



Socio-economic impact of self-help groups on beneficiaries in block Sirsa

Sumista Rani

Assistant Professor of Economics, K.R.M. College, Jamal, Sirsa, Haryana, India

Abstract

Micro finance concept is not a new one to the world but still in India there are some parts of country which have been ignored to take the full utilisation of micro finance. Micro finance can play a vital role for the promotion of economic prosperity of poor people. The present paper also highlight on the Socio-economic impact of Self-Help Groups on Beneficiaries in the Sirsa block of Sirsa district of Haryana. Main objective of the study is to asses and ascertain the impact of SHGs on the socio-economic conditions of members of SHGs and whether it has really helped in bringing every member family above poverty line. It is concluded that after having been the beneficiaries of the SHG the socio-economic conditions reformed to a great extant.

Keywords: SHG, micro finance, socio-economic conditions

Introduction

Micro finance is a prominent instrument to root out poverty and it may change lives of poor people. With the help of microfinance, poor people make planning to live a better life. They may access to more financial services, can have more earnings, build their assets and safeguard themselves against excess expenditure which is beyond their savings. Microfinancing helps them in better nutrition, housing, health and education which are main indicators of socio-economic empowerment. SHGs may be considered as small, economical, homogenous, affinity groups of rural poor who are voluntarily ready to contribute to a common fund. This common fund is used to be lent to their members decided unanimously by the group's decision. In this common fund the members contribute their daily savings on regular bases. The money deposited in SHG accounts as larger as compared to an individual account. If the proper training is given with the help of banks to SHG group members, it may be able to inculcate entrepreneurship skills among group members. These groups also play very significant role in poor section as well as in backward economy. The SHG especially focuses on weaker section to provide them economical assurance towards their life and profession. These groups help them to bring into the mainstream of development and economical status. In Bangladesh, The Grameen Bank provides loans to those people whose assets are less to a minimum economic standard. Main characteristic of Self-Help groups:

- Each member concept about the SHG's objective should be very clear.
- All the members should have a good belief among themselves with similar thinking and common interest.
- Each group's identity should be there and its operating place.
- Tenure of three years is fixed for the leadership of the head. After it leadership change is must.
- All the member of SHG should have good understanding and cohesiveness among them.

Objective of the study

The objectives of present study is to asses and ascertain the impact of SHGs on socio-economic conditions of members of SHGs and whether it has really helped in bringing every member family above poverty line. The major objectives of the study taken were to ascertain following objective:

1. To assess the social impact of the Self-Help Groups on beneficiaries.
2. To know the economic impact of the Self-Help Groups on beneficiaries.
3. To draw conclusions and to give suggestions wherever necessary for the purpose of improving the working of the Self-Help Groups.

Methodology

Both (primary and secondary) types of data have been collected. Secondary data have been collected from the DRDA offices. Multistage purposive sampling technique has been used to select the primary sampling units' viz. labourers, in order to achieve the specific objectives. To collecting the primary data, the time period has been selected from 2016-2017 throughout scheduled questionnaire and interview and high sampling procedure. The study has been conducted in Sirsa district of Haryana as it is one of the most backward districts in the state. Self Help Groups have been formed in all the seven block of the district. Among these blocks Sirsa block was selected as the study area as it had maximum number of Self Help Groups as compared to other blocks. Further, six villages from block Sirsa and one self-help group from each village was selected randomly. 20 respondents from each village have been also selected once again randomly. To achieve the specific Objectives of the study, data collected has been analyzed; the data has been tabulated and analyzed. For the purpose of analysis, logical tool and techniques such as percentage, has been used. The formula for calculating the simple arithmetic mean is as follows:

$$\bar{X} = \frac{\sum X}{N}$$

Where, \bar{X} = sum of the values of the variables considered
 N = number of observations.

Results and Discussion

The present section has consisted of three sections. Section 1 explains the social impact of the Self-Help Groups on beneficiaries while section 2 depicts the economic impact of the Self-Help Groups on beneficiaries. Section 3 discuss about conclusions and to give suggestions wherever necessary for the purpose of improving the working of the Self-Help Groups.

Section 1

Table 1: Communication levels of members

Features	Non Members of SHG (Percentage)	Members of SHG (Percentage)
Free Talks	20	65
Sometimes Talks	35	25
Hesitates to talk	45	10
Total	100	100

Source: Field Survey

Self confidence among sample members: Table 2 shows about the self confidence level of members and non-members of SHG. It was observed that 60 per cent increase of self-confidence was gained by the SHG members. It can be

This section presents the social impact of Self Help Groups on beneficiaries. In this section, impact of SHGs on empowerment of beneficiaries has been calculated in terms of communication level of members, Self confidence among sample members and frequency of interaction with outsiders.

Communication level of members

Table 1 Findings of the study that occurred in the communication level of the members and non-members of SHG. It is found that there has been 35 per cent increase in SHG members, who can now freely talk in the meetings while there has been a decrease of 10 per cent and 35 per cent members, who sometimes talks or hesitates to talk. Thus it can be concluded that Microfinance movement is having a good impact on members, in their ability to express their feelings and has made people more confident to express themselves.

concluded that all the features of SHG members e.g. Status in Family, More Respectful, Helps in Family Finance and Help Others showed much positive change.

Table 2: Self confidence among sample members

Features	Non Members of SHG (Percentage)	Members of SHG (Percentage)
Members Revealed Confidence	25	85
Status in Family	42	75
More Respectful	32	79
Helps in Family Finance	37	91
Help Others	25	81
Average	32.2	82.2

Source: Field Survey

Frequency of Interaction with Outsiders

Table 3 shows that there are 45 per cent of non-members of SHG who never interacted with outsiders while 11 per cent of SHG members who also never interacted with outsiders. The number of non-members of SHG who interacted once with the outsiders reduced considerably. The non-members' frequency

of interaction with Outsiders was less in the category of 2-4 times and more than 4 times while the members of SHG in the same two categories were 35 per cent and 41 per cent. Thus it can be concluded that the state of frequency of interaction with outsiders of members of SHG was improved considerably.

Table 3: Frequency of Interaction with Outsiders

Frequency of Interaction with Outsiders	Non Members of SHG (Percentage)	Members of SHG (Percentage)
None	45	11
Once	37	13
2-4 times	10	35
More than 4 times	8	41
Total	100	100

Source: Field Survey

Section 2

This section presents the Economic Impact of Self Help Groups on Beneficiaries. In this section, impact of SHGs on empowerment of beneficiaries has been calculated in terms of income, expenditure, saving, investment and employment of

SHG members. In other sense, it was analyzed that how much income, expenditure, saving, investment and employment increased after joining the SHGs. According to this, this section has been categorized into five sub sections which have been discussed below.

Impact of SHGs on Monthly Income of Members /non Members

The findings of the study revealed to this aspect have been presented in the Table-4 which shows that level of monthly income of members of SHG has increased. This table reveals that SHG members' income has increased after having joined membership of SHG. The highest percentage (38.33 per cent) of non-members of SHG belongs to an income group of Rs. 2000 to Rs. 3000 but the highest percentage (46.67 per cent) of members of SHG belongs to an income group of Rs. 3000 to Rs. 4000. Their increasing number shows that the income

of SHG members has increased in comparison to non-members of SHG. The impact can be seen clearly in some other category also. The number of the SHG members is 6 (10 per cent) who earn Rs. 4000 to Rs. 5000 monthly. Like this the number of SHG members was 3 (5 per cent) who earn Rs. 5000 to Rs. 6000 monthly. Also the number of the SHG members was 2 (3.33 per cent) who earn above Rs. 6000 monthly. But in the above mentioned last three categories there was no single member of non-members of SHG. Thus the income of the SHG members has increased considerably.

Table 4: Monthly Income of Members and Non Members of SHGs

Monthly income (in Rupees)	No. of beneficiaries (Members of SHG)	No. of beneficiaries (Non-members of SHG)
Non-earning members	9 (15.00)	9 (15.00)
Less than 1000	-	-
1000-2000	-	16 (26.67)
2000-3000	12 (20.00)	23 (38.33)
3000-4000	28 (46.67)	12 (20.00)
4000-5000	6 (10.00)	-
5000-6000	3 (05.00)	-
Above-6000	2 (03.33)	-
Total	60 (100)	60 (100)

Source: Field Survey

Note: the figures in parathesis represent the percentage.

Impact of SHGs Member/Non Member Saving

The effect of SHGs on the level of monthly saving of members has been analyzed in members and non-members. Table 5 reveals that the savings of SHG members has been increased only after their joining to SHG. The saving of non-members of SHG has been only less than Rs. 500 that indicates that they are unable to save much for the future. But

the saving of the 49 (81.67 per cent) members of SHGs was between less than Rs. 500 while there are 11(18.33 per cent) members whose saving was between Rs. 500 to Rs. 1000. The members of SHG have saved some part of their regular income as they have known the importance of saving. It also indicates that if the need arises they will not be depending on money lenders.

Table 5: Monthly Saving of Family Members and Non Members of SHGs

Monthly saving (in Rupees)	No. of beneficiaries (Members of SHG)	No. of beneficiaries (Non-members of SHG)
Less than 500	49 (81.67)	60 (100)
500-1000	11 (18.33)	-
1000-1500	-	-
1500-2000	-	-
Above-2000	-	-
Total	60 (100)	60 (100)

Source: Field Survey

Note: the figures in parathesis represent the percentage.

Impact of SHG on Monthly Expenditure of Members/Non Members

Analysis of the effect of SHGs on the monthly expenditure of members has been presented as members and non-members. Table 6 reveals that the expenditure of SHGs members has increased due to positive growth in the SHG members' income. Non-members of SHGs, who have the highest percentage of monthly expenditure 38.33 per cent (23members), lie in the category below Rs. 1000 while there

was no single members in this income category who belong to SHGs. The number of the SHGs members was 22 (36.67 per cent) was maximum in the category of Rs. 3000 to Rs. 4000. Like this, in the next two consecutive categories, the number of Beneficiaries of SHG are 5 (8.33 per cent), 2 (3.33 per cent) respectively. There was no single member who was non-member of SHG in the last three monthly expenditure categories. But the ratio of expenditure at slow pace compared to income because out of income saving was also done.

Table 6: Monthly Expenditure of Family Members and Non Members of SHGs

Monthly Expenditure (in Rupees)	No. of beneficiaries (Members of SHG)	No. of beneficiaries (Non-members of SHG)
Less than 1000	-	23 (38.33)
1000-2000	17 (28.33)	15 (25.00)
2000-3000	14 (23.33)	14 (23.33)
3000-4000	22 (36.67)	8 (13.33)
4000-5000	5 (08.33)	-
5000-6000	2 (03.33)	-
Above-6000	-	-
Total	60 (100)	60 (100)

Source: Field Survey

Note: the figures in parathesis represent the percentage.

Impact of SHG on Employment Status of Members

In this subsection status of employment of SHGs members which has increased after joining SHG members is discussed. Table 7 reveals that employment status of the SHGs members has improved considerably. The number of the self-employed SHG members is 15 (25 per cent) who were earlier unemployed and the number of SHG members was 10 (16.67 per cent) who were now self-employed and wage employed

earlier. There were also such 23 (38.13 per cent) members who were earlier unemployed and after joint employed through SHG. In spite of these facts, there were also 12 members (20 per cent) whose employment status has not gone under any change. Thus, a noticeable change in the employment status of SHGs can be observed through this Table.

Table 7: Employment Status of Members of SHG

Employment status	No. of beneficiaries (percentage)
Unemployment to Self-Employment	15 (25)
Wage employment to self-employment	10 (16.67)
Unemployment to joint employment	23 (38.33)
No change in employment position	12 (20)
Total	60 (100)

Source: Field Survey

Note: the figures in parathesis represent the percentage.

Impact of SHGs on Investment of Member/ Non Members

The analysis of the effect of SHGs on the monthly investment of members have been presented as members and non-members. Table 8 reveals the fact that only SHGs members showed their interest in further investment but not in big amount slabs. A huge proportion of SHG members 55 (91.67

per cent) invested in the category less than Rs. 1000 and rest of them 5 members (8.33 per cent) invested in the second slab that was Rs. 1000-2000. Their investment was limited to only 1st two slabs that was less than Rs. 1000 and Rs. 1000-2000. Another fact which was shown that 100 per cent non-SHG members have not invested so far.

Table 8: Monthly Investment of Family Members and Non Members of SHGs

Monthly investment (in Rupees)	No. of beneficiaries (Members of SHG)	No. of beneficiaries (Non-members of SHG)
0-1000	55 (91.67)	-
1000-2000	5 (08.33)	-
2000-3000	-	-
3000-4000	-	-
4000-5000	-	-
Non-investment members	-	60 (100)
Total	60 (100)	60 (100)

Source: field survey

Note: the figures in parathesis represent the percentage.

Conclusion

It is found that there has been 35 per cent increase in SHG members, who can now freely talk in the meetings while there has been a decrease of 10 per cent and 35 per cent members, who sometimes talks or hesitates to talk. All the features of SHG members e.g. Status in Family, More Respectful, Helps in Family Finance and Help Others showed much positive change. The non-members' frequency of interaction with Outsiders was less in the category of 2-4 times and more than 4 times while the members of SHG in the same two categories

were 35 per cent and 41 per cent. A majority of 28 (46.67 per cent) SHG members' monthly income lies into the income level of Rs. 3000 to Rs. 4000 while a small proportion of SHG members, 12 (20.00 per cent) lie in the monthly income category of Rs. 2000 to Rs. 3000 and a set of 49 (81.67 per cent) SHG members were confined to the least saving groups of Rs. Less than 500. Rest of the members 11(18.33 per cent) were able to save more amount that was between Rs. 500 to Rs. 1000. It has also been concluded that that SHG members' income has increased after having joined membership of SHG

and the savings of SHG members has been increased only after their joining to SHGs. Employment status of the SHGs members has improved considerably. There were also such 23 (38.13 per cent) members who were earlier unemployed and after joint employed through SHGs. The expenditure of SHGs members has increased due to positive growth in the SHG members' income but the ratio of expenditure at slow pace compared to income because of income saving was also done and showed their interest in further investment but not in big amount slabs. Some suggestions are given for the betterment of SHG members' condition.

- Some beneficiaries still hesitate while communicating to others so they should be sufficiently trained.
- The Self Help Group members should be made literate after joining SHGs since it prove to be a hurdle in the success of SHGs.
- The facility of sufficient loan must be in order to run the SHGs functioning smoothly.
- The meetings should be regularly and these meetings must be attended by the SHGs members as it is a matter of their interest.
- To avail the maximum potential of the beneficiaries they must be properly trained.
- For the better functioning of SHG time to time inspection of SHGs should be done.
- They should inculcate the habit of economically saving.

References

1. Ajith B, Satyanarayan K, Jagadeeswary V, Rajeshwari YB, Veeranna KC, Harisha M. Problems Faced by SHG Members among Self-Help Groups in Karnatak. *International Journal of Science, Environment and Technology*. 2016; 6(2):1080-1085.
2. Bhuyan, Hiranya Jyoti. Impact Evaluation of SHGs in Socio Economic Changes: A case study of Nagaon District A Peer-Reviewed *International Journal of Humanities & Social Science*. 2015; 3(4):35-41.
3. Devi Uma R. An Evaluative Study on the Role of Self-Help Groups in Empowering Women in India *The International Journal of Management*. 2013; 2(1):1-16.
4. Kureel, Radhika Choudhary, Gazala Ahmad. Socio-Economic Conditions of SHG Members in Jhansi District of Uttar Pradesh- A Micro Study of Badagaon Block" *International Journal of Science, Technology & Management*. 2015; 4(4):142-149.
5. Maheshwari Meenu, Shobhna Goyal. Socio Economic Empowerment of Women through Self Help Groups: An Empirical Analysis *Pacific Business Review International*. 2016; 8(8):87-100.
6. Mehta, Sushil Kumar, Hari Govind Mishra, Amrinder Singh. Role of Self Help Groups in Socio-Economic Change of Vulnerable Poor of Jammu Region 2011 *International Conference on Economics and Finance Research*. 2011; 4:519-523.
7. Mishra Kailash Chandra. Problems of Self Help Groups: A Micro Study. *International Journal of Advanced Research and Review*. 2016; 1(3):23-33.
8. Narang, Uma. Self Help Group: An Effective Approach to Women Empowerment in India. *International Journal of Social Science & Interdisciplinary Research*. 2012; 1(8):8-16.
9. Sasikumar P, Natarajan G. Socio-Economic Development of Self Help Groups in Namakkal District, in Tamilnadu *IJEMR*. 2014; 4(6):1-10.
10. Rajendran K. Micro Finance Through Self Help Groups-A Survey of Recent Literature in India. *International Journal of Marketing, Financial Services & Management Research*. 2012; 1(12):110-125.
11. Sahoo, Ansuman. Self Help Group & Women Empowerment: A study on some selected SHGs" *International Journal of Business and Management Invention*. 2013; 2(9):54-61.