



## Performance of Self-Help Groups on Women: A case Study

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### ABSTRACT

*The SHGs provide the benefits of finance, cost effective alternatives for different financial services, collective learning, democratic and participatory dialogue and co-operation. The functions of SHGs are based on co-operation rather than competition. It follows the principle of 'contribute according to your ability and take according to your need'. This paper presents the features of SHG members and explains the financial features of SHG members. Contrary to the general notion, it was found in the present study that considerable savings activity is under way in the rural areas. Savings being the principal activity, all the respondents were involved in it. The amount of savings, however, differed from group to group. In this process, group savings are accumulated which gives the feeling of self-help and mutual help. Because of this feature, the credit management by members of the group is expected to be better. In the last sector parameters such as registration of the groups, conduct of the meetings, maintenance of accounts and training for SHG members has been covered.*

**KEYWORDS : Empowerment, Savings, Self-Help Groups.**

### Introduction

The SHG is considered as a viable organization of the rural poor, particularly women, for delivering micro credit in order to undertake entrepreneurial activities. Some of the SHGs managed by the rural poor women successfully demonstrated how to mobilize and manage thrift activities, appraise credit needs, enforce financial discipline, maintain credit linkages with banks and effectively undertake income generating activities.

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This paper presents the features of SHG members and explains the financial features of SHG members. Contrary to the general notion, it was found in the present study that considerable savings activity is under way in the rural areas. In the last sector parameters such as registration of the groups, conduct of the meetings, maintenance of accounts and training for SHG members has been covered.

### Objectives of the Study

to examine the participation of women in self-help groups.

to analyse the effectiveness of self-help groups in improving the socio-economic status of women.

### Methodology

In the process of selecting the district, the Belgaum district was selected on purposive sampling basis. It has ten talukas. There are very several small scale industries and the district dominates in production of sugarcane. It is presumed that in these circumstances the conditions of women in villages of Belgaum district would be similar to that of women elsewhere. The only one selection of the taluka namely Khanapur was based on the number of SHGs, further with the help of records available with the Women and Child Welfare Department (2013). After the selection of taluka, two villages were selected. In these criteria for SHG performance is a minimum of 5 SHGs working continuously for the last five years. Based on such criteria Nandagad is developed village and Kasabanandagad is backward village from Khanapur taluka was selected. The selection of the households again was based on random sampling method. The total 50 members were selected for an in-depth study. The study is prepared on the basis of the data and information collected from primary sources.

### Features of SHGs

The details of physical aspects have been analysed in terms of the size of the group, homogeneity, caste composition and age group of SHG members.

### Size Group of SHGs

The normal size of a SHG being 20, in certain cases, the number would be lower due to either withdrawal of members or incomplete formation of the group.

**Table-1: Average Number of Self-Help Groups**

| Sl. No. | Number of members | Nandagad Village | Kasabanandagad Village | Total | Total SHG Members | Average SHG Members |
|---------|-------------------|------------------|------------------------|-------|-------------------|---------------------|
| 1       | 10-15             | 3                | 4                      | 7     | 98                | 14                  |
| 2       | 15-20             | 2                | 1                      | 3     | 54                | 18                  |
|         | Total             | 5                | 5                      | 10    | 152               | 15                  |

### Source : Field Survey

Table-1 shows that the average number of SHG members. Out of the total 10 group, 3 groups had members in the range of 15-20 members and 7 SHG in 10-15 the range of members. 70.00 per cent of groups had less than 15 members. While in the Nandagad village, 60 percent of groups had less than 15 members, in the Kasabanandagad village, the percentage was increase 80.00 percent.

### Caste Composition of SHG Members

An attempt is made to understand the community features of the respondents. The distribution of sample households as obtained only from 50 members is given in table-2.

**Table-2: Caste Composition of SHG Members**

| Sl. No. | Category / Caste | Nandagad | Kasabanandagad | Total |
|---------|------------------|----------|----------------|-------|
| 1       | SC/ST            | 8.00     | 24.00          | 16.00 |
| 2       | OBC              | 80.00    | --             | 40.00 |
| 3       | Others           | 12.00    | 76.00          | 44.00 |
|         | Total            | 100      | 100            | 100   |

Source : Field Survey  
Note : Figures are indicating percentage to total.

Table-2 that the majority of SHG members were (44 percent) belonged to the others category. Remaining 40 percent belonged to the backward section of the society and 16 percent to SC/ST category. Further, nearly one-fourth of members in Kasabanandagad village belonged to SC/ST category on against hardly 8 per cent in Nandagad village. Two-third of the members in Kasabanandagad village was from other castes compared to about 12 per cent in Nandagad village. Thus, caste-wise distribution of members was more spread across social categories in the both villages.

### Age Group of SHG Members

The distribution of groups according to age as shown in table-3 revealed that about 76 percent of the sample SHG members were in the age group of 18 to 45 years. While about 12 percent were above 46 years age group.

**Table-3: Age-wise Distribution of SHG Members**

| Sl. No. | Age-Group    | Nandagad | Kasabanandagad | Total |
|---------|--------------|----------|----------------|-------|
| 1       | 18-45        | 64.00    | 88.00          | 76.00 |
| 2       | 46 and Above | 36.00    | 12.00          | 24.00 |
|         | Total        | 100      | 100            | 100   |

Source : Field Survey

Note : Figures are indicating percentage to total.

It was almost uniform across in both villages. The domination of younger age groups is favourable in terms of adoption of progressive ideas.

### Financial Features

The concept of microfinance rests on the premise that members will develop the habit of thrift before they can avail of loans. This, habit besides increasing the possibility of self-reliance in meeting credit needs of the members, it will also help in efficiently deploying the credit among the members as their own money is at stake. The details of size of loan, purpose of loan borrowed, repayment performance and then savings pattern of the members are discussed in the ensuing section.

### Size of Loan

The credit demand was assessed based on the needs of the members. The members unanimously decided about the loan to be sanctioned. The interest rate charged varied widely among the groups. The total loan amount disbursed by the selected SHGs was Rs.4,17,483, of which Rs. 1,48,480 in Nandagad and Rs. 2,69,003 in Kasabanandagad villages. The loan amount not only higher in the Kasabanandagad village, the number of loanees is also greater. The average loan is also higher in Kasabanandagad village. Thus, SHGs are more helpful to the 86.46 per cent of the people of Kasabanandagad village.

### Purpose of Loan

The institutional sources usually lend only for productive purposes. However, micro finance is designed to meet consumption needs of the members. Thus, the members had availed loan from the group fund for both production and consumption purposes. The loans for production purpose accounted for about 60.38 per cent of the total loan and the remaining 39.62 percent for consumption purposes (table-4).

**Table-4: Distribution of Loan Utilization by Purposes**

| Sl. No.             | Purpose of loan  | Nandagad | Kasabanandagad | Total |
|---------------------|------------------|----------|----------------|-------|
| Production Purposes |                  |          |                |       |
| 1                   | Animal husbandry | 7.14     | 4.00           | 5.66  |
| 2                   | Agriculture      | 17.86    | 12.00          | 15.09 |

**Table-6: Monthly Savings of SHG Members**

| Sl. No. | Savings Amount per month | Percentage of SHGs |                |       | Average Savings (In Rs.) |                |       |
|---------|--------------------------|--------------------|----------------|-------|--------------------------|----------------|-------|
|         |                          | Nandagad           | Kasabanandagad | Total | Nandagad                 | Kasabanandagad | Total |
| 1       | 20-40                    | 70.8               | 74.0           | 72.4  | 40                       | 40             | 40    |
| 2       | 40 & above               | 29.1               | 26.0           | 27.6  | 68                       | 68             | 68    |
|         | Total                    | 100                | 100            | 100   | 48                       | 47             | 48    |

|                      |                          |       |       |       |
|----------------------|--------------------------|-------|-------|-------|
| 3                    | Handicrafts              | 14.29 | 8.00  | 11.32 |
| 4                    | Trade and Small Business | 25.00 | 32.00 | 28.30 |
|                      | Sub Total                | 64.29 | 56.00 | 60.38 |
| Consumption Purposes |                          |       |       |       |
| 1                    | Household consumption    | 14.29 | 20.00 | 16.98 |
| 2                    | Medical Care             | 10.71 | 16.00 | 13.21 |
| 3                    | Educational Expenditure  | 10.71 | 8.00  | 9.43  |
|                      | Sub Total                | 35.71 | 44.00 | 39.62 |
|                      | Grand Total              | 100   | 100   | 100   |

Source : Field Survey

Note : Figures are indicating percentage to total.

The largest share of lending by SHGs was for trade and business followed by medical care, animal husbandry, educational expenditure, handicrafts, household requirements and crop-cultivation. Whereas in the Nandagad village, a greater proportion of borrowing was for productive purposes (64.29), it was the opposite in the Kasabanandagad village (56). This might be due to the fact that where as in Kasabanandagad village people were engaged in wage-paid laborers (65 percent) and due to low literacy rate. The proportion of trade and small business purposes was 28.30 percent. This was followed by household consumption 16.98 percent and capital requirement for handicrafts 15.09 percent.

### Repayment Performance

The repayment performance of loans issued from the common fund was 100 per cent. In case of delay in payment of dues by any member, the causes for such default were debated in the meeting and necessary postponement of installment.

**Table-5: Distribution of SHG Members According to Repayment Performance**

| Sl. No. | Particulars                                 | Nandagad | Kasabanandagad | Total |
|---------|---|----------|----------------|-------|
| 1       | Animal husbandry                            | 4.00     | ---            | 2.00  |
| 2       | Education                                   | 8.00     | ---            | 4.00  |
| 3       | Agriculture                                 | 16.00    | 8.00           | 12.00 |
| 4       | Handicrafts                                 | 12.00    | 8.00           | 10.00 |
| 5       | Small business                              | 28.00    | 28.00          | 28.00 |
| 6       | Others (Hospital/Medical, Family Functions) | 20.00    | 24.00          | 22.00 |
|         | Total                                       | 88.00    | 68.00          | 78.00 |

Source : Field Survey

Note : Figures are indicating percentage to the number of loanees (42).

Table-5 the above table clearly indicates that about 78 per cent of loanees repaid the loan they borrowed. The repayment rate was more than 88 per cent in Nandagad village as compared to 68 per cent in the Kasabanandagad village. This only reiterates that the default rate is lower with lending through the SHGs.

### Savings

Contribution of fixed sum on monthly basis as savings assumes greater importance as they directly influence the growth of the common fund of the groups. The details of savings among the groups, categorized according to both villages are presented in Table-6.

Source : Field Survey  
 Figures are indicating percentage to total.

Table-6 shows that the average savings per month per member was Rs. 20 to 40 during group formation, according to view of sample SHG members which almost doubled after a period of 3 or 4 years. This trend was observed to be common for all categories of groups. Though the amount of saving was expected to be optional for the members, invariably all the sample groups had predetermined saving amounts by each member.

**Procedural Features**

The procedural features of SHGs provided effective support to the groups in several ways, viz., registration of groups, conducting of meeting, maintenance of accounts and training for SHGs members were being implemented through the groups.

**Registration of the Groups**

The groups linked with the banks under the programme were informal and unregistered. While discussing the possibility of registering the groups, the selected NGOs, 92 per cent groups registered women and child development department under the scheme of Stri Shakti Yojane, 8 per cent SHG groups registered for NGOs participating linkages to banks and the group members opined that the uniformity of the groups should be maintained and the registration of the group may not provide any additional advantage to them.

**Conduct of Meeting**

The level of attendance and frequency of the meetings may be used to judge the performance of the groups usually as follows.

**Table-7: Attendance in Meeting in a Month by SHG Members**

| Sl. No. | Attending Times      | Nandagad | Kasabanandagad | Total |
|---------|----------------------|----------|----------------|-------|
| 1.      | Not attended         | 4.00     | 8.00           | 6.00  |
| 2.      | Attended one time    | 16.00    | 12.00          | 14.00 |
| 3.      | Attended two times   | 68.00    | 72.00          | 70.00 |
| 4.      | Attended three times | 12.00    | 8.00           | 10.00 |
| Total   |                      | 100      | 100            | 100   |

Source : Field Survey  
 Note :Figures in brackets indicate percentage to total

Table-7 gives the information about the attendance of the SHGs members in monthly meetings. Out of the total 50 members the around 70 percent of the members have attended two time in a month. 14 per cent of the members have attended once in month and 6 percent have not attended the meetings. It clearly indicates that majority of the members have attended the meetings but not up to the expected level, because of housing conditions and internal problems of few SHGs members.

**Maintenance of Accounts**

Book keeping and maintenance of accounts were other important areas that improved the performance of the group. During the initial stage of group formation, the requirement of book keeping was limited to only two or three registers such as cash book, attendance register, record of proceedings etc. The groups with good and average performance were maintaining records in a systematic manner.

**Training for SHGs Members**

Training is a very important input, especially in the context of low level of literacy and poor skills. SHG members were being trained by various agencies on a whole range of activities including agarabatti making, carpentry and management related aspects like leadership, book keeping, etc. Non-governmental organization (NGOs) trained 36 per cent of the representatives of the groups on procedures for conducting meetings, maintenance of records and the banking operations, where as 22 percent of Kasabanandagad and 14 percent of Nandagad village. The potential group members were also identified and trained on income generating activities. About 24 percent of the members of the selected groups expressed satisfaction about the quality of the training imparted by NGOs.

**Conclusion**

The present study has elucidated some interesting information about the working of SHG members. Age has been one of the important indicators of socio-economic study of an individual in a society. The declined trend as the age group of the SHGs progressed. The domination of younger age group is suggestive. About 28 percent of the groups were formed based on income generating activities such as dairy, petty business, basket making etc. The significant improvement in the repayment percentage of loan was 78.00 percent. Savings being the principal activity, the respondents contribution of savings fixed sum on monthly basis as savings assumed greater importance as they directly influenced the growth of the groups. Regular meeting at fixed intervals in a common place is one of the core activities of the SHG during which they under take financial transactions, both in terms of collection of savings and also disbursement of loans. The importance of maintenance of various records including attendance register, record of proceedings, cash book, savings book etc., should be looked carefully. The study also observed that the involvement of the members in the group activities significantly contributed to boosting their self-confidence and improving their communication skills.

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