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Performance of SHGs Members and their Empowerment in Karnataka

Management

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ABSTRACT

The performance and involvement of the group are based on many factors including the composition of the group, way of functioning, participation of members in productive activities etc. Any study on the performance of SHGs without considering the socio-economic aspects of members will reveal only half the story. An attempt is made to analyze the diversified activities of the members.

KEYWORDS

The experience of several programs and schemes government aims are at poverty eradication and upliftment of rural and urban poor successfully by using thrift as an entry point to organize the poor family. For poor households of these areas, the real value of savings has enormous potential to help them to make a normal living. In the process of formation of SHGs, the leading role taken by women has to be viewed in a large socio-economic context of the society and that tends to thrust upon women in many responsibilities. The SHGs are informal groups formed on a voluntary basis and perceived as people's institution providing the poor with space and supporting them to take effective steps towards more control of their family lives in the society.(Vasanthkumar.P,2011)

The performance and involvement of the group are based o many factors including the composition of the group, way of functioning, participation of members in productive activities etc. Any study on the performance of SHGs without considering the socio-economic aspects of members will reveal only half the story. An attempt is made to analyze the diversified activities of the members. For this purpose data were collected directly from the selected four SHGs 6(one in shimoga and another in South canara district) and 2 SHGs of North Karnataka (one in Gadag and another one in Gulbarga district) are considered for the study,3 SHGs were established in 2001 and other one in 2003.

Age group of the SGHs members: The age and socio-economic activities are interrelated aspects. The young (below 40) and middle age (40 to 50) group members can actively participate in 1GA activities. The age group of above the 50 years can also engage in these activities if their health and life strength is more sturdy and strong. Table -1 shows the age group and their proportion of SGHs members in the study area.

As is evident from Table-1, over 60% (62%) of the respondents are aged 40 years and less indicating predominant of young women in SHGs.

Marital status and place of residence: Among the 68 members of the 4 groups, 60 members are married and accounted for 88percent; remaining 8 members are widows and accounted for 12 percent. All the 68 members are living in gram panchayat area. This shows that in rural areas SHGs are the means through which member's together work for their improved standard of living.

It has been observed from the Table-2 that among the 68 members, the representation from Sigandureshwari group was 29 percent (20 members), from Jyoti group it was 25 percent 17 members, from Bhuvaneshwari group 22 percent (15 members, Renukadevi group 24 percent (16 members). It shows that the member's representation is more or less equal in this study area. percent of the members have completed SSLC, and the remaining members i.e. 79 percent have studied below SSLC level. Only 21 percent of the members having studied up to SSLC is important because this indicates that all the members need specific training to enhance their skill and abilities.

Age(Years)	Members	Percentage
25 and less	19	27.9
26 to 40	23	33.9
41 to 50	15	22.1
Above 50	11	16
Total	68	100.0

Table:1 Classification on the basis of age (years)

Sl no	Name of the SHG	Membership (Mar 2012)	Education level of members
1	Sri Sigundeshwari	20(29)	Below SSLC
2	Smt Jyoti	17(25)	Sslc-5 below sslc=12
3	Sri Bhuvaneshwari	15(22)	Sslc-05 below sslc-10
4	Smt Renukadevi	16(24)	Sslc- 04 below sslc -12

Table: 2 General Information of SHGs

Source: Survey data (figures in brackets are percentage)

Name of the SHG	Caste	Family size in Avg	Political leadership	Landed poverty	Owned/ Rented house
Sri Sigundeshwari	SC-00 OBC- 16 others-4	5	One GP member	2.5 acre	Owned 17
Smt Jyoti	SC/ST-1 OBC-1 Others-6	5	Nil	1.0 acre	OH 18 RH 02
Sri Bhuvaneshwari	ST-01 OBC-14	5	2 GP member	3.4 acre	OH 15
Smt Renukadevi	SC/ST-02 OBC-14	6	Nil	3.1 acre	OH 16
Total	SC/ST=04(7) OBC=54(80) others-10(13)	5	3 GP member	1.8 acre	OH=66 RH=02 (97) (03)

Table:3 Socio economic position of members

Source: Survey data (figures in brackets are percentage) OH-own house, RH-Rented house

SHGs	Sanitary facilities Provided	Sanitary facilities Not Provided	Total	Education to children provided	Education to children not provided	Total
1	15	2	17	17	0	17
2	16	4	20	18	2	20
3	4	11	15	11	4	15
4	3	13	16	10	6	16
Total	38	30	68	56	12	68

Table:4 Sanitary and education to their children

SHG	Tiny industry	handi craft	Small business	Dairy	Avg family income P.a.	Avg family expenditure P.a. (Rs.)
1	03	02	04	08	55000	24000
2	04	02	05	9	60000	25000
3	01	03	03	08	50000	15000
4	02	01	05	08	42000	15000

Table:5 1 GA activities average income and expenditure

Caste: The status and life of the respondents vary from caste to caste and also within the caste, which is determined by the traditional occupation, work participation and social interaction system etc. It

may be observed from table -3 that as many as 79% of respondents belong to the other i.e. Muslim , Christian, Bantas (15%) and only 6 percent of the respondents are SC/STs .Ninety percent of the respondents stated to be in nuclear family; only ten percent respondents stated to lice as joint families. This might be the impact of social transformation that is taking place in the society as the average size of the family is 5 in this study area. Among the 68 respondents only six of them have been functioning as Gram Panchayat members (9%).

The table further shows that the landed property of the respondents in four groups was an average 1.8 acre. Which is below 2 acre or one hectare and all the respondents are marginal farmers by definition. And 97 percent of the respondents are found to be living in their owned house and only 3 percent of them (02) have been living in rented house. Government of Karnataka has been implementing various housing schemes in rural area such as Ambedkar , Indira Awas, Basava , Minority etc to the houseless families . Most of the rural households have been beneficiaries under this scheme and hence most of the respondents have been living in their own house.

Table -4 shows that 56 percent of the members have their own sanitary facilitated in their house, Where other 44 percent of the members have not yet have not yet included their own sanitary facility in their in their houses of the SHGs considered, 2 SHGs has found to have not included sanitary facility. The central and state governments during the 11th plan period (2007-2012) aiming to bring social exclusives (i.e. family living outside from minimum needs such as drinking water, sanitary , education to their children health and housing i.e. to the growth . 77% (24 out of 31) of 2 SHGs selected in north Karnataka stated not to have included, stated to have in open latrine system till today.

The 82 percent of the members have responded stated to been providing education to their children. The proportion in 2 SHGs of north Karnataka was 68% (21 out of 31), whereas in south Karnataka it was over 90% (95%). The women members of all the four groups of the study area have spent enormous amount on their children's education. Before the formation of SHGs it was absolutely not possible for them to invest even a single rupee on this important purpose. So the SHGs in rural area have been helping to the members to invest on this purpose and also helping for improving the human capital of the families.

Income generating activities (1GA): One of the main objectives of SHGs is to uplift the financial position of the members, who belong to the poor family. In order to supplement the family income the members have to be self-earning are to achieve this goal SHGs insisting on income generating activities. Self- employment is an important step to earn a sustainable income. Effective self-employment means choosing the right activity and carrying out the activity in the most effective manner. Capital is the major constraint for the poor group members to start self-employment project. Through SHG this constraint can be managed by raising institutional credit.

Table 5 shows the different type of income generation/micro enterprises taken up by the members. All the 68 members are engaged in individual activities such as tiny industries of less than Rs.1 lakh (on an average) working capital and fixed capital, handicrafts activities of investment of less than Rs.25000/-, small business/ services (Agriculture and allied services) investment of upto Rs. 1 lakh , and dairy activities of investment of upto Rs.1 lakh per member. Keeping this much of investment either from internal loan from SHG or from local banking financial sources the 15 percent of t he respondents have engaged in tiny Industrial activities(10 members) 12 percent of the respondents have engaged in handicrafts (08 members), 25 percent of the respondents have engaged in small business/services (17 members) and 48 percent of the respondents have involved in dairy activities (33 members) in this study area.

Most of these members have been utilizing local forest based; land based and produce the products, which are potential for local markets. The promoting agencies provide training to members to equip them to manufacture the articles taken up by the agencies. With a view to promote the marketing opportunities the promoting agencies conduct exhibition cum sales programs.

Monthly income and expenditure of the member/family

Income from the 1GA activities is a major determinant of the standard of living of the member. The annual income of the family was analyzed to ascertain whether there is any significant improvement in the income of the family after becoming a member of the group. Table-5 reveals that the annual income and expenditure of the family of SHG member, respondents after becoming a member. It was found that these respondents income before the SHG was zero. The figure show in the table was the amount of annual income as on 31.3.2012.

It may be seen in the table that the average annual income of the member was Rs,51750 and monthly income of the member was Rs.4313. This implies that there is significant improvement in the monthly income of the members after becoming a member of the group. This is because all the members have begun to earn reasonable monthly income. This financial position improvement increases their willingness to participate actively in their well-versed 1GA activities of the SHG. All the members have begun to involve in independent economic activities individually after joining in the group. This would enable them to become economically independent and contribute to their house hold income.

An increase in family income of the members after joining SHGs would automatically enhances the expenditure and saving. This implies the fulfilment of the objectives of SHGs. Generally income earning women are respected by the family members and the society, because they are earning income and contributing to family expenditure. The average expenditure of the members was Rs.19750 per annum and monthly it was Rs.1646 expenditure incurred for repayment of loan and 1GA activities. The average net income per annum is Rs.32 on and per month is 2627. These respondents stating their net average income per month as Rs.2627 indicates the possibility of their saving. Initially, these respondents never thought savings necessary.

Financial sources, Bank loan and rate of interest of the SHGs

The success and effectiveness of intermediaries like SHGs is determined largely by the extent to which they are able to provide a reliable and easy source of finance to the members for household and productive purposes. Credit organizations like grameena banks, commercial banks and cooperative banks etc insist on many formalities to provide credit to the poor members. Village money lenders charge very high rate of interest. In this situation SHGs are a boon to rural poor because instead of approaching the individual, SHGs can approach the bank and gets loan, then refinance it to the members for productive and consumption purpose at a reasonable rate of interest. All most all the members in study area are availed this facility.

Table -6, highlights are different sources of the finance availed by the selected SHGs in Karnataka. The availed finance by the SHGs has classified into3 sources i.e. 1) Government incentives, 2) Own Sources (Savings) and 3) Micro finance sources. (Internal and external loan). This table shows that 6 percent of finance has been raised from government sources (Rs. 57750), 62 percent of finance is raised from their own sources of the SHGs (Rs. 591231) in the form of savings and 32 percent of finance is mobilized by earning interest income on micro finance given to the members and the outside members. Before formation of SHGs there was not any financial support availed by these respondents.

All the four SHGs have received an average loan amount of Rs. 258225 from various banks i.e. rural banks, commercial banks and cooperative banks of their locality. These institutions have charged 10 percent rate of interest per annum. Where the SHGs have charged very high rate of interest on their internal and external loan. The rate of interest varied 24 percent to 60 percent annum in their respective areas. This rate of interest is almost equal to the rate of high rate of interest cannot serve the important objective of SHG i.e. service motive. The SHGs need to fix their rate of interest by allowing the margin of 6 percent for beginning 5 years, 4 percent for next 3 and 2 percent margin after 8 years working period of the SHG over and above the bank rate of interest and maintain financial viability themselves. The central government and Reserve Bank of India are seriously thinking on this high rate of interest charged by the SHGs and RBI is likely to bring its own regulation to control on this high rate of interest, before initiating legal action the SHGs themselves would set right their interest rates soon.

All the 68 members responded stated that all of them attend meetings scheduled without fail. Their team work is good. These respondents stated to have learnt the procedure of maintaining accounts through the workshop organized by Dept. Of Women and Child Development.

Women Empowerment: Integration of women development and their empowerment are indispensable for the development of any country. Empowerment is a process that addresses all sources and structures of power. The process has to work individually and collective level. Individually poor women cannot overcome powerlessness. They can do it only collectively. Hence, the women have to be organized and have to acknowledge as a political force. It involves equal participation in decision making, control over resources and mechanisms for sustaining these gains. Organizing women through the formation of SHGs deserve special attention.

The SHG is an important mechanism for empowering women. Organizing poor women into groups not only expand options available to you for their development but also provide them with opportunities to develop their confidence and skills to improve their status and to bring about a change in the attitude of the society towards women.

Measurement of Empowerment:

To measure the degree of empowerment five empowerment index based on Likert Scale was used. For this 10 variables representing empowerment were placed before the respondents to mark their choice showing their degree of agreement or disagreement to each variable. The points for choice were assigned as for strongly agree (2), agree (1), undecided (0) disagree (-1), strongly disagree (-2). The frequencies obtained were multiplied with their respective points and the total score was divided by total number of respondents. This would give the empowerment index. After finding out this index, the composite index was computed by dividing the empowerment index by number of variables. To analyse the extent of empowerment the following decision criteria was used.

Equal to Zero= No Empowerment
Between Zero to 40 empowerment= Low
Between 41 to 60 empowerment = Moderate
Between 60 to 70 empowerment = Good
Above 70 = High empowerment.

In order to measure the level of empowerment, 10 variables indicating empowerment were identified and analyzed. The result of the analysis presented in table-7.

It can be seen in the Table-7 that the composite index on empowerment was 71.76. From this result it can be inferred that the level of empowerment achieved by the members (respondents) was high empowerment one. The average indices among the variables varied between 13.23 to 152.94. The highest average index was on the variable involvement in public activities and the least was awareness in legal and political matters. The SHGs provide ample scope for the members to express their views independently. Out of the 10 variables 7 showed good level of empowerment , 3 showed low empowerment. As the composite index on empowerment was above 70 it can be concluded that the level of empowerment achieved through the SHGs formation is high level one.

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