

AN EMPIRICAL ANALYSIS OF ROLE OF SHG's IN WOMEN EMPOWERMENT AND POVERTY REDUCTION IN RURAL AREAS OF ERODE DISTRICT

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ABSTRACT

Women empowerment is crucial for the development of the country. Women empowerment is a process in which women challenge the existing norms and culture, to effectively promote their well being. The Indian Constitution grants equality to women in all aspects. In this regard, the year 2001 was celebrated as the year of Women Empowerment. The present paper examines the role of SHG in women empowerment and poverty reduction. The area of study for the proposed research work is confined to the Erode district. Both primary and secondary data were used for the study. From the 14 development blocks, the SHGs are selected on the basis of their grade. First six blocks have been taken which has more number of SHG's. In the second stage, from each block 20 SHGs were selected randomly. The main objective of the study to identify the factors for poverty, role of micro finance in SHG's and problems faced by women in SHG's. In order to elicit relevant information from both primary and secondary data and to achieve above stated objectives, the present study used descriptive statistical tool like percentages, chi-square (χ^2) test, correlation and Garrett ranking to draw conclusions.

Keywords: SHG's, Poverty, Empowerment, Micro finance, Women

INTRODUCTION

India is a hierarchical society where people are ranked according to families, clans, castes, and religions. Tamil Nadu and Kerala states and now a days, it has expanded into one of the world's largest micro-finance networks. In 80's, the SHGs have become a significant movement in India in order to eradicate poverty and empower rural women. The concept of self help groups (SHGs) introduced by the Ministry of Rural Development has taken its roots in nook and corner of the rural areas and in the semi-urban and urban areas, which help improve the living standards.

The main promoters of the SHGs are the government of India, the National Bank of Agriculture and Rural Development and the NGOs that have an advantage in reaching the poor due to their proximity, the trust they generate working in the area, flexibility in approach, and cost effectiveness reasons. In 2014, nearly 600 banks like the Bank of Maharashtra, State Bank of India, Cooperative Banks, Regional rural banks, the Government institutions and more than 3024 NGOs were involved in the promotion of SHGs (Center for social research in India, 2014). However, their action is weak in some of the poorest states of the country where there is a lack of spirit of cooperation and collaboration.

In SHG's, women collect their savings and put it in a bank. In return, they can access to loans with a small rate of interest with the main objective to start a micro-enterprise. It is formed with 15-20 members living in a particular locality. Thousands of poor and marginalized women in India are building their lives and societies through these groups. Indeed, this movement has become important for the financial services delivery but also for the livelihoods' promotion, community development and women's empowerment. Therefore, reduction of poverty should be an important concern of the development countries in order to attain economic development and welfare of the people. For alleviating rural poverty and freeing the rural masses from the vicious circle of poverty, a direct implementation of anti-poverty scheme is urgently

required for which credit has long been identified as one of the most crucial input for the upliftment of people.

In this way, women's empowerment has become a pre requisite for the socio-economic development of any community in the process of change. In all the developing countries including India, poor rural people face with illiteracy, lack of skills, health care, etc. These are problems that cannot be tackled individually and can be solved through group efforts. Today, this collective action is known as Self-Help Groups, considered the vehicle of change for the poor, mostly for marginalized women.

REVIEW OF LITERATURE

According to the Jitendra Ahirrao (2012)¹³, National Agricultural Bank for Rural Development (NABARD) in working as a catalyst in promoting and linking SHGs to the banking system and he concluded that the women involved in the SHG activity got empowerments in social and economic terms.

The Krishnan (2013)¹⁴ was carried out a detailed study of the SHG intervention of a Non-Governmental Organization (NGO) called the Shreyas and the Government Organization called the Kudumba shree in the process of women empowerment in Kerala. The study concludes that the micro-finance has benefited the women members to enhance their role in society, family decision-making and mobility.

Gitanjali and Dr. Nagabhushana Rao(2013)¹⁵ in their study discussed the progress of SHG in Indian and concludes that the progress is satisfactory and promotes regular savings habit, even among the poorest households which has made the SHGs self-reliant. Finally, the authors suggest that the SHGs if promoted on sound lines, can supplement the institutional agencies in effectively reaching the poor.

Tanmaya Dev and others (2013)¹⁶ in their study, at the Madhubani District in Bihar State with the objective of assessing the performance of SHGs based on the checklist method of NABARD. The study has revealed that none of the SHG members or staff of NGO SAKHI was aware of the performance assessment checklist of NABARD.

Lakhawat Saroj1 and Charan Shailendra Singh2 (2015) in their article pointed out that SHGs are basically shaped for the purpose of empowering the members by enable them to take decisions regarding their lives and enhance their status. To meet out the general goals of micro-credit and well-organized functioning of SHGs, participation of member's in various activities of self help groups is important.

Rosary Ramona Fernando A.& Dr. R. Azhagaiah(2015) examines in their paper The empowerment of women is crucial for the development of the country. Women empowerment is a process in which women challenge the existing norms and culture, to effectively promote their well being. The study is conducted in two blocks of Puducherry viz Puducherry and Oulgaret. The study proves that the SHGs enabled the women to have a significant improvement in the economic empowerment.

Mansour Esmaeil Zaei 1, Prachi Kapil 2, Olha Pelekh 3 and Azadeh Teimoury Nasab 4(2018) in this paper examined the question—'Does income earned by members of women's self-help groups (SHGs) through micro-credit programs empower them?' The nature of the topic dictates the use of cross-sectional survey technique and comparative analysis to determine the levels of women empowerment before and after joining SHGs. The survey instrument contained four sections, namely, income and expenditure; savings and borrowing amounts; financial freedom; and, capacity building and awareness levels. It becomes apparent from this research that joining SHGs, and consequently, getting access to financial services increased the ability of poor women to control their savings and generate income from their occupation.

OBJECTIVES OF THE STUDY:

The overall objective of the current study "A Study On Role Of Self Help Groups In Women Empowerment And Poverty Alleviation In Rural Areas Of Erode District" are given below:

- To ascertain the contribution of Government and NGOs for the welfare of SHGs member in rural areas
- To identify the reasons for poverty in rural area.

- To study the impact of microcredit facilities on financial outlay of business.
- To measure the problems faced by SHGs in practical life.
- To suggests appropriate ways and means for alleviating poverty in rural area.

RESEARCH METHODOLOGY:

The validity of any research depends on the systematic method of collecting the data, and analyzing the same in appropriate order. In the present study, it exposes the facts based on survey method. The study attempts to measure the empowerment of women in rural area through SHG's. These indicators have been included in the interview schedule framing the questions in Tamil. In this study, descriptive and analytical research are used. The sample for fulfilling the research work was collected through two stages and it is a convenient sampling technique. So, the total 120 sample SHGs were selected from the sub-division of Erode district. Statistical tools were applied to draw conclusion.

ANALYSIS AND INTERPRETATION:

1. COMMON REASON FOR POVERTY

S.NO	PARTICULARS	NO .OF RESPONDENTS	%
1	Low level of economic development	29	24.2
2	Migration of people from rural to urban	41	34.2
3	Income inequalities	30	25.0
4	Unequal distribution of land	20	16.7
	TOTAL	120	100.0

INTREPRETATION:

Table shows that 24.2% of the respondents says low level of economic development,34.2% of the respondents says migration of people from rural to urban, and 25% of the respondents says income inequalities, remaining respondents says unequal distribution of land as reasons for poverty

2. POVERTY REDUCED IN FUTURE

S.NO	PARTICULARS	NO.OF RESPONDENTS	%
1	Increasing employment opportunities to female	33	27.5
2	Increasing empowerment of the women	51	42.5
3	Reduce the interest on loan	36	30.0
	TOTAL	120	100.0

INTERPRETATION:

27% of SHG members believes that poverty can be reduced by increasing employment opportunities to female and 42.5% of the respondent says by increasing empowerment of the women, remaining 30.0% of the respondents says by reducing the interest on loan

3. RELATIONSHIP BETWEEN THE AGE OF THE RESPONDENTS AND SHG HELPS TO ALLEVIATE POVERTY**NULL HYPOTHESIS (H₀):**

There is no significant relationship between age and SHG helps to alleviate poverty

ALTERNATIVE HYPOTHESIS (H₁):

There is a significant relationship between age and SHG helps to alleviate poverty.

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	5.150 ^a	4	.272
Likelihood Ratio	5.700	4	.223
Linear-by-Linear Association	.455	1	.500
N of Valid Cases	120		

a. 1 cells (11.1%) have expected count less than 5. The minimum expected count is 3.50.

INTERPRETATION:

The calculated value is 0.272 is greater than the table value 0.05. Therefore the alternative hypothesis is accepted. Hence there is a significant relationship between age and SHG's member contribution to alleviate poverty.

3.22 CORRELATION BETWEEN THE AGE OF THE RESPONDENTS AND IMPACT OF MICRO CREDIT FACILITIES ON FINANCIAL OUTLAY

4. CORRELATION BETWEEN THE AGE OF THE RESPONDENTS AND IMPACT OF MICRO CREDIT FACILITIES ON FINANCIAL OUTLAY

NULL HYPOTHESIS (H₀):

There is no significant relationship between age and impact of micro credit facilities on financial outlay

ALTERNATIVE HYPOTHESIS (H₁):

There is a significant relationship between age and impact of micro credit facilities on financial outlay.

Correlations

		age	Occupational structure
Age	Pearson Correlation	1	.177
	Sig. (2-tailed)		.234
	N	47	47
Occupational structure	Pearson Correlation	.177	1
	Sig. (2-tailed)	.234	
	N	47	118

INTERPRETATION:

It shows that, Pearson correlation value $R=0.234$ which indicates that there is a low positive correlation exists between age and impact of micro credit facilities on the financial outlay of the respondents. Hence there is a relationship between age and impact of micro credit facilities.

3.23 BARRIERS FACED BY WOMEN IN SHG

HENRY GARRETT RANKING

FACTORS	SCORES					TOTAL SCORES	MEAN	RANK
Inadequate training	2475	1020	1800	800	336	6431	53.59	1
Lack of stability	1500	1260	1550	2100	432	5942	49.51	4

Problem in marketing	1125	2100	1550	1200	480	5905	49.20	5
Inadequate support from Government	2250	1500	1000	1200	360	6310	52.58	2
Advertisement	1350	1620	1500	1280	312	6062	50.51	3

INTERPRETATION:

Regarding barriers faced by women in SHG, first rank goes to inadequate training. Second rank given to the inadequate support from government, third to advertisement, fourth to lack of stability, and the respondents gave fifth rank to problem in marketing .

3.24 LEVEL OF SATISFACTION WITH NGO's AND GOVERNMENT

S.NO	STATEMENTS	5	4	3	2	1	WEIGHTED SCORE
1	Loan procedure	20	30	25	21	24	3.00
2	Loan amount	30	25	18	32	15	2.94
3	Service	18	29	30	28	15	3.05
4	Re-payment procedure	31	18	21	30	20	3.08
5	Subsidiaries	36	20	30	14	20	3.31

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5-highly satisfied, 4-satisfied, 3-neutral, 2-disagree, 1-gighly disagree.

INTERPRETATION

From the above table it is observed that, subsidiaries was given first weightage with the score of 3.31, re-payment procedures was given second place with the score of 3.08, service was given third place with the score of 3.05, loan procedure was given fourth place with the score of 3.00, loan amount was given fifth place with the score of 2.94.

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FINDINGS

- Empowering women will reduce poverty in future.
- Major reason for poverty is shifting from native place and unemployment
- There is a significant relationship between age and SHG's member contribution to alleviate poverty
- There is a relationship between age and impact of micro credit facilities.
- It is founded that the inadequate training rank first in barriers of SHG and problem in marketing is the last.
- Level of NGOs and government support to subsidiaries scores good in weighted average and the least score is given to amount sanctioned by the government.

SUGGESTIONS

The bank should be advised to ask for minimum documents for access in loans by SHG s. the banking system must improve its function on going by working with local government and voluntary organization. There should be regular evaluation and monitoring of SHGs through different useful agencies like government, bankers NGO, etc. marketing of the products has emerged one of the major problem faced by SHGs. Efforts marketing of the products has emerged one of them major problem faced by SHGs.

CONCLUSION

The self-help group (SHGs) is viable alternative to achieve the objectives of rural development and get community participation in rural development programmes. They enhance the equality of status of women as participants, decision maker and beneficiaries in the democratic, economic, social and cultural spheres of life. Self-help group (SHGs) has played a major role in the awareness creating and economic upliftment of women. They have also proven that they can be better entrepreneurs and manage any kind of human development activities.

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