

Influence of Self-Help Groups on the Socio-Economic Conditions of Female Entrepreneurs in Hosur Taluk.

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Abstract

Women's empowerment is a task in which women defy societal and cultural norms in order to improve their lives. The persistence of women in self-help groups (SHGs) has had a tremendous impact on their social and economic empowerment. The focus of this research is on women's empowerment in Hosur through Self-Help Groups (SHGs). Entrepreneurship is considered to be one of the most essential components in a society's economic progress. Entrepreneurs have long been credited with helping to initiate and sustain socioeconomic progress. Women's entrepreneurship is a relatively new concept in India. Women have become more conscious of their rights and circumstances, and have pursued careers in a variety of sectors. They've established a flourishing commercial sector of their own. The proportion of women in the workforce in India is increasing as the women's proficiency rate rises. In various Indian states, rural women have benefited from the notion of Self Help Groups. It has improved not just their financial situation but also their social standing. The focus of this research is on rural women's economic empowerment and the importance of SHGs empowerment. Findings of the study show that SHG activities have a favorable impact on SHG members' economic characteristics.

Key words: Woman Entrepreneur, Empowerment, SHG, Socio-Economic Conditions

Introduction

SHGs are first and foremost formed by small groups of women joining together, selectively at the village level. These groups, after a testing period, are then credit-linked to banks in their area. Micro-credit typically means small loans without collaterals. The bulk of rural households are in need of borrowings for very small amounts, but have no collaterals to offer. For this reason, institutional credit has not been able to properly penetrate the rural sector. SHGs have now stepped in to provide micro-credit, firstly from the corpus of small savings mobilized from group members and secondly by supplementing these with credit linked to banks. An SHG is formed when a number of poor, rural people come together to form a homogeneous group that pools their savings at regular intervals. From these group savings, small loans are extended to members, for both consumption and productive activities.

Group savings are first and foremost utilized for internal lending to members, based on their repaying capacity. After establishing a sound system of savings, lending and recoveries, the SHGs. may approach a bank for extension of credit. Banks willingly extend credit to SHGs linked to their 'own investment' (which comprises their savings + investment in internal loans to members + interest received on loans + any other income.)

Social empowerment

In terms of the constitution and the law, men and women are on an equal footing. In practice, however, the woman was still relegated to a subordinate position. Inequality exists in many areas, including the birth rate of women and men, education, and financial and political engagement. Women are subjected to atrocities. It is not regarded as a person, but rather as something delectable.

Efforts are being made to rectify this condition and bring men and women on a level playing field. Many programmes are being established to ensure that women have equal access to education and career opportunities. As a result, some progress has been made in this area. Women's social status has risen dramatically as a result of their greater representation in banks, village panchayats, and various government bodies, among other places. However, this is a slow process, society as a whole must modify its thinking. Women must have the right to be empowered to benefit from available resources, and they must be able to achieve a significant role in their families and societies. Self-Help Groups are mostly made up of women. They put their money aside and put it into SHG. They can use it whenever they want. They are granted a reasonable status in their family since they can hold money. As a result, self-confidence, self-esteem, and self-esteem have grown.

Economic empowerment

Access to and control over productive resources, as well as a degree of financial independence, is critical for women's economic empowerment. According to a survey by the National Commission for Women (NCW), women work longer hours than males in India (Status of Women 2001). Females participate in 51 percent of unpaid activities compared to only 33 percent of unpaid activities for males. They are also responsible for cooking, cleaning, getting water and fuel, collecting fodder for the cattle, maintaining the environment, and aiding vulnerable and impoverished family members on a voluntary basis. This demonstrates that in terms of women's empowerment, there is still a long way to go. To achieve the goal, a shift in the entire society's mindset is required.

Rural communities have yet to feel the winds of change and growth, and basic economic demands have yet to be satisfied. Farm Labour is the most common source of employment for women. However, this does not meet all of their requirements. Indebtedness has become a way of life in rural areas. Participating in self-help groups allows them to save money on their daily living expenses. They can also get a loan with a lower interest rate. This has resulted in a shift in society's attitude toward women in general.

Review of literature

The distinction between microfinance and microcredit was explained by **Rutherford (2018)**. Small loans to the poor were referred to as microcredit, while microfinance was a larger term that encompassed initiatives to gather savings from low-income people as well as providing consumption

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loans and insurance. It also aided in the distribution and marketing of clients' work. Microfinance encompassed a wide range of financial services aimed at meeting the poor's requirements, safeguarding them against income fluctuations and other shocks while also assisting them in improving their incomes and livelihood.

In their study of microfinance initiatives through SHGs, **Bardhan and Dabas (2017)** found that People in rural India come from many cases, work in various jobs, have varying socioeconomic statuses, and lead quite diverse lives; indeed, the criteria for group creation lead to greatly improved SHG functioning. Compulsory attendance of members at regular meetings can improve the group's performance. A higher cost of acquiring credit is also interpreted to raise the value of credit, the duty of repayment, and the accountability to the groups. Furthermore, in order to sustain mutual trust and improve group functioning, the study underlines the necessity of transparency in group operations. Besides, **Rao (2014)** also discovered that microfinance helped members improve their socioeconomic conditions in a variety of ways.

Sheokand (2017) looked at the failure of Indian banking to provide credit to the poor. The Self Help Group-Bank Linkage Program, which NABARD established in 1992, was regarded as a breakthrough moment in poor banking. The security-oriented individual banking system of Regional Rural Banks was found to be Loans to targeted groups have taken their place. The Bank-Self-Help Group Linkage Program is a programme that connects self-help groups with banks. The Self Help Group-Bank Linkage Program has proven to be quite successful in terms of socio-economic empowerment, delivering financial services to the hard core poor, and preparing them to engage in economic activities to alleviate poverty. Although the project was not a panacea for rural poverty, it had the potential to develop into the country's long-term rural lending system without any government intervention and with full involvement from the conventional banking system.

Manimekalai and Rajeswari (2016) investigated the socioeconomic backgrounds of self-help group women in Tamil Nadu's rural micro-enterprises, as well as the causes that drove them to join SHGs and finally become entrepreneurs. The researchers looked at the kind of economic activities as well as their growth-related performance measures such as investment turnover, employment, and productivity, as well as funding sources, product promotion, and other factors associated issues, as well as the challenges that SHG women face in running their businesses. A sample of 150 SHG members from 5 blocks in Tamil Nadu's Tiruchirapalli district were chosen for the study and were investigated based on the nature of their activity. An NGO was responsible for forming and promoting these groups Trade, agriculture, animal husbandry, food processing, tailoring, gem cutting, catering, petty shop, bamboo-based units, and agro-based units were among the micro-enterprises established by the organisations. The basic data was from the years 1999 and 2000. Women from SHGs worked in both agricultural and non-agricultural jobs. Women's SHGs earned the highest money, according to the poll. Agriculture, trade-related businesses, and catering services are the most prevalent sources of income. The majority of the sample units did not advertise their goods outside of their regions instead selling them to customers directly. After starting micro-businesses, the SHG women's income nearly doubled. The majority of respondents reported serious issues such as a lack of raw materials and infrastructure marketing, a lack of assistance in running the enterprises from family members and so on. The NGO's offering of microfinance to the women SHGs has assisted the groups in achieving some economic and social empowerment. It had developed a sense of leadership, organisational competence, management of a wide

range of commercial activities, raw resource discovery, market diversification, and modernisation, as well as a favourable location.

Dahiya (2016) examined the socioeconomic impact of SHGs in the Himachal Pradesh district of Solan. The data came from 54 SHG members from six SHGs spread over two development blocks in the district. Members were mostly involved in small businesses and service/professions such as bangle selling, tailoring, and marginal farming, according to the findings. Internal lending rates ranged from 24 to 60 percent, while the bank's interest rate was 12.5 percent. Internal and bank loans both recovered 100% of their principal. The study discovered in the post-SHG period, there was a significant increase in annual revenue. When compared to older groups, this growth was extremely high for newly created groups. In the post-linkage period, annual income increased by 94.3 percent on average. The societal impact was significant in terms of women's empowerment, children's educational progress, and emancipation from societal evils such as male household members' drinking.

Prem Singh Dahiya (2012) stated in their article "Socio-economic upliftment through Self Help Groups in Solan District of Himachal Pradesh" that the success or efficiency of micro finance interventions can be understood on three levels: "(i) outreach and financial sustainability of the programme, (ii) income or poverty impact on the users, and (iii) income or poverty impact on the users" and (iii) There is a market for the development of financial literacy at the local level. The economic impact is quantified in terms of annual incremental revenue increase. All SHGs saw a gain in income, with a total of 94.3 percent. They also mentioned that many metrics are utilized to assess the maturity of households. These are (i) homogeneity, (ii) a sense of group formation's importance, and (iii) a feeling of being a part of something. (iii) group members' awareness of their goals, (iv) meeting attendance and frequency, (v) savings consistency (vi) loan repayment, and (vii) group engagement in financial transactions.

Objective of the Study

- To investigate the characteristics of women who participate in self-help groups in the Hosur region.
- To examine the role of SHGs in improving rural women's socioeconomic position.

Hypothesis of the Study

Null Hypothesis (H_0) In the socio-economic situations of women entrepreneurs, there is no substantial difference between educational qualifications and self-help groups.

Alternate Hypothesis (H_1) In the socio-economic situations of women entrepreneurs, there is a big discrepancy between educational qualifications and self-help groups.

Null Hypothesis (H_0) In terms of women entrepreneurs' socio-economic status, there is no substantial difference between annual income and Self-Help Groups.

Alternate Hypothesis (H_1) In the socioeconomic situations of women entrepreneurs, there is a large disparity in annual income and Self-Help Groups.

Null Hypothesis (H_0) In the socio-economic conditions of women entrepreneurs, there is no substantial difference between occupation and self-help groups.

Alternate Hypothesis (H_1) In the socio-economic conditions of women entrepreneurs, there is a substantial disparity between occupation and self-help groups.

Sources of Data

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Both primary and secondary data were utilized in this study.

Primary Data

Through a standardised questionnaire, primary data was acquired from the respondents. Personal information such as age, income, and occupation, among other things, was acquired. 320 questionnaires were distributed through personal contacts as part of the data collection procedure. There were 300 completed surveys received, with a response rate of 93.75 percent. Only 293 questionnaires were used, with the remainder being discarded due to incomplete or incorrect responses. Convenient sampling method was adopted for the study. Analysis made for basic distribution, % analysis; f- test and t- test were analyzed and used for the study

Secondary Data

Journals, newspapers, magazines, articles, books, and a variety of websites were used to gather secondary sources of information.

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Limitations of the Study

1. Only data from self-help groups for women in the Hosur region were obtained.
2. The study is influenced by numerous variables, but only a few are significant.
3. The religious backgrounds of respondents and the occupation of their husbands were not taken into account in this study.

FINDINGS AND DISCUSSION

Table Showing the Demographic Variables

Age	No of Respondent	%s
Up to 25 years	21	7.16
26 years to 35 years	64	21.84
36 years to 45 years	61	20.82
46 years to 55 years	82	27.99
Above 55 years	45	15.36
Total	293	100
EDUCATIONAL QUALIFICATION		
Nil	43	15.30
Up to 10 th	66	22.53
Up to 12 th	62	21.33
Up to UG	77	26.11
Up to PG	45	15.35
Total	293	100
ANNUAL INCOME		
Less than 25000	83	28.50
25000 – 50000	99	33.78
50000 – 75000	46	15.70
75000- 100000	32	10.40
Above 100000	34	11.43

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Total	293	100
OCCUPATION DISTRIBUTION		
Daily Earner	77	26.27
Business	73	24.91
Private	76	25.94
Govt.	67	22.87
Total	293	100

Source: Primary data

Inference

It is inferred from the table that 63% of respondents are above 36 years. 15.3 % of respondents are not educated, 22.53% of respondents are up to 10 standards, 21.33 % of respondents are up to 12 standards, 26.11 % of respondents are up to Up to UG degree and 15.35 % of respondent's parent are Up to PG degree. It is also inferred that 28.50 % of Respondents make less than Rs.25,000 per year 33.78 % of respondents are earning Rs. 25000 – 50000, 15.70 % of respondents are earning Rs. 50000 – 75000, 10.40 % of respondents are earning Rs. 75000-100000 and 11.43 % of respondent's parent earning Rs. Above 100000. It is further inferred that, 26.27 %s of respondents are daily earning, 24.91 %s of respondents are business, 25.94 %s of respondents are private employee, 22.87 % of respondents are Government Employees.

Hypothesis 1

Null Hypothesis (H₀)

There is no discernible difference between the Educational Qualification and Self-Help Groups in the socio-economic conditions of women entrepreneur

Alternate Hypothesis (H₁)

There is a significant difference between the Educational Qualification and Self-Help Groups in the socio-economic conditions of women entrepreneur .

Table showing Educational Qualification Self-Help Groups in the Socio-Economic Conditions of Women Entrepreneur

Particulars	Mean Value	S.D	f-value	P Value	Result
Nil	66.7322	6.112	.6798	.000*	Significant
Up to 10 th	67.4312	6.231			
Up to 12 th	67.8029	6.976			
Up to UG	71.3291	6.211			
Up to PG	72.1 771	6.672			

Source: Primary data

*At 1% level of significance **At 5% level of significance

Inferences

From the table, it is inferred that mean score (72.1 771) indicate who are completed the graduations highly influences in their Self-Help Groups in the socio-economic conditions of women entrepreneur, (67.8029) mean value indicate who are completed the up to +2 in their moderately influences in their Self-Help Groups in the socio-economic conditions of women entrepreneur and mean score (66.7322) indicate who are not completed in primary educations in their low influences in their Self-Help Groups in the socio-economic conditions of women entrepreneur. Therefore the null hypothesis is rejected.

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Hypothesis 2

Null Hypothesis (H₀)

There is no significant difference between the annual income and Self-Help Groups in the socio-economic conditions of women entrepreneur.

Alternate Hypothesis (H₁)

There is a significant difference between the annual income and Self-Help Groups in the socio-economic conditions of women entrepreneur

Table Showing the Annual Income Self-Help Groups In The Socio-Economic Conditions of Women Entrepreneur

Particulars	Mean Value	S.D	f- value	P Value	Result
Less than 25000	77.432	6.612	.9012	.000*	Significant
25000 – 50000	58.731	6.831			
50000 – 75000	59.829	6.986			
75000- 100000	60.291	7.221			
Above 100000	61.541	7.634			

Source: Primary data

*At 1% level of significance **At 5% level of significance

Inference

From the table, it is inferred that mean score (61.541) indicate are earning income above 100000 in their not highly influences in their Self-Help Groups in the socio-economic conditions of women entrepreneur, (59.829) mean value indicate who are earnings between 50000 to 75000 their moderately influences in their Self-Help Groups in the socio-economic conditions of women entrepreneur and mean score (77.432) indicate who are earning below 25000 in their influences in their Self-Help Groups in the socio-economic conditions of women entrepreneur. Therefore the null hypothesis is rejected.

Hypothesis 3

Null Hypothesis (H₀)

There is no significant difference between occupation and Self-Help Groups in the socio-economic conditions of women entrepreneur.

Alternate Hypothesis (H₁)

There is a significant difference between the occupation and Self-Help Groups in the socio-economic conditions of women entrepreneur

Table Showing the Occupation and Self-Help Groups in the Socio-Economic Conditions Of Women Entrepreneur

Particulars	Mean Value	S.D	f- value	P Value	Result
Daily Earner	76.412	6.212	2.782	.000*	Significant
Business	56.811	6.134			
Private	57.529	6.381			
Government	56.391	7.214			

Source: Primary data

*At 1% level of significance **At 5% level of significance

Inference

From the table inferred that mean score indicate are occupation government in their not highly influences in their Self-Help Groups in the socio-economic conditions of women entrepreneur, mean value indicate who are private employee moderately influences in their Self-Help Groups in the socio-economic conditions of women entrepreneur and daily earner influences in their Self-Help Groups in the socio-economic conditions of women entrepreneur. Therefore the null hypothesis is rejected.

Suggestions

The promoting agencies attitude, motivation, commitment and understanding of socio economic problems and dynamics of self-help groups is crucial. The inception stage and initial stages require a great deal of caring and nurturing processes. Shift in the focus from formation of new groups to building the capacity of existing groups has been realized. Capacity building of the existing groups and ensuring sustainability is the need of the hour. Only 16% of the groups in the state are ranked as good quality groups. Even then the groups are impaired by a variety of factors in their growth. Building the capacities and concentrating efforts on the existing group is recommended. Further, capacity building is an ongoing process and monitoring the existing systems is essential. Capacity building needs are required at three levels SHG group members and leaders, bankers, and the promoting agency, animator and book keeper.

The skills and competencies of the promoting agencies can be developed to enable them to understand the dynamics of the SHGs, their environment and socio, economic conditions of the group members. A comprehensive database of SHGs, promoting agencies, at the district level would help planners and financial institutions to assess the groups and strengthening the groups. The expressed needs of the groups have to be integrated in the strategy and thus make this a participatory movement.

Conclusion

The role of socio-economic variables plays a vital role in the empowerment of women in self-help groups in the sample area. This indicates the need and importance of socio economic variable its effectiveness to lead and effectively operationalize the schemes introduced by the government to empower the women in rural areas and the society at large. A successful self-help group member is one who creates a spark and enlightens the followers by guiding and advising for the benefit of the members and to the society at large. Such initiatives adopted and followed by the leaders in the sample area to empower the women in socio economic dimensions are empirically proved in this study.

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