

Evaluation of Self Help Groups (SHG) as a social enterprise for women empowerment

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Abstract

Paper examines the conditions under which women empowerment is related to value creation in Self Help Groups (SHG). Relationship of centrality, appropriability, proactivity, visibility, and voluntarism to value creation has been examined. The results suggest that all the variables had significant relation with value creation except proactivity. Voluntarism showed a negative significant relation which in turn contributes to women empowerment in groups. This has great implication for public policy that value creation should be associated with group priorities for the greater empowerment of group members. The results revealed that as the concept of social enterprise gets extended to SHGs for women empowerment in agriculture, the triple bottom line of profit, sustainable natural resource management and social impact also gets adopted.

Key words: Value creation, Centrality, Proactivity, Appropriability, Voluntarism and visibility

Introduction

Agriculture is one of the primary economic sectors where the role of women is recognized and pursued for inclusive growth and development in recent years. This is primarily because of the extensive involvement of women in agricultural activities with roles ranging from managers to landless laborers. However, the challenges from unfettered market forces, climate change and declining farm gate profits have affected the productive employment potential of agriculture especially to poor vulnerable groups like women. Vulnerability of women in the sector varies across regions, production systems, and social groups. It is aggravated by the absence of alternatives to choose from due to the slow growth in the share of non-agricultural sector in rural areas. It is in this context that the use of women Self Help Groups (SHGs), which constitutes one of the core mechanisms devised to reduce the vulnerability of women in agricultural sector

through entrepreneurship development, assumes significance.

SHGs endow great potential for addressing gender issues through effective education and communication tools for sustainable solutions. NGOs and public agencies at different levels are involved in building the capacities of these groups with the main focus on community action, entrepreneurship development and micro credit (saving and lending). Many successful enterprises in the field of agriculture through farming and related vocations like apiculture, mushroom production, vermicomposting, goat rearing, ornamental fish culture, floriculture etc. have been initiated in these women groups in Kerala ever since early 1990s. Reports indicate that these activities have succeeded in changing the lives of poor women by enhancing incomes and generating positive externalities such as increased self-esteem, decision making capacity and access to resources (Zaman, 2001; Simanowitz and Walker,

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2002). The paper attempts to analyze women SHGs in the frame work of a social enterprise that integrates elements of commercial gains in income and employment with social capital gains such as increased self esteem and control and ownership of their lives through expansion of choices for women i.e. women empowerment (Dees et al., 2001; UNDP, 2006; Austin et al., 2006; Nichols and Young, 2008).

Materials and Methods

The results are based on the data collected from 50 women SHGs selected proportionately from the 22 Public Private Partnership (PPP) models of women entrepreneurship development identified from Kerala during 2009-10. The details of the models from which the SHGs were selected are given as Table 1. In this study the process of value creation, an embedded characteristic in all SHGs has been assumed as a critical factor facilitating women empowerment in SHGs. It attempted to delineate the factors of value creation that contribute to empowerment among women SHGs. Value is created when consumers are willing to pay more for products and/or services provided by SHGs than the cost of their inputs (Barney, 2001). Value Creation in this context has been defined as identifiable and measureable economic benefits that

the group received through the activities adopted by them (Burke and Logsdon, 1996). It involves the fulfillment of basic long standing needs of the group members and includes empowerment and economic value as it contributes to utility and welfare of its members in the long run (Certo and Miller, 2008). Study attempted to delineate factors influencing value creation in groups using the Burke and Logsdon (1996) frame work with suitable modifications. Based on academic consultations and literature review, 25 observed variables that had assumed relations with value creation were used for delineating the patterns underlying relationships. Selected personal and socio-economic variables of group members that could potentially affect value creation like age, education, access to resources, farming experience, farm ownership status and annual income were also included. Average value for each of these variables for selected 50 groups were subjected to a varimax rotated Principal Component Analysis to determine the extent to which each of the variables loaded on the underlying factor they intended to represent (Pyrovetsi and Daoutopoulos, 1997). The results could identify five factors covering 15 variables with Eigen value above one and together they explained a variance of 87.6% (Table 2). The rest of the variables were rejected. These factors were named centrality,

Table1. Details of SHGs selected from PPP models for women entrepreneurship development

Sl. No	Name of the PPP model	Major activity	No. of SHGs selected
1	Cadbury-KAU Cooperative Cocoa Research Project (CCRP)	Cocoa Chocolates	1
2	Nutrifood	Banana baby food	3
3	Thirumadhuram	Pineapple cultivation	3
4	Kondattom (Samagra)	Vegetable snacks	2
5	Saphalam (Samagra)	Vegetable snacks	2
6	Plant N Plenty	Tissue culture plants	2
7	Samagra Goat Village	Goat Milk	2
8	Aquaculture project	Ornamental fish	2
9	Ksheerasagaram (Samagra) project	Dairy	3
10	Madhuram (Samagra)	Honey	3
11	Subicsha Coconut Produce Company Ltd	Virgin coconut oil and allied products	3
12	Sevasram	Organic farm products	3
13	AVT Plant biotech project	Tissue culture plants	2
14	M/s.Jaimatha Estates	Banana chips	1

Table 2. Factor statistics for group members’ perception of factors affecting value creation in SHGs (n=50)

Factors	Eigen Value	Percentage variance	Cumulative Percentage variance
1	7.49	39.3	39.3
2	3.42	15.5	54.8
3	3.30	15.0	69.8
4	2.33	10.6	80.4
5	1.37	07.2	87.6

proactivity, appropriability, voluntarism, and visibility based on the factored variables following Burke and Logsdon (1996). Reliability of the instrument was measured by calculating Cronbach’s alpha for each variable. The alpha values calculated for value creation, centrality, proactivity, appropriability, voluntarism and visibility were 0.84, 0.86, 0.81, 0.88, 0.76 and 0.72 respectively. All of them represented satisfactory levels of reliability with scores above 0.7.

Also the correlations among the items for each variable were examined. Items under each factor with positive outcomes alone were included in the

instrument for field survey as given in Table 3. Primary responses collected from the selected groups and secondary data from group records and records of development agencies involved collected through survey instrument were analyzed using correlation to find how each of these dimensions was related to value creation in groups. The survey instrument was developed to measure the basic constructs of value creation, centrality, appropriability, proactivity, voluntarism, and visibility. The face validity of the instrument was determined by a detailed examination of the instrument by a group of 30 academics and Extension officers who reviewed the instrument. Dependent variable, value

Table 3. Factors affecting the value creation in women SHG as perceived by the group members

Factors	h ²	Factor loadings
Factor 1 Centrality		
Farming experience in the vocation	0.57	0.71
Trainings attended in the topic	0.74	0.54
Education	0.71	0.72
Factor 2 Visibility		
Access to resources	0.80	0.81
Membership in other social groups	0.78	0.75
Office bearers in groups	0.57	0.63
Status of new memberships	0.65	0.71
Factor 3 Proactivity		
Average age of group	0.82	0.46
No. of new groups formed in the area	0.72	0.64
Market demand for the products / services	0.81	0.88
Factor 4 Appropriability		
Uniqueness of services / products offered	0.57	0.71
Credit management	0.74	0.54
Factor 5 Voluntarism		
Diversification of activities	0.79	0.88
Farm ownership status	0.85	0.88
Income and labour appropriation strategies	0.65	0.64

creation was defined as the measurable socio-economic benefits that the group created by combining resources to enhance productivity. It included the extent to which the group derived benefits in terms of income, employment, empowerment, increased customer loyalty and market gains measured on a three point rating scale of Good (3), Fair (2) and Poor (1).

Centrality measured the closeness of fit between the program mission and the aspirations of group members as reflected in their activities that included environment protection, safe to eat standards in production etc. Visibility measured the extent to which the participation in groups enhanced the social position, social acceptability and access to resources of its members. Proactivity determined the extent to which a group served as an initiator for similar groups and adapted to emerging social expectations. Appropriability is the ability of the group to link financial benefits to the achievement of social objectives. Provision of socially responsible products and services and thrift management of its members came under this domain. Voluntarism is the extent to which group activities are decided based on the choice of group members rather than by mandatory project dictates which was measured as the perspective of the members.

Results and Discussion

The results of factor analysis unveiled five relatively distinct factors around which the group members perceived the value creation in groups to occur. It

helped to examine the extent to which the items loaded on the variable they intended to represent as presented in Table 3. The results indicated uniformly high communality value (h^2) for all the items which proved the importance of all the selected items in the overall value creation of the groups.

Results of correlation analysis used to bring out the possible association between value creation and scores of its dimensions for SHG members are represented as Table 4. All the variables had significant relation with value creation except proactivity. However voluntarism showed a negative significant relation which can be explained in relation to the fact that most of the SHGs studied were formed as part of public funded women empowerment programmes. In this context, they acted within the objectives set under the programme by following the regulations voluntarily as it provided subsidies and incentives. Their personal initiatives had only limited role in the context of the mandated frame work of the programme. Thus, though voluntarism forms an essential element for creation of value, it remained manifested in the direction mandated by the program regulations. This has great implication for public policy that value creation should be associated with group priorities for greater empowerment of group members.

Centrality (0.813) emerged as a significant dimension of value creation in SHGs. It implies that greater the extent to which objectives of empowerment programmes coincide with the

Table 4. Correlation matrix among value creation and its dimensions among SHGs (N=50)

	Value creation	Centrality	Visibility	Proactivity	Appropriability	Voluntarism
Value creation	1.00					
Centrality	0.813**	1.00				
Visibility	0.687**	0.537**	1.00			
Proactivity	0.332	0.396**	0.324*	1.00		
Appropriability	0.602**	0.361*	0.349*	0.325*	1.00	
Voluntarism	-0.442**	0.179	0.245	0.226	0.137	1.00

** Significant at 1% level; * Significant at 5% level

aspirations of group members, the more likely these programmes generate value. Tremendous success of SHGs with micro-finance as lead function testified the finding though this contributed more to fulfilling the traditional role of women in society like meeting nutritional needs of family than defending against social discrimination. Visibility also indicated significant positive correlation of a higher order with value creation. The result is consistent with the assumption that SHG improved the social acceptability of its members through enhanced social interaction processes and intermediations. The presence of SHG members in decentralized administrations and even local legislations testify this.

The assumed relation between proactivity and value creation was negated by the results as it did not record a significant relation. This can be explained by the fact that most of the SHGs were part of many other women empowerment programs. This duplication of membership and programmes could be a possible explanation for the results. Appropriability that involved creating competitive advantage through social causes finds many examples among SHGs. It included SHG making nutritional food supplements like *Nutrifood* linking with Anganwadis to provide nutritional supplements to children, linking of *Kadali* banana production with pilgrim needs in temples and producing safe to eat products from organic produce. The finding has great implication for providing socially responsible products and services through SHG which enhanced its value creation and there by empowerment dimension.

The results revealed that as the concept of social enterprise gets extended to SHGs for women empowerment in agriculture, it adopts the triple bottom line of profit, sustainable natural resource management and social impact. However, they differ from social sector organizations that pursue protection of rights and values by focusing on fundamental processes of value creation. Social

value in this context involved the fulfillment of basic long standing needs of the target groups and included empowerment and economic value as it contributed to utility and welfare to its members in the long run (Certo and Miller, 2008). Thus when environmental or social goals formed the main evaluation criterion for the success of SHGs, profitability remained a necessary means to that end. Most of the SHGs studied were involved in the production of goods and services for the market but successful ones managed their operation and redirected their surpluses in pursuit of socio-economic goals of its members. Though existing economic theories suggest a dichotomy between value creation and value appropriation processes that is closely followed in all commercial entrepreneurial ventures, SHGs defy it by linking social causes with financial performance. Moreover, the economic behavior of SHGs was also inconsistent with the competitive behavior prevalent among commercial entrepreneurs. Systems of cooperation, collaboration and networking that transcend formal entrepreneurial organizations prevailed in these groups. It is in this realm that woman SHGs interested in empowerment solutions for problems of poverty and deprivation has been theorized as social enterprises based on the study. Therefore, promoting SHGs in the frame work of a social enterprise goes a long way in adopting it as a development strategy.

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