

IMPACT OF SELF HELP GROUPS ON THE SOCIO ECONOMIC DEVELOPMENT OF WOMEN ENTREPRENURSHIP IN CHENNAI CITY

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ABSTRACT

The previous three decades have witnessed remarkable emphasis and policy support to the harmonization of women into self-help groups (SHG) for their socio-economic empowerment; consequently, there is a growth in the numbers of the SHGs in the country. The present study was undertaken in Chennai city with 110 SHG women to consider on the impact of being in SHG on progressive employment, income, expenditure, and savings. It also analysed how the decision-making ability of SHG members is influenced by different consideration. The restraints that challenge SHG were also assessed. The majority of SHG members were able to get added employment under different activities by SHG finance. All the members (100%) reported increased income after they join the SHGs. Questionnaire is used as the study instrument. Exploratory factor analysis and one-way ANOVA are the statistical tools used to achieve the objectives. SPSS v23. is used to analyse the data. Results confirmed that Freedom, Self confidence, Decision Making, Income, Literacy and Self reliance are the factors that influence the Socio economic status of the women SHG entrepreneurs. Significant influence of age group, educational qualification, and occupation on socio economic status is observed but influence of marital status on socio economic status is not observed.

KEYWORDS: *SHGs, Entrepreneurship, Socio-economic, Empowerment, Sustainable Development, financial decision-making.*

INTRODUCTION

Women Entrepreneurs are tremendously increasing in the economies of almost all countries. The hidden business capabilities of women have been increasing with the growing sensitivity to the role and economic status within the society. The knowledge, capability and amenability in business are the core reasons for women to come forward into business ventures. Women entrepreneurs participate in business as a result of push and pull factors that provide assurance to women to have a self-supporting occupation and stands on their foote. Reason towards independent decision making on their life and career is that the motivational factor behind this insists on “Women Entrepreneur” is a person who agrees challenging role to fulfil her personal

requirements and turn out to be economically independent. A powerful desire to do massive positive is an integral quality of entrepreneurial women, who is experienced of tributary values in both family and social introduction of media, women are aware of their own qualities, rights and also the work situations. The glass ceilings are exhausted and women are found indulged in each line of business from pickle to telecommunication. Right efforts in all areas are very significant within the development of women entrepreneurs and their greater participation within the entrepreneurial activities life.

Women are vital contributors to the economy. They play a important role in the employment force and contribute to the growth and development of businesses. Women have also been confirmed to be successful entrepreneurs and are starting their own businesses at a higher rate than menfolk. Empowering women is essential to creating an equitable society. When women are empowered, they are more likely to take leadership characters and contribute to decision-making progressions that impact their lives and the lives of those around them. Women's empowerment also leads to better health outcomes, increased economic growth, and poverty decline. Women's participation in politics is essential for the development of democratic societies. When women are denoted in political leadership, they bring various perspectives and experiences to the table, resulting in more informed decision-making.

Importance of Self Help Groups

- Financial Inclusion – SHGs incentivise banks to lend to poor and marginalised sections of society because of the assurance of returns.
- Voice to marginalised – SHGs have given a voice to the otherwise underrepresented and voiceless sections of society.
- Social Integrity – SHGs help eradicate many social ills such as dowry, alcoholism, early marriage, etc.
- Gender Equality – By empowering women SHGs help steer the nation towards true gender equality.
- Pressure Groups – SHGs act as pressure groups through which pressure can be mounted on the government to act on important issues.
- Enhancing the efficiency of government schemes – SHGs help implement and improve the efficiency of government schemes. They also help reduce corruption through social audits.
- Alternate source of livelihood/employment – SHGs help people earn their livelihood by providing vocational training, and also help improve their existing source of livelihood by offering tools, etc. They also help ease the dependency on agriculture.
- Impact on healthcare and housing – Financial inclusion due to SHGs has led to better family planning, reduced rates of child mortality, enhanced maternal health and also helped people fight diseases better by way of better nutrition, healthcare facilities and housing.

- Banking literacy – SHGs encourage people to save and promote banking literacy among the rural segment.

The Impact of Self-Help Groups

Savings and Money Management:

The opportunity to regularly save access is one of the key advantages of joining SHG. Formal entities for saving money and take part in the administration of these investments. They consistently make savings, have possessed a bank account and make deposits in it the chance to save their hard earned money and increase the habit of saving has a positive impact on SHG members.

Getting credit:

Participation in the SHG has several benefits, one of which is increased access to finance for women. Due to the possibility that project execution would be premature and won't actually increase women's access to finance. Some claim that the mobility that comes with SHG membership enhances quality of life. In general, many families are more able than before to meet their fundamental necessities.

A family's judgement:

SHG programme boosts decision-making participation and various initiatives and groups to boost participation in these groups, enhance hygiene, and Marriage-related events have transformed male family members' perspectives, and they are now persuaded. Women report that the SHG concept and meetings motivate them to saving on their behalf boosts their self-esteem and confidence. Respect among family members the position of women has changed. Children now receive better schooling. Particularly girls' education is very low, but now SHG members take their girl child to school hygiene, especially the girls. The member's family's health improves as a result of the member's improvement. Obtain a wife now Even if they have to travel to a nearby town, care is given by a licenced doctor. Members are now sufficiently self-assured to raise their social rank.

Status:

The SHG programme has an influence on both the economy and society. SHG membership status in terms of amenities available. They do Access to markets, healthcare, education, sanitation, water supplies, transportation, etc.

REVIEW OF LITERATURE

Nada Amer Abdulhafedh Al-Kubati and Doris Padmini Selvaratnam (2023) the purpose of this study is to look at India understand in using the self-help group bank linkage programme as a core development scheme aimed to empower women. self-help groups are seen as socially active group that can expedite a government's plans towards achieving the sustainable development goals. It emphases on how the program contributes to sustainable development by requesting how the self-help group bank linkage programme leads to the empowerment of rural women, the contests tackled in its implementation, and the initiatives applied in India to endure the programme. India's experience shows that the self-help group bank linkage programme can empower women,

simplify entrepreneurial activities, enhance confidence and reliance, provides technical skill and market access. Those are part of bearable development goals and increase sustainable livelihood. **Sayed Qudrat Hashimy and Habibullah Ibrahimy (2023)** their study revealed that the Self Help Group method is used by the government, NGOs and others global. Self-help group can act as an empowerment resource centers for women, infiltrating the benefits to the society in general. Thousands of the pitiable and the marginalized population in India are structure their lives, their families and their society through self-help groups. The self-help group development strategy is one of the efforts which is a community owned and managed poverty mitigation programme aimed to empower the poor in general and the poor women in precise.

Alok Raj and Anurika Vaish (2023) examined that a vital role on nation's stable growth is the empowerment of women. In terms of this, the self-help group has a important impact on how women are empowered in rural areas. SHG works to reinforce the socioeconomic conditions of the community's most weak members, which supports the nation's overall economic development. The research tells that SHG members and decision-makers in the democratic, economic, and social territories of life procure equality of status.

Taruna (2023) identified a conceptual frame work found that women are the backbone of families and communities. They provide care, support, and nurturing to their families and are essential to the development of children. Women also play a significant role in community building and often take on leadership roles in community organizations. Women's economic empowerment includes women's ability to participate equally in existing markets; their access to and control over productive resources, access to decent work, control over their own time, lives and bodies; and increased voice, agency and meaningful participation in economic decision-making at all levels from the household to international institutions. Women's economic empowerment boosts productivity, increases economic diversification and income equality in addition to other positive development outcomes. Through their various contributions they have established the fact that they are responsible citizens who are contributing in nation development and building.

STATEMENT OF THE RESEARCH PROBLEM

The research gaps identified in the earlier studies depicts that specific studies are not made to identify the socio economic development of women entrepreneurs in Chennai city areas, there are little efforts to examine the impact of self-help groups on the socio economic development of women entrepreneurship in Chennai city, participation in self-help groups activities have a lot of benefits since members are able to come together and address their common needs. Despite the fact that women showed a lot of commitment in self-help group activities in Chennai city, there was no study that had been conducted to establish the extent to which active participation influences their socio-economic development. Little information had been documented on the influence of participation in self-help groups and women socio economic development. There was a need to come up with empirical evidence that would show the influence and benefits of women entrepreneurs and living conditions of women entrepreneurs before and after joining the SHGs.

OBJECTIVE OF THE STUDY

The present study deals with the following objectives;

- To study the factors that influences the socio economic status of the women SHG entrepreneurs
- To study the influence of demographic variables on socio economic status of the women SHG entrepreneurs

HYPOTHESES OF THE STUDY

H₀1: There is no significant influence of demographic variables on socio economic status of the women SHG entrepreneurs

NEED FOR THE STUDY

It is perceived among the selected SHG members that their education level is low and not much qualified. However, the amenities available both technical and financial and the timely support provided by the supportive agencies have encouraged them to take-up an income generating activity and become independent. The present study focuses on knowing the underlying factors which are responsible for the growth of entrepreneurial skills among women.

PROFILE OF THE STUDY AREA

Chennai is the [capital city](#) of the [Indian state](#) of [Tamil Nadu](#). It has a [population](#) of around 7 million people. Nearly 10% of all of the folks in the state live in Chennai. The [city](#) is the fourth leading city of India. According to 2011 census, the city had a population of 4,646,732, Female Population 2,310,888, Female Literates 1,808,197, within an area of 174 square kilometres managed by the Municipal Corporation, working out a population density of 26,705 persons per square kilometre that had 11 lakh households, with 51% of them living in rented houses. The city's limits were prolonged later in 2011 to 426 square kilometres and its population stretched 7,088,000, resulting in a population density of 16,639 persons per square kilometre, with Chennai Municipal Corporation being renamed as [Greater Chennai Corporation](#). As of 2019, 712,000 families live below poverty line, which is about 40 percent of the 1.788 million families in the city.

SCOPE OF THE STUDY

The present study has been undertaken with a view to impact of self- help groups on the socio economic development of women entrepreneurship in Chennai city. The study is based on empirical evidences gathered from the selected respondents to study the progress of SHGs in Chennai city. Further, attention has also been focused on evaluating the performance of sample SHGs and efforts have been made to examine how far SHGs help in the upliftment of social status of women. Besides the impact of women SHGs on entrepreneurial development, employment generation, earning capacity and asset creation of women were analysed in the study.

METHODOLOGY

In this study, descriptive design was applied to examine the effects of women participation in the SHGs for their socio- economic development and to analyze its appropriateness in establishing relationships between variables and facilitating the collection of information for determining the population parameters. A sample of 110 SHG members in Chennai was

participated in the study and they are selected in the basis of convenience sampling. Questionnaire is used as the study instrument and it contains two sections. Fisst section comprises of demographic variables and the next section comprises of Socio Economic Status scales. Exploratory factor analysis and one-way ANOVA are the statistical tools used to achieve the objectives. SPSS v23. is used to analyse the data. It also had elicited the most complete responses from the selected women participating in the selected self-help groups. This study was carried out in the urban areas of Chennai city.

ANALYSIS AND DISCUSSION

It is noted that 33.5% of the respondents fall between 26 to 35 years age group category, majority of the respondents (90.4%) are married, 41.7% of them are UG/PG holders, 48.5% of them are home-makers, 69% of them are living in a nuclear family, 28.6% of the respondents have small family.

It is observed that 42.3% of the respondents family income in a month is below 20000, 54.9% of them house is of concrete roof, 46.4% of the respondents stated that the head of the family alone is working, 61.5% of them stated that both husband and wife makes the decision, around 63.5% of the respondents stated that their husband is the head of their family.

In this section, factors that influence the Socio economic status of the women SHG entrepreneurs have been identified. Factors of Socio economic status of the women SHG entrepreneurs were measured by twenty variables. Based on the responses given by the selected respondents, Factor analysis with principal component method using vari-max rotation was applied to group the variables in to factors. The KMO measure (**0.913**) for this analysis confirms the sample size is adequate and the Bartlett’s test of sphericity’s Chi-square value **468.214 (p<.001)** is also found to be significant. The initial Eigen values along with the variance explored are presented in the Table-I.

Table-I
Eigen values and variance explored by the factors

Factors	Initial Eigen values		
	Eigen Value	Percentage of Variance	Cumulative Percentage
1	8.136	35.29	35.29
2	3.486	15.072	50.362
3	1.974	8.496	58.858
4	1.778	7.644	66.502
5	1.457	6.25	72.752
6	1.031	4.397	77.149

Twenty variables are reduced into six factors by analyzing the relationship between variables. It is noted from the Table-II that the Eigen values are greater than 1 and it confirms the

six factors. In this case twenty variables are reduced in to six factors, which explore much of the original data. The cumulative percentage explored by six factors is **77.149%**. The factors extracted along with their components are shown in the Table -II.

Table -II
Factor scores of Socio economic status

Factor	Components	Factor Scores
Factor 1: Freedom	Ability to meet financial crisis in the family	.831
	Purchasing power Increased	.805
	Capable to discuss freely with official people	.781
	Developed of entrepreneurial skills	.722
	Decreased narrow mindedness, shyness	.654
	Increasing desire to learn more professionals skill	.621
	Increased market Knowledge	.537
Factor 2: Self confidence	Increased involvement in societal functions	.789
	Standard of living improved	.711
	Improvement in communication skill	.689
	Increased self confidence	.522
Factor 3: Decision Making	Ability to take decisions in family	.715
	Developed of leadership skills	.624
	Progressed in social status	.541
Factor 4: Income	Enhancement in personal or family income	.674
	Understood the political environment	.541
Factor 5: Literacy	Literacy level improved	.741
	Awareness of health, sanitation and children education achieved	.546
Factor 6: Self reliance	Physical mobility independently without the support of male members	.612
	Financial self reliance achieved	.554

From the table 4.68 it is inferred that factor 1 is a combination of seven variables such as “Ability to meet financial crisis in the family”, “purchasing power Increased”, “Capable to discuss freely with official people”, “Developed of entrepreneurial skills”, “Decreased narrow mindedness, shyness”, “Increasing desire to learn more professionals skill” and “Increased market Knowledge” which is named as “**Freedom factor**”.

Factor 2 is a combination of five variables such as “Increased involvement in societal functions”, “standard of living improved”, “Improvement in communication skill” and “Increased self confidence” which is named as “**Self Confidence factor**”.

Factor 3 is a combination of three variables such as “Ability to take decisions in family”, “Developed of leadership skills” and “Progressed in social status” which is named as “**Decision Making factor**”.

Factor 4 is a combination of two variables such as “Enhancement in personal or family income” and “Understood the political environment” which is named as “**Income factor**”.

Factor 5 is a combination of two variables such as “literacy level improved”, and “Awareness of health, sanitation and children education achieved” which is named as “**Literacy factor**”.

Factor 6 is a combination of two variables such as “Physical mobility independently without the support of male members” and “Financial self reliance achieved” which is named as “**Self reliance factor**”.

Freedom, Self confidence, Decision Making, Income, Literacy and Self reliance are the factors that influence the Socio economic status of the women SHG entrepreneurs. Further ability to meet financial crisis in the family, increased involvement in societal functions, ability to take decisions in family, enhancement in personal or family income, literacy level improved and physical mobility independently without the support of male members are the key aspects of Socio economic status of the women SHG entrepreneurs.

To identify the influence of demographic variables on Socio Economic Status, one-way ANOVA along with Tukey post-hoc test is applied. The results pertaining to the influence of demographic variables on Socio Economic Status are shown in the Table III.

Null hypothesis H₀: There is no significant influence of demographic variables on Socio Economic Status

Table-III
Influence of demographic variables on Socio economic status

		Mean	SD	F-value
Age Group	Up to 25 Years	4.14	0.494	6.332** (p=.000)
	26 years to 35 years	3.74	0.879	
	36 years to 45	3.59	0.845	
	46 years to 55	3.77	0.435	
	Above 55	3.81	0.147	

Marital Status	Unmarried	3.83	0.823	0.458 (p=.332)
	Married	3.73	0.738	
Educational Qualification	No literacy	4.54	0.112	7.285** (p=.000)
	Below SSLC	3.71	0.640	
	SSLC/HSC/PUC	3.37	0.737	
	UG/PG	3.80	0.787	
	Others	3.86	0.278	
Occupation	Self –employed	4.07	0.616	8.621** (p=.000)
	Home maker	3.66	0.803	
	Government service	4.00	0.566	
	Labour work	3.32	0.801	
	Others	3.70	0.570	

**Significant at 1% level

Significant influence of age group ($F=6.332, p=.000$), educational qualification ($F=7.285, p=.000$) and occupation ($F=8.621, p=.000$) on socio economic status are observed, H_0 is rejected at 1% level. Influence of marital status ($F=0.458, p=.332$) on socio economic status is not observed, H_0 is accepted at 5% level.

It is noted that the socio economic status of the respondents in the age group of below 25 years is high and respondents in the age group of 36 to 45 years agreed that their status has to improve.

It is observed that the socio economic status of the respondents without literacy is high and respondents with the education of SSLC/HSC/PUC are having low level of socio economic status.

It is inferred that the self employed respondents felt that their socio economic status has improved and labour workers agreed that they are having low level of socio economic status.

LIMITATIONS OF THE STUDY

The limitation of the study tumbles under

- ❖ The study is restricted to Chennai city and it is not applicable to other areas.
- ❖ The study is belong to woman’s self -help groups on working in Chennai city
- ❖ The study restrained to measure the socio economic status of the women SHG entrepreneurs
- ❖ The present research data and information collected from the women entrepreneurs of SHGs.

CONCLUSION

The study clearly proves that there is a strong impact on the socio economic development in Chennai city. A study on the impact of motivational factors and the role of women entrepreneurs were conducted to observe that women entrepreneurs have better chances of adopting modern techniques in their entrepreneurial development. The role of SHGs is to provide motivational support to the women so that they can enhance their entrepreneurial and leadership skills. The

support from family and society is also predominant as women entrepreneurs have to take care of their family and household along with their business and its employees.

Freedom, Self confidence, Decision Making, Income, Literacy and Self reliance are the factors that influence the socio economic status of the women SHG entrepreneurs. Further ability to meet financial crisis in the family, increased involvement in societal functions, ability to take decisions in family, enhancement in personal or family income, literacy level improved and physical mobility independently without the support of male members are the key aspects of socio economic status of the women SHG entrepreneurs. Significant influence of age group, educational qualification, and occupation on socio economic status is observed but influence of marital status on socio economic status is not observed. It is noted that the socio economic status of the respondents below 25 years, without literacy and self employed respondents are found as better and the socio economic status of the respondents in the age group of 36 to 45 years, with the education of SSLC/HSC/PUC and labour workers agreed that they are having low level of socio economic status.

The study further reveals that a greater number of self-help groups should be formed in the urban areas and women should be motivated by giving them proper functional training as well as to give them enough information on the various schemes offered by the government to uplift the status of women. This will contribute towards the enhancement of socio economic development.

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