

AN EXPLORATORY STUDY ON IMPACT OF SELF HELP GROUP (SHG) ON ECONOMIC EMPOWERMENT OF RURAL WOMEN

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ABSTRACT

As per Indian culture, women are treated and greeted as equivalent to Goddess. There is a famous sloka in Sanskrit "Yatra nāryastu pūjyante ramante tatra devatāh | Yatraitāstu na pūjyante sarvāstatrāphalā kriyā: ||" means where women are honored, divinity blossoms there. With this view if we look into our country's progression, we will end up with dissatisfaction because the most ubiquitous and enduring type of inequality in society continues to be gender disparity, discrimination in enjoying the fundamental rights, lack of empowerment, etc. Such issues can be dealt with if the women in the country work at par with men for economic development. The evolution of microfinance has brought a drastic change in this outlook and helped the economy to overcome the issues and challenges of empowerment. Microfinance, through its successful model of Self Help Group (SHG), has reached every nook and corner of the country to address the issues of empowerment, specially and particularly focusing on women empowerment. SHG model of microfinance has succeeded in its goal of reaching the grass root level for empowering the women, which in turn, helps the economic progression. Economic empowerment of women brings financial stability and change in the standard of living of people, particularly in rural areas. SHGs serve as an effective tool for economic empowerment of women through various capacity building training programmes, thus focusing on skill enhancement for income creation through self-employability. This paper tries to evaluate the impact of SHGs towards the economic empowerment of women. The result and discussion of the study reveals that membership in SHGs has helped women, especially vulnerable women to gain empowerment.

KEYWORDS: Women, Economic Empowerment, Self Help Group (SHG), Economic Development.

Introduction

Women are tend to be more powerful and dedicated when it comes to manage her family with all sorts of care and affections. When we speak about gender and sacrifice, women are always in the limelight to sacrifice everything for the betterment of her family and society. She always priorities each and every aspect of her life, whereas she always tries to keep her needs and dreams at least priority.

Intervention of microfinance has changed the outlook of women and her perception towards herself. Various studies have proved that through the SHG models of microfinance, women can join hands with men for economic progression. Empowerment is the only mantra for motivating women towards understanding her worth. SHGs, especially in rural areas, are playing a major role in bringing empowerment among women. Economic empowerment of women will help her to build her status in the society. Hence this will help women, access to income generating activity, employment creation, creditworthiness, asset creation, literacy, knowledge and skill development.

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Literature Review

Mehra, R. (1997), Self-Employed Women's Association in India, have been effective in improving women's economic status. Angala Eswari (2019), studies the link between women empowerment and economic development. Esther Duflo (2012), discuss about equality between men and women and the role of women empowerment. Rashmi Rani Agnihotri and Malipatil (2017), empowering women to participate in economic activity across all sectors is essential for economic development. Wang and Naveed (2021), discuss the relationship between women's economic empowerment and income inequality.

Statement of the Problem

Every year our economic development goals try to bring something new for women empowerment. It has been years, we are working towards women empowerment. Various successful models of microfinance have succeeded in improving the standard of living of women, especially in rural areas. Many researches have been carried out in India on empowerment of women and their status. Findings of these studies are time bounded, so it necessitates an empirical study on women in the context of impact of self help groups (SHGs) on their economic empowerment.

Objectives of the Study

The main objective of the study is to evaluate the impact of Self Help Groups on economic empowerment of rural women.

- To compare the mean monthly savings before and after joining SHG.
- To compare mean monthly savings based on duration of membership in SHG.
- To study the association between demographical factors of the respondents and their level of empowerment after joining SHG.
- To investigate whether SHG has helped in initiating new business or enterprise.
- To examine how SHG has contributed towards changing the outlook on life.

Significance of the Study

A Study on Impact of Self Help Group (SHG) on Economic Empowerment of Rural Women is an empirical study focusing towards evaluating the impact of SHGs towards economic empowerment of rural women. Women empowerment will help to attain millennium development goal of the nation. Thus the findings of this study will benefit the micro-financial institutions and policy makers to frame effective strategies in order to enhance the functioning of SHGs towards empowerment of women.

Hypothesis

- **Hypothesis 1**
There is no significant difference between the mean monthly savings before and after joining SHG.
- **Hypothesis 2**
There is no significant difference between the mean monthly savings of the respondents who have been in SHG for a period of about ≤ 5 years, ≤ 10 years, ≤ 15 years, ≤ 20 years and ≤ 25 years.
- **Hypothesis 3**
There is no association between educational qualification of the respondents and their empowerment level towards decision-making in the family after joining SHG.
- **Hypothesis 4**
There is no association between marital status of the respondents and their empowerment level towards decision-making in the family after joining SHG.
- **Hypothesis 5**
There is no association between educational qualification of the respondents and their empowerment level towards economic access to control over family resources after joining SHG.
- **Hypothesis 6**
There is no association between marital status of the respondents and their empowerment level towards economic access to control over family resources after joining SHG.

- **Hypothesis 7**

There is no association between educational qualification of the respondents and their empowerment level towards credit worthiness after joining SHG.

- **Hypothesis 8**

There is no association between marital status of the respondents and their empowerment level towards credit worthiness after joining SHG.

Research Methodology

- **Research Design**

The purpose of this study is to evaluate the impact of Self Help Group (SHG) on economic empowerment of rural women.

- **Research Approach**

The respondents for this study are women who are the members of SHG of SKDRDP, Ujire. A primary data has been collected through interview method using a structured questionnaire from 101 respondents.

- **Sampling Method and Sample Size**

Convenient sampling technique is adopted to collect the data from 101 women respondents, who are the members of SHG of SKDRDP, Ujire, for the study.

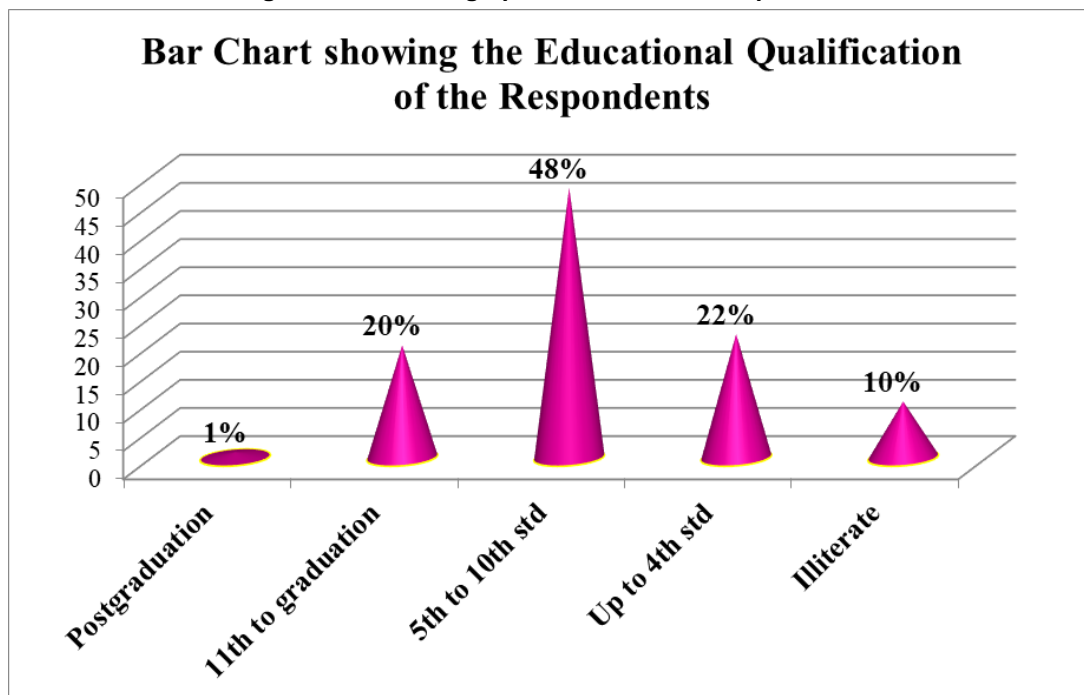
- **Data Analysis Method**

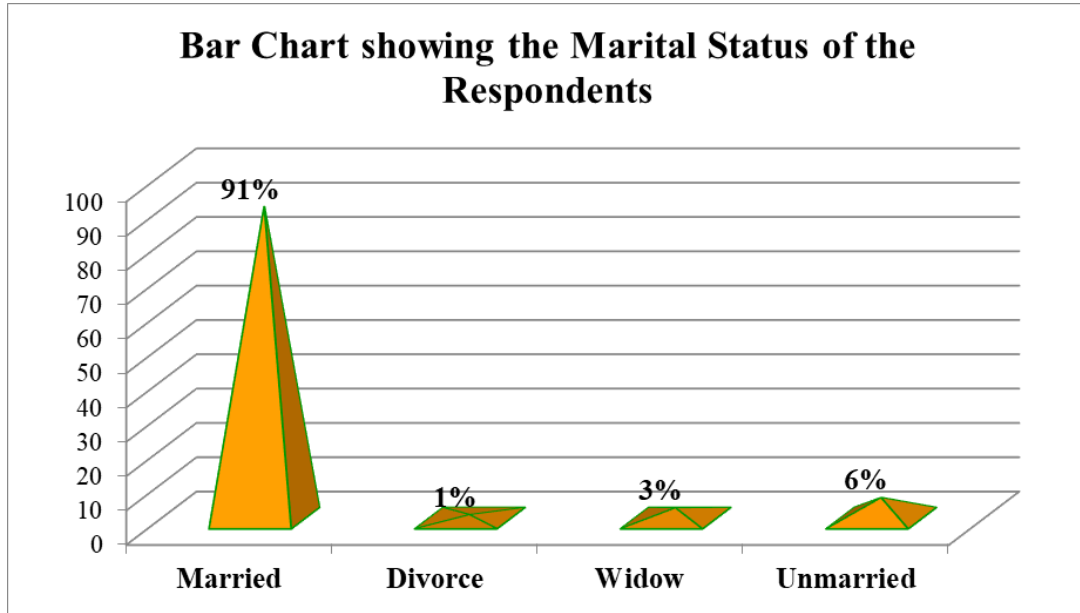
Both qualitative and quantitative approaches have been used to analyze the data and interpret the result.

Data Analysis and Interpretation

The data is analyzed using R programming language and Microsoft Excel and has been presented graphically. Statistical techniques such as paired sample t-test, one-way analysis of variance (ANOVA) and Fisher's exact test have been used to analyze and interpret the results.

Figure 1: The Demographic Profile of the Respondents





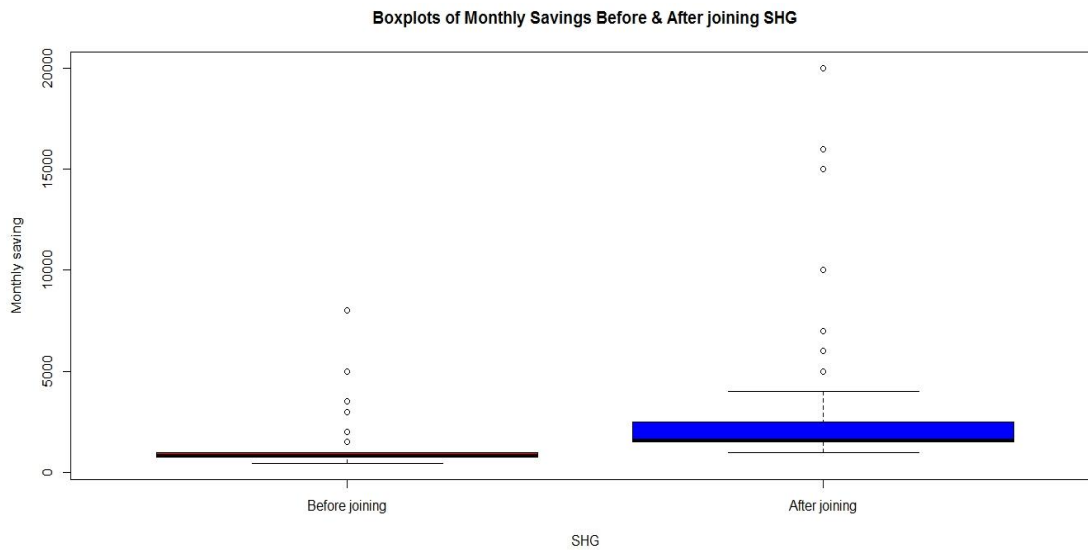
The above plots represent the demographic profile of the respondents. The first plot indicates that 48% of the respondents belong to the group 5th to 10th std, 22% of the respondents belong to the group Up to 4th std, 20% of the respondents belong to the group 11th to graduation, 10% of the respondents are illiterates and 1% of the respondents are postgraduates.

The second plot indicates that 91% of the respondents are married, 6% of the respondents are unmarried, 3% of the respondents are widow and 1% of the respondents are divorced.

Hypothesis 1

- **To test H₀:** There is no significant difference between the mean monthly savings before and after joining SHG.
- **Against H₁:** There is a significant difference between the mean monthly savings before and after joining SHG.

Figure 2: Monthly Savings of the Respondents before and after Joining SHG



The above box plots indicate that there is a significant difference between the mean monthly savings before and after joining SHG.

The obtained result from paired sample t-test is as follows:

- t-test statistic: -6.0275
- p-value: 2.8e-08
- Sample mean monthly saving before joining SHG = Rs. 1086
- Sample mean monthly saving after joining SHG = Rs. 2745

Here the p-value is less than 0.05. Hence we reject the null hypothesis, at 5% level of significance, and conclude that there is a significant difference between the mean monthly savings before and after joining SHG.

Hypothesis 2

- **To test $H_0: \mu_1 = \mu_2 = \mu_3 = \mu_4 = \mu_5$** , where μ_1 denotes the mean monthly saving of the respondents who have been in SHG for a period of about ≤ 5 years, μ_2 denotes the mean monthly saving of the respondents who have been in SHG for a period of about ≤ 10 years, μ_3 denotes the mean monthly saving of the respondents who have been in SHG for a period of about ≤ 15 years, μ_4 denotes the mean monthly saving of the respondents who have been in SHG for a period of about ≤ 20 years, and μ_5 denotes the mean monthly saving of the respondents who have been in SHG for a period of about ≤ 25 years
- **Against $H_1: \mu_i \neq \mu_j$** for at least one pair (i, j) , where $i \neq j, i, j = 1, 2, 3, 4, 5$.

Table 1: The ANOVA Table Obtained is as follows:

| Source of Variation | Degrees of Freedom | Sum of Squares | Mean sum of Squares | F statistic | p-value |
|---------------------|--------------------|----------------|---------------------|-------------|---------|
| Duration | 4 | 63116022 | 15779006 | 1.519 | 0.203 |
| Residuals | 96 | 997391502 | 10389495 | --- | --- |
| Total | 100 | 1060507524 | --- | --- | --- |

The above table indicates the test results of one-way ANOVA. Here the p-value is greater than 0.05. Hence, we do not reject the null hypothesis, at 5% level of significance, and conclude that $\mu_1 = \mu_2 = \mu_3 = \mu_4 = \mu_5$. Thus, there is no significant difference between the mean monthly savings of the respondents who have been in SHG for a period of about ≤ 5 years, ≤ 10 years, ≤ 15 years, ≤ 20 years and ≤ 25 years.

Hypothesis 3

- **To test H_0 :** There is no association between educational qualification of the respondents and their empowerment level towards decision-making in the family after joining SHG
- **Against H_1 :** There is an association between educational qualification of the respondents and their empowerment level towards decision-making in the family after joining SHG.

Table 2: Contingency Table

| Educational Qualification | Level of Empowerment towards Decision-making in the Family after Joining SHG | | | | |
|---|--|----|----|---|---------|
| | 1 (High) | 2 | 3 | 4 | 5 (Low) |
| Postgraduation | 0 | 0 | 0 | 1 | 0 |
| 11 th to Graduation | 7 | 7 | 3 | 3 | 0 |
| 5 th to 10 th std | 11 | 19 | 13 | 5 | 0 |
| Up to 4 th std | 2 | 10 | 8 | 1 | 1 |
| Illiterate | 2 | 3 | 5 | 0 | 0 |

The obtained result from Fisher's exact test is as follows:

p-value: 0.2579

Here the p-value is greater than 0.05. Hence we do not reject the null hypothesis, at 5% level of significance, and conclude that there is no association between educational qualification of the respondents and their empowerment level towards decision-making in the family after joining SHG.

Hypothesis 4

- **To test H₀:** There is no association between marital status of the respondents and their empowerment level towards decision-making in the family after joining SHG.
- **Against H₁:** There is an association between marital status of the respondents and their empowerment level towards decision-making in the family after joining SHG.

Table 3: Contingency Table

| Marital Status | Level of Empowerment towards Decision-Making in the Family after Joining SHG | | | | |
|----------------|--|----|----|---|---------|
| | 1 (High) | 2 | 3 | 4 | 5 (Low) |
| Married | 21 | 33 | 29 | 7 | 1 |
| Divorce | 0 | 1 | 0 | 0 | 0 |
| Widow | 0 | 1 | 0 | 2 | 0 |
| Unmarried | 1 | 4 | 0 | 1 | 0 |

The obtained result from Fisher's exact test is as follows:

p-value: 0.104

Here the p-value is greater than 0.05. Hence we do not reject the null hypothesis, at 5% level of significance, and conclude that there is no association between marital status of the respondents and their empowerment level towards decision-making in the family after joining SHG.

Hypothesis 5

- **To test H₀:** There is no association between educational qualification of the respondents and their empowerment level towards economic access to control over family resources after joining SHG.
- **Against H₁:** There is an association between educational qualification of the respondents and their empowerment level towards economic access to control over family resources after joining SHG.

Table 4: Contingency Table

| Educational Qualification | Level of Empowerment towards Economic Access to Control Over Family Resources after Joining SHG | | | | |
|---|---|----|----|---|---------|
| | 1 (High) | 2 | 3 | 4 | 5 (Low) |
| Postgraduation | 0 | 1 | 0 | 0 | 0 |
| 11 th to Graduation | 4 | 9 | 7 | 0 | 0 |
| 5 th to 10 th std | 5 | 18 | 16 | 8 | 1 |
| Up to 4 th std | 2 | 11 | 8 | 1 | 0 |
| Illiterate | 0 | 4 | 6 | 0 | 0 |

The obtained result from Fisher's exact test is as follows:

p-value: 0.5937

Here the p-value is greater than 0.05. Hence we do not reject the null hypothesis, at 5% level of significance, and conclude that there is no association between educational qualification of the respondents and their empowerment level towards economic access to control over family resources after joining SHG.

Hypothesis 6

- **To test H₀:** There is no association between marital status of the respondents and their empowerment level towards economic access to control over family resources after joining SHG.
- **Against H₁:** There is an association between marital status of the respondents and their empowerment level towards economic access to control over family resources after joining SHG.

Table 5: Contingency Table

| Marital Status | Level of Empowerment towards Economic Access to Control Over Family Resources after Joining SHG | | | | |
|----------------|---|----|----|---|---------|
| | 1 (High) | 2 | 3 | 4 | 5 (Low) |
| Married | 10 | 37 | 34 | 9 | 1 |
| Divorce | 0 | 0 | 1 | 0 | 0 |
| Widow | 0 | 1 | 2 | 0 | 0 |
| Unmarried | 1 | 5 | 0 | 0 | 0 |

The obtained result from Fisher's exact test is as follows:

p-value: 0.4213

Here the p-value is greater than 0.05. Hence, we do not reject the null hypothesis, at 5% level of significance, and conclude that there is no association between marital status of the respondents and their empowerment level towards economic access to control over family resources after joining SHG.

Hypothesis 7

- **To test H_0 :** There is no association between educational qualification of the respondents and their empowerment level towards credit worthiness after joining SHG.
- **Against H_1 :** There is an association between educational qualification of the respondents and their empowerment level towards credit worthiness after joining SHG.

Table 6: Contingency Table

| Educational Qualification | Level of Empowerment towards Credit Worthiness after Joining SHG | | | | |
|---|--|----|----|---|---------|
| | 1 (High) | 2 | 3 | 4 | 5 (Low) |
| Postgraduation | 0 | 0 | 1 | 0 | 0 |
| 11 th to Graduation | 5 | 9 | 3 | 3 | 0 |
| 5 th to 10 th std | 7 | 15 | 18 | 8 | 0 |
| Up to 4 th std | 4 | 8 | 9 | 0 | 1 |
| Illiterate | 1 | 2 | 6 | 1 | 0 |

The obtained result from Fisher's exact test is as follows:

p-value: 0.2329

Here the p-value is greater than 0.05. Hence we do not reject the null hypothesis, at 5% level of significance, and conclude that there is no association between educational qualification of the respondents and their empowerment level towards credit worthiness after joining SHG.

Hypothesis 8

- **To test H_0 :** There is no association between marital status of the respondents and their empowerment level towards credit worthiness after joining SHG.
- **Against H_1 :** There is an association between marital status of the respondents and their empowerment level towards credit worthiness after joining SHG.

Table 7: Contingency Table

| Marital Status | Level of Empowerment towards Credit Worthiness after Joining SHG | | | | |
|----------------|--|----|----|----|---------|
| | 1 (High) | 2 | 3 | 4 | 5 (Low) |
| Married | 16 | 28 | 36 | 10 | 1 |
| Divorce | 0 | 0 | 0 | 1 | 0 |
| Widow | 0 | 3 | 0 | 0 | 0 |
| Unmarried | 1 | 3 | 1 | 1 | 0 |

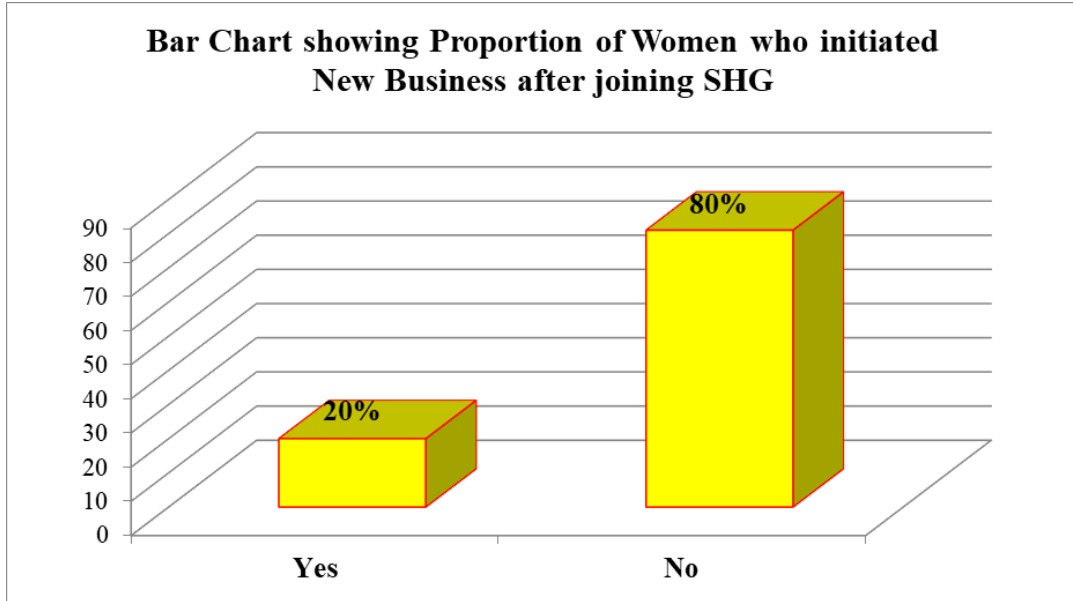
The obtained result from Fisher's exact test is as follows:

p-value: 0.231

Here the p-value is greater than 0.05. Hence we do not reject the null hypothesis, at 5% level of significance, and conclude that there is no association between marital status of the respondents and their empowerment level towards credit worthiness after joining SHG.

Contribution of SHG towards Initiating New Business or Enterprise

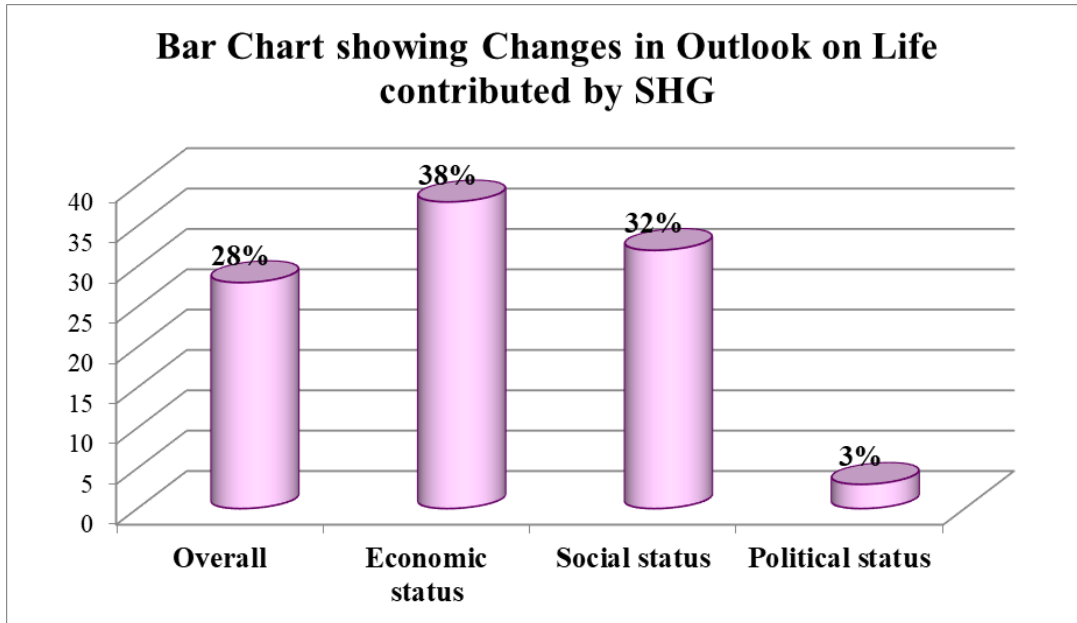
Figure 3: Proportion of Women who Initiated New Business after Joining SHG



The above plot indicates that 20% of the respondents started new business after joining SHG, whereas 80% of the respondents did not initiate new business after joining SHG.

Contribution of SHG towards Changing the Outlook on Life

Figure 4: Changes in Outlook on Life of the Respondents after Joining SHG



The above graph indicates that 38% of the respondents reveal that their economic status has been improved after joining SHG, 32% of the respondents say that that their social status has been improved after joining SHG, 28% of the respondents are of the opinion that their overall status has been improved, and only 3% agree that their political status has been improved after joining SHG.

Findings

The findings of the study are as follows:

- There is a significant difference between the mean monthly savings before and after joining SHG. It reflects the effectiveness of awareness programmes conducted by SHGs.
- There is no significant difference between the mean monthly savings of the respondents who have been in SHG for a period of about ≤ 5 years, ≤ 10 years, ≤ 15 years, ≤ 20 years and ≤ 25 years. It indicates that shorter duration of membership in SHG will also encourage the women to adopt saving behaviour.
- There is no association between educational qualification and marital status of the respondents and their level of empowerment towards decision-making in the family, economic access to control over family resources, and credit worthiness. It clearly shows that education and marital status do not play a direct role towards economic empowerment of women.
- The result of the study indicates that SHG has motivated the women to establish new business ventures for income creation.
- Respondents reveal that participation in SHG activities helped them to enhance their socio-economic and political status.

Conclusion

We Indians believe that where women are honored, divinity blossoms there. With this view if we look into our country's progression, we will end up with dissatisfaction because the most ubiquitous and enduring type of inequality in society continues to be gender disparity, discrimination in enjoying the fundamental rights, lack of empowerment, etc. Empowerment can be attained only if women get financial stability. SHG through microfinance is one such model, which works with various dimensions of economic empowerment. Thus, the result and discussion of the study reveals that membership in SHGs has helped women to gain economic empowerment.

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