago.28% of the respondents belonged groups with a age of 3-5 years. 25% of the respondents groups were established less than three years ago.

10.2.2 DISTRIBUTION OF THE RESPONDENTS ON THE BASIS OF MEMBERSHIP IN THE GROUP

TABLE-V Distribution of the Respondents on the Basis of Membership in the Group

No. of Years in the Group	No. of Respondents	Percentage
Below 2 years	72	12.0
2-3 years	189	31.5
3-5 years	189	31.5
5-7 years	112	18.7
Above 7 years	38	6.3
Total	600	100

Source: primary data

31.5% of the respondents are members in the group for 2-3 years, and 3-5 years.18.7% of the members are in the group for 5-7 years. 12.0% of the

respondents are in the group for less than 2 years .6.3% of the members have stayed in the group for more than 7 years

10.2.3 NUMBER OF LOANS TAKEN BY THE RESPONDENTS THROUGHSHG

TABLE-VI Number of Loans Taken by the Respondents Through SHG

Number of Loans taken	No. of Respondents	Percentage
One	48	8.0
2-4	416	69.3
4-6	68	11.3
More than 6	68	11.3
TOTAL	600	100

Source: primary data

Majority of the respondents 69.3% have taken 2-4 loans   The respondents who have taken loans 4-6 times and more than 6 times are 11.3% respectively. 8% of the respondents have taken only one loan.

10.2.4 NUMBER OF LOANS REPAID BY THE RESPONDENTS

TABLE-VII Number of loans repaid by the respondents

Number of Loans Repaid	Number of Respondents	Percentage
One	131	21.83
2-4	365	60.83
4-6	50	8.33
More than 6	54	9.0
TOTAL	600	100

Source: primary data

Majority 60.83 %of the respondents have repaid loan 2-4 times. 21.83% of the respondents have repaid only one loan. 9% of the respondents have repaid more than 6 loans and 8.33% of the respondents have repaid 4-6 loans

10.2.5   SIZE OF THE LATEST LOAN TAKEN

TABLE-VIII Size of the latest loan taken

Size of Last Loan Taken	No. of Respondents	Percentage
Less than Rs.5000	34	5.7
Rs.5000-10000	188	31.3
Rs.10000-15000	98	16.3
Rs.15000-20000	54	9.0
Above Rs.20,000	226	37.7
Total	600	100

Source: primary data

Regarding the latest loan taken by the respondents majority of them 37.7% have taken loan above Rs.20,000. 31.3% of the respondents have taken loan from Rs.5000-10000.16.3% of the respondents have taken loan from Rs.10,000-15,000. 9% of the respondents have taken loan from Rs15000-20000.Only 5.7% of the members have taken loan below 5.7%

11. EMPOWERMENT AFTER JOINING THE SELF HELP GROUP

It is difficult to measure empowerment and there is no single method to measure it. It is defined through indicators. Indicators of empowerment should encompass personal, social and economic change. The following few indicators of empowerment were referred to the respondents. To estimate and compare the mean satisfaction scores on the factors among the respondents weighted average analysis is performed using five rating scale and assigning score 1 for strongly disagree; 2 for disagree; 3 for neutral; 4 for agree and 5 for strongly agree and the results are presented in the following tables.

TABLE: IX EMPOWERMENT AFTER JOING SHG

S.No	Indicators of Empowerment	Weighted Average
1	Economic independence	3.840
2	Standard of living has improved	3.783
3	Understand the banking operation and knowledge on credit management	4.293
4	Good public relation and social participation	3.360
5	Self expression-decision making in community, village and house holds	3.273
6	Breaking social, religious and cultural barriers	2.762
7	Leadership qualities	3.955
8	Skill up gradation and better technology	3.853

Source: primary data

It is seen from the above table that the weighted average scores on empowerment after joining SHG ranges from 2.762 to 4.293. The statement „Breaking social, religious and cultural barriers" has secured least mean score and stood at last and the statement „Understand the banking operation and knowledge on credit management" has secured highest mean score and stood at top.

11.1.HYPOTHESIS

From the mean scores among the respondents null hypothesis is established and the result is shown below. :

Null Hypothesis :

There is no significant difference in the mean scores on factors of empowerment after joining the group among respondents.

TABLE: X Anova Table

SOURCE	DF	S S	M S	F
Between groups	7	969.867	107.763	108.62**
Within groups	4792	4754.055	.992	

**- Significant at 1 % level

Since the F is significant the null hypothesis of no difference in the mean score on empowerment after joining the group among the respondents is rejected and it is concluded there is significant difference in the mean scores among respondents.

12. FACTOR ANALYSIS

Factor analysis is a multivariate statistical technique used to condense and simplify the set of large number of variables to smaller number of variables called factors. This technique is helpful to identify the underlying factors that determine the relationship between the observed variables and provides an empirical classification scheme of clustering of statements into groups called factors.Using all the 8 statements on indicators of empowerment namely S1, S2,….S8 factor analysis is performed and the results are presented in the following tables.

TABLE XI Rotated Factor Loadings

Indicators of Empowerment	I	II	Communality
Economic independence-**S1**	**0.732**	0.067	0.541
Standard of living has improved-**S2**	**0.740**	0.286	0.629
Understand the banking operation & knowledge on credit management-**S3**	0.048	**0.664**	0.443
Good public relation & social participation-**S4**	**0.631**	0.237	0.455
Self expression-decision making in	**0.798**	0.210	0.680

community, village and house holds-**S5**			
Breaking social, religious and cultural barriers-**S6**	**0.798**	-0.037	0.638
Leadership qualities-**S7**	0.193	**0.805**	0.685
Skill up gradation and better technology-**S8**	0.156	**0.689**	0.499
Eig.val	2.818	1.750	4.568
% of vari	35.226	21.879	57.105
Cum % of vari	35.226	57.105	

Table XI gives the rotated factor loadings, communalities, eigen values and the percentage of variance explained by the factors. Out of the 8 indicators, 2 factors have been extracted and these 2 factors put together explain the total variance of these problems to the extent of 57.105 %. In order to reduce the number of factors and enhance the interpretability, the factors are rotated. The rotation increases the quality of interpretation of the factors. There are several methods of the initial factor matrix to attain simple structure of the data. The varimax rotation is one such method to obtain better result for interpretation is employed and the results are given in 4.2.

TABLE XII Clustering of Indicators of Empowerment into Factors

Factor	Indicators	Rotated Factor Loadings
I.(35.226%)	Economic independence-**S1**	0.732
	Standard of living has improved-**S2**	0.740
	Good public relation & social participation-**S4**	0.631
	Self expression-decision making in community, village and house holds-**S5**	0.798
	Breaking social, religious and cultural barriers-**S6**	0.798
II.(21.879%)	Understand the banking operation & knowledge on credit management-**S3**	0.664
	Leadership qualities-**S7**	0.805
	Skill up gradation and better technology-**S8**	0.689

Four factors were identified as being maximum percentage variance accounted. The 5 indicators S1, S2, S4, S5 and S6 were grouped together as factor I and accounts 35.226 % of the total variance. The 3 statements S3, S7 and S8 constituted the factor II and accounts 21.879 % of the total variance.

Thus the factor analysis condensed and simplified the 8 statements and grouped into 2 factors explaining 57.105 % of the variability of all the 8 statements

13. RESULTS AND DISCUSSION

1. The results indicate that „To raise status in society" is the prime reason for respondents joining the SHG, followed by „To promote income generating activities "

2. Majority of the respondents were experienced 47% belonged to the groups which were established five years ago.

3. It is inferred that 31.5% of the respondents are members in the group for 3-5 years. Similarly respondents who are members in the group for 2-3 years is also 31.5%.

4. Majority of the respondents 69.3% have taken 2-4 loans. The respondents who have taken the highest number of loans i.e. more than 6 times are 11.3%

5. Majority 60.83 % of the respondents have repaid loan 2-4 times. The comparison between loans availed and repaid shows that the respondents are prompt in repaying their loans.

6. Regarding the latest loan taken by the respondents majority of them 37.7% have taken loan above Rs.20,000

7. From the mean scores among the respondents a null hypothesis is established and the result shows, there is no significant difference in the mean scores on factors of empowerment after joining the group among respondents

8. The factor analysis condensed and simplified the 8 statements on indicators of empowerment and was grouped into 2 factors explaining 57.105 % of the variability of all the 8 statements.

14. CONCLUSION

The study shows that the main reason for joining SHG is not be merely to get just credit, it in an empowerment process After joining the self help group the women are economically and socially empowered.. This empowerment cannot be transformed or delivered it must be self generated such that it enables those who are empowered to take control over their lives. As cited by Karl Empowerment is a process of awareness and capacity building leading to greater participation, to greater decision-making power and control, and to transformative action (Karl,1995:14).

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