



Role of Self Help Groups (Shg's) on Socio-Economic Changes of Women: A Study

Dr.MOHAN KUMAR H.S, M.A, M.phil, Ph.D

Abstract:

A self-help group (SHG) is a voluntary association of men or women in similar economic conditions. The members of the group make small savings for a duration of time until they have enough capital in the group to start their own lending process. These funds can then be utilised for lending purposes (to members or other people). In India, many SHGs are linked to banking institutions for the delivery of micro-credit.

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 analyse the changes, if any in the socio-economic, cultural, and behavioural 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.

Keywords: SHG's, *Socio-economic change, Women empowerment.*

Dr.MOHAN KUMAR H.S, Faculty in Sociology, University evening college, University of Mysore, Mysuru, Karnataka.

INTRODUCTION:

A self-help group (SHG) is a voluntary association of men or women in similar economic conditions. The members of the group make small savings for a duration of time until they have enough capital in the group to start their own lending process. These funds can then be utilised for lending purposes (to members or other people). In India, many SHGs are linked to banking institutions for the delivery of micro-credit.

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 behaviour, 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 on-going 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 economic.

Objectives:

1. To evaluate the role of Self Help Groups in the overall growth of rural women with their socio-economic empowerment.
2. To trace out perception of beneficiaries about the role of SHGs and its analysis.

Methodology:

This study is undertaken in rural areas of T.narasipura Taluk, located in Mysore district of Karnataka.. 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 behavioural changes in the after joining SHG as compared to the before joining SHG.

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.

The respondents in the study cover all sections of society wherein representation of OBC (55%),SC (12%) ST (33%) are ensured.. The Figure shows that the educational qualification of the respondents. Among the respondents 32% of them are illiterates, 46% of them have primary education, 13% of them have secondary education, only 09% of them have degree and there are no post graduates and any other

AGE GROUP OF RESPONDENTS

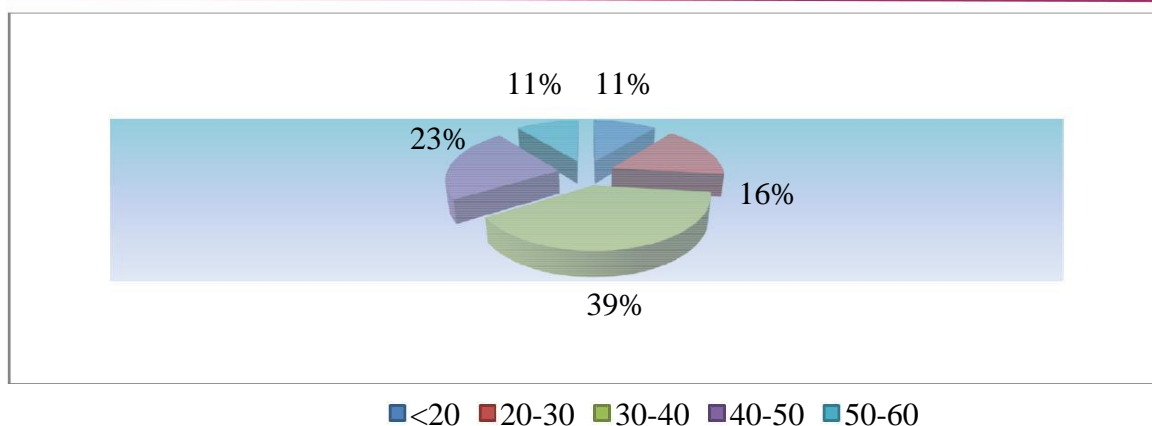


Figure: 1 *Distribution of respondents on the basis of age*

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 % of the respondents are members for a period of 5 years, 28% for a period of 6 yrs and respondents belonging to 7 years, 3 years and 4 years category are insignificant.

LEVEL OF EDUCATION OF RESPONDENTS

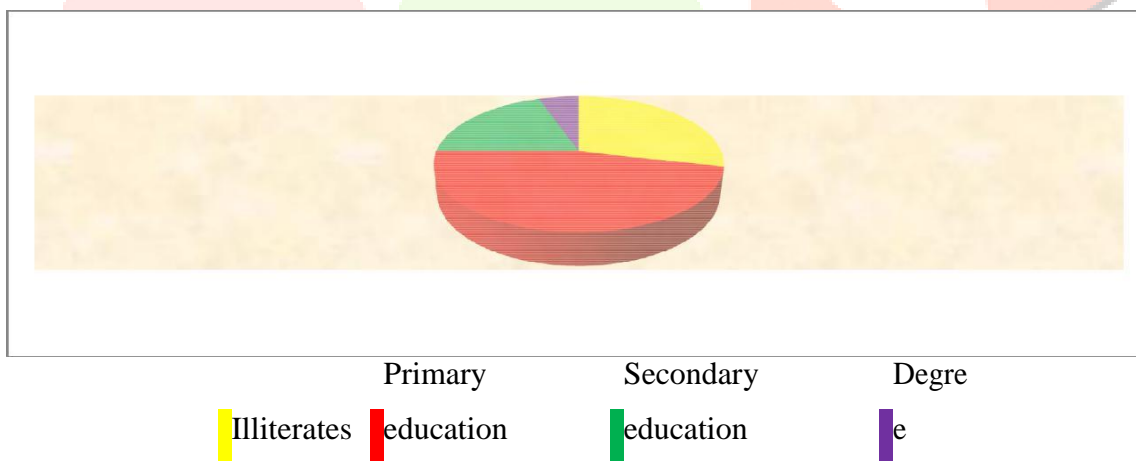


Figure 2 *Level of Education of Respondents*

Social Impact and Empowerment of SHG members:

The impact of SHGs on the psychological, economic and social wellbeing i.e. empowerment was measure in frequency. 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 in pre-SHG period which was increased to in post-SHG period. 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

Slno	variables	Before joining SHG		After joining SHG	
		Yes	No	Yes	no
1	Psychological wellbeing	23	77	68	32
2	Self confidence	18	82	76	24
3	Awareness on children education	36	64	86	14
4	Awareness on health and sanitation.	21	79	92	08
5	Domestic violence	88	12	20	80
6	Improve in economic status	14	86	89	11
7	Creation in assets in rural areas	26	74	58	42
8	Improve in Managerial abilities	15	85	74	26
9	Role in decision making	08	92	78	22
10	Expressing opinion freely	12	88	72	28

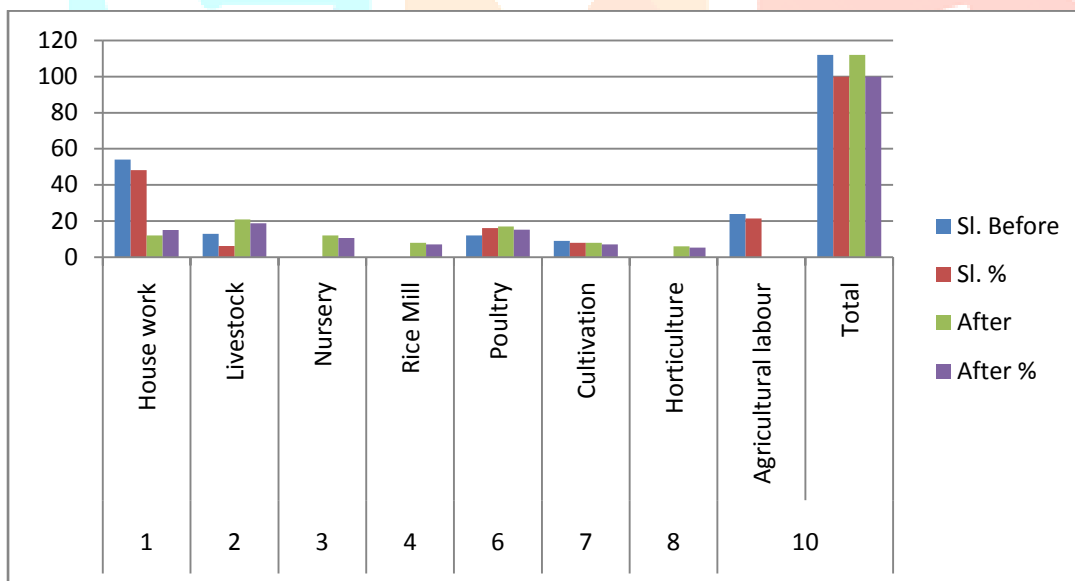
Source: Primary data

Below table 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 15% 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%), 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%).

Change of employment pattern before and after joining SHGs.

Sl. No.	Nature of work	Before	%	After	%
1	House work	54	48.21	12	15
2	Livestock	13	6.25	21	18.75
3	Nursery	0	0	12	10.71
4	Rice Mill	0	0	8	7.14
6	Poultry	12	16.07	17	15.18
7	Cultivation	9	8.04	8	7.14
8	Horticulture	0	0	6	5.36
10	Agricultural labour	24	21.43	0	0
	Total	112	100	112	100

Source: Primary data



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. Below Table 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.

Savings mode per months before and after joining SHG

Savings	Before	After
Monthly savings of respondents before joining SHG's	22	800-1200
Monthly savings of respondents after joining SHG's	90	3500-6500

Source: Primary data

The researcher trace the 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 analysing the problems and constraints in SHG in the study area.

The study 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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