Self Help Groups And Micro Finance Play A Part In Women Empowerment: A Case Study Of The Shivamogga District

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ABSTRACT

Women's empowerment is a process in which women effectively promote their well-being by challenging accepted conventions and culture. Women's empowerment in social and economic dimensions was significantly impacted by their involvement in Self Help Groups (SHGs). In the Karnataka district of Shivamogga, women's empowerment through self-help groups is the subject of this study.

Both primary and secondary sources have been used to gather the study's data. The approach used was a multistage random sampling technique. To interpret the data in a way that made sense, average and percentage analysis was done. The Garret ranking method was employed to determine the motivations behind joining the self-help group. To quantify and ascertain the link between the observed variables, factor analysis was performed. The study's findings showed that the SHGs had a higher impact on the recipients' social and economic facts.

KEYWORDS : Micro Finance, Garret Ranking Technique, Woman Empowerment, SHG, Shivamogga.

INTRODUCTION

We all know that women in our nation enjoy a respectable position in society. However, despite 60 years of freedom, women still face incredibly challenging conditions in rural and underdeveloped areas. Despite the fact that women make up around 50% of the total human resources in our economy. But because of the numerous economic and cultural restrictions placed on them, women are more destitute and underprivileged than men. Women's empowerment initiatives must be prioritized in order to end poverty, spur economic progress, and

improve living conditions. Self Help Groups (SHGs) are tiny credit cooperatives made up primarily of underprivileged women.

The organization creates a common fund by having each member make regular contributions. Members may borrow money from the fund and repay it with interest determined by the group. SHGs use a consensus-based decision-making process, and leadership roles are periodically switched. This type of credit offers various advantages, including non-exploitative interest rates, the ability to borrow modest amounts as needed, and the lack of formal security or collateral requirements. These loans are frequently used to buy things that help people produce money, including sewing machines for crafts or cows for milk production. A cost-effective method for providing financial services to the "Unreached Poor" is emerging as the SHGs-Bank Linkage Programme. This program has been successful in meeting the financial needs of rural poor women as well as strengthening the group self-help capabilities of the poor, which has led to their empowerment.

Self Help Groups have been a crucial programming technique for the majority of women's development initiatives because they have helped women become more economically independent by getting them involved in savings and credit activities. This has changed their social attitudes and standing in the family and society.

LITERATURE REVIEW

Rekha Goankar (2001), research came to the conclusion that the growth of SHGs can greatly help to lower poverty and unemployment in the rural economy, and that SHGs can bring about social transformation in terms of both economic development and social change.

Malathi Ramanathan (2004), Through the article "Women and Empowerment, Shri Mahila Griha Udyog Lijjat Papad," the author has made an effort to examine the development of an organization as a result of a group of women's practical action to obtain additional income. It is about organization-level cooperative empowerment. The article's conclusion states that the group was well known and had a successful strategy for encouraging the economic empowerment of women.

S. Subramanian (2010) By doing a SWOT analysis of SHGs, the author of the article "Empowerment of Women through SHGs in Tirunelveli District, Tamil Nadu-A SWOT Analysis" has highlighted SHGs' strengths, weaknesses, opportunities, and threats. To find visible physical facts, field observation techniques were used. In order to obtain the information in depth, group discussions with women who participated in activities and group activities were held. According to the report, the promotional agencies' efforts to enhance capacity are insufficient to meet the needs of SHG members. They are not proficient in management, technical, and soft skills. According to the paper, organizations that support SHGs, including both government and nongovernmental organizations, can make a significant contribution to their success and long-term viability.

Lalit Kumar Sharma (2011) By highlighting the advantages of psychological, social, and economic factors accrued by women participating in SHGs, the article "Self Help Group as an Effective Strategy and Feasible Approach to Empower Women in India" explores the merits of SHGs as a strategy and approach to empower

women in India. Empowerment is a process of increasing understanding and capability that results in increased participation, more control and power over decisions, and transformative action. The study comes to the conclusion that women's engagement in SHGs has had a significant impact on impoverished women's life patterns and styles, particularly in rural regions, and has helped to empower them on multiple levels as both individuals and members of their families, communities, and society as a whole.

STATEMENT OF THE PROBLEM

Self-help group programs, which frequently take the form of credit or micro-credit schemes and savings, have been shown to improve the lives of low-income women in economically, socially, and educationally underdeveloped regions by allowing them to earn more money and feel better about themselves. This is clear from the state's self-help groups' exponential expansion. In this study, the organization, behaviour, and effectiveness of self-help groups are examined along with their effects on the women of Shivamogga, Karnataka.

OBJECTIVES OF STUDY

- To study the socio-economic profile of SHG women and to analyse the reasons for joining SHG.
- To study the structure conduct and performance of self help groups and to find the impact of SHGs in women.

HYPOTHESES OF STUDY

Ho: There is no significant difference in mean scores on factors of empowerment after joining the group among respondents.

H1: There is a significant difference in mean scores on factors of empowerment after joining the group among respondents.

RESEARCH METHODOLOGY

Every research is based on a standardized sequence, which determines the way in which it is conducted & finalized. The research is in the following sequence.

- **Data collection:**

The study uses both primary and secondary sources and is analytical. The use of a field survey technique allowed for the direct collection of information from the women members. The main data for this study was gathered between the 2-March -2023 to 2-August -2023.

Secondary information is gathered for this purpose from a variety of published and unpublished records, books, journals, and material provided by the Shivamogga development authorities' office. For this investigation, a multi-stage random and purposive sampling strategy has been used.

- **Sampling Design**

All five Blocks have been chosen for the study at this level. 16 women's self-help groups (WSHGs) founded in the last year or less have been chosen at random from each Block. Six responders from each group who have been in the group for at least a year and accepted at least one loan have been chosen at random. As a result, 480 respondents were chosen for the study.

- **Analysis of Data**

To analyse the data in a way that was understandable, average and percentage analysis was done. The Garret ranking method was employed to determine the motivations behind joining the self-help group. To ascertain the link between the observed variables, factor analysis was utilized.

The ranks given by them were quantified using the Garrett Ranking Technique (Garrett, 1969) using the following formula:

$$\text{Percent Position} = \sum_{J=1}^{n} [(R_{ij} - 0.5)/N_j] \times 100 \qquad \text{.... (1)}$$

Where, R_{ij} = Rank given for the ith items by jth individual, and

N_j = Number of items ranked by jth individual.

- **Sampling area**

The current study was carried out in Karnataka's Shivamogga district. This district was picked because it has a history of the SHG movement beginning there in a minor fashion in the year 1998. They were initially run by NGOs, and now they are by a federation created by a number of different agencies.

ANALYSIS OF DATA AND DISCUSSIONS:

The primary objective of the study is to evaluate the impact of microfinance among rural women in three dimensions of empowerment i.e. economic, social. For each aspect of empowerment, a set of variables were selected to assess the level of empowerment among the respondents.

- Socio-Economic Profile of SHG Members

According to the survey, 2.3% of the 480 respondents who were chosen for the study are under the age of 20. 27.35% of the membership is between the ages of 20 and 30. 35.3% of the members are between the ages of 30 and 40. 40 to 50 year olds make up 26.8% of the membership. 7.5% of them are between the ages of 40 and 50. Only 0.7% of them are beyond 60. Illiteracy rates among the members are 8.7%. 6.5% of the members are literate and illiterate but lack a formal education.14.3% of those surveyed have completed grades one through five.

19.3% of people fall within the 5 to 9 class range.18.3% of them have SSC education. 23.3% of them are at the plus two educational level. Among the responders, undergraduates make up 8.7%. One percent of the respondents had additional education, such as ITI or teacher training. 5.3% of those surveyed have never been married. They are all married, 85.3%. They comprise 8.3% widows. Divorce rates among responders are 1%.

In terms of family income, 24.3% of the respondents' families earn less than Rs. 30,000 annually. The respondent's family's annual income ranges from Rs. 30 to 50 lakhs (32.7%). Of them, 21.5% have an annual household income of between Rs. 50 and 75 thousand. The respondent's family's annual income ranges from Rs. 75,000 to 1 lakh, or 16.5%. 5% of the respondent's family's yearly income is greater than Rs. 1 lakh (Primary data source).

- Distribution of Respondents on Basis of Age of Group

Table-1: Distribution of Respondents on Basis of Age Groups

Age of Group	No of Respondents	Percentage
Less than 3 years	120	25
Between 3- 5 years	134	28
More than 5 years	226	47
TOTAL	480	100

Sources: Primary Data.

Above table shows majority of the respondents 47% belonged to the groups which were established five years ago. 28% of respondent's belonged groups with a age of 3-5 years. 25% of the respondents groups were established less than three years ago.

- Distribution of Respondents on Basis of Membership in Group

Table-2: Distribution of Respondents on Basis of Membership in Group

Number of Years in Group	Number of Respondents	Percentage
Below 2 years	58	12.0
Between 2-3 years	151	31.5
Between 3- 5 years	151	31.5
Between 5-7 years	90	18.7
Above 7 years	30	6.3
TOTAL	480	100

Sources: Primary Data.

31.5% of the respondents are members in the group for 2-3 years, and 3-5 years.18.7% of the members are in the group for 5-7 years. 12.0% of the respondents are in the group for less than 2 years .6.3% of the members has stayed in the group for more than 7 years.

- Reasons for Joining Self Help Group

For carrying out this analysis, the members of SHGs were asked to prioritize the specific reasons for joining the groups. To analyze the reasons for joining the group by the member households, all the possible reasons were made known to the members of self-help groups. They were asked to rank the reasons in the order of their importance.

Table-3: Reason for Joining SHGs

Reasons	Rank						Mean Rank
	I	II	III	IV	V	VI	
To Repay Old Debts	101	149	119	26	31	55	2.1504
To Maintain House Expenditures	149	138	35	18	48	93	1.9456
To Promote Savings	110	95	62	24	51	138	2.6952
To Raise Status in the Society	62	45	116	94	96	68	3.8416
To Promote Income Generated Activities	46	40	111	116	104	62	3.4712
To Get Loan	14	13	37	202	150	64	2.7024

Sources: Primary Data.

Table-4: Reason for Joining SHGs

S. No	Reasons	Score		Rank
		Total	Mean	
1	To Repay Old Debts	17506.66	29.20	5
2	To Maintain House Expenditures	15453.33	25.76	6
3	To Promote Savings	22946.66	38.24	4
4	To Raise Status in the Society	34413.33	57.36	1
5	To promote income Generated activities	30706.66	51.20	2
6	To Get Loan	23026.66	38.40	3

Sources: Primary Data.

From the Table 3 and 4, it is clear that to raise status in society is the prime reason for respondents joining the SHG, followed by to promote income generating activities. The next reason was to get loan. The fourth reason was to promote savings and the next reason was to repay old debts. To maintain house expenditure, stood as the last reason for joining the SHG.

- Number of Loans Taken by Respondents through SHG

Table-5: Number of Loans Taken by Respondents through SHG

Number of Loans Taken	Number of Respondents	Percentage
One	38	8.0
Between 2-4	334	69.6
Between 4-6	54	11.2
More than 6	54	11.2
TOTAL	480	100

Sources: Primary Data.

Majority of the respondents 69.6% have taken 2-4 loans. The respondents who have taken loans 4-6 times and more than 6 times are 11.2% respectively. 8% of the respondents have taken only one loan.

- Number of Loans Repaid by Respondents

Table-6: Number of Loans Repaid by Respondents

Number of Loans Repaid	Number of Respondents	Percentage
One	105	21.9
Between 2-4	292	60.8
Between 4-6	40	8.3
More than 6	43	9.0
TOTAL	480	100

Sources: Primary Data.

Table no 6 revealed that the majority 60.8 % of the respondents have repaid loan 2-4 times. 21.9% of the respondents have repaid only one loan. 9% of the respondents have repaid more than 6 loans and 8.3% of the respondents have repaid 4-6 loans.

- Size of Latest Loan Taken

Table-7: Size of Latest Loan Taken

Size of Last Loans Taken	Number of Respondents	Percentage
Less than Rs. 5000	28	5.83
Rs. 5000- 10000	149	31.04
Rs. 10000- 15000	78	16.25
Rs. 15000- 20000	43	8.95
Above Rs. 20000	182	37.93
TOTAL	480	100

Sources: Primary Data

Regarding the latest loan taken by the respondents majority of them 37.93% have taken loan above Rs. 20,000. 31.04% of the respondents have taken loan from Rs. 5000-10000.16.25% of the respondents have taken loan from Rs. 10,000-15,000. 8.95% of the respondents have taken loan from Rs. 15000-20000.Only 5.83% of the members have taken loan below Rs. 5000.

- Empowerment after Joining the Self Help Group

It is difficult to measure empowerment and there is no single method to measure it. It is defined through indicators. Indicators of empowerment should encompass personal, social and economic change. The following few indicators of empowerment were referred to the respondents. To estimate and compare the mean satisfaction scores on the factors among the respondents weighted average analysis is performed using five rating scale and assigning score 1 for strongly disagree; 2 for disagree; 3 for neutral; 4 for agree and 5 for strongly agree and the results are presented in following tables.

Table-8: Empowerment after Joining SHGs

S. No	Indicators of Empowerment	Weighted Average
1	Economic independence	3.072
2	Standard of living has improved	3.026
3	Understand the banking operation and knowledge on credit management	3.434
4	Good public relation and social participation	2.688
5	Self expression-decision making in community, village and house holds	2.618
6	Breaking social, religious and cultural barriers	2.209
7	Leadership qualities	3.164
8	Skill up gradation and better technology	3.082

Sources: Primary Data.

It is seen from the above table that the weighted average scores on empowerment after joining SHG ranges from 2.209 to 3.434. The statement "Breaking social, religious and cultural barriers" has secured least mean score and stood at last and the statement

"Understand the banking operation and knowledge on credit management" has secured highest mean score and stood at top.

Hypothesis

From the mean scores among the respondents null hypothesis and alternative hypothesis is established and the result is shown below:

Null Hypothesis: There is no significant difference in the mean scores on factors of empowerment after joining the group among respondents.

Alternative Hypothesis: There is a significant difference in the mean scores on factors of empowerment after joining the group among respondents.

Table-9: Anova

SOURCES	DF	SS	MS	F
Between Group	6	775.894	86.210	86.896**
Within Group	3834	3803.244	0.794	

Sources: Primary Data.
** Significant at 1% level

Above table revealed that the F is significant the null hypothesis of no difference in the mean score on empowerment after joining the group among the respondents is hence null hypothesis is rejected and accepted alternative hypothesis that there is significant difference in the mean scores among respondents.

- Rotated Factor Loadings

Factor analysis is a multivariate statistical technique used to condense and simplify the set of large number of variables to smaller number of variables called factors. This technique is helpful to identify the underlying factors that determine the relationship between the observed variables and provides an empirical classification scheme of clustering of statements into groups called factors. Using all the 8 statements on indicators of empowerment namely S1, S2,….S8 factor analysis is performed and the results are presented in the following tables.

Table-10: Rotated Factor Loadings

Indicators of Empowerment	I	II	Communality
Economic Independence-S1	0.586	0.054	0.433
Standard of Living has Improved-S2	0.592	0.229	0.503
Understand the Banking Operation & Knowledge on Credit Management-S3	0.038	0.531	0.354
Good Public Relation & Social Participation-S4	0.505	0.190	0.364
Self Expression-Decision Making in Community, Village and House Holds-S5	0.638	0.168	0.544
Breaking Social, Religious And Cultural Barriers-S6	0.638	-0.067	0.510
Leadership Qualities-S7	0.154	0.644	0.548
Skill Up Gradation and Better Technology-S8	0.125	0.551	0.399
Eig. Val	2.254	1.400	3.654
% of Variance	28.181	17.503	45.684
Cum % of Variance	28.181	45.684	

Sources: Primary Data.

Table 10 gives the rotated factor loadings, communalities, eigen values and the percentage of variance explained by the factors. Out of the 8 indicators, 2 factors have been extracted and these 2 factors put together explain the total variance of these problems to the extent of 45.684 %. In order to reduce the number of factors and enhance the interpretability, the factors are rotated. The rotation increases the quality of interpretation of the factors. There are several methods of the initial factor matrix to attain simple structure of the data.

- Clustering of Indicators of Empowerment into Factors

Table-11: Clustering of Indicators of Empowerment into Factors

Factors	Indicators	Rotated Factor Loadings
I (28.818%)	Economic Independence-S1	0.586
	Standard of Living has Improved-S2	0.592
	Good Public Relation & Social Participation-S4	0.531
	Self Expression-Decision Making In Community, Village and House Holds - S5	0.505
	Breaking Social, Religious And Cultural Barriers-S6	0.638
II (17.503%)	Understand the Banking Operation & Knowledge on Credit Management-S3	0.638
	Leadership Qualities-S7	0.644
	Skill Up Gradation and Better Technology-S8	0.551

Sources: Primary Data.

Four factors were identified as being maximum percentage variance accounted. The 5 indicators S1, S2, S4, S5 and S6 were grouped together as factor I and accounts 28.818 % of the total variance. The 3 statements S3, S7 and S8 constituted the factor II and accounts 17.503 % of the total variance. Thus the factor analysis condensed and simplified 8 statements and grouped into 2 factors explaining 45.684 % of the variability of all the 8 statements.

RESULTS AND DISCUSSIONS

- According to the findings, "To promote income-generating activities" and "To raise status in society" are the top two reasons respondents join SHGs.

- The majority of respondents (47%), who were experienced, belonged to groups that had been around for five years.

- It can be assumed that 31.5% of the respondents had been a part of the group for three to five years. Likewise, 31.5% of respondents who have been a part of the group for two to three years do so.

- A huge 69.6% of those surveyed have taken 2-4 loans. 11.2% of respondents, or those who have taken loans more than six times, have done so.

- The majority of respondents (60.8%) had repaid loans two to four times. The comparison of loans obtained and repaid reveals that the respondents pay back their loans on time.

- Of the respondents, the majority, or 37.93%, said they had recently accepted a loan over Rs. 20,000.

- A null hypothesis is established from the mean scores among the respondents, and the outcome demonstrates that there is no appreciable difference in the mean scores on elements of empowerment among respondents before and after entering the group.

- The 8 statements on indicators of empowerment were reduced and simplified using the factor analysis, and they were classified into 2 factors that accounted for 45.684% of the variability of all 8 statements.

CONCLUSIONS

Women's empowerment is a lifelong process rather than a one-time event. The study demonstrates that becoming a member of a SHG is not simply about obtaining credit; rather, it is about a process of empowerment that results in the women becoming more independent on the social and economic fronts. The self-help group is in charge of empowering women by encouraging self-reliance, self-confidence, and self-dependence as well as educating them about their basic rights.

This empowerment cannot be changed or given; rather, it must come from inside, allowing the empowered to take charge of their own life. India is devoted to the cause of women's emancipation. However, improvement is a difficult and drawn-out process. According to Karl, empowerment is a process of increasing understanding and capacity that results in increased participation, more power and control over decisions, and transformative action.

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