

Role of SHGS in Uplifting the Women Entrepreneurs with Special Reference to Economic Condition in Varanasi District

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SMS Journal of Entrepreneurship & Innovation
5 (2) 38 - 47
<https://doi.org/10.21844/smsjei.v5i02.15894>

Abstract

Growth and Development of women is very much essential for the overall growth of the nation. In this respect, the study tries to examine the Self Help Groups roles in uplifting the women entrepreneurs with special reference to economic condition in Varanasi district. The need arises for such type of study because, most of the research has been conducted in the southern region and only limited efforts have been made in exploring the women empowerment in Eastern region. So there is a paucity of such kind of research. The article explains the detailed research methodology adopted to carry out the study. The research design is descriptive and exploratory in nature and used non-probability - quota sampling technique for selecting the samples, and the researcher has used various statistical tools for the analysis of primary data using SPSS package v/s20.0. The analysis of primary data collected from the eight blocks of Varanasi, Uttar Pradesh; examine the Self Help Groups in enhancing women entrepreneurs with reference to the economic condition. It is inferred from the findings of the research attempted for the study that SHGs helps women entrepreneurs in enhancing their economic status by rising their income up to a satisfactory level, trim down the interdependence on financiers, developing the reliance on SHGs and growing the savings habit for the future financial requirements. The study is only confined to Varanasi districts belonging to women specially and hence cannot be generalized for others and scope for the future research is that further researches can be done by considering any other model except SHGs of the government or private institutions.

Keywords: *Self Help Groups, Entrepreneurship, Empowerment, Women Entrepreneurs, Economic Condition, etc.*

I. INTRODUCTION

Growth and Development of women is very much essential for the overall growth of the nation and for the purpose of such development, Self Help Groups are formed for fulfilling the financial requirements of its members. In India SHGs and Micro finance model both perform their working in association with the Banks without collateral security. Their aim is to improve the standard of living of people of below poverty line and improve their economic status in a society as a whole.

There are number of schemes and programmes running by the state government and the central government considering the intensity and gravity of the problem in the country for the rural poor and urban poor for their ultimate growth and development in the country. Prior to national rural livelihood mission scheme, “Swarna Jayanti Grama Swarajgar Yojana” (SGSY) was one of them for providing funds through Bank on the income generating activities to the self help groups after complete verification by DRDA (District rural development authority) and DUDA (District urban development authority).

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In light of this, research on self help groups, micro finance, SGSYs and women empowerment has been adequate but research in women empowerment through SHGs and NRLM are inadequate. Hence, due to paucity of research in the concerned field, this study was designed to examine the Self Help Groups role in enhancing the women entrepreneurs with reference to economic condition in Varanasi district of Uttar Pradesh to achieve the objective of the nation as a whole.

II. LITERATURE REVIEW

Rural Entrepreneurship Development and Economic Growth

In Bengal Region of India, the rural industrial entrepreneurship has contributed to the economic development through non-farm entrepreneurship. Dividing the district into five administrative blocks, Subrata examined the influence of rural industries and collected data by schedule interviews from each block. The data was evaluated using the Linear Structural Model. It is discovered that the ultimate aim of rural development in economic terms is achieved with the help of the rural manufacturing enterprises (Subrata, 2004).

Rural development process is reliant on the members of rural cooperatives who are giving financial and facilitating support to the beneficiaries. Substantiating the facts, researchers inferred that the standard of living of rural people has improved by rural cooperatives which results in rural development (Chakrabatty and Gosh, 2009).

Entrepreneurs belonging to rural areas prefer to establish their businesses in rural areas and in order to take local comparative advantages; half of incubators migrate back to their home in particular. Li Yu and Artz drew a connection between

migration and economic development and investigated on entrepreneurship activities, especially the role of business formation in rural development. It was found that the rural entrepreneurs establish their business within their surrounding area because they were able to acquire financial support from financiers, family members, friends and local lenders to start a business (Li Yu and Artz, 2009).

Impact of SHG and Microcredit Programme

NABARD, 2000 study on the standard of living of SHG members designed to find out how far the scheme had reduced the burden of life for the average women member of a SHG and to analyze the upliftment of household by gaining access to micro credit. The study covered 223 SHGs and 560 SHG member households spread over eleven states. It showed affirmative results. After joining the SHGs, noticeable changes were found among the SHG members, with respect to savings, borrowing and ownership of assets, incomes and IGAs i.e. income generating activities. The study suggested that they developed saving habits in the post SHG situation by almost all the SHGs members as against who had this habit earlier i.e. 23 per cent of households and the borrowings increase up to 50% per household. The study also revealed that the member's participation in a group meeting and activity helps in increasing the self confidence among the members. After the association with the SHGs, communication skill with others and the feelings of self-worth were improved and the members were relatively more confident in confronting problematic situation and social evils. As a result, there was a decline in the incidents of family disputes.

Sen (2000) conducted a study of Nadia District promoted by Sreemamahila Samity to find out the effectiveness of SHGs and its impact on women members, where ten SHGs selected by

employing probability technique of sampling. The data were collected from the 100 members with the help of questionnaire schedule through the discussion in a group. The findings of the study explore that the loans taken by an individual for productive purposes were mostly used and as compared to the recovery rates of the formal lending institution, the rate of recovery was very high and for improving the standard of living of the people belonging to lower poor group, the group dynamics was a real instrument. The result of similar study was later conducted by Gaonkar (2001) in Goa. It helps in social as well as economic development of women as a whole through microfinance benefits. After their inclusion in groups, noticeable changes were found among the SHG members, with respect to savings, borrowing and self confidence, incomes and IGAs i.e. income generating activities. The study was conducted just to explore the relevance of SHGs in light of rural development if the women standard of living improved and their family life style gets improved. The result is also similar to the study conducted by Madheswaran and Dharmadhikary (2001)

Banerjee and Chatterjee (2009) from the study it has been observed that there is a disparity of allocation of returns among the group members. The members who are a part of groups were getting high earnings than the members who are not participating in a group. In order to estimate the impact and effect of SHGs created under SGSY scheme prove to be beneficial in all respect for the growth of members. The study was conducted in the West Bengal and it was found that the mean income score of individual belonging to group has improved through the group formation and implementation activities.

450 SHGs covered under the project offered by the Grameen Oriental Bank in Dehradun district of Uttarakhand in the study of Dadhich 2001. Under these projects beneficiaries were assessing the

economic and financial benefits on their IGAs. Subsidiary occupation had taken up a large number of women is the main findings of the study and consequently revealed that their family incomes had substantially increased

Research Gap

The above presented detailed literature review on the self help groups in the microfinance industry provide rationale for the present study. The discussion in the above section of literature review indicated that most of the research has been conducted in the southern region and only limited efforts have been made in exploring the women empowerment in Eastern region. The findings of previous studies were more emphasis on women empowerment rather than improving economic condition of women entrepreneurs through Self help groups after joining SHGs. Hence, in this regard, the literature seems to recognize that the efforts made so far in this respect have not yielded adequate results and it is perhaps for these reasons, there is a need to undertake a detailed study to improve the economic condition of women entrepreneurs in Micro enterprises in Eastern Uttar Pradesh with reference to SHGs to yield adequate results for the development of women entrepreneurs in an Indian economy.

III. STATEMENT OF THE PROBLEM

Women Empowerment not only covers, social development rather it includes political factors, economical factors and technological factors. Out of all these facets, economic upliftment is of utmost importance in order to achieve a lasting and sustainable development of women in society which is deprived in character. The economic impact of the SHGs on the members has been analyzed on the following four facets i.e. in terms of their income generation, amount of borrowing from moneylenders, amount of

borrowing from SHGs and the level of savings. In light of economic upliftment of women entrepreneurs, the overall purpose of the study is “to study the role of SHGs in enhancing the women entrepreneurs with special reference to economic condition in Varanasi district”.

IV. OBJECTIVE OF THE RESEARCH PAPER

The objective of the research article is to explore the role of the SHGs in enhancing women entrepreneurs' economic situation in Varanasi district of eastern Uttar Pradesh.

V. HYPOTHESIS FORMULATION

For exploring the relevance of SHGs in enhancing the women entrepreneurs' economic condition, below mentioned four null hypotheses H_{0_1} , H_{0_2} , H_{0_3} and H_{0_4} were formulated.

1.1. Comparison of women entrepreneurs' average annual income pre and post SHGs period.

H_{0_1} : “There is no significant difference between the annual income of women entrepreneurs before and after joining the SHGs.”

$$\mu B_{\text{Income}} = \mu A_{\text{Income}}$$

1.2. Comparison of annual liability of women entrepreneurs towards money lenders before and after joining the SHGs.

H_{0_2} : “There is no significant difference between the annual liability of women entrepreneurs towards money lenders before and after joining the SHGs.”

$$\mu B_{\text{Liability1}} = \mu A_{\text{Liability1}}$$

1.3. Comparison of annual liability of women entrepreneurs towards SHGs before and after

receiving the revolving fund amount.

H_{0_3} : “There is no significant difference between the annual liability of women entrepreneurs towards SHGs before and after receiving the revolving fund amount.”

$$\mu B_{\text{Liability2}} = \mu A_{\text{Liability2}}$$

1.4. Comparison of annual savings of women entrepreneurs before and after joining the SHGs.

H_{0_4} : “There is no significant difference between the annual saving of women entrepreneurs pre and post period of joining the SHGs.”

$$\mu B_{\text{Savings}} = \mu A_{\text{Savings}}$$

VI. METHODOLOGY

- Research design: Descriptive and Exploratory research design
- Sampling design: Non-Probability - Quota Sampling was used.
- Coverage: The study is conducted in Varanasi district of eastern U.P. The total active female members of SHG in 8 blocks of coverage area were 8478 and were considered as a universe for the study.
- Sample Size: Following formula is used to determine the sample size of SHG members:

$$\begin{aligned} n &= N \div (1 + Ne^2) \\ &= 8478 / (1 + 8478 * 0.05^2) \\ &= 382 \end{aligned}$$

Where, 'N' is the size of the population which is 8478 and 'e' is the standard error which is 5% or 0.05. Substituting the values in the equation, the size of the sample was found to be 381.9 approximated on the higher side as 390.

390 female members of SHGs were selected for

collecting primary data. After preliminary examination, 324 female members of SHGs out of 390 members were found completed and valid. Thus 324 women entrepreneurs were selected for collecting primary data.

Data analysis Tools

For data collection, a pre-structured and pre-tested questionnaire was used, keeping in the mind the objectives of the study, the statistical analytical tools were used according to the objectives of the study.

Data Analysis

Obtained responses were coded and transferred with the help of SPSS software. The analysis has

been done with SPSS 20 version. The various statistical tools were used depending upon the data and requirement for the analysis like Paired Sample t – test, Mean, Correlation and Standard Deviation.

VII. RESULT AND DISCUSSION

To test the below mentioned null hypothesis H0₁, H0₂, H0₃ and H0₄, Paired sample t- test were used and help in examine the importance of SHGs in enhancing the women entrepreneurs' economic condition in Varanasi district.

1.1. Comparing the annual income of women entrepreneurs' pre and post period of joining the SHGs.

Table 1 Paired Samples Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair A	Income Pre-SHG	3852.78	324	3975.32	220.85
	Income Post-SHG	10804.94	324	5046.07	280.34

The annual income of women entrepreneurs before joining the SHGs was rupees 3853. Post SHGs period, the average income rises up to rupees 10805. It represent that SHG is an effective model

in enhancing the condition of women entrepreneurs specific to economic on the basis of income.

Table 2 Paired Samples Correlations

	N	Correlation	Sig.
Income Pre-SHG & Income Post-SHG	324	.659	.000

Above table 2 represent the strong correlation between the income of SHG women entrepreneurs of pre and post SHG period.

the annual income of women entrepreneurs before and after joining the SHGs.”

$$\mu B_{Income} = \mu A_{Income}$$

H0₁: “There is no significant difference between

Table 3 Paired Samples Test

	Paired Differences					t	df	Sig. (2-tailed)
	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
				Lower	Upper			
Income Pre-and Post-SHG	-6952.16	3848.26	213.8	-7372.76	-6531.56	-32.52	323	.000

Thenull hypothesis is rejected as p - value 0.00 which is lower than the alpha value 0.05 at 95% confidence interval. Thus it can be inferred that there is a statistical difference between the annual income of women entrepreneurs after and before joining the SHGs. It is further inferred that the SHG

model have helped the women entrepreneurs in raising their income.

1.1. Comparison of annual liability of women entrepreneurs towards money lenders before and after joining the SHGs.

Table 4 Paired Samples Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	Liability1 Amount Pre-SHG	3229.63	324	3973.3	220.74
	Liability1 Amount Post-SHG	677.47	324	535.45	29.75

The annual liability of women entrepreneurs towards moneylenders in pre SHGs period were rupees 3230. In post SHGs period, the annual liability of women entrepreneurs towards

moneylenders decreased to rupees 677.47. It represent that SHG is an effective model and help in reducing the dependency of SHG members on moneylenders.

Table 5 Paired Samples Correlations

	N	Correlation	Sig.
Liability1 Amount Pre-SHG & Liability1 Amount Post-SHG	324	.868	.000

Above table 5 represent the strong correlation between the liability towards moneylenders of pre and post SHG period.

annual liability of women entrepreneurs towards money lenders before and after joining the SHGs.”

$$\mu_B_{Liability1} = \mu_A_{Liability1}$$

H₀,"There is no significant difference between the

Table 6 Paired Samples Test

	Paired Differences					t	df	Sig. (2-tailed)
	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
				Lower	Upper			
Liability1 Amount Pre and Post-SHG	2552.16	3518.87	195.50	2167.57	2936.76	13.06	323	.000

H₀₂ is rejected as the sig. value 0.00 is lower than the default value 0.05 at 95% confidence interval. Thus it can be concluded that there is a statistical difference between the annual liability of women entrepreneurs towards money lenders before and after joining the SHGs. It is further inferred that the governmental programme of SHG have helped the

women entrepreneurs in reducing their liability (amount of borrowing) towards money lenders.

1.1. Comparison of annual liability of women entrepreneurs towards SHG before and after receiving the revolving fund amount.

Table 7 Paired Samples Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	Liability2 Amount Pre	1053.08	324	1327.92	73.78
	Liability2 Amount Post	4416.98	324	4482.45	249.02

The annual liability of women entrepreneurs towards SHGs before receiving the revolving fund amount were rupees 1053. After receiving the

revolving fund amount, the annual liability of women entrepreneurs towards SHGs increased to rupees 4417.

Table 8 Paired Samples Correlations

	N	Correlation	Sig.
Liability2 Amount Pre & Liability2 Amount Post	324	.411	.000

Above table 8 represent the moderate correlation between the liability towards SHGs before and after receiving the revolving fund amount.

annual liabilities of women entrepreneurs towards SHGs before and after receiving the revolving fund amount.”

H₀₃“There is no significant difference between the

$$\mu B_{Liability2} = \mu A_{Liability2}$$

Table 9 Paired Samples Test

	Paired Differences					t	df	Sig. (2-tailed)
	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
				Lower	Upper			
Liability2 Amount Pre and Post	-3363.89	4118.60	228.82	-3814.04	-2913.74	-14.7	323	.000

H₀₃is rejected as significance value 0.00 is lower than the default value 0.05 at 95% confidence interval. Thus it can be inferred that there is a considerable difference between the annual liability of women entrepreneurs towards SHGs

before and after receiving the revolving fund amount. It is further inferred that the SHG model have helped the women entrepreneurs in raising their liability (amount of borrowing) towards SHGs after receiving the revolving fund amount.

1.1. Comparison of annual savings of women entrepreneurs before and after joining the SHGs.

Table 10 Paired Samples Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	Savings Pre- SHG	422.53	324	218.18	12.12
	Savings Post -SHG	552.85	324	95.13	5.29

The annual savings of women entrepreneurs before joining the SHGs were rupees 422.53. After involving into the group, the mean/ average score of savings of SHG members rises to rupees 555. It

represent that SHG is an effective model in enhancing the condition of women entrepreneurs specific to economic on the basis of savings.

Table 11 Paired Samples Correlations

	N	Correlation	Sig.
Savings Pre- SHG & Savings Post -SHG	324	.791	.000

Above table 11 represent the strong correlation between the savings of women entrepreneurs of pre and post SHG period.

annual saving of women entrepreneurs of SHGs.”

$$\mu_B \text{ Savings} = \mu_A \text{ Savings}$$

H_0 “There is no significant difference between the

Table 12 Paired Samples Test

	Paired Differences					t	df	Sig. (2-tailed)
	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
				Lower	Upper			
Savings factor of SHG	-130.31	154.31	8.58	-147.18	-113.45	-15.20	323	.000

Thus null hypothesis is rejected as the p- value is 0.00 is lower than the value of alpha i.e. 0.05 at 95% confidence interval and thus it can be inferred that there is a statistical difference between the SHGs before joining the group and after joining the SHG on annual savings of women entrepreneurs. It is further inferred that the NRLM scheme has helped the women entrepreneurs in raising their savings habits and is an effective scheme of government.

I. FINDINGS

Based on the data analysis and interpretation presented in the above section, following findings has been drawn and it is presented below-

- The annual income of women entrepreneurs before joining the SHGs was rupees 3853. Post SHGs period, the average annual income rise up to rupees 10805.

- The strong correlation was found between the income of SHG women entrepreneurs of pre and post SHG period.
- In pre and post SHGs period there is a significant difference was found between the average annual incomes of women entrepreneurs.
- The annual liability of women entrepreneurs towards moneylenders in Pre SHGs period were rupees 3230. Post SHGs period, the annual liability of SHGs members towards financiers decreased to rupees 677.47.
- The strong correlation was found between the liability towards moneylenders of pre and post SHG period.
- Significant difference was found between the annual liability of women entrepreneurs towards money lenders before and after joining the SHGs.
- The annual liability of women entrepreneurs towards SHGs before receiving the revolving fund amount were rupees 1053. After receiving the revolving fund amount, the annual liability of women entrepreneurs towards SHGs increased to rupees 4417.
- The moderate correlation was found between

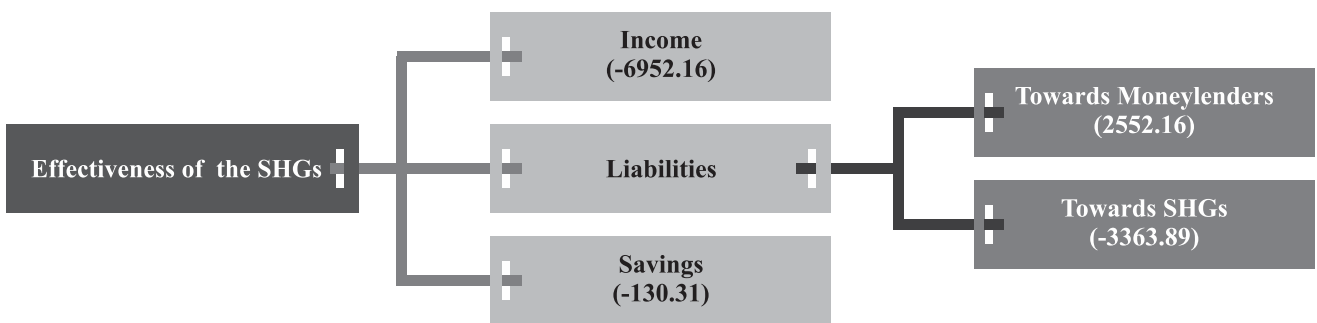
- the liability towards SHGs before and after receiving the revolving fund amount.
- Significant difference was found between the annual liability of women entrepreneurs towards SHGs before and after receiving the revolving fund amount.
- The annual savings of women entrepreneurs before joining the SHGs were rupees 422.53. In Pre SHGs period, the average savings of SHGs members increased to rupees 552.85.
- The strong correlation was found between the savings of women entrepreneurs of pre and post SHG period.
- Significant difference was found between the annual saving of women entrepreneurs before and after joining the SHGs.

II. CONCLUSIONS

Following conclusions are drawn with respect to above mentioned findings:

SHG model appears to be a very effective tool for women empowerment to become self sufficient and self-reliant. The results presented in figure 1 using the paired sample t–test confirmed the

Figure 1: Role Of Shgs In Uplifting The Women Entrepreneurs With Special Reference To Economic Condition



significance of empowerment specially on economic factors ground of women entrepreneurs in Post SHGs period with respect to enhancing their economic status by rising their income up to a

satisfactory level, trim down the interdependence on financiers, developing the reliance on SHGs and growing the savings habit for the future financial requirements. The result is similar in accordance

with the previous studies by **Nabard (2000) and Gaonkar (2001)**.

I. RECOMMENDATIONS / SUGGESTIONS

It emerges from the foregoing discussion that-

1. The study reveals dependence on money lenders by some of the respondents for insufficient capital, it is suggested that with reference to the Bank Linkage programme of SHG-the amount of loan should be enhanced by the facilitators of government bodies so as to fulfill the requirements of the SHG women members for becoming self sufficient..
2. As well as there is a need of proper guidance from the sponsoring agencies or the facilitators resulting in taking up income generation activities.

II. LIMITATIONS

- The study is only confined to Varanasi districts belonging to women specially and hence cannot be generalized for others.
- Unwillingness of respondents
- Time and budget constraint
- The above analyzed data is not sufficient to study about the upliftment of women entrepreneurs through SHGs in Varanasi districts.

III. SCOPE FOR FUTURE STUDY

1. Wider area coverage can be considered in future researches for more finding that can be conveniently generalized.
2. Further researches can be done by considering any other mode except SHGs of the government or private institutions.

Note: The authors are grateful to the anonymous referees of the journal for their suggestions to improve the overall quality of the paper. Usual disclaimers are applicable.

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