

A review of SHG members' demographic profile, reason to join a Self-Help Group, and socioeconomic position

Ms.Sunita¹, Ms.Pardeep Kaur²

^{1,2}University College of Commerce & Management

^{1,2}Guru Kashi University, Talwandi Sabo

Abstract:

The Government of India (GOI) recognised women's empowerment in rural India decades ago, enacting the National Policy for Women's Empowerment (2001). This began with the creation of Self Help Groups (SHGs) specifically for women in villages at the grass-roots level, with the assistance of GOI, as a solution to problems in the rural community. The goal of the research was to better understand the difficulties of SHGs' successful operation. This research investigates the demographic profile, socioeconomic position, and desire to join a SHG of SHG members in rural Gandhinagar, Gujarat, and finds that their power to bring about social transformation is restricted and dependent on a number of crucial criteria.

Keywords:Self Help Group, Women Empowerment, Micro-finance, Rural Women

1 Introduction

Women's Self-Help Groups (SHGs) founded in various locations have demonstrated that they may really transform the thinking of highly traditional and tradition-bound illiterate women in rural regions. The notion of group creation is the most effective technique for educating women and instilling the mental confidence required for self-employment (Marina, 2005). Women's empowerment is the only way to improve the family and the community as a whole (Thangamani and Muthuselvi, 2013). Women's empowerment has been acknowledged as a critical component of the overall economic strategy of the world's least developed and emerging nations, which may accelerate growth in a variety of ways (Banerjee and Ghosh, 2012). There are hardly any studies discussing the various plans and schemes formulated by government or which are being used among the SHGs. A huge research gap was realized and ample scope for study was identified in the state of Gujarat, India as Gujarat is the home for many SHGs. The current study was undertaken to appraise the demographic profile of SHG members, impact of duration of membership, joining motivation and their position in SHGs of the Gujarati rural women attained due to the formation of self-help groups, and their subsequent participation in these groups.

2 Self-Help Groups

SHGs are predominantly of Indian origin, small, informal homogenous associations of small entrepreneurs or people with certain similarity, who voluntarily come together to enable some kind of financial advantage by mutually helping each other with joint responsibility in a harmonious way (Anand, 2002). This is done in order to facilitate the savings in the one common fund pertaining to each SHG, which can loan it to the members who need it for their developing credit requirements at a particular rate of interest (much lower than the interest of the moneylender) for a particular period of time, specifically fixed by the other group members (Padhi and Singh, 2017).

Usually, a SHG comprises of a group of 10–20 members (mostly, women) of a poor rural community, voluntary or facilitated either by governmental agencies or via active funding through banks, local NGOs, microfinance institutions (MFI), rotated saving schemes (ROSCAs). Nowadays, even men are also eager to be a part of these groups (Venkatesh and Kala, 2010). Typically, there are two/three elected leadership posts within each SHG. The essential posts are president and secretary; the treasurer is a non-compulsory post. A basic maintenance of accounts by collecting thrifts and loans is done by the leaders (Mohanty, B. 2013). They also take care of the finances of the group and participate in the training programs. The members gather altogether and hold meetings at periodic intervals, mostly once in a month (Bammi, R. 2014). All the members mutually discuss and collectively decide upon important matters related to work, finances, etc., or resolve any dispute following simple but strict rules and regulations. Commonality in group ideas, mutual understanding, shared views, organisation of small and manageable groups, presence of group unity, knowledge of economics, lending on demand, collateral-free, conditions of repayment, and obtaining skill training are the fundamental foundations for any SHG (Venkatesh and Kala, 2010). The credit activity begins with each member's daily collecting of a

predetermined amount of savings, which serves as a revolving fund for lending money. Then, after regularly saving for over six months, the SHG becomes qualified to increase the existing fund by receiving loans from various NGOs, Regional Rural Banks and other monetary institutions. The opening of a bank account in the name of the SHG is mandatory for obtaining any kind of loan from the bank (Padhi and Singh, 2017).

A. Global scenario of SHG's

SHGs are primarily of Indian origin (Harper, 2002); however, similar types have been found in Kenya (Narayan, D. and Nyamwaya, D. 1996), Nigeria (Balogun and Yusuf, 2011), Ghana (McIntosh et al., 2011), Guatemala (McIntosh et al., 2011), South East Asia (Thapa, G. 2007) including Indonesia (Amudha and Banu, 2009), Myanmar, Cambodia (Vasavi and Kingfisher, 2003; Hiatt and Woodworth, 2006). These are based on the development of micro-finance institutions, conceptually pioneered by Muhammad Yunus in Bangladesh (1976) and called them as Grameen Banks (Yunus, 2010). Other variants include solidarity groups and village banking observed mostly in Latin America (Harper, 2002). In Vietnam, these existing popular delivery models are called as Tontines or Hui (Narang, 2012), whereas in Bolivia as BrancoSol and Compartamos in Mexico (Jung, 2008; Navajas et al., 2000).

B. Indian Scenario

SHGs have been deemed perfect for Indian conditions due to the country's democratic government (Harper, 2002). Because of gender inequality, women in impoverished households often find themselves in inferior conditions when it comes to basic needs such as food, medication, and education (Anand, 2002). To improve the situation, SHGs were successfully implemented all over India for the betterment of rural women. In 1985, the first SHGs of India emerged in Karnataka as NABARD's pilot project (Jitha, T. J. 2013). National Bank for Agriculture and Rural Development (NABARD) is the nodal agency which then refinances the financial institutions which previously funded the SHGs. It acts as a propagator and facilitator by administering a helpful environment for policy, training and capacity-building, and also extends any other monetary help (Mohanty, B. 2013).

Several studies in the past 10 years have highlighted the spread of SHGs in different Indian states such National Capital Region of Delhi (NCR) (Jitha, T. J. 2013), Uttar Pradesh (Padhi and Singh, 2017), Kerala (Anand, 2002, Minimol and Makesh, 2012), Madhya Pradesh (Bammi, 2014), Andhra Pradesh (Garikapati, 2008), West Bengal (Banerjee and Ghosh, 2012, Aluni and Ray, 2015) and Tamil Nadu (Tesoriero, 2006; Jakimow, 2007; Stavrakakis et al., 2008; Palanichamy, 2011; Sangeetha et al., 2013; Thangamani and Muthuselvi, 2013). Fernandez (2006) has given an exhaustive review on the history and spread of SHGs in India since its inception. In a study by Jung, D. H. (2008), Southern India displayed a strong presence of SHGs in comparison to rest of India. The maximum spread (40%) of SHGs was observed in the state of AP, followed by Orissa with 35% coverage, while Rajasthan and Karnataka included about 25% each. This was also supported by Tripathi, A. K. (2014).

The objectives undertaken for our present study are outlined to understand the demographic profile, motivation to joining SHG and socio-economic factors of the SHG members.

3 Research Methodology

It was decided to use a qualitative research approach. A total of 400 SHG members from 80 SHGs were randomly recruited from rural Gandhinagar, Gujarat. Each 80 SHG had five members, including the Leader and Treasurer/Secretary. The responders were chosen based on having completed at least one loan cycle and being Panchsutra followers. Participants were informed that their replies to the questionnaire would be kept private.

4 Results

The results include the analysis with respect to the demographic and socioeconomic conditions provided by the members surveyed. It is important to check the socioeconomic status of the members chosen for the study so as to understand the influence of SHGs in their lives.

A. Demographic factors

Age-wise distribution of the members participating in the survey is represented in Table 1A. The majority of the members (64%) were in the age group of 26-45 years. This showed that the members surveyed were mid aged and belonged to one of the most dynamic and productive phases of their lives. There were no members with the age below 18 years. The least number of members (only 2.3%) was above the 60 years, followed by the younger age group (18-25 years) with 10% of members. Almost 85% of the members were observed to be

married followed by widows with 12.8% of the total participants (Table 1B). According to Table 1C, the maximum members (31%) had studied till 12th grade only. A big number (28%) of the selected members were found to have no education. However, 5.5% members were graduates and 0.5% was post-graduates. With respect to occupation, the population studied was dominated by women who were either house maids (27%) or into animal husbandry (24.3%), which includes poultry farming and cattle breeding. Twenty two per cent of the members were homemakers and ten per cent were laborers (Table 1D). Only 39% of the respondents belonged to a joint family, the remaining were part of nuclear families. Using the information on the distribution of members according to their family size (Table 1E), it was ascertained that the maximum respondents (68%) had a family size of 3-5 people. Only three members were living alone. There were two members who belonged to a family of ten people.

Table 1: Demographic factors		
	Frequency of members	Percentage of members
A. Age		
18-25 years	41	10.3
26-35 years	134	33.5
36-45 years	123	30.8
46-60 years	93	23.3
Above 60 years	9	2.3
B. Marital status		
Unmarried	11	2.8
Married	339	84.8
Widow	50	12.5
C. Level of Education		
Illiterate	110	27.5
1 st to 5 th	32	8.0
6 th to 9 th	111	27.8
10 th to 12 th	123	30.8
Graduation	22	5.5
PG	2	0.5
D. Occupation		
Homemaker	88	22.0
Housekeeping/ house maid	108	27.0
Animal husbandry	97	24.3
Anganwadi worker	16	4.0
Stitching	8	2.0
Beauty parlour	13	3.3
Own home based work	18	4.5
Shop keeper	6	1.5
SHG	4	1.0
Labour	42	10.5
E. Family type		
Nuclear	246	61.5
Joint	154	38.5
F. Family size of the members		
One	3	0.8
Two	25	6.3
Three	58	14.5

Table 1: Demographic factors		
	Frequency of members	Percentage of members
Four	130	32.5
Five	83	20.8
Six	66	16.5
Seven	33	8.3
Ten	2	0.5

B. Source of Motivations

In our study, the source of motivation behind making the majority (71%) of the rural women to join any SHG was the GLPC (Gujarat Livelihood Promotion Company Limited) officials (Table 4). About 17% were inspired by the Anganwadi worker to join SHGs. There was hardly any role of neighbours or others in making the participants join SHGs. However, 94% of the members agreed to be the source of motivation for others to join SHG. Out of the 400 respondents, 76% agreed that reducing poverty was the primary reason to join the SHG. Among the rest, 15% had joined SHG to save money, while only 5% were attracted to get a loan at a very low interest rate. However, Anand (2002) reported that about forty percent of the surveyed participant joined the group to promote the habit of saving and also getting a loan. Very few members had joined the group for extra money.

Table 2: Source of motivation to join SHG		
To join SHG, members were motivated by	Frequency of members	Percentage of members
Self	2	0.5
SHG member	14	3.5
Anganwadi worker	71	17.8
GLPC officials	285	71.3
Neighbours	18	4.5
Others	10	2.5
Total	400	100.0

C. Socioeconomic factors

Regarding the economic status of the participants, about 60% of the members were below the poverty line, thereby indicating that most of the members belong to the economically backward classes (Table 2A). In general, people belonging to backward classes have been observed to be economically poor also (Sinha, 2006; Sundaram, 2012). This can be correlated in our studies as well. In the present study, almost half of the respondents (47.5%) were from OBC (Other Backward Communities) category, followed by the members belonging to scheduled caste and tribe (30%) as social status (Table 2B). Among the surveyed members (Table 2C & 2D), 82% members had homes made of concrete with self-owner-ship of only 5.5%. The houses were mostly owned by some other family member.

Table 3: Socio-economic status		
	Frequency of members	Percentage of members
A. Poverty status		
BPL	239	59.8
APL	142	35.5
No Poverty Card	19	4.8
B. Category		
Open	90	22.5
OBC	190	47.5
SC/ST	120	30.0
C. Type of house		
Concrete	330	82.5

Table 3: Socio-economic status		
Cast	70	17.5
D. Ownership of the house		
Self	22	5.5
Family member	358	89.5
Rented	20	5.0

5 Discussion

The demographic factors, along with socioeconomic status played a crucial role in the successful working of SHGs (Anand, 2002; Amudha and Banu, 2009; Banerjee and Ghosh, 2012; Satija and Sharma, 2013). Age of the SHG members has been observed to be a critical factor affecting empowerment (Banerjee and Ghosh, 2012). In their study, gender injustice was observed. The status of the SHG members within her family was affected by her age. As the SHG members grew older, they were considered less equal to their husbands. Marital status has a larger impact on the decision making power of any women in India (Amudha and Banu, 2009). Married women tend to enhance the socioeconomic status of the family. Moreover, there is a provision of obtaining savings and credit at routine intervals (Amudha and Banu, 2009). Along with this, the economic status of the women and level of education attained are some of the integral components to ensure empowerment in women (Satija and Sharma, 2013). Occupation of the members is usually dependent on the economic stability of the member. Family size usually dictates the spending capacity and the liberty of movement among the SHG members. The bigger the family, the lesser will be the spending power, which hinders the overall well-being of the entire family (Anand, 2002; Banerjee and Ghosh, 2012). The social status also plays a key role. It has been a variable in various parts of the country and was mostly dependent upon the inhabited population (Anand, 2002; Sundaram, 2012).

Keeping all that in mind, several parameters with respect to demographic features (age, marital status, level of education, occupation and family size), and socioeconomic factors (social status, poverty status, type of house and ownership of the house) were taken into consideration for our study.

In this study, the majority of the participating members were observed to be young and married, but quite poor and uneducated or with no higher education. More than 77% of the members belonged to the backward strata of the society. In the present study, maximum number of SHG members had four members in their family followed by a family size of five members. Therefore, we conclude that the participating members mostly have medium sized families.

6 Conclusion

To the best of our knowledge, this is the first study reporting the demographic, motivation to join SHG and socioeconomic status of SHG Members. The position of the SHG member can play a crucial role in women empowerment in general. It is recommended that there is a need for expediting implementation of policies beneficial to women, especially living in rural areas of India. This will also require a certain amount of follow up through guidance and networking. There is a lot of scope for enhancement in obtaining more women elected representatives in the Panchayat. This may be seen as part of a wider task of strengthening panchayati raj in India.

REFERENCES

1. Pereira, Marina. (2005) Gandhian Principles and Women Empowerment through Self-Help Groups, Articles of Gandhi, Gandhi Sewagram Ashram.
2. Thangamani, S., and Muthuselvi, S. (2013). A study on women empowerment through self-help groups with special reference to Mettupalayam Taluk in Coimbatore District. Journal of Business and Management (IOSR-JBM) e-ISSN, pp.17-24.
3. Banerjee, T., and Ghosh, C. (2012). What factors play a role in empowering women? A study of SHG members from India. Gender, Technology and Development, Vol. 16 No.3, pp.329-355.
4. Anand, J. S. (2002). Self-help groups in empowering women: Case study of selected SHGs and NHGs. Kerala Research Programme on Local Level Development, Centre for Development Studies.

5. Padhi, P., and Singh, V., (2017). Dynamic Incentives and Microfinance Borrowers: A comparative study of Self-help groups and Joint Liability groups: A case study of Mirzapur District in India. *Journal of Land and Rural Studies*, SAGE publications, 2321024916677609.
6. Venkatesh, J., and Kala, K. (2010). Empowering rural women all the way through Self-Help Groups. *International Journal of Management (IJM)*, Vol.1 No.2, pp.156-163.
7. Mohanty, B. (2013). Transformation of credit delivery for the poor through SHG–Bank Linkage Programme: Retrospect & Prospects. *Journal of Land and Rural Studies*, Vol.1 No.1, pp.55-74.
8. Bammi, R. (2014). SHG Bank Linkage: Lending a Helping Hand? *Vision*, Vol. 18 No.3, pp. 237-244.
9. Harper, M. (2002). Self-help Groups and Grameen Bank Groups: What are the Differences? *Beyond Micro-Credit: Putting Development Back Into Micro-Finance*, Vol. 390.
10. Jitha, T. J. (2013). Mediating Production, Re-powering Patriarchy: The Case of Micro Credit. *Indian Journal of Gender Studies*, Vol.20 No.2, pp.253-278.
11. Minimol, M. C., and Makesh, K. G. (2012). Empowering rural women in Kerala: A study on the role of Self Help Groups (SHGs). *International Journal of Sociology and Anthropology*, Vol.4 No.9, pp.270.
12. Narayan, D. and Nyamwaya, D. (1996). Learning from the Poor: A Participatory Poverty Assessment in Kenya. Environment Department Papers, Paper No. 034. Environment Department, Social Policy & Resettlement Division. Washington, DC: World Bank.
13. Balogun, O., and Yusuf, A. (2011). Determinants of demand for microcredit among the rural households in south-western states, Nigeria. *Journal of Agriculture and Social Sciences*, Vol. 7 No.2, pp.41–48.
14. McIntosh, C., G. Villaran, and B. Wydick. (2011). ‘Microfinance and Home Improvement: Using Retrospective Panel Data to Measure Program Effects on Fundamental Events’. *World Development* Vol.39 No.6, pp. 922–37.
15. Awunyo-Vitor, D., Abankwah, V., and Kwansah, J. (2012). Women participation in microcredit and its impact on income: A study of small-scale businesses in the central region of Ghana. *American Journal of Experimental Agriculture*, Vol. 2 No.3, pp.502–515.
16. Thapa, G. (2007). Sustainability and governance of microfinance institutions: recent experiences and some lessons for Southeast Asia. *Asian Journal of Agriculture and Development*, Vol. 4 No.1, pp.17-37.
17. Amudha and Banu, (2009). *Micro Finance — A Tool for Elevation of Social Entrepreneurship through Women Empowerment*.
18. Fernandez, A. P. (2006). “History and spread of the self-help affinity group movement in India.” *Occasional Papers*, Vol. 38.
19. Jung, D. H. (2008). Microfinance in India: SHG-Bank Linkage Program. *International Area Review*, Vol.11 No.2, pp.127-152.
20. Tripathi, A. K. (2014). Spread of the Self-Help Group–Bank Linkage Programme in India: Potential Vis-à-vis Achievements. *Journal of Asian and African Studies*, Vol. 49 No.2, pp.215-233.
21. Aluni, S. N., and Ray, S. (2015). Road to Sustainable SHG-Bank Linkage Programme: Formulating Strategies for Managing Credit Risk with Respect to Rural Bengal. *IIM Kozhikode Society & Management Review*, Vol. 4 No.2, pp.146-151.
22. Sundaram, A. (2012). Impact of self-help group in socio-economic development of India. *IOSR Journal of Humanities and Social Science*, Vol.5 No.1, pp.20-27.