

Impact Of Self Help Group On Members In Bidar District- Karnataka (India)

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Abstract: Self-help group are necessary to overcome exploitation, create confidence for the economic self-reliance of rural people, particularly among women who are mostly invisible in the social structure. These groups enable them to come together for common objective and gain strength from each other to deal with exploitation, which they are facing in several forms.

A group becomes the basis for action and change. It also helps buildings for mutual trust between the promoting organization and the rural poor through constant contact and genuine efforts. Thus, self-help group disburses microcredit to the rural women for the purpose of making them enterprising women and encouraging them to enter into entrepreneurial activities. Credit needs of the rural and urban and urban poor women are fulfilled totally through the SHGs. SHGs enhance equality of status of women as participation, decision makers and beneficiaries in the democratic, social and culture spheres of life. The main objective of this paper is to evaluate the performance of the SHGs and the attitude of the members of the SHGs towards economic impact, social impact and psychological impact.

Keywords: *Microfinance, SHGs, Economic impact and Social impact.*

I. INTRODUCTION

Micro finance is a source of financial services for entrepreneurs and small businesses lacking access to banking and related services. The two main mechanisms for the delivery of financial services to such clients are: (1) relationship-based banking for individual entrepreneurs and small businesses; and (2) group-based models, where several entrepreneurs come together to apply for loans and other services as a group.

Concept of Self – Help Groups: The concept of SHGs had its origin in the co-operative philosophy and the Co-operators by and large, including the National Federations in the credit sector, could not think of any better SHG than a

primary co-operative credit society itself. As SHGs are small and economically homogeneous affinity groups of rural poor, they are voluntarily coming together for achieving the following:

To save small amount of money regularly.

To mutually agree to contribute to a common fund.

To meet their emergency needs.

To have collective decision making.

To solve conflicts through collective leadership and mutual discussion and

To provide collateral free loans with terms decided by the group at the market driven rates.

Characteristics of SHGs.

The important characteristics of SHGs are as follows:

- i) They usually create a common fund by contributing their small savings on a Regular basis.
- ii) The groups evolve a flexible system of operations often with the help of the NGOs and manage their common pooled resources in a democratic manner.
- iii) Groups consider loan requests in periodical meetings, with competing claims on limited resources being settled by consensus regarding greater needs.
- iv) Loaning is mainly on the basis of mutual need and trust with minimum documentation and without any tangible security.
- v) The amounts loaned are small, frequent and for short duration.
- vi) Rates of interest vary from group to group depending upon the purpose of loans and are often higher than those of banks but lower than those of moneylenders.
- vii) At periodical meetings, besides collecting money, emerging rural, social and Economic issues are discussed.
- viii) Defaulters are rare due to group pressure and intimate knowledge of the end use of the credit as also of the borrower's economic resources.

Functions of SHGs.

- The important functions of SHGs are the following:
- i) Enabling members to become self-reliant and self-dependent.
 - ii) Providing a forum for members for discussing their social and economic problems.
 - iii) Enhancing the social status of members by virtue of their being members of the Group.
 - iv) Providing a platform for members for exchange of ideas.
 - v) Developing and enhancing the decision-making capacity of members.
 - vi) Fostering a spirit of mutual help and co-operation among members.
 - vii) Instilling in members a sense of strength and confidence which they need for solving their problems.

viii) Providing organizational strength to members.

ix) Promoting literacy and increasing general awareness among members and

x) Promoting numerically and equipping the poor with basic skills required for Understanding monetary transactions.

II. REVIEW OF LITERATURE

In order to understand the concept of self-help groups and also to identify the areas already investigated, some of the important studies already undertaken and related to the Objectives of the present study are mentioned. Other developing countries also face similar problems in helping the poor to fight their poverty. They have also experimented with many strategies. Some of them have adopted the micro-credit strategy. Their experiences may be of relevance to us. Therefore, Studies on these experiments of such countries are also discussed in this section. For better Understanding, the studies undertaken have been grouped under two headings viz. studies related to foreign countries and studies related to India.

by them. Out of the 27,000 self-help groups in Tamil Nadu, 5,400 are linked with banks and the banks advance credit to them to the extent of Rs.9 crores. In his view, Self- T.R.

T. Chiranjeevulu³⁶ (2003) in his study, "Empowering Women through Self Help Groups", studied the micro enterprises started by self-help groups in Warangal district (Andhra Pradesh). The micro-enterprises belong to chilly processing units. SrujanaMahilabhivridhiUpadi Mutually Aided co-operative Society was formed with a membership of 514 women. Each group raised a share capital of Rs.15, 000. The group members belonged to backward classes, scheduled castes and scheduled tribes. The researcher states that the conversion of consumption based self-help groups into entrepreneurship-oriented self-help groups led to employment generation and empowerment of women.

C.S.Reddy 41 (2005) in his work, "Self Help Groups: A Key Stone of Micro Finance in India", analyse that micro finance has evolved over the past quarter century across India into various

operating forms and to varying degree of success. One such form of micro finance has been the development of the Self-Help movement. Based on the concept of "Self-Help," small groups of women have formed into groups and operate a savings-first business model whereby the members' savings are used to fund loans. The results from these Self-Help Groups (SHGs) are promising and have become a focus of intense examinations as it is proving to be an effective method of poverty reduction.

III. SCOPE OF THE STUDY.

The present study attempts to examine the socio-economic impact of the SHGs on the beneficiaries. It examines how far the programme has helped in raising the incomes and levels of living of the rural poor women and in enabling them to cross the poverty line. The present study is from the standpoint of the SHGs and their members.

IV). OBJECTIVE OF THE STUDY.

To trace the genesis and development of SHGs in Bidar district.

To evaluate the performance of the sample SHGs in Bidar district selected for the study.

To analyze the changes in the social conditions of the members of the self-Help groups.

To analyze the attitude of the members of the SHGs towards economic impact, social impact, psychological impact.

V. RESEARCH METHODOLOGY

Sources:- Bidar district chooses of (05) villages: Bidar, Nagora, Mailore, T. Marjapur & Meenkera.

Sample size: 200 Respondents. **Data collection method:** Survey method

Data collection To achieve the objectives of the study data is collected through, sources of data

Primary: Questionnaire & personal interview.

Secondary data: Journals, magazines, books and online resources.

VI DATA AND INTERPRETATION

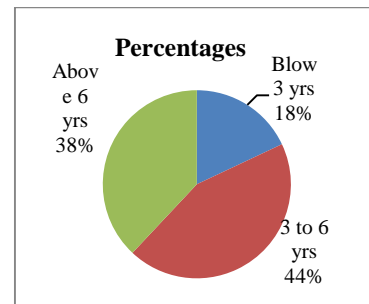
Table: 1 Distribution of Shg According to Tenure of Existence

Distribution of SHGs According to Tenure of Existence

Sl. No	Education Qualification	No. of SHGs	%
1.	Illiterate	15	30
2.	Below SSLC	27	54
3.	SSLC and PUC	04	08
4.	PUC and Above	04	08
	Total	50	100

Sl. No	Tenure	No. of SHG	%
1.	Below 3 year	09	18
2.	3 to 6 year	22	44
3.	Above 6 year	19	38
	Total	50	100

Graph:-1



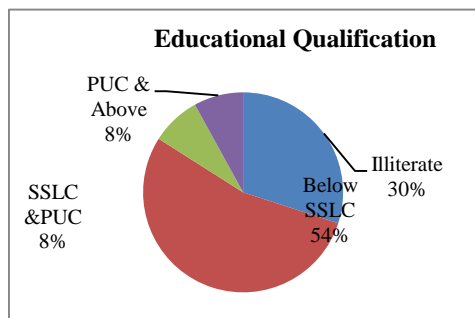
Analyses:- Shows that 22(44 per cent) sample groups are 3 to 6 years old, 19(38 per cent) SHGs are more than 6 years old and only 17 groups (18 percent) are less than 3 years old.

Interpretation:-As per the norms of the NABARD and the Reserve Bank of India, the SHGs that matured enough in terms of regularity in conducting meetings, mobilizing savings and Disbursement of loans for consumption requirements were to be rated and linked with banks. The minimum eligibility for a group is that it should be in existence of more than six months. The tenure refers to the number of years completed by the SHGs from its inception and the years of service to the members.

TABLE:2 Educational Qualification of the Leader

Distribution of SHGs Based on the education of the Leader

Graph:-2



Analyse
s:- Table 2. Shows that 54 per cent of the leaders of the

sample have educational qualification of below SSLC. The 30 per cent of the group leaders are illiterates. The educational qualifications possessed by 8 per cent of the sample group leaders are SSLC and PUC. Another Remaining 8 per cent of the leaders of the sample SHGs are with PUC and above education. As the 30 percent sample respondents are illiterates, they require continuous training in the relevant field and monitoring from the NGOs.

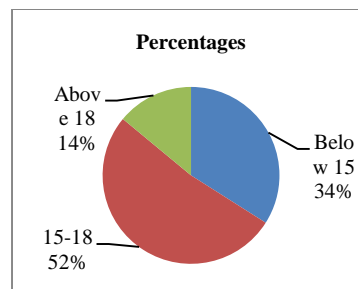
Interpretation:- Though no specific educational qualification has been prescribed by the NABARD for those who wish to enroll themselves in a SHG, possession of education could help to acquire necessary technical skills and knowledge for empowerment and economic upliftment. As the leader of the SHG has to conduct the meeting and co-ordinate the various activities of the SHGs, the literacy level helps to discharge the leader's duties well. Further education gives self-confidence to the leader to manage the affairs of the SHGs.

Table 2 shows the distribution of the SHGs according to the qualification of the leader.

Table 3:-Distribution of Sample SHGs Total No.of members.

Distribution of Sample SHGs Based on Membership

Sl. No	No. of Members	Number of SHGs	%
1.	Below 15	17	34
2.	15-18	26	52
3.	Above 18	07	14
	Total	50	100



Analyses:- Table 3. Shows that 26(52 per cent) groups had 15 to 18 members, 17(34 per cent) groups had less than 15 members. And 07(14 per cent) groups had more than 18 members

The number of members in each selected group varied from 15 to 20.

Interpretation:- Savings by members and internal lending help the group members to improve their economic position. A strong group acts as collateral for banks to provide micro finance to it. They get access to credit for a variety of consumption needs, seasonal activities and trading activities. The NABARD stipulated that the SHG may have 4-20 members and the size should not exceed 20. Cohesion of the group may also get weakened and may go beyond management when the size is above 20.

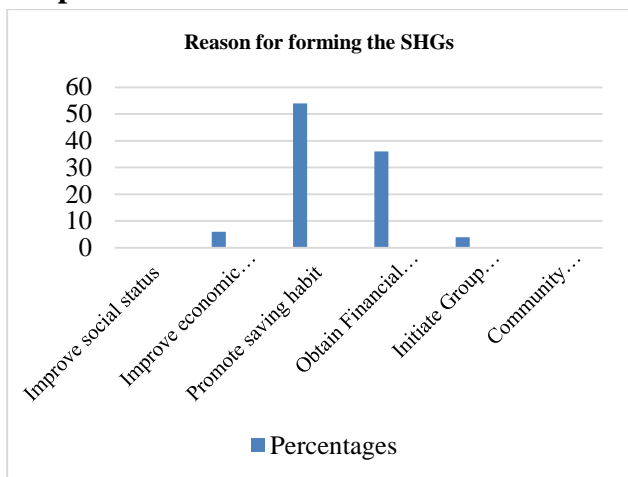
The distribution of the sample SHGs according to the number of members in the group is given in Table 3.

Table 4:-Reason for Forming the SHGs. Reasons for Forming the SHGs

Sl. No	Reasons	No. of SHGs	%
1.	Improve Social Status	-	-
2.	Improve Economic Status	03	06
3.	Promote Saving Habit	27	54
4.	Obtain Financial Support	18	36
5.	Initiate Group Activities	02	04
6.	Community Development Activities	-	-
	Total	50	100

Graph:-3

Graph:-4



Analyses:- It is found from Table 4 that 27 (54 per cent) groups are formed to promote saving habit among the members. 18 (36 per cent) groups are formed to obtain the financial support from the government, the NGOs and the financial institutions. Some 3(6 per cent) groups are formed to improve their economic status. Another Yet another 2 (4 per cent) groups are formed to initiate group activities and no respond groups are formed to take up community development activities and Improve Social Status.

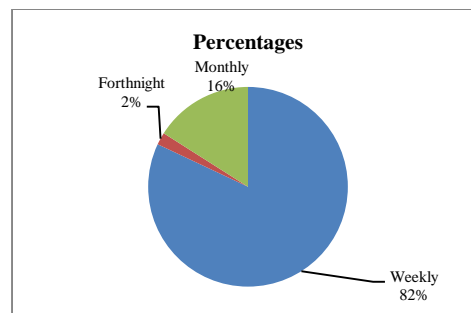
Interpretation:-The reasons for forming the Self Help Group in the study area is presented in Table 4. SHGs members have given more preference to the Promote Saving Habit, obtaining the financial support from the government

Table 5 :- Frequency of Meeting

Distribution of SHGs Based on Frequency of Meetings

Sl. No	Meetings	No. of SHG	%
1.	Weekly	41	82
2.	Fortnight	01	02
4.	Monthly	08	16
	Total	50	100

Graph:-5



Analyses:- Table: - 5 Indicates that 41(82 per cent) SHGs conducted their meetings once in a week whereas 08(16 per cent) SHGs conducted their meetings monthly. The table reveals that 01 (2 per cent) groups conducted their meetings once in a fortnight.

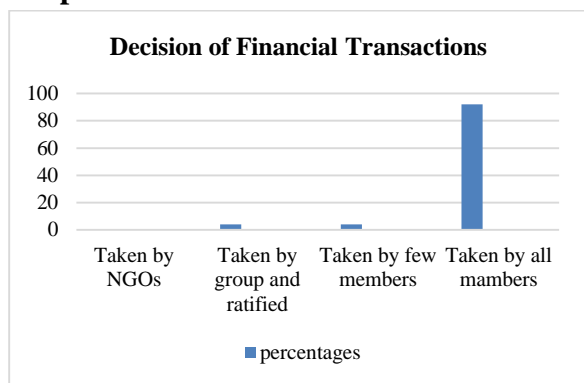
Interpretation:- The main activity of the SHGs is conducting group meetings in a common place at fixed intervals. Group meeting is very essential for all groups. They have to discuss their savings, common problems, performances and so on in the meeting. In addition to this, the occasion is used to discuss their economic and social problems and other issues that need to be sorted out through intervention of the group or its members. Hence the frequency of conducting meetings is considered an important factor for judging the performance of the SHGs. The allotment of the sample SHGs on the basis of the regularity in conduct of meetings is given in Table 5.

Table 6 :- Decision Of Financial Transaction

Distribution of SHGs Based on the Decision of Financial Transactions

Sl. No.	Decision	Number of SHGs	%
1.	Taken by NGOs	-	-
2.	Taken by Group Leader and Ratified	02	04
3.	Taken by Few Members	02	04
4.	Taken by all members	46	92
	Total	50	100

Graph:-6



Analyses:- As it could be seen from Table 6 in 46 sample groups, the decisions relating to financial transactions are taken by all members, while in 2 SHGs the decisions are taken by the group leader and ratified. The remaining 2 SHGs have recorded that taken by few members and only 4 SHGs have recorded that decisions are taken by a few members. None of the SHGs said that the NGOs take the decisions.

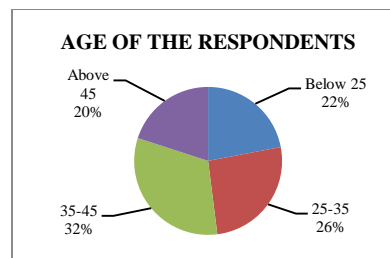
Interpretation:- Decision making followed by discussion i.e. collective decision is the tool for effective functioning of the SHGs. If majority of the members in a group are involved in decision-making, definitely there will be more commitment on the part of the members. Usually if the leader of the group does not force the members to accept a decision taken by him, the performance of the self-help groups will be good. Table 6 shows the distribution of the sample SHGs according to the decision on the financial transactions.

Table 7:- Age of the Respondents

Age-wise Classification of Sample Members

Sl. No	Age	No. of members	%
1.	Below 25	44	22
2.	25-35	52	26
3.	35-45	64	32
4.	Above 45	40	20
	Total	200	100

Graph:-7



Analyses:- It could be seen from Table 9 that 64 (32 per cent) sample members are 35-45 years of age, 52 (26 per cent) belong to the age group of 25 to 35 years and 44 (22 per cent) are in the age group of below 25 years. 40(20 percent) It is also evident from Table 7 that majority of the members are below the age of 35-45 years.

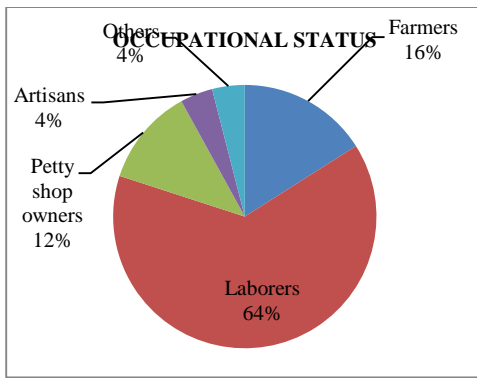
Interpretation:- It has been observed that majority of the members are young persons. They want to do some income generating activities to increase the income of their families. It has also been found that old people are not generally intended to become members of SHGs, since they cannot undertake any income generating activity and they are in care of their sons, daughters and daughters in law. Table 7 shows the distribution of the sample members according to their age

Table 8:- Occupational Status of the Sample Members.

Occupation status of the sample member

	Category	No. of Members	%
Sl. No	Farmer	32	16
2.	Laborer	128	64
3.	Petty shop owners	24	12
4.	Artisans	08	04
5.	Others	08	04
	Total	200	100

Graph:-8



Analyses:- It could be seen from Table 8. That about 32 (64 per cent) of the members are laborers and 32 (16 per cent) are farmers, petty shop owners are 32 (12 per cent) Next comes artisans who are 08 (04 per cent) and in the remaining 08 (04 per cent) are others, and total no of members are 200.

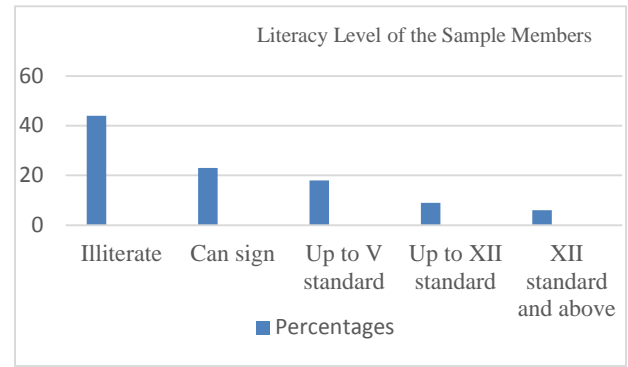
Interpretation:- Before the formation of the SHGs in the villages most of the women remained housewives and their involvement in economic activities was insignificant. After the formation of the SHGs in villages, women enrolled themselves as members and their occupational status has been improved. The micro-credit through the SHGs enabled the members to promote their income generating activities such as dairy farming, making handicraft products, herbal products and the like. In turn, the standard of living of the members had improved. Table 8 reveals the distribution of members according to their occupational status.

Table:-9 Literacy Level of The Respondents

Literacy Level of the Sample Members

Sl. No	Literacy Level	No. of Members	%
1.	Illiterate	88	44
2.	Can sign	46	23
3.	Up to V standard	36	18
4.	Up to XII standard	18	09
5.	XII Standard and above	12	06
	Total	200	100

Graph:-9



Analyses:- From Table 9. It could be deduced that 23 percent of the sample members can sign whereas 44 percent of the sample members are illiterates. Among the remaining members 18 per cent are educated up to V standard level, 09 per cent are educated up to XII Standard level and Graduates form 06 per cent of the total.

Interpretation:- Education plays an important role in moldings an individual's life and its main aim is to provide better, richer, peaceful and purposeful life. It develops the capacities of an individual member. Those who are well qualified can migrate to any place for better jobs. But illiterate people find it difficult to move from the rural area. Hence they become village artisans or agricultural laborers. Therefore, education plays a vital role in the economic and social emancipation of the members of SHGs. The allocation of sample members according to their literacy level is portrayed in Table 9.

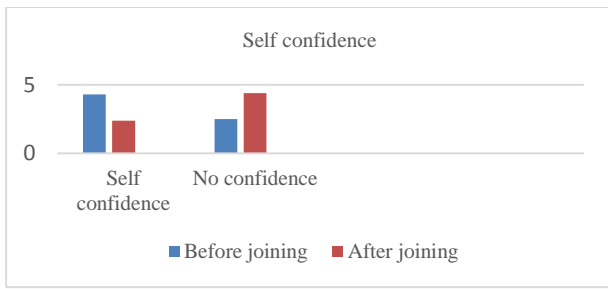
Table: - 10 Self-Confidence

Opinions of the Sample Members Regarding Self-

Confidence Before and After Joining the SHGs

Sl. No	Response	Before joining	After joining
1.	Self Confidence	24	194
2.	No Confidence	176	06
	Total	200	200

Graph:- 10



Analyses:- It is seen from Table 10 that out of the 200 members only 24 members had self-confidence before joining the SHGs but 194 members had gained confidence after joining the SHGs. Thus association with the SHGs pervades a large cross section of people with self-confidence.

Interpretation:- The membership in the SHGs and participation in the various activities of the SHGs encourage confidence in the hearts of members to face any contingency in life. This is termed as confidence. Table 10 shows the opinions of the sample members regarding their general confidence

Table:- 11 Confidence of the Respondents to Face Financial Crisis In The Family

Distribution of Members Based on their Confidence to Face Financial Crisis before and After Joining the SHGs

Sl. No	Response	Before joining	After joining
1.	Confidence	36	200
2.	No Confidence	164	0
	Total	200	200

Graph:-11



Analyses:- It could be inferred that 36 sample members have shown positive response to face financial crisis before joining SHGs whereas 200 show a positive response after joining them. This shows that after joining the SHGs, the confidence level of the members has increased remarkably.

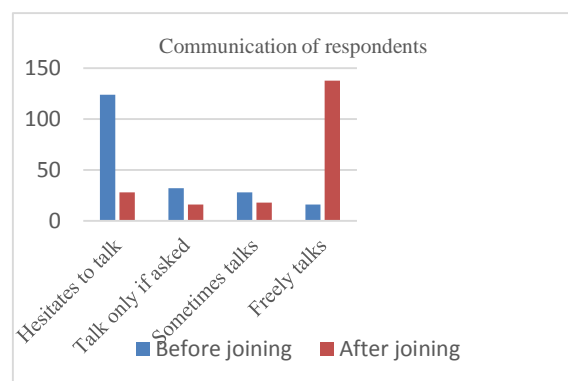
Interpretation:- Mostly the women depend on the male members for meeting their financial needs and family expenditure. Any time they need finance, they have to expect the helping hands of their husbands. If their husbands deny giving money for the needs, the women have to face critical situations. But membership in the SHGs provides ample opportunities for women to save borrow and invest money on some income generating activities. They acquire courage and gain confidence to manage any financial crises. The distribution of members based on their confidence to face financial crisis before and after joining the SHGs is shown in Table 11.

Table:-12 Degree Of Communication Of Respondents

Distribution of Members According to Nature of Communication in the Meeting before and After Joining the SHGs

Sl. No	Nature of communication	Before joining	After joining
1.	Hesitates to Talk	124	28
2.	Talks Only if Asked	32	16
3.	Sometimes Talks	28	18
4.	Freely Talks	16	138
	Total	200	200

Graph:-12



Analyses:- It is seen from Table 12. That most of the members 124 were hesitant to talk before joining the SHG, but after joining only 28 were hesitant to talk. Some 32 talked only if they were asked before joining the SHGs but 16 expressed that they could talk to others after joining the SHGs. And 28 talked some times before joining but 18 members after joining and 16 members freely talked before joining but 138 members freely talks after joining the SHGs. Thus there is a significant shift in the level of communication, which might be due to the association with the SHGs.

Interpretation:- The members of the SHGs acquire some knowledge and skill while talking about the issues discussed in the meeting. Participation of members in the meetings and proceedings and the speech they deliver may vary from person to person. The distribution of members according to the level of communication in the meeting is depicted in Table 12.

CONCLUSION

The new millennium has thrown many challenges subjecting many nations to undergo transformation cutting across their established tradition and culture. New issues have to be addressed to effect social and economic progress of our nation. The most important one is women's empowerment through Self-help groups. SHGs have undoubtedly begun to make a significant contribution in poverty alleviation and empowerment of poor, especially women in rural areas of our country. Women are the vital infrastructure and their empowerment would hasten the pace of social development. Investing in women's capabilities and empowering them to achieve their choices and opportunities is the definite way to contribute to the economic growth and the overall development. The empowerment of rural women leads to benefit not only to individual women and women groups, but also to

the families and the community as a whole. The present study is an attempt to analyze the socio-economic development of the members and the performance of the SHGs in Bidar district. The performance of the SHGs was good. The greater percentage of women were impacted positively by being members of SHGs. Women's participation in the SHGs enabled them to discover inner strength, gain self-confidence, social, economic, political and psychological empowerment and capacity building. If the aforesaid suggestions are carried out by the authorities concerned, the SHGs will further improve the status of the women in Bidar District.

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Thesis

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Website

www.google.com

www.saharadabidar.com

Acronyms

MFI : Micro Finance Institutions

MF : Micro Finance

NABARD : National Bank for Agricultural and Rural Development

NGO : Non- Government Organisation

SHGs : Self Help Groups.