

**IMPACT OF SELF-HELP GROUPS ON ECONOMIC EMPOWERMENT OF WOMEN IN
KHAMMAM DISTRICT OF TELANGANA**

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Abstract

Women's empowerment is essential to the development of any nation. International evidence suggests that the empowerment of rural women can be achieved by providing small loans to members of the Self-Help Group (SHG). This study was designed to evaluate the effectiveness of SHGs in women's economic empowerment in the Khammam region of Telangana. The study was based on key data collected from the Khammam region in Telangana through interviews with SHG member beneficiaries. A total of 100 members made up the sample size. The result showed a positive change in the indicators of economic growth, namely, income, employment and savings after joining SHG. The estimated Wilcoxon number that signed the Rank Test for economic indicators was significant. It stated that the amount of money the respondent received, working days and the amount of savings increased in the post-SHG situation compared to the pre-SHG situation. The study therefore concluded that SHGs played a key role in empowering rural women in the study area.

Key Word: SHGs, Women Empowerment, Income, Employment, Savings.

I. Introduction: The advancement of women is essential to the economic development of the nation and to the laying on of the foundation for social change. In order to improve the socio-economic conditions of the majority of the population of any country, it is necessary to first empower women by developing and ensuring their role is high. Development strategies would no longer be able to achieve their intended goal that ignores the need for women's participation and participation in society. Only when women are considered as equally persistent partners with men, in all the development and harmonious growth of any country can it be possible. Therefore, the emancipation of women is a prerequisite for national economic development and social upliftment and without the provision of equal economic and social opportunities for women, liberation will not really happen. Bringing women into the development sector is one of the biggest challenges in developing countries like India.

Registered or unregistered SHGs are an 'affinity group' of about ten to twenty people from the same class of people, who come together to solve their economic problems. They start out with savings and not on credit and make money on a regular basis and use this combined service to make loans with low interest on their members. The vision of the establishment of SHG is to empower poor rural women for the betterment of the whole country. SHGs are designed to empower women with a focus on women below the poverty line to improve their family and community status and to raise awareness of community issues in rural areas. They are considered to be the right kind of strategy that aims to sensitize rural women to their inner strengths, foster a sense of independence and teamwork, develop personal and interpersonal relationships skills, social change and transformation. SHG-empowered women will bring benefits not only to individual women but also to the family and society as a whole through participatory development.

II. Importance of the Study:

In India, work in various fields and that the invisible work of housewives donated by them is estimated to be about one third of the Indian GNP. A few decades ago, women came forward to start their own businesses. It is well-known that women's status is closely linked to their economic status based on opportunities to participate in productive activities. Entrepreneurship development among women is therefore seen as one of the key tools to eradicate unemployment and gender

discrimination in order to eradicate poverty in India.

The SHGs program often targets the rural poor, especially women, who are often discriminated against not only by institutions but also by their families. The provision of loans to women may be twofold for the purpose of eradicating poverty and empowering women. Microfinance institutions have become very popular as a means of uniting poor communities through the provision of loans by established SHGs and loans are allocated to members based on group solidarity instead of legal collateral. The present study is beneficial to a large number of rural people, the government and non-government agencies, SHG members and leaders in identifying the role of SHGs in empowering women and takes policy-measures towards SHGs and ultimately leads to the holistic development of women vis-à-vis of the society.

III The Concept of Empowerment: The idea of empowerment as a multi-faceted process can be interpreted in a variety of ways such as power, self-control, power, self-confidence, self-determination, human dignity in line with human values, human rights, independence, freedom, awakening and capacity building. It enables one to see one's full potential, strength, power and strength in all areas of life. It also means enhancing one's authority and controlling resources and making decisions that affect their lives and freeing them from unimportant cultural norms, beliefs and practices.

IV. Review of Literature: The concept of empowerment as a multifaceted process can be interpreted in a variety of ways such as power, self-control, power, confidence, determination, human dignity in accordance with human values, human rights, independence, free will, liberty, vigilance and capacity building. It enables one to see one's full potential, strength, power and might in all aspects of life. It also means developing human authority and controlling resources and making decisions that affect their lives and freeing them from unimportant cultural practices, beliefs and practices. Empowerment as defined by Kabeer, (2001), means "the expansion of people's ability to choose life strategies in situations where this ability has previously been denied." In a broad sense, it means increasing the freedom of choice and action. The power of decision-making includes three related dimensions: „resources“ which include access and future claims on both physical and social resources; "agency" includes decision-making, negotiation, fraud and deception; and 'success' refers to the social outcomes of your choice. It has been argued that upliftment is closely linked to people at risk because of the particular socio-cultural barriers to which they are a part (Kabeer, 1999). The choice of these vulnerable or poor people is very limited due to lack of resources (e.g. land) and lack of better dialogue with a network of formal and informal institutions. Since these weaknesses are based on institutional relationships, empowerment should include a process in which women are able to organize themselves to increase their independence, express their right to self-determination and control resources that will help challenge and end their subordination. Therefore, there is an obligation to create opportunities with the help of a small financial system and the provision of credit where credit can be used effectively and therefore there is an urgent need to unite poor women into smaller groups for social and economic empowerment.

V. Objectives of the Study:

The study made comparisons between the pre- and post-SHG status of SHG members to assess the impact of SHGs on women's empowerment.

The general objective of the study is to assess whether women have become economically better off after joining the SHGs in the study area or not. The specific objectives of the study are as follows:

1. To identify the socio-economic profile of the sample SHG members.
2. To assess the effectiveness of SHGs in the economic empowerment of women.

The Null Hypothesis formulated for this study is:

“There is no economic empowerment of women through SHGs”.

VI Research Methodology:

6.1 Data and Data Source: The research is based largely on baseline data. Basic data was collected in the field in 2022 for a face-to-face interview of samples of SHG members using an interview schedule. Research data was collected from books, journals, DRDA, Block offices as well as various books and reports from Government and other agencies.

6.2 Sampling Design: Random sampling technique is used to select the sample respondents. The total numbers of respondents were 100 constitutes.

6.3 Analytical Techniques: Data were analyzed and interpreted using a mathematical analysis method in which frequencies and percentages were used. To find out the impact of SHG on beneficiaries before and after joining SHG, Wilcoxon Signed Rank Test is used.

6.4 Variables used in the Study: The socio-economic profile is assessed on five criteria: age of SHG members, educational attainment, marital status and number of family members. In order to determine the impact of small investments on SHG economic empowerment members the major variables are annual salary, term of employment and amount of savings.

Annual Salary: The annual salary of the respondents is worked out by taking into account income from income generating activities of SHGs and other subsidiary occupation per year.

Term of Employment: It refers to the days of employment generated through the various sources, like agricultural crops, goat farming, piggery, group activity and other self-employment activities.

Savings: It includes savings of the members in SHGs, banks, post offices, friends and relatives have been considered.

VII Results and Discussions:

7.1 Socio-Economic Profile of the Respondents: The socio-economic profile of the SHG members is analyzed under the following heads:

Age of the Respondents: The age-wise classification of the members is given in table 1, which shows that majority, i.e., 42 percent and 31 percent belong to the age group of 25-35 and 35-45, followed by 15 percent in the age group of 45-55. Respondents in the category of below 25 and above 55 are few.

Table1: Age-Wise Classification of the Respondents

Age Group	No. of Respondents
Below25	10
25-35	42
35-45	31
45-55	15
Above 55	2
Total	100

Source: Field Survey

Educational Status: Table 2 shows the education-wise classification of respondents.

Table 2: Education-Wise Classification of Respondents

Educational Status	No. of Respondents
Illiterate	2
Primary	8
SSC	10
Intermediate	42

Degree	38
Total	100

Source: Field Survey

Table 2 reveals that majority, i.e., 42 percent of the respondents have completed intermediate level, followed by 38 percent with degree.

Marital Status

From table 3 it is evident that SHGs have been playing a great role towards economic upliftment of the married women. Majority of respondents (81 percent) are married and eight percent of the women are either widow or divorced and only one percent of the respondents are unmarried.

Table 3: Marital Status of The Respondents

Marital Status	No. of Respondents
Married	81
Unmarried	11
Widow/Divorced	8
Total	100

Source: Field Survey

Number of Family Members: Table 4 reveals that majority of the respondents (69 percent) have only family size of 2-4 members in the family. Thus, majority of the respondents have nuclear family size reflecting a modern way of living style.

Table 4: Classification of Respondents based on Family Members

Family Size	No. of Respondents
2- 4	69
5-6	11
7-8	12
Above 8	8
Total	100

Source: Field Survey

7.2 Economic Empowerment of Women: This paper judges the effectiveness of SHGs on women empowerment under the following heads:

Impact on Income: Poverty reduction takes place when poor people are able to generate sustainable increasing income. In other words, income generation is the only way to break the vicious circle of poverty. Table 8 shows the changes of annual income level of the sample SHG members before and after joining the SHGs. Data reveals that annual income of the majority of SHG members were increased after joining of SHGs when compared with their before SHG situation.

Wilcoxon Signed Rank Test is applied to test the significance of difference between the annual incomes of SHG members before and after joining SHG in table below:

Table 6: Changes of Annual Income of SHG Members

Annual Income	Before Joining	After Joining
	No. of Respondents	No. of Respondents
Below 5000	35	8
5000-10000	31	48

10000-15000	11	16
15000-20000	5	8
Above 20000	8	20
Total	100	100

Source: Field Survey

The Wilcoxon Signed Rank Test is applied to see the whether there is a significant difference of annual income exists between before and after SHG scenario. Result details(Level of Significance 5%):

W value=0

Mean Difference:7220

Sum of neg. ranks = 5050

Z value= -8.6818

Mean(W)= 2525

Standard Deviation(W)= 290.84

Decision:

Result 1- Z - Value The value of Z is -8.6818. the p-value is <.00001.

Result 2 – W – Value The value of W is 0. The distribution is approximately normal.

Therefore, the Z-value above should be used.

The result is significant at $p < .05$

Table 7: Changes in employment Days per annum (Before- and After-SHG situation)

Employment Days (p.a.)	Before joining SHG	After Joining SHG
	No. of Respondents	No. of Respondents
Below 50	62	26
50-100	35	78
100-150	1	2
150-200	1	2
Above 200	1	2
Total	100	100

Source: Field Survey

The Wilcoxon Signed Rank Test is applied to see the whether there is a significant difference in employment days between before and after SHG scenario. Result details(Level of Significance 5%):

W value=0

Mean Difference:26.3

Sum of pos. ranks = 0

Sum of neg. Ranks = 5050

Z value= -8.6818

Mean(W)= 2525

Standard Deviation(W)= 290.84

Decision:

Result 1- Z - Value The value of Z is -8.6818. the p-value is <.00001.

Result 2 – W – Value The value of W is 0. The distribution is approximately normal.
Therefore, the Z-value above should be used.
The result is significant at $p < .05$

Impact on Savings: “Savings play a vital role in building confidence of the rural people. It can be used as the substitute of insurance where social safety nets are hardly ever existent for the poor of the developing countries” - Morduch, 1999, Hossain, 2012. The following table shows the saving behaviour of the respondents before and after joining of SHG. It is evident from the table that a majority of the respondents did not have any kind of saving in pre-SHG period. However, after joining in SHG, a majority of the members have started saving in the group account of SHG. Similarly, those respondents who had saving before joining of SHG are able to enhance their saving amount after joining SHG as compared to the pre-SHG period.

Table 8: Changes in Annual Saving (Pre- and Post-SHG situation)

Annual Saving	Before Joining SHG	After Joining SHG
	No. of Respondents	No. of Respondents
Less than 5000	2	0
5000-10000	46	49
10000-15000	29	31
15000-20000	17	17
20000-25000	4	2
Above 25000	2	1
Total	100	100

Source: Field Survey

The Wilcoxon Signed Rank Test is applied to see the whether there is a significant difference in annual savings between before and after SHG scenario. Result details (Level of Significance 5%):

W value=0
Mean Difference:4300
Sum of pos. ranks = 0
Sum of neg. Ranks = 5050
Z value= -8.6818
Mean(W)= 2525
Standard Deviation(W)= 290.84

Decision:

Result 1- Z - Value The value of Z is -8.6818. the p-value is $< .00001$.

Result 2 – W – Value The value of W is 0. The distribution is approximately normal.
Therefore, the Z-value above should be used.
The result is significant at $p < .05$

Conclusion and Recommendations: As evident from the research, SHGs are playing a crucial role in empowering women. There is a significant positive impact of the SHGs on the parameters that are tested in the study(income, employment days and savings of women). Hence, the null hypothesis “There is no economic empowerment of women through SHGs” can be rejected. Alternate hypothesis “There is economic empowerment of women through SHGs” can be accepted.

Based on these findings, it may be suggested that various small financial institutions should closely

monitor members' debt disbursements and encourage them to use production objectives to earn a steady income that may result in their savings bank account. Second, steps must be taken to promote a spirit of entrepreneurship among women, especially in vulnerable parts of society. Thirdly, ideas related to capacity building agencies such as advanced communication development, e.g., motivational workshops, training activities, etc. and retrospective communications such as marketing assistance, identification of vendors, development of common products etc. in order to develop small businesses are needed from time to time. Therefore, efforts should be made to stabilize and sustain members of the group. The problems that members face must be heard and resolved for sustainable development.

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