



Research Article

Empowerment of rural women through Self-Help Groups

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SUMMARY : The Self Help Groups (SHGs) are considered to be an important institutional mechanism for poverty alleviation. Primary data were collected through personal interview method from the SHG members worth a well structured and pre-tested schedule. Vansda Taluka was purposefully selected. Based on the highest number of self help groups operating, eight villages were selected purposively from the Taluka for the study. Five SHGs were selected from each village. The SHGs which carried out income generating activities were purposively selected. Thus a total of 40 groups from 08 villages with three members from each self - help group were selected randomly for the collection of required information for the study. Thus the total sample size was 120. The present study was undertaken with the objectives to study the general characteristic features of the members, the loan availed by the members and their savings position, factors motivating the members to join the SHGs and to elucidate the opinion of the members regarding the micro financial institutions. In case of opinion about the functioning of SHGs and Bank / NGO the respondents were asked to give their on a 3 point continuum scale *i.e.*, Yes, Partly and No. The present study shows that rural women were able to increase their savings and income through the help of SHGs. The study emphasizes the importance of the self help promoting institutions like banks and the NGOs. The NGO intervention was the major motivating factor for the women to join the SHGs. The women opined that these institutions were initiators for starting income generating activities and their guidance is needed. There is need to encourage and establish SHGs in all villages for the betterment of poor particularly the women.

KEY WORDS:

Self-help groups,
Rural women

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BACKGROUND AND OBJECTIVES

“Microfinance leads to poverty reduction through a virtuous cycle comprising: low income, credit, investment, more income, more credit, more investment and thus growing income” according to the father of micro-credit system Dr. Mohammed Yunus. In 1984, the federal minister of economic cooperation and the agency of technical cooperation of the Federal Republic of Germany undertook series of studies that resulted in a new policy of self help groups (SHGs) (Dagupta, 2001). In 1991-92 NABARD (2005) launched a pilot project to provide micro credit by linking SHGs with bank. The SHGs’ are implemented with support of Non-Governmental Organizations (NGOs) and banks. The main objectives of the SHGs’ were to focus on empowerment of women, to form self help groups of poor women both in rural and urban

areas, develop skills; facilitate credit linkages for eventual economic empowerments.

RESOURCES AND METHODS

The study was conducted in Navsari District of the Gujarat State. Primary data were collected through personal interview method from the SHG members worth a well structured and pre-tested schedule. Vansda Taluka was purposefully selected. Based on the highest number of self help groups operating, eight villages were selected purposively from the Taluka for the study. Five SHGs were selected from each village. The SHGs which carried out income generating activities were purposively selected. Thus a total of 40 groups from 08 villages with three members from each self - help group were selected randomly for the collection of required information for the study.

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Thus the total sample size was 120. The present study was undertaken with the objectives to study the general characteristic features of the members, the loan availed by the members and their savings position, factors motivating the members to join the SHGs and to elucidate the opinion of the members regarding the micro financial institutions. In case of opinion about the functioning of SHGs and Bank / NGO the respondents were asked to give their on a 3 point continuum scale *i.e.*, Yes, Partly and No.

Category	Score
Yes	2
Partly	2
No	1

OBSERVATIONS AND ANALYSIS

The observations of the present study as well as relevant analysis have been summarized under the following heads:

General characteristics of the members of self-help groups:

The information on socio-economic characteristics of rural women of self help group like age, marital status, educational qualification, family type, caste are presented in the Table 1.

Majority of the members (54.16%) belonged to middle aged group and 39.17 per cent of the members belonged to the

young age group. The women of middle age were more efficient and responsible than their younger counter parts. The results are in line with the findings of Joseph and Easwaran (2006). Marital status of the women indicates that 72.50 per cent of the members were married as most of women belonged to the age group of middle aged (36-50 years). Women tend to leave their village (home town) once they married and as SHGs are a long-term activity and leaving the group in between could affect its progress. About 8.33 per cent of members were widows and the SHG movement could thereby make them self reliant and self sufficient. Majority of the members were educated, the reasons might be due to the education facilities available. Schools are located in the villages and nearby. Educated women are an asset to the groups as they take care of the maintenance of all records and documents of the group. It was noticed that 85.00 per cent of the members belonged to nuclear family and only 15.00 per cent belonged to joint family type. Majority of the members belonged to the SEBC caste category (48.33 per cent) followed by scheduled tribe category (26.67 per cent) who are the economically suppressed class. SHGs encourage and aim at improvement of their living status and encourage persons living below poverty line to join SHG. Kumari, (2011) reported the same.

The Table 2 shows that the majority of the members (81.66 %) opined NGO intervention as the major motivating factor. Majority of the SHGs (81.66 %) were linked to the NGOs which is the major reason. This was followed by the members' intention to start income generating activities which needs

Table 1 : General characteristics of the respondents

(n= 120)

Sr. No.	Category	Respondents	
1.	Age		
	Young (18-35 years)	47	39.17
	Middle (36-50 years)	65	54.16
	Old (Above 50)	08	06.67
2.	Marital status		
	Married	87	72.50
	Unmarried	23	19.17
	Widow	10	08.33
3.	Educational qualification		
	Illiterate	14	11.67
	Primary education (1-4)	25	20.83
	Secondary education (5-12)	38	31.67
	College	43	35.83
4.	Family type		
	Joint Family	18	15.00
	Nuclear family	102	85.00
5.	Caste		
	SC	30	25.00
	ST	32	26.67
	SEBC	58	48.33

Table 2 : Factors motivating the members to join SHG

(n = 120)

Sr. No.	Factor	Frequency (no. of members)	Percentage
1.	NGO intervention	98	81.66
2.	Emulation of others SHG	48	40.00
3.	Initiation by other agencies	14	11.66
4.	SHG is a good means to save money	68	56.66
5.	The intention to start income generating activity	72	60.00
6.	To gain social status by being a part of the group	54	45.00

Table 3 : Details of loan availed and savings of the sample members (in Rs.)

(n=120)

Sr. No.	Particulars	Total amount (Rs.)	Average amount per member(Rs.)
1.	Loan		
	SHG (since inception)	2,83,240/-	2360.33
	Bank	21,82,056/-	18,183.80
2.	Savings / year	1,68,432/-	1403.60
	SHG		

Table 4 : Opinion of beneficiaries about bank / NGO

(n=120)

Sr. No.	Opinion	Yes		Partly		No	
		F	%	F	%	F	%
1.	It is easy to get loan collectively	98	81.66	20	16.67	2	1.67
2.	Easy for repayment due to collective responsibility	44	36.67	74	61.66	2	1.67
3.	Rate of interest if lower than SHG loan	30	25.00	52	43.33	38	31.67
4.	Amount sanctioned by the bank is adequate to perform the activities	28	23.33	89	74.17	3	2.50
5.	Available of technical guidance	42	35.00	54	45.00	24	20.00
6.	Better supervision by the Bank / NGO staff avoids misutilization of loan	54	45.00	62	51.67	4	3.33
7.	Bank / NGO staff gives clear guidance about the scheme	43	35.83	69	57.50	8	6.67

F = Frequency - number of members

investment.

About 56.66 per cent of the members opined that they joined SHG as it is a good means to save money and it might be because their money can be saved in smaller amount/thrifts on weekly basis. Emulation of other SHG and to gain social status was also opined as factors, which motivated 40.00 per cent and 45.00 per cent of the members, respectively.

Loan availed and savings of the members:

The amount of loan availed and the savings of members in SHGs is presented in Table 3. The total loan availed from the sample SHG members since inception was Rs. 2,83,240/- and average amount to each member was Rs. 2360.33 The loan availed from bank was Rs. 21,82,056/- and average amount for each member was Rs. 18,183.00. The members collected their savings in each week and most of the members contributed on the fixed day.

Opinion of beneficiaries about bank / NGO:

The Table 4 presents the opinions of the respondents towards the bank/NGO. Majority of the members opined as yes with respect to ease in getting loan collectively. Nearly 61.66 per cent of the members opined that repayment was

easy due to collective responsibility. With respect to the adequacy of amount of loan sanctioned by the bank to perform the activities, 74.17 per cent of the members opined as partly. 51.67 per cent of the members opined as 'partly' with respect to better supervision by bank / NGO which will avoid misutilization of loan.

It is because the SHGs were formed by NGO intervention and had availed loans from the banks and their supervision avoids misutilization of the loan. About 57.50 per cent of the members opined that Bank / NGO staff partly gave clear guidance about the scheme. The NGO and bank were initiators for starting income generating activities and formation of SHGs and their clear guidance is very much needed. Chauhan (2011) also reported the same.

Opinion of beneficiaries about SHG:

Opinion of the members with respect to SHG is given in Table 5. 72.50 per cent of the members opined that SHG provided timely and convenient credit to the members. About 61.67 per cent of the members opined that the repayment terms were easy. The scheme is beneficial to members in a number of ways as it increases social and economic empowerment of women, 66.67 per cent of the members opined that there was

Table 5 : Opinion of beneficiaries about SHG

Sr. No.	Opinion	Yes		Partly		No	
		F	%	F	%	F	%
1.	Timely and convenient to get credit	87	72.50	30	25.00	3	2.50
2.	Repayment terms are easy	42	38.33	74	61.67	4	3.33
3.	The Scheme is beneficial	68	56.67	46	38.33	6	5.00
4.	No exploitation in money lending	3	2.50	37	30.83	80	66.67
5.	Lower interest rate	105	87.50	10	8.33	5	4.17
6.	Easy procedure in advancing	20	16.67	91	75.83	9	7.50
7.	Increased social participation	88	73.33	12	10.00	20	16.67
8.	Helps in overall development of family	76	63.33	18	15.00	26	21.67
9.	Willingness to continue as members of SHG?	96	80.00	24	20.00	0	0.00

no exploitation in money lending, as the members themselves were involved in leading activities.

About 87.50 per cent of the members opined that the interest rate was lower in the SHGs. The interest rate compared to interest rates of money lenders and other informal sources from which members previously availed was less 75.83 per cent of the members opined that the procedure in advanced was easy in the SHGs. SHGs had increased their social participation as they were involved in social issues participated in meeting and programmes conducted for the social development of the people, 63.33 per cent of the members opined that SHGs had helped in the overall development of the family. It is because through the income generating activities they undertook there was increase in income. Majority of the members (80.00 %) opined that they were willing to continue as members of SHG. It indicates that the members were highly benefited by SHGs. Singh *et al.* (2011) also reported the similar trends.

Conclusion:

The present study shows that rural women were able to increase their savings and income through the help of SHGs. The study emphasizes the importance of the self help promoting institutions like banks and the NGOs. The NGO intervention was the major motivating factor for the women to join the SGHs. The women opined that these institutions were initiators for starting income generating activities and their guidance is needed. There is need to encourage and establish SHGs in all villages for the betterment of poor particularly the women.

Implications:

Income generating activities can be proficiently help to SHGs for overall improvement of the civilization. As per the opinion of the rural women the SHG activities are initiators for

starting income generating activities and their guidance is needed. There is need to encourage and establish SHGs in all villages for the betterment of poor particularly the women. The organizations, institutions and all engaged with rural development should take more care in strengthening of the related SHGs in their operational areas. The SHGs are the best network at grass roots level for betterment of the region with self-employment and self-reliance. It is quiet necessitates of the tribal dominated areas, too.

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