

Self-Help Groups: A Study on Their Roles and Impacts on Women Empowerment

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Abstract

Economic empowerment is considered as a key step that can be taken towards attaining the goal of equal involvement of women in community as well as household and also to overcome the social stereotypes and challenges with the help of Self Help Groups (SHGs). In order to withstand in a society, it is important that the course of social empowerment begins together with a development of independence and self-assurance amongst women. When proper actions are taken to address all the prevailing social issues, women of the society will attain better education, sense of ownership and belonging along with the leadership and more prospect to have a better future. This study tries to scrutinize on the impact of SHGs with regards to women empowerment on the first-hand information. This tries to identify initiatives taken by SHGs to attain individual and communal empowerment in Mysore city. Individual empowerment is examined through their level of awareness, leadership skills, communalization, economic liberation, empathy from family, better standard of living, acknowledgement, participation in the process of decision making. Collective empowerment is observed through schemes provided, involvement in social and political aspects.

Keywords: *Self-Help Groups (SHG), Women, Women Empowerment, Mysore City, Social Identity, Role of Women and SHG*

1. Introduction

SHGs are considered as an efficient strategy that can be employed for poverty alleviation, improving the livelihood of humans and also for their empowerment in society. They are

promoted by NGOs and are recognized by financial organizations and now they act as influential vehicles for women empowerment through contribution and by generating employment opportunities (Puhazhendhi and Jayaraman 1999). When looking at the development of the society on whole, many chief contributors that includes governmental, non-governmental as well as multifaceted groups have implemented the empowerment techniques in their strategies and policies (ADB 2001; World Bank 2002; World Bank Institute 2001). The word Empowerment indicates improved contribution in the process of decision-making (Kabeer 2001).

In this basis, all SHGs work with an objective of providing livelihood and security in addition to furtherance in living and income of rural poor. Their livelihood includes comprises of many activities and not every activities provide them money. For instance, a household might have a home garden that produces food sufficient enough for their consumption alone while they might rent a piece of land for an income, work as seasonal labors in farms and lands, make bricks, trade eggs from their hens, sometimes work on a building or road site and many more. All these activities are considered as livelihood in their areas. Once the bottom of the pyramid explicitly 4 billion people are transformed into micro producers, chances for universal growth turns out to be apparent. The real success depends on lessening poverty by transforming the poor into producers that will rise the income of the families in rural areas (Rajendran, 2012). In accordance to this, several SHGs in Mysore district of Karnataka State, India, are functioning on gender issues, like women empowerment and their development. Involvement of SHGs through training programs and other activities are making women even more empowered than before.

2. The Concept of Self Help Group

For a multi-branched and concentrated occurrence on the poverty, the Indian Government initiated a combined program for self-employment of the poor in the rural areas, with effect from 1 April 1999, known as Swarnjayanti Gram Swarozgar Yojana (SGSY). The scheme is an incorporation of six former programs namely.

- (1) Integrated Rural Development Program (IRDP),
- (2) Training of Rural Youth for Self-Employment (TRYSEM),
- (3) Supply of Improved Tools for Rural Artisans (SITRA)

(4) Ganga Kalyan Yojana (GKY),

(5) Million Wells Scheme (MWS) and

(6) Development of Women and Children in Rural Areas (DWCRA).

The goal of all these schemes is to bring the poor people and their households above the poverty line by establishing them into Self Help Groups (SHGs) with the help of social mobilization, training them and providing better revenue generating properties by means of bank credits and governmental subsidies.

3. Review of literature

Throughout the research work, the study of a number of authors was referred to and it is important that an abstract of all those literature is put to note and the following references are worth mentioning.

Gupta (1997) has stated that when people act on their own in an effort to meet their individual and shared needs with main focus on self-dependence, they are termed as a “Self Help Group”.

Sengupta (1997) stated that those SHGs are typically informal groups whose members gather all the savings and lend within the group on rotational basis.

Bakshi (2001) predicted that Self-help group (SHG) has arisen as a very effective notion of empowering rural women by offering not only easy credit and saving facilities but also several other prospects for their self-progress.

Agarwal (2001) has described that the women status in the society is low and their condition in socio-economic aspects are much lower when compared with the status of men; so, SHG has significance in enhancing the status of women.

Dwaraknath (2001) testified that women had revenue generating prospects through conventional and occupations like spinning and weaving industry, farming undertakings, animal husbandry, hosiery, candle, bamboo items, rugs, chappals, khadi / leather items and many other artificial items.

Pattanaik (2003) highlighted the role of SHGs for socio-economic empowerment of women. Once economic independence is attained, obviously social and all other conditions will also change. So, SHG is an influential tool in transforming social, political and economic conditions of women (Hulme & Mosley, 1996; Rutherford, 1998; Amin et al., 2001; Robinson, 2002; Antia and Kadekodi, 2002; and Jahan et al., 2004).

Numerous emerging and advanced nations have acknowledged the significance of SHGs, thereby employing it as a significant tool in eliminating poverty (Johnson & Rogaly : 1997, Armendariz & Morduch : 2005, Bakhtiari : 2006).

Lakshmanan (2001) lectured that SHGs offer economic independence to women to women not only in rural areas but in urban areas as well.

Banerjee, G.D. (2002) has stated that the involvement of women in SHGs has made a noteworthy impact on their empowerment. Now, most of the women are capable of increasing their revenue and contributed to their household development. It has allowed women's contribution in monetary decisions, girl child education and decrease in consumption of alcohol exclusively, taking part and winning in panchayat polls, liaising with government establishments to expand their village's basic infrastructure like construction of roads, providing electricity throughout, providing drainage facility, bore well drilling and construction of community halls

Gadekar, H.H. (2005) has foreseen that due to the tremendous efforts taken by the society, women empowerment has turned into a reality. They are now self-reliant. This imagines the power of women leadership is fortified in the field of collectives, this will fortify cooperative development in all walks of life.

Karnataka Human Development Report (2005) defines that the SHG plan that has started to arise as the chief tool of socio-economic empowerment of women, provides many contributions and not just salaries. It also provides training programs that inculcate better communication skills among women, cognizance about literacy and well-being, contribution in society and political developments. This is very important for rural people especially the Scheduled Castes since they are marginalized and normally lack nominal income. Furthermore,

poverty reduction programmes should focus on Scheduled Caste since several deficiencies are caused due to lack of income.

4. Objective

- To study how SHGs can help women entrepreneurs in envisioning and evaluating the business opportunities
- To assess the social identity of women entrepreneurs supported by SHGS

5. Research Methodology

The current empirical study has made use of both primary and secondary data. Previous research works, journals and presentations, books have been used as the secondary sources while the primary data is obtained from the response of the SHG members. A structured questionnaire was used for documenting the responses. It was prepared with 5-point Likert's Scale. The questionnaire was given to 370 members of SHGs in Mysore city. Mean value, standard deviation, anova, reliability and regression analysis and p-value were used for different purposes.

6. Hypothesis

H₁: There is a significant relationship between Influence of SHG on supporting women entrepreneurs and their social identity

H₂: There is a significant relationship between Business opportunities gained by women upon enrolment on Enterprise DIC registration

H₃: There is a significant relationship between business opportunities achieved and how it boosts/ enhances social identity of women entrepreneurs.

7. Data Analysis and interpretation

Table.1. Reliability Statistics

Cronbach's Alpha	N of Items
.816	30

(Source: SPSS)

From the reliability statistics, the Cronbach's alpha is 0.816, which shows a high level of internal stability for our scale with this specific sample of 30 items. This proved that almost all the members are given prompt answers for the questions asked.

Table.2. Correlations of the variables

Variables		Business Opportunities	Influence	Social Identity
Business Opportunities	Pearson Correlation	1	.733*	.875**
	Sig. (2-tailed)		.010	.003
	N	370	370	370
Influence	Pearson Correlation	.933*	1	.802**
	Sig. (2-tailed)	.010		.000
	N	370	370	370
Social Identity	Pearson Correlation	.755**	.602**	1
	Sig. (2-tailed)	.003	.000	
	N	370	370	370

*. Correlation is significant at the 0.05 level (2-tailed).(Source: SPSS)

**. Correlation is significant at the 0.01 level (2-tailed).

From the above table, it concludes that there is statistically linear relationship between the variables. The variables considered here are business opportunities of the women, the influence of SHG and the woman's social identity. The level of significance considered was 0.05.

Regression analysis

Hypothesis 1:

H₁: There is a significant relationship between Influence of SHG on supporting women entrepreneurs and their social identity

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
							B	Std. Error
1	(Constant)	6.718	.288		23.305	.000	6.151	7.285
	Part of women empowerments projects	.721	.128	.094	.944	.006	.373	.131
	Gain more benefits through SHG	.605	.134	.072	2.782	.005	.159	.368
	Part of SHG can improve my life significantly	.898	.130	.077	2.753	.002	.355	.158
	Recommend to other women to be part of these groups	.645	.142	.113	1.017	.010	.424	.135
	Awareness of women about economic independence	.843	.130	.115	1.107	.019	.398	.111
	(EDPs) for women	.485	.134	.066	3.637	.024	.349	.178
	Co-operation from family members	.457	.139	.044	4.409	.083	.329	.216
	Training enable to develop them economically	.472	.168	.754	1.428	.069	.402	.258
	NGO helps in empowering the women	.771	.141	.054	1.500	.017	.348	.207
	Essential need for developing our economy	.901	.166	.701	1.708	.094	.326	.328
a. Dependent Variable: Social Identity R Value = 0.704; ANOVA = 0.000								

From the above table, it is concluded that the R and adjusted R square for the variables Influence of SHG on supporting women entrepreneurs and their social identity. All the variables are highly correlated with respect to registered with Social Identity. The correlation proved that many respondents are registered with Social Identity and only few were not supporting women entrepreneurs and their social identity.

From the ANOVA table, it can be concluded that the significant value is less than 0.05 at 5% level of significant. Therefore there is significant relationship between the Influence of SHGs on supporting women entrepreneurs and their Social identity.

From the coefficient table, the t value is and the significant value is 0.000 which is less than 0.05 at 5% level of significant. Therefore there is significant relationship between the Influence of SHGs on supporting women entrepreneurs and their Social identity.

Hypothesis 2:

H₂: There is a significant relationship between Business opportunities gained by women upon enrolment on Enterprise DIC registration

Coefficients								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	.827	.146		5.671	.000	.540	1.113
	Facilities provided by SHGS	.881	.022	.206	3.740	.000	.038	.123
	loan through SHG	.708	.021	-.022	.379	.705	-.049	.033
	Easy to get in touch with the leader of SHG	.463	.029	-.110	2.193	.029	-.119	-.007
	Consistency in business oriented training	.665	.025	.188	2.607	.010	.016	.114

products for my enterprise on time	.855	.020	-.173	2.688	.008	-.095	-.015
More business opportunities	.731	.047	.381	2.785	.006	.038	.223
business enterprise has more opportunities	.532	.021	.087	1.567	.118	-.008	.073
attend SHG meetings with partner NGO	.732	.017	.096	1.918	.056	-.001	.066
Marketing linkage through SHG	.906	.019	.017	.325	.745	-.031	.044
business enterprise has more opportunities	.990	.046	-.252	1.974	.049	-.180	.000
a. Dependent Variable: Enterprise DIC R value = 0.885 ANOVA = 0.000							

From the above table, it is concluded that the R and adjusted R square for the variables, business opportunities gained by women upon enrolment on Enterprise DIC registration. All the variables are highly correlated with respect to registered with District Industries Centre (DICs). The correlation proved that many respondents are registered with DICs and only few were not aware of DIC registration.

From the ANOVA table, it can be concluded that the significant value is less than 0.05 at 5% level of significant. Therefore there is significant relationship between the gained by women upon enrolment on Enterprise DIC registration.

From the coefficient table, the t value and the significant value is 0.000 which is less than 0.05 at 5% level of significant. Therefore there is significant relationship between gained by women upon enrolment on Enterprise DIC registration.

Hypothesis 3:

H₃: There is a significant relationship between business opportunities achieved and how it boosts/ enhances social identity of women entrepreneurs.

Coefficients ^a								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	2.487	.425		5.858	.000	1.652	3.322
	Facilities provided by SHGS	.470	.063	-.226	4.299	.000	-.394	-.147
	loan through SHG	.600	.060	.184	3.317	.001	.082	.319
	Easy to get in touch with the leader of SHG	.768	.084	-.096	2.009	.045	-.332	-.004
	Consistency in business oriented training	.867	.072	.158	2.303	.022	.024	.309
	products for my enterprise on time	.767	.059	-.069	1.123	.002	-.183	.050
	More business opportunities	.658	.137	.055	1.425	.001	-.211	.327
	business enterprise has more opportunities	.950	.060	.000	1.002	.008	-.118	.118
	attend SHG meetings with partner NGO	.736	.049	.229	4.812	.000	.140	.333
	Marketing linkage through SHG	.840	.056	.218	4.314	.000	.130	.349

business enterprise has more opportunities	.563	.133	.057	.473	.036	-.199	.325
a. Dependent Variable: Social Identity R Value = 0.654 ANOVA = 0.000							

From the above table, it is concluded that the R and adjusted R square for the variables, business opportunities achieved and how it boosts/ enhances social identity of women entrepreneurs. All the variables are highly correlated with respect to social identity of women entrepreneurs. The correlation proved that many respondents enhances social identity of women entrepreneurs.

From the ANOVA table, it can be concluded that the significant value is less than 0.05 at 5% level of significant. Therefore there is significant relationship between the business opportunities achieved and how it boosts/ enhances social identity of women entrepreneurs.

From the coefficient table, the t value and the significant value is 0.000 which is less than 0.05 at 5% level of significant. Therefore there is significant relationship between the business opportunities achieved and how it boosts/ enhances social identity of women entrepreneurs.

8. Findings

From the analysis, it can be concluded that the SHG has significantly influenced the society by generating awareness on education and entrepreneurship. SHGs have used all the potential opportunities through meetings, SHG functions, meeting of anganwadis and many other ways to build awareness among women.

Women having SHG membership are not performing their usual jobs like manual scavenging, toilet cleaning in houses and slipper making. They have been taking part in SHG related events and social gatherings.

The study has proved that SHG members are now capable of taking decision on their own and this constitutes to their social identity and has also brought respect for them among the family members. This has proved the statement that says when women earns, she earns not only money but also the dignity and respect.

9. Major Impact of SHGS on Women Entrepreneurs

There are many factors that has paved way for path of women empowerment and her stepping towards entrepreneurship. Some of the major impact brought by SHGs on improvement of women empowerment are as follows.

- **Family Encouragement:** SHGs have empowered women in India to work amid social taboos, restrictions etc., they are supported much to undertake entrepreneurship by their family members.
- **Eradication of Social Barriers:** Women who are members of SHG in Mysore now do not care about the talks of society, particularly in rural areas.
- **Caste and Religion:** Though India is a secular country in practice, caste and religious systems dominate with one another and this hindrance have been removed to some extent by many SHGs.
- **Improvement of Self-Confidence and Risk Bearing Capacity:** Women now work with more self-confidence and feel that they might be successful one day and hence they do not hesitate to take risks.
- **Increase in Practical Knowledge:** Though women may be educated and have qualified knowledge, but still they might lack practical knowledge and hence they hesitate to establish her own venture. But this has been removed by SHGs through many programmes
- **Better Financial Opportunities:** Women entrepreneurs who do not have property in their own name. SHG have helped in getting financial helps from many banks and financial institutions for financing women based projects.
- **Provision of Information:** Women in SHG do not lack knowledge of availability of raw materials, finance facilities and government help and subsidy etc.; they do not lack knowledge of advanced technology also and this helps in widening their markets.
- **Marketing:** As generally women in SHG will have small scale business and SHGs have helped in selling their goods in the contemporary competitive world. Their marketing knowledge has been increased and so their marketing skills has considerably increased as compared to men.
- **Easy Obtaining Of Credit Facilities:** Loan facilities, though extended by banks and other financial intermediaries, quite often there is delay in getting the loan sanctions and receiving the disbursement of such facilities. But, SHGs have eased the processes thereby

enabling the women to obtain loans and other facilities without any hindrances

- **Increased financial and family support:** Indian SHG women do not suffer from the problem of acquiring venture capital and other financial resources for starting a business. Further, they also get a moral support from their family members including parents, husband etc.
- **Elimination of Market Risk and Uncertainties:** today, most of the Women are fully aware about market uncertainties and they have attained the skill of boldly facing the market risks. They are not afraid of such risks and uncertainties. They do not face difficulty in capturing market and enhancing product sales. The training to women entrepreneurs have enabled them to fight with the all the uncertainties very well.

10. Conclusion

Women in India are now getting more and more financial autonomy. They have received enough respect from the society. SHGs has made a modest change in improving financial condition of the women. The sample respondents of the present empirical study accepted that their financial condition was improved but it was not enough. Even after becoming the members of SHGs, women could not affordable to durables. Members of SHGs still do have enough respect in their family but not in society. Since they don't receive enough encouragement and respect in the society it acts as a major check in social development. Therefore, it is the duty of the modern and educated society to provide enough opportunity for the women to grow and achieve economic and social status.

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