

## A study on economic impact of self help groups on women entrepreneurs

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### Abstract

Self help groups serve as a source of motivation and a practical choice for attaining the economic development of women by engaging them in all entrepreneurial programmes. The minimized family dependence to money lenders, economically independent, better access/ control of financial resources, increased savings, minimized family indebtedness, asset creation, generation of additional income to family, easy repayment of loan, improved bargaining power and increased purchasing power are the economic impact of self help groups on women entrepreneurs as opined by them. More than half of women self group members opined that the level of economic impact of self help groups at medium level. There is significant association between profile of women and economic impact of self help groups. Self help groups should help their members for identifying suitable market and forecast demand for their products and must establish marketing intelligence centers for increasing opportunities for marketing of products.

**Keywords:** Economic Impact, Self Help Groups, Women Entrepreneurs

### Introduction

The gender inequalities are the main issue that obstructs development towards the Millennium Development Goals of reduction of poverty in India. This is mostly evident in rural areas, where women are usually engaged in productive activities, but not access to economic assets greatly. As a consequence of this inequity, rural women are regularly more susceptible to poverty as compare to men. The poor access to resources of women for doing their business is severely affected by dynamics of rural markets.

The Government of India promotes SHGs in order to support and develop women as entrepreneurs. Therefore, SHGs provide trainings for women members to identify their potential area for entrepreneurship and arrange financial support for their production and marketing facilitates. Besides, SHGs improve entrepreneurial competencies, leadership qualities and administrative capabilities of their women members (Moses, 2011).

The Government gives loans without guarantee or security at a low interest to the women through SHG programmes (Thileepan and Soundararajan, 2013). Microfinance through SHGs has noteworthy contribution in economic empowerment of Indian women. Women self help groups have attained a very good success in carrying them for decision making process. Self help groups serve as a source of motivation and a practical choice for attaining the economic development of women by engaging them in all entrepreneurial programmes. Therefore, the present research is carried out to study the economic impact of self help groups on women entrepreneurs in Dindigul district.

### Methodology

The present study is carried out in Dindigul district. The data are collected from 711 women self

help group members by using multi stage random sampling technique through structured questionnaire. The percentage analysis is done for profile of women self group members. The mean and standard deviation are worked out for economic impact of self help groups on women entrepreneurs. The Chi-square test is used to study the association between profile of women self help members and economic impact of self help groups.

### Results and Discussion

**Profile of women self help group members:** The profile of women self help group member were analyzed and the results are presented in Table-1. The results reveal that 41.21 per cent of women self group members are in the age group of 21 – 30 years, 37.41 per cent of women self group members are in the age group of 31 – 40 years, 12.80 per cent of women self group members are in the age group of 41 – 50 years, 4.50 per cent of women self group members are in the age group of below 20 years and 4.08 per cent of women self group members are in the age group of above 50 years. It is apparent that 34.32 per cent of women self group members are illiterates, 21.94 per cent of women self group members have the educational qualification of primary school education, 17.44 per cent of women self group members have the educational qualification of middle school education, 13.08 per cent of women self group members have the educational qualification of secondary education, 9.00 per cent of women self group members have the educational qualification of higher secondary education and 4.22 per cent of women self group members are graduates.

The results show that 42.05 per cent of women self group members belong to Backward Caste, 26.16 per cent of women self group members belong to Most Backward Community, 15.19 per cent of women self group members belong to Forward Community, 11.68

per cent of women self group members belong to Scheduled Caste and 4.92 per cent of women self group members belong to Scheduled Tribe. It is clear that 58.65 per cent of women self group members are married, 22.36 per cent of women self group members are unmarried, 10.13 per cent of women self group members are separated and 8.86 per cent of women self group members are widows.

**Table 1: Profile of Women Self Help Group Members**

Profile	Number of Members	Percentage
<b>Age Group</b>		
Below 20 years	32	4.50
21 – 30 years	293	41.21
31 – 40 years	266	37.41
41 – 50 years	91	12.80
Above 50 years	29	4.08
<b>Educational Qualification</b>		
Illiterate	244	34.32
Primary	156	21.94
Middle	124	17.44
Secondary	93	13.08
Higher Secondary	64	9.00
Graduation	30	4.22
<b>Community</b>		
Forward Community	108	15.19
Backward Caste	299	42.05
Most Backward Community	186	26.16
Scheduled Caste	83	11.68
Scheduled Tribe	35	4.92
<b>Marital Status</b>		
Married	417	58.65
Unmarried	159	22.36
Separated	72	10.13
Widow	63	8.86

**Economic impact of self help groups on women entrepreneurs:** The economic impact of self help groups on women entrepreneurs was analyzed and the results are presented in Table 2.

**Table 2: Economic Impact of Self Help Groups on Women Entrepreneurs**

Economic Impact	Mean	Standard Deviation
Better access to the credit facility	4.74	0.15
Minimized family dependence to money lenders	4.12	0.45
Economically independent	4.06	0.44
Better access / control of financial resources	3.88	0.42
Improved the food consumption pattern	3.30	0.57
Increased savings	3.78	0.81
Minimized family indebtedness	4.31	0.32
Asset creation	3.95	0.52
Generation of additional income to family	4.16	0.28
Easy repayment of loan	3.90	0.78
Improved bargaining power	4.11	0.53
Increased purchasing power	3.85	0.89

The results show that the women self group members are strongly agreed with better access to the credit facility, while, they are neutral with improved the food consumption pattern. Besides, the women self group members are agreed with minimized family dependence to money lenders, economically independent, better access / control of financial resources, increased savings, minimized family indebtedness, asset creation, generation of additional income to family, easy repayment of loan, improved bargaining power and increased purchasing power.

**Profile of women self group members and economic impact of self help groups:** The distribution of women on the basis of economic impact of self help groups was analyzed and the results are presented in Table 3. The responses of women about economic impact of self help groups has been classified into low level, medium level and high level based on “Mean  $\pm$  Standard Deviation (SD)” criterion. The mean score is 48.17 and the SD is 5.14.

**Table 3: Distribution of Women on the Basis of Economic Impact of Self Help Groups**

Level of Economic Impact of Self Help Groups	Number of Members	Percentage
Low	115	16.18
Medium	404	56.82
High	192	27.00
Total	711	100.00

The results imply that 56.82 per cent of women self group members opined that the level of economic impact of self help groups at medium level followed by high level (27.00 per cent) and low level (16.18 per cent).

**Age group and economic impact of self help groups:** The relationship between age group of women self group members and economic impact of self help groups was analyzed and the results are presented in Table 4.

**Table 4: Age Group and Economic Impact of Self Help Groups**

Age Group	Level of Economic Impact of Self Help Groups			Total	Chi-square Value	Sig.
	Low	Medium	High			
Below 20 years	15 (46.87)	13 (40.63)	4 (12.50)	32 (4.50)	59.135	.000
21 – 30 years	30 (10.24)	173 (59.04)	90 (30.72)	293 (41.21)		
31 – 40 years	60 (22.56)	147 (55.26)	59 (22.18)	266 (37.41)		
41 – 50 years	9 (9.89)	60 (65.93)	22 (24.18)	91 (12.80)		
Above 50 years	1 (3.45)	11 (37.93)	17 (58.62)	29 (4.08)		
Total	115 (16.18)	404 (56.82)	192 (27.00)	711 (100.00)	-	-

(The figures in the parentheses are per cent to total)

Out of 32 women self group members who are in the age group of below 20 years, 46.87 per cent of women self group members opined that the level of economic impact of self help groups at low level, 40.63 per cent of women self group members opined that the level of economic impact of self help groups at medium level and 12.50 per cent of women self group members opined that the level of economic impact of self help groups at high level.

Out of 293 women self group members who are in the age group of 21 – 30 years, 59.04 per cent of women self group members opined that the level of economic impact of self help groups at medium level, 30.72 per cent of women self group members opined that the level of economic impact of self help groups at high level and 10.24 per cent of women self group members opined that the level of economic impact of self help groups at low level.

Out of 266 women self group members who are in the age group of 31 – 40 years, 55.26 per cent of women self group members opined that the level of economic impact of self help groups at medium level, 22.56 per cent of women self group members opined that the level of economic impact of self help groups at low level and 22.18 per cent of women self group members opined that the level of economic impact of self help groups at high level.

Out of 91 women self group members who are in the age group of 41 – 50 years, 65.93 per cent of women self group members opined that the level of

economic impact of self help groups at medium level, 24.18 per cent of women self group members opined that the level of economic impact of self help groups at high level and 9.89 per cent of women self group members opined that the level of economic impact of self help groups at low level.

Out of 29 women self group members who are in the age group of above 50 years, 58.62 per cent of women self group members opined that the level of economic impact of self help groups at high level, 37.93 per cent of women self group members opined that the level of economic impact of self help groups at medium level and 3.45 per cent of women self group members opined that the level of economic impact of self help groups at low level.

The Chi-square value of 59.135 is significant at one per cent level indicating that there is significant association between age group of women self group members and economic impact of self help groups. Hence, the null hypothesis of there is no significant association between age group of women self group members and economic impact of self help groups is rejected.

**Educational qualification and economic impact of self help groups:** The relationship between educational qualification of women self group members and economic impact of self help groups was analyzed and the results are presented in Table 5.

**Table 5: Educational Qualification and Economic Impact of Self Help Groups**

Educational Qualification	Level of Economic Impact of Self Help Groups			Total	Chi-square Value	Sig.
	Low	Medium	High			
Illiterate	50 (20.49)	139 (56.97)	55 (22.54)	244 (34.32)	36.664	.000
Primary	33 (21.16)	91 (58.33)	32 (20.51)	156 (21.94)		
Middle	8 (6.45)	78 (62.90)	38 (30.65)	124 (17.44)		
Secondary	16 (17.20)	38 (40.96)	39 (41.94)	93 (13.08)		
Higher Secondary	3 (4.69)	40 (62.50)	21 (32.81)	64 (9.00)		
Graduation	5 (16.67)	18 (60.00)	7 (23.33)	30 (4.22)		
Total	115 (16.18)	404 (56.82)	192 (27.00)	711 (100.00)		

(The figures in the parentheses are per cent to total)

Out of 244 women self group members who are illiterates, 56.97 per cent of women self group members opined that the level of economic impact of self help groups at medium level, 22.54 per cent of women self group members opined that the level of economic impact of self help groups at high level and 20.49 per cent of women self group members opined that the level of economic impact of self help groups at low level.

Out of 156 women self group members who have primary school education, 58.33 per cent of women self group members opined that the level of economic impact of self help groups at medium level, 20.51 per cent of women self group members opined that the level of economic impact of self help groups at high level and 21.16 per cent of women self group members opined that the level of economic impact of self help groups at low level.

Out of 124 women self group members who have middle school education, 62.90 per cent of women self group members opined that the level of economic impact of self help groups at medium level, 30.65 per cent of women self group members opined that the level of economic impact of self help groups at high level and 6.45 per cent of women self group members opined that the level of economic impact of self help groups at low level.

Out of 93 women self group members who have secondary school education, 41.94 per cent of women self group members opined that the level of economic impact of self help groups at high level, 40.96 per cent of women self group members opined that the level of economic impact of self help groups at medium level and 17.20 per cent of women self group members

opined that the level of economic impact of self help groups at low level.

Out of 64 women self group members who have higher secondary school education, 62.50 per cent of women self group members opined that the level of economic impact of self help groups at medium level, 32.81 per cent of women self group members opined that the level of economic impact of self help groups at high level and 4.69 per cent of women self group members opined that the level of economic impact of self help groups at low level.

Out of 30 women self group members who are graduates, 60.00 per cent of women self group members opined that the level of economic impact of self help groups at medium level, 23.33 per cent of women self group members opined that the level of economic impact of self help groups at high level and 16.67 per cent of women self group members opined that the level of economic impact of self help groups at low level.

The Chi-square value of 36.664 is significant at one per cent level indicating that there is significant association between educational qualification of women self group members and economic impact of self help groups. Hence, the null hypothesis of there is no significant association between educational qualification of women self group members and economic impact of self help groups is rejected.

**Community and economic impact of self help groups:** The relationship between community of women self group members and economic impact of self help groups was analyzed and the results are presented in Table 6.

**Table 6: Community and Economic Impact of Self Help Groups**

Community	Level of Economic Impact of Self Help Groups			Total	Chi-square Value	Sig.
	Low	Medium	High			
Forward Community	14 (12.96)	56 (51.85)	38 (35.19)	108 (15.19)	19.030	.015
Backward Caste	63 (21.07)	156 (52.17)	80 (26.76)	299 (42.05)		
Most Backward Community	23 (12.37)	123 (66.13)	40 (21.50)	186 (26.16)		
Scheduled Caste	12 (14.46)	50 (60.24)	21 (25.30)	83 (11.68)		
Scheduled Tribe	3 (8.57)	19 (54.29)	13 (37.14)	35 (4.92)		
Total	115 (16.18)	404 (56.82)	192 (27.00)	711 (100.00)		

(The figures in the parentheses are per cent to total)

Out of 108 women self group members who belong to the Forward Community, 51.85 per cent of women self group members opined that the level of economic impact of self help groups at medium level, 35.19 per cent of women self group members opined that the level of economic impact of self help groups at high level and 12.96 per cent of women self group members opined that the level of economic impact of self help groups at low level.

Out of 299 women self group members who belong to the Backward Caste, 52.17 per cent of women self group members opined that the level of economic impact of self help groups at medium level, 26.76 per cent of women self group members opined that the level of economic impact of self help groups at high level and 21.07 per cent of women self group members opined that the level of economic impact of self help groups at low level.

Out of 186 women self group members who belong to the Most Backward Caste, 66.13 per cent of women self group members opined that the level of economic impact of self help groups at medium level, 21.50 per cent of women self group members opined that the level of economic impact of self help groups at high level and 12.37 per cent of women self group members opined that the level of economic impact of self help groups at low level.

Out of 83 women self group members who belong to the Scheduled Caste, 60.24 per cent of women self group members opined that the level of economic

impact of self help groups at medium level, 25.30 per cent of women self group members opined that the level of economic impact of self help groups at high level and 14.46 per cent of women self group members opined that the level of economic impact of self help groups at low level.

Out of 35 women self group members who belong to the Scheduled Tribe, 54.29 per cent of women self group members opined that the level of economic impact of self help groups at medium level, 37.14 per cent of women self group members opined that the level of economic impact of self help groups at high level and 8.57 per cent of women self group members opined that the level of economic impact of self help groups at low level.

The Chi-square value of 19.030 is significant at five per cent level indicating that there is significant association between community of women self group members and economic impact of self help groups. Hence, the null hypothesis of there is no significant association between community of women self group members and economic impact of self help groups is rejected.

**Marital status and economic impact of self help groups:** The relationship between marital status of women self group members and economic impact of self help groups was analyzed and the results are presented in Table 7.

**Table 7: Marital Status and Economic Impact of Self Help Groups**

Marital Status	Level of Economic Impact of Self Help Groups			Total	Chi-square Value	Sig.
	Low	Medium	High			
Married	43 (10.31)	257 (61.63)	117 (28.06)	417 (58.65)	71.279	.000
Unmarried	47 (29.56)	64 (40.25)	48 (30.19)	159 (22.36)		
Separated	5	40	27	72		

	(6.94)	(55.56)	(37.50)	(10.13)		
Widow	20 (31.75)	43 (68.25)	0 (0.00)	63 (8.86)		
Total	115 (16.18)	404 (56.82)	192 (27.00)	711 (100.00)	-	-

(The figures in the parentheses are per cent to total)

Out of 417 women self group members who are married, 61.63 per cent of women self group members opined that the level of economic impact of self help groups at medium level, 28.06 per cent of women self group members opined that the level of economic impact of self help groups at high level and 10.31 per cent of women self group members opined that the level of economic impact of self help groups at low level.

Out of 159 women self group members who are unmarried, 40.25 per cent of women self group members opined that the level of economic impact of self help groups at medium level, 30.19 per cent of women self group members opined that the level of economic impact of self help groups at high level and 29.56 per cent of women self group members opined that the level of economic impact of self help groups at low level.

Out of 72 women self group members who are separated, 55.56 per cent of women self group members opined that the level of economic impact of self help groups at medium level, 37.50 per cent of women self group members opined that the level of economic impact of self help groups at high level and 6.94 per cent of women self group members opined that the level of economic impact of self help groups at low level.

Out of 63 women self group members who are widows, 68.25 per cent of women self group members opined that the level of economic impact of self help groups at medium level and 31.75 per cent of women self group members opined that the level of economic impact of self help groups at low level.

The Chi-square value of 71.279 is significant at one per cent level indicating that there is significant association between marital status of women self group members and economic impact of self help groups. Hence, the null hypothesis of there is no significant association between marital status of women self group members and economic impact of self help groups is rejected.

### Conclusion

The study indicates that most of women self group members are in the age group of 21 – 30 years and majority of them are illiterates. Most of women self group members belong to Backward Caste and majority of them are married. The women self group members are agreed with minimized family dependence to money lenders, economically independent, better access/ control of financial resources, increased savings, minimized family indebtedness, asset creation, generation of additional income to family, easy

repayment of loan, improved bargaining power and increased purchasing power.

The results show that 56.82 per cent of women self group members opined that the level of economic impact of self help groups at medium level followed by high level (27.00 per cent) and low level (16.18 per cent). There is significant association between profile of women and economic impact of self help groups.

Self help groups should help their members for identifying suitable market and forecast demand for their products and must establish marketing intelligence centers for increasing opportunities for marketing of products. Women entrepreneurs must be connected with large corporate for using their facilities and incubation cells of academic institutions and entrepreneurial development cells for increasing competitive advantages. Women entrepreneurs should encouraged in diversified activities in non farm sector also.

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