

# Impact of SHGs on socio-economic status of women members in Latur district of Marthwada region

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## ABSTRACT

The present investigation was conducted in villages of Latur district of Marthwada region of Maharashtra state to examine the impact of SHGs on socio-economic status of the members. The chairman or secretary or one of the the active members of the group was interviewed for collecting the information. The findings revealed that employment generation was higher in elder age group of SHGs. However, per family employment generated in goat keeping was comparatively less than employment in buffalo keeping activity. Percentage on food consumption decreased after joining SHG in both age groups. It indicated clearly that there was positive impact on the income of respondents. The proportion expenditure on traveling and recreation, education and housing etc. also increased due to participation in SHG. The absolute amount of money expenditure increased on the above said items of the family budget. This is obvious that if income increases it is spent on traveling, education and housing etc. The total income was found increased after joining the activities of SHGs. This study will be useful to the planners, research workers and NGOs for the expansion of the scheme on large areas covering large population for achieving the national goals.

## INTRODUCTION

The collective of individuals, usually small group of persons, is formed into "self help group" (SHGs) that provides mutual aid to each other around common problems and operate under such concepts as self-determination and joint responsibility they work together to achieve specific behavioural, attitudinal or cognitive goals. The group is the central component and everyone works with each other for the group's further development and individual needs are met in the process. Self-help group has, therefore been developed as a means of dealings with commonly shared social, emotional and physical problem conditions.

Now-a-days SHGs are fast emerging as powerful foot of socio-economic empowerment of the poor in rural areas. SHG is a small body formed by the people for meeting their specific objectives, particularly credit (Das, 2003). It is managed by the

rules and regulations formed by them and functions on democratic principles. In self-help groups, it is assumed that all poor households need to save and have the inherent capacity to save small amount regularly, early access to credit is more important than cheap subsidized credit which involves intricate bureaucratic producers; the poor are the best judge of their credit needs and are good.

SHGs are extremely useful in generating savings, ensuring successful delivery of credit to individual rural poor and effecting recovery in addition they serve as an ideal mechanism for bringing women out of their homes, making them more articulate and honing their leadership qualities and their skill as motivators (Sentbil and Sekar, 2004).

Women play a significant role in domestic and socio-economic life of society. Therefore, national development is not possible without this important sector. Today more than ever before there is an emphasis on planned and desirable

change, especially in the rural societies of developing countries. But the success of these programmes largely depend on the rational decision making process in the primary sector where women have to play an important role (Indira Kumari and Sambasiva Rao, 2001).

Till recently, women under the Indian rural set-up were not able to actively participate income generating economic activities due to historical and socio-cultural reasons. Illiteracy, low level of skills, lack of access to training and credit facilities, coupled with lack of entrepreneurship, invisible contribution to family economy, restricted mobility, etc. as a result of gender bias are some of the contributing factors since the early eighties, the NGOs have developed an approach of promoting informal groups of the poor especially for women in the rural areas. Although the models of development varied among NGOs the commodality of the basic philosophy of empowering rural poor runs through these organizations.

Keeping these in view, the present study was proposed. The objective of the study was to examine the impact of SHGs on socio-economic status of the members. This study will be useful to the planners, research workers and NGOs for the expansion of the scheme on large areas covering large population for achieving the national goals.

## METHODS

The Latur district was purposively selected for the present study. Out of twelve selected SHGs, all the members were undertaken for the study making total 130 respondents. Further, they were classified on the basis of age group and activity basis for income, expenditure and employment

generation. Out of total sample, 56 belonged to younger age group (1-3 years) of SHGs and 74 belonged to elder age group (4-7 years) of SHGs. On the basis of activity out of total sample, 52 belonged to goat units and 78 belonged to buffalo units.

The required data were collected in specially designed and pretested schedule by personal interview method. The other information was collected from the office of DRDA, Latur and other published, sources, regarding formation of SHG their salient features, functioning, maintenance of record etc. The data were analyzed by using simple tabular analysis and most of the findings were described in percentages.

## OBSERVATIONS AND ANALYSIS

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

### Change in income :

It is expected to improve the organizational, economical and social condition due to participation in SHG. In the present study, efforts were made to quantify such changes and presented subsequently. Increase in income before and after participation in SHG is presented in Table 1. All the selected members according to their age groups were examined about their family income following before and after approach. It is observed from the table that in the younger group of SHG Rs.12423.35 increased by Rs. 7583.10 and in the elder group annual family income. The change in income was 51.13 per cent in respect of elder group followed by 32.88 per cent in the younger age group of SHG. Increase in income in elder group

Particulars	Income		Total change	Percent change
	Before	After		
<b>1-3 years age group (Rs.)</b>				
Total of SHGs	1291310	1715952	424642	32.88
Per SHG	258262	343190.4	84928.4	32.88
Per family	23059.1	30642.2	7583.1	32.88
<b>4-7 years age group (Rs.)</b>				
Total of SHGs	1790710	2711038	919328	51.13
Per SHG	255815.71	387291.1	131332.49	51.13
Per family	24198.78	36635.64	12423.35	51.13

Particulars	Earning members	Before employment days	After employment days	Total change (days)	Percent change
1-3 years age group	154	202.5 (49.00)	269.72 (47.44)	67.22	33.19
4-7 years age group	174	210.74 (51.00)	298.86 (52.56)	88.11	41.81
Over all average	164	206.62 (100.00)	284.29 (100.00)	77.66	37.5

Figures in parentheses are the percentages to the total

was higher because of better functioning and larger activities of group. The average annual income per family from all the sources was Rs. 24198.78 before the participation in SHG and it was increased by Rs. 36635.64. The change in income *i.e.* Rs. 12423.35 (51 %) was due to the participation in SHGs.

**Employment generation :**

Generation of employment by starting an economic activity is the main objective of SHG. The persons are potential to do the work but many times throughout the year work is not available. So, the valuable component *i.e.* labour is wasted. As there is no work and employment to rural women, therefore they can not earn. Some times there is possibility of migration in search of work. To see the effect of SHG members in providing employment and enquiry was made and results are presented in Table 2.

At the overall level on an average per member per annum 206.62 days was the employment available before joining the SHG, which increased to 284.29 days after joining the SHG. It means on an average, 77.66 days employment was created (37.50 %). In the younger group of SHG, each member per year got employment to the extent of 269.72 days whereas it was only 202.5 days before joining the group. About 42 per cent increase in employment was recorded in elder group. From the above, it is inferred due to participation in SHGs

employment is generated.

**Annual income and expenditure on activity :**

Activity wise annual gross income, expenditure and net income generated are presented in Table 3. It is revealed from the table that per family annual gross income from goat activities was Rs. 13949.19 followed by buffalo rearing activity (Rs. 8762.87). As regard per family average annual expenditure in both the activities was noted more or less equal, Rs. 3583.26 and Rs. 3606.85 goat and buffalo keeping, respectively. This is because per family member of goats and buffaloes were 11.79 and 1.47, respectively. If it is considered per animal average annual expenditure, it was calculated to Rs. 320.15 for per goat whereas Rs. 2446.39 per buffalo. The annual per family net income generated through goat activity was about to Rs. 10366 followed by buffalo rearing Rs. 5156. The net income from goat activities is generated double than buffalo activities, it is because better functioning and more age of SHG. The efforts were made two workout overall annual average gross income, expenditure and net income from both activities. It is seen from the table that over all average gross income from the both activities was Rs. 10837.40, whereas average expenditure was Rs. 3597.42. The annual overall per family net income generated was about Rs. 7240.00 through the both activities. This increased income was due to participation in SHGs.

**Table 3: Activity wise annual income, expenditure and net income (In Rs.)**

Particulars	Goat keeping (N=52)	Buffalo keeping (N=78)	Total	Overall average of activity
Number of SHG	5	7	12	--
Number of members	52	78	130	--
Number of live stock animals	582	115	697	--
Gross income from activity (Rs.)	725358	683504	1408862	10837.40
Per family (Rs.)	13949.19	8762.87	--	--
Expenditure (Rs.)	186330	281335	467665	3597.42
Per family (Rs.)	3583.26	3606.85	--	--
Net income (Rs.)	539028	402169	941197	7239.98
Per family (Rs.)	10365.92	5156.01	--	--

**Table 4: Employment generated through buffalo and goat keeping**

Particulars	Goat keeping	Buffalo keeping	Total	Overall average
Number of SHGs	5	7	12	--
Number of members	52	78	130	--
Number of live stock animals	582	115	697	--
Number of earning members	115	213	328	--
Employment days	35044	58496	93540	46770
Per SHG	7008.8	8356.57	7795	3897.5
Per family	673.92	749.94	719.53	359.76
Per earning member	304.94	274.62	579.32	285.18

Figures in parentheses indicate percentage to the total

### Employment generated through activity :

Generation of employment by starting an economic activity is the aim of SHG. In the present study, two activities *i.e.* goatary and buffalo rearing was undertaken by all SHG groups. The information on employment with respect to different activity is presented in Table 4. It was observed that per worker per year employment was higher *i.e.* 305 in goat keeping followed by 275 days in buffalo rearing. At the overall level on an average per member per annum 285.18 days was the employment available after joining the SHG. It is concluded that per earning member per annum the employment was more in goat keeping while it was comparatively less in buffalo keeping. This was due to the goat keeping activity started by the members 4-7 years back and they were having more than 11 goats with them. The annual employment per earning member in buffalo activity was noted to the extent of 275 days. It was comparatively lower than goatary because buffalo keeping activity was started three years back and number of animals (1.47 per family).

### Impact of family budget :

Incremental income leads to increase in consumption. This can be seen from the family budget of the selected families. The impact can be quantified by using “before” and “after” approach. Family budgeting is mirror of consumption. By studying the family budgets and expenditure pattern on various items of consumptions the economic condition *i.e.* poor or rich may be identified. Efforts were made in this respect and results are present in Table 5.

It is revealed from Table 5 that percentage on food consumption was decreased after joining SHG in both age

groups. It indicated clearly that there was positive impact on the income of respondents. The proportion expenditure on traveling and recreation, education and housing etc. also increased due to participation in SHG. The absolute amount of money expenditure increased on the above said items of the family budget. This is obvious that if income increases it is spent on traveling, education and housing etc. The total income was found increased after joining the activities of SHGs.

### Conclusion :

There was positive change in the income of the respondents which was observed to the extent of 32.88 per cent in younger group and 51.13 per cent in elder group, similarly employment was also increased to the extent of 37.5 per cent per annum. However, employment generation was higher in elder age group of SHGs. On the basis of activity, the annual net income of all the respondents under goatary was observed to the extent of Rs. 539028.00 which was higher than annual net income received through buffalo keeping (Rs.402169) activity. However, per family employment generated in goat keeping was to the extent of 674 days which was comparatively less than (750 days) employment in buffalo keeping activity. Percentage on food consumption was decreased after joining SHG in both the age groups. It indicated clearly that there was positive impact on the income of respondents. The proportion expenditure on traveling and recreation, education and housing etc. also increased due to participation in SHG. The absolute amount of money expenditure increased on the above said items of the family budget. This is obvious that if income increases it is spent on traveling, education and housing etc. The total income was found increased after joining the activities of SHGs.

Particulars (items of consumption expenditure)	Age group of SHGs			
	1-3 years		4-7 years	
	Before (Rs.)	After (Rs.)	Before (Rs.)	After (Rs.)
<b>Consumption expenses on :</b>				
Food	257086 (53.18)	242757 (41.76)	389993 (58.23)	362053 (46.72)
Clothing	111188 (23.00)	146913 (25.28)	175205 (26.16)	220919 (28.52)
Housing	54628 (11.30)	71564 (12.31)	64831 (9.68)	92316 (11.92)
Traveling	20881 (4.32)	38704 (6.66)	15069 (2.25)	42621 (5.50)
<b>Expenses on education :</b>				
Primary	11168 (2.31)	18499 (3.18)	12524 (1.87)	23429 (3.02)
Secondary	20111 (4.16)	46010 (7.91)	10046 (1.50)	27973 (3.61)
College	8363 (1.73)	16860 (2.90)	2075 (0.31)	5557 (0.71)
Total	483425 (100.00)	581307 (100.00)	669746 (100.00)	774868 (100.00)
Per SHG	96685	116261.4	95678	110695.4
Per family	8632.58	10380.4	9050.62	10471.18

Figures in parentheses indicate percentage to the total

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