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A STUDY ON THE KNOWLEDGE AND AWARENESS OF SHG ACTIVITIES AMONG THE WOMEN AND ITS ROLE IN ENHANCING THEIR SOCIO-ECONOMIC STATUS

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ABSTRACT

Microfinance is an influential tool to get rid of the poverty in our motherland, India. Microfinance initiatives like the self help group (SHG)–Bank linkage programme, in India has been increasingly promoted for their positive impact on women empowerment. The major objective of paper is to analyze the attitude of respondents towards the access to various facilities with respect to membership of any SHG. As for this study, the secondary data has been collected through various research papers, articles, and websites. As a part of the primary data collection, sample (random) of different villages of Rewa city have been selected for the study. The analyzed findings showed that the access to food security and child marriage was crucial factors for the women which they able to fulfill by being a member of any self help group.

KEYWORDS: *Self Help Group, Access to Various Facilities, Women Empowerment*

INTRODUCTION

India's achievements in the development sectors are moderate, even after so many years of independence. Still, the major challenges in front of government are unemployment and poverty, especially in rural areas still unorganized means of finance prevail in rural areas. Government launches many schemes for the welfare of poor people. As it realizes the fact that a large section of people living in rural areas are poor. The dynamics of rural credit is rapidly changing from time to time.

Finance plays a predominant role in different economic activities carried by the rural mass, as the majority of rural people are very deprived. In an environment where the rural villages are not capable of accumulating capital as the income from their operations is inadequate even to meet their fundamental requirements of life. Then the poor villagers require finance to carry out diverse income generating economic activities.

The rural poverty situation in India is highly complex and greatly differentiated by geography, demography and social class. Nearly 60% of the rural poor households are concentrated in the states of Bihar, Jharkhand, Rajasthan, Madhya Pradesh, Chhattisgarh, Orissa, and Uttar Pradesh. These states lag behind several others not only in terms of per capita income but also in human development outcomes. Some of these states have also been witnessing Maoist insurgency. In addition, certain social and occupational groups in these states have been bearing a disproportionate burden of rural poverty. The Scheduled Castes, the Scheduled Tribes, the Minorities, single women and households headed by women, persons with disability, the landless and the migrant labour suffer a disproportionate impact of poverty. Apart from deprivation, isolation and exclusion of these communities and groups are subjected to, their factor endowments are very

limited and a significant proportion of them live in fragile ecological zones, experiencing rapid deletion of natural resources.

LITERATURE REVIEW

Microfinance, according to Otero (1999) is "the provision of financial services to low-income poor and very poor self-employed people". These financial services according to Ledgerwood (1999) generally include savings and credit but can also include other financial services such as insurance and payment services.

Schreiner and Colombet (2001) define microfinance as "the attempt to improve access to small deposits and small loans for poor households neglected by banks." Therefore, microfinance involves the provision of financial services such as savings, loans and insurance to poor people living in both urban and rural settings who are unable to obtain such services from the formal financial sector.

In the literature, the terms microcredit and microfinance are often used interchangeably, but it is important to highlight the difference between them because both terms are often confused. Sinha (1998) states that "microcredit refers to small loans, whereas microfinance is appropriate where NGOs and MFIs supplement the loans with other financial services (savings, insurance, etc)". Therefore, microcredit is a component of microfinance in that it involves providing credit to the poor, but microfinance also involves additional non-credit financial services such as savings, insurance, pensions and payment services (Okiocredit, 2005).

Microfinance has a very important role to play in development according to proponents of microfinance. UNCDF (2004) states that studies have shown that microfinance plays three key roles in development.

- It helps very poor households to meet basic needs and protects against risks.
- It is associated with improvements in household economic welfare.
- It helps to empower women by supporting women's economic participation and so promotes gender equity.

Otero (1999, p.10) illustrates the various ways in which "microfinance, at its core combats poverty". She states that microfinance creates access to productive capital for the poor, which together with human capital, addressed through education and training, and social capital, achieved through local organization building, enables people to move out of poverty (1999). By providing material capital to a poor person, their sense of dignity is strengthened and this can help to empower the person to participate in the economy and society (Otero, 1999).

Wright (2000) states that much of the skepticism of MFIs stems from the argument that microfinance projects "fail to reach the poorest, generally have a limited effect on income…drive women into greater dependence on their husbands and fail to provide additional services desperately needed by the poor". In addition, Wright says that many development practitioners not only find microfinance inadequate, but that it actually diverts funding from "more pressing or important interventions" such as health and education.

RESEARCH METHODOLOGY

In this research, Sample Survey is conducted for the collection of information about Microfinance. This approach goes well with descriptive research like this one as sample surveys are cross-sectional studies in which various segments population are sampled to be a representative of the population demand. It can cover many variables of interest and is not affected by the transition of elements in the sample because other elements can be substituted for them.

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Research Design

Primary and secondary data has been collected according to the need of the study. For collecting primary data, structured questionnaire has been prepared considering objectives of the study. Moreover, important factors have been considered to measure the interested variable of the study.

Sample Size: The size of the sample is optimum, one which fulfils the requirements of representativeness, reliability and flexibility. One hundred and fifty-seven respondents were surveyed for the study.

Sampling Technique: Multistage sampling was used to select the items (respondents) for the sample from the population. In the first stage of sampling, three villages of Rewa have been selected on the basis of convenience. Different villages of Rewa city have been selected for the study. In the second stage, the sample selection for consumers was stratified on the basis of age of the respondents whereas area sampling was used for retailers. The district is characterized by economically energetic women, involved in agriculture, small and medium scale trading activities. Nevertheless, culturally, the societies are still portrayed by male dominance practices such as widow legacy, early marriage, boy-child favouritism and limited property rights among women. Female subordination aspects are also significant at community level life; where male prejudice still continues.

Data Collection Method

In order to obtain sufficient and reliable information for the study, data collection process is entailed in both primary and secondary tools. The research approach was qualitative. Data collection stands for gathering all relevant information from the respondents as per objectives of the research. Data has been collected by both the sources: primary and secondary sources for this research.

Collection of Primary Data

Primary data in the study was collected with the help of structured questionnaire. Questionnaire was administered to the consumers to elicit information on their diversified characteristics and mindsets, their preferences, experiences and response towards packaging. The approach was found to be appropriate in relation to research interest which was to obtain answers beyond the available facts and statistics on micro-credits and women empowerment in Rewa Area. The task of data collection begins after a research problem has been defined and research design chalked out.

Collection of Secondary Data

Pertinent secondary data have been used for the purpose of the extensive study and for point of references as per the requirement. The secondary data has been collected from various sources like books, newspapers, magazines, journals and relevant websites. Data has also been obtained from published reports on microfinance agencies by government and private agencies. Many doctoral thesis of various research scholars from different universities have also been reviewed and taken as source of secondary data.

Method of Data Analysis

After the completion of data collection, it was processed and analyzed. Processing of data stands for editing, coding, classification and tabulation of data as per the requirements. Proper representation of data makes it easy to understand. When data is classified and presented in tabulated form then it is easy to read, it is easier to draw inferences quickly and it facilitates in statistical analysis.

After classification of data, the data are summarized and presented in statistical tables. After tabulation of data, the next step is to analyze the same. The analysis of data refers to computation of certain measures along with searching the patterns and relationship that exist among data groups. In the process of analysis, the relationships supporting with original hypothesis is also subject to statistical test of significance to determine the validity of data and to draw conclusions. Simple percentage, measures of central tendency and dispersion, co-relation analysis, are also used for data analysis. For the purpose of hypothesis testing, Friedman ANOVA and *t*-test are used.

Data Representation

In this study Tabulation & Cross Tabulation of data using percentage method and frequency of respondents is used to classify the data on the basis of various dimensions. Bar Charts, Pie Charts and Graphs have been used for the purpose of representing classified data. It gives an easy access to the readers about the information collected from the respondents.

OBJECTIVE OF THE STUDY:

To analyze the attitude of respondents towards access to various facilities with respect to membership of any self help group (SHG).

Hypotheses

There is no significant difference in the attitude of respondents towards access to various facilities with respect to membership of any SHG.

Problem Statement

The aim of the study is to determine how various microfinace schemes affect and influence the living standard of the rural women. The rationale for providing women access to microfinance and SHG services is gender inequality that inhibits economic growth and development. The prime image of empowerment in development is that of women expanding material means to empower themselves as individuals, and they can use their wealth for the service of their families and communities (Kulkarni, 2011). One-way of attaining all the forms of empowerment can be feasible through enhancing women access to the credits. This study will answer the research questions give an idea about the importance of microfinance and SHGs as a means to improve the life of people. Women should have voice, choices, confidence and therefore are able to participate in various leadership positions both politically and in the society.

Demographic Profile of the Respondents

Table 1 shows that there were 157 respondents who were asked some questions related to accessibility of basic facilities either because of microfinance. It was proposed to have 160 respondents in total but only 157 responses were obtained which were complete in all respect. Ninety-seven respondents were there.

Table 1: Showing the Membership of Any Microfinance Agency

Membership	Frequency	Percent
Members	97	61.8
Non-members	60	38.2
Total	**157**	**100.0**

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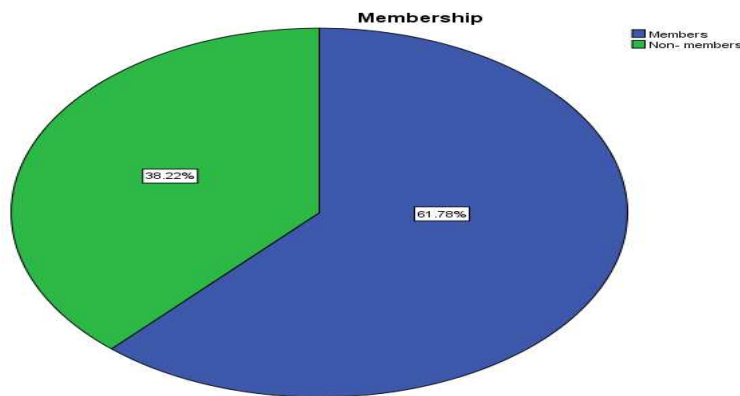
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Figure 1: Showing the Membership of Any Microfinance Agency.

It is observed from Table 2 that there are a total of 157 respondents out of which 97 had taken the memebership of some microfinance agency while 60 had not taken any membership. The various variables under the study were access to food Security, education, medical facilities, Affordability to celebrate festival, Children's marriage, Ability to buy assets, Ability to combat emergency, etc. highest mean value is obtained for the variable access to medical facilities (2.01753) with std. deviation (1.52076). Next was access to education (mean = 2.0825, SD = 1.17854), then ability to celebrate festivals (mean = 1.9072, SD = 1.05161) then the ability to combat emergency (mean = 1.5464, SD = 1.08992). After this the next variable was ability to buy assets (mean = 1.4948, SD = 0.73773), then access to food security (1.7500) and last ranking variable under study was children's marriage.

There were people who were not the members of any microfinance agency. Among them the highest mean was found for the variable 'access to education' (mean = 2.05, SD = 1.06445), ability to celebrate festival (1.9333, SD = 1.0229), then access to medical facilities (mean = 1.8167, SD = 1.34658) then access to food security (mean = 1.7500, SD = 1.31), then ability to combat emergency (mean = 1.7000, SD = 1.27957) followed by children's marriage (mean = 1.4500, SD = 0.69927) and ability to buy assets (mean = 1.4000, SD = 0.71781). It can be said about both the groups that the most consistent responses were obtained for the variable 'access to medical facilities', among members and as far as the non-members are concerned most consistent responses were obtained for the variable 'access to education' as indicated by their high mean value. Non-members were indicating that they also get the opportunity to fulfil their needs even if they are not the members of any micro-finance agency.

Table 2: Report of Descriptive Statistics about Various Variables under Study

Report						
	Membership					
	Members			**Non-Members**		
	Mean	**N**	**Std. Deviation**	**Mean**	**N**	**Std. Deviation**
Access to food Security	1.3608	97	0.88017	1.75	60	1.31
Access to education	2.0825	97	1.17854	2.05	60	1.06445
Access to medical facilities	2.1753	97	1.52076	1.8167	60	1.34658
Affordability to celebrate festival	1.9072	97	1.05161	1.9333	60	1.0229
Children's marriage	1.2577	97	0.56418	1.45	60	0.69927
Ability to buy assets	1.4948	97	0.73773	1.4	60	0.71781
Ability to combat emergency	1.5464	97	1.08992	1.7	60	1.27957

Hypothesis Testing

T test was carried out for testing the difference in the mean in the responses of both the groups. The calculated value of mean for access to food security is .027 only which is less than the *p* value (0.05). Hence, the null hypothesis that there is no significant difference in the access to food security with respect to membership of any micro-finance agency is rejected and it can be said that opinions of member differed from the opinion of non-members regarding access to food security.

All other variables like, access to education (.862), access to medical facilities (.136), affordability to celebrate festival (.879), children's marriage (.061), ability to buy assets (.430), ability to combat emergency (.424). The value of *t* test for all these variables is higher than 0.05. Hence, the null hypothesis regarding these variables is accepted with respect to membership. Hence, it can be concluded that access to food security was the most important concern for the respondents. Although the children's marriage was one of the most important factors which was bit influenced by SHG membership among women, the reason for this may be the least participation of women in the household concern.

Table 3

		Levene's Test for Equality of Variances		t-Test for Equality of Means						
									95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-Tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Access to food Security	Equal variances assumed	16.505	.000	-2.226	155	.027	-.38918	.17483	-.73453	-.04382
	Equal variances not assumed			-2.035	92.135	.045	-.38918	.19128	-.76907	-.00928
Access to education	Equal variances assumed	3.135	.079	.174	155	.862	.03247	.18666	-.33625	.40119
	Equal variances not assumed			.178	134.774	.859	.03247	.18222	-.32790	.39285
Access to medical facilities	Equal variances assumed	5.003	.027	1.499	155	.136	.35859	.23929	-.11410	.83128
	Equal variances not assumed			1.542	136.573	.125	.35859	.23252	-.10121	.81839
Affordability to celebrate festival	Equal variances assumed	.093	.761	-.153	155	.879	-.02612	.17094	-.36379	.31156
	Equal variances not assumed			-.154	127.793	.878	-.02612	.16982	-.36214	.30991

Independent Samples Test

Table 3 Contd.,									
Children's marriage	Equal variances assumed	9.352	.003	-1.891	155	.061	-.19227	.10168	-.39313	.00859
	Equal variances not assumed			-1.798	105.559	.075	-.19227	.10692	-.40425	.01971
Ability to buy assets	Equal variances assumed	.826	.365	.791	155	.430	.09485	.11993	-.14207	.33176
	Equal variances not assumed			.796	127.763	.428	.09485	.11916	-.14093	.33062
Ability to combat emergency	Equal variances assumed	1.903	.170	-.802	155	.424	-.15361	.19147	-.53183	.22461
	Equal variances not assumed			-.773	110.200	.441	-.15361	.19883	-.54764	.24043

CONCLUSIONS AND SUGGESTIONS

The study results proved that positive impact on women empowerment through SHGs, in terms of access to food security and also children's marriage. The SHGs have enabled poor women to get access of various financial products and services. The SHG concept enabled many women to achieve social recognition. Present study is the comparison between the members and non-members of SHGs. As per hypothesis testing people did not indicate any specific change in access to the facilities like, education, combating emergency, etc. because of membership of any SHGs. One of the reasons for this is that the state is endowed with various government schemes for the upliftment of the people, like Ladli Laxmi Yojana, Janani Suraksha Yojana, Antyodaya Yojana and the like.

LIMITATIONS

No study is free from limitations. As far as this study is concerned, the study is confined to 3 villages of Rewa District. Sample size was also small, comparative study was undertaken to scrutinize the views of the women respondents towards the access to various facilities mentioned in the study. But simultaneous results were not very satisfactory. The mean values of the responses of members indicated high consistency in the responses and the responses were towards the positive side of the Likert scale thereby indicating positive impact of SHG on the life of women. However, respondents who were non-members did not indicate major activity which they could not access because of non membership.

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