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LIVELIHOOD MANAGEMENT AMONG SHG WOMEN

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ABSTRACT:

Self-Help Groups (SHG) are playing a major role in removing poverty in the rural India today. The group-based model of Self-Help is widely practiced for rural development, poverty alleviation and empowerment of women. Self-Help as a strategy for social development places emphasis on self-reliance human agency and action (Dr. Jyothi Kalyanrao Heggani-2014).

Self-Help Groups are major means of women's socio-economic empowerment. SHGs increase the savings habits of women, helps women to raise loans, encourage women to start their income generating activities and provide Bank linkages so as to gain banking facilities and services. By doing so, they

increase economic freedom of women and increases the status of women in their Family and Society.

Alka Srivastava (2005) published a paper on a micro sample of women members of SHGs (Self Help Groups) in four Indian States – Bihar, Chattisgarh, Madhya Pradesh and Uttar Pradesh, which shows that through micro-finance based entrepreneurship, these women have been able to contribute to household finances, which led to some (though limited) decision making role for them in the household. (Alka Srivastava (2005).

The objective of the present paper is to disclose the Impact of Micro-Finance Scheme for the Livelihood Management of Women.

The researcher has collected the data/ information through door to door survey method with the help of an Interview Schedule, prepared and standardized. The sampling unit of the respondent is a woman in a Self-Help Group (SHG): A Government Micro Finance Scheme.

The results disclosed as women of self help group were benefited by the micro finance scheme after joining in the SHG scheme in terms of enriching their regular livelihood activities like, Agriculture, Animal-Husbandry, etc....

KEYWORDS: SHG, Livelihood, Management, Micro-Finance.

INTRODUCTION:

Self-Help Group (SHGs) or Thrift and Credit Groups are mostly informal groups whose members pool savings and relend within the group on rotational needs basis. These groups have a common perception of need and impulse towards collective action.

Many of these groups got formed around specific production activity, promoted savings among members and used the pooled resources to meet emergent needs of members, including consumption needs. Sometimes the internal savings generated were supplemented by external resources loaned /donated by the voluntary agency which promoted the SHGs. (Goetz, A.M. and R.S. Gupta, 1996 pp.45-63).

The definition of SHG as approved by National Bank for Agriculture and Rural Development (NABARD), the apex banking body in India, is: "As SHG is a small, economically homogeneous and affinity group of rural poor, voluntarily formed to save and mutually agree to contribute to a common

fund to be lent to its members as peer group decision for their socio-economic development". **(Malik et al. 2004; Sanjeev, 2004).**

Some of the common characteristics of the functioning of these groups are indicated below:

- (i) The groups usually create a common fund by contributing their small savings on a regular basis,
- (ii) Most of the groups themselves, or with help of NGOs, evolve flexible systems of working and managing their pooled resources in a democratic way, with participation of every member in decision-making.
- (iii) Request for loans is considered by the group in their periodic meetings and competing claims on limited resources are settled by consensus.
- (iv) Loaning is done mainly on trust with a bare minimum documentation and without any security.
- (v) The amounts loaned are small, frequent and for short duration,
- (vi) The loans cover a variety of purposes, some of which are nontraditional and rather unconventional,
- (vii) Rate of interest differs from group to group and even from purpose to purpose. Interest charged is generally higher than that charged by banks and lower than that charged by money lenders,
- (viii) Periodic meetings of members also serve as a forum for collecting dues from members,
- (ix) Defaults are rare mainly due to group pressure and intimate knowledge of end use of credit. **(Geotz., A.M. and R.S. Gupta.1996 pp. 45-63).**

In India, microfinance programme was formally initiated by National Bank for Agriculture and Rural Development (NABARD) in 1992. With the objective to extend formal banking services to the unreached rural poor by evolving an alternate credit delivery mechanism. NABARD introduced a pilot project in 1992-93, by linking of Self Help Groups (SHGs) with banks. By the end of March 1993, 225 SHGs were linked and the figure reached to 620 the end of March 1994. Encouraged by the success of the pilot project, in 1996, Reserve Bank of India decided to include bank linkage as a mainstream activity of the banks under priority sector lending. NABARD is the key agency for promoting Self-Help Group Bank Linkage Programme in India. It plays a strategic role in promoting this programme through formal banks in India. NABARD provides 100 percent refinance to banks at an interest rate of 6.5 percent per annum. It has been playing the role of propagator and facilitator by providing conducive policy environment, training and capacity building besides extending financial support for the healthy growth of the SHG linkage programme in India. **(Ms. Kavita Kumra, Dr. Vijay Kumar Sharma, 2018).**

Throughout history, people have formed groups with others who have something in common with them, and oppressed people have joined together to overcome the conditions they face. Self-Help Groups, as we know them, go back at least to the 1930s, when Alcoholics Anonymous started in the United States. While Self-Help Groups have distinct characteristics, the philosophies of the self help movement overlap with various other ways of working the emergence of Self-Help Groups can be seen as a response to industrialization, the breakdown of the kinship system and the decline of the community **(Kartz & Bender, 1976; Humm, 1997; Kessleer et al. 1997;)** Currently, the increasing interest in providing services that are family-centered is also considered a factor contributing to the increased number so Self-Help Groups **(Rosendbaum et al., 1998).**

The Self-Help Groups are voluntary associations of people formed to achieve both social and economic goals. The concept of micro-financing rural poor for self-employment was started by Prof. Muhammad Yunus of Bangladesh and is now being followed in more than 52 countries around the globe. Many international NGS's, such as Foundation for International Community Assistance (FINCA), Americans for Community Co-operation in other Nations (ACCION), Women's World Banking, Freedom from Hunger etc., are executing various projects through their partners mostly in developing countries **(Merton and Shoden, 1994).**

The experiment of SHG in LDCs (Less Developed Countries) had effected desired results due to the organization of marginalized groups through provision of micro credit for undertaking income generation activities towards promotion of livelihood securities. Micro credit as a system of lending

small loans has been followed the world over. For example, during the seventies many initiatives were taken in developed and developing countries in Asia. **(Joanna, 2000).**

Other countries like Thailand, Srilanka and India have also experienced the role of SHGs in uplifting the socio-economic conditions of rural poor, particularly women **(Gaonkar, 2003).**

Origin of Self Help Groups In India, India NGOs have created at least one million Self-Help Groups with 17,000,000 members since the Self-Help group concept was developed by MYRADA in the late 1980s. India is unique in that banks are permitted to lend directly to unregistered Self-help Groups, indicating an accelerated process of expansion. The National Bank for Agriculture and rural Development (NABARD) trains banks and refinances their loans. The key to NABARD's success is decentralization. Responsibility for group development and training is devolved to NABARD's 2,100 NGO partners and almost 450 banks and co-operatives provide banking services to the groups.

According to the Microcredit Summit Report, 2,663,901 out of the 6,651,701 active members of the groups financed through NABARD (mist of microfinance initiative in Asia, with Grameen Bank a close second. In 1976.

REVIEW OF LITERATURE:

Over the last couple of decades, Self-help Groups and their potential as a tool to alleviate poverty and empower women have gained importance and interest worldwide **(Shylendra, 2006, p.12).**

Despite the variety of explanations for the self help phenomenon, the consensus is that there is a need for a new model to supplement and complement professional service, and that Self-help Groups are growing at an unprecedented speed worldwide. For example, about two percent of Canadians belonged to Self-Help Groups in 1987 **(Gottlieb & peters, 1991).** Approximately 10 percent of Israel's population was estimated to have some type of involvement in a Self-Help Groups **(Ben-Ari & Azaiza, 1995),** and cancer Self-Help Groups were found to be prevalent in major cities in China **(Mok & Zhang, 2001).** In the United States it was recently noted that more Americans try to change their health behaviors through self help than through all other forms of professional programs combined **(Davison et al., 2000).**

In Sri Lanka, the institute "SANSa" has created a high social impact in reducing rural indebtedness and poverty from 1978 to 2003 through a thrift and credit movement. It has been successful in raising the living standards of the rural people of Sri Lanka. Janashakti Bank in Sri Lanka also aims to eradicate rural poverty **(Lalitha, 2003).**

With a coverage of 97 million households and a total loan outstanding of `312.212 billion (NABARD, 2011), the Self-help Group (SHG) Bank Linking (SHBL) Programme is the world's largest community based microfinance programme Conceptually, it can be regarded as being one of the best financial intermediary systems developed in India. **(NABARD, 1992).**

OBJECTIVE:

The objective of the present paper is to disclose the impact of Micro-Finance Scheme for the livelihood management of women.

HYPOTHESIS (H₀):

Women of SHG community have managed and maintained their family livelihood being in a Self Help Group.

METHODOLOGY:

The information /data for the presentation of this paper is based on **Primary Data.** The data is collected among 834 Self Help Group Women in Varadaiah Palam Mandal of Chittoor District, Andhra Pradesh, India during 2017-2018. The tool used for data collection is an **Interview Schedule,** constructed and standardized through a Pilot Study. The sampling procedure adopted for the study is **Stratified Cluster Random Sampling Technique.** The sampling unit is a women from a SHG

community the total sample size of the study is 834 SHG women. The information is analyzed with the help of a **Scientific/Statistical Package for Social Science Data (SPSS)**.

RESULTS AND DISCUSSIONS:

The presentation of this paper is confined to savings and expenditure of the loans utilised by the Sample under study that is, women of SHGs being in SHG community (SHG Micro –Financing Scheme).

Table-1: Number and percentage distribution of respondents according to the reasons reported for taking loans from SHG scheme.

| Reasons for taking loan | Number | % |
|---------------------------|------------|-------------|
| Domestic Problem | 105 | 12.6 |
| Children Education | 103 | 12.4 |
| Construction of the House | 109 | 13.1 |
| Health Issues | 8 | 1.0 |
| Animal Husbandry | 149 | 17.9 |
| Marriage of Children | 16 | 1.9 |
| Agricultural | 307 | 36.8 |
| Vehicle | 1 | 0.1 |
| Business | 36 | 4.3 |
| Total | 834 | 100% |

The very objective of Micro-Financing Scheme for rural women is to enrich and strengthen their livelihoods (regular Income Generating Activities) strategies at their own level. The concept of Micro-Financing Scheme is to enhance the Socio-Economic status of rural women and their families. By providing micro credit facilities for rural women, they are enskilled to undertake income generating activities towards promoting their livelihood securities. The same is revealed in (Review of Literature) at Global, National and Regional level.

In the present study also the same is disclosed. The above Table -1 presents the various causes reported by the respondents for availing loans from SHG Scheme by them. The reasons are: Domestic Problems, Children Education, Construction of the housing, Health Issues, Animal Husbandry, Marriage of Children, Agricultural, Vehicle, Business. Among the reasons reported, the highest proportion of respondents (SHG women) as they have utilized the loans taken under SHG Scheme for their "Agricultural and related works", (36.8%) that is by investing in Agriculture and related works like, vegetables, leafy vegetables, etc., in order to increase their Income.

The second reason for taking loans and utilization, as reported is for their "Children's marriage" by 18 percent of the Sample under study, followed by "Construction of the House (13.1%)", "Domestic Problem (12.6%)" and for childrens Education (12.4%).

With the help of McNemar χ^2 -test, the savings and the betterment of the SHG women and their families is analysed and presented in the Table-2. The savings are confined to in terms of Cash, Gold, Land, Housing and purchasing of House, Plots with the assistance of SHG loans before joining in the SHG Scheme and after joining in the scheme. The static McNemar is the best suggested χ^2 -test for analysis of the Socio-Economic status impact for by catamous attributes.

In Statistics, McNemar χ^2 -test is a statistical test used on paired nominal data. It is applied to 2x2 contingency tables with a dichotomous trait, with matched pairs of subjects, to determine whether the row and column marginal frequencies are equal. It's named after Quinn McNemar who introduced it in 1947 (Wikipedia).

Table-2: Number and percentage distribution of respondents according to their savings by being SHG Member

| Savings | Before Joining in SHG No (%) | | After Joining in SHG No (%) | | Chi-square Value | P-value | Total |
|---------|------------------------------|------------|-----------------------------|------------|------------------|---------|-------|
| | No | Yes | No | Yes | | | |
| Cash | 361 (43.3) | 473 (56.7) | 81 (9.7) | 753 (90.3) | 221.13* * | 0.000 | 834 |
| Gold | 825 (98.9) | 9 (1.11) | 361(43.3) | 473 (56.7) | 454.17* * | 0.000 | 834 |
| Land | 834 (100.00) | - | 355(42.6) | 479 (57.4) | 477.0** | 0.000 | 834 |
| House | 834 (100.00) | - | 249 (29.9) | 585 (70.1) | 583.0** | 0.000 | 834 |
| Plots | 833 (99.9) | 1(0.1) | 558(66.9) | 276(33.1) | 273.0** | 0.000 | 834 |

McNemar Test for pre Post Comparisions

The Table-2 shows that, regarding Cash, Gold, Land, Housing and purchasing of Housing Plots, in all aspects women being in SHG Scheme were benefited significantly by taking loans from the SHG Scheme, and it is significant, proved by the Static McNemar χ^2 .

The savings interms of "Cash" reported by 57 percent of the SHG women before joining in SHG have been increased to 90 percent (highest) of being in SHG Scheme that is after joining in SHG Scheme. Only about 1 percent of women having Gold before joining in SHG, have reported as they have purchased Gold after being in SHG by about 43 percent of them. Similar observations were disclosed regarding the savings /betterments interms of Land, Housing, and purchase of House plots also.

CONCLUSION:

The results disclosed as women of Self Help Group were benefited by the micro finance scheme after joining in the SHG Scheme. In terms of enriching their regular livelihood activities like, Agriculture, Animal Husbandry, Construction of House for Children Education and Marriage, etc. The very purpose of Government Micro Finance Scheme is to develop Self-Reliance and Empowerment among women particularly in rural areas, which is proved in the present study also.

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