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Economic security among rural women through self help groups: A study of Gaya District

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Abstract

In order to improve economic access among women, the empowerment is one of the key constituent element for poverty alleviation. The process of economic empowerment among women can be institutionalized through self help groups. The role played by self help groups in the field of women empowerment is being recognized these days. The SHGs are voluntary association of people formed to attain a collective goal. The members of SHGs are common in 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. Since women throughout the world have been subject to gender discrimination in varying forms and have lesser access to land, property and business. Their mobility is also restricted than men as well as they have limited access to labour markets and are also subjected to discrimination in the matter of wages and compensation for their labour. They also remain under-represented in decision –making and hold less than 10 percent of seats in parliament in most region of the world. This study was conducted to study the income generating activities taken by SHG members as well as to identify the factors responsible for effective functioning of the SHGs.

Keywords: Empowerment; Economic Security; Self Help Groups; Micro-Finance

Introduction

Women occupy an important position in any society. The development of status of women is considered as an important condition of social development. This condition varies from country to country, state to state and region to region depending upon their culture, power of adoption of modern changes and education. In India, women produce 30 per cent of food commodities consumed by the country but earn only 10 per cent of income and own just 1 per cent of the property or wealth of the country (*Khan, 1996*) The process of nation's economic development would be incomplete and lopsided unless women are fully involved in it. Hence, emancipation of women is an essential pre-requisite for economic development and social progress of the nation. In order to provide gender equality and to improve economic access among women, the World Bank has identified empowerment as one of the key constituent element for poverty reduction. The promotion of women's empowerment is based on dual argument, i.e., social justice and human welfare (*World Bank, 2001b*).

Empowerment is an active process of enabling women to realize their full identity and power in all spheres of life. The empowerment process encompasses several mutually reinforcing components but begins with and is supported by economic independence which implies access to and control over production resources (*Singh, 2005*). Empowerment of women refers to the spiritual, political, social and economic strength in communities. It includes decision making power of their own, access to information and resources for taking proper decision, to exercise assertiveness in collective decision-making and involvement in the growth process. Empowerment of women could be achieved if five important dimensions are fulfilled, viz., economic participation, economic opportunity, health and well being, political empowerment and educational empowerment. The economic participation is highly important because presence of women in the workforce in quantitative terms is important not only for lowering the disproportionate levels of poverty among women but also as an important step forward raising household income and encouraging economic development of the country. The process of economic empowerment among women can be institutionalized through self help groups. The role played by self help groups in the field of women empowerment is being recognized these days. The SHGs are characterized by a focused attention on providing employment opportunities by imparting training in order to generate both income as well as employment (*Husain and Nair, 2006*). The self help groups are voluntary association of people formed to attain a collective goal. The members of SHGs are common in respect to social background, heritage, caste or traditional occupation come together for a common cause to raise and

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manage resources for the benefit of the group members (Kumar, 2011). These self help group is a registered or unregistered group of micro entrepreneurs having homogeneous social and economic backgrounds; voluntarily coming together to save regular small sums of money, mutually agreeing to contribute to a common fund and meet their emergency needs on the basis of mutual help. (Jagtap and Goyal, 2012).

Most importantly micro-finance programmes of SHGs enable women to contribute to the household economy, increasing their intra-household bargaining power. Thus, micro-financing through Self-help groups has transferred the real economic power in the hands of women and has considerably reduced their dependence on men. Keeping these facts in mind, the present study was conducted to study the income generating activities taken by SHG members as well as to identify the factors responsible for effective functioning of the Self Help Groups. In order to achieve the objective present study was carried out with following specific objectives:

- To analyse the incme of SHGs members through different income generating activities
- To examine the pre and post SHGs status of SHGs members
- To study thesocial and economic impact of SHGs on the respondents
- To study the different problems faced by the SHGs members.

Methodology

The paper was an attempt to make a study on the socio-economic development of the rural people through Microfinance and Self-Help-Groups in Manpur and Bodhgaya blocks of Gaya district. For the purpose of the present study both the primary and secondary data have been used. The primary data were collected from field survey through filled

in questionnaire and direct interview method. In order to get a first hand information about various SHGs, the records maintained at the offices of various implementing agencies were analyzed, besides referring to their personal records, books and registers. At the first stage, five SHGs in Manpur block and five SHGs in Bodhgaya blocks, were selected. Secondly, on the basis of each sample SHGs of different economic activities ten members were randomly selected. The selections of the respondents were performed by means of stratified random sampling and in total 100 respondents were selected from 10 SHGs functioning under various implementing agencies. Data was analyzed by means of various statistical tests, viz percentage, averages, standard deviation, chi-square tests etc.

Results and Discussion

Income Generating Activities of Women Shgs:

The results presented in Table shows varied income generating activities carried out by women SHGs. It was found that a diversified range of activities were carried out by the different women members SHGs belonging to different villages of the study area according to the availability of opportunities provided by the implementing agencies as well as availability of resources in the local area. The results reveal that women SHGs mostly involved various farm and non-farm activities like agarbatti making, mushroom, poultry, dairy, bee keeping, nursery, fertilizer shop, masala packing, tailoring, soft toys making, soap and detergent making food processing and readymade garments sales etc. Besides this the women members of SHGs are also engaged in various social activities to fight against the social evils, viz., torture on wives by their husbands, wastage of hard earned money in liquor shop, unhygienic sanitary system leading to diseases, illiteracy, dowry system etc., as well as hospitalization of the ailing member, participation in immunization and social forestry programmes.

Table 1: Income generating activities of SHGs

| Income generating activities | No. Of participants | Gross Cost | Gross Return | Net Return | B:C ratio |
|------------------------------|---------------------|------------|--------------|------------|-----------|
| Agarbatti making | 10 | 56000/- | 120000/- | 64000/- | 2.14 |
| Mushroom production | 10 | 32000/- | 96000/- | 64000/- | 3 |
| Poultry farming | 10 | 145000/- | 35200/- | 20700/- | 2.4 |
| Soap and Detergent making | 10 | 35000/- | 80000/- | 45000/- | 2.28 |
| Baby corn cultivation | 10 | 38000/- | 120000/- | 82000/- | 3.5 |
| Nursery raising | 10 | 75000/- | 141000/- | 66000/- | 1.8 |
| Food processing | 10 | 43000/- | 73000/- | 26000/- | 1.4 |
| Masala packing | 10 | 14000/- | 34000/- | 20400/- | 2.4 |
| Vegetable Growing | 10 | 15000/- | 31000/- | 16000/- | 2.05 |
| Field crops | 10 | 14000/- | 25000/- | 15000/- | 1.8 |

A total of 10 agro- based activities carried out by shgs were identified in the present study. It was observed from the table that amongst all selected agro-based activities the highest cost incurred was reported in case of poultry farming followed by nursery raising and agarbatti making. The high investment cost in case of poultry farming was due to high maintenance cost and long duration of rearing practices. The least cost incurred in case of field crops followed by masala packeting and vegetable growing. But the highest profit was found in case of baby corn production followed by nursery raising and mushroom production. Result of the B:C ratio shows it was highest in case of baby corn cultivation (3.5) followed by mushroom production (3.0) and masala packeting (2.4) respectively.

Income status of the respondents in pre-shg and post-shg stage

The SHG members involve in activities which yield income to them. The income of the respondents in pre-SHG and post-SHG stage is analyses in table 2.

Table 2: Income status of the respondents in pre-SHG and post-SHG stage

| Monthly income | Pre-SHG | Post-SHG |
|----------------|---------|----------|
| No income | 16 | Nil |
| Up to 1000 | 29 | 34 |
| 1001-1500 | 39 | 38 |
| 1501-2000 | 16 | 22 |
| Above 2000 | Nil | 6 |
| Total | 100 | 100 |

It is inferred from the above Table. 2 that before joining SHG 16 percent of the respondents were no income and none of the respondent had income more than 2000/-. But after joining SHG there is no respondent without any income and 6 percent of the respondents crossed their income level above 2000/-. however about 38 percent have monthly income of 1001-1500

after joining the group.

Social Impact of Shg Activities on the Respondents

Efforts were made to assess the social impact of the respondents during the Pre-SHG and Post-SHG stage and the data relating in this regard is presented in Table 3

Table 3: Social impact of the respondents

| Social impact | Pre-SHG stage | Post-SHG stage |
|---|---------------|----------------|
| Well Socially recognition | 15 | 65 |
| Equally participated with husband in family decisions | 30 | 55 |
| Active participation in social services | 10 | 34 |
| Better contact (network) with outsiders | 5 | 55 |
| Immense in Literacy (e.g. able to read, sign etc.) | 16 | 90 |
| Active participation in organized actions/activities | 5 | 60 |
| Gained Self dependence | 10 | 66 |
| Better schooling of the children | 25 | 75 |
| Improved inter-personal relationships | 30 | 78 |
| Active Institutional participation | 16 | 55 |
| Awareness regarding new Govt. schemes | 20 | 80 |
| Better standard of living | 15 | 88 |

On the issue of recognition respondents stated that after joining the group many people have come to know about them and their activity and show more interest in interacting with them. More than fifty percent i.e. 55.0 percent of the women respondents felt that they were equally take important decisions and issues connecting with their family with their husbands. After joining the group 90.0 percent of the respondents have immense their literacy and with this literacy the respondents were able to provide better schooling and better health to their children. The study disclosed that the participation of the women respondents in social services like raising funds for girl's marriage, settling family disputes, encouraging people to send their children to schools etc. have increased. After joining the groups, 66.0 percent and 78.0 percent of the respondents were felt self dependent and improved their inter-personal relationship. The respondents were more aware of the new developmental schemes

introduced by the government. A huge number respondent i.e. 80.0 percent had opined that they were aware about the various developmental programmes such as the LIC scheme for the poor, NREGA etc. Their standard of living had also increased from 15.0 percent to 88.0 percent after joining the group. They were now improved their houses, sanitation conditions etc. and better access to medical facilities after joining the group.

Economic Impact of Shg Activities on the Respondents

In most developing countries, women have a low social and economic status, hence empowerment of women is essential to harness the women labour in the mainstream of economic development (Carr, *et al*, 1996). An effort were also made to access the economic impact of the respondents through microfinance and the data relating in this regard is presented and analysed in Table.4

Table 4: Economic impact of the respondents (Multiple Responses)

| Economic impact | Pre-SHG stage | Post-SHG stage |
|---|---------------|----------------|
| Better access to the credit facility | 13 | 84 |
| Minimized family dependence to money lenders | 92 | 30 |
| Economically independent | 14 | 44 |
| Better access/control of financial resources & households | 18 | 67 |
| Improved the food consumption pattern | 25 | 66 |
| Increased savings | 20 | 75 |
| Minimized family indebtedness | 36 | 70 |
| Asset creation | 15 | 54 |

It has been observed from the above Table 4. that 84.0 percent of the respondents were better access to the credit facilities after joining the group which was only 13.0 percent before joining the group. Family dependence on moneylenders was also reduced from 92.0 percent to 30.0 percent after joining the group. After joining the group the number of respondents had also increased their savings from 20.0 percent to 75.0 percent. Economic independence from the family members, relatives etc. was also found to be encouraging as 44.0 percent of the respondents were feeling economically independent. The results of the study indicate

that 67.0 percent of the respondents were better control of their financial resources and households and with this financial control they were improved their food consumption pattern also. 54.0 percent of the respondents felt that they were able to create assets under various schemes of microfinance.

Benefits Derived From the Income Generating Activity by the Respondents

The benefits derived from the income generating activities by the respondents were analysed in Table 5.

Table 5: Benefits derived from the income generating activity by the respondents

| Benefits Variables | Frequency(No.) | Percentage (%) |
|--------------------------|---------------------------------|----------------|
| a) Monetary (./month) | 300 to 1500 | 72 |
| | 1501 to 3000 | 22 |
| | >3000 | 2 |
| b) Non-monetary benefits | Increased communication ability | 95 |
| | Increased confidence level | 83 |
| | Respect from the society | 76 |
| | Respect from the family members | 67 |
| | Enhanced household | 62 |
| | consumption of products | 54 |

It has been observed from the Table.5. that 72.0 per cent of the respondents had opined about their low incremental income which came upto 1500, while 22.0 per cent had medium income in the range of 1500 to 3000 and only 2 per cent had high incremental income of more than 3000. Vast majority of the respondents felt that their communication ability was increased, followed by increase in their confidence level (83.0percent). While, 76.0 and 67.0 per cent of respondents opined that they were respected by society and

family members, respectively. Further, 62.0 per cent of the respondents opined that household consumption of products has been enhanced.

Problem Faced by the Respondents in Functioning of the Shgs

An effort was also made to identify the types of problems that were faced by the respondents in the study area. The data relating to this regard is presented and analysed in Table 6.:

Table 6: Type of problems faced by the respondents

| Problem | Percentage |
|---|------------|
| Lack of training programmes | 36 |
| Improper utilization of funds | 72 |
| Improper accounts keeping | 68 |
| Formulation of group | 42 |
| Inequality in issuing loan | 36 |
| Repayment of loan | 25 |
| Establishing the activity | 42 |
| Running the groups | 30 |
| Excessive stress and tension in women | 80 |
| Lack of guidance and support from supporting agency | 27 |
| Misunderstanding among group members | 58 |
| Pressure from the family to go for loan | 40 |
| Poor output from the group activity | 20 |
| Marketing problem | 20 |
| High rate of interest | 16 |
| Non-cooperation of bank | 18 |
| Too many formalities | 45 |
| Lack of support from family members | 40 |

From the above Table 6. it has been found that the majority of the respondents i.e. 80.0 percent had stress and tension because of the dual responsibility of the group as well as of home. By playing the dual role, one as a homemaker and the other in the group, they were facing problems in maintaining a balance between these two roles. Improper utilization of funds was also another problem faced by the respondents as 72.0 percent of the respondents had complained about that. Another problem faced by the SHG members (68.0 percent) was the improper recording of accounts. That was because of lack of training programmes organized for the groups at regular intervals as there were 36.0 percent of the respondents had complained about that. 40.0 percent of the respondents said that their families pressurized them into taking loans for family needs and when the members were taking loans for consumption purposes rather than starting an economic activity, it affects the repayment of the loan. 27.0 percent of the respondents had problems with the promoting agencies, as they did not guide them properly. 36.0 percent of the respondents felt that there was an inequality in issuing the loans. The result also revealed that 20.0 percent of the respondents had a problem of poor output from the selected economic activity due to lack of raw materials, lack of required skill in the particular activity and problems relating

to marketing of the output produced. They had good produce but did not have a proper market to sell it so that they can earn enough money. 18.0 percent of the respondents said that bank employees were not always cooperating; they were rude to the members. 16.0 percent of the respondents felt that some banks were charging higher interest rate than the usual rate for the SHG members. Too many formalities were the main reasons for difficulties faced by the respondents in operation with the banks as 45.0 percent of the respondents were reported in this regards.

Conclusion

India's future success in sustaining growth and expanding opportunities is closely linked to progress in the policy areas to combat poverty so that fruits of development percolate downwards toward establishing a more egalitarian society. The data analysis presented in this paper portrays the experience of micro finance as SHG being very influential in the continual reshaping of formal credit extension to the women in the rural areas. Finance is an element which everyone needs. Microfinance is expected to play a significant role in poverty alleviation and rural development particularly the rural women. The potential for growing micro finance institutions in India is very high.. From the analysis of data it

can be concluded that numbers of members have started savings only after joining the groups while majority of the members have no savings in the pre-SHG era. After joining the groups most of the members solved their problems alone. Even the economic crisis has not have an impact on their performance leading to a conclusion that low income group are insulated from business fluctuations.

However there is a need for a more in-depth analysis of the SHGs in India in order to ascertain whether the increase in women's access to credit has had similar negative impacts in increasing their susceptibility to violence within the family. In-depth gender studies need to be conducted in order to ascertain whether there is an undercurrent of resentment among men as a result of the great importance being given to women in the formation of SHGs and their better access to credit. To conclude collective strategies beyond micro-credit to increase the endowments of the poor women is required to enhance their exchange outcomes vis-à-vis the family, markets, state and community, and socio-cultural and political spaces are required for both poverty reduction and women empowerment.

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