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Exploring Economic Empowerment of Women Entrepreneurs Through Self Help Groups in Pudukkottai District of Tamil Nadu

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ABSTRACT

Women empowerment becomes true when their economic development succeeds in their life with happiness and the happiness comes mainly because of sufficient financial soundness. The women is playing a crucial role in administering the family by generating revenue. In this juncture, the non-governmental institutions have started playing an important part in proving financial solution to the poor women especially in the rural areas. Even after the inclusive growth policy was implemented, still the women is not yet being empowered, especially the rural women. There is a lot of disparities, non availability of support and policy measures to empower them on their own. A structured questionnaire was prepared for the survey purpose based on the objectives and the research questions identified. The method of collecting the data was done by both interview and observation method. The primary data has been collected from 150 sample respondents randomly from various women Self Help Groups. The primary study conducted in Pudukkottai district of Tamil Nadu. The average income has increased from rupees 3840 to rupees 6100. The average savings level of the sample respondents were increased from rupees 750 to rupees 1700. Moreover, there was a considerable amount of loans were availed by the SHG member was rupees 24000 on an average. But previously it was just around 2000. On the whole, the self-help group changed the rural women members' quality and happiness of life in the study area.

Key words: Women, Self-help Groups, Empowerment, Income, Financial Inclusion and Happiness

JEL Codes: G2, G3, G4 and G5

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Introduction

Women empowerment becomes true when their economic development succeeds in their life with happiness and the happiness comes mainly because of sufficient financial soundness. The women is playing a crucial role in administering the family by generating revenue. In connection with employment and income earning of women is relatively critical due to various occupational disparities, wage discrimination and non-availability of support. In this juncture, the non-governmental institutions have started playing an important part in proving financial solution to the poor women especially in the rural areas. Financial support of the Non-Governmental Organizations has been routed through the system called “Self Help Groups” (SHGs). This system was originated from Bangladesh *Grameen* Bank. It was founded by Mohamud Yunus in 1975. The same scheme has been modified and introduced in India to arrest poverty among the rural women. National Bank for Agricultural and Rural Development (NABARD) has initiated the Self Help Groups system in India to empower them. The Self Help Groups (SHGs) are a petty groups of poor and vulnerable people living in one particular area. The concept of Self Help Groups are created to support them each and every individual on their own to face their economic vulnerabilities. The Self Help Groups system encourages small level of savings regularly among the members and the amount will be saved in bank on the member’s common account. This accumulated fund will be used for the emergency and small investment needs of any members in the SHGs. The group system consists of maximum of 15-20 members formed as group and function economic activity for their betterment. The other important objective of the Self Help Groups are to get loan from banks for their small business and trade. The SHGs are putative and recognized by the state or private non-governmental organizations. Another important feature of the self-help group is the nature of self-governing body. It will help the SHG members to accelerate the small savings and utilize those funds for their group members itself.

SELF HELP GROUPS IN INDIA: AN OVERVIEW

According to NABARD there are more than two million SHGs prevails in India with 33 million members. This number is based on those who have received loans through SHGs bank linkage program. The Self Help Group concept was very much useful to increase the workforce participation of the rural women in India. The SHGs approach was much useful to the rural women to uplift their socio-economic conditions in India. The SHGs are linked with bank linkage program to offer micro loans to its members.

The present study focused on role of Self Help Groups in uplift the economic conditions of women in Pudukkottai District of Tamil Nadu.

Objectives of the Study

To examine the crucial role of Self Help Groups (SHGs) in generating employment and income among the rural women in the study area

To analyze changes in income level after became the member of the Self Help Group (SHG)

To emphasizes the savings and borrowing patterns of the sample respondents in the study area

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To reveal the entrepreneurial skills of SHG women in the study area.

Hypotheses

There is no association between Self Help Groups (SHGs) activity and income generation.

There is no association between changes in savings pattern of the Self Help Group members (SHGs) after membership

There is no significant relationship between Self Help Group-Bank Linkage Program and financial inclusion of SHGs members in Pudukkottai district

Need for the Study

Even after the inclusive growth policy was implemented, still the women is not yet being empowered, especially the rural women. There is a lot of disparities, non availability of support and policy measures to empower them on their own. The self-help group's activity is one of the best practice to uplift the economic, social and psychological conditions of rural women in Pudukkottai district of Tamil Nadu

RESEARCH METHODOLOGY AND DATA COLLECTION

Research Design

The present paper adopts descriptive and empirical research through survey method to carry out the research work.

Research Problem

The unemployment and poverty are the major properties of rural areas in India especially Tamil Nadu. In rural areas, the economic and social condition of the women is deliberately poor and vulnerable. The women in the rural areas are mostly uneducated and unemployed due to non-availability of jobs. The non-availability of feasible loan on the other side is pulling down. Even though, they are willing to start small trade. So, obviously the women participation in jobs and revenue generation is became a big question.

Sample Design

This study based on the primary data collected from sample respondents in Pudukkottai district of Tamil Nadu. Simple random sampling method was adopted to select the samples from the universe to represent the total population. A structured questionnaire was prepared for the survey purpose based on the objectives and the research questions identified. The method of collecting the data was done by both interview and observation method. The primary data has been collected from 150 sample respondents randomly from various women Self Help Groups (SHGs). Data has been tabulated and analyzed by appropriate statistical tools called correlation and regression analysis. To test the null hypotheses, chi-square ($\chi 2$) statistical analysis were used to prove or disprove the given hypotheses. The statistical package for social sciences (spss)was applied to determine the inference between the dependent and independent variables.

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Study Area Profile

The primary study conducted in Pudukkottai district of Tamil Nadu. The district having 11 taluks namely, Pudukkottai, Karambakkakudi, Alagudi, Aranthangi, Thirumayam, Ponnamaravathi, Gandarvakottai, Avudaiyarkoil, Manamelkudi, Kulathur and Iluppur. The area covers 4663 square kilo meters with total population of 1618345. Among the total population, rural population is 1301991 and the urban population is 316354. The data clearly reveals that a majority of 80.45 percent of them are living in the rural area of Pudukkottai district. The female population is 815157 (50.37%) and the male population is 803188 (49.63%) as per census 2011. Female population is higher than the male population marginally. But in case of workers ratio, the male workers comprising of 471099 (61.85%) and female is 290594 (38.15%). It reveal from the census survey, 76169(47%) persons were termed as workers and 856652 (53%) are non-workers. It shows the unemployment issue prevails in the district and the female participation in work was very less as compare with total population.

REVIEW OF LITERATURE

To understand and to get more knowledge about any particular topic, the literature survey plays a vital role. It is also used to have an idea to find the variables for various analytical approaches about the study. Reviewing of various literature is much helpful to figure out the research gap in the existing studies of the similar topics.

Audil Rashid Khaki Mohi-ud-Din Sangmi (2012) their analysis evolves that the all beneficiaries are having enrolled in the bank account, study shows that there was significant increase in the savings of the members. Moe over, the bank linkage SHGs proving loans to the members to enable them as a small rural women entrepreneur at a very meagre interest rates.

Uma Narang (2012) emphasizes through her study that the self-help groups have identified an important avenue to eradicate poverty among the rural women. It is also resulted in enhancing the rural women to take right decisions, self-confidence, economic and social strength.

Kannan.M and Pannerselvam (2013) in their article wrote that the micro finance is one of the most important element of the financial inclusion system through self-help groups approach.

Tripti Kumari and Anand Prsad Mishra (2015) study conducted in Varanasi district of Uttar Pradesh, identified that due to active participation of Self Help Groups women have empowered by themselves. They have been upgraded to make good decision making at household level and the SHG level. The study also observed that the SHG are playing a key role in making the rural women to come out of the extreme poverty.

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Praveen Kumar (2015) study shows that the micro finance is used as a tool for eliminating the rural poverty and vulnerability among the rural women in India. The speedy growth of the micro finance in India leads to economic and social empowerment of rural women.

Shailaja.M.L et al (2016) discussed in her paper that Self Help Groups (SHGs) is the vehicle for social and economic action for the financial support to its members. The Self Help Group (SHG) system reveals the independency and diversity. It consents and encourages to members to save and borrow according to their time frame slotted.

Kiran Rana and Ansari.M.A (2017)in their study conducted in Deherdun district reveals that the monthly income of the self-help group members has increased. Moreover, the SHGs affiliation provides self-confidence and an improved social status to the rural women.

MadanantNaik and Anthony Rodrigues (2017) study on women empowerment through self-help groups stresses that the women has enriched their income, savings and spending. The children's of the SHGs members have started enrollment in schools, because of increase in family income through self-help group.

Nandhini.M et al (2017)in their research work conducted in Coimbatore district of Tamil Nadu, explores that the eradication of poverty of women in rural areas with a greater effort was the self-help groups. The core objective of the Self Help Groups are to mobilize the savings of the SHGs members. His study suggests that training session to b imparted to the rural poor women. Moreover, the study also reveals that the participation of the rural poor women in the self-help group activity, leads to eradicate extreme poverty among the rural women.

Research Gap

By reviewing various studies, it is understood that the rural poor women is having many problems with respect to their family and life. The reason behind this issues are the poor economic condition and unemployment. While studying the past research works on self-help groups gives many information regard to non-availability of jobs for women in rural areas, poor family income, lack of education and employment, poor decision making and lack of opportunity to get loans from formal financial institutions etc. It is evident from the literature survey that there is no study to figure out entrepreneurial ability of women SHGs members. The present study aimed to bring out the entrepreneurial capacity of the women after they entered as SHG member.

Evolution and Growth of Self Help Groups (SHG) in India

Self Help Group is one of the best and successful model to eradicate poverty among the rural people especially the women. The concept of self-help group was founded by Mohammad Yunus in Bangladesh to eliminate poverty among rural women. After the success of self-help group economic model in Bangladesh, India has started practicing the same model and experienced the success.

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PROFILE OF THE SAMPLE RESPONDENTS

The average age of the respondent was registered as 42 years and a majority of the women from marginalized group (72%).Among the total respondents 69 percent of them are illiterates. The average income of the respondents was rupees 3840 before joining as self-help group. They become the entrepreneur by doing small business as SHG member, their average income has increased to rupees 6136. There is an increase of 62.58 percent in average income. In connection with savings level, 750 rupees was registered before the membership. But after the membership, there is an increase of 100 percent in their savings (Rs.1500). The mean borrowings of the respondents before membership was rupees 2500, which is sourced from local money lenders with higher rate of interest. After they become SHG member, due to bank linkage program, the members has received an average of rupees 24000 as business loan. It leads to a massive financial inclusion through SHG-Bank linkage for the rural women in the study area.

DATA ANALYSIS AND INTERPRETATION

Following table exhibits the statistical evidence of the present study. It expresses the mean income of the sample respondents is rupees 6136 after joining SHG and the standard deviation is 1154.8137. (Table.1)

Table.1 One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
Income of SHG Member	150	6136.000	1154.8137	94.2901

Source: Author's calculation by field data through SPSS

The following table explains the one-sample test of the respondent's income after joined as SHG member. The t-value was calculated as 65.076 with 149 as degrees of freedom at 0.000 as significant level. The relationship between SHG membership and increase in income of the respondents is highly positive and significant at 95 percent confidence level.

Table.2 One-Sample Test

	Test Value = 0					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Income of SHG Member	65.076	149	.000	6136.0000	5949.681	6322.319

Source: Same as previous table

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The following table reveals the chi-square test value and the significance of respondents, after they became as SHG member. The calculated chi-square value is 10.627 and the degree of freedom was 6. The significance value is lesser than the table value. It shows that the SHG membership and the increase in income of the respondents has a strong relationship.

Table 3. Test Statistics

	Income_After
Chi-Square	10.627[a]
df	6
Asymp. Sig.	0.000

Source: Same as previous table

Table.4 Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	Income_Before - Income_After	-2296.0000	1553.3415	126.8298	-2546.6174	-2045.3826	-18.103	149	.000
Pair 2	Savings_Before - Savings_After	-586.6667	370.5006	30.2512	-646.4435	-526.8898	-19.393	149	.000
Pair 3	Bank_Credit_Before - Bank_Credit_After	-21633.3333	11165.2725	911.6407	-23434.7473	-19831.9193	-23.730	149	.000
Pair 4	Decision Making Before-Decision Making After	-.0533	.2255	.0184	-.0897	-.0170	-2.897	149	.004

Source: Same as previous table

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The above table explains the analysis of paired t-test of data on income, savings, bank credit and decision making skills of the respondents before and after joined in self-help group. The first pair of comparative analysison income exhibits the value of -18.103 and significance at 0.000. Comparison of savings pattern before and after SHG membership, the calculated value was -19.393 and p-value was significant at 0.000 level. The financial credit through bank before and after SHG membership t-value calculated at 23.730 with p-value at 0.000 significance level. The decision

Every business person has his or her own style of business tactics called as the entrepreneurial ability which is the back bone of business success. The self-help group women also having many skills with respect to produce the commodities efficiently, market it in a proper way and sell it in a profitable manner.

Table.5 Test Statistics

	Entrepreneurial Skills
Chi-Square	78.280[a]
df	2
Asymp. Sig.	.000

Source: Same as previous table

Table 5 explains thechi-square analysis of the entrepreneurial skills of sample respondents. The calculated value of chi-square was 78.280 with 2 as degrees of freedom. The probability was very significant at 0.000 level. It shows that the rural women in the study area are gained good entrepreneurial skills after enter into the SHG activity.

TEST OF HYPOTHESES

There is no association between Self Help Groups (SHGs) activity and income generation:

The calculated chi-square value (10.627) and the p-value is significant at 0.000, so that the null hypothesis may be rejected. The test result reveals that there is strong association between SHG membership of the respondents and their increase in income.

There is no association between changes in savings pattern of the Self Help Group members (SHGs) after membership:

The paired t-test value of pair 1 provides the calculated t-value of -18.103 and significance level is 0.000. So the null hypothesis is rejected.

There is no significant relationship between Self Help Group-Bank Linkage Program and financial inclusion of SHGs members in Pudukkottai district

The calculated t-value for bank credit of sample respondents was -23.730 and p-value of 0.000 significant level. So the null hypothesis is rejected

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MAJOR FINDINGS

It is found from the present study that rural women are empowered financially by enhancing their income level by joining in the self-help group. The average income has increased from rupees 3840 to rupees 6100.

The rural women has been financially included by way of practicing savings habit among them and availing SHG-Bank linkage credit facilities from banks. The average savings level of the sample respondents were increased from rupees 750 to rupees 1700. Moreover, there was a considerable amount of loans were availed by the SHG member was rupees 24000 on an average. But previously it was just around 2000.

Present analysis found that the SHG membership gave a good decision making skill and entrepreneurial skills to the members. It leads to the rural women has more empowerment on financially and socially to make appropriate decision in business and personal life. So, the overall study reveals the increase of monetary and financial soundness of the rural women through SHGs economic activities provides them an overwhelming happiness in their life.

CONCLUSION

Because of self-help group membership has given a wonderful opportunities for the poor rural women to enhance their economic and social life with full happiness. Their poverty is eradicated with the support of SHG membership through self-employment by the members. Their entrepreneurial ability has found and utilized for their economic and social improvement. On the whole, the self-help group changed the rural women members' quality and happiness of life in the study area.

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