

RESEARCH ARTICLE :

Self-help groups : A tool of rural women economic upgradation

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SUMMARY : In recent years self-help groups have become significant institutions for rural development. It is now being increasingly realized that instead of targeting the individuals in the process of development, it would be more useful to adopt the approach make available the collective wisdom and combined resources for any task. Though SHGs have gained access to all government officials, they have not become bold enough to speak out as demonstrated at some forums in the country. The present study carried out in Sriganganagar district of Rajasthan state during 2013-2014, revealed that members of the rural women's SHGs have been benefited in many ways such as exposure to different development programmes of the Government, exposure to the banks as well as transactions, their confidence level has been increased because of their own savings and easy access to loan from SHG. There was a good impact on economic aspects of the members in their financial position, family income and improvement in the employment generation through different income generation activities. Major reasons for group formation by the rural women were to take advantage of group action (85%), followed by improved employment activities (79.17%), meeting for collective decisions (75%), overcoming exploitation of money lenders (75%), internal lending (66.67%), improved social participation (66.67%), saving money regularly (62.50%) and general income (54.17%). The social impacts of SHGs on rural women were exposure to different development departments and participations in meetings, decision making and exposure to banks as well as to transactions. The most influential change was observed in loan borrowing pattern of the SHG members as most of them had developed their own funds, were able to transact with the banks and the borrowing of loans from the money lenders had reduced to considerable extent. The major impacts like improvement in the economic status of the family (80.83%), avoiding exploitation by money lenders (77.33%), easy to get money in emergency situation and facilitates savings (73.33%) have been witnessed for the empowerment of women. The reduced rate of bank interest, simple procedure to be followed for releasing the loan, marketing and transport facilities to be improved, training on skill improvement, increase in the duration of the training, enhanced repayment period were the other suggestions highlighted the strengthening of rural women SHGs in order to provide more opportunity for empowerment of farm women.

KEY WORDS :

Economic upgradation, Rural women, Self-help groups

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BACKGROUND AND OBJECTIVES

Women contribute two thirds of world

work hours and comprise half of the humanity yet she earns only one third of the total income and owns less than one tenth of the world

resources. Female poverty is most directly related to the absence of economic resources including credit, land ownership and inheritance, lack of access to education and support services and minimal participation in the decision making process. Lack of institutional credit has been one of the major constraints to the poor to come out of the vicious circle of poverty. At the Government level attempts like introduction of co-operatives and nationalization of commercial banks were made with a view to make the institutional credit available to the weaker section particularly the poor. The failure of these has stressed the need for an alternative arrangement for the delivery of credit to the poor. SHGs emerge as an alternative mechanism to meet the urgent needs of the poor.

The dependence of the rural poor on money lenders especially for meeting emergent requirement is still very high. And most of the rural poor remain outside the preview of formal credit system, despite significant attempt made by the Government and the banks to improve the efficiency and effectiveness of the rural credit delivery system.

Self-help groups are mostly informal groups whose members pool saving and relend within the group on rotational or needs basis. These groups have a common perception of need and impulse towards collective action. Many of these groups got formed around specific production activity promote savings among members and uses the pooled resources to meet emergent needs of members, including consumption needs. Since SHGs were able to mobilise savings from the poor who were not expected to have any savings among members, they succeeded in performing or providing banking services to their members, may be in a primitive way, but in a manner which was cost effective, simple, flexible at the door step of the members and above all without any defaults in repayment by borrowers.

In recent years, SHGs have become significant institution for rural development. It is now being increasingly realized that instead of targeting the individual in process of development it would be more useful to adopt the approach of group development. The group approach make available the collective wisdom and combined resources for any task. The number of SHGs in the country have multiplied by many folds during the last decade.

Objectives :

In this prospect, a critical study of the evaluation of the SHGs will be of immense use in knowing the functioning, prospects and problems in their operation and to suggest appropriate strategies for successful functioning of SHGs. Hence, the present study has been formulated with the following specific objectives :

- To find out the socio-economic impact on SHG members.
- To analyse the impact of income generating activities on the SHG members.
- To describe the impact of SHGs in generating average employment days through various income generating activities.
- To identify the role of KVK in establishing links between SHGs and banks.
- To obtain the suggestions of the members for the success of SHGs.

RESOURCES AND METHODS

The study was conducted in Sriganganagar district of Rajasthan state. The ex post facto research design was adopted for the study. Two Panchayat Samities were selected from the district, namely Sriganganagar Panchayat Samiti and Padampur Panchayat Samiti. Out of each Panchayat Samiti, ten SHGs were selected thus, comprising of total 20 SHGs from whole district. Finally twelve members were selected from each SHGs to constitute a total sample of size of 240.

Keeping in view the objectives and variables of the study, the schedule was prepared in consultation with experts in the field of agriculture and rural development, scientists of the university and extension workers of development department. The schedule was pre-tested with a sample of 40 SHG members in non-sample area for testing the adequacy of the schedule. Later modifications were incorporated with some suitable changes and final schedule was standardized.

The data were collected by personal interview method. All the 240 SHG members spread out the district, were interviewed to collect reliable information.

OBSERVATIONS AND ANALYSIS

The results obtained from the present investigation as well as relevant discussion have been summarized under following heads :

Social impact :

The results on the social impact as presented in Table 1, highlight that the members of SHG felt that they have been benefited in many ways such as exposure to different development departments and participation in meeting, in decision making, exposure to banks as well as transactions in the bank. Many of the members expressed that their respect in home as well as in society has improved due to being a member of SHG. Their confidence has been improved because of their own saving, easy access to loan and awareness about development departments. The members have the feeling that their social responsibility has been enhanced for

being members of SHG. The SHG has also helped to develop a sense of unity and they were able to make mutual help.

Some of the SHGs have initiated voluntary services in village such as cleaning road, cleaning of drinking water tap connection, women members were able to organize some of the women development activities and also encouraged other members to send their children to school, and protest alcohol in the village etc. In one instance, one woman SHG promoted many of the income generation activities and also organized training programme to encourage the entrepreneurial behaviour of women.

Table 1 : Social impact on the families of SHG members**(n=240)**

Sr. No.	Type of impact	SGNR P.S. (n=120)		PDM P.S. (n=120)		Aggregate (n=240)	
		No.	%	No.	%	No.	%
1.	It helps in improving the economic status of the family	98	81.66	96	80.00	194	80.83
2.	It provides easy access to institutional loans	73	60.83	72	60.00	145	60.41
3.	Easy to get money in emergency situation	95	79.16	90	75.00	185	77.03
4.	It facilitates savings	94	78.33	91	75.83	185	77.08
5.	It provides social security	69	57.50	78	65.00	147	61.25
6.	It increases social participation	71	59.16	76	63.33	147	61.25
7.	It avoids exploitation by money lenders	94	78.33	92	76.66	186	77.50
8.	It increase income and employment to the family	85	70.83	91	75.83	176	73.33
9.	It helps in making appropriate decisions	73	60.83	80	66.66	153	63.75
10.	It has increased confidence level	68	56.66	75	62.50	143	59.58
11.	It has increased social status	80	66.66	78	65.00	158	65.83
12.	It has increased social cohesiveness	75	62.50	71	59.16	146	60.83
13.	It helped in development of leadership	64	53.33	76	63.33	140	58.33
14.	It has increased moral courage	60	50.00	69	57.50	129	53.75

Table 2 : Economic impact on the members of SHGs**(n=240)**

Sr. No.	Particulars	SGNR P.S. (n=120)		PDM P.S. (n=120)		Total (n=240)	
		No.	%	No.	%	No.	%
1.	Dairy (Rs. 1500-5000)	47	39.17	41	34.17	88	36.67
2.	Poultry (800-1800)	04	3.33	-	-	04	1.67
3.	Tailoring (Rs. 700-1000)	60	50.00	54	45.00	114	47.50
4.	Vermicomposting (Rs. 600-1600)	23	19.17	12	10.00	35	14.58
5.	Weaving (Rs. 400-800)	38	31.67	-	-	38	15.83
6.	Papad making (Rs. 1250-1800)	-	-	30	25.00	30	12.50
7.	Masala packing (Rs. 800-1200)	08	6.67	15	12.50	23	9.58
8.	Agarbatti making (Rs. 600-1800)	-	-	08	6.67	8	3.33
9.	Marketing of agril. produce (Rs. 1800-2400)	21	17.50	05	4.17	26	10.83
10.	Mat making (Rs. 2500-4000)	28	23.33	-	-	28	11.67
11.	Sheep and goat rearing (Rs. 2000-4000)	06	5.00	16	13.33	22	9.17
12.	Pickles making (Rs. 400-1200)	02	1.67	16	13.33	18	7.50

The participation of SHG members in SHG programme has given a good platform to develop leadership qualities. Similarly participation in training programme and exposure visit has created confidence among the members as evidenced from the fact that three members of society have been elected to the farmers' service society.

Economic impact :

Impact of income generating activities on the SHG members :

It is observed from Table 2, that the members of the SHG in both the Panchayat Samities (PS) have taken up different income generation activities after formation of SHG. Of these a high per cent of members have taken up tailoring (47.50%) and dairy enterprises (36.67%).

The moderate numbers were found to earn from the activities like, weaving (15.83%), and vermin composting (14.58%). Similarly the activities of papad making (12.50%), mat making (11.67%), marketing of produce (10.83%), masala packing (9.58) and sheep and goat rearing (9.17%) were the other IGAs among the SHG members. The comparative analysis reveals that, in all most all income generating activities, more economic impact was observed in SHG members of Sriganaganagar Panchayat Samities (SGNR PS) than Padampur Panchayat Samities (PDM PS) SHG members.

Impact of SHGs in generating average employment days through various IGAs :

It is observed from Table 3, that the total average maximum employment days were noticed in IGAs like

Table 3 : Impact of SHGs in generating average employment days through various IGAs (n=240)

Sr. No.	Income generating activities	Average employment days per annum		Total average
		SGNR P.S.	PDM P. S.	
1.	Dairy	42	34	38
2.	Poultry	12	–	06
3.	Tailoring	18	16	17
4.	Vermicomposting	11	06	09
5.	Weaving	08	–	04
6.	Papad making	–	08	04
7.	Masala packing	03	06	05
8.	Agarbatti making	–	07	04
9.	Marketing of agril. produce	12	03	08
10.	Mat making	31	–	16
11.	Sheep and goat rearing	16	25	21
12.	Pickles making	04	08	06
	Total	157	118	

Table 4 : Role of KVKs in establishing the link between banks and SHGs (n=240)

Sr. No.	Particulars	SGNR P.S. (n=120)		PDM P. S. (n=120)		Aggregate (n=240)	
		No.	%	No.	%	No.	%
1.	Providing proper guidance for record keeping and money saving	120	100	120	100	240	100.00
2.	Providing training to SHGs members for maintenance of records	120	100	120	100	240	100.00
3.	Conducting group meetings	120	100	120	100	240	100.00
4.	Follow up and supervision of SHG activities	120	100	120	100	240	100.00
5.	Management of difference of opinion/clashes among SHG members at field level	120	100	120	100	240	100.00
6.	Facilitating frequent contacts with bank officials	120	100	120	100	240	100.00
7.	Exposure visit to Krishimela	90	75	90	75	180	75.00
8.	Monitoring and evaluation of SHG activities	90	75	90	75	180	75.00
9.	Encouraging SHG members to undertake IGAs	90	75	90	75	150	62.50
10.	Arranging exposure trip	90	75	90	75	150	62.50
11.	Identification of genuine needs of SHG members	90	75	90	75	150	62.50

dairy (38 days), sheep and goat rearing (21 days) and tailoring (17 days). The PS wise distribution showed the highest employment generation in SGNR PS was in dairy (42 days), and tailoring (18 days) whereas in PDM PS highest average employment days was observed in dairy (34 days) and sheep and goat rearing (25 days) whereas mat making generated employment days in SGNR PS (31 days) only. The activity of sheep and goat rearing created more employment days in PDM (25 days) as compared to SGNR (16 days). Finally, total average employment days created due to IGAs was observed to be higher in SGNR Panchayat Samiti (157 days) as compared to PDM Panchayat Samiti (118 days).

Role of KVKs in establishing link between banks and SHGs :

The clear cut roles of KVK as presented in the Table 4, shows that KVK was adopting the criteria like providing the proper guidance for record keeping and money saving, training to SHG members for maintenance of records, and proper follow up and supervision of SHG activities. Similarly the management of difference of

opinions and clashes among SHG members and facilitating frequent contacts with bank officials were followed by KVK. The organization of Krishimela and monitoring and evaluation of SHG activities by KVK was reported to the extent of 75.00 per cent of both the PS. Lastly, encouraging of SHG members to undertake IGAs, arranging exposure trip and identification of genuine needs of SHG members by KVK was reported by 75 per cent members of SGNR Panchayat Samiti and 50 per cent of PDM Panchayat Samiti.

Suggestions of SHG members for the success of SHGs:

The suggestions from the members were elicited from the members of SHGs for the improvement of loan arrangement and infrastructure, purchase of assets, marketing, training and other activities and is presented in Table 5. It is evident from the data that a high per cent of SHG members expressed the need for reducing the interest rate (91.25%) and simple procedure to avail the loan (80.83%), followed by suggestion of increasing the repayment period (71.66%). For the improvement of

Table 5 : Suggestions of the SHG members for improving the performance of SHGs

(n=240)

Sr. No.	Suggestions	SGNR PS (n=120)		PDM PS (n=120)		Aggregate (n=240)	
		No.	%	No.	%	No.	%
1.	Loan amount						
	Quick release of loan	54	45	38	31.60	92	38.33
	Increase the loan amount	25	19.16	12	10.00	35	14.58
	Increase the repayment period	92	76.66	80	66.66	172	71.66
	Reduce the interest rate	104	86.66	115	95.83	219	91.25
	Simple procedure to avail the loan	96	80.00	98	81.66	194	80.83
2.	Infrastructure and purchase of assets						
	Material should be provided at proper time	12	10.00	18	15.00	30	12.50
	Procedure for procurement of raw material to be made easy	32	26.60	28	23.33	60	25.00
	Too many complications in purchasing should be minimized	47	39.16	54	45.00	101	42.08
	Provide adequate infrastructure facilities for selected activity	68	56.66	75	62.50	143	59.50
3.	Marketing						
	Arranging single outlet for marketing	15	12.50	13	10.83	28	23.33
	Increase assistance from SHG	20	16.60	32	26.66	52	21.66
	Improved facilities for marketing	105	87.50	115	95.83	220	91.67
	Providing transport facility	84	70.00	92	76.66	176	73.33
4.	Training						
	Providing a basic orientation besides skill development	108	90.00	112	93.33	220	91.66
	Increase the duration of training	27	22.50	43	35.83	70	29.16
	Focus on skill up grading	87	72.50	72	59.16	158	65.85
5.	Other activities						
	Increased number of activities	62	51.66	86	71.66	148	61.66
	Opportunity for the beneficiaries to select the activity	54	43.00	36	30.00	90	37.00

infrastructure and assets purchase only moderate number of SHG members have pointed out the need for providing adequate infrastructure facilities for the selected activity (59.50%) and minimizing too many complications in purchasing of assets (42.08%). The similar observations were also pointed out in both the PS.

The need for providing improved facilities for marketing and transport were briefed by 91.67 per cent and 73.33 per cent of members, respectively. To strengthen training activity majority members expressed the need for providing basic orientation (91.66%) followed by focus on skill upgrading (65.85%). Lastly 61.66 per cent and 37.50 per cent of members, respectively suggested the need for including more income generating activities and providing opportunity for the beneficiaries to select activity. Antwal *et al.* (2015); Naik *et al.* (2012) and Jasuja *et al.* (2013)

Recommendations and implications of the study :

In the light of major findings on the socio-economic impact on SHG members, and suggestions expressed for the success of SHGs, the significant recommendations and major implications emerged are summarized as follows :

- There is a need to promote micro financing facilities for encouraging rural livelihood programmes for the poorest of the poor.
- Promotion of women leadership in rural areas is very much essential for strengthening women empowerment.
- There is a need to identify and promote important locations specific IGAs.
- Appropriate trainings to develop entrepreneurship qualities among women should be organized.
- Training programmes need to organize not only in production technologies but also in processing and marketing of produces.
- Technical skill trainings in seed production, floriculture and nurseries should be organized.

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