

Impact of SHG on socio-economic conditions of women: Study pertains to Vidisha District of M.P

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Abstract

Self Help Group is a scheme which able to reach the vulnerable poor at affordable cost and can thus help the poor become self employed. The present paper examines the rural women socio-economic impact through Self Help Groups in Vidisha district of Madhya Pradesh. Present study has been done to assess the social as well as economic impact of SHG on members who have availed SHG and assessment has been done in comparison with their condition pre joining SHG and post SHG. Both primary and secondary data has been taken and collected primary data was analyzed with the help of suitable statistical tools. For calculating paired differences mean, standard deviation, T test were calculated. In present study socio-economic impact on SHG members has been studied and total 18 factors being analyzed with reference to impact of SHG on members like change in accordance with pre SHG and post SHG availed by members. SHGs have undoubtedly begun to make a significant contribution in poverty alleviation and empowerment of poor; especially women in rural areas of our country, present study showed that the women in rural area have vastly get benefited by implementation of SHG. Findings revealed that there has been a positive impact of SHGs and also the significant increase in additional monthly income of respondents after joining SHG. It also depicts that rural women after joining group accessing or enjoying all kind of social amenities like medical facilities, water supply services etc.

Keywords: Socio- economic, SHG, Poverty alleviation, Rural

Introduction

As Mahatma Gandhi said; “India lives in their villages”. The development of villages is a precondition for balanced economic development. The basic requirements of economic growth are saving, investment and expanding market for industrial products ultimately depending upon rural development in general and agricultural development in particular. **(Dhiren Vendra 2010)**. Rural development is known to be one of the pillars on which the future of our country stands. Rural development should aim at improving the living status especially to rural poor and vulnerable sections that seek employment in agriculture and its allied activities **(Sethi & Gill 2007)**.

Poverty and unemployment are the major problems of any under developed countries, to which India is no exception. In India, 26.1% of the population was living below poverty line and the overall unemployment rate is 8.5% at the end of the ninth five year plan. This is because of low growth rate of new and productive employment. At the end of ninth five year plan various rural schemes were implemented to reduce poverty and to promote gainful self employment. But the more attractive scheme with less effort is "Self Help Group". It is a weapon to reduce poverty and improve the rural development especially women (**Gowhar Jhan & Saradha 2010**). Self Help Group is a scheme which able to reach the vulnerable poor at affordable cost and can thus help the poor become self employed. Presently, poverty has become a global issue and to eliminate poverty micro finance emerged has a ray of hope for the poor (Rao and Radhika 2011). Micro-finance program are important institutional devices for providing small credit to the rural people in order to alleviate poverty and SHG bank linkage, have the potential to minimize the problems of inadequate access of banking services to the poor. Indian experience in the case of Micro-finance and SHG is shown that this strategy is suitable strategy for developing and underdeveloped countries against poverty (**Karimzadeh et al (2011)**). Self help groups have indeed helped in the social and economic empowerment of rural women at the same time delivering crucial financial services. SHG has expanded as the largest micro finance program in the world in terms of its outreach and has extended banking service to people thus far not served by the banking systems (**Karmakar 2008**). Present paper examines the socio-economic impact among women through Self Help Groups in Vidisha district of Madhya Pradesh. Said district has been purposively selected reason being number of people below the poverty line is quite high and is 40.4% of the total population.

Objective for the study:

Objective of the study has been associated with the assessment of socio-economic impact on Self Help Group members (Pre SHG and Post SHG). In this study an attempt has been made to assess the social as well as economic impact of SHG on members who have availed SHG and assessment has been done in comparison with their condition pre joining SHG and post SHG.

Methodology:

Sample size: For the study both primary and secondary data has been taken. Said district has been purposively selected reason being number of people below the poverty line is quite high and is 40.4% of the total population as per study. A survey sample of about 100 females has been taken and sampling technique adopted as simple random sampling. For secondary data-reviews, books, articles, magazines have been collected.

Tools used: Collected primary data was analyzed with the help of suitable statistical tools. For calculating paired differences- mean, standard deviation, T test were used for result calculation.

Results and discussion:

In present study socio-economic impact on SHG members has been studied and total 18 factors being analyzed with reference to impact of SHG on members like change in accordance with pre SHG and post SHG availed by members.

Table 1: Consolidated list of factors affecting socio-economic characteristics

Paired Samples Test		Paired Differences					T	Df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	Monthly before income – monthly income after	-1.770	.664	.066	-1.902	-1.638	-26.638	99	.000
Pair 2	Level of participation before – level of participation after	-1.340	.794	.079	-1.498	-1.182	-16.873	99	.000
Pair 3	Lending from money lenders – lending from money lender	1.830	.817	.082	1.668	1.992	22.394	99	.000
Pair 4	Respect from family members before – respect from money lenders after	-1.840	1.220	.122	-2.082	-1.598	-15.077	99	.000
Pair 5	Expenses of school children before – expenses of school children after	-1.140	.427	.043	-1.225	-1.055	-26.706	99	.000
Pair 6	Payment of medical bills before – payment of medical bills after	-1.390	.530	.053	-1.495	-1.285	-26.235	99	.000
Pair 7	Households assets before – households assets after	-2.250	.903	.090	-2.429	-2.071	-24.913	99	.000
Pair 8	Management of enterprise before – management of enterprise after	-2.330	.975	.097	-2.523	-2.137	-23.898	99	.000
Pair 9	Ability of market produce before – ability of market produce after	-2.390	.840	.084	-2.557	-2.223	-28.466	99	.000
Pair 10	Access to training before – access to training after	-2.040	.665	.067	-2.172	-1.908	-30.656	99	.000
Pair 11	Awareness regarding new scheme before- Awareness regarding new scheme after	-2.030	.717	.072	-2.172	-1.888	-28.308	99	.000
Pair 12	Water supply facility before – water supply facility after	-1.300	.628	.063	-1.425	-1.175	-20.712	99	.000
Pair 13	Better std of living before - Better std of living after	-3.020	.681	.068	-3.155	-2.885	-44.324	99	.000
Pair 14	Market place for sale before- Market place for sale after	-1.520	.810	.081	-1.681	-1.359	-18.765	99	.000
Pair 16	Savings before – savings after	-1.290	.456	.046	-1.380	-1.200	-28.286	99	.000
Pair 17	Lending amount before – lending amount after	-1.510	.595	.059	-1.628	-1.392	-25.399	99	.000
Pair 18	No loans per year before – no loans per years after	-.910	.473	.047	-1.004	-.816	-19.221	99	.000

(Source: Primary data)

• Monthly income

Involvement in SHG has come up with increment in income level of respondents. It is evident from the above description that there was an increase in the additional monthly income of respondents after joining SHG. To test the significance of this increase in income Z test was applied for this purpose.

(Null hypothesis (H_0)- There is no significant difference in additional income of respondents before and after joining the SHG)

Data indicates that there was significant difference in the monthly additional income of the respondents before and after joining SHG. Therefore, the null hypothesis (H_0) was rejected. Thus, positive indication has found of SHG in rural areas with relevance to increase in monthly

income. While interviewing respondents, it was reported that SHGs have provided them a good platform to generate additional income. The SHG officials guided them from time to time for smooth conduction of the activities.

Table 2 Association between Monthly incomes before joining SHG and after joining SHG

Paired Sample Test					
	Test Value = 0				
	N	T	Sig. (2-tailed)	Mean Difference	Std. Deviation
Monthly Income Before	100	29.475	.000	1.480	.502
Monthly Income After	100	67.797	.000	3.250	.479

- **Level of participation**

Involvement in decision making is another important indicator of empowerment. The data indicates that there was significant difference in the level of participation in public gathering of the respondents before and after joining SHG. Hence, it was the indication of positive impact of SHG in rural area. It was reported during the survey that SHGs have provided them a platform to interact and allow them to express their thoughts cum suggestions, feelings etc. resulting in high level participation.

Table 3 Association between Level of participation before joining SHG and after joining SHG

Paired Sample Test					
	Test Value = 0				
	N	T	Sig. (2-tailed)	Mean Difference	Std. Deviation
Level Participation Before	100	19.456	.000	1.610	.827
Level Participation After	100	37.659	.000	2.950	.783

- **Respect from family members**

Respect from family members is important parameter because it affects the daily routine and overall status in society and in study majority of respondents are women, so before joining the SHGs the mean of 2.23 which is increase after joining SHGs is 4.07. Same indicates that respondents have got changed behavior to them from family members like by getting self empowered through SHG, they got good reputation in family.

Table 4 Association between Respect from family members before joining SHG and after joining SHG

Paired Sample Test					
	Test Value = 0				
	N	T	Sig. (2-tailed)	Mean Difference	Std. Deviation
Respect From Family Members Before	100	21.788	.000	2.230	1.024
Respect From Family Members After	100	50.419	.000	4.070	.807

- **Expenses of children fee**

Education is a device for social transformation. It is only through education that people could improve their individual and social life. Keeping this in mind, the SHGs educate the members to send their children to schools. Through rigorous efforts the members of the SHGs are made to realize the benefits of sending their children to schools and colleges. Table 5 inferred the number of members sending their children to schools and colleges before and after joining the SHGs. It reflects wide variations in the members' awareness, knowingness within these communities. As observed there has minor but positive change in members' status in decision making regarding their children's education.

Table 5 Association between Respect Expenses of children fee before joining SHG and after joining SHG

Paired Sample Test					
	N	Test Value = 0			
		T	Sig. (2-tailed)	Mean Difference	Std. Deviation
Expenses Of Children School Fee Before	100	28.463	.000	1.270	.446
Expenses Of Children School Fee After	100	48.755	.000	2.410	.494

- **Payment of medical bill**

As there is a permanent patient in the family so most of the income is spent on the cure and very less amount of income left for their household usage but after joining SHGs the family having an additional income which can be distributed to different purpose without affecting much to the family needs. Table 6 shows that the mean difference before and after joining of SHGs is 1.42 to 2.81.

Table 6 Association between Payment of medical bill before joining SHG and after joining SHG

Paired Sample Test					
	N	Test Value = 0			
		T	Sig. (2-tailed)	Mean Difference	Std. Deviation
Payment Of Medical Bills Before	100	28.626	.000	1.420	.496
Payment Of Medical Bills After	100	63.494	.000	2.810	.443

- **Households assets**

Literature suggest that women's individual share in total family income reflects her status in the family. If it increases over period, the women status is expected to increase. It is well known fact that rural households are reluctant to reveal the incomes, especially increases/ improvements. In this survey also, members show reluctance to share this piece of information. One excuse often given for not revealing the family/ own income is that they are not aware of it. There are number of gaps in the data obtained for income related questions.

Table 7 Association between Households assets before joining SHG and after joining SHG

Paired Sample Test					
	Test Value = 0				
	N	T	Sig. (2-tailed)	Mean Difference	Std. Deviation
Household Assets Before	100	26.235	.000	1.390	.530
Household assets After	100	44.234	.000	3.640	.823

- **Management of enterprise**

Table 8 expresses the information that those respondents who are all dependant on enterprises like small *kirana* store, are not much aware about vital information regarding the products but after joining the SHGs the people were aware about vital information like, expiry date, mfg date etc. Respondents were up to date about the price fluctuations and the time management to the shop and keeping products which are on demand. It can be interfere with comparing mean, before and after joining the SHGs i.e. 1.58 & 3.91 respectively.

Table 8 Association between Management of enterprise before joining SHG and after joining SHG

Paired Sample Test					
	Test Value = 0				
	N	T	Sig. (2-tailed)	Mean Difference	Std. Deviation
Management Of Enterprise Before	100	24.154	.000	1.580	.654
Management Of Enterprise After	100	56.042	.000	3.910	.698

- **Ability of market produce**

Present study was conducted in Vidisha district. The urban and rural areas are well connected by the network of road transports. If, there is no bus facility in the particular locality, the members of the SHGs after becoming members could approach the appropriate authorities to provide transport facility.

Table 9 inferences the distribution of members with adequate transport facility to go to markets and nearby towns before and after joining the SHGs. It could be observed from table 9 that major portion of members expressed positive opinions on the adequacy of transport facilities before joining the SHGs due to the requirement and demand of buyers the quantity and quality are to be modified.

Table 9 Association between Ability of market produce before joining SHG and after joining SHG

Paired Sample Test					
	Test Value = 0				
	N	T	Sig. (2-tailed)	Mean Difference	Std. Deviation
Ability Of Market Produce Before	100	28.434	.000	1.400	.492
Ability Of Market Produce After	100	54.098	.000	3.790	.701

- **Access to training**

During survey it was found that respondents were lacking the adequate skills for production of materials due to limited or no training facilities in the area. But post interfere by private agencies/NGO/Government programs there was found good improvement in same. Like it can be observed from table 10 that post joining SHG mean get increased to 69.88 in comparison to 28.18 for pre joining SHG.

Table 10 Association between Access to training before joining SHG and after joining SHG

Paired Sample Test					
	N	Test Value = 0			
		T	Sig. (2-tailed)	Mean Difference	Std. Deviation
Access To Training Before	100	28.183	.000	1.310	.465
Access To Training After	100	69.883	.000	3.350	.479

- **Awareness regarding new scheme**

Present study has also summarizes that members awareness about different government programs, have been quietly increased. The programs included in the survey area were like, Swarnjayanti Gram Swarozgar Yojana (SGSY), etc. Compare to this, relatively fewer members are aware of programs like 'food for work', etc. As most of these programs are ages old and some memory loss is expected in these cases. However, even after discounting the memory loss, the variations in awareness about old and new programs is significant. This could be because of two factors (1) actual reach of the programs might have increased in recent years, and (2) there is more emphasis on publicizing the program or both these factors together might have contributed for greater awareness.

Table 11 Association between Awareness regarding new scheme before joining SHG and after joining SHG

Paired Sample Test					
	N	Test Value = 0			
		T	Sig. (2-tailed)	Mean Difference	Std. Deviation
Awareness Regarding New Scheme Before	100	28.889	.000	1.240	.429
Awareness Regarding New Scheme After	100	52.983	.000	3.270	.617

- **Water supply facility**

It is the foremost duty of the government to make available good drinking water to its citizens. Keeping this in view, the government, corporations, municipalities and panchayats provide drinking water facility in public places and also to residences of individuals. The water tax is also collected from the individual users. During deficiency situation, special efforts are made to provide drinking water in the rural and in the urban areas. The membership in the SHGs creates awareness among the members to get drinking water facilities to their houses by using facilities available in the residential localities. If the water facilities are not available from government sources, they themselves take the initiative for digging bore-wells to augment their water resources. Table 12 inferences the distribution of members according to responses on water supply within the house before and after joining the SHG. It could be seen from table 10 that the difference between their mean before Implementation of SHG was 2.4 and after joining SHGs

their mean difference increase to 3.7 it shows that people after joining SHGs getting water facility better than before.

Table 12 Association between Water supply facility before joining SHG and after joining SHG

Paired Sample Test					
	Test Value = 0				
	N	T	Sig. (2-tailed)	Mean Difference	Std. Deviation
Water Supply Facility Pre	100	34.467	.000	2.400	.696
Water Supply Facility Post	100	80.336	.000	3.700	.461

- **Better standard of living**

The major affecting parameter of SHGs respondents is their standard of living which can be measured from their family income, management of enterprise, their time management, the quality and quantity of market produce. Table 13 shows that before and after joining SHGs their mean differ from 1.47 to 4.49.

Table 13 Association between Better standard of living before joining SHG and after joining SHG

Paired Sample Test					
	Test Value = 0				
	N	T	Sig. (2-tailed)	Mean Difference	Std. Deviation
Better Std Of Living Before	100	29.305	.000	1.470	.502
Better Std Of Living After	100	80.251	.000	4.490	.559

- **Market place for sell**

The accessibility of market in the locality would enable the people to buy fresh commodities at competitive prices. In the absence of market facilities, the members have to buy the necessities in the few shops in the locality that charge high price for the commodities.

Table 14 highlights the opinions of the members regarding market facilities before and after joining the SHGs. Table 14 shows that mean value after Joining SHGs is 2.98 of members expressed the opinion that they had adequate market facilities only after joining the SHGs whereas mean value was 1.46 before joining SHGs members reported having the same facility before joining the SHGs.

Table 14 Association between Market place for sell before joining SHG and after joining SHG

Paired Sample Test					
	Test Value = 0				
	N	t	Sig. (2-tailed)	Mean Difference	Std. Deviation
Market Place For Sell Before	100	29.147	.000	1.460	.501
Market Place For Sell After	100	38.947	.000	2.980	.765

- **Savings**

It appears that the saving remain as obligatory saving, not grown as saving service to members. To provide saving services to members, the groups/ project should introduce: (a) flexible saving products, (b) proper safeguards, and (c) yearly dividend or interest payment. Shift to weekly meeting is major reason for increase in thrift rate.

From Table 15 it is clear that the savings of SHG member is increase very significantly mean of 1.29 to 2.58.

Table 16 Association between Savings before joining SHG and after joining SHG

Paired Sample Test					
	N	Test Value = 0			
		T	Sig. (2-tailed)	Mean Difference	Std. Deviation
Saving Before	100	28.286	.000	1.290	.456
Saving After	100	52.011	.000	2.580	.496

- **Lending amount**

Table 17 bring in to notice that village members mostly dependant for money on local money lender who keep mortgage as their land or jewelers but after joining SHGs they were self dependant and having good livings without taking more loan from local village lenders and the mean changes from before joining SHGs to after joining SHGs is 1.28 to 2.79.

Table 17 Association between Lending amount before joining SHG and after joining SHG

Paired Sample Test					
	N	Test Value = 0			
		T	Sig. (2-tailed)	Mean Difference	Std. Deviation
Lending Amount Before	100	28.365	.000	1.280	.451
Lending Amount After	100	50.192	.000	2.790	.556

- **No. of loans**

Among these money lenders provided highest number of loans followed by SHGs and banks other than SHGs Relatives and others provided loans, respectively. Number of SHGs became major source of credit in terms of number of loans. The Increase in number of loans suggests not only higher credit amount from SHGs but also availability of credit in times of need albeit small quantities. These increases reflect increasing credit worthiness of members/ families. SHG linkage could be considered as one of the contributory factor for increasing credit worthiness.

Table 18 Association between No. of loans before joining SHG and after joining SHG

Paired Sample Test					
	N	Test Value = 0			
		T	Sig. (2-tailed)	Mean Difference	Std. Deviation
No Of Loans Before	100	28.463	.000	1.270	.446
No. Of Loans After	100	31.720	.000	2.180	.687

Conclusion

Present study is an attempt to analyses the socio-economic development of members and the performance of SHGs in Vidisha district. The present investigation was done to study the poverty alleviation through SHGs in Vidisha district of Madhya Pradesh who were mainly

concerned to understand the phenomenon of upliftment of rural economy, particularly by way of raising income of rural women. In sum, it could be inferred that the rural people have been vastly benefited by the implementation of SHGs. SHGs have undoubtedly begun to make a significant contribution in poverty alleviation and empowerment of poor, especially women in rural areas of our country. The performance of SHGs was good. The greater percentage of women were impacted positively by being members of SHGs. Women's participation in SHGs enabled them to discover inner strength, gain self confidence, social, economical, political and psychological empowerment and capacity building. Findings revealed that there has been a positive impact of SHGs and also the significant increase in additional monthly income of respondents after joining SHG. The study can conclude that the Self Help Group is a program which is able to reach the vulnerable poor at affordable cost and can thus help the poor become self employed. It also depicts that rural women after joining group accessing or enjoying all kind of social amenities like medical facilities, water supply services, and there is growth in schools for children, and increase in self-confidence, communication skill, decision-making skills and transport facilities.

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