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### Empowering Communities: Harnessing Women's Self-Help Groups for Social Capital in Damalerimuthur Village

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#### Abstract:

*This research paper examines the role of women's self-help groups (SHGs) in fostering social capital within Damalerimuthur Village, located in Tirupattur District. Drawing on qualitative data collected through interviews, observations, and group discussions, the study explores how these SHGs serve as catalysts for community empowerment and cohesion. It investigates the mechanisms through which participation in SHGs enhances social networks, trust, reciprocity, and collective action among women. The findings highlight the multifaceted benefits of SHGs beyond economic empowerment, including improved access to resources, knowledge exchange, and collective problem-solving. Moreover, the study underscores the importance of supportive institutional frameworks and grassroots initiatives in sustaining and expanding the impact of women's SHGs on social capital development. Besides these advantages, this research contributes to understanding the transformative potential of grassroots initiatives in fostering inclusive and resilient communities.*

**Keywords:** SHGs, Social Capital, Empowerment, Knowledge Exchange.

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## **Introduction**

From the cooperative societies of the 19th century to the Self-Help Groups (SHGs) of the 21st century, the principle of self-help and mutual aid has remained a prominent approach in development initiatives. The concept of SHGs gained significant attention, especially after Muhammad Yunus was awarded the Nobel Peace Prize for his pioneering work with the Grameen Bank, aimed at poverty eradication.

The roots of SHGs trace back to Europe in the form of groups like Alcoholic Anonymous in 1935, which provided support for individuals grappling with alcoholism. These groups have since evolved to address a variety of chronic physical and mental health issues worldwide. Additionally, SHGs have become platforms for social advocacy, with members from marginalized communities advocating for their cultural rights and social inclusion.

While SHGs in Western countries, China, and Japan typically focus on specific health concerns or identity politics, those in India encompass a broader spectrum of issues. Indian SHGs tackle economic, political, and social challenges, offering a holistic approach to improve the lives of their members. Unlike their counterparts elsewhere, Indian SHGs address a wide range of needs, from basic necessities to aspirations for a better quality of life. The economic participation of women is crucial for the development of any thriving economy. Recognizing this, initiatives like SHGs in India aim to empower women by providing them with financial inclusion opportunities. Empowering women goes beyond mere economic progress; it encompasses principles of social justice, gender equity, and overall societal harmony. In the Indian context, SHGs serve as a model for fostering gender equality and showcasing the untapped potential of women in rural areas.

## **Scope of the study**

The study covers women beneficiaries of Self- Help Groups in Damalerimuthur, Tirupattur District. The benefits of the Tirupattur Self- Help Group have been taken for the study. The result of this study is not applicable to any other areas.

## **Need for the study**

Women's Self-Help Groups are crucial for understanding empowerment, economic development, and social cohesion among women. Research in this area can reveal the impact of these groups on women's financial independence, mental well-being, and community resilience. Additionally, it helps identify challenges they face, informs policy, and contributes to the broader discourse on gender equality and women's rights.

### **Statement of the problem**

The capacity of the women to develop their standard of living through self-help group by giving some benefits to their usefulness and also allow to improve their standard of living through the social capital and other sources of income. The main hurdles for empowerment of women are low level of education and poverty among women. Based on the social capital formation in the village level the women can empower their standard and uplift via SHGs in the study area.

### **Review of Literature**

Jigsaw et al. (2022) has explored the significance of social capital in fostering sustainable micro-entrepreneurship among rural women in India. Their study delves into the role of social capital in the development of sustainable micro-entrepreneurship, focusing on the understanding of social capital and its impact on micro-entrepreneurship development. The research involves SHG federations and NGOs, examining the quality and characteristics of social capital. Elizabeth (2021) has conducted a study on the challenges faced by women entrepreneurs in micro, small, and medium enterprises (MSMEs) in Tamil Nadu. The objectives include analyzing factors influencing women entrepreneurship, assessing major challenges, conducting a performance review of women entrepreneurs, and analyzing government policies for promotion. Despite improvements in women's overall status, their success as entrepreneurs in the MSME sector remains suboptimal.

Walter et al. (2021) has identified the role of social capital in strengthening the seed system through Self-Help Groups in Uttar Pradesh and Telangana, India. The study analyzes women's empowerment, poverty reduction, seed practices, and the collective structure of SHGs. It concludes that women's empowerment and social capital contribute significantly to the seed system, thereby enhancing women's agency. Rosina Nassir (2021) has evaluated trust and social capital within Self-Help Groups of women in the old city of Hyderabad, India. The study suggests that while trust is important, social capital is primarily driven by non-material needs and individual rational choices to cooperate. Trust is found to be secondary in the construction and sustainability of social capital.

Narayanamma (2021) has discussed the role of social capital through SHGs in Andhra Pradesh and Telangana states, emphasizing their impact on health and women's empowerment within households and society. The paper explores the credibility of SHGs and government initiatives for women's empowerment in rural areas. Nichols (2021) has studied SHGs as platforms for development, focusing on the importance of social capital within and

among SHGs. The research highlights the competing demands on SHG members' time and suggests a need for greater consideration of members' agency and time constraints in SHG activities. Srivatsava and Roya (2021) have examined the role of SHGs in the socio-economic development of India, highlighting their impact on savings patterns, self-employment opportunities, and overall quality of life improvement for rural women. The study emphasizes the economic and social empowerment of women through SHGs, leading to positive changes in their lives.

### **Objectives of the study**

1. To determine the level of participation in Self-Help Groups (SHGs) and assess the associated higher levels of social capital within the study area.
2. To identify changes in the socio-economic status of members before and after joining SHGs, focusing on the accumulation of social capital over time.
3. To examine the benefits experienced by SHG members, including any tangible gains or advantages acquired through their participation in the group.

### **Methodology of the study**

The research focuses on descriptive analysis and targets Damalerimuthur village in Tirupattur District as its study area. Self-Help Groups (SHGs) in Tirupattur district serve as the sampling frame. The primary data collection employs a simple random sampling method, with structured questionnaires used to gather information from respondents. Approximately 60 participants will be involved, based on the population of the study area. Both primary and secondary data will be utilized for analysis, with primary data collected from SHG members in Damalerimuthur village using pre-tested interview schedules.

### **Results and Discussion**

A Women's Self-Help Group (SHG) is a collective of economically disadvantaged women who voluntarily come together to work towards their own development and livelihood, following the principle of mutual assistance. These groups serve as platforms for rural women to join forces for mutual benefit. SHGs are instrumental in fostering savings and credit mechanisms, ultimately contributing to poverty reduction and social equity.

The committee of an SHG convenes regularly to openly discuss matters concerning the group's activities. This forum provides members with the opportunity to freely express their opinions, concerns, and suggestions, thereby enhancing the group's functioning and effectiveness.

SHGs offer two types of loans: credit union loans and savings-based loans. Credit union loans not only enable members to initiate their own ventures, but also allowing them to accumulate savings with accrued interest. Interest dividends are distributed biennially among members. Additionally, loans obtained through the SHG are determined by the collective savings of its members, ensuring financial support is aligned with individual contributions. Each group typically consists of 20 members, led by a leader and an assistant, who collectively decide on loan approvals based on mutual agreement among the members.

- Respondents aged 31 to 36 years are actively contributing to society, particularly through their involvement in Self-Help Groups (SHGs), where their age significantly impacts group effectiveness.
- In the study area, approximately 96% of respondents identify as Hindus, while 3.3% follow the Muslim faith.
- A majority (66.7%) of the community in the study area actively participates in SHGs, indicating their significance in the local context.
- Around 56% of respondents have a primary educational qualification, which influences their decision to join SHGs and may be linked to economic challenges faced by those with limited education.
- All respondents (100%) are married, indicating that marital status is a variable affecting women's economic activities, with married women often working to supplement household income.
- The majority (80%) of respondents live in nuclear families, preferring privacy over the support available in joint families.
- Approximately 38% of respondents earn a monthly income ranging from Rs 3000 to 5000, crucial for maintaining their standard of living and enabling participation in both farm and non-farm work.
- After joining SHGs, 38.3% of respondents report a monthly income of Rs 3000 to 4000, demonstrating the financial benefits derived from SHG participation.
- Prior to joining SHGs, 50% of respondents had saved Rs 200 to 500 monthly, whereas after joining, 56.7% continued to save within the same range, indicating the
- importance of savings facilitated by SHGs.

- Monthly expenditures before joining SHGs range from Rs 1500 to 3000 for 50% of respondents, while after joining, 53.3% spend between Rs 1500 and 3000, reflecting consistent expenditure patterns.
- Despite various factors, including family constraints, 63.3% of respondents join SHGs through relatives, indicating the influence of social networks in SHG participation.
- A majority (90%) of respondents participate in SHGs to increase savings, with 93.3% citing low-interest loans as the main benefit, contributing to improved financial conditions and standards of living.
- The received amount from SHGs varies, with 36.7% receiving up to Rs 50,000, 33.3% receiving Rs 51,000 to 60,000, and 16.7% receiving over Rs 70,000, highlighting the diverse financial assistance provided by SHGs.

### **Suggestions**

- Explore the potential for generating employment opportunities within the study area to address local economic needs.
- Encourage the inclusive participation of all women, without bias, in Self-Help Groups (SHGs) to uplift family incomes and empower individuals.
- Promote holistic growth of SHGs, integrating economic and social dimensions, and incentivize active participation in group meetings for personal development.
- Foster efforts among SHG members to establish employment ventures within the Damalerimuthur panchayat area and consider expanding the formation of SHGs to amplify community impact.

### **Conclusion**

Participation in Self-Help Groups (SHGs) has significantly contributed to the social and economic advancement of its members, particularly rural women. Through the supportive environment of the group, these women have experienced notable growth in various aspects of their lives within the designated study area. SHGs play a crucial role in elevating the status, enhancing the knowledge and skills, and fostering overall development of rural women. As a result, SHGs stand as indispensable vehicles for empowering rural women and facilitating their holistic development.

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