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ROLE OF SELF HELP GROUPS IN SOCIOECONOMIC CHANGE OF RURAL WOMEN: A MICRO LEVEL STUDY



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ABSTRACT :

The self help groups are voluntary association of people formed to attain a collective goal. People who are homogeneous with respect to social background, heritage, caste or traditional occupation come together for a common cause to raise and manage resources for the benefit of the group members. The Self Help Groups are generally formed by promoter agencies as a facilitating mechanism in extending micro finance and have been used to generate income and employment, alleviate poverty and social transformation, especially in the rural areas. The most important feature of SHGs is that most of these groups are being organized by women. The objectives of the study is to evaluate the role of Self Help Groups in the overall growth of rural women with their socioeconomic

empowerment and also to assess the perception of beneficiaries about the role of SHGs and to analyze the changes, if any in the socio-economic, cultural, and behavioral conditions of the members after participation in the SHGs. The study also aims to find out the major problems faced by SHGs in the study area. The study is undertaken in rural areas of Dinhata-II. Both primary and secondary data's are used. Primary data is enumerated from a field survey in the study region. A sample of 10 SHGs have been taken to study the various aspects of the SHGs viz. educational profile, economic status and occupational pattern etc. pre and post SHG formation. It has also empowered women members substantially and contributed to increased self confidence and positive behavioral changes in the post-SHG period as compared to the pre-SHG period.



KEYWORDS: *Self help groups, Savings, Socio-economic change, Women empowerment.*

INTRODUCTION

Self help group (SHG) is emerging as a powerful tool for poverty alleviation, women empowerment, creating awareness and ensure sustainability of environment which finally results in sustainable rural development. Women's empowerment became a critical pre requisite of the socio-economic development of any community. Empowerment of women social and economical and help improve women's position in society. Empowerment is a process that addresses all sources and

structures of power. The process has to work both at individual and collective level. Individually poor women cannot overcome powerlessness. They can do it only collectively. Hence, women have to be organized and have to be acknowledged as a political force. It involves equal participation in decision making, control over resources and mechanisms for sustaining these gains.

According to NABARD (2005), Self Help Group is a group with “an average size of about 15 people from a homogenous class. They come together for addressing their common problems. They are encouraged to make voluntary thrift on a regular basis. They use this pooled resource to make small interest bearing loans to their members. The process helps them imbibe the essentials of financial intermediation including prioritization of needs, setting terms and conditions and accounts keeping. This gradually builds financial discipline in all of them. They also learn to handle resources of a size that is much beyond the individual capacities of any of them. The SHG members begin to appreciate that resources are limited and have a cost. Once the groups show this mature financial behavior, banks are encouraged to make loans to the SHG in certain multiples of the accumulated savings of the SHG. The bank loans are given without any collateral and at market interest rates. The groups continue to decide the terms of loans to their own members. Since the groups’ own accumulated savings are part and parcel of the aggregate loans made by the groups to their members, peer pressure ensures timely repayments.”

The SHGs are mainly focused on poor women which provide independent sources of income outside the home and expose to a new sets of ideas, values, and social support. Women are more thus become assertive and confident in creating its own assets and play a stronger and strengthening role in decision making role towards family development. Many research studies have found that “having cash in hand and greater control over it can lead to empowerment of women”. Microfinance is both financial access and tool of poverty alleviation of rural poor and would help in improving the quality of life in rural area. Women self-help group are increasingly being used as a tool for various developmental interventions. Through forming informal SHGs, rural women are getting credit and extension support for various production oriented income generating activities.

Women self-help group are increasingly being used as a tool for various developmental interventions. Through forming informal SHGs, rural women are getting credit and extension support for various production oriented income generating activities. Development experience shows that gender inequalities are a major factor impeding progress towards the Millennium Development Goals of poverty reduction. This is particularly true in rural areas; where women are generally involved in productive work but lack of access to assets hamper them to play this role effectively. As result of this imbalance, rural woman are often more vulnerable to poverty than men, and their limited ability to secure assets independently makes them more likely to be negatively affected by ongoing changes in rural markets and institutions. In this paper researcher try to examine the role played by SHG in change of socio-economic conditions of women, i.e., empowerment are considered into three dimensions namely psychological, social and economical.

OBJECTIVES:

The present paper aims to study the following aspects of SHGs of Dinhat-II block:

- To evaluate the role of Self Help Groups in the overall growth of rural women with their socioeconomic empowerment.
- To assess the perception of beneficiaries about the role of SHGs.
- To analyze the changes, if any in the socio-economic, cultural, and behavioral conditions of the members after participation in the SHGs.
- The study also aims to find out the major problems faced by SHGs in the study area.

METHODOLOGY:

The present study is an empirical analysis of the SHGs and their role in socio economic change of women in rural areas of Dinahata-II block of Koch Bihar district. To achieve the objective of enlightening the role of SHGs in socioeconomic change of women, primary survey has been conducted through structured and pre tested questionnaire on various dimensions before and after joining SHG. Questionnaire has been developed based on inspiring and informative works of Chandrashekar H.M., M.U. Lokesh (2009), Mehta S.K. et.al. (2011), Aruna M. and R. Jyothirmayi, (2011) KUMARI V. (2012), Sarumathi s. and Dr.K.Mohan,(2011) and Tiwari H.D. (2012). A sample of 10 SHGs consisting of 112 members has been taken for the present study based on purposive sampling technique (only those who passed Grade I and operating more than 3 yrs). After the collection of primary data through supplying questionnaire to the respondents, the information is coded, edited, tabulated and presented in the form of tables, in a systematic manner to enable purposeful analysis and for drawing meaningful interpretation. The data are analyzed by statistical techniques such as Arithmetic Mean, Standard Deviations, Paired T-Test, and Likert's scale. Twenty variables covering the impact of micro finance through SHG on psychological, economic and managerial aspects of rural women were identified. These variables are identified and selected from the survey of literature. The measurement was on Likert scale and scores were assigned for each statement. A high score of 5 was given to strongly agreed responses and low score of 1 was given to strongly disagreed statements. The impact of SHG (Kaushik, 1993) has been analysed as follows:-

- i. Income generation = $(Y_t - Y_{t-1})$
where, Y= income per annum; t = post-SHG credit period; and t-1 = pre- SHG credit period.
- ii. Income generation rate (YGNR) = $[(Y_t - Y_{t-1}) / Y_{t-1}] * 100$
- iii. Poverty alleviation rate = $[B_t / B_{t-1}] * 100$
where, B = number of SHG respondents below poverty line.
- iv. Repayment rate (per annum) = $[\text{Amount repaid} / (\text{Credit} + \text{Interest})] * 100$

RESULT AND DISCUSSION:

Profile of the Respondents:

The respondents of the study mainly belong to the age group of 30-40 years as 39.29% of the respondents belong to that group. Only few respondents (10.71%) are found below the age group of 20 and 16.07% of them are in the age group between 20 and 30 and only 10.71% of them are between 50 - 60 age group. 23.21% of the respondents are in the age group of 40 – 50 (figure-1). The respondents in the study cover all sections of society wherein representation of Hindu (55.36%), Muslims (44.64%) are ensured. Moreover, out of 112 respondents 27 belong to general caste, 39 belong to SC community, and 46 belong to OBC and MOBC. The Figure 2, shows that the educational qualification of the respondents. Among the respondents 28.57% of them are illiterates, 46.43% of them have primary education, 19.64% of them have secondary education, only 5.36% of them have degree and there are no post graduates and any other

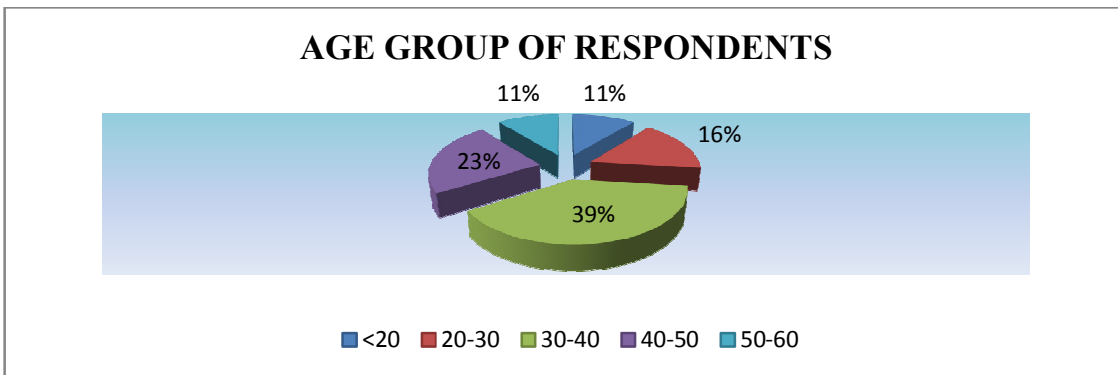


Figure: 1 *Distribution of respondents on the basis of age*

qualification among the members of SHGs in the study area. Moreover, majority of the respondents are married and they live in nuclear family. The duration of membership of the respondents varies from 3 years to 7 years. However, 42.36 % of the respondents are members for a period of 5 years, 28.5% for a period of 6 yrs and respondents belonging to 7 years, 3 years and 4 years category are insignificant.

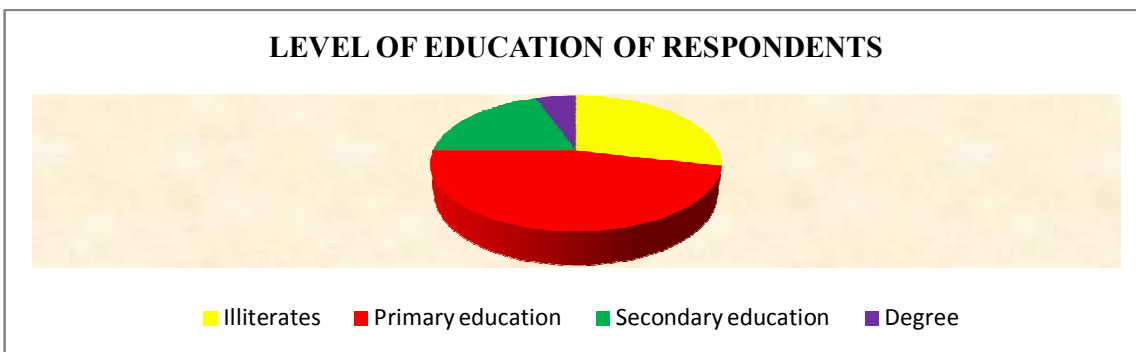


Figure 2 *Level of Education of Respondents*

Social Impact and Empowerment of SHG members:

The impact of SHGs on the psychological, economical and social well being i.e. empowerment was measure on Likert scale and scores were assigned for each statement. A high score of 5 was given to strongly agreed responses and low score of 1 was given to strongly disagreed statements. The analysis reveals that the social status and empowerment of respondents women were increased after joining SHGs. Women are economically and socially empowered after joining the SHG was assigned the first rank, followed by Women undertake income generating activity. The third benefit enjoyed was moving independently and the fourth increased managerial abilities of women. The subsequent ranks were given to role in decision making, expressing opinion freely, and self confidence. Thus, the benefits derived from the SHGs have contributed to improvement of both human and economic capabilities of the sample respondents. It is also observed, that social and economically empowerment of women was assigned the last rank (20th) in pre-SHG period which was increased to first rank in post-SHG period. However, impacts on the different variables are self explanatory from their individual mean and standard deviation. It can be concluded that SHG is having a good impact on the psychological and social condition of the members.

Table:1 *Social change and empowerment of respondents through SHGs*

Sl. No.	Variables	Pre-SHG			Post-SHG		
		Mean	SD	Rank of Mean	Mean	SD	Rank of Mean
1	Psychological well being	1.98	0.834	14	4.098	0.64	9
2	Self confidence	2.143	0.865	10	4.268	0.551	7
3	Self worthiness	2.321	0.826	7	3.045	0.712	18
4	Skill development	1.893	0.588	16	3.732	0.734	13
5	Improvement in the literacy level	2.616	1.046	4	4.071	0.53	10
6	Awareness on children education	1.948	0.673	15	3.94	0.593	12
7	Awareness on health and sanitation	2.768	1.027	2	4.212	0.682	8
8	Awareness on food and nutrition	2.032	0.894	12	3.573	0.851	14
9	Awareness about the environment	1.764	0.638	17	3.043	0.546	19
10	Reduced family violence	2.064	1.023	11	3.163	0.773	17
11	Happiness and peace in the family	2.542	1.21	5	3.032	0.774	20
12	Women are economically and socially empowered	1.329	0.543	20	4.747		1
13	Poverty reduced	1.761	0.739	18	3.207	0.627	16
14	Income generating activity	2.792	1.019	1	4.643	0.411	2
15	Creation in assets in rural areas	2.026	0.864	13	3.279	0.732	15
16	Managerial abilities of women	2.673	1.03	3	4.429	0.634	4
17	Role in decision making	2.174	0.969	9	4.388	0.593	5
18	Role in groups management	1.654	0.817	19	3.978	0.736	11
19	Expressing opinion freely	2.232	1.052	8	4.313	0.613	6
20	Moving independently	2.42	0.82	6	4.527	0.566	3

Source: Primary data

Economic Impact of SHG Members

Hypothesis-1:

H_0 : There is no difference in mean income of respondents before and after joining SHG.

Since the probability value is <-1.282 ($p < 0.01$, one tailed test), the observed value of t is -14.46 which falls in the rejection region and thus, I reject the null hypothesis at 1 percent level and conclude that mean income after joining SHG is significantly higher than the mean income before joining SHG. Thus the SHG is significantly increasing the salary of the respondents. Before joining the SHG, the mean salary was only Rs. 627.68 per month which was increased to Rs. 1112.05 per month after joining the SHG.

Table 2: Paired t test table for Difference in respondents Income Before and after joining SHG

Income	Mean	N	SD	Std. Error of mean
Monthly income of respondents before joining SHG's	627.68	112	363.81	34.38
Monthly income of respondents after joining SHG's	1112.05	112	301.28	28.47

Table: Paired t test table

Mean	SD	SD. Error of Mean	t	Df
-484.38	354.56	33.50	-14.46*	111

*significance at 1% level

Hypothesis-2:

H_0 : There is no difference between man days employed per annum, before and after joining SHG.

As unemployment and underemployment are the main factors which force to start the SHG, the man days employed per annum is highly significant. Table 3 reveals that SHG have succeeded in providing employment per annum, on an average, to the extent of 277 days (277.32). Paired t test was used to examine whether there is any significant difference between man days employed per annum, before and after joining SHG. The result shows, the calculated t value (-16.45) is found to be significant at 1% level of significance. This implies that there is significant difference in the number of man days employed before and after joining SHG. Before joining the SHG, they were employed only for 170 days (170.67) per annum which was increased to 277 days (277.32) per annum after joining the SHG.

Table:3 Impact of SHGs on economic empowerment

Variables	Calculate Value
i. Gainful Days of Employment per Annum:	
a) Before SHG credit employment	170.67
b) After SHG credit employment	277.32
t-test	-16.45*
ii. Family Income per Annum (Rs.):	
a) Income generation	5930.4
b) Pre-SHG income	24,503.52

Table - reveals income	c) Post-SHG income	30,433.92	3:	also
	t-test	-14.59*		that
	d) Income Generation rate (%)	24.2		
	e) Poverty alleviation rate (%)	38.33		
	iii. Savings and Repayment:			
	a) Average savings per month (Rs.)	59.84		
	b) Repayment rate (%)	19.56		

Source: Primary data

*Significance at 1% level

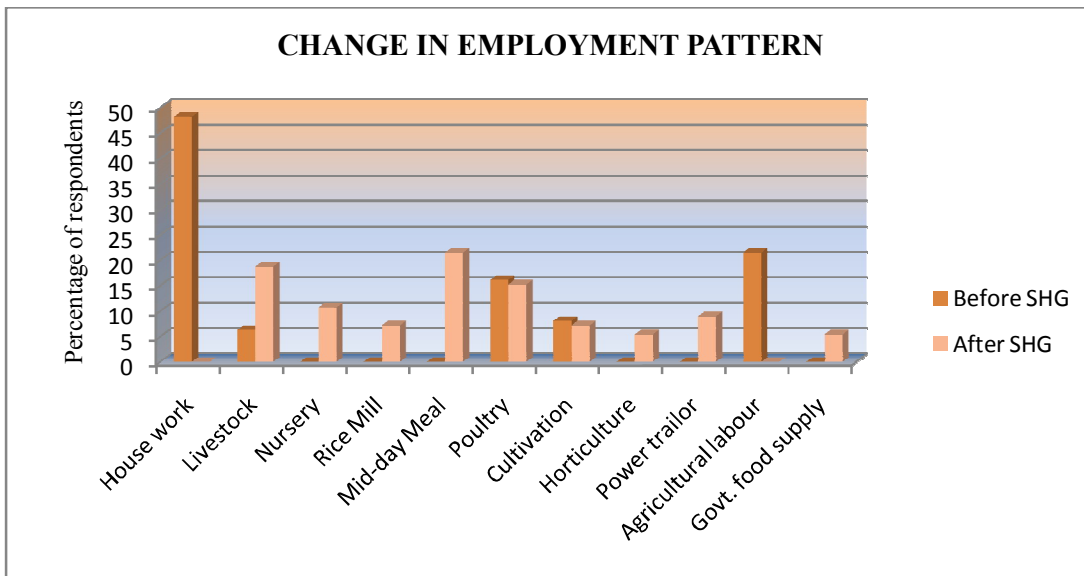
generation per annum amounted to Rs. 5930.4, while income generation rate is 24.2 per cent. The post-SHG annual family income was Rs. 30,433.92, which is significantly higher than the pre-SHG income of Rs. 24,503.52. Poverty alleviation rate emerged substantially low at 38.33 percent under SHG. This implies that the post SHG income has failed to rise above the poverty line minimum of Rs. 24,000 per annum stipulated by the DRDA. The average savings of the respondent per month is Rs. 59.84, while the loan repayment rate is 19.56 percent, which is quite remarkable.

Table - 4 illustrates details on the nature of activities undertaken by the SHG respondents. The percentage of women spending their time in household work has been reduced from 48% to 0% this indicates that they are finding gainful employment after joining SHG. It shows 43 per cent of the sample respondents to be engaged in non-agricultural activities after joining SHG such as rice mill (7.14%), mid day meal (21.43%) power tailor (8.93), and govt. food supply (5.36%) and the rest (57%) in agricultural activities. It indicates that majority of them prefer more regular employment providing activities, which are either non-farm in nature or agricultural activities, such as livestock (18.75%), nursery (10.71%), poultry (15.18%), cultivation (7.14%), and horticulture (5.36%).

Table:4 Change of employment pattern Pre SHGs and post SHGs

Sl. No.	Nature of work	Pre- SHGs	%	Post-SHG	%
1	House work	54	48.21	0	0
2	Livestock	13	6.25	21	18.75
3	Nursery	0	0	12	10.71
4	Rice Mill	0	0	8	7.14
5	Mid-day Meal	0	0	24	21.43
6	Poultry	12	16.07	17	15.18
7	Cultivation	9	8.04	8	7.14
8	Horticulture	0	0	6	5.36
9	Power tailor	0	0	10	8.93
10	Agricultural labour	24	21.43	0	0
11	Govt. food supply	0	0	6	5.36
	Total	112	100	112	100

Source: Primary data



Hypothesis-3:

H_0 : There is no difference in mean savings per months before and after joining SHG.

Savings provide financial strength to the family to meet the contingencies. To assess the increase in the savings, savings before and after joining the SHG was compared. Table 3 reveals that mean monthly savings increased from Rs.69.6 to Rs.194.82. The increase in percentage was 199.14. The result shows, the calculated t value (-6.51) is found to be significant at 1% level of significance. This implies that there is significant increase in the amount of savings after joining SHG.

Table - 5: Paired t test for savings per months before and after joining SHG

Savings	Mean saving (Rs)	SD	t	Increase after joining SHG (%)
Monthly savings of respondents before joining SHG's	69.6	69.44	-6.51*	199.14
Monthly savings of respondents after joining SHG's	194.82	207.72		

Source: Primary data

*Significance at 1% level

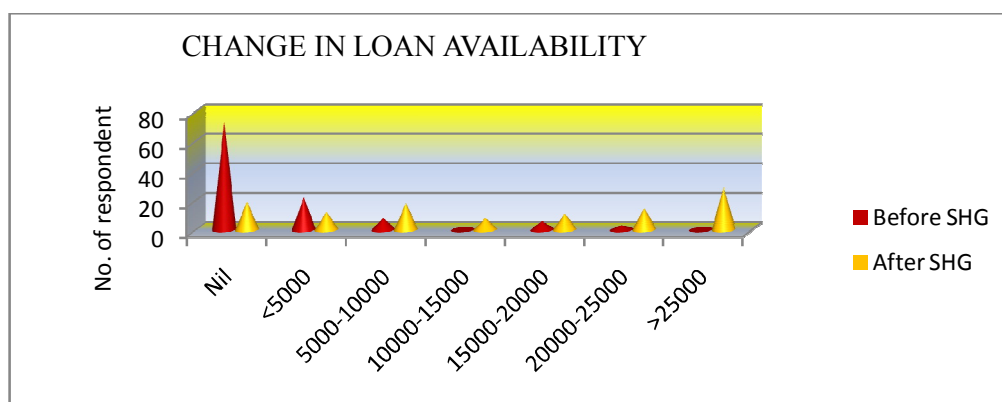
Table 6: Size of loan taken by respondents

Amount in Rs	Pre- SHGs		Post- SHGs	
	Number	%	Number	%
Nil	73	65.18	19	16.97
<5000	22	19.64	12	10.72
5000-10000	8	7.14	18	16.07
10000-15000	0	0	8	7.14
15000-20000	6	5.36	11	9.82

20000-25000	3	2.68	15	13.39
>25000	0	0	29	25.89
Total	112	100	112	100

Source: Primary data

Table- 6 presents the changes that occurred in the size of the loan taken till now by the SHG members. It is found that there have been 8.93, 7.14, 4.46, 10.71 and 25.89 per cent increase in SHG members from the pre SHG period, who had taken loan <Rs. 5000, Rs. 5000-10000, Rs. 10000-15000, Rs. 15000-20000, Rs. 20000-25000 and >Rs.25000 in the post SHG period, while there has been a decrease of 48.21 per cent members who had not taken till now. It can be concluded that SHG is having a good impact on the drawing pattern of the members.



TabTable- 7: Problems and constraints in SHGs

Sl.No	Variables	Mean	SD	Rank of Mean
1	Criticism by members in the family	2.172	1.026	11
2	Criticism by non-members of SHG	3.012	1.279	9
3	Criticism by bank employee	1.984	1.131	12
4	Inadequate time	3.482	1.201	5
5	Inadequate support in the family	2.849	1.047	10
6	Inadequate loan amount	4.021	1.018	3
7	Delay in getting loans	4.428	0.784	1
8	Lack of training	3.264	1.153	6
9	Non availability of raw materials	3.835	0.997	4
10	Marketing of products	4.163	0.983	2
11	Lack of cooperation among members	3.241	1.262	7
12	Absence of rotation of group leaders	3.028	1.14	8

Source: Primary data

The researchers identified 12 key variables that are influencing the performance of SHG such as; criticism by members in the family, criticism by non-members of SHGs, criticism by bank employees, lack of training, inadequate time, inadequate support in the family, inadequate loan amount, delay in availing loan facilities, non-availability of raw-materials, marketing of products, lack of cooperation among members, and absence of rotation of group leaders for the purpose of analyzing the problems and constraints in SHG in the study area.

Table – 7 reveals that the foremost problem encountered by sample SHG respondents was difficulty in getting loan in time, followed by marketing problem in local market. The third is inadequate loan amount and the fourth was marketing problem, while the fifth problem quoted is inadequate time next problem is lack of training. Non-cooperation group members and absence of rotation of group leaders are ranked seventh and eighth problems, followed by criticism by non-members of SHG, inadequate support in the family, criticism by family member and bank employee respectively.

CONCLUSION

The study concludes that SHGs brought psychological and social empowerment than economic empowerment. Impact of SHG is appreciable in bringing confidence, courage, skill development and empowerment. The SHG members feel free to move with their groups and leaders. It leads them to participate on various social welfare activities with good co-operation. The SHG can contribute to changes in economic conditions, social status, decision making and increases women in outdoor activities. These self-help groups, changes the pattern of social interaction. When such patterns change, substantial number of society members assumes new status and play new roles in the community. SHGs in social change imply not only the change of outer form of a community or a society but also in the social institutions as well as ideas of the people living in that society. In other words, it also applies to the changes in the material aspects of life as well as in the ideas, values and attitudes of the people.

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