Determinants that Contribute Women to Join in SHGs in Rayalaseema Region of Andhra Pradesh

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Authors' contributions

This work was carried out in collaboration among all authors. All authors read and approved the final manuscript.

Article Information

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ABSTRACT

The microfinance initiative, particularly the bank-linked Self-Help Group (SHG) program, has played a pivotal role in empowering women in rural areas, notably in India. This study employs an ex-post facto research design to examine the success of the SHG model in enhancing women's financial independence and overall empowerment. The study was conducted in the Rayalaseema region with a focus on Kurnool and Anantapur districts. A total of 6 mandals, 30 villages, and 360 women respondents representing 120 SHG groups were included in this research. By using factor analysis, the study categorized influential factors into sets. The study concluded that the key factors influencing women to join SHGs was enterprise development, improving family income, relationship dynamics, recognition, government support, and inspiration. This research provides valuable insights into the impact of microfinance programs on achieving women's empowerment. The study concludes that the Bank-Linked SHG model has been instrumental in addressing various aspects of women's empowerment, including economic independence, social recognition, and skill development.

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1. INTRODUCTION

Microfinance has proven to be a valuable instrument for addressing financial inequality and promoting women's economic independence, not only in rural villages but also in urban areas. It offers opportunities for women to break the cycle of poverty, build self-reliance, and contribute to the economic growth of their families and communities [1]. These initiatives can contribute to the holistic development of women and in turn benefit the entire country by reducing poverty and enhancing gender equality [2,3]. Among various microfinance models, the Bank-Linked Self-Help Group (SHG) model stands out as unique model for empowering women in rural areas [4]. SHGs have played a vital role in enhancing financial inclusion, improving the economic status of women, and encouraging entrepreneurship and self-reliance [5]. Through the linkage with banks, SHGs have gained access to credit, enabling women to undertake income-generating activities and thereby contributing to their economic independence and overall well-being [6]. The SHG model has been a successful approach in empowering women in India and thereby enhancing their financial independence, and contributing to their overall empowerment [7]. It promotes a culture of savings and cooperation while providing access to financial resources that can be used for income-generating activities and improving the quality of life for the members and their communities [8].

The Self-Help Group (SHG) Bank Linkage Program in India is indeed one of the largest microfinance programs in the world, and it has made a significant impact on millions of households, particularly women [9,10]. Among all the states Bihar stands first (10,54,992) in in terms of total number of self-help groups and SHG member's count followed by West Bengal (10,68,644) and Andhra Pradesh (8,53,130) as second and third highest states. In terms of the number of SHG women members and bank-linked SHG groups in Southern India, Andhra Pradesh stands in top. Numerous studies have been conducted on microfinance, SHGs, and women's empowerment separately; however, there is a lack of research on women's performance, the overall impact of SHGs on empowerment, and the factors that influence SHG member engagement [11,12]. In this context, a research study was conducted in Andhra Pradesh with the objective to analyse the factor influencing women participation in SHG.

2. MATERIALS AND METHODS

Ex-post facto research design was followed in the present study. Two districts namely Kurnool and Anantapur districts from Rayalaseema region were selected purposively based on recommendations of Society for Elimination and Rural Poverty (SERP) of Andhra Pradesh in accordance to SHG group count, performance of SHGs, and spells of loans taken. A total of 6 mandals, 30 villages and 360 women respondents from 120 SHG groups were selected for the present study. Required information about factors influencing women participation in SHGs was collected using a well-structured and pretested schedule through personal interview method and five-point continuum was used for collecting the data during 2022 – 2023. Factor analysis was employed for grouping the factors into sets [13]. Factor analysis was performed in SPSS using PCA (principal component analysis) with varimax rotation. Varimax rotation method was widely used and the most accepted one as it simplified the interpretation by maximizing variance of factor loadings on each factor. The factor loadings were calculated by using the following formula.

$$F = X_1 + X_2 + \ldots\ldots X_g$$

Factor loadings (F)= Correlation of each variable with the underlying factor
Factor score = Subject's responses X-factor loadings

3. RESULTS AND DISCUSSION

The analysis of the relationship pattern among factors influencing member participation in Self-Help Groups (SHGs) was conducted using factor analysis, as presented in Table 1. The adequacy of data for factor analysis was assessed through the Kaiser–Meyer-Olkin (KMO) measure and Bartlett's test. The KMO measure was found to be 0.657, indicating that the data was suitable for factor analysis, given that a KMO value above 0.50 is considered adequate. Table 1 reveals the outcomes of the analysis, demonstrating the extraction of 11 factors based on fixed Eigenvalues. These 11 factors collectively accounted for 63.26 percent cumulative variance in assessing the impact on rural women

members. The distribution of variance across these factors is as follows: the first factor contributed 8.61 percent, followed by 7.43, 6.87, 6.19, 5.91, 5.70, 4.95, 4.68, 4.53, 4.43, and 3.94 percent, respectively.

The dimension wise factor loadings that demonstrated 50 percent of variation were selected and tabulated in Table 2. Results from table showed that Five variables in the first-factor set, four variables in the fifth factor set, three variables in second & third factor set, two variables in fourth, sixth and ninth factor sets, and only one variable in factor set seventh, eighth, tenth and eleven were included based on the percent of variation [14]. The first dimension (Factor I) that influenced women members to join in SHG was labelled as Enterprise development domain as the five factors were related to enterprise development through SHG. Five factors included in this domain were self-employment opportunities (0.614), training regarding schemes related to employment (0.718), poverty elimination (0.614), starting up new enterprise (0.547), and getting subsidy as Runa-Mafi (0.733).

In the second dimension (Factor II) three factors were included and named as family income domain as they were involved in improving income levels by new business ideas (0.755), sharing family responsibility (0.734), and meeting household expenses (0.674). A set of three variables were included under factor III, with the factor loadings of 0.693 for transparent discussion among women SHGs, 0.760 for sharing equal rights, and 0.643 for we feel. This domain was named as Kinship domain as it builds relationship among women and provides, we feeling. Two factors were included under factor IV with factor loading of 0.697 for subsidies from the government and 0.796 for improving contacts with government officials and named as Government supportive domain. The results showed similar results with Chauhan & Saikia, [15].

Recognition domain (Factor V) included four factors that stated the societal recognition of women for the contributions they made through SHGs and it has accounted for 5.91 per cent of variance. Furthermore, two variables were included in factor-VI and named as Inspirational domain as showcased the success of SHG activities in building entrepreneurial ideas among women. Factor loadings of this factor set were 0.706 for starting up of new enterprise by seeing the success of women SHGs and 0.676 for empowering the lives with SHG support. Homogeneity among the members in sharing benefits were shown in factor VII, with factor loading of 0.823 and named as Uniformity domain. Linkage with financial institutions was the only factor included in factor VIII (Linkage domain) with a factor loading of 0.739. Easy repayment of the loan and low rate of interests were the two variables that were included in factor IX (Budget domain) with factor loadings of 0.825 and 0.543. Strengthening leadership qualities by becoming a member of SHG was the only factor included in Leadership domain with a factor loading of 0.815. Improvement in self-confidence and building self-image through SHGs were the factors included in factor set XI, with a factor loading of 0.649 and was named as Skill development domain.

Table 1. Factor and percentage of variance for factors influencing member participation with Eigen values

S. No	Factors	Eigenvalue	Percentage of variance	Cumulative percentage of variance
1	I	2.530	8.61	8.61
2	II	2.304	7.43	16.04
3	III	2.130	6.87	22.91
4	IV	1.921	6.19	29.11
5	V	1.835	5.91	35.03
6	VI	1.699	5.70	40.73
7	VII	1.504	4.95	45.68
8	VIII	1.420	4.68	50.36
9	IX	1.272	4.53	54.89
10	X	1.256	4.43	59.32
11	XI	1.223	3.94	63.26

Table 2. Dimension wise factor loadings

Factor number	Domain	Factor loading
I	**Enterprise Development Domain**	
	Self-employment opportunities	0.614
	Training at a local level to know new schemes by government for starting a new business	0.718
	For eliminating the poverty	0.614
	To keep busy by starting up of new enterprise	0.547
	For getting Runa-Mafi through self-help groups for the loan amount used for enterprise	0.733
II	**Family Income Domain**	
	Exposure to new business ideas for improving family income	0.755
	Sharing up of family responsibility	0.734
	To meet household expenses	0.674
III	**Kinship Domain**	
	Open discussions among members	0.693
	Sharing equal rights for all members	0.760
	We feeling among members	0.643
IV	**Government Supportive Domain**	
	Subsidies from government according to caste	0.697
	Increased contact with government officials through NGO based meetings	0.796
V	**Recognition Domain**	
	Recognition from family members & peers	0.510
	Recognition from society for address issues like child labours, child marriages, and women violence etc.	0.688
	Appreciating the women members for repaying the loan promptly	0.561
	Addressing the women for their efforts in maintaining the group effectively	0.510
VI	**Inspirational Domain**	
	By seeing the success of others through SHG	0.706
	To start new business for empowering their lives	0.676
VII	**Uniformity Domain**	
	Homogeneity among members in sharing of funds	0.823
VIII	**Linkage Domain**	
	Good linkage with financial institutions for getting loans	0.739
IX	**Budget Domain**	
	Easy repayment of the loan	0.825
	Low rate of interest	0.543
X	**Leadership Domain**	
	To strengthen the leadership quality	0.815
XI	**Skill Development Domain**	
	Improved self - confident and self-image	0.649

4. CONCLUSION

Factor analysis has grouped the selected factors together based on their commonalities and explained the relationship pattern that existed among the selected set of factors and member participation in women SHG. The study concludes that the Bank-Linked SHG model has been instrumental in addressing various aspects of women's empowerment, including economic independence, social recognition, and skill development. Major factors that influenced the women members to join in SHGs was enterprise development followed by improving family income domain, relationship domain, recognition domain, government supportive domain, and inspirational domain. In-depth research could be conducted on individual dimensions to understand the specific nature of each domain in SHG joining and this information will be useful in designing targeted interventions or strategies to enhance women's participation and overall

effectiveness within SHGs. Further research and analysis can delve deeper into the specific dynamics and effects of each domain on women's involvement in SHGs, offering even more insights for program development and impact assessment.

COMPETING INTERESTS

Authors have declared that no competing interests exist.

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