



A STUDY ON IMPACT OF SELF HELP GROUPs (SHG) ON WOMEN IN CHAMPAKULAM VILLAGE

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CHAPTER 1 INTRODUCTION

1.1 INTRODUCTION

Self-help groups are growing tremendously in India. In rural India, it works very well and shows a reasonable impact on the financial system and society. Through SHGs lot of poor women emerge as self-employed. They start off their enterprise with assets, talents, and know-how at their disposal. Right now SHGs plays a key role in the rural economy. SHGs are not only limited to empowering women but are also involved in investment, manufacturing and marketing efforts. SHGs are proved to be an effective mechanism to promote micro-finance in society and seen as a vital tool for the empowerment of women. A self-help group (SHG) is a small voluntary association of poor people, preferably from the equal socioeconomic and historical past. They collectivize themselves for common goal of overcoming their economic troubles through self-assistance and mutual cooperation. SHG encourages small financial savings among its members. The savings are kept with a financial institution and this common fund is in the name of the SHG. Usually, the number of members in an SHG does not exceed twenty. (Tehra, 2014)

1.2 FORMATION OF SHG

An appropriate size of SHG is 10-20 participants. A smaller size is preferred due to the fact in huge groups, members cannot participate actively. The group may or may not be registered. One person from one family is the rule of membership of an SHG. Groups of both men and women are formed. The members must not have an uneven social and financial status. For instance, the SHG has to be of farmers, artisans, craftsmen, housemaids, mill people and such of same profession. The advantage of a homogeneous group is that individuals can interact freely. The

following could be some of the common factors for membership of SHG:

1. Women / men from poor households.
2. Those with dry land holding not more than two acres.
3. Having no access to safe drinking water.
4. Having illiterate adults in family.
5. Presence of alcoholic or drug addict or a person with prolonged illness in the family.

1.3 STATEMENT OF THE PROBLEM

The study area is Champakulam village in Alappuzha district of Kerala, India. Champakulam is a part of Kuttanad, the rice bowl of Kerala, and is resplendent in green paddy fields, coconut groves and waterfowl. Champakulam is an important tourist spot and is famous for the moolam boat race. The river Pampa flows through the village, splitting it into two. It is connected by road to Alappuzha, Changanassery and Edathua. The total households of the village are 3979 and the total population of the village is 15888. 75 % of people in Champakulam village are paddy farmers. In Alappuzha district, there are 18138 SHGs. In Champakulam village the number of SHGs are 201 with a total membership of 3640. Out of these 60 members were randomly selected and interviewed for this study.

1.4 OBJECTIVES OF THE STUDY

1. To study whether membership in SHGs help to improve the status in the family and society.
2. To study the pattern of income, expenditure, and savings of the member after joining SHGs.
3. Improving the financial positions of the women members.
4. To analyze the level of satisfaction of members of SHGs



5. To find out whether the loans given through Self Help Groups act as a tool against rural indebtedness and if it is really used for income generating activities.

CHAPTER 2

MATERIALS & METHODS

2.1 RESEARCH METHODOLOGY

The following methodology has been used for this study:

1. Selecting the sample method & samples: The method adopted for this research is purposive sampling method.
2. All the respondents were interviewed with the help of structured questionnaire which included both close as well as open ended questions.
3. The questionnaire was executed & responses were taken. Any difficulties felt in understanding of the question were cleared.
4. The finding was classified, tabulated and analyzed.
5. Sample size: The total 60 SHG members from 201 SHGs were selected as sample size.

2.2 DATA COLLECTION

Primary data is obtained from original sources by the researcher himself. It is gathered specially for a project on hand. Primary data is personally developed by conducting the interview. It gives the latest information. Primary data is the data that has been observed or recorded by the researcher for the first time as per best of his knowledge. Primary data here was collected through personal interview and by administering structured questionnaires. The time span of the study consisted of 15 days from August 10 to 25, 2020. A sample consisting of 60 SHG members were interviewed in Champakulam village of Kuttanad Taluk. The major sources of secondary data are from journals, magazines, and the internet.

CHAPTER 3

THEORETICAL FRAMEWORK

3.1 ORIGIN AND HISTORY OF SELF HELP GROUPS IN INDIA

Self Help Groups in India are rooted inside the traditional Rotating Savings and Credit Associations (ROSCO) and chit funds and other indigenous informal financial associations. Chit fund institutions are old institutions in India in which participants made periodic contributions which might be pooled into a fund from which money is given to members. ROSCO is a group of individuals who agree to fulfil for a defined time period so that it will keep and borrow collectively. The

origin of SHGs is thought to be the brainchild of Grameen bank of Bangladesh. It started out forming SHGs in 1975, to offer micro finance to rural women. In Bangladesh, micro finance has been mounted as an effective instrument to tackle poverty. In India, SHGs first emerged within the Mysore Resettlement and Development Agency (MYRADA) in 1985. (Chronicle, nd)

3.2 WOMEN SELF HELP GROUPS

Women self-help group represents a major part of the self-help movement in India. This is because women are seen as the most reliable customers in terms of repayment and utilization of loans. It is because of this reason discussion on self-help groups in India ultimately takes in the form of a discussion on women Self Help Groups. The number of savings linked women SHGs are 5310436 and credit score-linked women SHGs are 1294476. The statistics indicate that up to the year 2010, 76.4 % of total savings linked SHGs comprise only women members. However, 81.5 % of total credit score-connected SHGs are unique of women beneficiaries. SHGs enhance the reputation of ladies as individuals, choice-makers and beneficiaries in the democratic, monetary, social and cultural spheres of life. (Tehra, 2014)

3.3 OBJECTIVES OF SELF HELP GROUPS

- Inculcate the habit of savings and banking among the rural women.
- To build up trust and confidence between the rural women and bankers.
- To develop group activity so that various welfare and development programmes can be implemented with a better participation of these women groups
- To achieve women and child welfare programme goals by actively involving these women groups in Universal Immunization Programme, small family norms, Universal Electricity Education etc... (Pillai, 2015)

3.4 CHARACTERISTICS OF SHGs

- i. The group need not be registered.
- ii. Only one person from a family shall be allowed to become member of group.
- iii. The group consist of either only men or women.
- iv. Members have same social and financial background.
- v. The group should meet regularly and attendance is compulsory.

3.5 MAJOR FUNCTIONS OF SHGs

• Savings and Thrift

All SHG members regularly save a small amount. The amount may be small, but savings have to be a regular and continuous habit with all the members. "Savings

first – credit later” should be the motto of every SHG members.

- **Internal Lending**

The SHG should use the savings amount for giving loans to members. The purpose, amount, rate of interest, schedule of repayment etc. are to be decided by the group itself and proper accounts to be kept by the SHG.

- **Discussing Problems**

In every meeting, the SHG should be encouraged to discuss and try to find solutions to the problems faced by the members of the group individually. The poor people are weak and lack resources to solve their problems. When the group tries to help its members, it becomes easier for them to face the difficulties and come up with solutions.

- **Empowerment through SHGs**

Self-help groups are an instrument to change the conditions of women socially and economically. Once the socio-economic experiment is achieved it would have an implication on the overall development of women. SHGs enable financial social political and psychological empowerment of women.

- **Financial Empowerment**

The economic contribution of women has been found to be related to her role and status in society. The SHGs provide economic benefits to the woman by providing income-generating activities. Economic Independence facilitates in bringing about sexual equality and an increase in women's income translates more directly into family well-being.

- **Social Empowerment**

SHGs improves the quality of status of women as participant's, decision-makers and beneficiaries in the social, economic, democratic and cultural spheres of life.

- **Political Empowerment**

SHGs as active articulate and organize citizen or react on a range of issues holding the Panchayath accountable in terms of the use of production and distribution of public resources for the common public's welfare. SHGs enables the women to develop their communication skills to speak at the Grama Sabha public meetings etc. and SHGs functions through its regular meetings where members perform transactional activities. It also discusses different related issues, social mobilization through SHG is inevitable for political empowerment.

- **Psychological Empowerment**

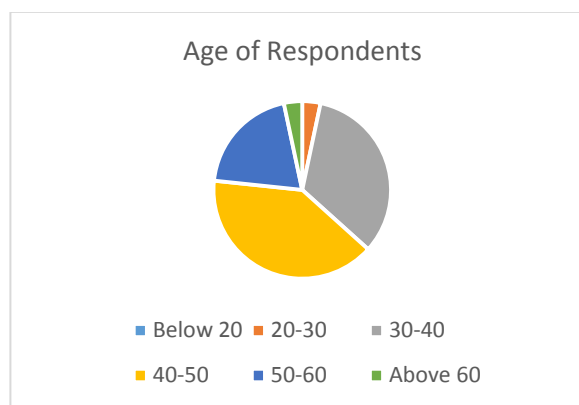
SHGs enhances the quality of women as participants, decision-makers and beneficiaries in the democratic, economic, social and cultural spheres of life. Their cities inculcate great confidence in the minds of rural women to succeed in their day to day life. (Trifed, nd)

DATA ANALYSIS AND INTERPRETATION

TABLE 4.1 AGE OF RESPONDENTS

Age	Frequency	Percentage
Below 20	0	0
20-30	2	3.33
30-40	20	33.33
40-50	24	40
50-60	12	20
Above 60	2	3.33
Total	60	100

Figure 4.1 AGE OF RESPONDENTS

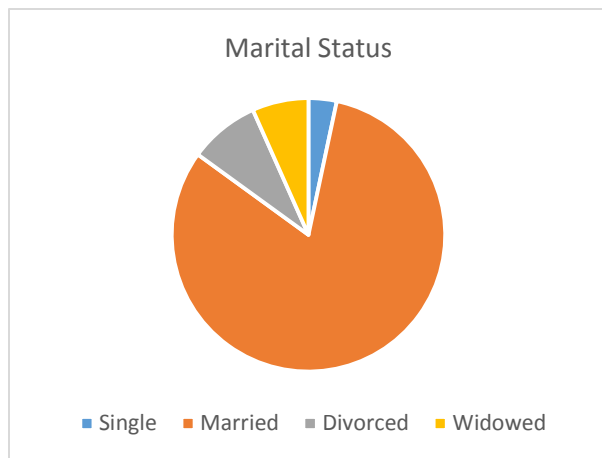


Out of 60 respondents, 3.33% belongs to 20-30 age group, 33.33% belongs to 30-40 age group, 40% belongs to 40-50 age group, 20% belongs to 50-60 age group, 0% below age 20 and 3.33% above the age of 60.

TABLE 4.2 Marital Status

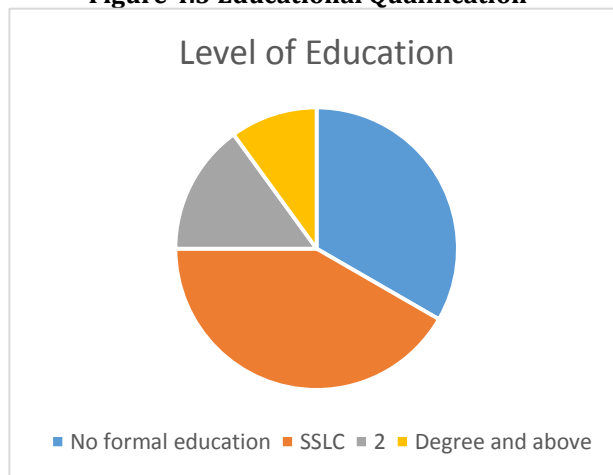
Marital status	Frequency	Percentage
Single	2	3.33
Married	49	81.67
Divorced	5	8.33
Widowed	4	6.67
Total	60	100

Figure 4.2 Marital Status



Out of 60 respondents, 81.67% are married, 8.33 are divorced, 6.67 are widowed and only 3.33 are single.

Figure 4.3 Educational Qualification



Out of 60 respondents, 33.33% have no formal education, 41% have studied up to SSLC, 15% up to +2 and only 10% have degree and above qualification.

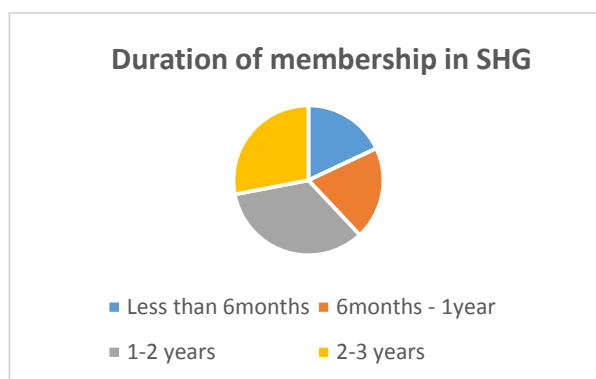
Table 4.3 Educational Qualification

Level of Education	Frequency	Percentage
No formal education	20	33.33
SSLC	25	41.67
+2	9	15
Degree and above	6	10
Total	60	100

Table 4.4 Duration of membership in SHG

Membership in SHG	Frequency	Percentage
Less than 6months	9	15
6months - 1year	10	16.67
1-2 years	17	28.33
2-3 years	14	23.33
More than 3 years	10	16.67
Total	60	100

Figure 4.4 Duration of membership in SHG



Out of 60 respondents, 15% have membership for less than 6 months, 28.33% for 1-2 years, 23.33% for 1-2 years and 16.67% for more than 3 years.

Table 4.5 Reasons for joining SHG

Reasons	Frequency	Percentage
Loans	21	35
Social Status	4	6.67
Savings	9	15
To engage in an activity	6	10
Influence of others	14	23.33
Other reasons	6	10
Total	60	100

Figure 4.5 Reasons for joining SHG

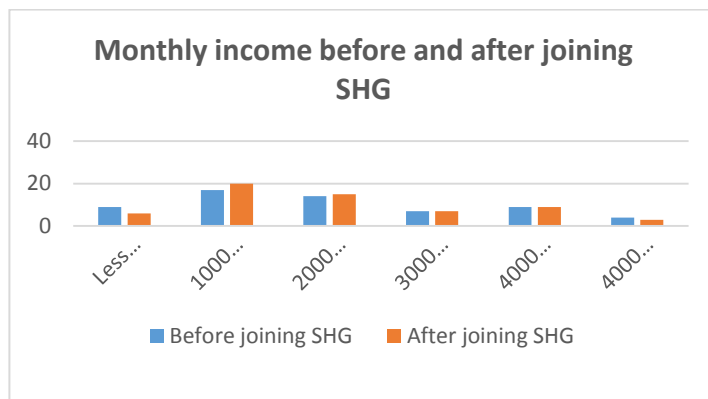


Out of 60 respondents, 35% of them joined SHG for getting loans, 23.33% by the influence of others, 15% for savings, 10% to engage in activities and due to other reasons and only 6.67% for social status.

Table 4.6 Monthly income before and after joining SHG

Monthly Income	Before joining SHG	Percentage	After joining SHG	Percentage
Less than 1000	9	15	6	10
1000-2000	17	28.33	20	33.33
2000-3000	14	23.33	15	25
3000-4000	7	11.67	7	11.67
4000-5000	9	15	9	15
Above 5000	4	6.67	3	5
Total	60	100	60	100

Figure 4.6 Monthly income before and after joining SHG



Out of 60 respondents, monthly income of 17 persons whose income is within the range of Rs 2000-3000 has increased from 28.33% to 33.33%. People having less than Rs 1000 decreased. Rest of the people tend to remain the same.

Table: 4.7 No of persons having loan in SHG

Options	Frequency	Percentage
Yes	60	100
No	0	0
Total	60	100

Figure 4.7 No of persons having loan in SHG

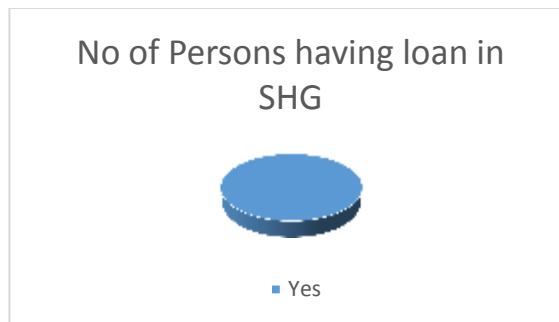


Table: 4.8 Savings

Status	Frequency	Percentage
Yes	60	100
No	0	0

Figure 4.8 Savings

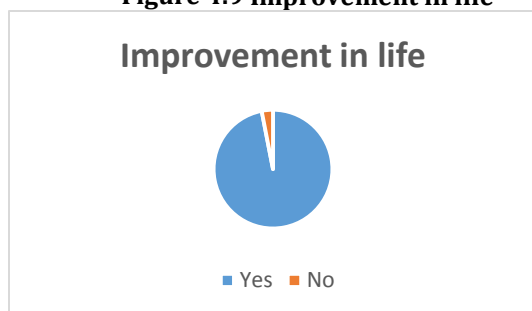


Out of 60 respondents, all of them have their own savings.

Table: 4.9 Improvement in life

Options	Frequency	Percentage
Yes	57	95
No	3	5

Figure 4.9 Improvement in life

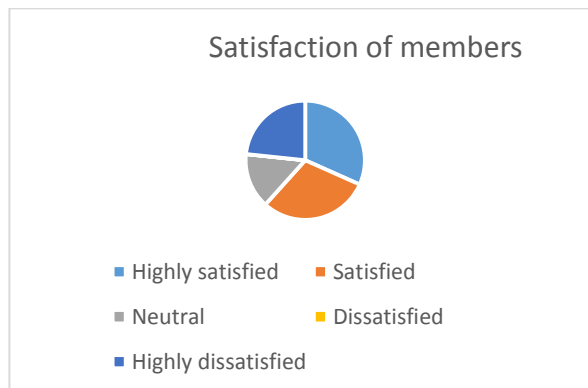


Out of 60 respondent, 95% people's life has been improved by SHGs and negligible 5% stays unchanged.

Table: 4.10 Level of satisfaction

Satisfaction of members	Frequency	Percentage
Highly satisfied	19	31.67
Satisfied	18	30
Neutral	9	15
Dissatisfied	0	0
Highly dissatisfied	14	23.33

Figure 4.10 Level of satisfaction



Out of 60 respondents, 30% are satisfied, 31.67% are highly satisfied, 15% are neutral, 23.33% are highly satisfied and none are dissatisfied.

CHAPTER 5 FINDINGS, SUGGESTIONS, AND CONCLUSIONS

5.1 FINDINGS

1. Out of 60 respondents, 15% have membership in SHG for less than 60 months, 28.33% for 1-2 years, 23.33% for 2-3 years and 16.67% for both 6 months- 1 year and more than 3 years.
2. Out of 60 respondents, 35% of them joined SHG for getting loans, 23.33 % by the influence of others, 15% for savings, 10% to engage in activities and due to other reasons and only 6.67% for a social status.
3. Out of 60 respondents, monthly income of 17 persons whose income is within the range of Rs.2000-3000 has increased from 28.33% to 33.33% people having less than Rs.1000, decreased. Rests of the persons tend to remain same.
4. Out of 60 respondents, there has been a slight increase in the amount of saving after joining the SHG. But also there has been a decrease in the section collecting Rs.400-500 and above Rs.500.
5. Out of 60 respondents, 100% of them have taken loan for various purposes.
6. Out of 60 respondents, all of them have their own savings.
7. Out of 60 respondents, 95% people's life has been improved by SHG and a negligible 5% stays unchanged.
8. Out of 60 respondents, all of their confidence has increased.
9. Out of 60 respondents, financial empowerment is the main reason for joining SHG.



10. Out of 60 respondents, 30% are satisfied, 31.67% are highly satisfied, 15% acts as neutral, 23.33% are highly satisfied and none are dissatisfied.

5.2 SUGGESTIONS

1. SHG group should have a mix of members from the high income group & members from BPL as well as Low income families.
2. SHG groups should concentrate to increase its members.
3. SHG group should increase some capital amount from other sources.
4. SHG groups give some training to the members for smooth working.
5. Minimize the instalment amount to attract low income group members also.
6. Every SHG group should start some social activity.

5.3 CONCLUSION

Several programs have had their share in bringing about change and development in the lives of poor women. Institutions that target women need to understand the regional and local context and adopt their approach or strategies accordingly. The study further finds that participation of women is a main ingredient for a successful empowerment. Mainstreaming and empowerment approach in microcredit will inevitably a significant change in attitude, change in work practices and challenging vested interest. Flexibility to women's need and deciding the best ways of combining empowerment and sustainability objectives can only be done by using participatory techniques. This requires extensive consultation with the women themselves.

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QUESTIONNAIRE

1. What is your age?
2. Are you married?
3. What is your educational qualification?
4. Since how long are you the member of the group?
5. Could you please give me the details of changes in your monthly income before and after joining the SHG?
6. State details of loans from SHG
7. Do you have your own savings?
8. Has your life improved after becoming member of SHG?
9. Has membership in SHG helped you to improve your status in the family and the society?
10. How do u rate your overall satisfaction as a member of SHG?
 - a).Highly satisfied
 - b).Satisfied
 - c).Neutral
 - d).Dissatisfied
 - e).Highly dissatisfied