

# Women Empowerment through Self Help Groups – A Study with Reference to Dakshina Kannada District, Karnataka State

Dr. Therese Pereira

*Assistant Professor of Commerce, Dr. P Dayananda Pai – P Satisha Pai Government First Grade College Mangalore*

## INTRODUCTION

India has been working towards the empowerment of women and socially deprived sections of the society by introducing a number of welfare activities and by encouraging the involvement of NGOs and other voluntary organizations to undertake such programs. One such program initiated is Self-Help Groups (SHGs) through which women empowerment is ensured at the local, state and national level. SHGs are the basic and informal institutions which give access to microfinance for poor and neglected sections of the society to improve their socio-economic conditions and capabilities.

The purpose of microfinance is to meet the unmet demands of poor especially women on a large scale and to play a role in eradicating poverty. Free access to microfinance enables the poor and women to carry out their routine activities smoothly and there will not be times where there is no access to food, clothing, shelter or education. Microfinance helps to manage unforeseen events such as sickness, theft, or natural disasters without much shock. (Bhat Sham V, 2011). Microfinance has given Indian women an opportunity to become agents of change and brought about confidence to explore new horizons and new dreams. In addition, microfinance facilitates women and poor people to move away from the exploitation of money lenders and empower them socially and economically to lead the life with dignity and pride (Somanath, V. S., 2009).

## NEED FOR THE PRESENT STUDY

As per the report of Planning Commission of India, as of May 2021 the number of people living in extreme poverty in India is 84 million (7% of its population)

and the poverty ratio is 25.01% (<http://www.planningcommission.gov.in>). At the same time, the spending gap between the rich and the poor in India has almost doubled in the last 5 years (NSSO survey report, 2021: <http://www.mospi.nic.in>). Besides, India ranked 131<sup>st</sup> in Human Development Index (HDI – 0.645) among 189 countries in the world (HDI report by UNDP: <http://www.hdr.undp.org>).

The above data shows that poverty is a critical issue in India. At the same time with the reviews on the problems of rural women, it is clear that rural women are facing a number of personal, social and economic problems which knock them down to the depth of poverty and hinder their growth. Microfinance channelized through SHGs provides the poor women an access to credit, giving them opportunity to carry out economic and income generating activities and to escape the clutches of poverty. Therefore, impact assessment is necessary to understand the outreach and effectiveness of micro finance in meeting developmental objectives.

Review of literature shows that a number of research studies have been done in India as well as in other countries to assess the socio-economic impact of microfinance and to evaluate the performance of the microfinance institutions. Though a few studies have been done in this context in India, none of these studies have dealt with the SHGs promoted by the NGO ‘Canara Organisation for Development and Peace (CODP)’, in Dakshina Kannada District. Hence, the present study is initiated to fill the gap.

## REVIEW OF LITERATURE

A number of studies have thrown light on the connection between microfinance and poverty in

general. Many researchers have evaluated the importance of self-help groups as a reservoir of microfinance. Some other researchers have studied the socio-economic impact and empowerment of beneficiaries, especially women through SHGs. A review of literature on few studies is presented here.

Ramlingam et al (1987) studied the socio-economic impact of Integrated Rural Development Programme (IRDP) on poor people and proved that the respondents' social status had considerably enhanced from lower to higher status.

Yunus Mohammad (1998) wrote that when a poor mother starts earning, her dreams of success always centers around her children. Money entering a house through a woman brings more profit to the family as a whole. This study also stated that women alone are not ready to undertake any self-employment instead of they prefer supporting their partner for business development.

Sherin (1999) in her research work revealed that majority of the respondents were highly self-reliant in the functional SHGs whereas only few of the respondents expressed high self-reliance in the non-functional SHGs. The male respondents were significantly greater in self-reliance in comparison with their female counterparts.

Hartwig (1999) in his study on the SHGs in Africa reported that SHGs of Africa have increased the family income of the members and thereby ensure food security and children education.

Mayoux (2000) said that the sincere efforts are mutually strengthening as both improved welfare and change in women's role will further increase their ability to increase incomes and so on. This process of empowerment will be further reinforced by group formation concentrating on thrift and credit delivery as women can access more information and support networks for income generating activity; groups can encourage women in conflicts within the family and community and groups can link to broader movements for change in women's status.

Dwarakanath (2001) mentioned that the DWCRA program helped the rural women to earn an additional monthly income ranging from Rs.250-2000 depending on entrepreneurial activities taken up by them.

According to Agarwal and Deepti (2001), women should be regarded not as beneficiaries but as active players in the growth and empowerment of women. They should be organized into groups for community

involvement as well as for affirmation of their rights in various services connected with their economic and social welfare.

Manimekalai and Rajeswari (2002), conducted a study on grass root entrepreneurship through Self Help Groups (SHGs), it was observed that the women were depending only on agriculture and now have become independent. Apart from the progress on the personal growth, the community as a whole has achieved through the association of the Self Help Groups.

Sam Afrane (2002) in his paper "Impact assessment of microfinance interventions in Ghana and South Africa" reviews two studies conducted in Ghana and South Africa that focused mainly on impact results. The results of the two case studies have revealed that microfinance involvement has achieved major improvements in terms of increased incomes, improved access to facilities, and empowerment of women.

Dipankar Datta (2004), in his research article "microcredit in rural Bangladesh - is it reaching the poorest?", studied the role of micro credit in the eradication of poverty and empowerment of women, by taking into account the information collected from BRAC, Grameen Bank & Proshika.

R. Asokan and Sudha T. (2005) from the study conducted by National Institute of Rural Development (NIRD) on micro enterprises, which are developed by SHGs in Kerala revealed that a high proportion of the micro entrepreneurs under SHGs were unemployed prior to joining SHG and the study indicated high profit with a minimum investment.

NABARD (2005) studied the impact of SHGs on economic empowerment of its members in Ballir district, Uttar Pradesh and revealed that there was an improvement in the monthly income of each of the families by at least Rs.700 per month and this increase was wholly due to the income generating activity that they were able undertake because of taking microfinance after the activities of SHG started.

Joseph and Easwaran (2006) studied the perceived impact of SHGs on tribal improvement. They are also the relationship between the composition and impact of SHGs, from which they found out that the perceived impact of SHGs was significantly associated with three variables - duration of membership, member's participation and perceived group unity.

Mahesha, V. And Akash, S. B. (2011), studied the working of SHGs in Shimoga District and concluded

that the microfinance through SHGs were able to overcome the weaknesses of formal financial institutions and have been successful in empowering the women in the decision-making process.

Jibon Neog and Sangita Kanoi (2011), analyse the formation and training of SHGs formed under SGSY in Diphu Subdivision of Karbi Analog District of Assam, activities undertaken by them, loan disbursed to them and their financial performance and opine that the SHGs have contributed positively to the social and economic empowerment of the women.

From the review of literature, it is concluded that some of the studies express that SHGs are successful and microfinance program has a positive impact on the beneficiaries, while some other studies show that the program is not reaching the needy poor people and the micro loans are utilized for non-income generating activities. Thus, the literature on microfinance provides mixed results regarding the impact of the microfinance program. Hence, the present study is taken up to add to the existing research.

#### STATEMENT OF THE PROBLEM

Microfinance plays an important role in the empowerment of women and facilitates development from a situation of severe poverty to improved economic and social self-reliance. The level of empowerment needs to be studied to arrive at any conclusion. The focus of this study is to analyse and evaluate the social impact of microfinance and to assess the degree of social empowerment of women in Dakshina Kannada District.

#### RESEARCH OBJECTIVES

Keeping in view of the importance of the study, the objectives of the present study are as follows:

1. To assess the socio-economic impact of microfinance on the members of SHGs.
2. To understand the level of social empowerment of women through microfinance.

#### SCOPE OF THE STUDY

The study is confined to the Microfinance activities in Dakshina Kannada District, Karnataka State. Moreover, the study covers the Self-help Groups

which are promoted by Canara Organisation for Development and Peace (CODP), Mangalore.

#### RESEARCH METHODOLOGY

The present study is descriptive in nature based on primary data which is collected through field survey. In addition, secondary data and relevant literature have been compiled from published sources.

The target population for the study is the members of the Self Help Groups promoted by different NGOs in the five taluks of Dakshina Kannada District, Karnataka State. On an average, 4-5 members were chosen randomly from each SHG for the purpose of data collection totaling 505 beneficiaries. Mangalore Taluk being a taluk with more access to urban facilities is considered as the urban area and the other 4 taluks are taken as rural area.

Primary data was collected from the members of by using close ended questionnaire administered personally. Variables were formulated and the data was coded and analysed using SPSS (Statistical Package for Social Sciences). Appropriate statistical tools and tests were used for drawing conclusions.

#### LIMITATIONS OF THE STUDY

The study may not be able to measure all the factors influencing the responses due to limited use of statistical tools and techniques. At the same time, personal differences of the respondents cannot be explored. So, the data collected, and inferences drawn may not be complete and accurate. In addition, the recommendations may not be generally applicable to all SHGs and microfinance institutions in the country due to regional disparities.

#### SOCIAL EMPOWERMENT OF WOMEN THROUGH SELF-HELP GROUPS

In order to assess the social impact of microfinance on the beneficiaries, several parameters such as social mobility, decision making role in the family in respect of various family matters, political and social awareness, participation in external activities, exposure to media, recognition in the family/ community/ society etc. were considered and rated in the Likert's 5-point rating scale to know whether there is any change in these aspects after joining the SHG.

The ratings given were: 5 – Highly Increased, 4 – Increased, 3 – Same, 2 – Reduced, 1 – Highly Reduced).

These parameters were subject the mean and median test. If mean ± S.D. is 3, there is no change in these parameters even after joining SHG. If mean ± S.D is more than 3, there is an increase in the said parameter and if the mean ± S.D is more than 4, there is a high

increase. If the mean ± S.D is less than 3, there is a decrease in these parameters.

Mann-whitney test is applied to know whether there is significant difference between urban and rural area with respect to changes in these parameters.

Table 1 gives the values for each parameter in respect of urban and rural area and Table 2 explains the overall impact of microfinance on the beneficiaries.

Table 1: Social Impact of microfinance

Parameters	Area	Mean	Std. Deviation	Median	Mann-whitney test Z value	p value
Shopping / going for a movie	Urban	3.96	.74	4.00	0.85	0.393 NS
	Rural	3.90	.77	4.00		
	Total	3.92	.76	4.00		
Selling the articles produced by self	Urban	4.30	.56	4.00	0.18	0.859 NS
	Rural	4.29	.50	4.00		
	Total	4.30	.52	4.00		
Visiting others / moving independently	Urban	4.00	.70	4.00	0.47	0.640 NS
	Rural	3.96	.70	4.00		
	Total	3.98	.70	4.00		
Spending own money	Urban	4.83	.45	5.00	2.66	0.011 Sig
	Rural	4.92	.30	5.00		
	Total	4.89	.37	5.00		
Health Care of children (choosing the doctor, taking his appointment)	Urban	4.53	.63	5.00	0.07	0.946 NS
	Rural	4.55	.53	5.00		
	Total	4.54	.57	5.00		
Matters relating to children school/ marriage	Urban	4.40	.58	4.00	2.20	0.028 sig
	Rural	4.28	.55	4.00		
	Total	4.33	.56	4.00		
Purchase of household necessities	Urban	4.36	.64	4.00	1.20	0.230 NS
	Rural	4.42	.65	5.00		
	Total	4.40	.65	4.00		
Borrowing or lending money	Urban	4.80	.43	5.00	1.31	0.191 NS
	Rural	4.83	.43	5.00		
	Total	4.82	.43	5.00		
House repairing & maintenance	Urban	4.05	.75	4.00	0.22	0.825 NS
	Rural	4.07	.74	4.00		
	Total	4.06	.74	4.00		
Involvement in various associations	Urban	4.67	.50	5.00	0.97	0.334 NS
	Rural	4.62	.54	5.00		
	Total	4.64	.52	5.00		
Participation in activities /competitions	Urban	4.70	.49	5.00	0.25	0.803 NS
	Rural	4.69	.50	5.00		
	Total	4.69	.49	5.00		
Change in Leadership & Decision-making power within household and autonomy	Urban	4.54	.32	4.62	0.16	0.875 NS
	Rural	4.54	.30	4.62		
	Total	4.54	.31	4.62		
Law of inheritance	Urban	4.18	.58	4.00	3.07	0.009 Sig
	Rural	4.03	.52	4.00		
	Total	4.09	.55	4.00		
Marriage registration/information on second marriage	Urban	4.34	.58	4.00	1.93	0.054 NS
	Rural	4.24	.58	4.00		
	Total	4.28	.58	4.00		
About the countries and local politics	Urban	3.79	.81	4.00	1.63	0.104 NS
	Rural	3.67	.77	3.00		
	Total	3.71	.79	4.00		
Voting rights in elections	Urban	4.58	.49	5.00	1.04	0.300 NS
	Rural	4.53	.51	5.00		
	Total	3.71	.79	4.00		
Awareness on banking operations	Urban	4.91	.30	5.00	1.11	0.266 NS
	Rural	4.93	.27	5.00		
	Total	4.92	.29	5.00		
Awareness on women’s rights / reservation	Urban	4.91	.30	5.00	0.81	0.419

	Rural	4.93	.28	5.00		NS
	Total	4.92	.29	5.00		
Protesting against social evils/women's violence	Urban	4.32	.51	4.00	1.58	0.114 NS
	Rural	4.24	.53	4.00		
	Total	4.27	.52	4.00		
Participation in rallies organized by any People's organisation / NGO	Urban	4.53	.51	5.00	0.26	0.795 NS
	Rural	4.50	.59	5.00		
	Total	4.51	.56	5.00		
Protesting against corruption of government officials	Urban	4.33	.50	4.00	0.78	0.438 NS
	Rural	4.35	.58	4.00		
	Total	4.34	.55	4.00		
Protesting against unfair wages/ price	Urban	4.25	.65	4.00	2.77	0.016 Sig
	Rural	4.40	.63	4.00		
	Total	4.34	.64	4.00		
Change in Participation in social and development activities	Urban	4.36	.35	4.50	1.05	0.295 NS
	Rural	4.37	.42	4.50		
	Total	4.37	.39	4.50		
Change in Exposure to the information / media	Urban	4.76	.38	5.00	0.83	0.407 NS
	Rural	4.74	.39	5.00		
	Total	4.74	.39	5.00		
Change in the recognition in the Family	Urban	4.78	.42	5.00	0.94	0.346 NS
	Rural	4.72	.49	5.00		
	Total	4.74	.46	5.00		
Change in the recognition in the Community	Urban	4.59	.49	5.00	1.43	0.152 NS
	Rural	4.51	.54	5.00		
	Total	4.54	.52	5.00		
Change in the recognition in the Society	Urban	4.48	.59	5.00	2.91	0.010 Sig
	Rural	4.31	.64	4.00		
	Total	4.38	.62	4.00		
Overall social impact	Urban	4.37	.28	4.39	1.53	0.127 NS
	Rural	4.32	.29	4.32		
	Total	4.34	.29	4.32		

Source: Field Survey

From the table 5.61, the analysis in respect of social freedom, has been made as follows:

a) Social Freedom: Social freedom is measured by taking into account the changes in the following parameters:

- Shopping / going for a movie: This has been increased after joining the SHG both in rural and urban area. Mann-Whitney test ( $p=0.393>0.05$ ) shows that there is no significant difference between urban and rural area with respect to change in this parameter.
- Selling the products produced by self: The freedom to sell the products produced by them is highly increased in urban and rural area after joining the SHG. Mann-Whitney test ( $p=0.859>0.05$ ) shows that there is no significant difference between

urban and rural area with respect to change in this parameter.

- Mobility: Freedom to move independently has highly increased in the urban area and increased in the rural area. Mann-Whitney test ( $p=0.640>0.05$ ) shows that there is no significant difference between urban and rural area with respect to change in this parameter.
- Spending own money: The freedom to spend self-earned money is highly increased in rural as well as urban area after joining the SHG. Mann-Whitney test ( $p=0.011<0.05$ ) shows that there is significant difference between urban and rural area with respect to change in this parameter.
- Borrowing / Lending money: The freedom to borrow / lend money is highly increased in rural

and urban area. Mann-Whitney test ( $p=0.191>0.05$ ) shows that there is no significant difference between urban and rural area with respect to change in this parameter.

- Involvement in various associations: After joining the SHG, involvement in various associations / organisations has highly increased in rural and urban area. Mann-Whitney test ( $p=0.334>0.05$ ) shows that there is no significant difference between urban and rural area with respect to change in this parameter.
  - Participation in external activities and competitions: Joining the SHG has provided opportunities to the beneficiaries for participation in various activities and competitions. Participation in external activities and competitions has increased highly. Mann-Whitney test ( $p=0.803>0.05$ ) shows that there is no significant difference between urban and rural area with respect to change in this parameter.
- b) Household autonomy and Decision-making power in the family: Household autonomy and decision-making power in the family matters is measured by taking into account the changes in the following parameters:
- Health care of children: The decision-making power relating to the health care of the children such as choosing the doctor, taking the appointment etc. has highly increased after joining the SHG in urban and rural area. Mann-Whitney test ( $p=0.946>0.05$ ) shows that there is no significant difference between urban and rural area with respect to change in this parameter.
  - Matters relating to children education / marriage etc.: After joining SHG, the beneficiaries freedom to take decisions relating to children education / marriage has highly increased in urban and rural area. Mann-Whitney test ( $p=0.028<0.05$ ) shows that there is significant difference between urban and rural area with respect to change in this parameter.
  - Purchase of household necessities: After joining SHG, the beneficiaries freedom to purchase household necessities has highly increased in urban and rural area. Mann-Whitney test ( $p=0.230>0.05$ ) shows that there is no significant

difference between urban and rural area with respect to change in this parameter.

- House maintenance / repair: After joining SHG, the beneficiaries freedom to take decisions relating to house maintenance / repair has highly increased in urban and rural area. Mann-Whitney test ( $p=0.825>0.05$ ) shows that there is no significant difference between urban and rural area with respect to change in this parameter
  - Leadership role: After joining SHG, the beneficiaries leadership role has highly increased in urban and rural area. Mann-Whitney test ( $p=0.875>0.05$ ) shows that there is no significant difference between urban and rural area with respect to change in this parameter.
- c) Legal and political awareness: Legal and political awareness is measured by taking into account the changes in the following parameters:
- Law of inheritance: The awareness and knowledge about law of inheritance has highly increased after joining the SHG in urban and rural area. Mann-Whitney test ( $p=0.009<0.05$ ) shows that there is significant difference between urban and rural area with respect to change in this parameter.
  - Information relating to marriage registration/ second marriage: Joining the SHG has provided knowledge on various issues through a no. of awareness programs to the beneficiaries. Awareness about marriage registration/ second marriage has increased highly in urban and rural area. Mann-Whitney test ( $p=0.054>0.05$ ) shows that there is no significant difference between urban and rural area with respect to change in this parameter.
  - Awareness about countries and local politics: The beneficiaries level of awareness about the political situation prevailing locally and at the national level has increased after joining the SHG highly increased after joining the SH in urban and rural area. Mann-Whitney test ( $p=0.946>0.05$ ) shows that there is no significant difference between urban and rural area with respect to change in this parameter.
  - Voting rights in elections: The awareness and knowledge about voters list and voting rights has highly increased after joining the SHG in urban and rural area. Mann-Whitney test

( $p=0.300>0.05$ ) shows that there is no significant difference between urban and rural area with respect to change in this parameter.

- Knowledge of banking operations: The beneficiaries have learnt about banking operations and the level of learning has highly increased after joining the SHG in urban and rural area. Mann-Whitney test ( $p=0.266>0.05$ ) shows that there is no significant difference between urban and rural area with respect to change in this parameter.
- Awareness about women's rights and reservation: The awareness and knowledge about women's rights and reservation has highly increased after joining the SHG in urban and rural area. Mann-Whitney test ( $p=0.419>0.05$ ) shows that there is no significant difference between urban and rural area with respect to change in this parameter.
- Protests against corruption of government officials: The tendency to protest against corruption of government has highly increased after joining the SHG in urban and rural area. Mann-Whitney test ( $p=0.438>0.05$ ) shows that there is no significant difference between urban and rural area with respect to change in this parameter.
- Exposure to information and media: The exposure of the beneficiaries to information and media has highly increased after joining the SHG in urban and rural area. Mann-Whitney test ( $p=0.407>0.05$ ) shows that there is no significant difference between urban and rural area with respect to change in this parameter.

d) Public Participation: Legal and political awareness is measured by taking into account the changes in the following parameters:

- Protests against social evils / women harassment: The awareness and knowledge about women's rights and reservation has highly increased after joining the SHG in urban and rural area. Hence, participation of beneficiaries in the protests against social evils / women harassment etc. has highly increased in rural as well as urban areas. Mann-Whitney test ( $p=0.114>0.05$ ) shows that there is no significant difference between urban and rural area with respect to change in this parameter.
- Participation in rallies organized by NGOs: The beneficiaries' participation in rallies organized by

peoples' organisation / NGO for the good of the society has highly increased after joining the SHG in urban and rural area. Mann-Whitney test ( $p=0.795>0.05$ ) shows that there is no significant difference between urban and rural area with respect to change in this parameter.

- Protests against corruption of government officials: The tendency to protest against corruption of government has highly increased after joining the SHG in urban and rural area. Mann-Whitney test ( $p=0.438>0.05$ ) shows that there is no significant difference between urban and rural area with respect to change in this parameter.
- Protests against unfair wages and prices: The tendency to protest against unfair prices and wages has also highly increased after joining the SHG in urban and rural area. Mann-Whitney test ( $p=0.016<0.05$ ) shows that there is significant difference between urban and rural area with respect to change in this parameter.
- Participation in social and development activities: The participation of the beneficiaries in social and development activities has highly increased after joining the SHG in urban and rural area. Mann-Whitney test ( $p=0.295>0.05$ ) shows that there is no significant difference between urban and rural area with respect to change in this parameter.

e) Recognition in different spheres: Recognition is measured by taking into account the changes in the following parameters:

- Recognition in the family: Recognition in the family has been highly increased after joining the SHG both in rural and urban area. Mann-Whitney test ( $p=0.346>0.05$ ) shows that there is no significant difference between urban and rural area with respect to change in this parameter.
- Recognition in the Community: Recognition in the community also has been highly increased after joining the SHG both in rural and urban area. Mann-Whitney test ( $p=0.152>0.05$ ) shows that there is no significant difference between urban and rural area with respect to change in this parameter.
- Recognition in the society: Recognition in the society has been highly increased after joining the SHG both in rural and urban area. Mann-Whitney test ( $p=0.010<0.05$ ) shows that there is significant

difference between urban and rural area with respect to change in this parameter.

Table 2 shows the overall social empowerment of the beneficiaries after joining the SHGs.

f) Overall Social Empowerment:

Table 2: Overall Social Impact of microfinance

Parameters	Area	Mean	Std. Deviation	Median	Mann-whitney test Z value	p value
Social freedom	Urban	4.00	.70	4.00	0.47	0.640 NS
	Rural	3.96	.70	4.00		
	Total	3.98	.70	4.00		
Household autonomy & Decision-making power in the family matters	Urban	4.54	.32	4.62	0.16	0.875 NS
	Rural	4.54	.30	4.62		
	Total	4.54	.31	4.62		
Change in Political and legal awareness	Urban	4.45	.31	4.42	1.95	0.051 NS
	Rural	4.39	.31	4.33		
	Total	4.41	.31	4.33		
Change in public Participation	Urban	4.36	.35	4.50	1.05	0.295 NS
	Rural	4.37	.42	4.50		
	Total	4.37	.39	4.50		
Change in recognition in the Family	Urban	4.78	.42	5.00	0.94	0.346 NS
	Rural	4.72	.49	5.00		
	Total	4.74	.46	5.00		
Change in recognition in the Community	Urban	4.59	.49	5.00	1.43	0.152 NS
	Rural	4.51	.54	5.00		
	Total	4.54	.52	5.00		
Change in recognition in the Society	Urban	4.48	.59	5.00	2.91	0.010 Sig
	Rural	4.31	.64	4.00		
	Total	4.38	.62	4.00		
Overall social impact	Urban	4.37	.28	4.39	1.53	0.127 NS
	Rural	4.32	.29	4.32		
	Total	4.34	.29	4.32		

Source: Field Survey

Table 2 shows the overall social empowerment of the beneficiaries after joining the SHGs. The Mean ± SD is 3.98 ± 0.70 in respect of social freedom, indicates that there is overall increase in the social freedom. The Mean ± SD is 4.54 ± 0.31 in respect of household autonomy proves that there is overall high increase in the household autonomy and decision-making power of the beneficiaries in their families. The Mean ± SD is 4.41 ± 0.31 for political and legal awareness which shows that there is overall high increase in the political and legal awareness and knowledge among the members. The Mean ± SD in respect of public participation is 4.37 ± 0.39 from which it is evident that there is overall high increase in the participation of the members in various public activities. At the same time, there is high increase in the recognition of the beneficiaries in the family, in the community and in the society as a result of becoming the members of SHG as the Mean ± SD is 4.74 ± 0.46. Finally, from the above analysis the overall social empowerment of the members is evident after joining the SHGs as the Mean ± SD is 4.34 ± 0.29 on the whole.

Mann-Whitney test shows that there is no significant difference between urban and rural area with respect to change in social freedom(p=0.640>0.05), change in Household autonomy & Decision making power in the family matters (p=0.875>0.05), political and legal awareness(p=0.051>0.05), change in public participation(p=0.295>0.05), change in recognition in the family (p=0.346>0.05), and change in the recognition in the community (p=0.152>0.05). However, there is a significant difference between the urban and rural area with respect to change in recognition in the society (p=0.010>0.05). On the whole, there is no significant difference between the urban and rural area with respect to social empowerment of the beneficiaries (p=0.127>0.05).

HYPOTHESIS 1

H1: Social status of the beneficiaries has changed after joining the SHGs.

TEST OF HYPOTHESIS



An analysis of the social impact of microfinance on the respondents has been indicated in Table 5.62. The hypothesis is tested by applying the statistical tools mean and standard deviation and the overall Mean  $\pm$  SD > 4 which imply that the overall social status has highly increased (Likert's Ascending Scale) and hence the null hypothesis is rejected. Therefore, the research hypothesis that Social status of the beneficiaries has changed after joining the SHGs is accepted.

**FACTOR ANALYSIS**

Factor analysis was performed on changes in the status of the beneficiaries in different aspects after joining the SHGs in order to understand the factors

contributed to the major impact of microfinance. For this purpose, KMO and Bartlett's Test was applied to find out whether the sample is adequate to perform Factor Analysis (Table 3). Factor analysis was applied under Extraction Method of Principal Component Analysis where the total variance was explained to find out the type of factors involved (Table 4). Then factor loading was computed for each parameter by using Rotated Component Matrix in order to identify the Primary and Secondary factors ( Table 5).

Table 3: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Adequacy Test	Measure of Sampling	0.582	
Bartlett's Test of Sphericity	$\chi^2$	d.f.	p
	1030.833	28	0.000 Sig.

Table 4: Total Variance Explained

Component	Initial Eigen values			Extraction sums of Squared Loadings			Rotation sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.652	33.154	33.154	2.652	33.154	33.154	2.040	25.506	25.506
2	1.458	18.226	51.380	1.458	18.226	51.380	1.692	21.154	46.660
3	1.289	16.109	67.490	1.289	16.109	67.490	1.666	20.830	67.490
4	0.793	9.917	77.406						
5	0.654	8.171	85.578						
6	0.480	5.997	91.575						
7	0.464	5.806	97.381						
8	0.210	2.619	100.00						

Extraction Method: Principal Component Analysis

Table 5: Rotated Component Matrix

Impact of Microfinance	Component		
	1	2	3
Change in Social Freedom			0.849
Change in Household autonomy & Decision-Making power in the family		0.697	
Change in Legal and Political Awareness			0.685
Change in Participation level in public and Development Activities		0.701	
Recognition in the family	0.748		
Recognition in the Community	0.869		
Recognition in Society	0.789		

Extraction Method: Principal Component Analysis

Rotation Method: Varimax with Kaiser Normalization

a. Rotation Converged in 5 iterations

Word change replace by impact

As per Table 3, to perform factor analysis to the different aspects of change such as Change in Social Freedom, Change in household autonomy and decision making power in the family, Change in legal and political awareness, change in participation level in the public and development activities, Recognition

in the family, in the community and society, the sample is adequate as KMO = 0.582 (> 0.05) and there is a variation between the parameters as Bartlett's Test p = 0.000 (< 0.01, Sig).

As per Table 4, Factor Analysis resulted in three factors Primary Factors, Secondary Factors and the tertiary factors with percentage variance 25.506, 21.154 and 20.830 respectively.

As shown by Rotated Component Matrix in Table 5, the primary factors which represent the change in the recognition level consist of Recognition in the family with factor loading of 0.748, Recognition in the community with factor loading of 0.869 and Recognition in the society with factor loading of 0.789.

The Secondary factors which represent the personal autonomy of the beneficiaries consist of Change in the household autonomy and decision-making power with a factor loading of 0.697 and Change in the level of participation in public and development activities with factor loading of 0.701

The next level of factors representing Change in the awareness level consist of change in social freedom with factor loading of 0.849 and Change in legal and political awareness with a factor loading of 0.685.

So, from the factor analysis it is clear that the primary impact of microfinance is on the recognition level experienced by the members in the family, community and the society after joining the SHGs whereas the secondary impact of microfinance is shown on the other two aspects Personal autonomy and the awareness level.

#### FINDINGS

Social impact was analysed by assessing the changes in social freedom of the beneficiaries, Household autonomy and decision-making power in the family, Legal and political awareness of the members, Public Participation and Recognition in different spheres after joining the SHG.

It is found that there is an overall increase in the social freedom among the beneficiaries after joining the SHGs in the urban area as well as rural area. In addition, joining the SHGs has led to high increase in the household autonomy and decision-making power relating to family matters among the beneficiaries in the urban and in rural area. It is also noteworthy that there is high increase in the awareness and knowledge about various political and legal matters among the beneficiaries after joining the SHGs in the urban and in rural area.

Participation of the beneficiaries in various public activities and issues has highly increased after joining the SHGs in the urban and in rural area. Moreover, there is high increase in the recognition of the beneficiaries at different spheres i.e. in the family, in the community and in the society as a result of becoming the members of SHG in the urban as well as rural area.

Thus, on the whole there is a positive social impact of microfinance on the beneficiaries which implies social empowerment of women.

#### SUGGESTIONS

Though joining the SHGs has helped the beneficiaries to improve their monthly income level by undertaking income generating activities and has empowered the women economically and socially, the percentage of members involved in income generating activities is

very less. So, CODP is required to organize some practical training programs to educate the members about the income generating activities and encourage more and more members to involve in the same so that they are able to improve their income earning capacity.

#### CONCLUSION

The study reveals that the members of Self-Help Groups promoted by CODP are content with the microfinance facility provided especially at times of emergency. Moreover, the socio-economic and financial status of the members has improved considerably. It is apparent that microfinance has bright prospects in future and has a potential to become a dynamic movement in strengthening the poor and empowering them on par with others. Undoubtedly, micro finance program plays a major role in the alleviation of poverty and the empowerment of the women and weaker sections of the society.

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