



IMPACT OF SELF HELP GROUPS ON WOMEN DEVELOPMENT A CASE STUDY OF RANGA REDDY DISTRICT

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ABSTRACT

Women development and empowerment is a process in which women challenge the existing norms and culture, to effectively promote their well being. The participation of women in Self Help Groups (SHGs) made a significant impact on their development and empowerment both in social and economical aspects. This study addresses women development and empowerment through self help groups in Ranga Reddy District of Telangana. The information required for the study has been collected from both the primary and secondary sources; a multistage random sampling method has been followed. Average and percentage analysis was carried out to draw meaningful interpretation of the results. Garret ranking technique was used to find the reasons for joining the Self help group. Factor analysis was used to measure the relationship between the observed variables.

The results of the study revealed that the SHGs have had greater impact on both economic and social aspects of the beneficiaries. It is suggested that while giving loans to the members, the loan providers have to explain the suitable employment and income generating ventures to be started by the members. Proper encouragement and training should be given to the SHG members to make innovative products by using the available local resources, materials. It is suggest that the Government and non Governmental agencies, public authorities, program designers, policy makers and implementers etc. have to rethink, modify the schemes and coordinate at each stage to reach and provide fruits of the schemes to the poor

1. Introduction:

Even after sixty five years of Independence Indian women steps has not been improved. Various steps have been taken by the Government of India to improve the status of women and achieve women development goal, poverty and unemployment has been increasing in general and women in particular. Development and empowerment of women has emerged as an important issue in our global society in recent times.



2. Origin and Concept of SHGs:

The origin of SHGs is from the brain child of Grameena Bank of Bangladesh, which was founded by Mohd. Yonus. SHGs were started and formed in 1975 in India.

- SHG is a small economically homogeneous affinity group of the rural poor voluntarily coming together to save small amount regularly. Which are deposited in common fund. It is nothing but useful tool to help the poor. SHG is a media for the development of saving habit among the women.
- SHG is a group formed by the community women, which has specific number of members like 15 or 20 in such a group the poorest women would come together for emergency, disaster, social reasons, economic support to each other have ease of conversation social interaction and economic interactions.

3. Review of Literature

Pitt, M and Khandeker, S (1995), who found in their study that due to enhanced credit facilities women was empowered through the increased income as a result women's influence, was high in household decision making.

Anne Marie Goetz (2005), study found that women staff in the Government organizations was more overtly critical of gender relations, and of power relations within their organization, than women in the NGO.

Shakuntla Gupta (2005), study analysed some of the selected socio, demographic, economic, legal, political and socio-cultural indicators of women's development. It revealed that women are under-nourished, malnourished and suffering from anemia. Women are far behind men in education. Women are lagging behind in personal decision making. The study indicates that every 10th women in India is not involved in any decision. Women are in charge of house management but have a little freedom to move out or to be involved in the major decisions of their personal requirements.

The SHGs in our Country has become a source of inspiration for women welfare. Now days, formation of SHG is a viable alternative to achieve the objectives of rural development and to get community participation in all rural development programs. SHG is also a viable



organized set up to disburse micro credit to the rural women and encouraging them to enter into entrepreneurial activities (**Prasant Sarangi, 2003**)

Loveleen Kacker (2006)^v, study on SHGs and Women, revealed that enhancing women's access to resources for better quality of life including those for drudgery reduction and time saving devices and increased control of women particularly poor women over income and spending through their involvement in income generation activities which will indirectly help in poverty alleviation. The study concludes that there were positive results.

P.Loganathan and R.Asokan (2006), study on Inter Regional Development of Self Help Groups in India, analyses the inter regional performance of SHGs in terms of their total number, level of credit and per capital credit per SHG and revealed that SHGs have provided access to credit to their members, promoted saving, reduced dependence on money lenders and above all empowered rural women. The study concluded that various other reviews and evaluations of SHG programs suggest that SHGs have provided access to credit to their members; helped to promote savings and yielded moderate economic benefits; reduced the dependence on moneylenders; and resulted in empowerment benefits to women. On the other hand field reports of this study also suggest that contrary to the vision for SHG development, there is greater evidence of social empowerment rather than significant and consistent economic impact; and financial skills of group members have not developed as planned.

Neera Burra et al (2005), cites Shashi Rajagopalan study concludes that access to micro credit has changed the lives of individual women. According to Shashi Rajagopalan study, due to SHGs loan women had entered the rice and moori business and set up shops for the first time. In these family businesses, women raised the finance and also undertook most of the production and marketing. Due to SHGs activities women joint business had succeeded, they had opened a whole new world for women, in the fields of strategic planning, negotiation with tough traders, procurement, storage, weighing and marketing. Most women sent their girl and boy children to school although most tended no to educate girl children as much as the boys.

Amal Mandal (2005), study on Swarnajayanti Gram Swarozgar Yojana and Self Help Group: An Assessment, reveals that the Grameen model of Bangladesh is relatively stronger than the SHG. When a group consists of genuine poor or disadvantaged section, such autonomous nature



poses more problems. It is advised that monitoring and intermediary role should be played continuously, at least until the group takes up economic activity.

R.Seenivasan (2005), study on Impact of DHAN Foundations Kalanjiam Community Banking Program, reveals the impact of the program on their women members compares results of similar such projects operated by others. It indicates that the groups are successful in mobilizing vast funds for various purposes through the groups and reduced the dependence of the usurious money lending practices considerably. The group is seen as an institution for the savings, loans and insurance activities by the members apart from taking up considerable social development activities.

There have been very limited studies, which assessed the impact of Self Help Groups on women development, women empowerment in terms of employment generation and income generation, and poverty reduction. It is inferred that no attempt was made to analyze the women development through self help group in terms of employment, income generation and occupational shift. Therefore, the present study intends to fill these gaps and extend a theoretical and empirical frame work in this research field of self help group impact on women development. In addition it assumes significance and relevance.

4. Objectives of the Study

The general objective of the study is to assess the Impact of SHGs on socio and economic characteristics at household level.

5. Methodology

Sources of Data

The present study used primary data. By means of a questionnaire, primary data was collected from the SHG beneficiaries, who obtained loan during the years 2012-2013. Two financial years were the time period for the study.

Sample Section

The study adopted a multistage sampling method. In the first stage Self Help Groups were identified and selected purposively. In the second stage mandals were selected on the basis of SHG beneficiaries' concentration among the mandals in the district during the study period i.e. 2012-2013. In the third stage villages were identified on the basis of the more concentration of the SHGs. In the fourth stage Self Help Groups were identified from the



selected villages. In the fifth stage sample SHG beneficiaries from the identified SHG groups were selected proportionately and were grouped on the basis of their social status to represent proportionately from all groups depending on their social background. The present study total sample constituted 115 respondents. Through administered questionnaire information was collected from each selected SHG group member for the impact analysis.

Methods of Data Analysis

- Measures of central tendency such as mathematical averages and positional averages;
- Measures of dispersion such as range, quartile deviation, mean deviation and standard deviation and their coefficients; and
- Measures of sampling distribution such as t-distribution, chi-square distribution and F-distribution were employed to analyze and test the relationships specified in the study.

Descriptive Statistics of the Variables

Variables	Number of Respondents	Minimum	Maximum	Mean	Standard Deviation
Age (years)	115	18	60	33.63	9.68
No. of Working Days	115	109	360	268.23	54.89
No. of Children	115	0	6	2.02	1.40
No. of Earners	115	1	3	1.80	0.42
No. of Dependents	115	0	6	2.31	1.42
Land (Acres)	114	0.00	3.00	0.34	0.64
Loan Taken (Rs)	115	2000	45000	14852.17	8982.68
Group loan (Rs)	115	60000	585000	219130.43	133242.72
Income before (Rs)	115	1000	20000	9417.39	3263.93
Income after (Rs)	115	5000	25000	10900.00	3673.02
Saving(Rs)	115	500	6000	1619.65	947.40

Source: Primary Survey



Average Income and Saving of SHGs

Name of the SHG	Average Income before SHG (Rs)	Average Income after SHG (Rs)	Average saving after SHG (Rs)	Saving Rate (%)	Growth Rate of Average Income (%)
Sri Sai Ram	8643	10179	1407	13.82	17.77
Madhuri	8250	10325	1525	14.77	25.15
Saraswathi	7818	8591	1364	15.88	9.89
Chaithanya	8667	10007	1791	17.90	15.46
Madhu latha	7111	8278	1122	13.55	16.41
Vaishnavi	9167	9778	1322	13.52	6.67
Abhinava	7700	9900	1370	13.84	28.57
Jhansi laxmi bai	13416	15250	1875	12.30	13.67
Ambekar Vibinna Prathibav	11000	13333	2111	15.83	21.21
Rudhrama devi	8278	9444	1033	10.94	14.09
Chaitanya	12556	14922	2889	19.36	18.84

Source: Primary Survey



Figure 5.1

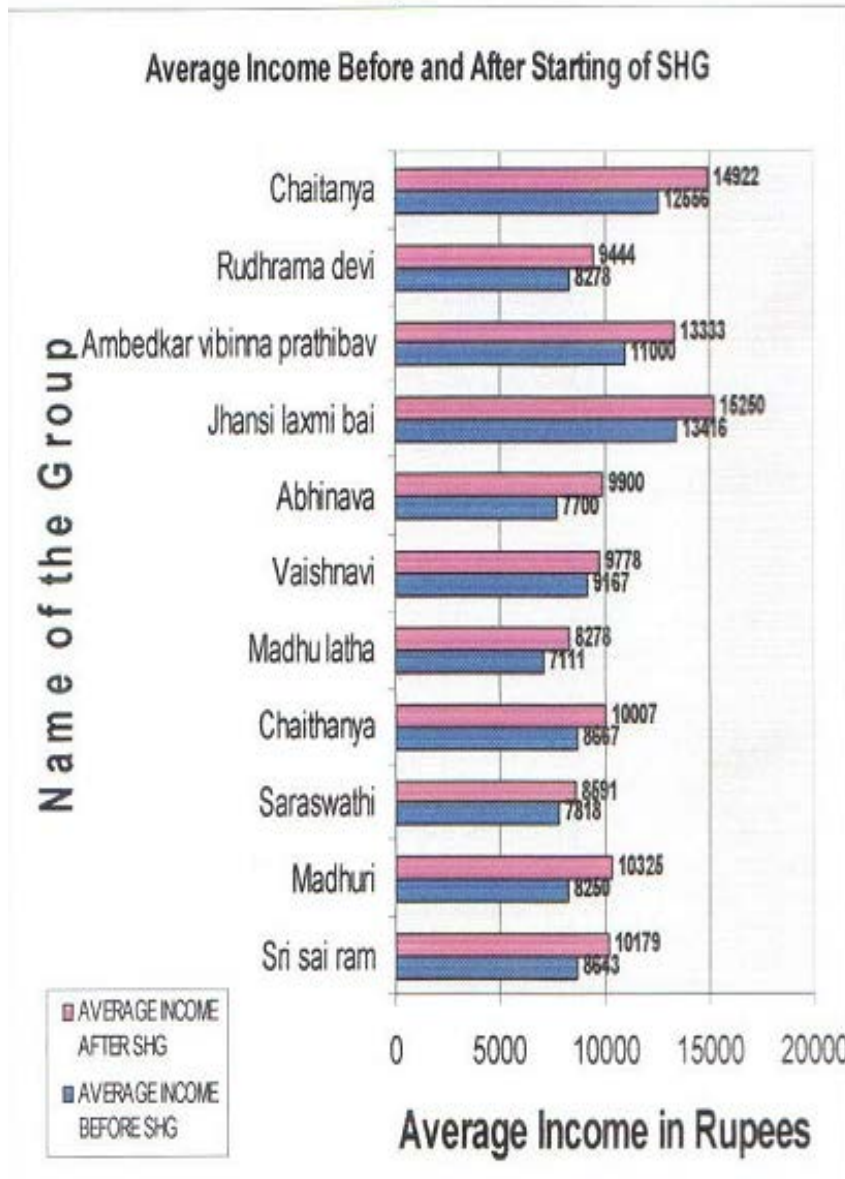




Figure 5.2

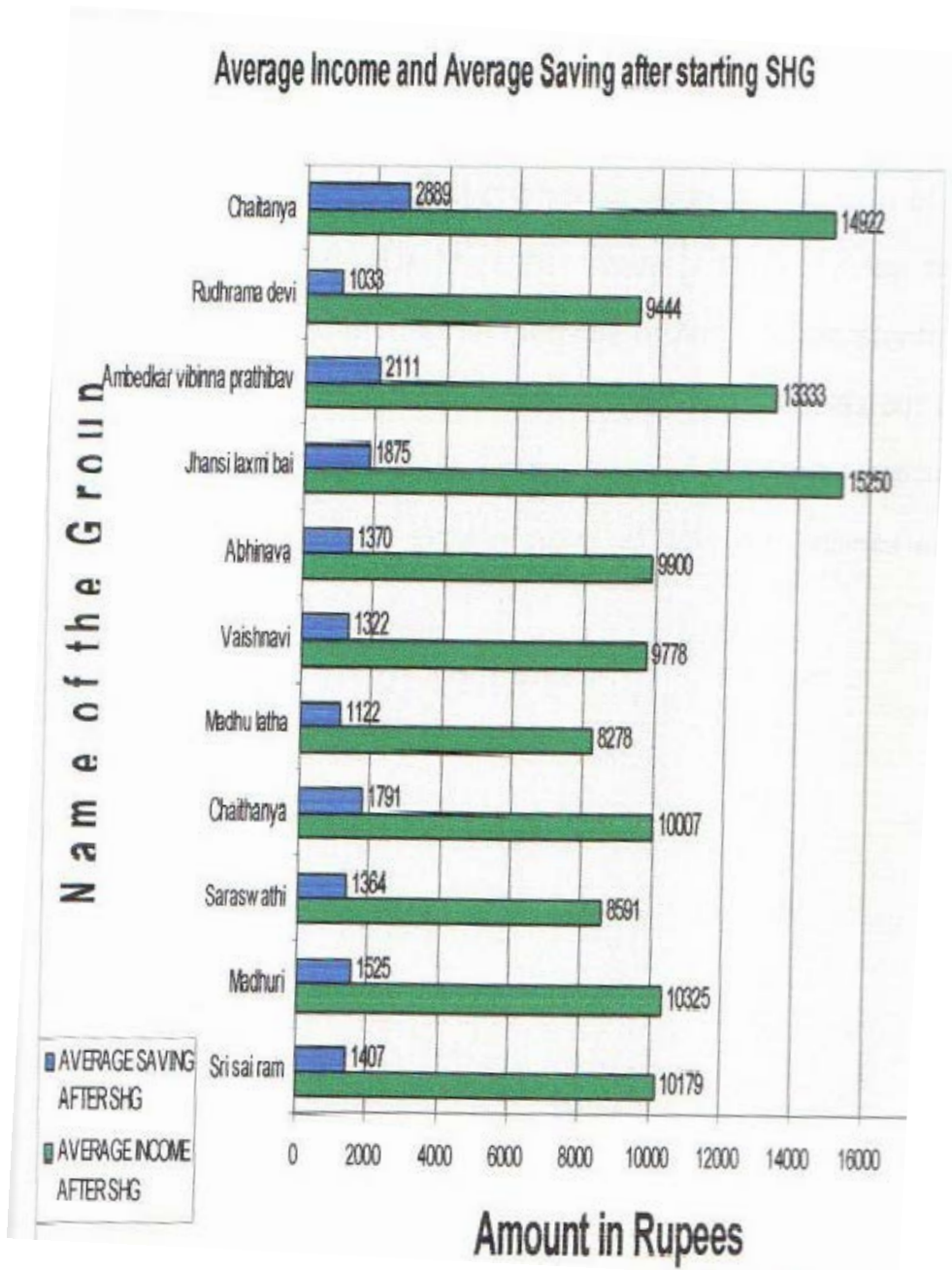
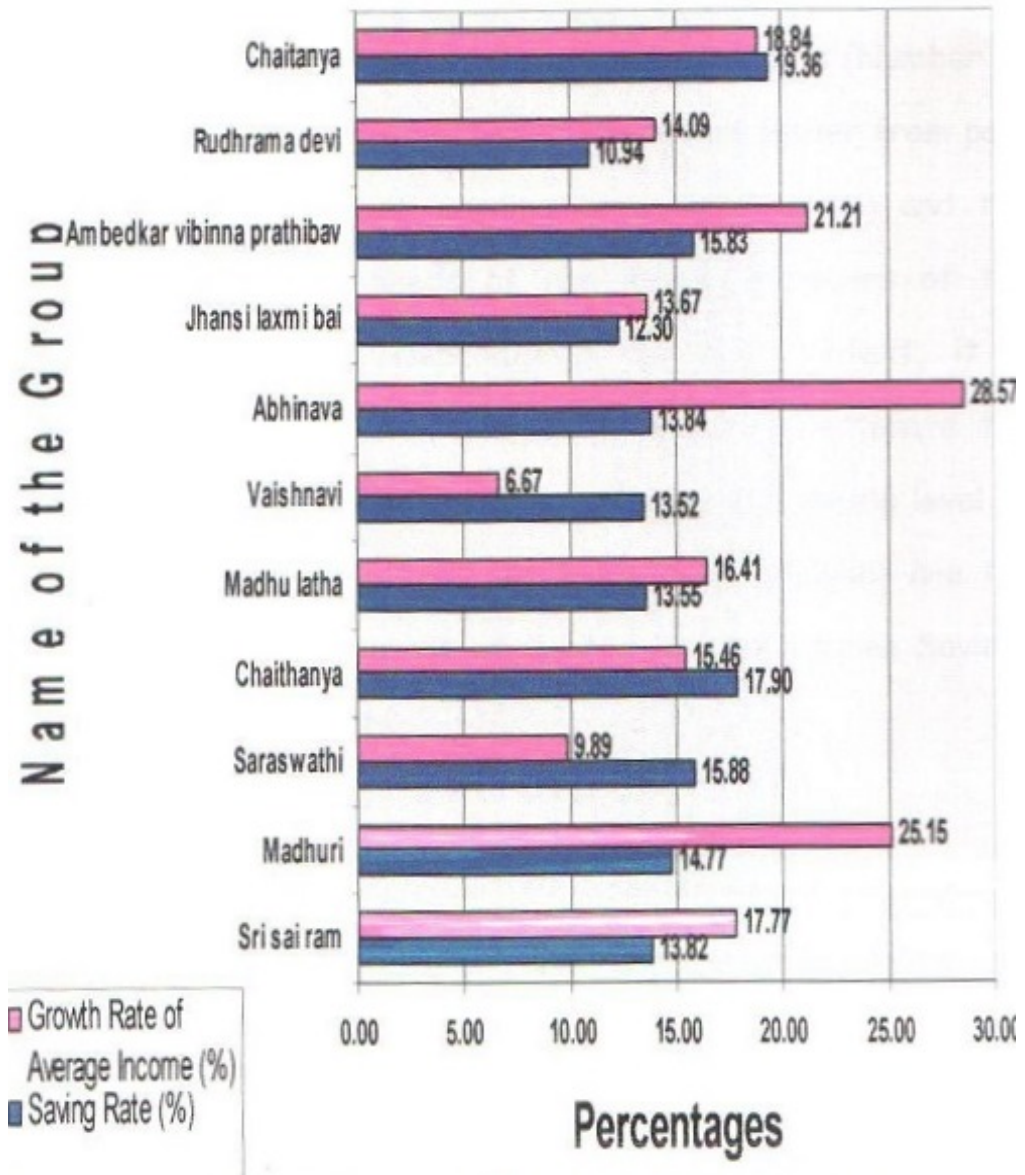




Figure 5.3

Growth Rates (%) of Average Income and Saving Rates (%)





6. Conclusion

- The present study concludes that any access to finance, timely and need credit to the poor is a positive impact on individual income levels. Many earlier empirical studies were also concluded the same results. But for the sake of discussion we can argue that the generation of income depends on the type of the activity chosen by the beneficiary. Why because some of the activities may impact positively and some other activities may not able to increase their income. Therefore, one can develop an argument that the type of activity chosen at the time of loan facility is more important than the access to finance.
- Out of the total 115 sample beneficiaries, 42 members were daily wage earners, 11 members were flower shop keepers, 8 members were coconut and other shop keepers, 7 members were tailor shop and temple shop business and other remaining were different occupations.
- Another conclusion indicates that only 2 (78.26 percent) members, only 1 member (20.86 percent) and 3 members (0.86 percent) are earners in the family of the sample SHG member respectively.
- Another finding of the study reveals that around 56 percent of the sample SHG members' income range was between Rs.5001 to Rs.10000 per annum. Around 34 percent of the sample SHG members income range was between Rs. 10001 to Rs. 15000 per annum, nearly 10 percent of the sample SHG members income was between Rs. 15001 to Rs. 20000 per annum and the remain sample income was less than Rs. 5000 per year. One can understand from this information that all members were below poverty line only.
- Another conclusion reveals that the income which has been earned before taking the SHG membership by the sample is less than the defined poverty line of Andhra Pradesh Government. It implies that majority of the SHG members were poor and their incomes are very low.
- Another finding of the study indicates that there is no guarantee that the higher growth rate of income increases higher saving rate among the members of SHGs.
- Another finding of the study reveals from the graphical analysis that the average income of the sample members in all the SHGs has been increased after joining in SHG. Therefore, it is inferred that the SHG activity certainly promotes higher incomes to its members. Therefore, it



is inferred that there is positive relationship between the growth rates of average incomes and savings rates.

7. Suggestion

- It is suggested that while giving loans to the members, the loan providers have to explain the suitable employment and income generating ventures to be started by the members. Proper encouragement and training should be given to the SHG members to make innovative products by using the available local resources, materials.
- Proper guidance is needed at the time of selection of trade or offering loan on available trades. Which in turn helps the poor people to specialize and sustainable the trade activities with continuity.
- In order to solve the various problems relating to marketing of self help groups state level and local level organizations should be established and expanded throughout the state and local level.
- All the SHG members are not having uniform skills and expertise. Therefore, Government and non Government organizations have to identify the efficient members of the group and instruct the proper training to them. In turn this process can make them competent. To do there is a need to introduce short term training programs to the members at the village level.
- NGOs have probably two types of advantages in services. They can act as bridges between the poor and the service providers. Secondly for some services NGOs are better placed. From the first aspect there is social distance between service providers. Then NGOs can help some times by being the link between the needs of poor and public services. The second aspect is like supporting behavior. This can change at the community as well as village level through information, by playing the role of communication agent vis-à-vis the household on aspects that can work better. One can say from the above analysis that there is an advantage from the NGOs and their intrinsic motivation and the altruistic vision. This is an advantage in terms of serving the poor and getting the right level of efficiency, because even if they are not monitored properly, if they have that intrinsic motivation called altruism, they can work properly.
- Continuous awareness camps should be organized at the village level or community level by the Rural Development Agencies, public authorities. In turn these processes of awareness camps create more



awareness on different government schemes and assistance availability to poor and the needy participants in the self help groups.

- To enable the Government non Governmental financial schemes reach to the needy and the poor the problems which are associated should be addressed to and the desired changes brought in these, to make them more effective. Therefore, the Government and non Governmental agencies, public authorities, program designers, policy makers and implementers etc. have to rethink, modify the schemes and coordinate at each stage to reach and provide fruits of the schemes to the poor.

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