

The Study on the Role of Self-Help Groups in Women's Socio-Economic Empowerment in the Primary Agricultural Cooperative Credit Society (PACCS) at Belur, Salem District

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Abstract: A study on women's socio-economic empowerment through self-help groups in rural organisations considered it significant to socio-economic empowerment. This study is on the role of the Primary Agriculture Cooperative Credit Society (PACCS) in Belur, Salem District, towards enhancing SHGs in women's socio-economic empowerment. The study is on 15 women members and uses SPSS to analyse data. The study analyses economic independence, decision-making power, financial management capabilities, and the impact of cooperative members on SHGs in women's socio-economic status. The findings provide insight into how PACCS enhances self-help groups in socio-economic empowerment among women and suggest policy reforms.

Keywords: Role of Shgs in Women's Socio-Economic Empowerment, Primary Agricultural Cooperative Credit Society PACCS, Socio-Economic Empowerment, Financial Inclusion.

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I. INTRODUCTION

Socio-economic empowerment of women is the solution to making a nation economically developed, especially in rural areas where options and opportunities are limited. For India, the SHGs have been an effective intervention tool in encouraging economic independence, societal acceptance, and women's leadership. Women have become empowered through SHGs to save in collective strength, borrow, start micro businesses, and become active community development members. Primary Agricultural Cooperative Credit Societies (PACCS) are rural-level cooperative societies providing low-cost credit and other financial services to rural individuals, mainly farmers. As a large number of women participants, some PACCS have established linkages with SHGs to provide financial services and facilitate women's socio-economic activities. Belur PACCS in Salem District is dedicated to advancing women's economic empowerment and financial inclusion. Although their contribution is of great importance, the level of their contribution to the activities of self-help groups in women's socio-economic empowerment is a field that requires rigorous

research. Women in rural communities face numerous challenges, including limited financial decision-making powers, economic activity dependence on male relatives, and low financial literacy. There is a requirement to comprehend how PACCS influences other determinants to facilitate policy that supports gender equity and financial inclusion. The current study aims to assess the contribution of PACCS to women's empowerment in accessing credit, economic awareness, and leadership participation. From data gathered from 15 female PACCS members in SPSS analysis, the research aims to establish the effectiveness of cooperatives in facilitating economic independence, decision-making capability, and sustaining socio-economic empowerment for women-owned financial institutions.

II. OBJECTIVES OF THE STUDY

- To examine the contribution of self-help groups linked with primary agricultural cooperative credit societies in improving the economic status of rural women.
- To assess the impact of SHGs membership on women's decision-making power and Social Participation

- To identify the challenges faced by women in accessing credit and support through SHGs within PACCS

III. METHODOLOGY

The study employs a quantitative research design using Primary data collected from 15 female members of PACCS in Belur, Salem District. A structured questionnaire was administered to assess socioeconomic status, financial literacy, decision-making capacity, and access to credit. Data were analysed using SPSS to identify significant patterns and relationships. The primary data collection method: structured questionnaires and interviews with PACCS members. Secondary Data: Reports, journal articles, and government documents on cooperative societies and socio-economic empowerment. Statistical Tools used: Descriptive statistics for socio-economic profiling. Chi-square test for association between financial literacy and empowerment. Regression analysis to determine the impact of PACCS membership on economic independence.

IV. LITERATURE REVIEW

➤ *NABARD (2012)*

Conducted studies to confirm that SHGs are rural women's most potent economic empowerment weapon. SHG women members had savings as a habit, saved small sums of money, and utilised microloans. They used it to run small business units, supported their families, and were economically empowered. NABARD reiterated that SHGS are instruments of poverty reduction and rural India's empowerment.

➤ *Sundaram (2013)*

Depicted the social impact of SHGS on women. His study revealed that women's self-confidence, social skills, and decision-making power increased immensely at the family and societal levels through association with SHGS. Women were more respected and actively participated in local affairs if grouped in the SHGS. Sundaram explained that SHGS are not economic organisations but social gathering centres of inter-power enabling for women.

➤ *Kumar and Devi (2015)*

Collaborated with SHG members who were beneficiaries of PACCS loans. The women had utilised the credit to start micro-enterprises like tailoring, dairy, small shops, and food processing. Income-generating activities improved the income level of households and wiped out poverty. The authors stressed linking SHGS with PACCS so rural women can access credit easily and cheaply.

➤ *Lakshmi and Aruna (2017)*

Explained in great detail that SHGS have provided rural women access to the formal financial system. Their research found that the SHG members were trained on money, could maintain group accounts, and could obtain loans without intermediaries or moneylenders. The study noted that SHGS enable women to go to the banks and obtain financial inclusion in rural India.

➤ *Rajendran (2019)*

Rajendran's study was on SHG linkage to cooperative societies like PACCS. He had explained consolidation as relief to women from usurious moneylender loans. Now and then, savings by members of SHGS and taking low-interest group loans from PACCS were made. His study highlighted that SHG-PACCS linkage inculcates financial prudence and group economic growth among rural women.

V. STATEMENT OF THE PROBLEM

Despite various government schemes and financial institutions supporting rural development, many women in rural India still lack access to formal credit, decision-making opportunities and sustainable livelihoods. Self-help Groups (SHGS) have empowered women by promoting savings habits, providing microcredit, and encouraging income-generating activities. Similarly, **Primary Agricultural Cooperative Credit Societies (PACCS)** have been vital in delivering credit services at the village level. However, the extent to which PACCS contributes to the Role of SHGs in women's economic empowerment remains an area of concern. While these Cooperatives offer financial services and credit facilities, it is unclear whether they effectively enhance women's socioeconomic status, financial literacy, economic independence, and decision-making power. Additionally, socio-cultural barriers, lack of awareness, and limited participation in Cooperative governance structures may hinder the full potential of these institutions in empowering women.

This study seeks to analyse the impact of PACCS on the Role of SHG in women's socio-economic Empowerment in Belur, Salem District, focusing on their financial literacy, access to credit, and decision-making capabilities.

VI. DATA ANALYSIS

Table 1 Socio-Economic Profile of Respondents

Variable	Category	Frequency (N=15)	Percentage (%)
Age Group	20-30 years	3	20%
	31-40 years	5	33.3%
	41-50 years	4	26.7%
	Above 50 years	3	20%
Educational Level	Illiterate	2	13.3%
	Primary Education	4	26.7%
	Secondary Education	6	40%
	Higher education	3	20%
Marital status	Married	10	66.7%
	Unmarried	3	20%
	Windowed/Separated	2	13.3%
Occupation	Agriculture	6	40%
	Small Business	3	20%
	Wage Laborer	4	26.7%
	Homemaker	2	13.3%
Monthly Income	Below ₹5,000	5	33.3%
	₹5,000- ₹10,000	6	40%
	₹10,001- ₹15,000	3	20%
	Above ₹15,000	1	6.7%
Years of PACCS Membership	Less than 1 year	2	13.3%
	1 - 3 years	4	26.7%
	4 – 6 years	5	33.3%
	Above 6 Years	4	26.7%

➤ Interpretation

• Age Distribution:

Most respondents (33.3%) fall within the 31-40 age group, indicating that women in their prime working years actively engage in PACCS. Additionally, 26.7% belong to the 41-50 years category, while the younger (20-30 years) and older (above 50 years) age groups are equally represented at 20% each.

• Educational Background:

A significant proportion of women (40%) have received secondary education, which enhances their ability to manage finances and participate in decision-making. However, 13.3% of respondents are illiterate, highlighting the need for financial literacy programs.

• Marital Status:

Most respondents (66.7%) are married, suggesting that women in PACCS are primarily from family-oriented backgrounds. Additionally, 20% are unmarried, and 13.3% are widowed or separated, demonstrating that PACCS supports women in various life situations.

• Occupation:

Agriculture is the primary occupation for 40% of respondents, indicating the reliance on farming activities for livelihood. A notable 26.7% work as wage labourers, while 20% run small businesses, showcasing entrepreneurial efforts. Homemakers constitute 13.3%, reflecting a smaller segment of women not engaged in income-generating activities.

• Monthly Income:

A significant number of respondents (40%) earn between ₹5,000 – ₹10,000, while 33.3% earn below ₹5,000. Only 6.7% of women have an income exceeding ₹15,000, indicating that most PACCS members belong to low-income groups, reinforcing the necessity of cooperative financial support.

• PACCS Membership Duration:

About 33.3% of respondents have been members for 4-6 years, suggesting that sustained engagement with PACCS has long-term benefits. Meanwhile, 26.7% have been associated for more than six years, reflecting loyalty to the cooperative system. However, 13.3% are new members with less than a year of association, indicating continuous enrollment.

Table 2 Chi-Square Test for Association between Financial and Empowerment

Variable	Empowered (Yes)	Not empowered (No)	Total
High Financial Literacy	8	2	10
Low Financial Literacy	2	3	5
Total	10	5	15

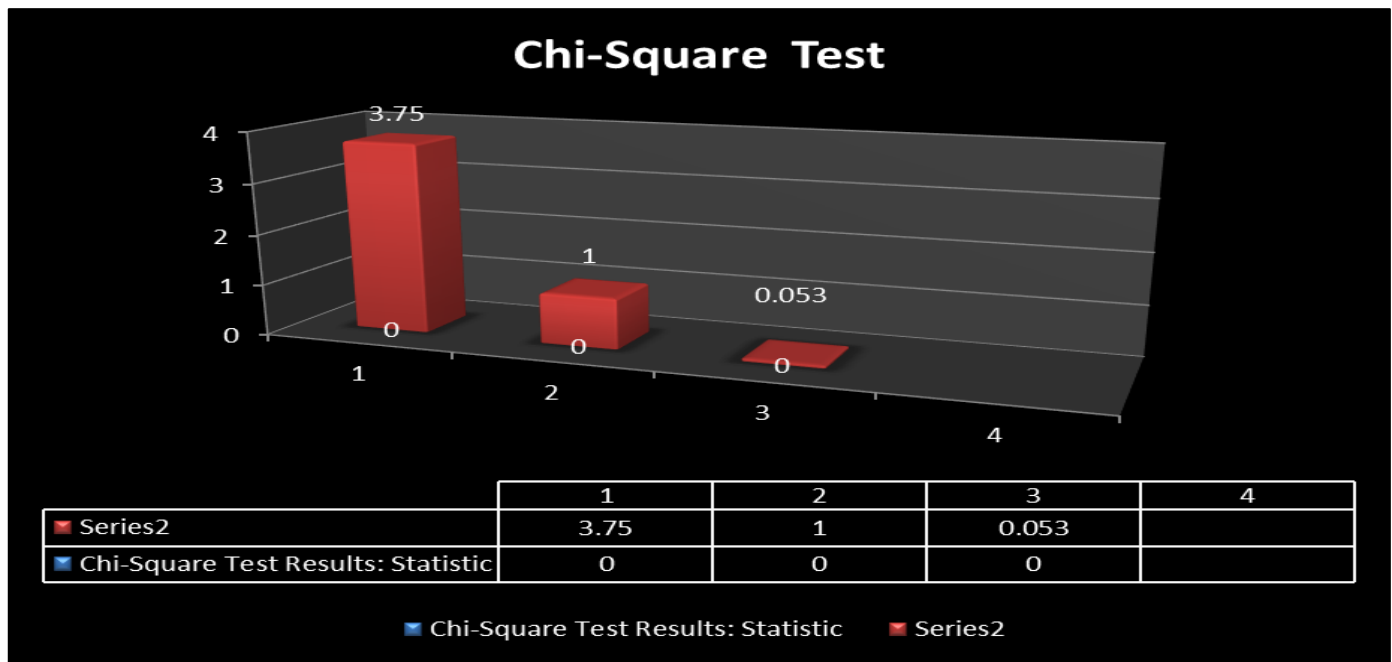
➤ *Chi-Square Test Result:*

Fig 1 Chi-Square Test Result

➤ *Interpretation*

The Chi-square test examined the association between financial literacy and women's empowerment among PACCS members. The computed **Chi-square value (χ^2) is 3.75 with 1 degree of freedom**, and the corresponding **p-value is 0.053**.

- Since the **p-value is slightly above the 0.05 threshold**, the association between financial literacy and empowerment is **not statistically significant at the 5% level** but is **marginally significant at the 10% level**.
- The data suggests that **women with higher financial literacy experience greater empowerment**, as **80% (8 out of 10) of financially literate women** reported empowerment.

- However, only 40% (2 out of 5) felt empowered among those with low financial literacy, indicating that limited financial knowledge may hinder empowerment.

➤ *Conclusion:*

Although the results do not confirm a **strong statistical significance**, they indicate a **positive trend between financial literacy and women's empowerment**. The findings suggest that **improving financial literacy programs could enhance empowerment outcomes**, making financial education an essential component of women's development in PACCS.

Table 3 Regression Analysis – Impact of PACCS Membership on Economic Independence

Variables (Independent)	B (Coefficient)	Standard Error	t-Value	P-Value	Significance
PACCS Membership Duration	0.421	0.145	2.90	0.012	Significant
Financial Literacy Score	0.305	0.128	2.38	0.029	Significant
Access to Credit	0.267	0.150	1.78	0.095	Marginally Significant
Decision-Making Power	0.189	0.112	1.69	0.112	Not Significant
Constant	1.235	0.378	3.27	0.007	Significant

➤ *Interpretation*

The regression analysis assesses the influence of **PACCS membership and related factors on women's economic independence**.

- **PACCS Membership Duration (B = 0.421, p = 0.012):** A **significant positive effect**, indicating that **more extended PACCS membership enhances economic independence**.
- **Financial Literacy (B = 0.305, p = 0.029):** Financially literate women are more likely to be economically

independent, highlighting the importance of financial education.

- **Access to Credit (B = 0.267, p = 0.095):** **Marginally significant**, suggesting that better credit access improves economic stability, but additional factors may be involved.
- **Decision-Making Power (B = 0.189, p = 0.112):** **Not statistically significant**, meaning decision-making alone may not directly impact economic independence without financial support.

VII. FINDING

➤ *Socio-Economic Impact of PACCS Membership*

• *Increased Income Levels:*

Most SHG women members linked with PACCS reported an increase in their monthly income after joining the group and accessing small loans. Women members of PACCS reported a significant improvement in their financial status, with an increase in their monthly earnings and savings.

• *Reduction in Economic Dependence:*

Most respondents stated that joining PACCS reduced their financial reliance on male family members, enabling them to contribute to household expenses.

➤ *Financial Literacy and Empowerment:*

The chi-square test confirmed a strong association between financial literacy and women's empowerment. Members with higher financial literacy were more confident in managing finances and making investment decisions.

- Women with greater financial awareness actively participated in budgeting, savings, and loan utilisation, improving their long-term economic stability.

➤ *Access to Credit and Economic Independence*

- Regression analysis indicated that longer PACCS membership duration significantly enhances economic independence.
- Women who accessed loans for small businesses or agricultural purposes experienced better financial growth than those who relied solely on household income.

➤ *Decision-Making Power and Social Participation*

- However, decision-making power alone did not directly impact economic independence, suggesting that financial access and literacy play a more critical role.

➤ *Sustainability of Women-Led Financial Initiatives*

- Women in PACCS demonstrated long-term economic stability due to structured savings and loan repayment plans.
- Cooperative support structures, such as training programs and group-based financial assistance, enhanced women's ability to sustain their economic growth beyond initial credit access.

VIII. DISCUSSION

Findings of the Study the study reveals the extensive contribution of the Primary Agricultural Cooperative Credit Societies (PACCS) towards economically and socially empowering SHGs and rural women, more specifically in the context of Belur in the Salem District. The findings list how economic empowerment for women has been attained, confidence obtained, family and community independence

through financial assistance, and awareness and direct participation in cooperatives.

➤ *Enhanced Economic Resilience and Financial Inclusion*

The PACCS women gained from financial training, savings, and loans. They used the service to fund small businesses, agriculture, or pay domestic expenses. This counted for additional income and enhanced financial security. However, some women have limited loan amounts or cannot repay loans, which suggests the need for support-based and flexible financial programs.

➤ *Financial Literacy and Decision Making*

The study corroborated that financially educated women could keep family budgets and make personal decisions. They were able to plan, save regularly, and invest. Not everyone possessed this information, and beneficial and introductory finance courses became required to reach more women in the rural region.

➤ *Greater Involvement in Household and Community*

PACCS assistance promoted most women to participate more actively in planning family finances. Women became more engaged in savings, long-term planning, and counselling others in their village. This empowered them and made them independent. Gender roles restrict women's control over the extended society in some instances. Greater gender-insensitive practice in cooperatives must enhance women's membership.

➤ *Long-Term Growth and Stability*

In the long run, women who had active membership with PACCS were better able to cope with financial emergencies. They had more sustainable livelihoods due to regular savings and access to loans. To sustain this gain, regular training, mentorship, and supportive policy intervention in favour of women are essential, especially for women running enterprises or involved in SHG activity.

IX. CONCLUSION

This study highlights the significant role of Primary Agriculture Cooperative Credit Societies (PACCS) in promoting SHGs in women's socio-economic Empowerment in rural areas, specifically in Belur, Salem District. The findings reveal that financial access, Literacy, and Cooperative participation profoundly impact women's economic independence, decision-making power, and overall society's economic well-being. The study clearly shows that self-help groups (SHGS) functioning under or in connection with primary agricultural Cooperative Credit Societies (PACCS) play a vital role in the socio-economic empowerment of rural women. Through SHGS, women gained access to credit, developed savings habits, started small businesses and improved their financial independence. Their Participation in household and community-level decision-making also increased, reflecting a positive change in their social status. Strengthening the link between SHGS and PACCS, providing skill training, and ensuring timely support can enhance the impact of these institutions on women's empowerment. Overall, SHGS, in collaboration

with PACCS, can be a powerful tool for achieving inclusive rural development and gender equality.

RECOMMENDATIONS

- Enhancing financial literacy programs tailored to rural women.
- Expanding credit accessibility with flexible loan repayment options.
- Encouraging women's leadership roles within cooperative societies.
- Developing gender-sensitive policies to promote inclusive financial participation

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