



Evaluation of Self-Help Groups and Their Effect on Women in Bhandara District

Amol Pusadkar¹, Dr. Nirzar Kulkarni²

¹ Research Scholar DAIMSR RTM Nagpur University

² Professor & Supervisor DAIMSR RTM Nagpur University

ABSTRACT:

The participation of women in decision-making processes is essential for reforms in social justice and initiatives aimed at alleviating poverty. Microfinance programs empower women by assisting them in overcoming socioeconomic barriers and realizing their rights. A study conducted on Self-Help Organizations (SHGs) in Bhandara indicates that women derive socioeconomic benefits from these organizations. The research identified that factors such as tenure, leadership literacy, and group size play a significant role in the effectiveness of SHGs. Following their enrollment in SHGs, the analysis revealed notable enhancements in economic metrics such as income and savings, alongside improvements in social dimensions like confidence and decision-making abilities. In particular, microfinance is acknowledged as a key contributor to economic development and poverty alleviation in the Bhandara district. Nevertheless, challenges such as insufficient technical skills and marketing resources remain, highlighting the necessity for targeted solutions. This paper seeks to elucidate the evaluation of Self-Help Groups and their impact on women in the Bhandara District.

Keywords: Self Help Group, Women, Bhandara, Microfinance, Employment, Household etc.

Introduction:

The Indian government has consistently addressed global challenges such as poverty alleviation, unemployment, and the empowerment of women since its independence, primarily through its five-year plans. Poverty is a multifaceted issue that not only strips individuals of their dignity but also obstructs their progress. It is crucial to adopt a growth strategy that focuses on uplifting the impoverished by creating sustainable employment opportunities. Empowering marginalized women is essential in combating poverty, malnutrition, and domestic violence. Government initiatives, including the 74th constitutional amendment, seek to enhance women's participation across various sectors. Self-help groups (SHGs) have demonstrated effectiveness as instruments for women's empowerment, enabling them to assert their rights and fulfill their responsibilities. Microfinance, particularly through SHGs, offers financial support to marginalized communities, fostering both social and economic development. Despite the endeavors of Regional Rural Banks (RRBs) to improve financial inclusion, many marginalized individuals still resort to informal moneylenders due to limited access to formal banking services. Over the years, microfinance initiatives, especially the SHG-Bank Linkage Model, have gained traction in India, empowering millions of women and vulnerable groups.

Concept of Self-Help Groups

In India, a collaborative method of problem-solving fosters the development of productive skills and knowledge across various social contexts. Self-help groups (SHGs) have become vital tools for engaging marginalized communities, tackling both social and economic inequalities. SHGs not only promote social and economic change but also empower underprivileged groups both psychologically and politically. They play a crucial role in confronting the persistent issues of poverty and unemployment, which hinder economic progress in both developed and developing nations. NABARD's successful pilot project in 1992 laid the groundwork for the extensive adoption of SHGs. These groups are characterized as voluntary associations formed to achieve common social and economic goals, empowering women and assisting in poverty reduction. Participation in SHGs not only provides social and economic independence but also encourages women to engage actively in community and social initiatives. Numerous Self-Help Promoting Agencies/Institutions (SHPA/SHPI) support SHGs, including NGOs, governmental organizations, cooperative societies, commercial banks, and cooperatives, all collaborating at the grassroots level to organize communities.

Significance of the study

It is increasingly recognized that the elimination of poverty and the empowerment of women are interrelated, requiring the active involvement of women in the development process. The success of social welfare initiatives, whether launched by governmental bodies or non-governmental organizations, heavily depends on the participation of grassroots communities. Involvement in Self Help Groups (SHGs) enables women to save and invest, thus

enhancing their socio-economic status. Studies show that access to microfinance allows women to overcome social and economic obstacles, leading to economic independence through income-generating activities. This research aims to assess the performance of SHGs and evaluate the socio-economic impacts of women's involvement in Bhandara. Furthermore, it aims to identify the challenges faced by SHGs and propose strategies to enhance their effectiveness in Bhandara.

Problem statement:

The government is actively striving to enhance the participation of women and improve their living standards, recognizing the various challenges they face, including malnutrition, illiteracy, unemployment, lack of awareness, and inadequate healthcare. In the Northeast region of India, the SHG-Bank linkage initiative, which commenced around 1997-98, has gained significant momentum, leading to a notable increase in Self Help Groups (SHGs). Organizations that support Self Help Groups are vigorously promoting the establishment of SHGs among economically disadvantaged communities to address the urgent need for credit, particularly for vulnerable women, and to aid in achieving the Millennium Development Goals. Government initiatives and social welfare programs are increasingly tailored to specific demographics, ensuring they are both accessible and flexible. A multitude of government agencies, non-governmental organizations, and financial institutions are focusing on the execution of group-based initiatives, especially emphasizing SHGs, which indicates a growing dedication to nurturing SHGs across Bhandara. Therefore, it is crucial to assess the performance and impact of SHGs on the socio-economic empowerment of women in Bhandara.

Objectives of the study:

- I. To analyse the socio-economic background and effectiveness of the SHGs.
- ii. To evaluate the social and economic effects on the women members of SHGs.
- iii. To assess the perceived attitudes of SHG members towards the economic and social impacts.
- IV. To Investigate the challenges encountered by SHGs and propose solutions to overcome them.

Research Methodology:

- Population: Workers of microfinance organisations and members of self-help groups in Bhandara District.
- Sample frame: Field assistants of a microfinance organization and members of a self-help group in the age group of 18-58.
- Sample size: Respondents from each zone, which can be further divided as respondents from each self-help group and field assistants for the same group.
- Sample extent: Bhandara District.
- Sampling procedure: stratified and cluster sampling method. The sample will be divided as follows:
 - Age – 18- 58 years
 - Marital status – Married, Unmarried
 - Educational level – Primary, High school, Undergraduate, Post Graduate, Professional
 - Occupation – Students, Salaried, housewives

Analysis and interpretation are crucial components of any research endeavor. To address research questions and draw scientific conclusions, the data collected from sampled respondents was carefully processed and analyzed. Primary data was categorized and examined with the assistance of statistical software such as SPSS and Microsoft Excel to fulfill the study's objectives. The information gathered from sampled Self-Help Groups (SHGs) and their members was compiled, organized, and analyzed using statistical techniques including percentage analysis, weighted average mean, and standard deviation. Graphs and charts were utilized to improve the clarity of the presentation. A total of ten performance indicators were selected to assess the performance of the SHGs, which encompassed the frequency of group meetings, rotation of group leaders, decision-making patterns, regularity of savings, level of record maintenance, group homogeneity, loan repayment, member participation in training, awareness of rules and regulations, and the ratio of production loans to total loans. Group homogeneity was assessed based on the percentage of SHG members engaged in agricultural and allied activities, calculated using a specific formula.

Group homogeneity

Number of members engaged in agricultural activities and allied activities

$$= \frac{\text{Total number of SHGs members in the group}}{\text{Total number of SHGs members in the group}} \times 100$$

Relationship between age of the respondent and perception level

A	Social Perception Score	Age of the Respondent				Total
		Upto 30	31 to 40	41 to 50	More than 50	
1	Low	14	14	11	1	40
2	Medium	29	90	85	52	256
3	High	0	11	31	22	64

Total		43	115	127	75	360
B	Economic Perception Score					
1	Low	18	21	8	5	52
2	Medium	25	85	86	47	243
3	High	0	9	33	23	65
Total		43	115	127	75	360
C	Overall Perception Score					
1	Low	25	19	7	5	56
2	Medium	18	92	89	49	248
3	High	0	4	31	21	56
Total		43	115	127	75	360

Age of the respondent and perception level for different categories – Chi-Square Test

Sl. No.	Type of Impact	Chi-Square Value	Degree of freedom	Asymp. Sig. (2-sided)	Result
1	Social	47.093	6	0.000	***
2	Economic	59.485	6	0.000	***
3	Overall	100	6	0.000	***

(*** Indicates 1 per cent level of Significance).

Relationship between Overall Perception Score and Personal Variables

The Karl Pearson Coefficient of correlation was used to evaluate the relationship between the sampled SHG members' overall perception score and personal factors such as responder age, years of SHG experience, and educational background. The table displays the findings of the correlation study between the sampled SHG members' overall impression score and personal factors.

Personal variables and overall perception score of the sampled SHGs members

Sl. No	Personal Variables	Pearson correlation Co-efficient	Significance (2-tailed)
1	Age of the Respondent- Overall Perception Score	0.488**	0.000
2	Year of Experience in SHGs- Overall Perception Score	0.543**	0.000
3	Education Qualification- Overall Perception Score	0.303**	0.000

(** Indicates correlation is significant at the 0.01 level).

Significant Pearson correlation coefficients for respondent age, years of SHG experience, and educational background are shown in the following table at 0.488, 0.543, and 0.303, respectively. These coefficients show a positive and significant relationship between these personal factors and the total perception score, and they are significant at the 0.01 level ($P \text{ value} = 0.000 < 0.01$). Personal characteristics, including age, years of SHG experience, and educational background, are therefore significantly positively correlated with the sampled SHG members' total perception score. Essentially, the overall perception score rises in tandem with an increase in these personal characteristics.

Problems faced by the SHGs

While women SHGs play a pivotal role in empowering economically disadvantaged women, they encounter various challenges hindering their effective operation. Understanding these constraints is crucial for devising appropriate measures to address them and enhance SHG functionality. This study aims to identify and address the complexities of issues faced by SHGs. Ten factors, including lack of technical expertise, marketing facilities, and insufficient loan amounts, were identified as key challenges. Respondents ranked these factors, and Garrett's Ranking Technique was applied to interpret the results. Lack of technical know-how emerged as the most significant issue, followed closely by the absence of marketing facilities and inadequate loan amounts. Despite slight variations in weighted average scores, these challenges were equally prominent. Additional obstacles included limited training opportunities, members' socioeconomic backgrounds, and delays in loan approval. Issues such as low returns on investment, insufficient working capital, seasonal activity nature, and group instability were also identified.

Problems faced by SHGs

Sl. No.	Problems	Garrett Score	Weighted Average Score	Rank
1	Lack of technical know-how for taking up income generation activities	7235	66.99	I
2	Lack of marketing facilities	6202	66.69	II
3	Inadequate loan amount	7107	66.42	III
4	Lack of training facility	6076	64.64	IV
5	Low social - economic background of the members	6075	63.28	V
6	Delay in sanctioning loans	5918	62.96	VI
7	Low return from investment	4497	59.96	VII
8	Shortage of working capital	5165	59.37	VIII
9	Seasonal nature of group activity	2880	48.81	IX
10	Lack of stability in group	2672	48.58	X

Findings of the study:

The findings of the study, which align with previous research, indicate that members of Self-Help Groups (SHGs) encounter challenges such as a lack of formal education, family obligations, interpersonal conflicts, inadequate communication skills in decision-making, market competition, and restricted access to loans. Additionally, other challenges faced by SHGs include issues related to marketing, budget constraints, product quality, infrastructure, and the need for facilitator support, as noted in earlier studies by Kumar and Kavithasri (2017) and Mishra (2016). Ajith et al. (2017) also identify similar challenges as significant obstacles to the effective and dependable functioning of SHGs, which encompass low returns from income-generating activities, internal conflicts, educational limitations, and a lack of sufficient initial capital.

REFERENCES:

1. Ajith B, Satyanarayan K, Jagadeeswary V, Rajeshwari Y B, Veeranna K C, and Harisha M. (2017). Problems faced by Self-Help Groups members among SHGs in Karnataka. *International Journal of Science, Environment*. 6(2): 1080 – 5.
2. Alam P and Nizamuddin M. (2012). Role of microfinance and Self Help Groups in women empowerment: A case study of district Mewat. *International Journal of Entrepreneurship and Business Environment Perspective*. 1(2): 94-101.
3. Aloysius Fernandez. (2002). Impact of Self-Help Groups, (Group processes) on the social/ empowerment status of women members in southern India. Paper presented at the *seminar on SHG Bank Linkage Programme*, New Delhi.
4. Anonymous (2015). Statistical Handbook of Nagaland. Published by the Directorate of Economics and Statistics. Kohima, Nagaland.
5. Rao C H. (2002). Role of SHG and DWCRA in economic and social empowerment of women and ecological development. New Delhi: *Serials Publications*.
6. Archana and Sinha. (2004). Micro finance for women's empowerment a perspective. *Kurukshetra*. April: pp.31.
7. Banerjee T. (2006). Economic impact of Self Help Groups: A case study. *Journal of Rural Development*. 28(4): 451-67.
8. Baruah P. (2012). Impact of micro-finance on poverty: A study of twenty self-help groups in Nalbari District of Assam. *Journal of Rural Development*. 31(2): 223-34.
9. Batra V. (2013). Vulnerability and empowerment: Impact of microfinance on social and economic security of women. *Social Action*. 63(4): 371-85.
10. Bernardiner R and Mangala S. (2017). Collective empowerment of women through Self Help Groups. *International Journal of Scientific and Research Publications*. 7(8): 89-99.
11. Bhide S, Kavita Y and Sujatha V. (2011). The challenge of poverty: An overview - understanding poverty in India. Asian Development Bank, Publication stock No. BKK113448; Philippines.
12. Bhole L M and Mahakud J. (2011); Financial institutions and markets structure, Growth and Innovations. Tata McGraw Hill Education Private Ltd.; New Delhi.
13. Chakraborty S and Bhattacharjee D. (2013). Entrepreneurship development through micro finance in Assam. *International Journal of Scientific Research*. 2(2): 33-8.
14. Chatterjee S. (2016). Women empowerment through Self-help Groups (SHGs): cases from Telangana State. *International Journal of Management & Social Sciences*. 4(2): 324-38.
15. Choudhary and Meenaxi A. (1996). Empowering strategies for rural women in India.

-
16. Kurukshetra.September: pp 25.
 17. Christine B. (2004). Women's survival strategies and experience with support services as home-based micro entrepreneurs in Metro Manila in Isabelle Guerin and Jane Palier. Microfinance challenges: Empowerment or disempowerment of the poor? Pondicherry: French Institute of Pondicherry.
 18. Christuraj P and Saraswathy S. (2009). Self-help groups and socio-economic changes among rural women. Indian Journal of Social Development. 9(1): 1- 10.