

## **ROLE OF SELF HELP GROUPS IN THE ECONOMIC DEVELOPMENT OF WOMEN – SPECIAL REFERENCE TO KOZHIKODE DISTRICT**

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### **Abstract**

Women are considered inferior in society and they are not permitted to participate in social activities. The women in society face a lot of difficulties because of the existence of patriarchal society, family care roles, deep-rooted cultural norms, etc. Hence, to overcome these difficulties The Self-Help-Group Program is a way to bring women together to be involved in saving schemes and prompted to create internal resources to meet emergencies or business needs, thus helping to do away with money lenders and also promoting entrepreneurial activities. The SHGs activity also focuses on the economic empowerment of women in the society. This has provided the motivation for the researcher to make an in-depth study on the various aspects of the economic empowerment enjoyed by women. Hence, the present study is undertaken in SHGs in Kozhikode district, Kerala. Ten women entrepreneurs were selected from the twelve Taluks of Kozhikode district, for a total of 120 respondents. The results show that employment, savings, the beginning of income generation activities, effective use of resources and the elimination of poverty are important economic activities of the SHGs.

**Keywords:** Economic Development, Self-Employed, Empowerment

### **1.1. INTRODUCTION**

The increasing challenges of unemployment and uneven growth in India can be alleviated by fostering the economic participation of India's female population. Through a variety of different development programs, both the State and the Central governments encourage their respective populations' female populations to participate in self-employment. The most well-known of these programs are those that assist in the professional and economic advancement of women through the formation of self-help groups.

Women's role in the family and society is always important for economic development. Therefore, it is essential to cultivate the roles that women play in SHGs in order to bring together, over the course of many years, women who have been marginalized and isolated in some fashion or another.

Therefore, the industrial revolution brought about a significant shift in the way in which women conducted their economic lives. They suffered a blow to the pride of place that they had in traditional society as a result of the event. In the new factory system, they were reduced to the role of wage earners.

In addition to this, in order to accommodate the self-interests of the authorities, they were reduced internationally to the roles of "housewife" and "mother." In India, Self-Help Groups (SHGs) have proven themselves to be useful weapons or instrument in the fight against the issue of unemployment on the one hand and in the fight to empower women on the other.

As a result, the purpose of this study is to concentrate on the role that Self-Help Groups play in advancing women's economic participation in the Kozhikode District.

## 1.2. REVIEW OF LITERATURE

**Sujatha (2011),<sup>i</sup>** in her study titled "Economic empowerment of women in self-help groups," had made an effort to look into the role that SHGs had in social development concerns and the empowering the economics of women in SHG as a hierarchical opportunity to find areas for social improvement. After the investigation shown that women were not in fact the family's leaders, even though they should have been.

Men made the majority of key decisions in this instance. Women were seen as unique people to their family from SHG and only economic specialist. The analysis revealed that the use, the majority of people had accepted their advance from SHGs. In a sizable a section of the SHGs, the internal credit obtained by individuals was severely.

The researcher has identified the following problems of the study. Women entrepreneurs faced many problems such us Financial Problems of the Women Entrepreneurs related to inadequate amount advanced through financing agencies, high rate of interest, lack of affordable credit, poor knowledge in management of finance and difficult to get micro-finance, Managerial Problems related to lack of planning, lack of decision making skill, poor knowledge of business management, lack of control, poor environmental sanitation, Marketing Problems related to insignificant market share, transport problems, less marketing opportunities for product, cut throat competition, lack of market information, poor knowledge of marketing management, lack of sufficient stock of products etc.

## 1.3. NEED FOR THE STUDY

Self-help groups provide a way to change their economic condition and they significantly change the physical and mental health of women in society. To know the economic changes among the Self-Help Groups members, this study has been undertaken with the aim of providing suitable solutions to empower the economic condition of the Self-Help Groups members in the Kozhikode district of Kerala. In this view, the questions arise as follows:

1. What are the marketing activities of women entrepreneurs?
2. What are the economic changes which are brought by SHGs members in their daily life?

#### 1.4. OBJECTIVES OF THE STUDY

1. To know the types of products produced and marketed by the women entrepreneurs in the study area.
2. To examine the SHG role in the development of women entrepreneurs among the women self-help groups in Kozhikode district.

#### 1.5. METHODOLOGY

The survey approach was used to compile the data for this investigation. A methodological approach to resolving a research issue is what we mean by "research methodology." For the purpose of conducting an insightful analysis of any research issue, it is necessary to first devise an appropriate methodology and then choose the appropriate analytical instruments. It comprises the design of samples and the tools for collecting data that will be used in the analysis of the study.

#### 1.6. SAMPLING DESIGN

The present study is undertaken entrepreneurs in Kozhikode district of Kerala. Ten women entrepreneurs from the twelve Taluks of Kozhikode district with a total 120 respondents were selected for the study.

#### 1.7. STATISTICAL TOOLS

The collected data was properly tabulated by means of a transcription sheet. The tables were interpreted suitably with the use of statistical tools such as percentage analysis and the chi-square test.

#### 1.8. PROFILE OF THE RESPONDENTS

The respondents profile plays a significant role in enabling the financial empowerment of women within the family and in society. Hence, it is important to understand the role of SHGs in the changes in the social and financial position of women, as analyzed in Table 1.1.

**Table 1.1: Profile of the Women Entrepreneurs**

	Variables	No of Respondents	Percentage
Age	Less than 25	17	14.17
	25 to 35	34	28.33
	36 to 45	47	39.17
	Above 45 Years	22	18.33
	<b>Total</b>	<b>120</b>	<b>100.00</b>
Marital Status	Married	109	90.83
	Unmarried	11	9.17
	<b>Total</b>	<b>120</b>	<b>100.00</b>
Education	Up to HSC	13	10.83
	Graduate	40	33.33
	Post Graduate	31	25.83

	Others (Dip. ITI etc.)	36	30.00
	<b>Total</b>	<b>120</b>	<b>100.00</b>
Family Size	Upto four members	43	35.83
	Five and six	63	52.50
	Above six members	14	11.67
	<b>Total</b>	<b>120</b>	<b>100.00</b>
Occupation (Dependents)	Agriculture	27	22.50
	Employed in private companies	41	34.17
	Employees in Government	15	12.50
	Assisting the business	16	13.33
	Others	21	17.50
	<b>Total</b>	<b>120</b>	<b>100.00</b>

**Source:** Primary data

Table 1.1 shows the most important profile of age since it determines the exposure, excitement to learn, readiness to take part in the SHG activities and adjustability of the respondents. It is inferred that 39.17 percent are between 36 and 45 years old, followed by 28.33 percent between 25 and 35 years old and 18.33 percent above 45 years old. The least number of respondents from the age group below 25 years constitutes 14.17 percent of the total respondents. Education is the key to success in the modern era; individual business processes require constant learning. Possessing a good educational background will benefit from skills both in academics and in business.

It shows a highest of 33.33 percent having education of graduates, followed by 30 percent having education of others, 25.83 percent having education of postgraduates and 10.83 percent having education of higher secondary level in the study. The marital status of a person gives recognition to women in society. It is vital to get advice, support, motivation and involvement in business. It shows 90.83 percent are married and 9.17 percent are unmarried respondents in the business. The size of the family is significant; it is the power of personality traits and inspiration to take part in SHG activity participation among the respondents.

It is observed that 35.83 percent have a family size of up to 4 members, 52.50 percent have 5 and 6 members, and 11.67 percent have more than six members in the family. The occupation represents the parent, husband, or anybody else on whom the respondents were dependent. The important category of occupational background of the respondents is employment in private companies and agriculture, which constitute 34.17 and 22.50 percent of the total. The other categories, assisting their businesses and employees of Government constitute 17.50 percent, 13.33 percent and 12.50 percent, respectively.

## 1.9. NATURE OF PRODUCTS PRODUCED AND MARKETED

SHG helps members start small businesses, buy equipment, or invest in their marketing. Through providing access to credit, SHGs enable members to become entrepreneurs and start their own businesses. The marketing of the products of SHGs in the market place are analysed presented in Table 1.2.

**Table 1.2: Marketing of Products**

Nature of Products	No. of Respondents	Percentage
Marketing of agriculture Commodities	41	34.17
Handicrafts, Candle, Agarbathis, decoration etc.	24	20.00
Floriculture, Areca plates, Vermi compost	13	10.83
Street, vendors, petty shop etc.,	31	25.83
Animal husbandry or Poultry farming	11	9.17
<b>Total</b>	<b>120</b>	<b>100.00</b>

**Source:** Primary data

According to Table 1.2 shows, 34 percent of entrepreneurs are marketing agricultural commodities and 25.83 percent of them have petty shops. Further, it can also be noticed that 20 percent of the entrepreneurs are producing and marketing handlooms. 10.83 percent of them are involved in floriculture and vermin compost and 9.17 percent are involved in activities like animal husbandry, poultry farming, etc., which are marketing activities of SHG members.

### 1.10. MODES OF MARKETING

The implementation of SHG schemes involves employment generation or self-employment opportunities for the members. This helped improve the economic conditions of the members of the SHG. The respondents were asked to specify the level of improvement in economic conditions, which is presented in Table 1.3.

**Table 1.3: Contribution of SHGs towards Economic Condition**

Economic impact	No. of Respondents	Percentage
To lower extent	22	18.33
To some extent	34	28.33
To larger extent	64	53.33
<b>Total</b>	<b>120</b>	<b>100.00</b>

**Source:** Primary data

It is clear from Table 1.3 that the majority of respondents (53.33 percent) agree with changes in the economic condition, which is very high among the respondents. However, 18.33 percent of respondents agree with the lower extent and 28.33 percent agree with, to some extent, only changes in the economic conditions.

### 1.11. ROLE OF SHGs

SHGS is where people come together to discuss and find solutions to their shared challenges. It plays an important role in enabling financial inclusion and empowering women to solve various social issues. Successful SHGs act as deliverers of services like training related to entrepreneurship, encouragement of livelihood activities and community development programs. The respondents were asked to specify the role of SHGs in the study area, which is discussed in Table 1.4.

**Table 1.4: Role of SHGs in Economic Impacts**

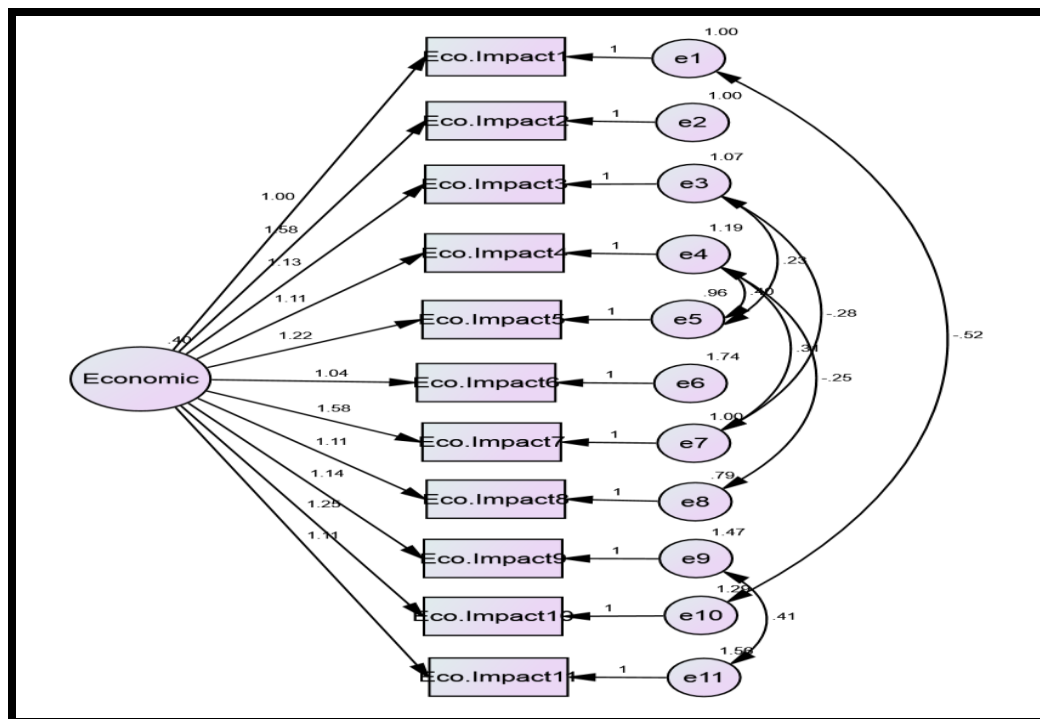
<b>Economic impact</b>	<b>Highly Agree</b>	<b>Agree</b>	<b>Undecided</b>	<b>Disagree</b>	<b>Highly Disagree</b>	<b>Total</b>
Improved family economic condition	44	46	10	13	7	120
	36.67	38.33	8.33	10.83	5.83	100.00
Elimination of poverty within the family	31	35	14	22	18	120
	25.83	29.17	11.67	18.33	15.00	100.00
Elimination or reduction of reliance on loan sharks	42	43	7	21	7	120
	35.00	35.83	5.83	17.50	5.83	100.00
Production of assets	35	49	5	20	11	120
	29.17	40.83	4.17	16.67	9.17	100.00
The beginning of activities that will generate income	43	45	7	16	9	120
	35.83	37.50	5.83	13.33	7.50	100.00
Reduction of dependency on moneylenders	48	28	6	23	15	120
	40.00	23.33	5.00	19.17	12.50	100.00
More efficient use of the resources that are available	41	30	15	20	14	120
	34.17	25.00	12.50	16.67	11.67	100.00
Increase in one's ability to save money	39	59	4	10	8	120
	32.50	49.17	3.33	8.33	6.67	100.00
Increase in one's purchasing power	40	32	14	19	15	120
	33.33	26.67	11.67	15.83	12.50	100.00
Modifications to the nature of employment	41	39	8	18	14	120
	34.17	32.50	6.67	15.00	11.67	100.00
Capacity to deal financial problems	43	34	4	26	13	120
	35.83	28.33	3.33	21.67	10.83	100.00

**Source:** Primary data

Table 1.4 clearly depicts that 81.67 percent agree with the ability of savings and 75 percent agree with improved economic condition of the family are the important changes of the SHGs, since more than three-fourth of the respondents agree with these statements. The reduction of reliance on loan (70.83%), beginning of income generation activities (73.33), production of assets (70.00%) are also important, since more than seventy percent of the respondents agree with the changes in economy undertaken by the SHGs.

The changes in employment (66.67%), capacity to deal financial problems (64.17%), reduction of dependency on moneylenders (63.33%), increases the purchasing power (60.00%) and effective use of available resources (59.17%) are also significant changes in the economic condition of women SHG members. However, 55 agree whereas 33.33 percent disagree with elimination of poverty within the family.

Path Diagram for the Economic Impact



**Goodness of Fit**

The  $\chi^2$  test value 54.743 is significant at five percent level. (Df 37) and the p-value is >0.030. Hence, there is no significant association between role of SHGs and economic impacts.

The goodness of fit with RMSEA-0.63, CFI-0.931, IFI-0.958, TLI-0.935 and CFI-0.956 are good recommended values of Goodness of Fit Testing. This was further discussed with each individual variable in Table 1.5.

**Table 1.5: Chi-Square Test Economic Impact**

Economic Impact	Pearson $\chi^2$		
	Value	Df	Sig.
Improved family economic condition	23.640	8	0.003*
Elimination of poverty within the family	43.743	8	0.001*
Elimination or reduction of reliance on loan sharks	22.261	8	0.004*
Production of assets	26.215	8	0.001*
The beginning of activities that will generate income	33.496	8	0.001*
Reduction of dependency on moneylenders	15.847	8	0.039*
More efficient use of the resources that are available	37.572	8	0.045*
Increase in one's ability to save money	30.288	8	0.001*
Increase in one's purchasing power	20.647	8	0.001*
Modifications to the nature of employment	26.996	8	0.008*
Capacity to deal financial problems	29.133 <sup>a</sup>	8	0.001*

Source: Computed from Primary Data

Table 1.5 indicates that the calculated values of  $\chi^2$  are significant at five percent level. There is a significant association between role of SHGs and economic changes brought by the SHGs members in their daily life. The stated hypothesis is rejected. Hence, it is found that the role of SHGs is important to change the economic activities of the members.

## 1.12. CONCLUSION AND SUGGESTIONS

Women in the societies throughout the majority of the developing world are confronted with a severe obstacle in economic developments. The number of people living is continued to increasing, but the job needs not expected level. The SHGs provides perceptive approach in the development of women in economy. The growth and evolution of SHGs in brings the prosperity of small businesses activities that are run according to a plan have the potential to play an effective role in output, productivity and economic prosperity. Besides, this will provides wider and more solid foundation for the economy in general. It is necessary to concentrate policies to encourage and supports women in business, employment make them active participation of sphere of life.

### References

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