
MICRO FINANCE'S IMPACT ON WOMEN EMPOWERMENT VIA SELF-HELP GROUPS: A STUDY

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ABSTRACT

The current research looked at the effect of microfinance on women's empowerment via Self Help Groups (SHG). A total of 150 SHG members from three taluks in Tirunelveli District participated in the research. Through an interview schedule, both quantitative and qualitative data were collected. Statistical techniques were used to examine them. According to the findings, women in SHGs are breaking out of their shells, rejecting their position as second-class citizens, and using their abilities and skills for personal and societal gain. The study's Chi-square test shows that respondents' income, savings, and degree of satisfaction vary substantially before and after joining SHGs. Microfinance via SHGs has a beneficial effect on women's empowerment, according to ranking scales and factor analysis. The research finds that not only does the position of women need to improve, but so does society's attitude toward them. As a result, transforming women's perceptions from passive onlookers and recipients to positive doers and achievers must be a top priority. The significance of this research and the ramifications of these results are addressed.

KEYWORDS: *Government Initiatives, Micro-finance Self-Help Groups, Small-Scale Financing, Women Empowerment.*

1. INTRODUCTION

Only by accepting women's involvement, granting them responsibilities, and using their abilities can society progress. India has seen a good change in terms of women's empowerment and economic growth at the end of the twentieth century. Today, everyone recognizes that a woman's duty extends well beyond the house and the raising of children. Women are increasingly pursuing their own professions and sharing equally with males the responsibility for the overall development of society[1]. In recent years, women have shown a growing interest in income-generating activities, self-sufficiency, self-employment, and entrepreneurship, all of which lead to property rights, political representation, social equality, personal rights, family development, market development, community development, and, finally, nation development. Women's empowerment is critical to the economy of any country. They must play a major part in the country's development since they account for half of the population.

The government has launched a number of development programs aimed at promoting women's empowerment. Rural impoverished women have recently been inspired and banded together for mutual aid. Under the influence of personality, they are progressively increasing their position and quality of life. They generate money from their own sources. SHGs are the most important source of all. The Indian government and state governments recognize such activities and provide a variety of incentives, subsidies, and programs to SHGs. Microfinance via SHG is one such

significant program[2]. Traditionally, women were relegated to a position of dependency and were only permitted to engage in limited activities. Only a few educated women participate in such activities, and despite the efforts of numerous organizations to raise awareness among women, few are aware of the possibilities offered. The researcher tried to evaluate the Impact of Micro Finance in Tirunelveli District in order to raise awareness among women and to provide a comprehensive analytical performance of micro finance towards SHGs. This region has a significant agricultural population, and many SHGs are run by women. The purpose of this research is to look at the effect of microfinance and the role of SHGs in the growth of women's empowerment.

Objectives:

The following goals guided the development of this research:

- To get access to the role of SHGs in women's empowerment.
- To investigate the socioeconomic circumstances of SHG members in the research region.
- To assess the effect of Micro Finance on the economic position of women members of SHGs.
- To make appropriate recommendations based on results.

1. LITRATURE REVIEW

To justify the problem chosen for study, the researcher used the following kinds of reviews. The training provided by CRUSADE in conjunction with Magalirhittam to attend gram sabhas, which allowed political empowerment, was discovered in study [3]. The SHGs established a practice of saving money and relying on collective knowledge to solve their issues[4]. SHGs provide financial liberty and economic independence via microfinance [5]. The members of the SHGs gained a better understanding of the importance of girls' education and enhanced decision-making abilities [6]. Being a member of SHGs enhanced one's self-esteem, self-worth, and communication. In terms of income, employment, consumption, savings, and borrowing capacity, the rural poor's quality of living has improved [7]. In terms of education, housing, and employment, the economic position of SHG members was considerable [8]. Women are making the transition from salaried to self-employed work[9]. Members had gained knowledge of government programs and initiatives, as well as financial activities. The Grameen model has been approved by the RBI for a national SHG-bank linkage initiative [10]. Microfinance fosters self-assurance, bravery, skill development, and empowerment. The main problem to enhance women empowerment via Micro Finance is training awareness and viability, as well as group activities. Microfinance alleviates poverty in rural areas. Microfinance services to institutions aimed at improving women's economic condition. Microfinance products allow the underprivileged to diversify and develop their economic activity while also improving their social well-being. Women's income has risen since joining the SHGS, which guarantees timely loan payback.

2. DISCUSSION

The subject of women's empowerment has long piqued my attention. The purpose of this research is to determine the effect of microfinance on women's empowerment via SHGs. The research was carried out in the Tirunelveli District, which is between 08 8' and 09 23' latitude and 77 09' and 77 54' longitude. The district's entire geographical area is 6816.57 sq km, accounting for 0.21 percent of the Indian Union's total land area and 5.28 percent of Tamilnadu's total land area. This district lies in Tamil Nadu's southern region, bordered on the north by Virudhunagar district, on the east by Tuticorin district, on the south by Gulf of Manner and Kanyakumari district, and on the west by Kerala state and the Western Ghats. According to the 2011 census, the total population was 3,072,880 people. Tirunelveli has an average literacy rate of 82.92 percent in 2011. There are 19 blocks in the district. Ambasamudram, Sivagiri, Shenkottai, Sankarankovil, Tirunelveli, Radhapuram, Nanguneri, Thenkasi and Palayamkottai are some of the taluks of Tamil

Nadu. Three Taluks, namely Thenkasi, Shenkottai and Tirunelveli were selected for the research. There are 26 SHGs operating in these three Taluks. Five SHGs are chosen based on the total number of members in each SHG. Under the conventional random sample technique in the chosen Taluks in Tirunelveli district, the researcher picked 150 members based on the total number of members in the selected SHGs. Using an interview schedule, data on socio-demographics, the function of SHGs, and profile microfinance via SHGs was gathered. Secondary information was gathered from relevant publications and websites as well. Statistical techniques such as percentage analysis and ranking are used to examine the data gathered.

2.1. Hypotheses:

The following assumptions have been established by the researcher in order to carry out the research:

- H1: There is no statistically significant connection between age and satisfaction with SHGs.
- H2: There is no statistically significant connection between respondents' literacy levels and their satisfaction with SHGs.
- H3: There is no link between a person's profession and their degree of pleasure with SHGs.
- H4: There is no link between a person's marital status and their degree of satisfaction with SHG
- H5: The linking model has no significant connection with their degree of satisfaction with SHGs.
- H6: There is no statistically significant link between family type and satisfaction with SHGs.
- H7: There is no link between the length of their membership and their degree of satisfaction with SHGs.

2.2. Analysis and Interpretation:

2.2.1. Demographic Profile:

TABLE 1: DEMOGRAPHIC PROFILE OF THE RESPONDENTS

| Socio-Economic Profile | | No. of Respondents | Percentage (%) |
|----------------------------------|---------------------|---------------------------|-----------------------|
| Age (in year) | Below 30 | 22 | 14.70 |
| | 30-40 | 88 | 58.70 |
| | 40-50 | 40 | 26.70 |
| | 50 and above | - | - |
| Educational Qualification | No Schooling | 8 | 5.30 |
| | Primary | 22 | 14.70 |
| | Secondary | 67 | 44.70 |
| | Higher secondary | 52 | 34.60 |
| | Degree and above | 1 | 0.70 |
| Marital Status | Married | 126 | 84.00 |
| | Unmarried | - | - |
| | Widow | 22 | 14.70 |
| | Divorced | 2 | 1.30 |
| Type of Family | Joint | 40 | 26.70 |
| | Nuclear | 110 | 73.30 |
| Size of Family | 1-3 | 46 | 30.70 |
| | 4-6 | 76 | 50.60 |
| | above 6 | 28 | 18.70 |
| Residential area | Urban | 58 | 38.70 |
| | Rural | 92 | 62.30 |
| Occupation | Self employed | 74 | 49.30 |
| | Agricultural labour | 36 | 24.00 |
| | Private employees | 40 | 26.60 |

The demographic profile of the participants was examined, and it was discovered that the majority of the respondents (58.7%) were between the ages of 30 and 40, and that 44.7 percent of the respondents only had a secondary education. The overwhelming majority of respondents (84%) got married, 73.3 percent live in a nuclear family, 50.6 percent have more than four people in their family, 62.3 percent live in rural areas, and 49.3 percent are self-employed as a result of belonging to a SHG. The research shows that women with big families are more likely to start their own businesses. The aforementioned fact is shown in Table 1.

2.2.2. Profile of Self Help Groups (SHG):

The respondents' SHG profiles were analyzed, and it was discovered that the majority of them (79.3%) are members of SHGs, followed by representatives and animators, and that 49.3% of them became members of SHGs due to unemployment and financial assistance, and that 58.7% of them actively participated in SHG activities and 29.3% of them were merely observers. The profile of the respondents' SHGs is shown in Table 2.

TABLE 2: SELF HELP GROUPS PROFILE OF THE RESPONDENTS

| Self Help Groups Profile | No. of Respondents | Percentage (%) | |
|-------------------------------------|----------------------------------|----------------|-------|
| Role of the Respondents in SHGs | Members | 119 | 79.30 |
| | Representatives | 14 | 9.30 |
| | Animators | 17 | 11.30 |
| Motivational Factor to Join in SHGs | Empowering new skills | 49 | 32.70 |
| | Unemployment problem | 74 | 49.30 |
| | Financial assistance | 27 | 18.00 |
| Participation in SHGs | Very active | 36 | 24.00 |
| | Active | 88 | 58.70 |
| | Non Active | 26 | 17.30 |
| Nature of Training Offered | No training | 15 | 10.00 |
| | Preparation of food products | 44 | 29.30 |
| | Training on cottage industries | 20 | 13.30 |
| | Computer training | 40 | 26.70 |
| | Driving | 4 | 2.70 |
| | Coir marketing | 27 | 18.00 |
| Problems on availing loans | No Problems | 18 | 12.00 |
| | Complicated procedure | 10 | 6.70 |
| | Delay in sanctioning loans | 54 | 36.00 |
| | Sanctioned amount not fully paid | 68 | 45.30 |
| Level of Satisfaction | Very Good | 62 | 41.30 |
| | Good | 48 | 32.00 |
| | Satisfactory | 22 | 14.70 |
| | Not satisfied | 18 | 12.00 |

2.2.3. Profile of Economic Conditions:

Income is a critical element in allowing individuals to live happy lives. The family's spending and saving habits are determined by their income. It also influences the respondents' socioeconomic empowerment. According to the research, 52 percent of respondents had an income of less than Rs. 5000 before joining SHGs, but it had significantly risen after they joined. After becoming a member of SHGs, the quantity of spending and savings of the respondents has changed significantly. Table 3 displays the findings.

TABLE 3: ECONOMIC CONDITIONS OF THE RESPONDENTS

| | | Before joining SHGs | | After joining SHGs | |
|---------------------------------------|----------------|---------------------|----------------|--------------------|----------------|
| | | No. of Respondents | Percentage (%) | No. of Respondents | Percentage (%) |
| Monthly Income(in Rs) | No income | 68 | 45.30 | 8 | 5.30 |
| | 1000-5000 | 78 | 52.00 | 39 | 26.00 |
| | 5001-10000 | 4 | 2.70 | 76 | 50.70 |
| | 10000and above | 0 | 0 | 27 | 18.00 |
| Family's Monthly Income(in Rs) | 1000- 10000 | - | - | 41 | 27.70 |
| | 10001- 20000 | - | - | 87 | 58.00 |
| | 20001- 30000 | - | - | 22 | 14.70 |
| Monthly Savings(in Rs) | No savings | 74 | 42.40 | 40 | 26.70 |
| | 1000- 3000 | 62 | 41.30 | 76 | 50.70 |
| | 3001- 6000 | 14 | 9.30 | 32 | 21.30 |
| | 6000 and above | 0 | 0 | 2 | 1.30 |

The following hypotheses were formulated and evaluated using the Chi-Square test at a 5% level in order to assess the significant difference between socioeconomic variables and the degree of satisfaction of respondents before and after becoming members of SHGs.

- H1: There is no statistically significant connection between age and satisfaction with SHGs.
- H2: There is no statistically significant connection between respondents' literacy levels and their satisfaction with SHGs.
- H3: There is no link between a person's profession and their degree of pleasure with SHGs.
- H4: There is no link between a person's marital status and their degree of satisfaction with SHGs.
- H5: The linking mode and their degree of satisfaction with SHGs have no significant connection.
- H6: There is no statistically significant link between family type and satisfaction with SHGs.
- H7: There is no link between the length of their membership and their degree of satisfaction with SHGs.

At the 5% level of significance, the computed values for all of the aforementioned hypotheses are greater than the table value. As a result, the null hypothesis is rejected. As a result, there is a substantial link between socioeconomic variables and the degree of happiness of respondents before and after joining SHGs. The fact is revealed in Table 4.

TABLE 4: RESULTS OF CHI-SQUARE TEST

| Between | X ² | Table Value @5% level | Inference |
|--|----------------|-----------------------|---------------|
| Age and level of satisfaction towards SHGs | 19.833 | 9.488 | Significant |
| Literacy level and level of satisfaction towards SHGs | 47.012 | 15.507 | Significant |
| Occupation and level of satisfaction towards SHGs | 47.894 | 12.592 | Significant |
| Marital status and level of satisfaction towards SHGs | 16.071 | 9.488 | Significant |
| Linkage mode land level of satisfaction towards SHGs | 3.632 | 9.488 | Insignificant |
| Family type and level of satisfaction towards SHGs | 46.573 | 9.488 | Significant |
| Membership period and level of satisfaction towards SHGs | 41.668 | 12.592 | Significant |

2.2.4. Impact of SHGS towards Women Empowerment:

SHGs, which were initially created in India as micro credit groups for the economic empowerment of women and the poorer sections, give a doorway for greater promotion support, as well as assurance of independence, self-reliance, and empowerment. The researcher used the ‘Weighted

average ranking technique' to determine the elements that assure the improvement of the standard of women members in SHGs in Tirunelveli district. The highest rank is assigned to an increase in members' self-confidence (4.56), the second rank is assigned to a movement for women's empowerment (4.15), the third rank is assigned to women themselves making decisions about their family matters in the household, and the last rank is assigned to a significant increase in political status. SHGs are important for women's empowerment. Table 5 displays the results.

TABLE 5: IMPACT OF SHGS TOWARDS WOMEN EMPOWERMENT

| S.NO | Impacts of SHGs | OPINION SCORE | MEAN SCORE | RANK |
|------|---|---------------|------------|------|
| 1 | Improvement in self-confidence | 684 | 4.56 | I |
| 2 | A movement for women empowerment | 623 | 4.15 | II |
| 3 | Decision Making of women in household | 608 | 4.05 | III |
| 4 | Significant increase in economic status | 550 | 3.67 | IV |
| 5 | Improved functional literacy | 548 | 3.65 | V |
| 6 | Better leadership qualities | 546 | 3.64 | VI |
| 7 | Significant increase in social status | 522 | 3.48 | VII |
| 8 | Self-help and mutual help | 516 | 3.44 | VIII |
| 9 | Better awareness in education | 515 | 3.43 | IX |
| 10 | Better awareness in environment | 504 | 3.36 | X |
| 11 | Financial self-reliance of women | 482 | 3.21 | XI |
| 12 | Better communication skills | 480 | 3.20 | XII |
| 13 | Better awareness in health care | 444 | 2.96 | XIII |
| 14 | Equal access and control over resources | 420 | 2.80 | XIV |
| 15 | Decision making of women in community and village | 365 | 2.43 | XV |
| 16 | Significant increase in political status | 158 | 1.05 | XVI |

2.2.5. Impacts of Micro Finance on Women Empowerment:

Microfinance institutions in India are divided into two categories: financial and non-financial. The connection of SHGs to banks is intended to meet this demand. The Reserve Bank of India developed a unique plan called microcredit through self-help organizations to meet the requirements of small traders and small company owners. The micro-credit system enables the formation of SHGs with members who have similar economic objectives. Microfinance is the provision of small-scale savings, loans, and other financial services and products to the poor in rural, semi-urban, and metropolitan regions in order to help them improve their income and living conditions. Microfinance has recently been a buzzword among governments, with all micro finance initiatives aimed at empowering poor people, particularly women, and eradicating poverty. The major goal of these credit programs has been to provide financial help to the needy at a low interest rate, together with a capital subsidy, so that they can climb beyond the poverty line. SHGs that provide members with microcredit and assist them in starting their own businesses. In India, the formation of women's SHGs has been acknowledged as a successful method for women's empowerment in both rural and urban regions. The researcher used Factor analysis to investigate the effects of microfinance on the economic condition of women members of SHGs in Tirunelveli district. The study clearly reveals that the level of impact of micro finance on women empowerment through SHGs, "Opportunities to improve the standard of living," which is an important factor with high factor loading, indicated that there is an opportunity for increasing the standard of living of women members of SHGs due to micro finance among the various attitude scales. The ability to address personal and family problems, as well as opportunities to pay their costs, security from future uncertainty, business opportunities, and opportunities to improve respondents' credit worthiness, is the second most essential aspect. The information is revealed in Table 6.

TABLE 6: IMPACT OF MICRO FINANCE ON ECONOMIC STATUS OF THE RESPONDENTS

| VARIABLES | ROTATED FACTOR MATRIX | | | | |
|--|-----------------------|----------------|---------------|----------------|---------------|
| | Factor 1 | Factor 2 | Factor 3 | Factor 4 | Factor 5 |
| Opportunities for having improved standard of living | .86952 | -.30473 | .03899 | .02988 | .32390 |
| Opportunities for awaiting new loans to settle old debts | -.86710 | .28536 | -.17188 | -.27637 | .02877 |
| Opportunities for fulfillment of the basic needs | .83635 | .20047 | .05009 | .02515 | -.25933 |
| Opportunities for attainment of ambition | .76382 | -.11852 | -.27741 | -.07106 | .53018 |
| Opportunities for getting sustained support for livelihood | -.66000 | .02551 | .28684 | -.25261 | .03247 |
| Opportunities for having small investments | .58038 | -.33188 | -.26129 | .47143 | .39020 |
| Opportunities for solving the problem of rising prices | .34583 | -.88660 | .23602 | .02702 | .03733 |
| Opportunities to take part in the affairs of the SHG | -.07873 | -.87775 | .17741 | -.14880 | -.22341 |
| Opportunities for having considerable savings | -.13776 | .69554 | .54953 | -.08984 | .00007 |
| Opportunities for having domestic appliances | -.15779 | .64199 | .26982 | -.53696 | .05798 |
| Opportunities for meeting the expenses of Children’s education | -.22162 | -.22493 | .90279 | .07200 | -.11324 |
| Opportunities for improving managerial and personal skills | -.00854 | -.03989 | .89269 | .32258 | .14382 |
| Opportunities for spending on entertainment | .57785 | .38077 | .66484 | .10766 | -.05224 |
| Opportunities to buy goods and services on credit | .06977 | .06986 | -.11004 | -.91736 | .05940 |
| Opportunities for procuring insurance policies | .45981 | .17853 | .10160 | .81424 | -.07916 |
| Opportunities for establishing and promoting business | .18543 | .22119 | .52332 | .72650 | .14906 |
| Opportunities for participating in economic decision | .41299 | -.37278 | .09495 | .56519 | .40462 |
| Opportunities for improving credit worthiness | -.11019 | .20614 | -.04064 | .03991 | .90959 |
| Opportunities for living in an healthy atmosphere | .05212 | -.04243 | .59214 | -.32262 | .68265 |
| Opportunities for adjustment to urban environment | .36421 | .55404 | .14021 | .26707 | .60429 |

2.2.6. Findings:

Women in the 30-40 age range, who have just completed secondary school and have married, live in nuclear households with more than four to six members in rural areas, and are actively involved in the operation of SHGs self-employed with the aid of micro financing.

SHGs profile of the respondents surveyed shows that out of 150 respondents, 49.3 percent of women were motivated to join SHGs by unemployment problems, financial assistance, and 29.3 percent of respondents received training on food preparation from SHGs, 36 percent of respondents have problems getting loans due to delays in sanctioning loans, and 36 percent of respondents have problems getting loans due to delays in sanctioning loans.

Individual income, family income, and savings of respondents before and after joining SHGs show substantial differences in economic situations.

According to a ranking study, the standards of women in Tirunelveli District SHGs have substantially improved.

The respondents have chances for living in a healthy environment, being able to meet basic requirements, and being self-employed, according to a factor analysis on the influence of micro financing on women empowerment.

3. CONCLUSION

Women have the fundamental indigenous knowledge, talent, potential, and resources they need to start and manage their careers. Women make significant contributions to the growth of the country's many sectors. Women gain economic prestige as a result of their employment, which naturally raises their social standing and therefore empowers them. SHGs are often regarded as the primary source of income for women in all regions, particularly rural and semi-urban areas. Women are breaking out of their shells, as seen by the rise of SHGs. SHGs are non-profit organizations that provide members with microcredit and help them start their own businesses. However, what is required now is to raise awareness of the employment market situation among

rural and urban women who are job seekers and providers, to encourage them to start self-employment ventures with micro finance, to assist them in obtaining necessary inputs, and to provide necessary follow-up assistance to SHG members.

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