



An Empirical study on Economic Condition of Women associated with Self Help Groups in India

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Abstract

The advent of liberalization and globalization in India, in the early 1990s intensified women workers issue in the unorganized sector, as most women engaged in various self-employment activities lost their livelihoods. Although women contribute to the household and the national economy, their work is seen as merely an extension of the domestic sphere and is unpaid. In India, Self Help Groups (SHGs) dominate the microfinance scene as an essential tool for providing financial services to the "Unreached Disadvantaged" and improving their collective self-help capacity, contributing to empowerment. Rapid progress in creating SHGs has now been transformed into a national initiative for women's empowerment. Microfinance is needed to overcome exploitation and build confidence in the rural poor's economic self-sufficiency, especially among rural women.

Keywords: *Liberalization and Globalization, Self-Employment Activities, Financial Services etc.*

Introduction

“Can one drop of water satisfy the thirsty?” I think the answer will be „Yes“. The same will be happen when microfinance distribution will be proper to the poor who are in need of it. It is very important to know that the how microfinance is evolved and how the progress of microfinance is going? Long period has gone after evolving the microfinance. Now it is a special sector. This sector has faced lot of challenges and it travelled a lot from the objectives of micro savings to micro credit to micro enterprises. Further it developed and entered into the other supported sections called micro remittance, insurance and pension. This growth and process of development in microfinance has given an opportunity to the rural poor people to achieve their social and economic empowerment. This growth became a very strong base for the rural people to improve living standard and quality of life with financial stability.

Many changes had happened and going to happen with the microfinance sector. To cope up with new trends in microfinance sector it has become very significant to have the access of it to the poor people. A signal of progress was anticipated with the low income rural households. The purpose was clear to provide access and implement the better financial services for the poor people and to finance their income generating activities, asset building for them, protecting their own resources from risks and to keep stable their consumptions in accordance with their income. Many Financial institutions have taken responsible actions to spread the microfinance programmes for inclusive economic development with the pace in fluctuations of economy.

Microfinance exists to help individuals and micro-enterprises unable to access mainstream financial service providers' services for a variety of reasons, including a lack of initial financing, a lack of experience and skills, a lack of collateral, or the possibility of becoming more risky customers. Microfinance institutions' distribution of loan products to insufficiently low-income individuals results in income and employment opportunities for disadvantaged households and communities.

Microfinance institutions (MFIs) are financial institutions that provide financial and non-financial products and services to low-income workers who would otherwise be unable to enter formal financial institutions. India has a large number of registered financial institutions.

In Indian Economy, Self help groups (SHGs) are playing a leading role in development of micro financial status. This is a tool of microfinance which helped a lot to the poor households for their progress, economic upliftment, social status and economically empowerment. The Women Entrepreneur Programme is one of the microfinance organizations operating in the country. It offers financial products and services to the poor,

especially women. The Grameen Bank model in Bangladesh, established by the prestigious Nobel Peace Prize winner, Professor Mohammed Yunus, who has been recognized as the founder of the world's most renowned microfinance institution, with the highest number of registered members and borrowers, and the highest effective rate of repayment, has been used to define microfinance institutions and their operations. Almost all developing countries have copied and expanded on their pioneering work, positioning themselves as the best instruments for alleviating poverty by providing small, low-cost loans to the poor through solidarity and lending procedures.

Microfinance institutions have been shown to have positive macroeconomic effects and reduce extreme poverty in one cross-country study, which is more apparent in countries with more extensive per capita microfinance loan portfolios. A rise in women gaining power gives them more bargaining power in troubled and violent marriages. It may also help reduce violent domestic behaviour by husbands; several studies have found a correlation between low income/poverty and domestic violence.

Now microfinance (MF) is a prior option of the low income households to resolve their financial problems with utmost care and benefits. Microfinance is a big range of financial services of the poor population for getting their expected solutions. Services like payment, money transfers, deposits, loans and insurance are help to them. It is an approach that has proven the empowerment for the poor people to pull out from poverty. Relying their own skills and entrepreneurial ideas, other financial services, recipients of small loans, support from microfinance institutions (MFIs) to start, implement, establish, run and sustain their businesses in the competitive economic conditions.

Review of literature

Puhazendhi and Satyasai (2000), mentioned in the study undertaken about the living standard of SHG members after the joining the SHGs. The study covered 560 members from 11 states. The positive impact was found and the increase in self worth, living standard, economic conditions etc. The analysis of the study imparted the positive development in the SHGs living standard. Availing benefits of Micro finance helps in increasing income level and getting more benefits. The findings of the study revealed that the social impact of SHGs after joining the SHGs is remarkable. The view is that the SHG members were experienced the impact increase in living standard after joining the self help group with increase in income

and savings. The study concluded with the remarks on SHG members' living standard was improved and they have taken the benefits of the government facilities.

Satish. P16, 2011 assert that "The SHG is defined as a voluntary group valuing personal interactions and mutual aid as a means of altering or ameliorating the policy planners and development planners cherish the myth that poor people do not have the spirit to thrift from different parts of the globe challenge this. Since the SHGs in India are informal groups, their legal status has not been defined. These groups are voluntary associations of people formed to attain certain collective goals that could be economic, social or both. They initially intended to bring together people particularly economically weaker sections and to undertake activities of mutual interest."

Suguna,B (2016) mentioned two dimensions of women empowerment i.e. economic and social .In economic empowerment variables studied are skill development, income generation, credit availability whereas social empowerment included equality of respect, equality of opportunity , recognition and status in community or society.

Research Methodology

Since this is a research paper, it relies heavily on primary data gathered from SHG members and non-members who completed pre-tested questionnaires. For assessing the Microfinance Program's impact on women's empowerment, comparative analysis methods have been adopted. Comparing two or more items to learn something about one or more of the things being compared is known as comparative analysis. The study compares and contrasts empowerment metrics among SHG members and non-members with similar socio-economic backgrounds. Given the time and resource constraints, a cross-sectional sample design was deemed the most appropriate for the study.

Objectives of Study

- To study the economical status of SHGs member and non SHGs member.
- To study the saving status of SHGs member and non SHGs member.

Sample size

The survey is conducted on a total of 600 women. Out of that, 300 respondents are associated with SHG and 300 are Non- members.

Hypothesis

H1: SHGs has helped women become more economically secure.

H0: SHGs has not helped women become more economically secure.

Data analysis

Data related to the study were collected, organized and analyzed using the scientific methodology. In this research study, the analysis method applied to categorize and analytically summarize the results. The sampled data of SHGs-members and NON-members based on income and savings. The same is shown in the below tables.

Table 1: Frequency Distribution and Percentages of NON- Members Concerning Income Earned

Savings (Rs.) Income	Frequency	Percent	Valid Percent	cumulative Percent
LESS THAN 4000	54	18.0	18.0	18.0
4000-7999	87	29.0	29.0	47.0
8000-11999	117	39.0	39.0	86.0
12000 & ABOVE	42	14.0	14.0	100.0
Total	300	100.0	100.0	

Interpretation

The data of table 1, shows that about 18% of respondents or non members monthly income is below 4000 Rs., 29% members monthly income is in between 4000-7999 Rs., 39% members

monthly income is in between 8000-11999 Rs. and rest 14% belong to the monthly income group of 12000 & above Rs.

Table 2: Frequency Distribution and Percentages of SHG-Members concerning Income Earned

Savings (Rs.) Income	Frequency	Percent	Valid Percent	cumulati ve Percent
LESS THAN 4000	63	21.0	21.0	21.0
4000-7999	81	27.0	27.0	48.0
8000-11999	90	30.0	30.0	78.0
12000 & ABOVE	66	22.0	22.0	100.0
Total	300	100.0	100.0	

Interpretation

The data of table 2, shows that about 21% of respondents or SHG members monthly income is below 4000 Rs., 27% members monthly income is in between 4000-7999 Rs., 30% members monthly income is in between 8000-11999 Rs. and rest 22% belong to the monthly income group of 12000 & above Rs.

Table 3: Frequency Distribution and Percentages of SHG-Members Concerning Savings

Savings (Rs.)	Frequency	Percent	Valid Percent	cumulati ve Percent
Less than 500	114	38.0	38.0	38.0
500-999	72	24.0	24.0	62.0
1000-1499	72	24.0	24.0	86.0
1500 & ABOVE	42	14.0	14.0	100.0
Total	300	100.0	100.0	

Interpretation

The data of table 3, shows that about 38% of respondents or SHG members monthly saving under 500 Rs., 24% members monthly saving is in between 500-999 Rs., next 24% members saving monthly is in between 1000-1499 Rs. and rest 14% belong to the saving group of 1500 & above Rs. It can be inferred that SHG is formed by individuals who belong to different savings groups.

Table 4: Frequency Distribution and Percentages of NON- Members concerning Savings

Savings (Rs.)	Frequency	Percent	Valid Percent	Cumulative Percent
Less than 500	132	44.0	44.0	44.0
500-999	57	19.0	19.0	63.0
1000-1499	57	19.0	19.0	82.0
1500 & ABOVE	54	18.0	18.0	100
Total	300	100.0	100.0	

Interpretation

The data of table 4, shows that about 44 % of the NON-member belongs to the saving group of less than 500 Rs., 19 % Non-members monthly saving is in between 500-999 Rs., next 19 % Non-members monthly saving is in between 1000-1499 Rs., and finally 18 Non-members monthly saving is 1500 & above Rs.

Conclusion

This study found that belonging to SHGs has helped women become more economically secure, self-assured, and respected in society. The economic activity of the SHGs was successful, according to our research study and observations. As a result, SHGs in backward or poor areas significantly reduce poverty and achieve women's empowerment. Microfinance has a critical role to play in fostering trust, confidence, skill development, and empowerment. SHG participants feel free to fly because of their communities and representatives. The position and value of Micro financing Institutions and Their

Contribution to Women Empowerment are demonstrated through a comparison of SHG-Members and Non-Members. Microfinance institutions are critical to the psychological, social, and economic empowerment of SHG-member women.

The awareness of microfinance in the rural areas were not up to the mark. In the data collection period it was observed that many SHGs were closed their operations due to less support of the government, improper information and lack of knowledge. Government initiatives like SGSY, NRLM helps SHGs to avail the facility of microfinance to improve their performance.

To know about new things related to microfinance is the responsibility of SHG members, but they found careless. Their approach was “wait and watch”. They were not eager to know and implement within their group. Hence their performance was restricted to certain limits. The role of government is very significant in the progress of microfinance in rural region

SHG members have used funds from bank, which are offered to them at subsidized rates. They have availed the facility for improving their financial situation. It was also observed that the number of SHGs are less; those who are taking benefits of the government schemes. SHGs are making regular payments in instalments.

In the early stage of SHG, the saving capacity is observed very less. But as the time passes; the performance of the SHGs increased and they have increased their saving capacity. They have also increased the individual contribution towards the improvement of socio-economic status of SHGs.

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