



IMPACT OF THE SELF-HELP GROUPS ON RURAL WOMEN

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ABSTRACT :

Today, Self-help groups play a major role in poverty alleviation in rural India. A growing number of poor women in various parts of India are members of these groups and are actively engaged in savings and credit, as well as in other activities such as income generation, natural resources management, literacy, childcare and nutrition, etc. Total number of SHGs saving linked with banks as on 31st March 2017 are 85.77 lakhs with an amount of Rs.16,114.23 crores. Out of total SHGs - exclusive Women SHGs during 2016-17 are 73.22 lakhs with savings amount of Rs.14,283.42 crores. Total number of SHGs credit linked during 2016-17 are 18.98 lakhs with an amount of Rs.38781.16 crores. Against this background, the present paper aims at examining the impact of the Self-Help Groups on the rural women. The study is based on primary data. The present study is conducted in two Villages of Guntur district with a sample of 120 respondents from each village. Samples are selected using simple random sampling method. The data is collected using pretested questionnaire.



KEYWORDS : rural women, SHGs, impact.

INTRODUCTION

Today, Self-help groups play a major role in poverty alleviation in rural India. A growing number of poor women in various parts of India are members of these groups and are actively engaged in savings and credit, as well as in other activities such as income generation, natural resources management, literacy, childcare and nutrition, etc. Till the 1990's large section of the rural population was unbanked and austere overlooked by the mainstream banking institutions. Most of them had to take recourse to informal sources for credit because as compared to formal sources, the informal sources have highly flexible terms and it is easy to obtain loans for consumption needs and also for marriage and other purposes. NABARD's experiment in SHG-BLP established the credibility of groups as a bankable proposition and rural people capable of financial discipline. It created a new set of clientele with untapped appetite leading to several NGOs acting as financial intermediaries for on-lending to groups buoyed by the success of SHG-BLP.

Total number of SHGs saving linked with banks as on 31st March 2017 are 85.77 lakhs with an amount of Rs.16,114.23 crores. Out of total SHGs - exclusive Women SHGs during 2016-17 are 73.22 lakhs with savings amount of Rs.14,283.42 crores. Total number of SHGs credit linked during 2016-17 are 18.98 lakhs with an amount of Rs.38781.16 crores. Total number of SHGs having loans outstanding as on 31st March 2017 are 48.48 lakhs with an amount of Rs.61581.30 crores. Loan outstanding amount of exclusive Women SHGs is Rs.56,444.24 crores (42.84 lakhs groups).

Against this background, the present paper aims at examining the impact of the Self-Help Groups on the rural women. The study is based on primary data. The present study is conducted in two Villages of Guntur district with a sample of 120 respondents from each village. Samples are selected using simple random sampling method. The data is collected using pretested questionnaire. Cross tables with row percentages are drawn to analyze the data.

REVIEW OF LITERATURE

The study made by Klaus Deininger and Yanyan Liu (2009) concentrates on evaluation of the SHG-based micro-credit model in the state of Andhra Pradesh. The study finds that SHG participation had significant economic impacts. There is significant asset accumulation among the poorest of the poor who, partly as a result and partly due to the fact that gains in calorie and protein intake had already been realized shortly after program start-up, saw their consumption increase by less than the poor. The study further finds that, to the extent that they participate in SHGs, the poorest seem to be able to benefit not only socially but also economically.

Zakir Husain et al. (2010) conducted a study to examine whether women become empowered after joining SHGs or whether it is women who are already empowered who join SHGs. The study finds that the scheme had not introduced any new form of activity but had simply enabled economic activities previously undertaken on an individual and part-time basis to be undertaken with greater labour and capital resources on a systematic basis. Thus, instead of creating structural breaks, SHGs, more often than not, simply elevated the intensity of traditional part-time economic activities.

Sahu and Singh (2012) tried to assess the role of Self-Help Groups in empowerment of women of rural Pondicherry. SHGs are the key instruments in women's empowerment which are generally facilitated and supported by NGOs. SHGs had played very important role in empowering women by strengthening their earning ability, boosting their self-confidence and promoting regular savings. Thus the participants had economic security, easy credit accessibility, better decision making in family, improved family environment, increased mobility and improved political and legal knowledge. SHGs had provided women a common platform to discuss and solve their individual and community problems.

The study made by Raja Reddy K. and Reddy C.S. (2012) focuses on quality and sustainability of SHGs, besides the socioeconomic empowerment of SHG women. The study finds that a number of SHGs have taken part in the implementation of various welfare and development programmes of the Government and they are increasingly addressing various social issues. The poorest of the poor seems to have been left out as they require special social mobilization efforts and SHG norms discourage them from joining.

Saikumar C. Bharamappanavaraa and Monish Jose (2015) examined differences in the collective performance and the pattern of relationship of the individual characters, group variables and economic variables among the three micro-credit delivery models. The analysis is based on the data from 90 members from nine SHGs operating in three taluks in the Davanagere district of Karnataka State. The study finds that SHGs formed on location/ neighbourhood basis have a better performance than groups formed based on other factors in bank-promoted and NGO-promoted models, and vice versa in government-promoted model. In all the three models, groups with the purpose of joining SHGs for financial security have increased the collective performance of the groups, followed by the SHGs formed for other purposes. The motivation factor for becoming an SHG member also influences the performance of the group – the highest performance has been observed if motivated by neighbours, followed by friends, SHG members, officials of bank/ government /NGO, relatives, or any other in bank promoted model, whereas it is vice versa in government-promoted and NGO-promoted models. The groups with members always attending the meetings have shown a better performance, followed by the groups where members attended meetings sometimes, rarely, and or never in bank promoted and government-promoted models, and vice versa in NGO-promoted model.

RESULTS AND DISCUSSION

The study has examined the impact of SHGs on sample respondents in terms of household income, importance in the household decision making, participation in Government programmes, financial literacy, communication skills, leadership qualities, health and nutrition awareness and bank transactions.

IMPACT OF SHGS ON HOUSEHOLD INCOME

Sample respondents are asked to state whether there are any changes in their household income after joining SHGs. Table – 1 shows the distribution of the sample respondents by impact of SHGs on household income. It is revealed from the table that household income is very much increased in the opinion of one third of the sample respondents, while one fifth of the sample respondents reported that household income is extremely increased after joining SHGs. Household income is found to be moderately increased in the case of 30 per cent of the sample respondents, while one sixth of the sample respondents only opined that household income is slightly increased after joining SHGs. Among different Villages, it is noticed that more or less one fifth of the sample respondents from both the sample villages reported that their household income is extremely increased after joining SHGs, while 45 per cent of the sample respondents from Kaza village reported that their household income is very much increased, followed by around 22 per cent of the sample respondents only from Chinakakani Village. Further, the data shows that moderate increase in household income is observed in the case of about 34 per cent of the sample respondents from Chinakakani village and around 26 per cent of the sample respondents from Kaza Village. On the other hand, nearly one fourth of the sample respondents from Chinakakani village (23.30 per cent) reported that household income is slightly increased after joining SHGs, followed by only one tenth of the sample respondents from Kaza Village.

IMPACT OF SHGS ON HOUSEHOLD DECISION MAKING

The study made an attempt to examine whether the role of the sample respondents is changed in the household decision making after joining SHGs. Table – 2 gives distribution of the sample respondents by impact of SHGs on household decision making. The data shows that the role of the sample respondents is very much improved in the household decision making after joining SHGs in the opinion of huge percentage of the sample respondents (75.40 per cent), while nearly 20 per cent of the sample respondents opined that their role is improved in the household decision making after joining SHGs. As against this, merely negligible percentage of the sample respondents reported that there is no change in their role in the household decision making after joining SHGs (5 per cent). Among different Villages, it is noticed that the role of the sample respondents is very much improved in the household decision making after joining SHGs in the case of nearly 86 per cent of the sample respondents from Chinakakani village and 65 per cent of the sample respondents from Kaza village. Further, the data shows that sample respondents, who reported that their role in the household decision making is improved after joining SHGs, account for 25 per cent of the sample respondents from Kaza Village and about 14 per cent of the sample respondents from Chinakakani village. None of the sample respondents from Chinakakani village reported that there is no change in the role of the sample respondents in the household decision making after joining SHGs, while one tenth of the sample respondents from Kaza village reported that there is no change in the role of the sample respondents in the household decision making after joining SHGs.

PARTICIPATION IN GOVERNMENT PROGRAMMES

Sample respondents are asked to state whether their participation in government programmes is increased after joining SHGs. Distribution of the sample respondents by impact of SHGs on participation in Government programmes is furnished in Table – 3. It is revealed from the table that participation in Government programmes is very much increased after joining SHGs in the case of two thirds of the sample respondents, while nearly one third of the sample respondents reported that their participation is increased after joining SHGs. On the contrary, meagre percentage of the sample respondents reported that there is

no change in their participation in Government programmes after joining SHGs (1.70 per cent). Among the sample Villages, it is noticed that participation in Government programmes is very much increased after joining SHGs in the case of 70 per cent of the sample respondents from Chinakakani village and about 63 per cent of the sample respondents from Kaza village. Increase in participation in Government programmes after joining SHGs is reported by one third of the sample respondents from Kaza village and 30 per cent of the sample respondents from Chinakakani village. No change in their participation in Government programmes after joining SHGs is observed only in the case of about 3 per cent of the sample respondents from Kaza village.

FINANCIAL LITERACY

Sample respondents are asked to state whether their financial literacy is improved after joining SHGs. Distribution of the sample respondents by financial literacy after joining SHGs is given in Table – 4. It is revealed from the table that financial literacy is extremely improved after joining SHGs in the case of nearly one fourth of the sample respondents. Further, the data shows that financial literacy is very much improved after joining SHGs in the case of about three fifths of the sample respondents. On the other hand, nearly one tenth of the sample respondents reported that financial literacy is moderately improved after joining SHGs, while very little percentage of the sample respondents reported that financial literacy is not improved at all (4.20 per cent). Among different Villages, it is noticed that financial literacy is extremely improved after joining SHGs in the case of about 28 per cent of the sample respondents from Chinakakani village and nearly 21 per cent of the sample respondents from Kaza village. Furthermore, it is noted from the table that financial literacy is very much improved after joining SHGs in the case of almost 72 per cent of the sample respondents from Kaza village, followed by nearly 52 per cent of the sample respondents from Chinakakani village. Moderate improvement in financial literacy after joining SHGs is reported by nearly one fifth of the sample respondents from Chinakakani village only. No improvement in financial literacy after joining SHGs is opined by nearly 8 per cent of the sample respondents from Kaza village and only one sample respondent from Chinakakani village.

COMMUNICATION SKILLS

Sample respondents are asked to state whether participation in SHGs helpful to improve communication skills. Table – 5 shows distribution of the sample respondents by helpfulness of participation in SHGs to improve communication skills. It is observed from the table that participation in SHGs is extremely helpful to improve communication skills in the case of just little over one third of the sample respondents (35.40 per cent), while nearly one fourth of the sample respondents opined that participation in SHGs is very helpful to improve communication skills. About one sixth of the sample respondents opined that participation in SHGs is somewhat helpful to improve communication skills, whereas about 13 per cent of the sample respondents opined that participation in SHGs is slightly helpful to improve communication skills. On the other hand, merely around one tenth of the sample respondents reported that participation in SHGs is not useful to improve communication skills. Among different Villages, it is noticed that each about 35 per cent of the sample respondents from both the sample Villages reported that participation in SHGs is extremely helpful to improve communication skills, whereas more or less one fourth of the sample respondents from both the sample Villages reported that participation in SHGs is very helpful to improve communication skills. The data further shows that more or less one sixth of the sample respondents from both the sample Villages reported that participation in SHGs is somewhat helpful to improve communication skills. Sample respondents, who opined that participation in SHGs is not useful to improve communication skills, account for nearly 13 per cent of the sample respondents from Chinakakani village and around 7 per cent of the sample respondents from Kaza village.

LEADERSHIP QUALITIES

Sample respondents are asked to state whether leadership qualities are improved after joining SHGs. Distribution of the sample respondents by improvement in leadership qualities after joining SHGs is presented in Table – 6. It is obvious from the table that leadership qualities are improved among sample respondents after joining SHGs in the case of about three fourths of the sample respondents (76.70 per cent), while the rest about 23 per cent of the sample respondents reported that there is no improvement in their leadership qualities after joining SHGs. Among different Villages, it is noticed that leadership qualities are improved among sample respondents after associating with SHGs in the case of 80 per cent of the sample respondents from Chinakakani village, followed by about 73 per cent of the sample respondents from Kaza Village. On the other hand, sample respondents, who reported no improvement in their leadership qualities, constitute around 27 per cent of the sample respondents from Kaza Village and 20 per cent of the sample respondents from Chinakakani Village.

HEALTH AND NUTRITION AWARENESS

Sample respondents are asked to state whether their health and nutrition awareness is improved after joining SHGs. Distribution of the sample respondents by impact of SHGs on health and nutrition awareness is given in Table – 7. It is revealed from the table that health and nutrition awareness is extremely improved after joining SHGs in the opinion of nearly half of the sample respondents, while around one fifth of the sample respondents opined that their health and nutrition awareness is very much improved after joining SHGs. Sample respondents, who reported moderate improvement in health and nutritious awareness after joining SHGs, account for about 13 per cent of the sample respondents, while nearly 12 per cent of the sample respondents reported slight improvement in their awareness about health and nutrition after joining SHGs. On the other hand, merely around 6 per cent of the sample respondents reported that there is no improvement in their health and nutrition awareness after joining SHGs. The results are almost same across the sample Villages also.

BANK ACCOUNT BEFORE JOINING SHGS

Sample respondents are asked to state whether they had bank account before joining SHGs. Table – 8 shows distribution of the sample respondents by bank account before joining SHGs. It is evident from the table that merely about 13 per cent of the sample respondents had bank account after joining SHGs. This show how far SHGs paved the way for financial inclusion of until then unbanked poor. Among sample Villages, it is observed that only one sixth of the sample respondents from Chinakakani village had bank account, followed by one tenth of the sample respondents from Kaza Village.

Table – 1
IMPACT OF SHGs ON HOUSEHOLD INCOME

Village	Impact of SHGs on household income				Total
	Extremely increased	Very much increased	Moderately increased	Slightly increased	
Kaza	23 (19.20)	54 (45.00)	31 (25.80)	12 (10.00)	120 (100.00)
Chinakakani	25 (20.80)	26 (21.70)	41 (34.20)	28 (23.30)	120 (100.00)
Total	48 (20.00)	80 (33.30)	72 (30.00)	40 (16.70)	240 (100.00)

Note: Figures in the parenthesis represent percentages to the total.

Source: Computed from the Primary Data.

Table – 2
IMPORTANCE OF THE SAMPLE RESPONDENTS IN THE HOUSEHOLD DECISION MAKING
AFTER JOINING SHGs

Village	Importance in the household decision making			Total
	No change	Improved	Very much improved	
Kaza	12 (10.00)	30 (25.00)	78 (65.00)	120 (100.00)
Chinakakani	-	17 (14.20)	103 (85.80)	120 (100.00)
Total	12 (5.00)	47 (19.60)	181 (75.40)	240 (100.00)

Note: Figures in the parenthesis represent percentages to the total.

Source: Computed from the Primary Data.

Table – 3
IMPACT OF SHGs ON PARTICIPATION IN GOVERNMENT PROGRAMMES

Village	Participation in Government programmes after joining SHGs			Total
	Very much increased	Increased	No change	
Kaza	76 (63.30)	40 (33.30)	4 (3.30)	120 (100.00)
Chinakakani	84 (70.00)	36 (30.00)	-	120 (100.00)
Total	160 (66.70)	76 (31.70)	4 (1.70)	240 (100.00)

Note: Figures in the parenthesis represent percentages to the total.

Source: Computed from the Primary Data.

Table – 4
FINANCIAL LITERACY AFTER JOINING SHGs

Village	Financial Literacy after joining SHGs				Total
	Extremely improved	Very much improved	Moderately improved	Not at all	
Kaza	25 (20.80)	86 (71.70)	-	9 (7.50)	120 (100.00)
Chinakakani	34 (28.30)	62 (51.70)	23 (19.20)	1 (.80)	120 (100.00)
Total	59 (24.60)	148 (61.70)	23 (9.60)	10 (4.20)	240 (100.00)

Note: Figures in the parenthesis represent percentages to the total.

Source: Computed from the Primary Data.

Table – 5
HELPLESSNESS OF PARTICIPATION IN SHGs TO IMPROVE COMMUNICATION SKILLS

Village	Whether participation in SHGs helpful to improve communication skills					Total
	Extremely helpful	Very helpful	Somewhat helpful	Slightly helpful	Not at all helpful	
Kaza	43 (35.80)	28 (23.30)	20 (16.70)	21 (17.50)	8 (6.70)	120 (100.00)
Chinakakani	42 (35.00)	31 (25.80)	21 (17.50)	11 (9.20)	15 (12.50)	120 (100.00)
Total	85 (35.40)	59 (24.60)	41 (17.10)	32 (13.30)	23 (9.60)	240 (100.00)

Note: Figures in the parenthesis represent percentages to the total.

Source: Computed from the Primary Data.

Table – 6
IMPACT OF SHGs ON IMPROVING LEADERSHIP QUALITIES

Village	Leadership qualities		Total
	No improvement	Improved	
Kaza	32 (26.70)	88 (73.30)	120 (100.00)
Chinakakani	24 (20.00)	96 (80.00)	120 (100.00)
Total	56 (23.30)	184 (76.70)	240 (100.00)

Note: Figures in the parenthesis represent percentages to the total.

Source: Computed from the Primary Data.

Table – 7
HEALTH AND NUTRITION AWARENESS AFTER JOINING SHGs

Village	Health and nutrition awareness after joining SHGs					Total
	Extremely improved	Very much improved	Moderately improved	Slightly improved	Not at all	
Kaza	58 (48.30)	21 (17.50)	21 (17.50)	12 (10.00)	8 (6.70)	120 (100.00)
Chinakakani	61 (50.80)	26 (21.70)	11 (9.20)	16 (13.30)	6 (5.00)	120 (100.00)
Total	119 (49.60)	47 (19.60)	32 (13.30)	28 (11.70)	14 (5.80)	240 (100.00)

Note: Figures in the parenthesis represent percentages to the total.

Source: Computed from the Primary Data.

Table – 8
BANK ACCOUNT BEFORE JOINING SHGs

Village	Bank account before joining SHGs		Total
	Yes	No	
Kaza	12 (10.00)	108 (90.00)	120 (100.00)
Chinakakani	20 (16.70)	100 (83.30)	120 (100.00)
Total	32 (13.30)	208 (86.70)	240 (100.00)

Note: Figures in the parenthesis represent percentages to the total.

Source: Computed from the Primary Data.

CONCLUSION

Self-help groups play a major role in poverty alleviation in rural India. A growing number of poor women in various parts of India are members of these groups and are actively engaged in savings and credit, as well as in other activities such as income generation, natural resources management, literacy, childcare and nutrition, etc. Total number of SHGs saving linked with banks as on 31st March 2017 are 85.77 lakhs with an amount of Rs.16,114.23 crores. Out of total SHGs - exclusive Women SHGs during 2016-17 are 73.22 lakhs with savings amount of Rs.14,283.42 crores. Total number of SHGs credit linked during 2016-17 are 18.98 lakhs with an amount of Rs.38781.16 crores. The study has examined the impact of SHGs on sample respondents in terms of household income, importance in the household decision making, participation in Government programmes, financial literacy, communication skills, leadership qualities, health and nutrition awareness and bank transactions. The study finds that household income is very much increased in the opinion of one third of the sample respondents, while one fifth of the sample respondents reported that household income is extremely increased after joining SHGs. The role of the sample respondents is very much improved in the household decision making after joining SHGs in the opinion of huge percentage of the sample respondents. Participation in Government programmes is very much increased after joining SHGs in the case of two thirds of the sample respondents, while nearly one third of the sample respondents reported that their participation is increased after joining SHGs. Financial literacy is extremely improved after joining SHGs in the case of nearly one fourth of the sample respondents. Further, the data shows that financial literacy is very much improved after joining SHGs in the case of about three fifths of the sample respondents. Participation in SHGs is extremely helpful to improve communication skills in the case of just little over one third of the sample respondents (35.40 per cent), while nearly one fourth of the sample

respondents opined that participation in SHGs is very helpful to improve communication skills. Leadership qualities are improved among sample respondents after joining SHGs in the case of about three fourths of the sample respondents. Health and nutrition awareness is extremely improved after joining SHGs in the opinion of nearly half of the sample respondents, while around one fifth of the sample respondents opined that their health and nutrition awareness is very much improved after joining SHGs. It is evident from the study that merely about 13 per cent of the sample respondents had bank account after joining SHGs. This shows how far SHGs paved the way for financial inclusion of until then unbanked poor. Considering the impact of the SHGs on the rural poor, it is suggested that the Centre and the State Government should concentrate on forming more number of SHGs since the SHGs spread in the country is not uniform.

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