

ROLE OF SELF HELP GROUPS IN SOCIO-ECONOMIC CHANGES IN SIKAR (RAJASTHAN: INDIA)

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ABSTRACT

Self-Help Groups (SHGs) play a major role in socio-economic change and poverty alleviation in India. SHGs have appeared as popular method of working as a team in rural India in recent years. This movement comes in its own destinies through the principle "By the people, for the people and of the people". The present paper deals with a descriptive study of the SHGs in Sikar district of the state of Rajasthan. It is found that most of the members of SHGs belong to low income grade. The overall finding of the study suggests that the SHG-Bank linkage Programme has significantly improved the access to financial services for the low economic conditions and the reduction of poverty of SHG members and their households.

KEY WORDS: Micro credit microfinance, Poverty alleviation, Saving, Self Help Groups, Socio-economic development.

INTRODUCTION

Self Help Group is now a well known concept. It came into existence almost two decades ago. SHG is village based financial intermediary and usually composed of 10-20 women. Members make small regular savings contributions over few months and until there is enough capital in the group to begin lending. Funds then may be lent back either to one or more members of SHG or to others in the village for various purposes. Many SHGs are 'linked' to banks for the delivery of microcredit. Microcredit is a novel approach of banking with poor with the distinct advantage of high repayments of loans and low transaction cost (Mehta et.al 2011). Various micro finance initiatives have geared up during recent years. In micro credit, NABARDs have two different roles viz., promotional and financial. Promotional efforts assume the form of the SHG-Bank linkage programme

and the facilitating training. Financial involvement is in terms of the providing refinance, revolving fund assistance and grants (Coleman, 1999).

Over the last decade, micro finance has become an accepted institutional frame work for taking financial services to the poor community. Bangladesh has been acknowledged as a pioneer in the field of micro finance. In 1976, Professor Mohammad Yunus from Bangladesh started women's group in his country and developed thrift and savings among the poorest. Now it has developed into a Bank named Bangladesh Grameen Bank. At the end of December 2001, it had a membership of 23.78 lakhs and cumulative micro-credit disbursement of TK 14.653 Crores. India has adopted the Bangladesh's model in modified form to alleviate the poverty and to empower the women (Puhazhendi and Satyasai, 2000).

In India, banks are the predominated agency to deliver micro credit. In 1970, Ilaben Bhat, founder member of 'SEWA' (Self Employed Women's Association) in Ahmedabad had developed a concept of 'women and micro finance'. Today SEWA boasts of running the first women's bank in the country. IN southern India, organizations like PRADAN, MYRADA, ASSEefa, MALAR etc. have entered into the rural credit system. NABARD refinances the banks, which lend to SHGs. In 1991-92 NABARD started promoting Self Help Groups on large scale. It was the real take off point for the "SHG movement". Now nearly 560 banks, Government Institutions and more than 3,024 NGOs are collectively and actively involved in the promotion of SHG movement.

OBJECTIVES

The present paper deals with following aspects of SHGs of Sikar District:

- ❖ To study the economic impact of microfinance during SHG period
- ❖ To study the social impact of microfinance during SHG period
- ❖ To study the empowerment of women and members of SHG
- ❖ To study the economic empowerment of the members which includes
 - a. Change in the standard of living
 - b. Change in the nutrition level of the family members etc.
- ❖ To study the status of a member of SHG in the family and society.

MATERIAL AND METHODS

The present paper is a descriptive study of the SHGs promoted by the Government institutes and NGOs. Government institutes working for promotion of SHGs in Sikar district of Rajasthan. It is necessary to choose the sample size properly. The information regarding institutes that are promoting SHGs was gathered and the sample was designated. The SHGs have been selected by using

convenience sample technique. A sample of 60 SHGs consisting of 625 members has been taken for the present study. Data was obtained by using different questionnaires for interviews of individuals, groups and the heads of the institutes. The questionnaire has been developed based on the earlier studies conducted by various researchers, Information about all the 60 institutes who have promoted these SHGs was collected for the present study. The SHGs promoted by Government institutes were also selected in the sample.

OBSERVATIONS AND ANALYSIS OF DATA

This part of the paper deals with the analysis and interpretation of the primary data that has been obtained through survey which were conducted among the members of selected SHGs promoted by Government institutes and NGOs in Sikar. The data has been analyzed with respect to general profile of SHGs, social impact and empowerment of SHG members.

Social Impact and Empowerment of SHG Members

Social status of the members of SHGs: For individual testing, interviews were conducted with 32% urban and 68% rural SHGs members (Table-1). It has been that sample consists of 75.8% Hindu, 12.2% Muslims, 7.7% Punjabis and 4.3% of other religions (Table-2). The sample contained women from forward class as well as backward class. No group belonging to any particular minority community was found. All the groups were mixed with forward and backward classes. Since SHG programme has economic as well as social implications, it is necessary to evaluate various dimensions of the programme, lack of infrastructure facilities, access of amenities like health, sanitation, education, market, water supply, affect the economic and overall development of the members.

Table-1: The region from where the sample was selected

	Urban	Rural	Total
Response	200	425	625
Percent	32	68	100

Table-2: Religion-wise distribution of the members of SHGs

	Hindu	Muslim	Punjabi	Others	Total
Response	474	76	48	27	625
Percent	75.8	12.2	7.7	4.3	100

Educational status of the members: Table-3, presents the educational status of the SHGs members. Thus, 39.2% members are literate and 4.64% members are illiterate; 40.16% had primary education, 5.6% had studied upto middle school, 5.76 had higher education and 4.64% upto graduation and Post graduation. It can be concluded that microfinance movement and education

have a good impact on members in their ability to express their feelings and has made people more confident to express themselves.

Table-3: Educational status

	Literate	Illiterate	Primary	Secondary	Middle	UG/PG	Total
Response	245	29	251	39	36	29	625
Percentage	39.20	4.64	40.16	5.60	5.76	4.64	100.00

Occupational Distribution: Table-4 presents the occupational distribution of the SHGs members. Total number of members is 625 and out of which 64% members working as agriculture labour, 12% working as a labour in construction company or elsewhere. 7.2 having own business, 5.6% members having jobs somewhere, 5.6% were housewives and 5.6% members are in other jobs.

Table-4: Occupational Distribution

	Agriculture Labour	Labour	Business	Service	House Wife	Other jobs	Total
Response	400	75	45	35	35	35	625
Percentage	64	12	7.2	5.6	5.6	5.6	100

Social exchange in a group: Majority of the members conveyed that by joining SHGs, they have started to come together. Though, this was a general perception. Some of them told that there is not much of affinity between members of different religions. It can be stated that the process of social and cultural exchange has started through the SHGs. (Table-5). Majority of the groups include members from different castes and religions. 96% groups and group members say yes and 4% say no for this type of social change. Nearly all the group members participate in the social, cultural, personnel functions of each others. 96.66% groups say yes for having lunch each others house. This interaction helped them to articulate their problems and improve their self-confidence.

Table-5: Socio exchange in a group

Statement	Percentage said 'YES'	Percentage said 'NO'
Members from all castes and religions are included	96	4
Participation in the religion functions of each other	96.66	3.34
Having lunch at each other's home	94	6

Self confidence and decision making of members: A majority of the members feel that they participate in the major decisions of the family. 56% of the SHG members are allowed to participate in family decisions, which shows that their status in the family is improving. But this can not be said as a universal experience.

Decisions related to rules, regulations of SHGs and rate of interest are made by the groups, as the groups make these decisions all the members approve them. The group formation brought out the hidden talent and leadership qualities among the members. Therefore, it can be concluded that after joining the SHG, the members have improved their status in family, become helpful in family finance and sometimes helped others too.

Frequency of interaction with outsiders and participation in the society: Almost all the members participate in the society. Around 70% of SHG members have started participating in the public function after joining the SHG activity. Above 75% of the SHG members conducted programmes independently Leadership qualities like initiative, decision making, working together, cooperation and confidence are developing. Table-6 presents the changes that occurred in the frequency of interaction with outsiders during SHG period. Members generally got lesser opportunity to interact with bankers, government officials, NGOs and others in the pre-SHG period. This interaction helped them in articulating their problems and improved their self confidence.

Table-6: Frequency of Interaction with outsiders

	YES	NO	Total
Response	42	18	60
Percentage	70	30	100

Economic impact and empowerment of SHG members:

Economic status of the family: The sample contained women from forward class as well as the backward class. No group belonging to any particular minority community was found. Table-7 presents the monthly income of the members during the SHG period. 12% members have less than Rs. 2000 per month; 14.9% members have Rs. 2000-5000; 49.1% members have Rs. 5000-10,000; 19.8% members have Rs. 10,000-15,000 and 4.2% members have Rs. 15,000 and above per month income.

Table-7: Economic status of the family (monthly income)

	Less than Rs. 2000	RS. 2000- 5000	RS. 5000- 10,000	RS. 10,000- 15,000	RS. 15,000 and above	Total
Response	75	93	307	124	26	625
Percentage	12.0	14.9	49.1	19.8	4.2	100

Feeling towards saving: There is a big difference in the response for feeling sense of satisfaction, by having a specific amount in their personal bank account. It seems that individuals are more expressive than the members in the groups. Few members of the groups are feeling that their status in the family and society is improving. It is observed that the first reaction towards the saved money

is feeling of satisfaction. Before it, they have not seen saved money in their balance sheet for fulfilling their basic needs. There is a big gap in their responses.

Change in the cumulative saving pattern of SHG members per month: Table-8 presents the change that occurred in the cumulative saving pattern of the SHG members during SHG period per month. It is found that there has been 56.7% increase in SHG members who are currently saving more than Rs. 2,000 per month. There has been 18.3% increase in SHG members who are currently saving Rs. 1000 to Rs. 1500 per months and there has been 21.7% and 3.3% increase in SHG members who are currently saving Rs. 500 to Rs. 1000 and Rs. 100 to Rs. 500 respectively. It can be concluded that SHG is having a good impact on the saving of the members.

Table-8: Saving by SHG Groups

	100-500	500-1000	1000-1500	1500-2000	Total
Response	2	13	11	34	60
Percentage	3.3	21.7	18.3	56.7	100

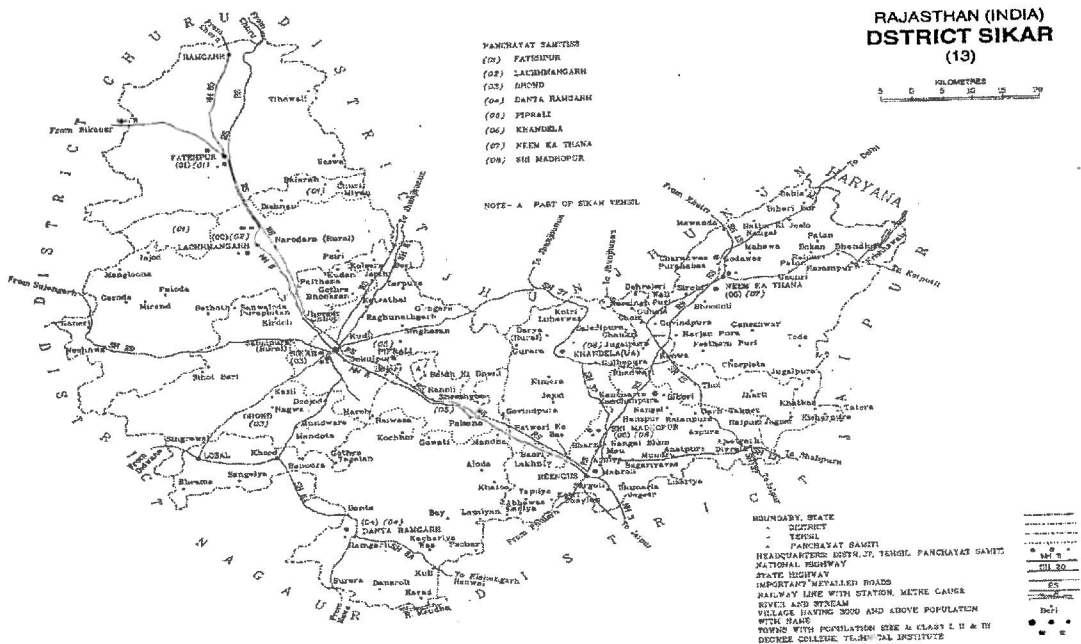
CONCLUSION

It can be concluded that the rural people have been vastly benefited by microfinance. It has helped them in their socio-economic empowerment. The rural people now feel that they can also be partners in the process of rural development by joining the SHG movement. The movement of SHGs is primarily aimed at elevating the status of economically weaker sections of the society. The main and primary requirement of women and their families is to fulfil their financial needs. Undertaking experiments to create new employment opportunities become difficult because of factors such as lack of farm equipments, scarcity of water etc. even if new products are produced, their marketing is problematic. Thus economic problems are overriding all other problems. The rural people have to obtain loans to meet their day to day needs. The money lenders charge exorbitant rates on interest on the loans. The movement of SHGs provided answers to these problems though on a small scale.

However, there are many good results of the movement. The women have started coming together to think about their problems on a scale larger than before. At some places women have begun to consider solving their problems unitedly. The women have acquiring courage to stand before the society. Their confidence level is obviously increasing. They are acquiring knowledge of day to day worldly affairs and their decision making ability in own has increased. The women have acquired somewhat elevated status in their families. Women have started to come out of their homes to take part in social activities. The rural people now feel that they can also be partners in the process of rural development by joining the SHG. The SHG can contribute to change in economic conditions, social status, decision making and increase women in outdoor activities. These SHGs

FACTORS AFFECTING ROLE PERFORMANCE OF PANCHAYAT WOMEN

play a vital role in social change as well as in other changes.



Map of Sikar District

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