CHAPTER – I

INTRODUCTION AND DESIGN OF THE STUDY

1.1 INTRODUCTION

The role and status of men and women are governed by traditions and cultural practices. Women as mothers and caretakers contribute to human resource development. But the same women have treated on par with men in every aspect of life though their role is crucial for the substance of family as well as of society and also for the development of economy as a whole. Women still face different problems for their existence depending upon the class which they belonged to. The women belonging to upper class are relatively at some advantage, while women in poor section are the wage struggle for existence and particularly in the rural areas face a different type of problems. They have collectively struggled against direct and indirect barriers to their self development, social, political and economic participation. India has a three fold increase in population over the last half a century but the economy has not been able to cope up with this rate of growth. The total population of India is 102.7 crores as per 2001 census, of which women constitute 48 percent of the total population (www.indiapost.org). They have been playing significant roles both on the social and economic fronts.

The empowerment of women is one of the central issues in the process of development of countries all over the world. India has a glorious tradition of recognizing the importance of empowering women over several centuries now. In recent times, empowerment of women emerged as one of the significant strategies in the development process. The Government of India has made Empowerment of Women as one of the principal objectives of the Ninth Five Year Plan (1997-2002) and also declared 2001 as the year of
Women's empowerment. The ultimate objective of National Policy for women empowerment is ensuring women’s power and their rights.

Empowerment is a multi-faceted, multi-dimensional and multi-layered concept. It is a process to enable women to realize their identity and powers in all spheres of life.

According to the Country Report of Government of India, "Empowerment means moving from a position of enforced powerlessness to one of the powers". Further, empowerment provides greater access to knowledge and resources, more autonomy in decision making, greater ability to plan their lives, more control over the circumstance, which influence their lives and freedom from custom, belief and practice.

1.2 CONCEPT OF SELF-HELP GROUP

Self Help Group (SHG) is a small, economically homogeneous and affinity group of rural poor which is voluntarily ready to contribute to a common fund to be lent to its members as per group decision, which works for the group’s solidarity, self-group decision, and economic empowerment as primary focus and other common interests of members such as area development, awareness, motivation, leadership in the way of democratic functioning. SHG have successfully demonstrated how to mobilize and manage thrift, appraise credit needs, maintain linkages with the banks and enforce financial self-discipline to its members.

SHG is a viable organized set up to disburse micro credit to the rural women for the purpose of making them enterprising women and encouraging them to enter into entrepreneurial activities. The basic objective of SHGs is to develop saving capability among the poorest sections of the society, which in turn reduce dependence on financial institutions and develop self-reliance.
1.3 WOMEN EMPOWERMENT THROUGH SHGs

The main strategies of women empowerment include social empowerment, economic empowerment, political empowerment and gender justice i.e., to eliminate all types of discrimination against women. Numbers of strategies and programmes have been taken by the government for social and economic emancipation of women. Among the programmes, empowerment through SHGs strategy is a multifaceted process, which encompasses many aspects such as enhancing awareness, increasing access to power resources but of which an equally important component is the mobilization and organization of women into groups. The SHGs form the basis for solidarity, strengths and collective action for empowerment and also linked to issues of social justice and equally in opportunity. Formation of SHG can provide a strong weapon and a correct intervening agency to re-equip the rural women in general. It is a most potent tool against human deprivation and mainly intends to build human capital.

SHGs have become a ladder for the poor women to go up not only economically but also socially, politically, mentally and psychologically. So the concept of SHGs should not be considered as a social sector programme or a mere intervention to provide a socio-economic safety net to the women group. Rather, it should be viewed as a huge investment in the capacity building of the vast human resources. With this mindset, women must be empowered through SHGs by channelizing women potentially in the economic and development building exercises in accessible regions. In this backdrop an attempt has been made to evaluate the role of SHGs in bringing the empowerment of women both socially and economically with the help of micro credit.
1.4 GENDER DEVELOPMENT INDEX (GDI)

Gender Development Index is the touchstone of the position of women in society. The GDI (2001) for Tamil Nadu is 0.654. GDI values for the districts in Tamil Nadu vary from 0.766 in Chennai to 0.582 in Dharmapuri. The status of women was the lowest in Dharmapuri District in terms of literacy rate, enrolment ratio and Life Expectancy at Birth which is reflected in low GDI (National Human Development Report, 2001).

1.5 IMPORTANCE OF THE STUDY

Women empowerment is an important tool for social development and this can be achieved when the society recognizes women as one among the social partners, provided them equal rights, facilitated them with equal education, health and out of all these allow them to participate equally in all aspects. Nothing succeeds better than the power of self help. Now SHGs have become a modern economic weapon for the poor women to fight against poverty and economic depression. As a factor of capacity and skill building it encourages a diversified entrepreneurial and business talent of the women and helps them in dealing with banks and the markets more effectively and efficiently. It generates employment opportunities and creates a conductive social and economic infrastructure by empowering women. There have been constant organized efforts taken by the government agencies and NGOs to promote SHG as a mean for women empowerment. Thus the present study is conducted for examining and evaluating SHGs as a change agent which has been designed systematically to create income generating opportunities, identifying predominant factors of women empowerment and knowing the level of empowerment among the SHG members and identifying impact of training programmes of SHG members of Dharmapuri District.
1.6 STATEMENT OF THE PROBLEM

Since independence, India is suffering from severe socio-economic problems. Poverty has become a major threat to the economic development of our country. The planners and policy makers thought is to identify certain avenues and measures to check the wide spread of poverty. The vicious circle of poverty in India has a much greater impact in women. Women comprise nearly 70 percent of the total population and they live Below Poverty Line (BPL). Women suffer from malnutrition, illiteracy, unemployment, lack of awareness and poor healthcare. This is particularly true in the rural areas of our nation and in case of main weaker sections of society like scheduled caste and schedule tribes. Empowerment of women is the only remedy to this problem.

In many families rural women are the real bread winners. They are running the whole family without the support of the male family members. Self help groups play a predominant role in women empowerment in India. They are having hard working habit, sincerity in work, and high motivation. These qualities paved the way to becoming tiny entrepreneurs in recent times. If the women are economically viable that will lead to eradicate the poverty from our country. Good education, suitable training, proper guidance and timely advice are the supports behind the success of any women, but this is very much lack in the study area, hence, its obvious to find enterprising women entrepreneurs in this District. These selected sample women are facing many innumerable problems in managing their personal life, tiny ventures, like depending on their husbands or male family members or private money lenders for finance and permission for starting any business or venture. The common problems faced by the women in general are struggling to mobilize capital or fund, hesitation to mingle freely with public or very much worried to ask a favour or help even from the known person because of the fear of reciprocal effect. Further, they are blinking to manage male workers as well as officials during their business transactions. The
government officials, micro financing agencies or institutions are not realizing the problems of the women and they are unnecessarily various kinds of documents from the Animator and members of the group. Some of the women members are even nurtured by sexual harassment by the officials or micro financing agencies.

The status of women in Dharmapuri district was very poor in all aspects particularly lack of literacy, lack of knowledge, lack of health education, lack of risk taking ability and they were not even allowed to take part in the decision making activities in their family. The empowerment of women is the only best possible solution for developing women in all aspects. Based on the above issues the following questions are probed.

- What is the current status of SHG women in Dharmapuri District after the implementation of SHG programme?
- How far the programmes of SHGs are helpful for the empowerment of women in Educational, Economic, Social, Political, and Psychological aspects?

1.7 SCOPE OF THE STUDY

Self help groups are important components of micro credit. To meet the credit needs of the poor asset less women, the state government along with banks have promoted SHGs to inculcate in them an habit of regular saving and circulate the savings amongst the members for productive and non-productive purpose and thereby creating an awareness of repayment culture. Women empowerment is critical in the process of the development of the community. The major concern of the government is bringing women into the mainstream of development. However, the government has taken significant steps; the participation of women in all spheres of life varies in the context of differences in the social, economic, cultural and regional factors. It is being increasingly realized that the goal of poverty alleviation cannot be achieved without the full and active participation of women. In
order to empower women and bring them into the mainstream we must create an enabling environment with requisite policies and programmes, institutional mechanisms at various levels and employment has special components for women in all its programmes. The important aspect of the programme is encouraging the formation of SHGs that will foster women development. Therefore the present study has made an attempt to scrutinize the present SHG scenario with the experience of its members with their own perception of empowerment.

1.8 OBJECTIVES OF THE STUDY

The following are the major objectives of the study:

i. To study the socio-economic status of women beneficiaries in the study area.

ii. To examine the impact of employment and income generated for women.

iii. To analyze the factors that influenced the women empowerment.

iv. To find out the benefits enjoyed by the sample women (respondents) after entering into the WSH groups.

v. To identify the common problems faced by the women in running their enterprise or business (including production as well as marketing aspects).

vi. To suggest better policy recommendations for empowering women through WSHGs in the study area.

1.9 AREA OF THE STUDY

The Dharmapuri District is selected for the study because of its heterogeneous characterized nature. Dharmapuri District was bifurcated from the erstwhile Salem district and then come into existence—from 2nd October, 1965, due to administrative reasons, more number of villages and vast area, it was again bifurcated into two districts viz., Dharmapuri and Krishnagiri on 9th February 2004. The present Dharmapuri is surrounded by Tiruvannamalai
and Villupuram District in the East, Karnataka State in the West, Krishnagiri District in the North and Salem District in the South.

Agriculture is the major source of livelihood of the people in this district. The major food crops are Paddy, Cumbu, Cholam, Ragi, Red gram, Black gram, Mochai, Mango, Banana, Potato, Cabbage, Brinjal, Bhendi and Tomato. The chief commercial crops are Cotton, Sugarcane, Groundnut, Mulbery, Gingelly, Flowers and Betel wine.

The chief rivers that flow through the district are Cauvery, Chinnar, South Pennar and Vaniyar. The major irrigational lakes are Alapuram Lake and Annasagaram Lake. Hogenakkal and Theerthamalai are two important tourist places of Dharmapuri. As per 2001 census, there were 6,77,674 literates, of which males and females were 408111 and 269563 respectively. Of total literate population 60.31% are literates in which 60.22% are male literates and 39.77% are female literates. This necessitates that women should be given more education.

For the purpose of administration, the district has been divided into 5 taluks, 8 blocks, one revenue division, one Municipality, 10 Town panchayats, 470 Revenue Villages and 251 Panchayat villages. Some important industries are Dharmapuri Roller flour Ltd, and Dharmapuri District Co-operative Sugar mills in Palacode.

The SHGs were formed in this district in the year 1989 with the assistance of International Fund for Agricultural Development (IFAD). Today the SHG movement is a very vibrant movement spread across all districts of the State with nearly 59, 25,000 women as members. As on 31.8.2008, there are 3, 70,412 SHGs with a total savings of Rs 1,825.14 Crores in the state. As on 31.08.08 there are 5,957 groups were found 95,312 women as members with a total of 6,091.23 lakhs. The SHG women members were involves in economic activities such as textiles, Herbal Products, Utility items and household chemicals, food products, Handicrafts
and other items like Bricks, Candle, Nursery, Quarry Products, Sanitary Napkin, Vegetable Cultivation, Vermi compost and Palm leaf products.

To encourage well-functioning SHGs and PLFs, the Government had announced Manimegalai awards at State and district levels. Among the best five PLFs of the State, Pedarahalli PLF in Dharmapuri District is one who received the Manimegalai awards in 2006-07.

1.10 RESEARCH METHODOLOGY

The validity of any research is based on the systematic method of data collection and analysis. In the present study both primary as well as secondary data were used.

1.10.1 Primary Data

The Primary data were collected from the members of SHGs in Dharmapuri District. For this purpose list of SHGs registered with NGOs, Banks and DRDA office was collected from Dharmapuri District collectorate and from the lead Bank. From this population, the sample members of SHGs were selected as respondents. The field survey technique was employed to collect the pertinent data from 520 Self Help Group members in Dharmapuri District.

Interview schedule was the main tool for collecting the data. Hence, much effort was taken to prepare the interview schedule in a systematic way by designing adequate and relevant questions to ensure better achievement of the research objective. This interview schedule was prepared with the help of the Research Supervisor.

The schedule is classified into four segments. The first segment covers socio-economic background of the SHG members. The second segment consists of the involvement of members in SHG. The third contains developmental programmes of SHG and the fourth segment ascertains the impact of SHGs on women empowerment in the areas of education, economic, social, political and psychological aspects.
1.10.2 Sampling Technique

Dharmapuri district is purposively selected because it not only is a pioneer district in implementation of SHG programme, the status of women is also very low in terms of literacy rate, enrolment ratio and life expectancy at birth. The Proportionate Random Sampling Method is adopted to select the respondents. The Dharmapuri district consists of 8 blocks. In each block 7 villages are chosen by the Lottery Method. A total sample size of 520 (8X65=520) SHG members have been chosen proportionately covering all the 8 blocks.

1.10.3 Pilot Study

A pilot study was conducted among 65 members of SHG to check the feasibility and reliability of the schedule. In the light of the experience gained in the pilot study the schedule has been modified to suit the sample groups and finalized to conduct the survey. The perception of the respondents has been tested for its reliability using Cronbach's Alpha. The value obtained was 0.8799 which shows that instrument is highly reliable. The distribution curve is normal.

1.10.4 Secondary Data

The Primary data was supplemented by spate of secondary data. The secondary data pertaining to the study was gathered from the records of various Banks, Lead Bank, DRDA agents and NGOs. The latest information about micro finance and the theoretical framework were gathered from well equipped libraries such as (IIM, Bangalore, Institute of social and economic change, Bangalore, District central library, Dharmapuri and from web sources).

Further, the secondary data were collected from leading journal like Southern Economics, Economical and Political Review and a number of standard reference books were referred to obtain pertinent literature on women empowerment.
1.10.5 Tools Used

The data collected from the respondents were coded and tabulated to suit the requirements of the study. Statistical Package for Social Sciences (SPSS) was used for data analyzing. The following statistical tools have been employed to analyze and interpret the primary data.

- Percentage Analysis is employed to analyze the socio-economic background of the SHG members, involvement of members in SHG and Role of SHG on women empowerment.

- Ranking analysis is performed to rank the problems faced by the members of SHG.

- Factor analysis by principal component method is used to identify predominant factors of educational, economic, social, political and psychological empowerments.

- One-sample ‘t’ Test is applied to know the perception about the women empowerment indicator variables individually.

- One-way Analysis of Variance (ANOVA) is employed to identify the influence of socio-economic background on the indicators of women empowerment.

- Fried man's test (non-parametric) is used to find out variation among the indictors of women empowerment.

- Karl Pearson’s Coefficient of correlation is applied to identify the nature of relationship among the various factors of women empowerment.

- Cluster analysis is exploited for grouping the members of SHG with various heterogeneous groups which are homogeneous within them.

- Discriminant analysis is performed to justify the classification of clusters.
- Non-parametric Chi-square test is used to identify the association between various clusters of SHG members with respect to the indicators of women and vis-a-vis.

- Multiple Regression analysis is applied to identify the factors determining women empowerment among the members of SHG.

1.10.5 Period of the Study
The study has covered a period of five years from 2003-04 to 2007-08. Primary data were collected during the seven months from April 2008 and November 2008.

1.11 HYPOTHESIS
The followings are the general hypotheses framed for the study.

i. There is no significant variation among the indicators of women empowerment.

ii. There is no association between the clusters of SHG members with respect to the indicators of women empowerment.

1.12 LIMITATIONS OF THE STUDY
- This study encompassed Self-Help Groups of Dharmapuri District only.

- Money and time constraints have imposed major limitations to the study and forced to restrict the respondents within a stipulated time.

- As the analysis of empowerment of women through the SHG is the prime focus of the study, the secondary data was used only for five years to know the overall performance of the SHGs.

- The information provided by the respondents is purely based on their perception only. The quality and reliability of the data collected are the actual expression of respondents.

- The suggestions offered in this study remain restricted to the micro study of the respondent's plight alone and might smack of remedies rather than solutions or alternatives.
1.13 CHAPTER SCHEME
The study is presented in six chapters as presented below:

🔹 The First Chapter deals with the *Introduction and Design of the Study*.

🔹 The Second Chapter presents the *Review of Literature*.

🔹 The Third Chapter covers the *Performance of Self Help Groups*.

🔹 The Fourth Chapter portrays the *Role of Self Help Groups on Women Empowerment*.

🔹 The Fifth Chapter highlights the *Impact of Self Help Groups on Women Empowerment*.

🔹 The Sixth Chapter recapitulates the key Findings and conclusion. Based on these findings, a few *Suggestions* have been made.