



RESEARCH ARTICLE

THRUST FACTORS PERSUADING SCHEDULED CASTE WOMEN TO JOIN SHGS

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ABSTRACT

**Purpose:** It is evident from a vast literature that microfinance play a crucial role in the growth and development of poor and it is also acknowledged that in India delivery of microfinance is through Self Help Groups (SHGs), thus SHGs also play an imperative role in women empowerment. Therefore this paper aims at recognizing the push factors which encourage the Scheduled Caste (SC) women to join SHGs as they are the most impecunious part of the society, so that government should take enough initiatives to empower them.

**Design/Methodology/Approach:** Data was collected from primary and secondary sources. Primary data was collected from women SHGs using questionnaire and interview method. Secondary data was collected from various published and unpublished sources like NABARD, NGO reports, journals. Analysis was done using percentage, frequency, radar chart and Friedman's Test statistics.

**Findings:** The present study divulged bank loan as the most important reason of joining SHGs followed by increase in income and savings.

**Originality/Value:** As this study concentrates on studying rationale of SC women to join SHGs in two districts of Tamil Nadu which no one have attempted as of now. Therefore this study is an original work of the author.

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INTRODUCTION

The modern microfinance movement initiated in Bangladesh, as an effect to the existing poverty and lower income conditions amid its extensive rural population. Microfinance has been recognized as an ideal mechanism of giving pecuniary services to the destitute population in India. The microfinance movement was instigated by the Non-Governmental Organizations (NGOs) and the Community Based Organizations (CBOs) and soon the formal financial sector also joined the movement. It allows the poor to secure, renovate and improve their resources of income. According to Robinson (2001) the common method of providing microfinance in India is via the Self Help Groups (SHGs). The concept of self-help group gained significance, especially after 1976 when Prof. Mohammed Yunus of Bangladesh began experimenting with micro-credit with women self-help groups. Self-help groups are small informal associations created for the purpose of enabling members to reap economic benefit out of mutual help, solidarity and joint responsibility.

**Progress of rural scheduled caste (sc) women through shgs**

Joining SHG means more access to credit which can help in expansion of material base of Scheduled Caste women by enabling them to initiate and augment small business, often escorted by market access; the women also experienced 'power within': feelings of autonomy, vigor, self-identity and boost in levels of confidence and self-esteem. Though women face handicaps, their membership in SHGs has modified them. Nevertheless various constrictions like prejudiced practices in

labor, a low-level of skills etc. operate to contract a women's potential for economic empowerment and sustainability.

**Role of self help groups in women empowerment: a literature review**

Singh and Desouza (1980) critically examining the impact and effectiveness of self employed women in the resettlement colonies of Delhi state. They found that very small proportions of women were primary earners even though 81 per cent of workers able to provide basic support to their families. Hapke (1992) discussed in his paper that the programme of parivardhan helped in many ways like women's empowerment and health care of the children. This association was initiated by Centre for Social Research (CSR) in Junapur district of Uttar Pradesh. According to Lalitha (1997) the main principles of SHG approach are group cohesiveness, capacity building, skill training, demands based lending, women friendly loan, spirit of thrift, organization of managerial and small groups, mutant tract and finally empowerment. Usharani (1999) coated in her study in the district of Vijayanagaram in Andhra Pradesh, women beneficiaries had been benefited from Development of Women and Children in Rural Areas (DWCRA) where as income received by beneficiaries were Rs. 1033.33 (From goat rearing) to Rs. 8400 (from tailoring), so it creates additional income to DWCRA beneficiaries. Also women Self employment made Mulubgal taluk of kolar district as a flourished place. These SHGs have been able to save Rs.65 lakhs (Prasad (2000)).

**Table 1** Distribution of respondents by their demographic and economic Status

Variables	S.No.	Categories	Frequency	Percentage
Age	1	25 to 29 years	122	20.4
	2	30 to 34 years	68	11.3
	3	35 to 39 years	183	30.5
	4	40 to 44 years	48	8
	5	45 to 49 years	137	22.8
	6	50 years and above	42	7
		<b>Total</b>	<b>600</b>	<b>100</b>
Family size	S.No.	Categories	Frequency	Percentage
	1	2 members	72	12
	2	2-4 members	456	76
	3	5-7 members	48	8
	4	More than 7 members	24	4
		<b>Total</b>	<b>600</b>	<b>100</b>
Educational level	S.No.	Categories	Frequency	Percentage
	1	Illiterate	38	6.4
	2	Up to 5 <sup>th</sup>	174	29
	3	Up to 10 <sup>th</sup>	370	61.7
	4	Up to 12 <sup>th</sup>	10	1.6
		Graduation	8	1.3
		<b>Total</b>	<b>600</b>	<b>100</b>
Women occupation	S.No.	Categories	Frequency	Percentage
	1	Coolie/Daily Wage	290	48.4
	2	Business	81	13.5
	3	Public worker	8	1.3
	4	Private worker	109	18.2
		Not working	112	18.7
		<b>Total</b>	<b>600</b>	<b>100</b>
Family income	S.No.	Categories	Frequency	Percentage
	1	Rs. 2000 – 4000	42	7
	2	Rs. 4001 – 6000	404	67.4
	3	Rs. 6001 – 8000	108	18
	4	Rs. 8001 – 10000	26	4.3
		Above Rs. 10000	20	3.3
		<b>Total</b>	<b>600</b>	<b>100</b>
Monthly Expenditure	S.No.	Categories	Frequency	Percentage
	1	Rs. 2000 – 4000	314	52.4
	2	Rs. 4001 – 6000	243	40.5
	3	Rs. 6001 – 8000	22	3.6
		Above Rs. 8000	21	3.5
		<b>Total</b>	<b>600</b>	<b>100</b>
Monthly savings	S.No.	Categories	Frequency	Percentage
		No savings	3	0.5
		Below Rs. 500	5	0.8
		Rs. 500 – 1000	334	55.7
		Rs. 1001 – 1500	93	15.5
		Rs. 1501 – 2000	81	13.5
		Above Rs. 2000	84	14
		<b>Total</b>	<b>600</b>	<b>100</b>
Source of bank loan	S.No.	Categories	Frequency	Percentage
	1	Bank	477	79.5
	2	Both TADCO and Bank	123	20.5
		<b>Total</b>	<b>600</b>	<b>100</b>
Loan amount received from banks	S.No.	Categories	Frequency	Percentage
	1	Below Rs 25,000	80	13.3
	2	Rs 25,000 to Rs 50,000	70	11.7
	3	Rs 50,001 to Rs 1,00,000	203	33.8
	4	Rs.1, 00, 001 - 2, 00, 000	168	28.0
		Rs.2, 00, 001 - 5, 00, 000	79	13.2
		<b>Total</b>	<b>600</b>	<b>100</b>
Purpose of loan	S.No.	Categories	Frequency	Percentage
	1	Agriculture	29	4.8
	2	Business	417	69.5
	3	Education	63	10.5
		Marriage	91	15.2
		<b>Total</b>	<b>600</b>	<b>100</b>

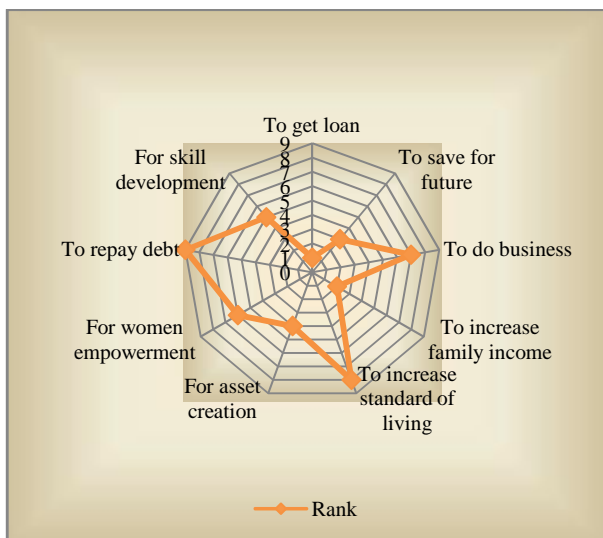
Source: Computed Primary Data

**Table 2** Mean Rank for rationale of joining SHGs

S. No.	Variables	Mean	Std. Deviation	Mean Rank	Chi - square	Df	P
1	To get loan	4.58	.646	7.33			
2	To save for future	4.09	1.107	6.33			
3	To do business	2.54	.959	3.47			
4	To increase family income	4.31	.707	6.66			
5	To increase standard of living	1.96	1.128	2.43	2512.1	8	.000**
6	For asset creation	3.99	1.059	6.07			
7	For women empowerment	3.29	1.224	4.82			
8	To repay debt	1.81	1.045	2.24			
9	For skill development	3.84	.952	5.66			

Source: Computed Primary Data

Note: \*\* Denotes high significance at 1 percent level



Source: Computed Primary Data

**Graph 1** Radar chart showing the ranks of reasons for joining SHGs

Puhazhendi (2000) revealed that participation of women in SHGs made a noteworthy impact on their empowerment both in social and economic aspects. The women members were able to increase their income level manifold and contribute to the development of the family. In the process many women members expressed that they were participating in the financial decision of the family which they were not allowed during the pre-linkage period. The group vitality helped the women to compel the authorities in laying roads, providing electric connection, drainage, bore well and construction of community halls. Women were coming out in open to discuss their common problems which would not have been possible in the absence of group activities.

Puhazhendi and Satyasai (2000) studied the impact of SHG – Bank – Linkage Programme (SBLP) on SHGs which was actually carried out for NABARD. The findings revealed that the employment increased between pre SHGs and post SHGs period. There was a significant increase in the self-confidence of the women participating in the SHGs programmes which increased empowerment.

Prita (2001) reported in her study there was a high level saving tendency of SHGs in Dharwad district i.e. most of the members in the group had been saving Rs. 1500. Deve (2007), in his study found that after the SHGs are implemented in Andhra Pradesh states there is gradual fall in the poverty level.

**Statement of Problem**

In the backdrop of various reviews related to role of SHGs in women empowerment, it is clear that SHGs are playing a significant role in women empowerment,

but with all said and done still many issues remain unanswered like what the factors which persuade poor women for becoming a SHG members in spite of their frantic daily schedule to brawl for their living? Is the government taking any initiative to provoke this neglected section of the society to join SHG? Keeping this in mind this study has made a modest attempt to identify the factors which persuade the poor SC women to join SHGs.

**Objectives of the Study**

1. To study the demographic profile of the SC SHG women in Vellore and Tiruvannamalai District.
2. To identify the motivational factors which influence SC women to join Self Help Groups

**Need of the Study**

As we discussed in the literature review, it is quite obvious that once poor women join SHGs, they get more access to credit and thus became more empowered. Hence it becomes very important to identify the major factors which motivate the poor women to join SHGs. This study concentrates on SC SHG women, and no study is done till now to deal with the thrust factors for Scheduled Caste SHG women in Vellore and Tiruvannamalai district to join SHGs, as this group of population is the most deprived one. Therefore this study gains its significance.

**MATERIAL AND METHODOLOGY**

Present study is empirical in nature based on mainly primary data collected through field survey using survey questionnaire. The questionnaire contained questions related to demographic profile of the respondents in the first section, questions related to functions of SHGs were in second section and questions related to reasons for joining SHGs in the third section. Besides, secondary data and pertinent literature have also been compiled from various published and documented sources. Random disproportionate sampling was used for data collection. A total of 600 samples were collected from 750 distributed samples from the two districts of Tamil Nadu namely Vellore and Tiruvannamalai from six NGOs namely Organization for Rural Development (ORD), Rural Social Welfare Society (RSWS), Rural Health Education & Economic Development Society (REEDS), Women's Organization for Rural Literacy & Development (WORLD), Indian Council for Child Welfare (ICCW) and WEL. The two districts were selected for the study as they are one of the most industrially backward districts and thus both have every potential need for microfinance. The study area was limited to randomly select 3 blocks 15 villages (5 villages from each block) from each district leading to 100 samples from each block. To study the above objectives various tools like percentage and frequency, radar chart and Friedman's test statistics was employed.

## **DISCUSSION**

This segment consists of the analysis part of the study. Various factors were used to study the demographic profile of the respondents and rationale of joining SHGs.

### ***Demographic profile of the respondents***

The data collected from the respondents regarding demographic profile have been presented in table 1 for analysis and discussion.

### ***Inference***

Regarding the age group of the respondents, it could be inferred that the maximum SHG members belong to the age group of 35-39 years which is 30.5 percent of the total, whereas the age group of above 50 years consisted only 7 percent respondents, 20.4 percent respondents were in the 25 - 29 years age group, 11.3 percent respondents fell in the age group of 30 - 34 years, 8 percent were in category of 40 - 44 years and the remaining 22.8 percent were in category of 45 - 49 years. When we notice the family size of the SHG women, we see that a majority of them (76 percent) belonged to a small family size of 2 - 4 members, whereas only 4 percent belong to big family size of more than 7 members. It was pleasing to find that 93.6 percent of women were literate and only 6.4 percent were illiterate, but when we distinguish the levels of education we see that only 1.3 have done graduation and 1.6 percent women had completed higher secondary whereas a majority of 61.7 percent had studied up till 10<sup>th</sup> standard. As far as the women's occupation is concerned it is clear from the table above that 48.4 percent women were involved in coolie/daily wage jobs whereas only 1.3 percent women are public worker, 13.5 percent were doing some business, 18.2 percent are private workers and 18.7 percent are not working anywhere. Concerning the family income of the respondents, most of them had income in the range of Rs. 4001 - Rs. 6000 (404 respondents), and least respondents were in the high income category of above Rs. 10000 (only 20 respondents).

It is seen from the table above that most of the respondents were in monthly expenditure range of Rs. 2000 - Rs. 4000 (52.4 percent), whereas there were only 3.6 percent respondents in the range of Rs 6001 - Rs 8000. When we notice the savings of the respondents, we notice that maximum members saved in the range of Rs. 500 - Rs. 1000 (334 respondents) and only 3 respondents said they had no savings at all. As far as source of loan is concerned, most of the respondents got loan from banks (79.5 percent). Concerning total amount of loan received from bank, it is clear from the table that 33.8 percent respondents received a total amount of loan in the range of Rs. 50,001 - 1, 00,000, whereas only 13.2 percent respondents got loan in the range of Rs. 2, 00,000 - 5, 00,000. Regarding the purpose of loan most of the respondents revealed that they got loan for business purpose (69.5 percent) but the reality is something else as the loan amount is barely used for productive purpose.

### ***Factors swaying poor women to join SHGs***

The main objective of this paper is to identify various reasons of joining SHGs among rural SC women in Vellore and Tiruvannamalai district which are categorized under one heading.

### ***Friedman's test***

The Friedman test statistic is mainly used for ranking the variables. The Friedman test ranks the cores in each row of the data file independently of every other row. The reasons of joining

the group among the respondents were brought in the form of 9 statements. The variables were developed with the help of literature review and discussion with the respondents. In this study, Friedman test is used to identify the variables which were most important for the respondents to influence them to join SHG

### ***Benefits of joining SHGs***

India still being a developing country combating with its poverty and trying maximum to bring more and more people above the poverty line, but this process is still sluggish as it the finance which can solve the purpose and in a country so colossal like India, providing finance to everyone is near to impossible. Therefore microfinance came in to picture and is being trying its maximum to penetrate at the grass root level. After many decades now that microfinance has developed so much and there is lot of money involved in this process it is very beneficial for rural poor women to join SHGs as they have played a crucial role in crafting the socio-economic status of poor rural women. Poor women join SHGs for their own reasons, and these reasons vary from each other as the requirement of each individual is different. Therefore it is mandatory to study why poor rural women join SHG and how they perceive the impact of joining the group and to what extent they are contented. Therefore to study this issue few questions were asked regarding SHG women's purpose of joining the group and consequently to comprehend this problem radar chart and Friedman's test was employed.

The variables that are considered under reasons of joining SHGs are identified and grouped under 9 variables which are as follows:

1. To get loan
2. To save for future
3. To do business
4. To increase family income
5. To increase standard of living
6. For asset creation
7. For women empowerment
8. To repay debt
9. For skill development

### ***Inference***

The Friedman's chi square tests the null hypothesis that the ranks of the variables do not differ from their expected value. For a constant sample size, the higher value of the chi - square statistic, the larger the difference between each variables rank sum and its expected value. For these rankings, the chi square value is 2512.1; Degrees of freedom are equal to the number of variables minus 1. Because a chi square value of 2512.1 with 8 degrees of freedom is implausible to have augmented by chance, it has to be concluded that the 600 respondents do not have same reasons for joining SHG. It is clear from the table 2, and graph 1 that the rationale to get loan was ranked first with mean rank of 7.33 as the main aim of a SHG is to get loan for business purpose. It is evident that without bank loan women empowerment is thorny; therefore it is the most important reason as it gives way to other empowerment factors. Graph 2 shows that purpose of increasing household income through SHG activities with a mean rank of 6.66 was ranked second as microfinance have played a major role in increasing the rural SHG women's family income; therefore the poor women intend to join SHG so that it could hike their income. With mean rank of 6.33, savings for future was ranked third most important reason of joining SHG because as soon the poor women join a SHG she starts saving as women understands the importance of savings and how it can help them to cope up with

various household shocks. Reason of asset creation with mean rank of 6.07 was ranked fourth as there are many evidences from the literature stating that group members have attained many assets after joining SHG, that is why poor women are inclined to join group. Skill development with a mean rank of 5.66 occupied fifth most important reason to join SHG as after joining SHG, members get loan and do some business which increases their business related skill. Purpose of women empowerment through SHGs with a mean rank of 4.82 was ranked sixth, as most of the women felt that after joining SHG they can be socially and economically more empowered and it has been proved right to a great extent. Other reasons of joining SHG as shown in the graph, namely, to do business, (mean rank: 3.47), to increase standard of living (mean rank: 2.43) and to repay debt (mean rank: 2.24), were ranked 7<sup>th</sup> to 9<sup>th</sup> respectively as these reasons were not mentioned very important for the respondent SHG women.

## **CONCLUSION**

The present study mainly dealt with identifying the most significant factors which lead SC poor women to join SHGs and from the analysis it was found that most of the SC women joined SHGs for the rationale of getting loan from the banks, increasing their family income and savings. Therefore government should take initiatives to amplify these preferred factors so that more SC women can join SHGs and thus become empowered.

### ***Scope and limitations of the study***

This study could be used to study the thrust factors in other districts also and thus help the government to take steps to make more poor women join SHGs. This study also has its own time and cost constraints.

We also cannot generalize the results for the whole nation as the study just covers two districts with a modest sample size of 600 respondents, and there are many other reasons which influence poor women to join SHGs which were not studied in this paper due to many constraints.

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