

Profilistic study of self-help group in Dharwad district

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ARTICLE INFO :

Received : 17.06.2014
Revised : 26.10.2014
Accepted : 08.11.2014

KEY WORDS :

SHG, Income generation, Profilistic study

HOW TO CITE THIS ARTICLE :

Nagnur, Shobha, Chandavari, Veena, Pawar, Vijayalaxmi and Rayanagoudar, Rekha (2014). Profilistic study of self-help group in Dharwad district. *Adv. Res. J. Soc. Sci.*, 5 (2) : 140-145.

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ABSTRACT

The research study was conducted to know the overall status of SHGs in Karnataka and specifically that of Dharwad district during the year 2014-15. In Karnataka, the maximum number of SHGs *i.e.* 23038 was seen Tumkur while next in order was Belgaum 16952. The least were in Kodagu district (2279) and Dharwad district has 7761 SHGs. Four villages from Dharwad taluka were purposively selected for the study based on the highest number of registered SHGs. Only those SHGs registered (2011 official records of District Rural Development Agency) during 2008-09 were selected for the study. The findings revealed that only 03.12 per cent of SHGs had discontinued while 52.83 per cent were involved in some entrepreneurial activity. A sizable number (44.02%) of SHGs were in money saving and lending only. Individual income generation activities were more popular than group income generation. Popular activities were tailoring, Agarbatti and candle making and trading.

INTRODUCTION

The self-help groups (SHGs) in Karnataka were formed and supported by Government, NGO and Banks. They are linked not only to banks but also to wider development programmes. SHG's are usually informal groups whose members have a common perception of need and importance towards collective action. These groups promote savings among members and use the pooled resource to meet the emergent needs of their members including the consumption needs. It is expected that, within the group there should be true democratic culture in which all the members must participate actively in the decision making process by taking part in the discussions. Although the cohesiveness among the members increases when there is homogeneity of the groups in terms of education, occupation, income distribution, sex composition but in the long term stability of SHG's depends on their members loyalty to it and the adequacy of SHG's to meet the growing needs of the members (Rao, 2008). The basic objective of self-help groups is to develop saving capability among the poorest sections of the

society which inturn would reduce the dependence on financial institutions and develop self-reliance. Earlier poverty alleviation programmes of the Government of India had failed in capacity building of the rural masses due to which women became more and more dependent on financial support. However, the SHG movement has provided women the much needed platform to improve their capacities and active participation in both economic and social spheres. The present study was taken up to analyze the profile of the SHGs in Dharwad taluka and understand the dynamics of the self-help groups with the following specific objectives :

- To know the status of SHGs in Dharwad district and Dharwad taluka in particular.
- To study the characteristics of the selected SHGs.
- To know the income generation and other activities taken up by the SHGs in groups and as individual members.

According to Das (2003) women as members of self-help groups can become economically independent by being able to meet their credit needs and avoid exploitation by local money lenders. They also develop leadership qualities and learn to

work in groups which increases.

MATERIAL AND METHODS

The study was conducted in secondary sources of data, which were collected to know the status of SHGs in Karnataka from the official website (Panchatantra) of DRDA. Dharwad district was selected purposively as it is the university head quarters of UAS, Dharwad. The study was conducted during the year 2014-15. Four villages from Dharwad taluk namely, Hebbali, Uppin Betegeri, Kotur and Tegur were purposively selected for the study based on the highest number of registered SHGs as per the 2011 official records of DRDA (District Rural Development Agency). Only those SHGs registered during 2008-09 were selected for the study as it was thought that the SHGs should have at least sustained for five years after formation. A total of 159 SHGs from four villages were therefore selected for the study. A structured interview schedule was developed to elicit the relevant information from respondents. The data were collected by personal interview method from the selected respondents.

OBSERVATIONS AND ANALYSIS

The number of registered SHGs in Karnataka as per the DRDA records (2011) is presented in Table 1 and Fig. 1. The data showed that the highest number of SHGs were in Tumkur (23038) followed by Belgaum (16952), Mysore (14281) and Shimoga (11823). The least were in Kodagu (2,279) followed by Yadigiri (2453). Dharwad with 7761 SHGs contributed to 3.50 per cent of the total SHGs in Karnataka state and stands tenth in the order of ranking. The SHGs are formed by banks, Non-

Table 1 : Group information of Karnataka state

Centre code	Name of the district	No. of SHG's in district	Percentage	Ranking
09	Bagalkot	6518	2.94	12
	Banglore rural	3203	1.45	26
	Bangalore urban	3439	1.55	25
	Belgaum	16952	7.66	02
	Bellary	5312	2.42	17
	Bidar	7785	3.52	09
	Bijapur	5314	2.40	18
	Chamarajnagar	6381	2.88	13
	Chikballapur	3052	1.40	27
	Chickamagalur	6215	2.80	15
	Chitradurga	9641	4.35	06
	Dakshina kannada	8546	3.88	08
	Davengere	4175	1.88	21
	Dharwad	7761	3.50	10
	Gadag	6141	2.77	16
	Gulbarga	5264	2.37	19
	Hassan	11257	5.08	05
	Haveri	11256	5.08	05
	Kodagu	2279	1.02	29
	Kollar	3615	1.65	24
	Koppal	5031	2.18	20
	Mandaya	8944	4.05	07
	Mysore	14281	6.45	03
	Ramnagar	3877	1.75	23
	Raichur	4020	1.85	22
	Shimoga	11823	5.35	04
	Tumkur	23038	10.41	01
	Karwar	7462	3.40	11
	Udupui	6267	2.85	14
	Yadigiri	2453	1.10	28
	Total	221302		

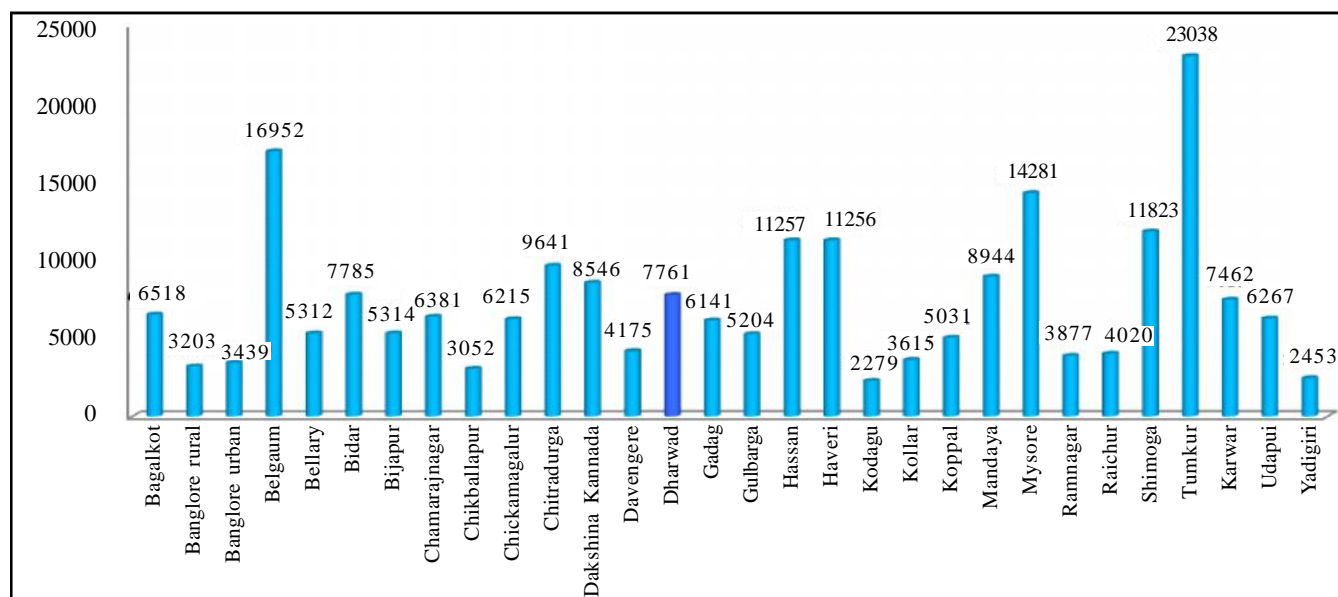


Fig. 1 : Total SHGs in Karnataka state

government organizations (NGOs) and private micro finance institutes (MFIs) and by the line departments of the state.

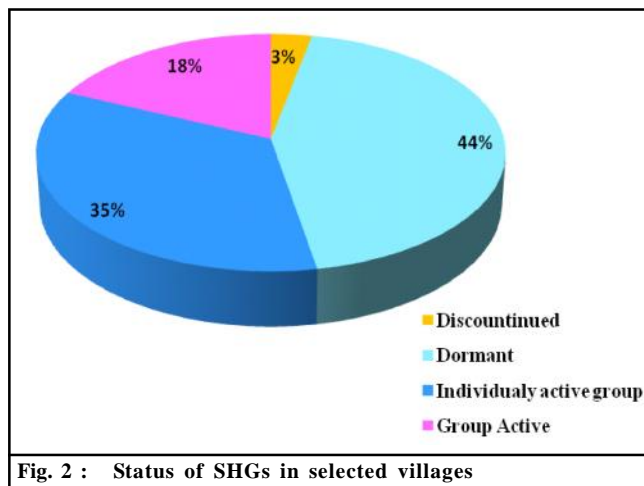
Table 2 depicts the scenario of SHGs in Dharwad district. Of the total 7761 groups, it could be noticed that the highest were in Dharwad Taluka with 2515 SHGs, this was followed by Kalghatagi taluk 1658, Hubli 1438, Navalgund 1103 and Kundagol taluk 1047.

Sr. No.	Blocks	No. of SHG's
1.	Dharwad	2515
2.	Hubli	1438
3.	Kalghatagi	1658
4.	Kundagol	1047
5.	Navalgund	1103
6.	Total	7761

The SHGs registered in four villages of Dharwad taluka are as shown in Table 3. Of the total 478 registered SHGs, 159 were registered in 2008-09. The highest number was in Hebballi with 66 SHGs, followed by Tegur (53), Upinbetegeri (25) and the least were in Kotur with only 15 SHGs.

Total no. of SHG's registered in Dharwad	Villages selected	No. of SHGs in selected villages	No. of SHG's registered in 2008-09
2515	Hebballi	165	66
	Tegur	118	53
	Kotur	98	15
	Upinbetegeri	97	25
	Total	478	159

Table 4 and Fig. 2 show the status of SHGs in the four selected villages of Dharwad taluk. The SHGs have been categorized as discontinued, dormant and active (individual and groups). Out of 159 SHGs registered during 2008-09, four SHGs 3.12 per cent have discontinued, meaning that the members have split and no activities were carried out either individually or in groups. Some important reasons for discontinuance as quoted by the members are; misunderstandings, personal rifts and payment defaults.



Seventy SHGs were in dormant groups which means that the members were involved only in money collection and money lending. The dormant groups are quite high in number because at the very outset women join the groups so that they can avail loans at reasonable rate of interest. The SHG membership has become a boon to poor rural women who find it difficult to avail loans because of collateral. Women lend and borrow money among group members at an interest rate of 2 per cent /month (24%/annum). Group members also lend money to women other than their own group and at an interest rate of 3 per cent and earn some extra money. The interest earned on the group money is shared equally by all the members. SHGs have prevented women from falling into the debt trap and the clutches of the local money lender who at times even charge an interest of 10 per cent / month (120 %/ year).

There were 84 active groups which means these groups were involved in some entrepreneurial activity. An important aspect envisaged in the SHG is to help women take up some income generating activity either on a full time basis or as a source of supplementary income. While 55 groups have taken up individual activity and only 29 groups have taken group enterprises.

Individual activities are seen to be more common than group activities as co-ordination between members is difficult

Selected villages	No. of SHG's registered in 2008-09		Status								
			Discontinued		Dormant		Active				
	F	%	F	%	F	%	Individual activity		Group activity		
						F	%	F	%	F	%
Hebballi	66	41.50	02	1.25	27	16.98	22	13.83	15	9.43	
Kotur	15	09.43	—	—	10	6.28	05	3.14	—	—	
Uppina Betegari	25	15.73	02	1.25	08	5.03	12	7.54	03	1.88	
Tegur	53	33.34	01	0.62	25	15.72	16	10.00	11	6.91	
Total	159	100	05.00	3.12	70.00	44.01	55.00	34.51	29.00	18.22	

because of difference of opinions. Although there were 55 groups in which all members have not taken entrepreneurial activities. The reasons for other members not taking up enterprises are that: most women are agricultural labour so they do not have time to spare and the wages earned by them are substantial about Rs. 120/ day. They are risk averse and fear of losing their money, some of them do not have the knowledge and skill. Lack of tie up with market is also an important reason. The amount of loan available to these individuals through the Swarna Jayanthi Swarojagar Yojana (SJSY) is up to 1 lakh provided the woman has been regular in her contributions and payments for at least one year.

Twenty nine groups have taken group enterprises. The main reason why women go in for group activity is that loan availability for group enterprise is high *i.e.*, upto three lakhs at an interest rate of only 6 per cent along with a 50 per cent matching grant by the government. This is available provided the group has sustained for five years with maintenance of proper records. Normally a group enterprise requires that all members have some role to play in the group entrepreneurial activity. But in the present study we see that few groups usually work this way. The money taken as group loan is shared and the entrepreneurial activity is carried on in their respective homes in case of purchase of machinery like that of papad/roti and vermicelli women invested the group loans but carry out activities independently.

Table 5 shows that majority of SHGs *i.e.* 76.75 per cent called as Stree Shakti are formed by the State Development of Women and Child Welfare. The concept of Stree Shakti programme was launched during 2001-02 and it is being implemented throughout the state to empower the rural women and make them self-reliant. Stree Shakti groups are formed at the village level to inculcate the savings habit in the members to empower them economically. About 15 to 20 women members who are from below poverty line families, landless agricultural labourers, SC/ST women join together. Stree Shakti Groups are formed through Anganwadi workers and taluk federations. In the data of Table 5 it could be seen that 35 SHGs (22.00%) were organized by the NGO Sree Kshetra Dharmastala Rural Development Project (SKRDP) which started in 1982, its SHG movement to Belthangadi Taluk of Mangalore district and presently covers 22 districts of Karnataka.

The ideal size suggested for the success of the SHG is said to be not less than 10 members and not more than 20 members. The present data reflect the same with 70.43 per cent groups having 10 to 20 members. About 29.00 per cent have up to 10 members and only one is a large group of over 20 members.

Regarding the amount of savings, 77.98 per cent saved between Rs. 10-20. Since SHGs normally comprise of poor women, it is natural that they would not be able to save more than Rs. 20. Some (18.24 %) have managed to save Rs. 21-50

Table 5 : Characteristics of SHG's in the selected villages (n=159)

Categories	Total	
	F	%
Name of agency	Govt. Bank	02 1.25
	NGO/ Private micro finance institutions (MFI)	35 22.00
	State Department of Women and Child Welfare	122 76.75
	Department of Agriculture	- -
	Any other	- -
Average size	Small (upto 10)	46 28.95
	Medium (11 to 20)	112 70.43
	Large (>20)	01 0.62
Amount saved	Rs. 10- 20	124 77.98
	Rs. 21-50	29 18.24
	Rs. 51-100	06 03.78
	Rs. >100	- -
Frequency of saving	Weekly	125 78.62
	Monthly	34 21.38
	Quarterly	- -
	Six monthly	- -
	Any other	- -

and only 03.78 per cent saved between Rs. 51-100. The frequency of saving showed that 78.62 per cent saved on a weekly basis and only 21.38 per cent saved monthly.

Table 6 and Fig. 3 show that out of the 84 active groups 29 have taken up group entrepreneurial activities. It could be seen that seven groups have taken up Agarbathi as an income generation activity and four groups were making candles. These two enterprises are usually sustainable because the raw materials are supplied by a particular agency with buy back arrangement. Trainings are also given by the agency on the preparation of Agarbatti and candle making. Three groups each were involved in papad making, vermicelli and poultry. Papad and vermicelli machines are on group ownership basis by availing group loans and are successful because of contacts with other women group in the cities who procure orders. Poultry is mainly backyard poultry for eggs which supplements the nutrition as well as income of the family. Two groups were involved in mango pickle making during summers. Phenyl and soap powder were produced by two groups again on buy back policy.

One group each were involved in sari selling, roti making, vermicomposting, sheep and goat rearing and running a flour mill. Saris are purchased at whole sale rates and sold in the village at retail prices. The Roti machine is purchased from bank loan and each member makes use of the machines and sells the Roti that she makes as an individual. Since loan was granted to the group for dairy two animals were purchased.

Table 6 : Group members in Income generating activity (n=29)

Sr. No	Income generating activities	No. of groups involved	
		F	%
1.	Agarabatti	07	24.15
2.	Candle making	04	13.85
3.	Papad making	03	10.34
4.	Vermicelli	03	10.34
5.	Poultry	03	10.34
6.	Pickle making	02	06.89
7.	Phenyl and soap powder	02	06.89
8.	Sari selling	01	03.44
9.	Roti making	01	03.44
10.	Vermicompost	01	03.44
11.	Sheep and goat rearing	01	03.44
12.	Flour mill	01	03.44

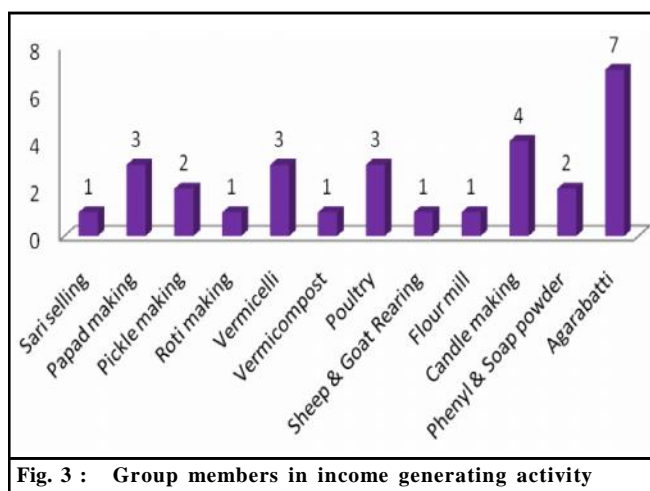


Fig. 3 : Group members in income generating activity

The animals are housed by a handicapped woman since she does not go out to work. She takes care of them while other women bring green fodder from their work place on the farms and also do the milking on turns. The flour mill is installed at a common place. The mill is managed on turns and income earned during that period is collected by the person managing it.

Table 7 and Fig. 4 show that out of 676 members from 55 individual activity, 184 (27.20%) have individually taken up entrepreneurial activities while 492 (72.80%) have not involved in any activity. Individual activities are more popular probably because women prefer to work at their own place and pace. This also reflects poor group dynamics. The most popular income generation activity for individual SHG members was tailoring (18.47%) and next in order was Sari selling (10.86%). About 8 to 9 per cent each were selling fruits and vegetables and cereals and pulses. About 7 per cent each were into vermicelli and dairy. This was followed by poultry (5.44%). About 4 per cent each were selling, grocery shop, pickle, Roti making. A few others were involved in other activities.

Table 7 : Individual group members in income generating activity (n=184)

Sr. No.	Income generating activities	Individuals involved activity	
		F	%
1.	Tailoring	34	18.47
2.	Sari selling	20	10.86
3.	Fruits and vegetable selling	16	8.69
4.	Cereals and pulses selling	15	8.15
5.	Dairy	14	7.60
6.	Vermicelli	13	7.06
7.	Papad making	10	5.45
8.	Poultry	10	5.44
9.	Oil selling	08	4.34
10.	Grocery shop	08	4.34
11.	Pickle making	08	4.37
12.	Roti making	08	4.73
13.	Bangle selling	06	3.27
14.	Candle making	05	2.72
15.	Flour mill	04	2.17
16.	Sheep and goat rearing	02	1.08
17.	Vermicompost	01	0.54
18.	Phenyl and soap powder	01	0.54
19.	Chilli pounding unit	01	0.54

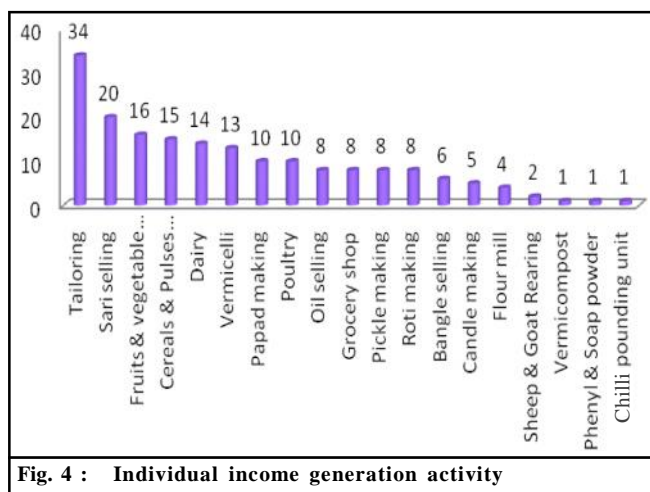


Fig. 4 : Individual income generation activity

Table 8 shows that out of 2001 group members, 511 (25.50%) participated regularly in meeting while 1356 (67.80%) women participated sometimes and 134 (6.70%) never participated in meeting. Cent per cent 2001 (100.00%) women regularly participated in money collection and money lending. About 62 per cent women participated some times in general discussions. About 21 per cent women some times participated in discussion regarding social issues while only 05(0.20%) participated regularly. Most SHG members 1721 (86.00%) never participated in lecture/demonstration, 274 (13.70%) participated

Sr. No	Activity	Regular/Always		Sometimes		Never	
		F	%	F	%	F	%
1.	Conducting meeting	511	25.50	1356	67.80	134	06.70
2.	Money collection	2001	100.00	–	–	–	–
3.	Money lending	2001	100.00	–	–	–	–
4.	General discussion	46	02.30	1257	62.80	698	34.90
5.	Discussion regarding social issues	05	0.20	415	20.70	1581	79.00
6.	Lecture/demonstration	06	0.30	274	13.70	1721	86.00

*Note: more than one response is possible

sometimes and only 06 (0.30%) participated regularly. It is therefore evident that women have joined the groups for money saving and lending rather than for socializing or for community development. The individual development is more prominent here than benefiting the community at large. Mishra (2005) on unorganized garments sector; Gunasekaran (2010) on micro credit and women employment; Surender and Kumar (2010) on SHGs impact on employment generation and Vinaya Gamoorthy (2007) on women empowerment through SHGs in Tamil Nadu also worked on the related topic and their results coincides with the results of present work

Conclusion :

The findings revealed that SHG movement is quite strong in Karnataka with the State Women and Child Welfare Department taking a major role in formation of the groups. Women mainly join groups to save money so that they have easy access to loans. Most groups although many are only into saving and lending have survived for at least five years. It was also seen that individual income generation activities were more popular than group income generation. Popular activities were tailoring, Agarabatti and

candle making and trading.

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