

Women Empowerment through Entrepreneurial Activities: A Financial Inclusion (SHG) Approach

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Abstract:

Empowerment of women is recognized globally as a key element to achieve progress in all areas. It is an active, multidimensional process, which should enable women to realize their full identity and power in all spheres of life. The present study conducted with the objectives (a) To evaluate the performance of SHGs on economic, social and political empowerment of women and their role as decision maker. (b) To assess the physical quality of life of SHG beneficiaries. Multi-stage sampling design was adopted for selecting the sample. The study was restricted only to Bikaner District of Rajasthan. Totally 47 SHGs and 524 members were selected for field survey from selected locations. For analysis of data various SPSS test were administered. Results of the study show for identify the extent to which economic, social and political empowerment influenced overall empowerment, multivariate regression analysis was carried. Initially factor analysis was done to arrive at factor scores which was regressed on women empowerment index. All the variables were found to be positively and significantly correlated with women empowerment index, with economic empowerment co-efficient showing a higher impact of 0.426 units, followed by social empowerment (0.246) and political empowerment (0.194). Thus, strengthening the independence and boosting women empowerment. With economic independence, a positive change takes place in their social outlook and the women are in a position to articulate their aspirations for a change, which in turn improve the level and extent of participation of women in local planning and decision making.

Keywords: Women empowerment, Entrepreneurial activities, SHG, multifaceted process, Multistage sampling.

INTRODUCTION:

Empowerment of women is recognized globally as a key element to achieve progress in all areas. Empowerment in the context of women's development is a way of defining, challenging and overcoming barriers in a woman's life through which she increases her ability to shape her life and environment. According to FAO, the most disadvantaged section of society is the women ; they are the 'silent majority' of the world's poor. Seventy per cent of the world's poor are women. In almost all the societies, women have less power than men, have less control over resources and receive lesser wages for their work. They remain as an 'invisible' work force. India envisions a future in which Indian women are independent and self-reliant. It is unfortunate that because of centuries of inertia, ignorance and conservatism, the actual and potential role of women in the society has been ignored, preventing them from making their rightful contribution to social progress. It is also because of distorted and / or partial information about their contribution to family and society that they are denied their rightful status and access to development resources and services contributing to their marginalization.

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Though government has continued to allocate resources and formulate policies for empowerment of women, it became strikingly evident that political and social forces have contributed to the process of marginalization and oppression of women, by preventing them from playing a full participatory role in nation building. The participatory approach to development emerged as a vital issue in developmental policies and programmes for women. SHGs are considered as one of the most significant tools to adopt participatory approach for the economic empowerment of the women. It comprises poor people who do not have access to formal financial institution. It enables its members to learn to co-operate and work in group environment for improving their lives on various social components and find solutions for commonly experienced problems.

APMAS, 2006 discussed mainly various socio-economic parameters of SHGs members related to the situation during pre-SHG and post-SHG periods. A specific study on women empowerment (Moyle et al., 2006) found that a high proportion of women SHG members reported significant development of their self-confidence and work efficiency, more specific type of issues such as role of SHG federations in providing sustainability of SHGs, economic and personal empowerment of women and role of microfinance in poverty eradication. The study also reported that most of the women experience pressure, challenges and stress due to extra work and more responsibilities. A study by NABARD covering 560 SHG member households from 223 SHGs across 11 states, showed many positive results of the impact of participation of rural poor in the SHGs (NABARD, 2002).

The SHG groups are distinct from the co-operative societies, mainly in terms of their size, homogeneity and functions. The distinguishing feature of the SHGs lies in creating social and economic awareness among the members. The social awareness enables the members to lead their lives in a sound hygienic environment and pursue a better living. The woman members involve themselves more in taking decisions regarding the education of their children, the investment of the family, managing the economic assets of the family and bringing up cohesion among the members of the family and others for a better living. (Revathi 2011)

In various national policies and developmental programmes, the focus has been given on organizing women in SHGs, which marks the beginning of a major process of empowering women. It is also felt to equip the women with necessary skills in the modern trades, which could make them economically self-reliant. Women must be empowered by enhancing their awareness, knowledge, skills and technology ; be efficient, thereby, facilitating overall development of the society. The concept of SHGs is proving to be a helpful instrument for the empowerment of women. SHG is an organization of marginalized group, particularly of women that deliver micro credit to undertake the entrepreneurial activity. Participation in income generating activities helps in the overall empowerment of women. Empowering women through education, ideas, consciousness, mobilization and participatory approach can enable them to take their own decisions, make them self-reliant and self-confident. The present study endeavors to examine the efficacy of SHG approach to micro-credit in economic and social development of women and eventually their empowerment.

OBJECTIVE OF STUDY

1. To assess the physical quality of life of SHGs members.
2. To evaluate the performance of SHGs on economic, social and political empowerment of women.

METHODOLOGY:

Selection of the sample and Locale: Multi-stage sampling design was adopted for selecting the sample. The study is restricted to only Bikaner District of Rajasthan. The study covered five blocks out of eight blocks namely Chhatargarh, Khajuwala, Kolayat, Nokha and Shri dungargarh blocks of the Bikaner District. In the first stage, two blocks, namely Chhatargarh and Khajuwala blocks comprising a total of 123 inhabited Census villages, one block Kolayat which includes 233 villages in and two blocks, Nokha and Shridungargarh which consists of 245 villages were selected. In the second stage SHGs were selected on the criterion that the group had been functioning for at least 4-5 years. In Kolayat block out of 2680 SHGs, 28 groups, in Khajuwala and Chhatargarh block out of 861 SHGs 10 groups and in Nokha and Shridungargarh block out of 575, 8 groups were selected randomly constituting around one percent of the universe in each area. In stage three, sample SHG members were selected. In Kolayat block, from selected 28 groups 314 beneficiaries, in Khajuwala and Chhatargarh block from 10 groups, 115 beneficiaries and from Nokha and Shri dungargarh from 8 groups, 95 beneficiaries were selected by adopting purposive sampling technique as not all the members were willing to co-operate with the investigator. Hence the investigator approached only those members who were willing to co-operate and supply the needed information. Totally 46 SHG's and 524 members were selected for field survey from these five blocks. Relevant and required data for the present study were collected from primary sources by administering an interview schedule to the selected SHG members. For analysis of data statistical tests were used.

WOMEN EMPOWERMENT INDEX

For understanding the impact of SHG on participants, Women Empowerment Index (WEI) was constructed as an average of standardized economic empowerment indicator, social empowerment indicator and political empowerment indicator.

PHYSICAL QUALITY OF LIFE INDEX (PQLI)

The living conditions of the SHG members were analysed by constructing PQLI. The first step in constructing the index was the identification of indicators having a bearing on the quality of life, and then assigning weights to these indicators and the estimation of composite index for each household. The indicators considered in the study are not exhaustive yet have impact on the quality of life in general

RESULTS AND DISCUSSIONS

Quality of Life Index

Progress in social sector is a key element in poverty alleviation. In India also with constitutional provisions the government is also committed to provide basic amenities like housing, safe drinking water, electricity, etc., which will enable the marginalized group in the society to improve their quality of life. Hence an attempt was made to measure the Physical Quality of Life Index (PQLI). The first step in the estimation of PQLI is to identify the various indicators having a bearing on quality of life. Then assign weights to these indicators and then estimate the composite index for each household. The indicators considered here are not exhaustive, yet have an impact on the quantity of life in general, viz.

- House owned or rented
- Type of house
- House electrified or not
- Type of latrine
- Safe drinking water facility
- Type of fuel used

Weights are assigned to the above listed indicators. To estimate the composite index, weights of each indicator for each household are added. The maximum value of composite index is 12. Based on the value of the composite index, the households are classified into three categories as given below.

Less than 50 percent : Poor

50 – 75 percent : Good

Above 75 percent : Very Good

Table 1 gives the details of the score obtained by the sample household.

TABLE 1
DISTRIBUTION OF HOUSEHOLDS ON THE BASIS OF PQLI

S.No	Particulars	Chhatargarh and Khajuwala Blocks	Kolayat Block	Nokha and Shridungargarh Blocks	All
1.	Poor	78 (24.9)	20 (17.6)	16(16.9)	114 (19.9)
2.	Good	115 (37.1)	58 (48.1)	53 (52.6)	226 (45.9)
3.	Very Good	125 (39.1)	41 (34)	31 (29.7)	197 (34.2)

Source : Estimation based on Field Survey.

Figures within parenthesis indicate percentage to column total.

A perusal of the table reveals that the percentage of households classified as poor was maximum (24 percent) in Khajuwala and Chhatargarh blocks, followed by Nokha and Shri Dungargarh (18 percent) and Kolayat block (17 percent) where the proportion of poor was equal. A considerable proportion of households (49 percent) were placed in the category of good, with the proportion being highest in Nokha and Shri Dungargarh blocks (52 percent) and least in Khajuwala and Chhatargarh blocks (37 percent). It is encouraging to note that substantial proportion (37 percent) of the households has very good physical quality of life. In fact this proportion was highest in Khajuwala and Chhatargarh blocks (39 percent) and least in Nokha and Shri Dungargarh blocks (30 percent).

Empowerment Index

The formation of self-help groups aims at empowering women and thus uplifting their families above the poverty line. The status of women is intimately connected with their economic position, which in turn depends on opportunities for women for participating in economic activities. Women's ability to save and access to credit would give them an economic role not only within the household but outside it as well. Economic empowerment could have a positive impact in other spheres as well like enhanced social and political status. For the purpose of analyzing the impact of SHGs on women members, a women empowerment index (WEI) was constructed as an average of standardized economic score, social score and political score. Eighteen variables covering the impact of SHGs on economic, social and political status of the members were identified and selected from the survey of literature. The frame work adopted for the study is shown in Table 2.

Table 2 INDICATORS FOR ANALYSING IMPACT ON EMPOWERMENT

S.No	Type of Indicators	Statements for Analysing Empowerment
1.	Economic	Increase in saving Increase in income Increase in assets Ease of repayment Improvement in living condition Increased participation in decision making
2.	Social	Increase in self confidence Change in attitude to women's role Better social interaction Increased awareness on social issues Able to voice concern on social issue Achieve recognition in community Awareness on family planning measures
3.	Political	Participation in election process Active involvement in politics Participation in development program Achieves leadership position in local bodies.

The measurement of the above statements was on five point LikertScale, with a highest score of five being given to 'Strongly agreed' responses and the lowest score of one given to 'Strongly disagreed' statements. For each statement the standardized indices were worked out by using the formula :

$$Z_i = \frac{X_i - \text{Min}(X_i)}{\text{Max}(X_i) - \text{Min}(X_i)}$$

Where Z_i is the standardized indices of each statement, X_i is the actual score assigned, $\text{Min}(X_i)$ is the minimum score assigned to each statement and $\text{Max}(X_i)$ is the maximum score assigned to the statement. The score of each statement was summed to arrive at overall score for each indicator, which was averaged to arrive at the Women Empowerment Index (WEI). The results are shown in Table 3.

TABLE 3 DISTRIBUTION OF RESPONDENTS ON THE BASIS OF EMPOWERMENT SCORE

S.No	Level of Empowerment	Score	Khajuwala and Chhatargarh blocks	Kolayat Block	Nokha and Shridungargarh Blocks	All
1.	Not empowered	Less than 2.5	14 (4.5)	0 (0)	0 (0)	14 (2.7)
2.	Partially empowered	2.6 to 3.5	38 (12.1)	14(12.2)	11 (11.6)	63 (12.0)
3.	Empowered	3.6 to 4.5	202 (64.3)	80(69.6)	62 (65.3)	344 (65.6)
4.	Fully empowered	4.6 and above	60 (19.1)	21(18.3)	22 (23.2)	103 (19.7)
Total			314 (100)	115(100)	95 (100)	524 (100)

Source based on field survey

Figures within parenthesis indicate column percentage.

Based on score obtained by each SHG member, they were classified into four groups namely ‘not empowered’, ‘partially empowered’, ‘empowered’ and ‘fully empowered’. The evidence given in the Table 3 shows that majority (66 percent) of the respondents belong to empowered category. Area-wise, about 70 percent in Kolayat block, 65 percent in Nokha and ShriDungargarh and 64 percent in Khajuwala and Chhatargarh blocks were classified as empowered, while 23 percent in Nokha and ShriDungargarh, 19 percent in Khajuwala and Chhatargarh blocks and 18 percent in Kolayat block were fully empowered. On the whole, in all the study areas of Bikaner district, the percentage of SHG members empowered surpasses that of disempowered. There were no striking differences in the percentage of partially empowered women in different study areas of the Bikaner district, excepting in the case of non-empowered, whose presence was seen only in Khajuwala and Chhatargarh blocks (4.5 percent). Thus majority of the SHG members in the district are classified as empowered. Similar findings are reported in the study by Usha (2010) that SHG approach and access to micro credit influenced economic, social, political and mental aspects and eventually helped to empower majority of the SHG members in Srikakulam and East Godavari district.

Determinants of Women Empowerment

To identify to what extent the economic, social and political empowerment influenced overall empowerment, multivariate regression analysis was carried out for the entire sample. Initially factor analysis was performed to examine the validity of the constructs. Cronbach’s Alpha test was conducted for the three multi-item measures and results are presented in Table 4.

TABLE 4 RELIABILITY STATISTICS

S. No	Measure	Number of Items	Cronbach’
1.	Economic indicator	7	0.855
2.	Social indicator	7	0.717
3.	Political indicator	4	0.861

The alpha values for all the indicators vary from 0.71 to 0.861 which exceeding the minimum alpha of 0.7 (Nunnally, 1978). This reveals that the variables load properly on these three factors.

To determine the underlying structure, the correlation matrix was initially examined to determine how appropriate it was for factor analysis. The Kaiser-Meyer-Okl in (KMO) value was 0.854, which was higher than there commended minimum of 0.6 (Kaiser, 1974) indicating that the sample size was adequate for applying factor analysis. In addition, the value of test statistics for sphere city (Bartlett, 1954), on the basis of chi-square transformation of the determinant of the correlation matrix, was large(4.953 E3).

The communalities for each variable were estimated to determine the amount of variance accounted by the variable to be included in the factor rotations and the variables which had value greater than 0.50 alone were included. Thus, in the final analysis, four constructs, namely, ease of repayment, increased participation in decision-makings, awareness about family planning measures and participation in development programmes were dropped since the communalities for these factors were less than 0.50. For factor extraction, principal component method was used, under the restriction that the Eigen value of each generated factor was more than one. Three factors were generated, which explains 78 percent of the variance. The extracted factors were then rotated using variance maximizing method (varimax). These rotated factors with their variable constituents and their factor loadings are given in Table 5. These factors were labeled as economic empowerment, social empowerment and political empowerment.

TABLE 5 FACTOR ANALYSIS FOR INDICATORS OF WOMEN EMPOWERMENT

S.No	Measurement items	Economic Empowerment	Social empowerment	Political empowerment
1.	Increase in saving	0.939		
2.	Increase in income	0.900		
3	Increase in assets	0.928		
4	Access to credit	0.910		
5	Improvement in living condition	0.910		
6	Increased in self confidence		0.887	
7	Change in attitude to women's role l			
8	Better social interaction		0.918	
9	Increased in awareness on social issues		0.722	
10	Able to voice concern on social issues			
11	Achieve recognition in community		0.839	
12	Participate in election			0.872
13	Active involvement in politics			0.875
14	Achieve leadership position in local bodies			0.904
	Eigen Value	3.279	2.321	1.085
	Percentage of variance	54.146	16.577	7.607
	Cumulative variance	54.146	70.774	78.330

Source: Estimation based on survey
 Extraction method: Principal component analysis
 Rotation method: Varimax with Kaiser
 Normalization a.Rotation Converged in three rotation.

Of the 14 variables included in the analysis, 12 variables were identified to have significant loadings and grouped into three factors namely **economic empowerment** (which includes increase in income, savings, assets, access to credit and improvement in living conditions), **social empowerment** (which includes change in attitude, better social interaction, increased awareness on social issue and achieve recognition on community) and **political empowerment** (namely participation in election, active involvement in politics and achieve leadership position in local bodies). The regression analysis was carried out to understand the extent of influence of each factor outlined above have on women empowerment index. The results are reported in Table 6.

TABLE 6 REGRESSION ANALYSIS ON WOMEN EMPOWERMENT INDEX

S.No.	Diffusion factors	Regression Coefficient	t-value	Significance level
1.	Constant	4.086	422.595	0.000
2.	Economic Empowerment	0.426	44.061	0.000
3.	Social Empowerment	0.246	25.433	0.000
4.	Political Empowerment	0.194	20.009	0.000
R ²		0.852		
F ratio		996.198*		

Source: estimation based on field survey

Dependent variable: empowerment index

* significant one percent level.

The regression equation was significant at one percent level with the 'F' value of 996.198 and the independent variables accounted for 85 percent of the variance in level of women empowerment. All the variables were found to be significantly and positively correlated with women empowerment index, with economic empowerment co-efficient showing a higher impact of 0.426 units, followed by social empowerment (0.246) and political empowerment (0.194). Thus independency strengthens and boost up women empowerment level. With economic independence, a positive change takes place in their social outlook and women are in a position to articulate their aspiration for a change, which in turn improve the level and extent of participation of women in local planning and decision-making. Das (2012) demonstrate that SHG have positive impact on decision-making pattern followed by economic empowerment and psychological aspects. Confidence building ranks fourth while social empowerment ranks fifth and so on. It is observed that women's access to credit contributes significantly to the magnitude of the economic contributions reported by women, to the likelihood of an increase in asset holding in their own names, to an increase in their exercise of purchasing power and in their political and legal awareness as well as in composite empowerment index..

CONCLUSION

To sum up, the SHG has acted as a catalyst in helping the marginalized women in Andaman Bikaner district to improve the physical quality of their life, in developing the habit of thrift, decision-making and literacy skill and earn additional income from the productive activity taken up after joining the group. The SHG approach has influenced three spaces in member's life, namely, economic, social, political and eventually empowered majority of the selected SHG members in the Bikaner district. While the SHG approach has empowered the women, they face hurdles in the form of limited choice in income-generating activities, lack of cohesiveness in the group, constraints in marketing their product and limited availability of credit.

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