



Role of Self Help Groups in Women Development- an Empirical Study

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Abstract

SHGs enhance the equality of status of women as participants, decision-makers and beneficiaries in the democratic, economic, social and cultural spheres of life. The basic principles of the SHGs are group approach, mutual trust, organization of small and manageable groups, group cohesiveness, spirit of thrift, demand based lending, collateral free, women friendly loan, peer group pressure in repayment, skill training, capacity building and empowerment. This study aims at evaluating the development of rural women through SHGs and availing microfinance in two blocks from Tuticorin District, Tamilnadu state, India viz, Pudur and Kayathar. This study is compiled with the help of the primary data covered only three months period (2011). Totally 216 respondents were selected from 12 SHGs of two blocks by using simple random sampling method. This is purely a descriptive study. Percentage, average, χ^2 tests, t tests, correlation, Cramer's V, standard deviation (δ), variance (δ^2) and probability analysis were used. The positive changes have been reported in case of awareness regarding nutrition, health, hygiene, family planning, decision making related to money centered, interaction with outsiders, mobility, educational development, access to health services, family income etc. The result of χ^2 analysis revealed that there is significant relationship between socio-economic status after joining SHGs and SHGs members in two blocks from Tuticorin District study area.

1. Introduction

Approximately 1.2 billion people have to survive with less than one dollar a day. Different studies conducted by Planning Commission of India and other agencies state that more than 42% of Indians earning less than ₹45 day⁻¹. The amount of poverty in the world is unimaginably high. The millennium goals drafted by United Nations stress on is to reduction of poverty in the world by 2015. The poverty alleviation effort, supported by providing credit through small cooperatives or Self Help Groups (SHGs) was introduced in India. The number of SHGs is increasing rapidly. Some estimates put these at currently 2.5 million SHGs in India (Economic Survey of India, 2008). This study aims at evaluating the development of rural women through SHGs and availing microfinance in two blocks from Tuticorin District viz., Pudur and Kayathar.

2. Material and Methods

The present study has covered two blocks from Tuticorin District viz., Pudur and Kayathar were selected purposively for the study. This study is compiled with the help of the primary data covered only three months period (2011). The primary data was collected with the help of specially prepared interview schedule. The schedule included the questions related to the

general information about the SHGs members, reasons for joining SHGs, year of joining group, motivation to join group, group meeting, and awareness of SHG's activity, savings and loan schemes available to SHGs' members. Totally 216 respondents were selected from 12 SHGs of two blocks by using simple random sampling method. This is purely a descriptive study. Percentage, average, χ^2 tests, t tests, correlation, Cramer's V, standard deviation (δ), variance (δ^2) and probability analysis were used.

3. Results and Discussion

A SHG is a small economically homogeneous affinity group of the rural poor voluntarily coming together to save small amount regularly, which are deposited in a common fund to meet members emergency needs and to provide collateral free loans decided by the group.

Most of the women respondents revealed that they joined group in 2010 (53%) and 2009 (25%) (Table 1). 13% of the respondents expressed that they joined self help group in the year 2008. Further 5 per cent and 3 per cent of them stated that they joined self help groups in the year 2006 and 2007. Only 1% of the respondents join the SHGs in the year 2005, showed significant difference ($t=1.3892$; $df=10$).

3.1. Motivations to join group



Table 1: Joining of Group

Year	Pudur	%	Kay-athar	%	Total	%
2005	1	0.46	-	-	1	0.46
2006	3	1.39	7	3.24	10	4.63
2007	3	1.39	4	1.85	7	3.24
2008	8	3.70	21	9.72	29	13.43
2009	14	6.48	40	18.52	54	25
2010	12	5.56	103	47.69	115	53.24
Total	41	18.98	175	81.02	216	100.00

Source: primary data; mean: 6.83: 29.17; δ : 5.34: 39.01; SEd: 6.07; t: 1.3892; df: 10

SHGs have been recognized as useful tool to help the poor and as an alternative mechanism to meet the urgent credit needs of poor through thrift (Rao, 2003). SHG is a media for the development of saving habit among the women (Rajamohan, 2003).

The respondents were asked question regarding motivation to join the groups. Importantly, overwhelming majority of the respondents 70% reported that family member motivated them. Self-motivation to join the SHG's was recorded the second in Pudur and Kayathar (13%). More over 11% and 6% respondents was of the view that friend/ relative and NGO worker/ Govt. official motivated them. It is then clear that family member is main motivators for joining the SHG's as well as sensitizing the community. The χ^2 analysis result shows significant relationship of motivation to join the groups and SHG respondents in Tuticorin District of Tamilnadu at 5% level (Table 2).

3.2. Frequency of group meeting

The basic principles of the SHGs are group approach, mutual trust, organization of small and manageable groups, group cohesiveness, spirit of thrift, demand based lending, collateral free, women friendly loan, peer group pressure in repayment, skill training capacity building and empowerment (Lalitha, 2004).

Regular meetings are very important, especially so in the initial stage. The SHG's would decide on a fixed date, time and place for the meetings. This would ensure that the women remain committed to the group and would be able to plan in advance. More than 57% respondents reported that meetings of SHG's are held monthly. Further 31% respondent were expressed that meetings of SHG's are held fortnightly and 11% respondents were of the view that meetings of SHG's are held weekly. The χ^2 test value assured that there are no marked significant differences in frequency of group meeting and SHG women in Tuticorin District of Tamilnadu (Table 3).

3.2. Awareness of SHG's activity

Table 2: Motivations to join group

Motivation	Pudur	%	Kay-athar	%	Total	%
Family Member	17	7.87	135	62.58	152	70.37
Self	10	4.63	19	8.79	29	13.42
Friend/ Relative	9	4.17	14	6.48	23	10.65
NGO Worker/ Govt. official	5	2.31	7	3.24	12	5.52
Total	41	18.98	175	81.02	216	100.00

Source: primary data; $\chi^2=20.63$, $p=0.0001$, $df=3$, Cramer's $V=0.309$

Rao (1997-1998) was of the opinion that the effective functioning of SHGs depends on the training of organizers, monitoring of group activities and maintenance of accounts. Snehalatha and Reddy (1998) studied the effectiveness of thrift and credit activity in income generation of women.

Table 3: Frequency of group meeting

Group Meeting	Pudur	%	Kay-athar	%	Total	%
Weekly	6	2.78	18	8.33	24	11.11
Fortnightly	13	6.02	54	25.00	67	31.02
Monthly	22	10.18	103	47.69	125	57.87
Total	41	18.98	175	81.02	216	100.00

Source: primary data; $\chi^2=0.73$; $p=0.6942$; $df=2$; Cramer's $V=0.0581$

The respondents were asked to reveal the knowledge and awareness regarding SHG's activities. The issues like savings of group, name of bank, group income, meeting calendar, rules & regulation, information in group records, total capital of group etc. are well known to the majority of the members of group. However, awareness regarding cash in hand, balance in bank, number of member who has taken loans, etc. has been recorded low and the difference was statistically not significant (Table 4).

3.4. Purpose of savings/ purpose of loaning

Studies on group lending have revealed that peer monitoring and group pressure had higher significance on performance of the groups, whereas social ties had little significance (Wydict, 1999). Small amount of loan for a variety of purposes disbursed at shorter intervals is practised in the case of group lending. It is a better mechanism to reduce poverty against giving one time loan for productive assets (Madheswaran and Dharmadhikary, 2001).

Table 4: Awareness of SHG's activity

Aware-ness	Pudur	%	Kay-athar	%	Total	%
a	21	9.72	94	43.52	115	53.24
b	8	3.70	31	14.35	39	18.05
c	6	2.78	26	12.04	32	14.82
d	4	1.85	17	7.87	21	9.72
e	1	0.46	6	2.78	7	3.24
f	1	0.46	1	0.46	2	0.92
Total	41	18.98	175	81.02	216	100.00

Source: primary data; $\chi^2=1.45$; $p=0.919$; Correlation coefficient = 0.08169; $t=1.5827$; $df=10$, δ : 7.47: 33.75; $SEm\pm$: 3.05: 13.78; a: Meeting Calendar; b: Rules & Regulation; c: Information in Group Records; d: Total Capital/ Savings of the Group; e: Number of Member Taken/ Repaid Loan; f: Cash in Hand/ Balance in Bank

The respondents were asked to reveal the important purposes of savings. The prominent factors reported was income generating activity, self-respect, emergencies, food security, social security, etc. The most important purpose among the factors was cited for was found to be food security (60%) of the women. Consumption loan dominates over the micro-financing. Emergency expenses accounted second major purpose of loaning. The constructive purpose of micro-financing has been reported 11% in two blocks from Tuticorin District showed no significant difference (Table 5).

The satisfaction of respondents with family members has been reported to be quite high. Most of them were found satisfied (59%) with the family members, while a significant proportion was reported to be burdened (41%). The χ^2 analysis result shows no significant relationship of satisfaction of respondents with family members and SHG members of group in Tuticorin District (Table 6).

3.6. Decisions making in family

Empowerment signifies increased participation in decision-making and it is this process through which people feel themselves to be capable of making decisions and the right to do so (Karlan, 2001). Hashemi et.al (1996) investigated whether women's access to credit has any impact on their lives; irrespective of who had the managerial control.

Women's participation in decision-making in family is important indicator for measuring their empowerment. Though 53% beneficiaries reported that decisions are being taken by their husbands, yet, more than 37% respondents accepted that they do participate in decision-making process. Thus, the socio-economic conditions of women have demonstrated that their status has improved since the joining of SHG's and availing microfinance. The result of χ^2 test revealed that there is no significant difference between participation in decision-

Table 5: Purpose of savings/ purpose of loaning

Pur- pose	Pudur	%	Kay- athar	%	Total	%
a	27	12.49	103	47.69	130	60.18
b	3	1.39	12	5.56	15	6.95
c	6	2.78	8	3.70	14	6.48
d	2	0.93	21	9.72	23	10.65
e	3	1.39	31	14.35	34	15.74
Total	41	18.98	175	81.02	216	100.00

Source: primary data; $\chi^2=9.33$; $p=0.0534$; $df=4$; Cramer's $V=0.2078$; Correlation coefficient=0.203519; a: Food Security; b: Social Security; c: Self Respect; d: Income Generating Activity; e: Emergencies

Table 6: Satisfaction with family

Satisfaction	Pudur	Kayathar	Total
Very Happy	28 (68)	99 (57)	127 (59)
Not Happy	13 (32)	76 (43)	89 (41)
Total	41 (100)	175 (100)	216 (100)

Source: primary data; $\chi^2=1.43$; $p=0.2318$; $df=1$; Cramer's $V=0.0933$

making in family and SHG women members in Tuticorin District (Table 7).

3.7. Perception of community towards SHGs'

Puhazhendi and Badatya (2002), observed a significant improvements in the savings SHG members during post SHG situations.

SHG's have created positive attitude of community towards functioning of SHG's, micro-financing as well as being effective on social problems such as well organized family, awareness, good relationship with their husband, savings, literacy/ education and check on alcoholism and the difference was statistically significant (Table 8).

3.8. Changes on socio-economic status after joining SHG

SHGs enhance the equality of status of women as participants, decision-makers and beneficiaries in the democratic, economic, social and cultural spheres of life. (Jain, 2003).

The socio-economic conditions of members have improved since joining the groups. The positive changes have been reported in case of awareness regarding nutrition, health, hygiene, family planning, decision making related to money centered, interaction with outsiders, mobility, educational development, access to health services, family income etc. The result of χ^2 analysis, revealed that there is significant relationship between socio-economic status after joining SHGs and SHGs members in two blocks from Tuticorin District study area (Table 9).

Table 7: Decisions making in family

Decision Making	Pudur	%	Kayathar	%	Total	%
Yourself	13	6.02	67	31.02	80	37.04
Husband	24	11.11	90	41.67	114	52.78
Both of them	4	1.85	18	8.33	22	10.18
Total	41	18.98	175	81.02	216	100.00

Source: primary data; $\chi^2=0.72$; $p=0.6977$; $df=2$; Cramer's $V=0.0577$

Table 8: Perception of Community towards SHG's

^k Item	Pudur			Kayathar			Grand total
	Yes	No	Total	Yes	No	Total	
a	23 (14)	5 (3)	28 (17)	112 (67)	27 (16)	139 (83)	167 (100)
b	26 (16)	2 (1)	28 (17)	132 (79)	7 (4)	139 (83)	167 (100)
c	20 (12)	8 (5)	28 (17)	118 (71)	21 (13)	139 (83)	167 (100)
d	23 (14)	5 (3)	28 (17)	129 (77)	10 (6)	139 (83)	167 (100)
e	21 (13)	7 (4)	28 (17)	125 (8)	14 (75)	139 (83)	167 (100)
Total	7 (4)	21 (13)	28 (17)	130 (5)	9 (78)	139 (83)	167 (100)

Source: primary data; ^kItem indicates perception of community; figures in parentheses indicate percentages; $\chi^2=62.4739$, $p=0$, Correlation coefficient=0.24226; a: Well organized family; b: Awareness; c: Good relationship with their husband; d: Savings; e: Literacy/ education; f: Check on alcoholism

4. Conclusion

The Self Help Group really helps the women folk to participate in organized activities apart from helping members to mobilize funds. The present study concludes that the respondents are economically and social empowered by becoming members of SHGs in Tuticorin District.

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Table 9: Changes on socio-economic status after joining SHG

Changes	No of Respondents	%
Recognition in Family/ Community	26	12.04
Interaction with Outsiders	58	26.85
Access to Credit Sources	90	41.67
Decision making related to Child/ Money	22	10.19
Family Planning Awareness/ nutrition/ health	8	3.70
Family Income	12	5.56
Total	216	100.00

Source: primary data; mean: 36; δ : 31.80; $SEd= 12.98$; $\chi^2=14044.44$; $t=2.77$; $df=5$, the two-tailed p value equals 0.0392

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