

Impact On Economic Empowerment Of Women Self Help Groups Towards Financial Inclusion In Tiruppur District

Dr.P.Amutha ¹

Associate Professor & Head – B.COM (IT)
School of Commerce

Rathnavel Subramaniam College of Arts & Science (Autonomous)
Sulur.Coimbatore-641402, Tamilnadu.

Mr.R.N. Vivekanandar ²

Associate Professor & Head – B.COM
School of Commerce

Rathnavel Subramaniam College of Arts & Science(Autonomous)
Sulur.Coimbatore -641402, Tamilnadu.

Dr.P.Rajini ³

Associate Professor & Head – Research
School of Commerce

Rathnavel Subramaniam College of Arts & Science(Autonomous)
Sulur.Coimbatore -641402, Tamilnadu.

Mrs.A.Arthi ⁴

Assistant Professor – B.COM
School of Commerce

Rathnavel Subramaniam College of Arts & Science(Autonomous)
Sulur, Coimbatore -641402, Tamilnadu.

ABSTRACT

Microfinance through Women Self Help Groups (SHGs) has been recognized internally as the modern tool for reducing poverty, empowering women and creating awareness which finally result in sustainable development of the nation. Under this tool, the Women SHGS are financed by bank without any securities and peer group support is considered as securities by the lenders. Women development activities must be given importance to eradicate poverty, increase the economic growth and for a better standard of living. Traditionally, women have been unable to readily participate in economic activity.

Microfinance provides women with the financial backing they need to start business

ventures and actively participate in the economy. A researcher is focus the impact of economic empowerment of women self help groups towards financial inclusion in Tiruppur District.

Keywords: Financial inclusion , Self Help Groups Economic empowerment

INTRODUCTION

Financial inclusion plays a very important role in developing countries. Everyone has needs finance. In developed countries, it's relatively easy to obtain credit as compare to developing countries like India etc,. Because many people lack steady employment, credit history or collateral, there's often no way for legitimate small business to receive loans.

In spite of this, only a few people are getting these financial services easily and the remaining lot especially economically weaker section is unable to avail the financial services at an affordable cost. Hence the term "Microfinance" gained importance since the early 1970s.¹ Microfinance is an initiative to provide credit to weaker sections especially women in the society at an affordable cost.

Microfinance is a powerful tool to self empower the poor people especially women level and particularly in developing countries. The key objective of microfinance is to reduce poverty and empower women. Empowerment through microfinance is identified and measured in various dimensions that are impacting on decision making, on self – confidence of women, on their status at home, on family relationships, on the incidence in the community and their political empowerment and rights.

. Self Help Group – Bank Linkage Program is emerging as a cost effective mechanism for providing financial services to the "Unreached Poor" which will be successful not only in meeting financial needs of the rural poor women but also to strength collective self help capacities of the poor leading to the empowerment. Rapid progress in SHGs formation has now turned into an empowerment movement among women across the country². It gives them confidence, improves their status and makes them more active in decision making. This leads to gender equality.

STATEMENT OF THE PROBLEM

The status of women in India has been subject to many great changes over the past few decades. According to the 2011 census, women constitute about 48.53% of the total population of the country. Traditionally, women were dependents and were allowed to perform only restricted areas. They had been unable to readily participate in any economic activities and taking decisions in the family. Recently, especially, the real change came after independence.

Programs for development of women are recent phenomenon in India. The Government of India has launched various schemes for the empowerment of women such as Indira Mahila Yojana, Rashtriya Mahila Kosh, Mahila Samridhi Yojana and many more. Even though the Government of India is planning and implementing various schemes to empower the women, the outcome is not up to the expectations. Several reasons can be assigned to it, but the simple answer is that any scheme to transform the position of women will have only marginal impact which is imposed on them, until and unless it is stated by themselves.

The initiative and drive for betterment should come from within the group of women based on this philosophy that a “ self help is the best policy ” because any outside help is only temporary and for the time being, while the self help is on continuous basis and everlasting. The other advantageous aspect is that, it will not only develop confidence among women, but also create awareness that their fate and fortunes are in their own hands. This approach will motivate them to come forward automatically, to help themselves and they will no more remain dependent on others. This is the only best solution for formation of Self Help Groups (SHGs) by women themselves. It's making them economically self reliant and allowing those to take their own decision independently.

. Hence the researcher has undertaken the task to answers for the following question related to

- How to measure the impact of micro-finance on the economic status of women Self Help Groups in Tiruppur District?

OBJECTIVES OF THE STUDY

Based on the concept discussed above, the following objective is constructed for the effective conduct of the study.

- To measure the impact of micro-finance on the economic status of the women Self Help Groups (SHGs)

HYPOTHESES OF THE STUDY

Hypotheses have been framed to make out the direction in which the researcher's study should process. Based on the objectives which have been mentioned above, the following hypotheses have been framed and tested in this study.

- There exists a close association between the role of women of SHG and their perception towards the economic empowerment of women in Tiruppur district.
- It is hypothetically believed that microfinance have significantly improved the economic status of SHG women in Tiruppur district.

METHODOLOGY OF THE STUDY

Data Sources

Both primary and secondary data were collected for the study. The primary data relating to the SHGs were collected by interviewing the respondents directly by the researcher with the help of an interview schedule.

Secondary data were obtained from the reports, books, journals and magazines. The details of village Panchayat, urban and town in Tiruppur district was collected from Tiruppur district official website

Sampling Design

The sampling respondents were selected based on multi stage – random sampling method. The number of Self Help Groups formed in this district is around 9,952 at the time of the study. In the first stage, five blocks of Tiruppur district were randomly selected from 13 blocks. The five blocks selected for the study are Tiruppur, Palladam, Dharapuram, Pongalur and Mulanur.

These five blocks consist of a total of 2599 SHGs in the period of the study. In the second stage out of 2599 SHGs, 10% were selected for the study, which was 260 SHGs . In the third stage, from each of the selected SHG 2 members were randomly selected based on the size of the group. When it comes to the size of the group consists of 12 or less than 12 members, then 1 member was selected as respondent and if the SHG has more than 12 members, 2 members were randomly selected for the study. The sample of the study totally consists of 498 members of SHGs. Approximately 525 questionnaires were issued and collected. Out of this, 498 questionnaires were used for analyses, in this study.

ANALYSIS AND INTERPRETATION

H1: There exists a close association between the role of women in SHG and their perception towards the economic empowerment of women in Tiruppur district.

The multiple regression models were performed to evaluate the association between the role of women in SHG and their perception towards the economic empowerment of women in Tiruppur district.

The dependent variable considered was the role of women in SHGs and the independent variable: X_1 = Possibilities for having improved standard of living, X_2 = Possibilities for availing new loans to settle old debts, X_3 = Possibilities for fulfillment of the basic needs living, X_4 = Possibilities for attainment of ambition, X_5 = Possibilities for getting sustained support for livelihood, X_6 = Possibilities for having small investment, X_7 = Possibilities for solving the problem of raising prices,

X_8 = Possibilities to take part in the affairs of the SHGs, X_9 = Possibilities for having domestic appliance, X_{10} = Possibilities for having considerable savings, X_{11} = Possibilities for meeting the expenses of children education, X_{12} = Possibilities for improving managerial and personal skills, X_{13} = Possibilities to buy goods and services on credit, X_{14} = Possibilities for procuring insurance policies, X_{15} = Possibilities for establishing and promoting business, X_{16} = Possibilities for participating in economic decision and X_{17} = Possibilities for adjusting to urban environment.

Role of women in SHGs = f (Possibilities for having improved standard of living, Possibilities for availing new loans to settle old debts, Possibilities for fulfillment of the basic needs of living, Possibilities for attainment of ambition, Possibilities for getting sustained support for livelihood, Possibilities for having small investment, Possibilities for solving the problem of raising prices, Possibilities to take part in the affairs of the SHGs, Possibilities for having domestic appliance, Possibilities for having considerable savings, Possibilities for meeting the expenses of children education, Possibilities for improving managerial and personal skills, Possibilities to buy goods and services on credit, Possibilities for procuring insurance policies, Possibilities for establishing and promoting business, Possibilities for participating in economic decision and Possibilities for adjusting to urban environment.)

Measured role of women in SHGs as a dummy variable and run the following regression model to identify the association between the role of women in SHG and their perception towards economic empowerment of women in Tiruppur district. Specifically,

$$\text{Role of women in SHGs (Y1)} = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \beta_7 X_7 + \beta_8 X_8 + \beta_9 X_9 + \beta_{10} X_{10} + \beta_{11} X_{11} + \beta_{12} X_{12} + \beta_{13} X_{13} + \beta_{14} X_{14} + \beta_{15} X_{15} + \beta_{16} X_{16} + \beta_{17} X_{17} + e$$

Where,

Y_1 = Role of women in SHGs

β_0 = Intercept

β_1 - β_{17} = Slopes (estimates of coefficients)

e = Random error, which the authors assumed as NID for this research.

X_1 = Possibilities for having an improved standard of living,

X_2 = Possibilities for availing new loans to settle old debts,

X_3 = Possibilities for fulfillment of the basic needs of living,

X_4 = Possibilities for attainment of ambition,

X_5 = Possibilities for getting sustained support for livelihood,

X_6 = Possibilities of having small investment,

X_7 = Possibilities for solving the problem of raising prices,

X_8 = Possibilities to take part in the affairs of the SHGs,

X_9 = Possibilities of having domestic appliance,

X_{10} = Possibilities of having considerable savings,

X_{11} = Possibilities of meeting the expenses of children's education,

X_{12} = Possibilities for improving managerial and personal skills,

X_{13} = Possibilities to buy goods and services on credit,

X_{14} = Possibilities for procuring insurance policies,

X_{15} = Possibilities for establishing and promoting business,

X_{16} = Possibilities for participating in economic decision and

X_{17} = Possibilities for adjusting to urban environment.

MULTIPE REGRESSION MODEL SUMMARY

ROLE OF WOMEN IN SHG AND THEIR PERCEPTION TOWARDS ECONOMIC EMPOWERMENT

R	R²	Adjusted R²	SE	F Value	Sig
.703	.495	.477	.602	27.641	.000

Level of Significance: 5 per cent

$$Y = 4.181 - .309X_1 - .180X_2 + .088X_3 - .074X_4 + .008X_5 + .007X_6 + .311X_7 - .447X_8 + .214X_9 - .006X_{10} - .035X_{11} + .062X_{12} + .083X_{13} - .692X_{14} + .003X_{15} - .186X_{16} + .063X_{17}$$

It has been revealed by the above econometric analysis that F ratio (27.641) is statistically significant at 5 per cent level. This indicates the entire regression is significant, it establishes 70.30 per cent relationship between the variables tested. From the above table it is seen that the coefficient of correlation (R) value 0.703 which describe good relationship between variables and the coefficient of determinant (R^2) 0.495 values describe that role of women in SHG and their perception towards economic empowerment of women in Tiruppur district for variation in each of those seventeen independent variables

H2 : It is hypothetically believed that micro finance have significantly improved the economic status of SHG women in Tiruppur district.

INDEPENDENT Z-TEST

MICRO FINANCE AND ITS INFLUENCE ON IMPROVEMENT OF THE ECONOMIC STATUS OF SHG WOMEN

Particulars	Credit Availability				Z	DF	Sig
	Avail		Do Not Avail				
	Mean	SD	Mean	SD			
Possibilities for having improved standard of living	1.31	.792	1.16	.371	8.941	496	.003
Possibilities for availing new loans to settle old debts	1.63	.686	1.39	.493	11.602	496	.001
Possibilities for fulfillment of the basic needs of living	2.63	.701	2.38	.489	6.819	496	.009
Possibilities for attainment of	2.93	.846	2.70	.464	11.242	496	.001

Particulars	Credit Availability				Z	DF	Sig
	Avail		Do Not Avail				
	Mean	SD	Mean	SD			
ambition							
Possibilities for getting sustained support for livelihood	3.40	1.050	3.07	.628	20.504	496	.000
Possibilities for having small investment	2.59	.922	2.59	.496	27.727	496	.000
Possibilities for solving the problem of raising prices	2.47	.888	2.14	.353	76.143	496	.000
Possibilities to take part in the affairs of the SHGs	1.24	.482	1.30	.464	1.265	496	.261
Possibilities for having domestic appliance	1.35	.599	1.54	.503	.000	496	.989
Possibilities for having considerable savings	1.97	.936	2.34	.859	.011	496	.915
Possibilities for meeting the expenses of children education	2.02	1.033	3.21	.706	23.076	496	.000
Possibilities for improving managerial and personal skills	1.55	.877	1.75	.437	29.437	496	.000
Possibilities to buy goods and services on credit	3.19	1.240	2.48	1.027	1.280	496	.258
Possibilities for procuring insurance policies	3.61	.792	2.48	1.027	15.830	496	.000
Possibilities for establishing and promoting business	2.32	1.038	2.61	.493	47.078	496	.000
Possibilities for participating in economic decision	1.97	.825	2.39	.493	7.085	496	.008
Possibilities for adjusting to	3.35	.833	2.84	.371	33.224	496	.000

Particulars	Credit Availability				Z	DF	Sig
	Avail		Do Not Avail				
	Mean	SD	Mean	SD			
urban environment							

Level of Significance: 5 per cent

From the above table, it has been inferred that the probability value of z is observed to be significant at the five per cent level. Therefore the hypothesis framed stands accepted and it is concluded that micro finance have significantly improved the economic status of SHG women in Tiruppur district. However, it is exceptional in the case of Possibilities to take part in the affairs of the SHGs, for having domestic appliance, for having considerable savings and to buy goods and services on credit.

CONCLUSION

Micro finance is accepted as a key mantra for attaining and maintaining the sustained and long term economic growth in all over the world. Microfinance is playing a vital role in the socio, psychological as well as economic empowerment of women in India. Impact of microfinance is appreciable in bringing confidence, courage, skill development and empowerment. Women's empowerment is not a one- time affair, but a continuous process. The most important one is women's empowerment through self help groups. SHGs have undoubtedly begun to make a significant contribution in poverty alleviation and empowerment of poor, especially women in our country. Investing in women's capabilities and empowering them achieve their choices and opportunities are the definite way to contribute to the economic growth and the overall development. The empowerment of women leads to benefit not only to individual women and women groups, but also to the families and the community as a whole.

The present study is an attempt to analyze the role and impact of microfinance on self help groups with special reference to Tiruppur district. From the study, it is found that the income of the women has been increased after joining the SHGs and monthly

household expenditure also has been raised to a considerable level. However, the savings are increasing at slowest rate, because the incremental expenditure is higher. Mostly they are spending for present consumption.

The greater percentage of women was impacted positively by being members of SHGs. Women participation in the SHGs enabled them to discover inner strength, gain self confidence, social, economical, political and psychological empowerment and capacity building. The microfinance provided by the SHGs has an enhanced status of women both in the family as well as in the society.

Pandit Jawaharlal Nehru said “ To awaken the people, it is women who must be awakened; once she is on the move, the family moves, the village moves and the nation moves”.

Now the women are awakened by the Self Help Groups

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