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Impact of Micro Finance on Decision Making Empowerment of SHGs Women Members in Tirunelveli District

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ABSTRACT

The present study attempts to analyze the impact of micro finance on decision making empowerment of SHGs women members in Tirunelveli District of Tamil Nadu, India. It is found that the important decision making empowerment variables among the SHGs women members having primary education are 'repayment decision' and 'health of children'. Among the SHGs women members having middle school education, the important decision making empowerment variables are 'repayment decision' and 'health of children'. It is concluded from this study that micro finance, micro credit through SHGs has reached the people. There is steady growth in SHGs among women and millions of households helped through micro finance and poverty alleviation.

KEYWORDS: Self Help Groups, Micro Credit, Empowerment of Women, Economic Stability and Decision Making.

INTRODUCTION

It is a small economically homogeneous and affinity group of rural / urban poor, Voluntarily formed to save and contribute to a common fund to be lent to its members as per the group's decision and for working together for social and economic upliftment of their families and community. A group consists of 12 to 20 members, which gives more emphasis on poor downtrodden, widows and deserved women. The Group head is called Animator, who is assisted two representatives. The group should meet regularly at weekly/fortnightly, monthly intervals as per the convenience of all members, matters regarding savings loans progress etc., are finding a place in the meeting. Accounts are to be maintained as per norms prescribed. The Non-governmental organization are acting as bridges between SHG and banking sectors in arranging financial assistance. The main objectives of formations of SHGs are economic independence of women, village development and enhancing savings.

OBJECTIVES OF THE PRESENT STUDY

1. To analyse the Socio Economic Conditions of Women SHG members
2. To know the reasons for joining SHGs
3. To Identify the economic Empowerment of Women after joining SHGs
4. To evaluate the impact of micro finance on decision making before and after joining SHGs

METHODOLOGY

The same size of the study was 195 were respondents belonged to selected villages of Tirunelveli district. The selected villages of Tirunelveli district were Suthamalli, Kondanagaram, Munnerpallam, Vellankulam and Vallavankottai. Out of the 195 questionnaires distributed and were used in the final analysis because those were correctly filled. This study compiled with the help of the primary data covered only six months period 2018. The primary data collected with help of specially organized interview schedule. The schedule included the questions related to the general Information about the SHGs, family size, savings and loan schemes available to SHGs members. Totally 195 respondents selected 24 SHGs (443 total members) of five villages by using random sampling method. The sample size was 18% of the total members in the SHGs. The collected data have been processed and analyzed with the help of SPSS. Data analysis has been done with the help of statistical software (SPSS. 20 version) by using the techniques including frequencies and percentages. The researcher has used the prominent statistical tools namely ANOVA and 't' test.

REVIEW OF LITERATURE

Ruka Gupta and Bipin kumar Gupta (1987) revealed that the rural women really contribute more than men, but still their socio economic conditions remain pitiful. If population control programmes not vigorously pursued, any hope of amelioration of women's condition and improvement in the role women in economic development cannot be ensured.

Buxi L.S (1991) has stressed that the status of women in independent India has an important place and literacy alone will make women allies their potential and equip them for better wages and employment for this media should be entrusted with the task of educating people on the various themes.

Gurumoorthy (2000) says that empowering women contributed to social development Economic progress in any country whether developed or underdeveloped can be achieved through social development. The SHG disburses

micro Credit to the rural women to make them enterprising women and encouraging them to enter in to entrepreneurial activities. SHG enhance equality of status of women as participants, decision makers and beneficiaries in the democratic, economic, social and cultural spheres of life. SHGs also encourage women to take an active part in the socio economic progress of our nation.

Narayana Reddy .G (2002) has pointed out that for bridging gaps in gender inequality women should empower by making them as active partners in decision making implementation and evaluation of all interventions initiated for emerging, organizing and sustaining their livelihood. According to him, empowerments is an on-going process and not an end by itself.

ANALYSIS AND INTERPRETATION

The present study is related to the economic empowerment of women in two blocks from Tirunelveli District. This selection deals with the economic improvement of women through SHGs.

Table 1
Socio-Economic Characteristic of Respondents
(N=195)

Variables	Categories	Percentage
Age	20-40 years	70.1
	40-60 years	29.9
Education	Primary	16
	Middle	28
	High School	22
	Higher Secondary	34
Family Size	Less than 3	20
	Low (3-6)	25
	Medium(6-9)	10
	Large (9-12)	20
Family Type	Nuclear Family	90
	Joint Family	10
Land Holdings	Small Farmers	66
	Medium Farmers	15
	Large Farmers	5
	Landless	14
Livestock	Goat	28
	Sheep	10
	Cattle	20
	Buffaloes	42
Reasons for Joining SHGs	To get loan	70
	To get Govt Subsidy Information	5
	To move with people	4

	To get help to start a business	21
Sources of Information about SHGs	Friends	25%
	Relatives	15%
	Neighbors	13%
	NGOs/Govt Mahalir Thittam	47%
Level of Satisfaction about Bank loan Repayment period	Not Satisfied	14
	Satisfied	69
	No Idea	17
Nature of Difficulty in getting Loan	Delay	53
	Many enquiries	10
	Repetition	23
	Illiteracy	14

Source: Primary Data

RESULTS AND DISCUSSION

The socio-economic conditions of respondents were analyzed and presented in the above table. In the study area, it revealed that the percentage of 20-40 years respondents is more i.e., 70%. As per the survey young and middle age groups involvements is higher than that of old aged groups in SHGs.

It is evident from the results that 16% of the respondents had primary education about 22% had High School Education and about 34% possessed higher secondary education level.

The results on family size categories indicate that majority of the respondents is 20% of families are having more than 12 size ranging from members.

Results on family type revealed that 90% of the respondents belonging to the Nuclear family. It indicates the declining of the joint family system. Results on land holding revealed that the number of small farmers forms the majority (66%). The next more significant group is the medium farmers (15%). The number of large farmers are quite a few (5%) while the landless are almost insignificant (14%).

Further results exposed that cattle, goat, sheep and buffaloes are the first livestock in the area. About 28% of the sample farmers had a goat about 20% of them had cattle, poultry is widely prevalent in the blocks. The primary reason to join the SHGs in the study area is to avail the loan facility of the group.

The majority of the respondents revealed that 47% of them came o know through NGOs/ Govt Mahalir Thittam. The loan repayment is very convenient and 69% of the respondents reveled that they are satisfied with the loan repayment period. The respondents were asked to specify the nature of the difficulties faced by them.

23% of the respondents revealed that they faced Repetition in sanctioning loan by the bank. Further 53% of them stated that they faced a delay in getting loan.

Economic Empowerment among the SHGs women members in relation to their Educational Qualification

In order to find out the significant difference in the economic empowerment among the SHGs women members based on educational qualification, ‘ANOVA’ test is attempted with the null hypothesis as, **“There is no significant difference in the economic empowerment among the SHGs women members based on educational qualification”**. The result of ‘ANOVA’ test is presented in Table 2.

Table 2
Economic Empowerment among the SHGs women members based on Educational Qualification

Economic Empowerment	Educational Qualification (Mean Score)				F- Statistics
	Primary	Middle	High School	Higher Secondary	
Personal income	3.6304	3.6810	3.7306	3.9846	2.819*
Ability to save for future needs	3.8023	3.8351	3.8056	3.7073	0.203
Able to meet day today expenses for the family	3.6619	3.6774	3.6111	3.7073	0.063
Able to meet the household needs	3.5158	3.5627	3.3472	3.4878	0.488
Capacity to give education to the children	3.2264	3.1900	3.0694	3.1951	0.166
Able to meet medical requirements	3.3410	3.5627	3.4306	3.6829	1.951
Ability to spend some amount on family functions	4.4728	4.5663	4.4306	4.5707	1.705
Ability to avail loans from the banks such as NGO, SHG, govt/pvt banks	3.5960	3.5771	3.6111	3.3415	0.499
Capacity to repay the loan	3.5221	3.5817	3.6806	3.9902	2.870*

Source: Primary data

*Significant at five per cent level

Table 2 shows the mean score of economic empowerment among SHGs women members based on educational qualification along with its respective ‘F’ statistics. The important economic empowerment variables among the SHGs women members having primary education are ‘ability to spend some amount on family

functions' and 'ability to save for future needs' since their respective mean scores are 4.4728 and 3.8023. Among the SHGs women members having middle school education, the important economic empowerment variables are 'ability to spend some amount on family functions' and 'ability to save for future needs' since their respective mean scores are 4.5663 and 3.8351. The important economic empowerment variables among the SHGs women members having high school education are 'ability to spend some amount on family functions' and 'ability to save for future needs' since their respective mean scores are 4.4306 and 3.8056. Among the SHGs women members having higher secondary education, the important economic empowerment variables are 'ability to spend some amount on family functions' and 'capacity to repay the loan' since their respective mean scores are 4.5707 and 3.9902. Regarding the economic empowerment, significant difference among the SHGs women members based on educational qualification are identified in the case of personal income and capacity to repay the loan since the respective 'F' statistics are significant at 5 per cent level, the null hypothesis is rejected.

Table 3
Impact of micro finance on decision making after joining SHGs based on family type

Family Type	Number	Mean	S.D	't' value	Interpretation
Nuclear family	177	32.91	7.37	2.790	Significant
Joint family	18	15.96	2.21		

In order to find out the impact of microfinance and SHGs on decision making empowerment of SHGs women members based on family type, the "t" test was attempted and the calculated "t" value was found to be 2.790 which is higher than the table value 1.96 which is significant at 5 percent level. Therefore the null hypothesis is rejected and concluded that there is a significant difference in decision making empowerment of SHGs women members based on the family type.

Decision Making Empowerment among the SHGs women members based on Educational Qualification

In order to find out the significant difference in decision making empowerment among the SHGs women members based on educational qualification, 'ANOVA' test is attempted with the null hypothesis as, **"There is no significant difference in decision making empowerment among the SHGs women members**

based on educational qualification”. The result of ‘ANOVA’ test is presented in Table 4.

Table 4
Decision Making Empowerment among the SHGs women members based on Educational Qualification

Decision Making Empowerment	Educational Qualification (Mean Score)				F-Statistics
	Primary	Middle	High School	Higher Secondary	
Education of children	2.8023	2.8853	2.7917	3.2195	1.253
Health of children	3.1920	3.1470	3.0556	3.1463	0.258
Consumption patterns	2.9312	2.9677	2.7917	3.3659	1.765
Marriage of children	2.8768	2.7778	2.7500	2.9024	0.359
Borrowing decision	2.8166	2.8674	2.8472	2.7073	0.368
Repayment decision	3.3868	3.5125	3.3333	3.0732	2.938*

Source: Primary data

*Significant at five per cent level

Table 4 shows the mean scores of decision making empowerment among SHGs women members based on educational qualification along with its respective ‘F’ statistics. The important decision making empowerment variables among the SHGs women members having primary education are ‘repayment decision’ and ‘health of children’ since their respective mean scores are 3.3868 and 3.1920. Among the SHGs women members having middle school education, the important decision making empowerment variables are ‘repayment decision’ and ‘health of children’ since their respective mean scores are 3.5125 and 3.1470. The important decision making empowerment among the SHGs women members having high school education are ‘repayment decision’ and ‘health of children’ since their respective mean scores are 3.3333 and 3.0556. Among the SHGs women members having higher secondary education, the important decision making empowerment variables are ‘consumption patterns’ and ‘education of children’ since their respective mean scores are 3.3659 and 3.2195. Regarding the decision making empowerment, the significant difference among the SHGs women members based on educational qualification are identified in the case of repayment decision since their respective ‘F’ statistics are significant at 5 per cent level, the null hypothesis is rejected.

SUGGESTIONS

- The SHGs women members can make use of the MFIs or the NGOs offering micro credit to start some income generating venture by themselves. For this purpose they may attend the training programmes conducted by the district industries centre or the training programmes organized by the NGOs.
- The amount borrowed from the MFIs must be used for the purpose of generating income by doing some income generating ventures. This will enhance the economic conditions of the beneficiaries and to come out of the clutches of the scruples money lenders.

CONCLUSION

It is concluded from this study that micro finance, micro credit through SHGs has reached the people. There is steady growth in SHGs among women and millions of households helped through micro finance and poverty alleviation. Therefore timely and regular check out will make the micro credit through SHGs to become a harbinger of the overall development of the socio-economic development of the rural poor and poverty alleviation. To conclude the economic activities of women SHGs are quite successful. In this way women SHG in Five villages from Tirunelveli District were very successful women empowerment and rural areas and poverty alleviation.

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