

Employment Generation of Rural Women Thorough SHGs- A Case Study of Satna District

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Abstract

The present study is an attempt to analyze the role and performance of SHGs in promoting *Financial inclusion and employment generation* in Satana District of Madhya Pradesh. The broad objective of the study is to analyses the operating system of SHGs for mobilization of saving, delivery of credit to the needy, management of group funds, repayment of loans, in building up leadership, establishing linkage with banks and examines the social benefits derived by the members. In order to collect and gather primary data, field observation and structured questionnaire survey methods were employed. In addition, information was also collected through discussions and interviews with local NGOs and government's grass roots level workers. Here the researcher has chosen 10 SHGs from each block of the district. In total the study covers 50 SHGs with 800 members. The study reveals that SHGs had set a new agenda for financial intermediation by banks in the form of micro-credit. By the formation of SHGs, credits are demanded for various purposes. Similarly different economic activities are undertaken by the SHG members after joining the group. Habits of savings, economic independence, self confidence, social cohesion, asset ownership, freedom from debt, additional employment, etc. benefits are derived by the SHG members. Thus, SHGs have served the cause of women .

Key Words: SHG, Empowerment, micro-credit, NGO.

Introduction

Financial inclusion is the delivery of financial services at reasonable costs to underprivileged and low income segments of society. Financial inclusion is the key for reducing the poverty in the developing countries.¹ Lack of opportunities and access to finance besides financial illiteracy are the main causes of poverty. Financial inclusion is playing a vital role in the growth of Indian economy. Admittance to finance by the poor, deprived and unprivileged group is a prerequisite for poverty decline.² One of the major reasons why the great section of the rural population still remnants under below poverty line is lack of opportunities and access to finance in addition to financial illiteracy.³ Large segments of the rural population have no access to financial services; more than 60% of populations below the poverty line.⁴ The perception of empowerment is define as the procedure by which women take control and possession of their choices The core fundamentals of empowerment have been defined as agency, consciousness of gendered power arrangements, self-esteem, and self-confidence.⁵ Empowerment can get place at a ladder of different stages – individual household, community and societal – and is assisted by providing encouraging factors. In this connection Micro-finance with Self Help Groups play an effective role for promoting women empowerment.⁶ There is nearly 3,00,000 SHGs working whole over India.⁷ It is accurate that the idea of microfinance is yet to increase its wings all over India, but at the rate in which it is increasing its divisions; very soon it would be reaching at the doorsteps of the poor houses.⁸ The nearly all flourishing region for microfinance is the Southern part of India; Andhra Pradesh has become the example

for the other states in this case.⁹ The present study is an attempt in this direction to analyse the impact of micro-credit on poor women in Satana District of Madhya Pradesh.

Objectives of the Study

The wide objective of the study is to look at the role and recital of SHGs in promoting women's empowerment in the study area. However, the study has some specific objectives. They are:

- 1 To analyze the economic gains derived by the members after joining the SHGs.
- 2 To examine the social benefits derived by the members.
- 3 To examine the operating system of SHGs for the enlistment of saving, delivery of credit to the needy, management of group funds, repayment of loans, in building up leadership, and establishing linkage with banks
- 4 To propose appropriate policy intervention for the effective performance of SHGs.

Methodology

Selection of Study Area and Sample Units: The study was carried out in selective clusters spread over five blocks of Satana District in Madhya Pradesh.

It is noteworthy to mention here that the Self-Help Groups in Satana District are promoted by NGOs as well as Government agencies. Due to time constraint the researcher has selected the SHGs promoted by NGO and Government agencies. The study is undertaken in 5 blocks namely Amarpatan, Maihar, Rampur Baghelan, Nagaud and Majhgawan. The researcher has chosen 10 SHGs each from Amarpatan, Maihar, Nagaud and

Majhgawan depending upon location-specific condition. As Rampur Baghelan block has chosen only 9 SHGs promoted by NGO AND GOVERNMENT AGENCIES,. In total the study covers 49 Self Help Groups with 800 members.

Table 1.1 Sampling Frame of the Study

Block	SHGs	SHG Members
Amarpatan	10	150
Nagaud	10	170
Majhgawan	10	170
Maihar	10	160
Rampur Baghelan	09	150
Total:	49	800

Data Collection and Analysis:

In categorize to collect and gather primary data, structured questionnaire survey methods were employed. In adding up, information was also collected through deliberations and interviews with local NGOs and government’s grass roots level personnel. Secondary data gathered from the report of SHGs and NGOs and government offices were complemented by the primary data collected from the group.

A broad range of information such as symphony of membership, savings gathered together, loan distributed, interest rates, recovery procedures, assets created, external assistance received etc. were ascertained from the SHGs and their members. Besides, different books, newspapers, articles, journals, magazines and web sites were also referred for the purpose.

The data collected from each block regarding the structure and profile of SHG members, savings and loans of SHGs, economic and social benefits derived by SHG members, etc. has been routed separately and averages of each block are being taken.

The study attained from different blocks are accumulated and compared to draw the inferences about the performance of the SHGs in the study area.

DATA ANALYSIS

Structure of SHGs

Table 2.1 Structure of SHGs in the Study Area

Item	Amarpatan	Nagaud	Majhgawan	Maihar	Rampur Baghelan	Overall
Members hip average (No.)	15.00	16.78	17.00	15.86	16.66	16.26
Savings per SHG (in Rs.)	14517	16125	13633	7093	2097	10693
Loan (Avg.) (in Rs.)	19752	17177	16040	8758	8672	12345
Frequency of group meeting (percentage):						
Weekly:	25	15	13	0	0	10.6
Fortnightly	65	68	72	35	28	53.6
Monthly	10	17	15	65	72	35.8

Source: Compiled by the researcher.

Profile of SHG Members

Table 2.2 Profile of SHG Members

Item	Amarpatan	Nagaud	Majhgawan	Maihar	Rampur Baghelan	Overall
Age (years)	34	32	33	35	37	34.2
Percent age of SCs	100	46	49	100	94	76.6
Percent age of Other Castes	-	54	48	-	12	22.8
Literacy (%)	5.11	11.23	13.26	3.69	3.88	7.43
Occupation Agriculture (percent age)	71.89	36.55	38.89	69.89	62.57	47.41
Others	28.11	63.45	61.11	30.11	37.43	53.59
Income (Average)	7867	9223	10057	6582	5861	7918

Source: Compiled by the resercher.

The average age of SHG members in the study area is presented in Table 2.2 it is observed that the average age of SHG members was 34.2 years, lowest being 32 years in Nagaud block and highest being 37 years in Rampur Baghelan block. Regarding the caste profile of SHG members, the table shows that majority of members belong to SC community. In Maihar block it is 100 per cent and also 100 per cent in Amarpatan. Educational background of the members shows that most of them are illiterate. Only 7 per cent of them have studied up to primary level. As the occupation of the members are concerned, majority of the members are engaged in agricultural activities. As regards to average income per member, it was around Rs. 7918. It was highest in Majhgawan block (Rs.10057) followed by Nagaud block (Rs. 9223) and lowest in Rampur Baghelan block (Rs. 5861).

Purpose of Credit Demanded and Utilised

Table 2.3 Purpose-wise Credit Demanded by SHG Members

Purpose	Amarpatan	Nagaud	Majhgawan	Maihar	Rampur Baghelan	Overall
Domestic consumption	57.66	12.91	15.57	66.54	47.89	30.53
Health	3.22	6.87	9.50	--	2.27	4.37
Festivals	6.11	9.78	8.71	2.39	2.18	5.83
Repayment of old debts	15.67	10.66	11.52	5.68	10.59	10.82
Investment	10.89	12.57	11.66	14.05	8.67	11.56
Others	6.45	47.21	43.04	11.34	28.4	27.28

Note: Figures in the table indicate percentages.

Source: Compiled by the researcher.

Generally, after six months operation of savings account, the saving is pooled and used for internal lending among the members. The amount of loan and number of loans

are decided by the members themselves depending on their need and urgency.

The purpose-wise credit demanded by the SHG members from the SHGs is given in Table 2.3. It is observed that most of the members have demanded credit for domestic consumption purposes. It is highest in Maihar block (67%) followed by Amarpatan (57.66%). Reasonable proportion of SHG members have demanded credit for other purposes. This percentage is highest in Majhgawan (43.04%) and lowest in Amarpatan block (6.45%). About 11.56 percentage of credit is demanded for investment purposes. A proportion of credit was demanded by the SHG members for payment of old debts. A less proportion of loan is demanded for festival and health purposes. From the table it is clear that a larger share of credit demanded by SHG members is being utilised for domestic consumption purposes followed by repayment of debts and others.

Economic Activities Covered by SHG Members

Table 2.4 reveals that most of the SHG members are engaged in the collection and processing of minor forest products. These products include broom making, khalli (leaf plates), raw broom, amla, etc. Some of the members are engaged in individual businesses like preparing pickle, badi, papad, making bags, vegetable business, tailoring, pan shop, etc. They are also engaged in poultry, dairy and goatery business. Some are engaged in other activities. As there is a good demand for milk products, they are preparing sweets with milk, ghee, etc. and are getting good price. They earn about Rs. 600 to Rs. 1000 per month through these activities.

Table 2.4 Economic Activities Covered by the SHG Members

Item	Amarpatan	Nagaud	Majhgawan	Maihar	Rampur Baghelan	Overall
Collection and marketing of Minor Forest Products	75	55	40	70	60	60.00
Individual business	5	10	25	10	5	11.00
Goatery	10	12	10	15	15	12.4
Dairy	10	18	10	5	15	12.6
Others	5	5	15	5	5	7.00

Note: Figures in the table indicate percentages.
Source: Compiled by the resercher.

Loan Support to SHGs by Banks

The SHG members opened their accounts in various nationalised banks such as State Bank of India, Indian Bank, Bank of Baroda, Union Bank of India, etc. and also some local banks like Gramin Bank and Cooperative Banks.

SHG members are internal loans as well as external loans under the security of NGOs. They are paying Rs. 2 as interest per Rs. 100. They are maintaining membership register, cashbook, loan register, individual passbook register, etc. They are taking loans for production and consumption purposes. Gramin Bank has advanced loans of Rs. 2,96,428 to Amarpatan Block, followed by Rs. 2,66,611 to Nagaud block (Table 2.5). So far as loan repayment is concerned, the SHG members of Amarpatan Block have repaid 80 per cent of their loans followed by Maihar block with 74 per cent. But in Nagaud and Majhgawan blocks, though they are urban based, the repayment position is not encouraging. In these two blocks the members repaid only 50 per cent of their loans.

Table 2.5 Loan Support to SHGs from Gramin Bank

Name of the Block	Total SHGs	Loan availed	Loan Repayment
Amarpatan	10	Rs. 2,96,428	79.80 %
Nagaud	10	Rs. 2,66,611	58.91%
Majhgawan	10	Rs. 2,00,000	52.28%
Maihar	10	Rs. 1,30,000	73.50%

Source: Annual Report, 2014-15.

Benefits Derived by SHG Members

Varieties of benefits are derived by the members of SHGs as presented in Table 2.6.

Table 2.6 Benefits Derived by SHG Members (Multiple Responses)

Benefits	Amarpatan	Nagaud	Majhgawan	Maihar	Rampur Baghelan	Overall
Habit of Savings	75.44	79.11	68.22	76.66	80.66	76.00
Economic independence	70.00	70.00	65.00	66.80	65.00	67.36
Self-confidence	81.00	85.86	82.88	78.00	80.00	81.54
Social cohesion	70.00	80.88	71.11	68.88	85.00	75.17
Asset ownership	48.33	52.34	24.40	54.99	58.22	47.65
Freedom from debt	49.00	66.00	75.08	67.00	59.76	63.36
Additional employment	21.11	32.80	41.80	38.40	58.90	38.60

Note: Figures in the table indicate percentages.

(Source: Compiled by the resercher.)

One of the benefits reported by all the members is the development of self-confidence (81.54%) ranked first followed by savings habit (76%), economic independence (67.36%), social cohesion (75.17%), freedom from debt (63.36%), asset ownership (47.65%), additional employment (38.60%).

Findings of the Study

Based on the interviews and discussions with the group members, field workers of the local NGO and group questionnaire survey results, the following findings emerged.

The social profile of SHG members indicates that majority of members are Scheduled Caste, i.e., their overall average is 66.2 per cent. The overall literacy rate is only 7.43 per cent as against the district Scheduled Caste female literacy rate of 15.88 per cent.

It is found that the operational efficiency and group dynamics of the SHG is not same in all blocks. This could be attributed to several factors like background of SHG formation, internal problem, support provided by the promoters, effective leadership, etc.

It is observed that the average membership in SHG was around 16.26. Membership is highest in Majhgawan block and lowest in Amarpatan block. This may be due to the urban-base of Majhgawan in contrast to Amarpatan, where 90 per cent of members are SCs.

The members has join the group in order to earn more income, promote savings habits and to develop

collective economic and social activities. So far as the frequency of group meetings is concerned, it is observed that fortnightly meetings were the most common. In Amarpatan, Nagaud and Majhgawan block the SHG members arrange their meetings twice in a month. But in Maihar and Rampur Baghelan, the meetings are held once in a month.

The Groups maintain cashbooks, passbooks and attendance registers. The member's in-charge of accounts is being given training in bookkeeping by the NGO AND GOVERNMENT AGENCIES.

From the study, it is found that individual members contribute Rs. 10 to Rs. 50 per month. 70 per cent of SHG circulated thrift and their period of circulation was monthly. Accumulated savings by members to group funds per SHG Rs. 10,693, against this loan amounted to Rs. 12,345.

The SHG pay out loans both for consumption and production purposes. Purpose-wise payout of credit by SHG indicates that, domestic consumption received maximum share of 30.33 per cent, followed by others (27.28%). It is establish that credit demanded for investment purpose is very low.

As far as external loan is concerned, the Gramin Bank has advanced loans to the tune of Rs. 2.96 lakh to Amarpatan block followed by Rs. 2.66 lakh to Nagaud block. The members have invested the loan in different economic activities like broom making, preparing eatables like *badi*, *papad*, etc. They are also engaged in poultry, dairy and goatery business. In Nagaud block, the members are preparing milk products like sweets, ghee, *khoa*, etc. and getting good price. They earn about Rs. 600 to Rs. 1000 per month through these activities. The study discloses that the members are not skilled enough to run various units.

Members perceived several benefits through their membership in SHGs such as economic independence and self-confidence (81.54%), promotion of savings habits (76%), social cohesion (75.17%) and freedom from debt (63.36%).

The study also reveals that SHGs had set a new agenda for financial intermediation by banks in the form of micro-credit. It has infused dynamism among its members to climb up socio-economic ladder in the development process. Thus, SHGs have served the cause of women empowerment, social solidarity and socio-economic betterment of the poor for their consolidation.

Conclusion and suggestions

Considering the findings of the study, the following suggestions were prescribed. Literacy and numeric training is needed for the poor women to benefit from the micro-credit schemes.¹⁰ Training in legal literacy, rights and gender awareness are important complements to micro-credit for the empowerment of women. The SHG members should be given necessary training and guidance for the successful operation of the group.¹¹

The members should be more active, enthusiastic and dynamic to mobilize their savings by group actions. In this process Non Government Organizations should take action as a facilitator and motivator. The office bearers who are managing the group should be given nominal financial benefits, which will enable them to be more involved in the activities of the Group.¹²

The bank should advance enough credit to the SHG according to their needs. Uniformity should be maintained in configuration and extension of financial assistance to them by banks in all blocks. The procedure of the banks in sanctioning credit to SHG should be simple and quick.

Marketing facilities for the sale of products of SHG may be created. Periodical exhibitions at block-level may be organized where the products of SHG can be displayed.

Meetings and Seminars may be organized where the members will get a chance to exchange their views and be able to develop their group strength by interactions. 13 Active intervention by district administration, professional bodies and voluntary organizations is precondition for the successful conception of micro enterprises in terms of skill training, designing products, providing new technology and access to market. 14

Policy Implications

In this twenty-first century, we must take along an active people-centered and growth-oriented poverty alleviation strategy – a strategy which seems to incorporate women's aspirations, dynamism and involvement. It is envisaged that self-help groups will play a vital role in such strategy. But there is a need for structural orientation of the groups to suit the requirements of new business.

Micro credit movement has to be viewed from a long-term perspective under SHG framework, which underlines the need for deliberate policy implications in favor of assurance in terms of technology back-up, product market and human resource development. Hence, there is a need for the development of an innovative and diversified micro-finance sector, which will make a real contribution to women empowerment.

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