



Empowerment Of Women Through Self-Help Groups: An Empirical Study Using Structural Equation Modeling

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Abstract

One of India's most famous campaigns is to increase women's empowerment through self-help group efforts. Numerous research has examined how female SHGs affect their lives, but no comprehensive evaluation has yet been done, particularly regarding multifaceted aspects of empowerment. This research aimed to assess how women's participation in SHGs affected their level of empowerment. 305 (functional) questionnaires were employed in total for this quantitative research study. Data from women in various SHGs in the Union Territory of J&K were gathered via a survey. According to a regression study, women's engagement in self-help groups had an impact on all four aspects of women's empowerment. This finding has numerous ramifications for both academic and applied research.

Keywords: Women empowerment, Self-help group, social, economic, social science.

1. Introduction

SHGs have been essential in empowering women through various processes, including easy access to financial resources, social support, political empowerment, etc. (Rai & Shrivastava, 2021). Self-help groups are one of the most crucial elements in the participative method for the economic empowerment of women. It is an essential organisation that improves women's lives in a variety of ways. The major objective of SHG is to serve as a platform where its members may assist and give one another space. SHGs are made up of underprivileged individuals who lack access to conventional financial institutions. It enables its members to improve their capacity for collaboration and teamwork¹. Self Help Groups (SHGs) are a modern financial intermediation invention in India. This combines access to inexpensive financial services with a process of self-management and development for the women who are SHG members (Kondal, 2014).

SHGs can also serve as a platform for the community through which women can participate in village affairs and run for office at the local level to solve social issues. Before the introduction of this programme, rural women's rights in India were essentially nonexistent. However, the most important mechanism to emerge in recent years is the Self-Help Group, which represents a considerable advancement in improving women's lives and reducing

rural poverty. However, the notable achievements of a few SHGs demonstrate that the rural poor can manage credit and finances. Self-help groups for women have undoubtedly had a significant impact on how poor women live and how empowered they are as individuals, as well as members of their families, the community, and society as a whole (Kondal, 2014).

Apart from other activities focusing on women's empowerment, health, educational achievement, etc., self-help organisations in India are typically focused on women. Most of their activities are centred towards savings and credit activities. In development literature, there is a frequent belief that more women participating in credit and savings activities or achieving economic success will give them more influence. Self-help groups are therefore considered to be a crucial instrument for empowering women. There is also the belief that achieving economic success will elevate women's standing in their families and communities and give them more influence over the decision-making process (Kumar, 2006).

Therefore, it is crucial to consider how women's engagement in SHGs impacts their empowerment from various angles. An introduction and a survey of the relevant literature, including the underlying theory, come first in this essay. The methodology used in this study is then discussed, followed by data analysis tools for testing research goals. The conclusions, debate, theoretical and practical consequences, limitations, and lastly, research guidelines for future researchers are covered in the final part.

2. Literature Review

SHGs are people who band together to solve their most basic issues. According to Chatterjee et al. (2018), the main goal of the SHGs is to help locals, especially women, adopt a preference for saving small amounts of money. Self-help groups are an idea that emphasises the phrase "for the people, by the people, and of the people." The "Gamelan Bank of Bangladesh", which was established in 1975 by "Prof. Mohammed Yunas of Chittagong University", is the organisation that gave birth to the Self-Help Groups. Through collective action for development, empowering women through Self Help Groups (SHGs) would benefit not only the individual women but also the family and community. In order to obtain funding for development, self-help groups have connections with banks and NGOs (Nongovernmental Organisations). Supporting the rural economy will, in turn, strengthens the national economy. Small, voluntary groupings of rural residents—preferable women from the same socio-economic background—make up self-help groups. They solve the shared issues through self-help and mutual aid in the Self Help Groups (Thangamani & Muthuselvi, 2013).

Rao (2003) studied "Self-Help Groups and Social Change" to examine the improved position and standard of living of underprivileged women and children in rural areas and the community's participation in planning. Out of 2.19 lakh self-help groups in Andhra Pradesh, a sample of 1.5 per cent was taken to meet the study's objectives. Self-interest and self-motivation are seen as being very important for the group's survival. There are differences in the percentage of women who participate in critical domestic decision-making between

caste groups and districts. The current programmes can help to further lower the illiteracy rate.

In a paper published in 2005 titled "Impact of Self-Help Groups on Formal Banking Habits," Mahendra Varman suggests a model to look into whether there is a connection between the growth of SHGs and the rise in female bank deposit accounts as well as whether SHGs tend to have an effect on account holding in traditional banks among specific households. The data also demonstrates that having a bank account strongly affects taking part in self-help groups and, more importantly, having leadership experience in these organisations. Leading roles in self-help organisations would also benefit a person's banking practises.

According to Dr S. Rajamohan's study "Opinion of the Members of Self-Help Groups(2005)," Self Help Groups assist members in improving their position and raising their standard of living. Self-Help Groups are assisting women in starting their businesses, preventing the exploitation of women and promoting their empowerment.

In their study "SHGs is highly relevant to make the people of below poverty line," Mr B. Vijayachandra Pillai and V. Harikumar (2006) claim that the sheer fact that SHGs exist is highly relevant to fostering hope and independence among those who live in poverty. SHGs allow people to earn more money, better their quality of life, and move up the social ladder so that, eventually, the nation benefits from socialism.

2.1 Empowerment

In a woman's development context, empowerment is a strategy for identifying, confronting, and removing obstacles to having more control over her life and environment. Women should be able to realise their full identity and strength in all sectors of life thanks to this active, multifaceted process. Nearly half of the world's population comprises women, and two-thirds of adult illiterates worldwide are female. According to FAO, the silent majority of the world's poor are women, the most disadvantaged group in society. Women make up 70% of the poor in the globe. They struggle with strange social, cultural, educational, political, and related issues. According to studies, rural women produce up to 80% of the food in developing nations. However, they are only entitled to a small portion of farmland, 10% of the credit, and 5% of extension guidance (Agrawal, 2003). Women typically hold less authority than men, have less control over resources, and are paid less for their job in almost all civilisations (Sharma & Verma, 2008). They continue to be an 'invisible' labour force. These inevitably impact women's ability to open up, grow, develop, surpass, and flourish. SHG members' networking experiences substantially departed from the domestic sphere, where they spoke primarily to family members and close friends. It was only after joining an SHG that many of these women could purchase, sell, and keep accounts of products. Many studies have shown that after joining an SHG, women stated they could better manage their money (Kabeer, 2011; Sahu & Singh, 2012).

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2.2 Participation

One's level of participation in an SHG is determined by how actively involved they are in the various SHG events (Nayak & Panigrahi, 2020). However, numerous studies have demonstrated that involvement can take many different forms. A more precise measurement is required because the current method of assessing participation is oversimplified (Nayak & Panigrahi, 2020). One of the first attempts to assess social participation quantitatively was made by Chapin (1928), who exclusively measured formal social interaction.

Using this framework, we propose that participation in SHGs positively impacts the empowerment of the women members of SHGs.

Based on the above, the following study hypotheses were formulated:

H1: "There is an association between women's participation in SHGs and economic empowerment".

H2: "There is an association between women's participation in SHGs and social empowerment".

3. Research Methodology

3.1 Research Design

A causal design (research plan) was utilised in this research inquiry. 305 questions (functional) were employed in this inquiry. For data collection, a survey was utilised to target women in different SHGs in the Kashmir Region from the Union Territory of J&K.

Four questions, each derived from the work of Harika et al. (2020), were used to assess social and economic empowerment. Five questions derived from Nayak and Panigrahi's (2020) work were used to assess Participation in SHGs.

3.2 Factor Analysis

Due to the scale's slight adjustments to better reflect the local context, "Exploratory Factor Analysis" (EFA) was employed in "SPSS 26.0" (Hair et al., 2006). Regarding reliability, "Cronbach's alpha" was higher than the reported 0.60% (Hair et al., 2006). Using both the "Kaiser-Meyer-Olkin (KMO)" and the "Bartlett's test of sphericity" (0.840 and 3443.413, respectively), the "EFA" findings exceeded the permitted limits for sample adequacy. The three factors are responsible for 62.9% of the variation. According to Hair et al. (2006), the loading for each variable in the dataset was larger than 0.50.

4. Data Analysis

4.1 Respondent Profile

The demographics of the survey respondents, including their age and marital status, are shown in Table 1.

Table 1 Respondent Profile

Variable	Group	Frequency
Status of Marriage	Married Women	200
	Not Married	65
	Separated/Divorced	40
Age	18-34	205
	35-49	75
	50 years & above	35

4.2 Measurement Model

The measurement model (Figure 1) was created using "CFA" (Confirmatory Factor Analysis) in "AMOS 26.0". The results demonstrate that the "model fit" values are good. According to Hu and Bentler (1999), "CMIN/DF" is 5.1, "CFI" is 0.932, "GFI" is 0.841, "NFI" is 0.891, and "RMSEA" is 0.061.

The instrument's dependability was assessed using "C. R" (composite reliability) ratings greater than 0.60 (Table 2). Fornell and Larcker (1981) used "AVE" scores more than 0.50 and standardised loadings greater than 0.50 as tests for the convergent validity (See Table 2). Because the correlation coefficient is less than the "AVE" square, the analysis demonstrated (Fornell & Larcker, 1981) discriminant validity (See Table 2).

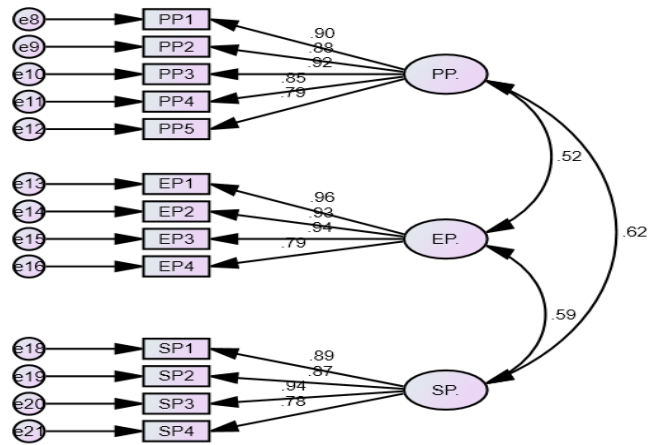


Figure 1 Measurement Model

Table 2 Reliability and Validity

Factors	CR	AVE	PP	EP	SP
PP	0.91	0.61	0.878		
EP	0.92	0.64	0.339	0.801	
SP	0.93	0.72	0.506	0.465	0.848

Note 1: The values (highlighted) in the diagonal of the above matrix are the square root of the AVE.

Source: Author's Own

4.3 Structural Model

The link between predictor and outcome variables was made possible using path analysis. The model is well-fitting, as evidenced by the values of "CMIN/df"=4.2, "GFI"=.843, "CFI"=.929, "RMSEA"=.057, and "NFI"=.848.

The results of the structural model analysis are displayed in Table 3. Table 4 displays additional information from a moderation analysis.

Table 3 Structural Model Estimates

Hypothesis	From	To	Standardised	Un-Standardised	t-lue	P	Result
			(β)	(β)			
H1	S.P.	PRT.	0.32	0.501	5.629	***	Supported
H2	E.P.	PRT.	0.35	0.583	6.153	***	Supported

Note: Source: Author's Own
P=.001

5.1 Conclusion & Discussions

The SEM investigation (structural equation modelling) supports the four hypotheses as mentioned earlier. The statistical hypothesis ($\beta=0.32$; $R^2=0.26$) that women's participation in SHGs positively promotes economic empowerment is supported. These results are in line with those of earlier research (Jakimow & Kilby, 2006). Hypothesis H2 is supported by the statistically significant correlation between women's SHG membership and economic empowerment ($\beta=0.35$; $R^2=0.26$). Similar findings were observed in some of the earlier research (Nayak & Panigrahi, 2020). This shows that women's active participation and involvement with SHGs are crucial for achieving their empowerment at all four levels. This is because women participating in SHGs have stated that they feel more comfortable speaking in front of huge family gatherings, authorities, and societal leaders. Thanks to the group's support, they could also make crucial decisions and bring about significant change in their life. According to a study, Women who participate in SHGs reportedly manage their money better and make better financial decisions. The wives and the community's growing acceptance of them due to their membership in SHGs, according to the women, enhanced their political actions. This study generally improves our understanding of past studies on the effects of joining self-help groups.

5.2 Implications

This research has significant theoretical and practical ramifications. These findings could provide us with more helpful advice for boosting women's empowerment if we consider the

various causative mechanisms. By helping women adopt a more optimistic outlook on life, this research may create different programmes and packages that will ultimately empower them on various fronts. This study reveals that initiatives like "SHGs," which focus on enhancing women's lives and generating income in various ways, have the dual benefits of enhancing the economic status and serving as the primary factor in empowering women folk. Increased independence and major shifts in societal perspectives are some factors that support the empowerment of women. By providing policymakers with reliable evidence, our effort significantly aids application. The results also suggest that the main goals of the SHG initiative should be social empowerment and income development for women. It is also empowering to have more assurance in one's abilities to manage financial emergencies and to save money on one's own.

5.3 Future Research

Although the sample is exclusively female, men and possibly both sexes may be added in future research. Future studies might use more people from both urban and rural areas. In addition to major cities and rural areas, more studies may be conducted throughout India. Future studies should examine the mediating and moderating effects of several variables, including demographic characteristics. Given that the current research was a cross-sectional study that ignored causative linkages between study variables, longitudinal and qualitative studies may be useful in explaining any correlations in causation among variables and expanding knowledge of their connections.

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