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### RESEARCH ARTICLE

#### EFFECT OF INDEPENDENCE VARIABLES ON EMPOWERMENT OF SHG MEMBERS THROUGH ENTREPRENEURIAL ACTIVITIES AND LOAN PRACTICES ADOPTED

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#### Abstract

Empowerment is a process, which generates changes in ideas and perceptions and creates awareness about one's rights and opportunities for self-development in all important spheres of life. It enables individuals and groups to change the balance of power by way of knowledge, know-how and experience to strengthen one's capacity and self-reliance. Many factors affect empowerment level of women such as caste, family's socio-economic status, custom, culture, age and education of family members as well as women's herself etc. Thus the study was conducted to know the role of SHGs participation in women empowerment. Random Sampling techniques were used and total 240 women respondents were selected to three blocks of Kanpur District. The study revealed that as age increases with co relation coefficient of 0.2436, 0.2447, 0.2478 and 0.3280. Occupation was observed significantly positively correlated with economic, socio-cultural and politico-legal empowerment. **Sharma and Sharma (2010)** stated that for Indian rural womenfolk, micro-finance is all about self-sufficiency, employment creation, income generation, social safety as well as sustainable livelihood of the of the poor women's group. Micro-finance intertwines two major pillars of India viz., democracy and micro-entrepreneurship at the grass root level.

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#### Introduction:-

Now-a-days economic development is one of the factors that have changed the entire scenario of social and cultural environment within the country especially for the women. Women empowerment has been recognized as the central issue in determining the status of women and it has been considered as one of the strategies to tackle the socio-economic poverty. Women have taken up self-help movement through savings as a mass movement. Development agenda of the country in the last few years placing the people, especially women, in the forefront has enabled formation of a large number of SHGs throughout the country. The ultimate objective of all these efforts is to make women economically independent and self-reliant- Many factors affect empowerment level of women such as caste, family's socio-economic status, custom, culture, age and education of family members as well as women's herself etc. Economic empowerment is one of the approaches which have been widely used with women empowerment. One can be empowered either externally by capacity building or internally by developing self-expression, both are interdependent/ Control and management of resources develops the ability for self-expression in various ways as self- confidence, ability of decision making, skill overcome external barriers for accessing resources

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etc. women must go through intrinsic transformations regarding knowledge, skill and understanding which can be enhanced by group method which also involves empowerment of an individual. Many factors affected their choice of work as interest and educational background, family, social status, income level, technical knowledge, entrepreneurial background etc. Some activities like hand-made papers, bee-keeping, making of soap, jiggery, pulse processing, fruit processing and preservation, bamboo and cane work, weaving of doormats, manufacturing of candles etc. considered and identified as the convenient entrepreneurial activities for housewives. The SHG bank linkage programme is unique but faces several challenges regarding sustainability of the programme. The first and foremost challenge is how to maintain the quality of SHGs when there is mushroom increase in their number. The poor quality is seen in the book keeping, audit of groups in the country, which are accumulating regular savings, undertakes credit functions by means of intrinsic resources and credit from banks successfully. **Nagayya and Rao (2009)** reviewed the SHGs-Bank linkage programme at national and state level with special reference to Andhra Pradesh in detail and certain aspects of other three southern states-Tamil Nadu, Karnataka and Kerala. Banks have an important role to play and stake in inclusive banking in stepping up the success rate in the functioning of SHGs and support organizations of various categories. Self-help promotional Institutions and banks should pursue the task of spreading healthy management practices among SHGs, uniformly in developed and less developed regions. **Dutta and Panda (2009)**, indicated that Impact Assessment is the structured study, which measures the impact on employment, income generation, nutrition, education, health, consumption, business development (micro entrepreneurship) and gender equity on MFI's clients. Impact assessment refers to the assessment of how financial products and services affected the lives of the poor. Impact assessment is the measurement of the income growth, assets growth and vulnerability reduction of the poor by the microfinance programme. The indicators for impact assessment are not limited to economic development but extended to developmental growth like health, education, empowerment, gender, etc. **Estaple and Torreguitart (2010)** studied about the effects of micro-finance in developed countries, and specifically the start-up of micro-business by women entrepreneurs with limited access to credit, having benefit from a micro-credit programme to developed their self-employment projects. as a part of general project to try to understand the impact of the existing micro-finance institutions (MFIs).The present research aims to study the social impact of the micro-business started up by women entrepreneurs granted with micro-loans, by means of a qualitative approach, the study proposed involves a total of ten women, clients of three different MFIs based in catatonia. Semi-structured interviews have been used to conduct the research. The results have been analysed with the help of a frame .Work in which parameters related to the women micro-entrepreneurs, to their entrepreneurship experiences, and to the MFIs granting their loans are regarded as indicators of the personal and family impacts, of their professional lives and of the social impacts of micro-finance. The observed impacts are mostly related to personal and family issues, on account of the limited capacity of the micro-credit instrument to better the women's standard of living. Social impacts, although expected to be marginal, are also revealed by the study.

### **Research Methodology:-**

Present study on "Effect of independence variables on empowerment of SHG members through entrepreneurial activities and loan Practices adopted" was conducted in rural areas of Kanpur District. Three blocks namely Chaubepur, Shivrajpur and Kalyanpur were purposively selected from the study areas. 8 villages were than purposively selected from each blocks to get a total of 24 villages. One SHG from each village and 10 respondents from each SHG was randomly selected to get a total of 240 respondents.

### **Results & Discussion:-**

The present study were based on two main objectives such as Socio-Personal the respondents and empowerment of rural women through Self Help Group. Majority, about forty- three per cent respondents were belonging to 35 to 45 years of age followed by 28.75 per cent were of 25 to 35 years. About twenty- five per cent respondents were educated up to high school whereas, 16.66 per cent respondents were educated up to middle school. Majority, (47.08%) respondents were belonging to OBC caste followed by 31.66 per cent respondents were of SC/ST category. Majority (63.75%) respondents were belonging to joint family and about forty-nine per cent respondents were having 5 to 8 members in their family. More than forty per cent respondents were having thepucca house and 34.16 percent heads of family were labour.

**Part I:-** Personal and socio-economic characteristics N = 240

S.No	Personal Profile	Frequency	Percent
<b>Age</b>			
1	<25	37	15.41
2	25 – 35	69	28.75
3	35 – 45	103	42.91
4	>45	31	12.91
	<b>Total</b>	<b>240</b>	<b>100.0</b>
<b>Educational Level</b>			
1	Illiterate	29	12.08
2	Read and write only	36	15.00
3	Primary	36	15.00
4	Middle school	40	16.66
5	High school	67	27.91
6	Intermediate and above	32	13.33
	<b>Total</b>	<b>240</b>	<b>100.0</b>
<b>Caste</b>			
1	General	51	21.25
2	OBC	113	47.08
3	SC/ST	76	31.66
	<b>Total</b>	<b>240</b>	<b>100.0</b>
<b>Type of Family</b>			
1	Joint	153	63.75
2	Nuclear	87	36.25
	<b>Total</b>	<b>240</b>	<b>100.0</b>
<b>Size of Family</b>			
1	Up to 4 members	69	28.75
2	5 to 8 members	117	48.75
3	Above 8 members	54	22.50
	<b>Total</b>	<b>240</b>	<b>100.0</b>
<b>Type of House</b>			
1	Kaccha	49	20.41
2	Pucca	102	42.50
3	Mixed	89	37.08
	<b>Total</b>	<b>240</b>	<b>100.0</b>
<b>Occupation of head of family</b>			
1	Labour	82	34.16
2	Caste occupation	39	16.25
3	Farmers	24	10.00
4	Business	51	21.25
5	Service	44	18.33
	<b>Total</b>	<b>240</b>	<b>100.0</b>

**Table 2:-** Distribution of Respondent on the Basis of Loan Practices Adopted N = 240

S.No.	Loan Practices	Frequency	Per cent
<b>Number of loan taken by SHGs members</b>			
1	One	101	42.08
2	2-4	55	22.91
3	4-6	56	23.33
4	More than 6	28	11.66
	Total	<b>240</b>	<b>100.00</b>
<b>Size of the latest loan</b>			
1	Less than 5000	136	56.66
2	5000 to 10000	68	28.33
3	10000 to 15000	30	12.50
4	15000 and more	6	2.50
	Total	<b>240</b>	<b>100.00</b>
<b>Amount of loan borrowed from banks</b>			
1	Up to 5000	74	30.83
2	5000 to 10,000	55	22.91
3	15,000 to 25,000	52	21.66
4	25,000 to 40,000	38	15.83
5	40,000 and more than	21	8.75
	Total	<b>240</b>	<b>100.00</b>
<b>Loan amount Repaid by SHG members</b>			
1	Up to 30%	76	31.66
2	30 – 50%	62	25.83
3	50 70 %	54	22.50
4	Above 70%	48	20.00
	Total	<b>240</b>	<b>100.00</b>
<b>Sources of SHGs loan</b>			
1	Revolving fund	83	34.58
2	Subsidy loan	52	21.67
3	SGSY	105	43.75
	Total	<b>240</b>	<b>100.00</b>
<b>Rate of interest on loan from bank</b>			
1	7.50 per cent	181	75.42
2	8.50 per cent	59	24.58
	Total	<b>240</b>	<b>100.00</b>

**Loan Practices Adopted:-****Loan Practices Adopted:-**

Majority about forty two per cent respondents borrowed loan only once whereas, about thirty one per cent borrowed up to 5000 from bank and maximum (31.66%) respondents repaid loan up to 30%. Maximum about forty four per cent respondents borrowed loan from SGSY and majority i.e. 75.42 per cent respondents borrowed Rs. Up to 25,000 and paid 7.5 per cent per annum interest to the bank.

**Table 3:-** Distribution of Respondents on the Basis of Entrepreneurial Activities N = 240.

S.No	Entrepreneurial activities	Regularly	Occasionally	Never
<b>A</b>	<b>Agricultural activities</b>			
1	Vegetable & seed production	65 (27.10)	70 (29.17)	105 (43.75)
2	Honey bee keeping	16 (6.67)	8 (3.33)	216 (90.00)
3	Dairy farming	112 (46.67)	50 (20.83)	178 (74.17)
4	Goatary/ Poultry farming	85 (35.42)	60 (25.00)	95 (39.58)
5	Vegetable vending	107 (44.58)	33 (13.75)	100 (41.66)
6	Vermi compost & NADEP	32 (13.33)	59 (24.58)	149 (62.08)
<b>B.</b>	<b>Non-Agricultural activities</b>			

1	Food processing	83 (34.58)	29 (12.10)	128 (53.33)
2	Agarbatti making	8 (3.33)	94 (39.17)	138 (57.50)
3	Candle making	13 (5.42)	128 (53.33)	99 (41.25)
4	Tailoring	70 (29.17)	53 (22.10)	137 (57.10)
5	Flour milling	3 (1.25)	2 (0.83)	235 (97.92)
6	Shop at local level	133 (55.42)	00 (0.00)	107 (44.58)
7	Basket making/ mat making	29 (12.10)	41 (17.10)	170 (70.83)

(Figure in parenthesis indicates percentage)

#### Entrepreneurial Activities:-

About forty seven per cent respondents were 'regularly' engaged in "dairy farming" followed by 44.58 per cent respondents 'regularly' engaged in "vegetable vending". More than thirty five per cent respondents 'regularly' engaged in "goatary". Among non-agricultural activities, about fifty five per cent respondents were found 'regularly' engaged in "local level shop" followed by about thirty five per cent 'regularly' engaged in "food processing".

**Table 4:-** Relationship Between Empowerment of SHGs Members and Selected Independent variables. N = 240

Variables	Empowerment of SHGs Member			
	Economic empowerment	Socio-cultural empowerment	Politico-legal Empowerment	Self - Esteem
Age	0.2436*	0.2447*	0.2478*	-0.3280*
Education	-0.0692	-0.0729	0.0744	0.2126*
Caste	0.1120	0.0836	0.1054	-0.1354
Family Size	-0.0191	0.0119	-0.065	0.0410
Family type	0.3586*	-0.3008	-0.3691	0.2501*
Type of house	0.3384*	0.3323*	0.4115*	0.3288*
Occupation	0.4490*	0.4238*	0.4433*	0.3595*

(\* Significant at 5.0% level of significance)

To assess the relationship between empowerment of SHG members and selected independent variables correlation coefficient was assessed. The computed 'r' value showed that age is significantly positively correlated with all types of empowerment indicating as age increases economic empowerment, socio-cultural empowerment, politico-legal empowerment and self-esteem empowerment of respondent's also increase. Education is negatively correlated with economic empowered, socio-cultural empowerment, politico-legal empowerment but significant positive correlation was found between education and self -esteem empowerment. As education increases self-esteem empowerment of respondents also increases, as her level of education increase she understand her better and feel her own problems and find out solutions for them also.

No significant correlation was found between caste and economic, socio – cultural and politico-legal empowerment while negative correlation was found between self-esteem empowerment and caste. Family size was also negatively correlated with economic and politico-legal empowerment but positively correlated with socio cultural and self – esteem empowerment. On the other hand family type was significantly positively correlated with self-esteem empowerment, respondents belonging to nuclear family were found more self-esteem empowered but family type was negatively correlated with economic, socio cultural and politico legal empowerment. Positive significant correlation was observed between type of house and economic empowerment, socio-cultural empowerment and politico-legal empowerment but negative correlation was found between type of house and self-esteem empowerment. Occupation was observed significantly positively correlated with economic empowerment, socio-cultural empowerment and politico-legal empowerment as level of occupation increases economic, socio-cultural and politico-legal empowerment also increases but negative correlation was found between occupation and self – esteem empowerment. Thus, null hypothesis is partially rejected on the basis of the above findings.

#### Conclusion:-

It is concluded from the present study that SHGs today play a major role in poverty alleviation in rural India. A growing number of poor people (mostly women) in various parts of India are the member of SHG and actively engage in saving and credit, as well as in other activities. Empowerment by way of participation in SHG brings

enviable changes and enhances the living conditions of women in poor and developing countries like India. About ninety-six per cent respondents were strongly agreed upon “SHGs helped women to stop migration” and a majority of respondents were ‘strongly agree’ on SHGs “have little effect in changing an attitude of men towards women”. Several factors and strategies have been provided by the SHGs that have made a positive contribution to the economic empowerment of women such as saving, credit and income generation thereby ensuring economic independence. When a woman becomes members of SHG, her sense of public participation enlarged, a horizon of social activities, high self- esteem, self-respect and fulfilments in life, expended and enhances the quality of status of women as a participant. Nearly ninety-two per cent respondents want to be Pradhan as they feel more confident since they come out from home and understand what is running in society so they also want to contribute their part for its betterment. SHGs are the major sources of inspiration for women’s welfare. Women are an integral part of our country and economy. All round development and harmonious growth of nation would be possible only where women are considered as equal partners and SHG provides women a floor where she expresses herself and share responsibilities and thus, her self-confidence develop to its maximum and she reaches the top of her self-esteem.

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