



A Study on Extent of Socio – Economic Empowerment of Shg Members Through the Income Generating Activity

S.Vadivelu

Full time Ph.D Research Scholar, Government Arts College, Udumalpet, Tirupur District – 642 126.

Dr.S.Kadirvelu

Assistant Professor, P.G.& Research Department of Commerce, Government Arts College, Udumalpet, Tirupur District – 642 126

ABSTRACT

Self Help Groups (SHGs) are playing a vital role in rural India today. The group based model of Self-help group is widely practiced for rural development, poverty alleviation and empowerment of women. Yet, eradication of poverty and generation of gainful employment for the poor of the nation still remains a distant dream for our planners. Objectives of the study, To study the extent of socio – economic empowerment of SHG members through the income generating activity. Methodology of the study, Primary data as well as secondary data was used. Interview schedule technique was used in this study. Discriminate Analysis was used in this study. 400 SHG members were respondent in this study. Coimbatore district was sampling unit. Findings in this study, it is observed that out of 186 SHG members with lower mean score, 135 members (73.1 per cent) were correctly classified; out of 135 SHG members with higher mean score, 98 members (72.6 per cent) were correctly classified. It is suggested that, It is recommended that the products produced by women SHG members should be given priority while tenders are invited by local authorities and semi government organizations. This will ensure ready marketability of their products. It is conclude that, Majority of the respondents undergo shortage of working capital. This problem rages high in rural areas especially those involved in manufacturing activity.

KEYWORDS :

INTRODUCTION

In Economic development is the result of the contribution of the working population, both male and female in the region where women constitute almost half of the population of the world; therefore, their contribution to the economy is significant 2011, the Human Development Report quoted that out of 1.29 billion poor people living in developing countries, 70 per cent are women. Of the world's one billion illiterate, one third is women.

Self Help Groups (SHGs) are playing a vital role in rural India today. The group based model of Self-help group is widely practiced for rural development, poverty alleviation and empowerment of women. Self-help as a strategy for social development emphasizes on self-reliance, human agency and action. It aims to mobilize people, give them voice and build people's organizations that will overcome barriers to participation and empowerment. The central idea of the self-help group, is the formation of groups, concept of a community and the development of egalitarian relationships that will promote people's well being.

STATEMENT OF THE PROBLEM

The Government of India and various State Government have introduced many programmes from time to time for the upliftment of the down – trodden unemployed and under employed rural and urban poor for the past five decades. Yet, eradication of poverty and generation of gainful employment for the poor of the nation still remains a distant dream for our planners. The schemes implemented from time to time hardly have made any dent in the upliftment of the poor from the clutched of poverty. In every society poverty affects primarily women and children. Hence programmes and schemes are required for the upliftment of the poor women. The participation of women in economic activities is essential for the economic and social empowerment of women.

The self – help Group is a novel mechanism and the brain – child of Mohammed Yunus, Noble Laureate of 2006 of Bangladesh. It is formed by NGOs of our country for alleviating the twin problems of poverty and unemployment. It has been working wonders, slowly transforming the face of rural India. The most admirable aspect of Indian micro finance is the dominant role of public sector banks and the SHG bank linkage programme. The success stories of SHG have attracted the attention of even new generation private sector and foreign banks.

In this context, a research endeavor is needed to know whether SHG concept really helps in eradicating poverty by opening doors of em-

ployment opportunities through income generating ventures. In terms of number of groups, Coimbatore District occupies important position out of 32 districts in Tamilnadu. Coimbatore District is one of the industrially developed regions of Tamil Nadu. Here development of micro industries is really feasible and therefore large numbers of self – help groups are formed. Hence, the present study is proposed to analyze the Economic and Social Empowerment of women and Self-Help Groups with special reference to Coimbatore District.

OBJECTIVES OF THE STUDY

To study the extent of socio – economic empowerment of SHG members through the income generating activity.

METHODOLOGY

The study is based on both primary and secondary data. Primary data for the study was collected with the help of a Schedule. Secondary data was collected from Mahilar Thittam office, (Tamil Nadu Women Development Project) Coimbatore, Non – Governmental Organizations, Annual Report of NABARD, Journals, Books, etc. The list of Self Help Group income generating ventures was collected personally from the District MahaliThittam office. From the list a number of identified. There are 2000 ventures functioning in this District out of which 200 are selected on simple random basis, which constitute 10 per cent of the population. Among the 200 ventures there are 127 who undertake service activities, 73 are engaged in manufacturing & trading activities. Two women SHG members from each of the selected unit have been taken on random basis. So altogether 400 (200*2) sample respondents are considered for the study. The survey was conducted during the year 2013. The secondary data was collected for five years, covers a period of 2009 – 2013. In tune with the objective of the study Kolmogorov – smirnov test (KS –Test), factor analysis and discriminant function analysis have been used to find out the opinions of members on the various benefits received through SHGs towards social empowerment.

LIMITATIONS OF THE STUDY

1. As the limitations are common to almost all the studies in social survey, the present study is also subject to certain limitations. Most of the primary data collected from the respondents are based on the recall method and therefore subject to normal recall error.
2. The present study covers only SHGs registered under MahaliThittam through NGOs. The groups in which individual members are involved, individual economic activities are excluded from the purview of the current study.

**ANALYSIS AND INTREPRETRATION
DISCRIMINANT FUNCTION ANALYSIS**

Discriminant analysis is a statistical technique which enables to study the differences between two or more groups with respect to several variables simultaneously and to provide a means of classifying any individual into the group with which it is most closely associated and to infer the relative importance of each variable used to discriminate between different groups. A linear combination of predictor variables, weighted in such a way that it will best discriminate among groups with the least error is called a liner discriminant function and is given by:

$D = L_1X_1 + L_2X_2 + \dots + L_kX_k$, where X_1 's are predictor variables, L_i 's represents the discriminant coefficients, and D is the value of the discriminant score of a particular individual such that if this value is greater than a certain critical value D^* , the individual would be classified as an unsuccessful SHG member, otherwise the individual would be classified as a successful SHG member.

In the present study there are two groups namely SHG members with lower mean agreeability score (n1=149). Medium agreeability score (Group II:n2=143) and SHG members with higher mean agreeability score (n2=108). 12 explanatory variables considered for the analysis includes the following:

X1-age, X2-marital status, X3-educational qualification, X4-occupation, X5-type of family, X6-Area of residence, X7-Number of members in the family, X8-Number of dependents, X9-Monthly income, X10-Position in group, X11-Nature of activity and X12-Enterprise Promoter.

The discriminant function analysis is performed to identify the important variables, which discriminate between the group of members with lower agreeability score and the group of members with higher agreeability score on the opinion about SHG and to find out their relative importance in discriminating between the groups.

**TABLE 1
MEAN SCORE**

Explanatory Variables	Mean Score	
	Members with Lower mean agreeability score (N1=149)	SHG members with higher mean agreeability score (N2=108)
X1 Age	37.67	37.19
X2 Marital Status	1.108	1.215
X3 Educational Qualification	1.677	1.696
X4 Occupation Before joining	3.86	3.393
X5 Type of family	1.183	1.178
X6 Area of residence	2.151	1.911
X7 Number of members in family	2.495	2.015
X8 Number of dependents	1.226	1.296
X9 Monthly income	2.081	2.348
X10 Position in the group	1.715	1.778
X11 Nature of Activity	1.242	1.311
X12 Enterprise promoter	1.419	1.519

**TABLE 2
TESTS OF EQUALITY OF GROUP MEANS UNIVARIATE ANOVA**

Explanatory Variables	Wilk's Lambada	F (DF = 1,30)	Sig
X1 Age	0.999	0.284	0.594

X2 Marital Status	0.988	3.955*	0.048
X3 Educational Qualification	1	0.073	0.787
X4 Occupation Before joining	0.983	5.542*	0.019
X5 Type of family	1	0.013	0.909
X6 Area of residence	0.961	12.92**	0.000
X7 Number of members in family	0.926	25.59**	0.000
X8 Number of dependents	0.995	1.576	0.210
X9 Monthly income	0.957	14.35**	0.000
X10 Position in the group	0.999	0.444	0.506
X11 Nature of Activity	0.994	1.894	0.170
X12 Enterprise promoter	0.995	1.647	0.200

*- Significant at 5 per cent level
**-Significant at 1 per cent level

CONNANCIAL DISCRIMINATION FUNCTION FITTED

$D = -2.222 - .020 X1 + .442 X2 + .048 X3 - .138 X4 - .325 X5 - .664 X6 - .877 X7 + .889 X8 + 1.064 X9 + .132 X10 - .971 X11 + .655 X12$.

TEST FUNCTIONS

Eigen Value	Per cent of Variation explained	Wilks Lambada	Chi-square	DF	P Value	Canonical Correlation
346	100	.743	92.024**	12	.000	.507

Above the table shows that, used to identify the function, which is significant in explaining the differences among the groups. Wilk'sLambada is proportion of the total variance in the discriminant scores not explained by differences among the group. Wilk'sLambada ranges between 0 and 1. Values close to 1 indicate that the group means are not different (equal to 1 indicates all means are same). Here since the Wilk'sLambada value is close to zero, it is able to explain the differences in the groups. Thus the function are significant.

CLASSIFICATION OF INDIVIDUAL

Using the discriminant function fitted and the observed predictor variables of the companies, the companies are classified and the correct percentage of classification is presented in Table 3.

**TABLE 3
CORRECT CLASSIFICATION BY USING DISCRIMINANT FUNCTION**

Members with	Assigned SHG members using discriminant function fitted SHG members are classified as		Total
	Lower mean agreeability score	Higher mean agreeability score	
Lower mean agreeability score	136	50	186
Higher mean agreeability score	37	98	135

From the table 3, it is observed that out of 186 SHG members with lower mean score, 135 members (73.1 per cent) were correctly classified; out of 135 SHG members with higher mean score, 98 members (72.6 per cent) were correctly classified. Hence the percentage of correct classification is 72.9%. The significant F value as well as the percentage of correct classification of units using the observed observation clearly indicates the overall significance and adequacy of the model.

SUGGESTIONS

1. It is recommended that the products produced by women SHG members should be given priority while tenders are invited by local authorities and semi government organizations. This will ensure ready marketability of their products.
2. The size of the group may be small so that it will help the functioning of the group activities smoothly.
3. Pension schemes may be implemented to SHG member from their savings.
4. Show rooms and sales countries should be opened in market places and products be sold through public distribution system at concessional rates.

CONCLUSION

As per the study the problems of the SHGs are grouped into six categories namely financial problems, marketing problems, socio – personal problems, management & administrative problems, manufacturing and sundry problems. Among the six problems financial problem tops the list followed by marketing problem. Majority of the respondents undergo shortage of working capital. This problem rages high in rural areas especially those involved in manufacturing activity. The analysis of marketing problem shows that the SHG members lack knowledge about marketing strategies. It affects the members of rural areas and those doing service activity.

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