

An impact analysis of technological training on women self help groups

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ABSTRACT

Microfinance mobilization as a programme to help the poor has gained wide acceptance. Self Help Groups are expected to muster up resources for future use towards income generation activities. Therefore, the present study has been formulated to evaluate the impact of technological training on women self help groups in terms of employment level and asset position of the members. A multistage stratified random sampling technique has been adopted with Cuddalore district as the universe. The ultimate sample for this study consisted of 72 SHGs and 216 members. The percentage analysis was done to study the socio-economic characteristics of the sample respondents. The Garrett Ranking Technique was used to study the utility of the SHGs in the process of empowerment of women. It was found that commercial banks, NGOs and government agencies were important agencies which imparted training to the members. The technological training programmes attended by the members of women SHGs resulted in the incremental increase in their employment pattern and asset position. The SHGs have helped the respondents to be more gainfully employed in the non-farm activities. It is emphasised that policy planners might think of launching evaluation studies of such programmes on a continuous basis, so as to understand and undertake efforts to make the SHGs succeed. Efforts may be initiated to impart the required training to the members on the identified new ventures.

Key words : Impact analysis, Technological training, Self Help Groups, Microfinance, Employment.

INTRODUCTION

The poor want to save money for a variety of purposes. Most poor women are working in the informal sector. There have been several initiatives for catering to the credit (and training) requirements of women working in the informal sector under different schemes of the government. For example, training facilities are offered under TRYSEM, STEP, DWACRA, IRDP schemes, and the scheme of Women Development Corporations. The NABARD and RBI have resolved to reach out to 40 lakh families in the next few years with microcredit.

Experiences of implementing different antipoverty and other welfare programmes within, as well as outside the country, have shown that the key to success lies in evolving appropriate community based organisations with participation at grass root level.

Microfinance mobilization as a programme to help the poor has gained wide acceptance. The Central government regards Self Help Groups (SHGs) as the platform for any microfinance programme and as the appropriate conduits for financial assistance to self help group members. The group members are generally those living below the poverty line.

A major innovation being tried in the area of rural credit is the promotion of Self Help Groups (SHGs) for the poor, especially women, to help them gain better access to savings, credit and training facilities. People's participation in credit delivery and recovery and linking

of formal credit institutions, to borrowers through intermediaries of SHGs have been recognised as a supplementary mechanism for proving credit support to the rural poor. SHGs are considered as a solution for some of the problems of the rural credit markets which come in the way of rural poor having sustained access to formal credit agencies.

The SHGs are rated as far more flexible and democratic and they are also less bureaucratic. Women can, therefore, find more opportunities for forming SHGs and develop leadership to achieve women empowerment. The initial growth of SHGs has been in areas where they received support from Non Governmental Organisations (NGOs). The NGOs supported not only in the formation of SHGs but also in identifying economic activities, imparting training and even financial support in the initial stage. By offering savings services, a financial institution can promote greater customer loyalty and loan repayment discipline, thus reducing the institution's cost of funds for on-lending and overall transaction cost. Moreover, RFI's can also improve their viability by expanding their volume of business. Subsequently, the SHGs have been linked with banks for savings and credit operations. Some of the NGOs, working for women's socio-economic upliftment, have also adopted the cooperative legal structure.

In the context of microcredit, the most vital function of the group is that it is the disciplining ground for the

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members who are generally poor and potential applicants for credit. The SHGs are expected to evolve a strategy with a clear concept of mutual help between the members who are like-minded, belonging to similar socio-economic strata. SHGs are also expected to muster up resources for future use towards income generation activities.

Therefore, the present study has been formulated to evaluate the impact of technological training on women self help groups in terms of employment level and asset position of the members.

MATERIALS AND METHODS

(i) *Sampling design*

A multistage stratified random sampling technique has been adopted with Cuddalore district as the universe. There are six taluks in Cuddalore district. Based on the data provided by the Tamil Nadu Corporation for Development of Women Ltd., Chidambaram taluk which has the highest cumulative number of SHGs linked with banks, as at the end of March 2002, formed the first stage unit.

There are four blocks in Chidambaram taluk. After arranging the Development Blocks in Chidambaram taluk in the descending order of magnitude based on the cumulative number of SHGs linked with banks, Kumaratchi Block (with the highest number of SHGs) and Mel Bhuvanagiri block (with the lowest number of SHGs) were selected in the second stage.

In the third stage of sampling, the SHGs in these selected blocks were arranged separately in the ascending order of magnitude based on the date of registration and 10 per cent of SHGs were selected at random. The fourth stage of sampling consisted of three respondents selected at random from each of these selected SHGs. Thus, the ultimate sample for this study consisted of 72 SHGs and 216 members.

(ii) *Nature of data collected*

The required data for this study were collected from both the primary and secondary sources. The primary data were collected from the selected SHGs covering various aspects related to socio-economic development using structured interview schedule. The study was conducted during the months of July 2003 to January 2004. The collected data were analysed and the results were interpreted in terms of the objective of this study.

(iii) *Methods of analysis*

The percentage analysis was done to study the socio-economic characteristics of the sample respondents. The Garrett Ranking Technique was used to study the utility of the SHGs in the process of empowerment of women.

RESULTS AND DISCUSSION

1. *Training*

The SHGs should continue to generate enough funds to stand on their own legs, once the NGOs pulled out the subsidies, if any, provided by the government is withdrawn. Hence, the SHGs should think of developing a corpus fund to sustain themselves in the long run. Also, a loanee member must utilise the loan to products which she can sell. Otherwise she will be worse off, as a result of having borrowed funds at high cost.

It was observed that most of the group members did not have any specific skill to take up a production activity. Hence training is a very important input in the SHG movement, especially in the context of low level of literacy and poor skills of the respondents. SHG members were being trained by various agencies on a whole range of activities including membership training, entrepreneurship development, tailoring and mushroom production.

The researcher's discussion with the four NGOs operating in the study area and opinions gathered from the sample of beneficiary respondents, have indicated that the NGOs trained nearly 60 per cent of the members of the groups on procedures for conducting meetings, maintenance of records and on the banking operations. The group members were also trained on income generating activities. The members of the groups expressed satisfaction about the quality of the training imparted by NGOs, banks and government agencies. Different training programmes were organized for different categories of group members with a view to enhance their skill in the trades of their interest. The animators were given special training for organising the meetings and maintenance of accounts.

It was found that commercial banks, NGOs and government agencies were important agencies which imparted training to the members. NGOs arranged trainings in many situations through private parties and local resource persons. They had also imparted training to the SHG members in maintaining proper records and accounts. The results of the analysis on the trainings attended by the sample respondents are given in Table 1.

It could be seen from Table 1 that 85.19 per cent and 91.36 per cent of the members were trained by NGOs in entrepreneurship development and membership training in Kumaratchi and Mel Bhuvanagiri blocks, respectively. Whereas, only 8.89 per cent and 11.11 per cent of members were trained by government agencies in these two blocks. It was found that only 23.70 per cent and 27.16 per cent of the members were trained by the banks. However, it could be noted that some members have undergone more than one training while there were still some members who have not undergone any training.

Table 1: Trainings Attended by Sample Respondents.

S. No.	Training attended	Training given by	Blocks (in numbers)	
			Kumaratchi	Mel Bhuvanagiri
1.	Entrepreneurship development training	NGOs	26 (19.26)	18 (22.22)
2.	Membership training	NGOs	89 (65.93)	56 (69.14)
3.	Economic activities	Banks	32 (23.70)	22 (27.16)
4.	Mushroom production	Govt. Agencies	12 (8.89)	9 (11.11)

(Figures in parentheses indicate percentages to the respective totals)

The technological training programmes attended by the members of women SHGs resulted in the incremental increase in their employment pattern and asset position. Hence, an analysis was undertaken to find the employment pattern and asset position of the households in the pre-SHG and post-SHG situations.

2. Employment Generation

Easy access to credit through SHGs provides opportunities for undertaking income generating activities as a result of which the employment opportunities at the household level increases. Hence, an analysis was

15.58 per cent in Kumaratchi block and 14.38 per cent in Mel Bhuvanagiri Block. This increase was effected by women's participation in income generating non-farm activities, as the result of various training programmes attended by them. The employment per member had also increased in the post-SHG situation in both the blocks.

Thus, it could be concluded that the SHGs have helped the respondents to be more gainfully employed in the non-farm activities in the post-SHG situation. This would have been made possible by more employment generation in non-farm activities, probably through self-employment activities, which they could have started /

Table 2 : Employment Level of the Sample Households

S. No.	Activity	Community Development Blocks (in mandays)			
		Kumaratchi		Mel Bhuvanagiri	
		Before	After	Before	After
1.	On-farm	178 (40.18)	189 (36.91)	168 (38.36)	181 (36.13)
2.	Off-farm	187 (42.21)	207 (40.43)	189 (43.15)	199 (39.72)
3.	Non-farm	78 (17.61)	116 (22.66)	81 (18.49)	121 (24.15)
Total		443 (100.00)	512 (100.00)	438 (100.00)	501 (100.00)
Per person (mandays)		106	129.90	113	130

(Figures in parentheses indicate percentages to the respective totals)

undertaken to find the employment generation in both pre and post-SHG situations. The results are presented in Table 2.

It could be seen from Table 2 that the employment per household in pre-SHG situation was 443 mandays and 438 mandays in Kumaratchi and Mel Bhuvanagiri blocks, respectively. However, it had increased to 512 mandays and 501 mandays in post-SHG situation in Kumaratchi and Mel Bhuvanagiri block – an increase of

undertaken as a result of availability of microfinance ensured by the SHGs and training given by the NGOs and other agencies.

3. Assets Position

The composition of assets and investments of the respondents would be a measure of their economic status and liquidity position. This would influence the activities like investments, borrowings and repayment of loans.

Table 3 : Average Value of Assets of Sample Households.

S. No	Assets	Community Development Blocks (in Rupees)			
		Kumaratchi		Mel Bhuvanagiri	
		Before	After	Before	After
1.	Machineries and equipments	317.12 (7.34)	307.11 (3.46)	327.69 (8.70)	336.98 (4.44)
2.	Livestock	2632.42 (60.89)	5016.07 (56.34)	2172.33 (57.64)	4049.22 (53.32)
3.	Poultry	258.14 (5.97)	360.70 (4.05)	285.72 (7.58)	420.20 (5.53)
4.	Consumer durables	1115.28 (25.80)	3218.70 (36.15)	982.78 (26.08)	2788.32 (36.71)
	Total	4322.96 (100.00)	8902.58 (100.00)	3768.52 (100.00)	7594.72 (100.00)

(Figures in parentheses indicate percentages to the respective totals)

Also, they would influence the decision making behaviour of the respondents in terms of adoption of innovative ideas and practices. Thus, increase in the assets held by the members is a sign of positive impact of technological training.

Land, buildings, machineries and equipments, livestock, poultry and consumer durables were some of the assets possessed / maintained by the households. Of these, assets in this study would mean assets other than land and buildings. These two forms of assets were excluded from the analysis as the changes in them cannot be expected from microfinance interventions over a short span of time and changes, if any, in these cannot be strictly considered for impact study. Hence, the composition of assets and investments of the respondents were analysed and are summarized in Table 3.

A study of Table 3 would show that an average SHG member household possessed assets worth of Rs.4322.96 and Rs.3768.52 in pre-SHG situation and Rs.8902.58 and Rs.7594.72 in the post-SHG situation, respectively in Kumaratchi and Mel Bhuvanagiri blocks - an average increase of 105.94 per cent and 101.53 per cent in Kumaratchi and Mel Bhuvanagiri blocks, respectively.

Among the different types of assets, livestock was the major asset in both the blocks, followed by consumer durables. The concentration of assets in the form of livestock might be due to the income generating and easy liquidity position offered by them. It could also be inferred that increase in the assets position of consumer durables might be due to the unconscious wants of the respondents which they got satisfied as and when they could spend on them, i.e., when they were financially sound. The increase in the value of assets in the post- SHG situation is due to the increase in the employment and skill upgradation in the production activities which resulted from the various training programmes attended by the women SHG members.

4. Utility of SHGs

The SHG programme aims to provide credit plus related services (training) and also focus on empowerment of the members with emphasis on women. However the perceptions and expectations of the people who joined the SHG programme may be quite different. It is important to know, for the purpose of reconciling the programme objectives and expectations of the people, the

Table 4 : Utility of SHGs as Ranked by Sample Respondents

S. No.	Particulars	Blocks	
		Kumaratchi	Mel Bhuvanagiri
1.	Link to get loan from banks	I	I
2.	Agency to get training	II	III
3.	Skill upgradation on production activities	III	II
4.	Elevates social status	IV	IV
5.	Agency to solve social problems	V	V
6.	Link to other agencies of government	VI	VI

perceptions of the respondents of the SHGs. The opinions of the SHG members on the utility of SHGs were analysed through Garrett Ranking Technique. The results are presented in Table 4.

It was found that among the different utilities, the members ranked “link to get loan from banks” as their first and foremost advantage of the SHGs. Also, it could be noted that the respondents in both the blocks had given priority to “agency to get training” and “skill upgradation on production activities”.

Besides, their joining in the SHGs has elevated their social status because of the opportunities available to be self employed with the trainings undergone on various skills. They also perceived the SHGs as agencies to solve their social problems and as a link to other government agencies. Thus the members could achieve their objectives through collective actions by coming together to fight for common and worthy causes.

Now-a-days, the activities of the SHGs have become multi-dimensional and encompass works like solid waste management, marketing etc., which would place their

services indispensable at the village / town level. These activities would enrich the quality of life of the poor. Hence efforts may be initiated to impart the required training to the members on the identified new ventures.

It is also emphasised that policy planners might think of launching evaluation studies of such programmes on a continuous basis, so as to understand and undertake efforts to make the SHGs succeed.

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