

SHG: A RELIABLE EXPEDIENT FOR SOCIO-ECONOMIC EMPOWERMENT OF TRIBAL WOMEN FARMERS IN GUJARAT

Nilam Rathod¹ and Ganga Devi²

1 P.G. Student, Dept. of Agricultural Economics, BACA, AAU, Anand-388 110

2 Asst. Professor, Dept. of Agricultural Economics, BACA, AAU, Anand-388 110

Email: gangasaran1982@gmail.com

ABSTRACT

Micro-finance is promising as a powerful tool for socio-economic empowerment of tribal women farmers through Self Help Group (SHG) approach. This approach got recognition in India after the launch of SHGs and Bank linkage programme by NABARD in the year 1992. Micro-finance through group approach holds a big promise to sustain resources and livelihood security by generating income and employment opportunities in rural areas. The present study was undertaken to examine the socio-economic empowerment index of SHG members and non-members in Dahod District of Gujarat by using the primary data. The data were collected for the period of 2015-2016 from the selected 20 SHGs and 120 respondents (60 SHG members and 60 non-members) spread over two talukas Dahod and Garbada of Dahod district by survey method using interview schedule. The results inferred that the average economic empowerment index was 54.07 per cent in SHG members which was significantly higher than the 49.53 per cent of non-members and the average social empowerment index was 75.89 per cent in SHG members which was also significantly higher than the 40.43 per cent of non-members. This shows that the positive impact of the SHGs in economic and social status of the members. The average combined socio-economic empowerment index was high 68.11 per cent for SHG members as compared to non-members 43.68 per cent. This clearly indicated that the group approach through SHGs have been shown to be a cost-effective way to help and meet the social and economic need of tribal women farmers dealing with the problems in their living.

Keywords : Self-Help Groups, income, financial performance, repayment capacity, micro financing

INTRODUCTION

Empowerment in the context of women's development is a way of defining, challenging and overcoming barriers in a woman's life through which increases her ability to shape her life and environment. The concept of SHGs is proving to be a helpful instrument for the women empowerment. It is an organization of rural poor, particularly of women that deliver micro credit to undertake the entrepreneurial activity. Entrepreneurship development and income generating activities are a feasible solution for empowering women. It generates income and also provides flexible working hours according to the needs of homemakers. Economic, social as well as political status of women taken into consider as a tool for women empowerment.

According to National Bank for Agriculture and Rural Development (NABARD) "Micro-finance is provision of thrift credit and other financial services, products of very small amounts to the poor in rural, semi-urban or urban areas, for enabling them to raise their income levels and improving living standards". The financial services may include saving credit, insurance, leasing money transfer, equity transfer *etc.*, that is any type of financial services provided to customers to meet their financial needs (Singh, 2012). This approach got recognition in India after the launch of SHGs and Bank

linkage programme by NABARD in the year 1992. SHG is a small, economically homogeneous and attractive group of 10-20 rural poor people which comes together to save small amounts regularly.

SHG is also a viable organized setup to disburse micro credit to the rural women and encouraging them together into entrepreneurial activities *viz.*, income generation, natural resources management, literacy, child care, nutrition *etc.* SHGs through network of commercial banks, co-operative banks, regional rural banks, NABARD and NGO's has been largely supply driven and a recent approach in the provision of financial services to the poor and further upgrading their status in the society. In this way, SHGs are important not only to reduce rural poverty, to promote rural savings but also to increase gainful employment (Narang, 2012).

The growth of SHGs linked with the banks in India increased from 10.69 to 79.03 lakh during 2004-05 to 2015-16, respectively (Anonymous, 2016_a). Micro-finance in Gujarat can trace its origins back to the early 1970s when the Self Employed Women's Association (SEWA) formed an urban cooperative bank, called Shri Mahila SEWA Sahakari Bank with the objective of providing banking services to poor women employed in the unorganized sector in Ahmedabad City, Gujarat (Patel *et al.*, 2014).

SHG-driven micro-finance movement has been flourished in Gujarat. Besides the Government and other public sector organizations like NABARD, a large number of NGOs, including few nationally recognized like SEWA, Agha Khan Rural Support Programme (AKRSP), N. M. Sadguru Water and Development Foundation *etc.*, have formed women's SHGs with the support from various government programme such as Aajeevika-National Rural Livelihoods Mission (NRLM) have been launched which envision SHGs to be an effective tool in poverty reduction and livelihoods generation. Although the overall focus of individual interventions, development of micro-finance and micro-enterprise appears to be a common theme in majority of these programs (Thakor and Patel, 2012).

As a result of continuous efforts, 2.96 lakh SHGs were linked with banks and saving of SHGs was Rs. 213.28 crore in the year 2015 and also average loan issued per SHG increased from Rs. 50000 to Rs. 80000 in the Gujarat state (Anonymous, 2016_b). The formation of SHGs is not ultimate target of a micro-credit project but main aim is an empowering the process. The concept aims at empowering women through uplifting their families above the poverty line. It is a gradual process resulting from interaction with group members through awareness and capacity building. Hence, the study has been undertaken aiming a stand point of empowering tribal women through SHGs which is a very important tool for improvement of their standard of life.

OBJECTIVE

To know SHG: a reliable expedient for socio-economic empowerment of tribal women farmers in Gujarat

METHODOLOGY

The study was undertaken in Dahod district of Gujarat which covers total seven talukas. A multi-stage sampling design was adopted for the study. From the seven talukas two talukas (Dahod and Garbada) were selected purposively on the basis of higher number of SHGs and from each taluka five villages were selected purposively where at least five-year-old two women SHGs were functioning. For each village two SHGs were randomly selected. Therefore, total 10 villages and 20 SHGs were selected from Dahod district. Two types of respondents were selected (SHGs members and non-members). Finally, 3 members were selected randomly from each selected SHGs. Again, similar types of 3 non-members who have same socio-economic status were also selected from the same villages to compare the socio-economic status of SHG members vis-à-vis non-members. Thus, total 120 respondents (60 members and 60 non-members) were selected. The primary data were collected from each of the selected households by personal

interview/enquiry method for the period 2015-16.

Estimation of Socio-economic empowerment index

Socio-economic empowerment index was used for assessing the socio-economic empowerment and it measures relative social and economic profile of SHG members and non-members. Rating Score assigned to different economic and social indicators for preparing economic and social empowerment index as given by Singh and Singh (2008).

Economic empowerment index

For the study of economic empowerment index following indicators were used:

1. Household assets (₹)
2. Household income (₹)
3. Household expenditure (₹)
4. Household savings (₹)
5. Loan amount (₹)
6. Housing type

It can be expressed as:

$$\text{Economic Index (En)} = \frac{\sum E_i}{\sum E_{i(\max)}}$$

Where,

$\sum E_i$ = i^{th} economic indicators

$\sum E_{i(\max)}$ = Maximum scores of i^{th} Economic Indicators

Social empowerment index

For the study of social empowerment index following indicators were used. The social index score framed for self confidence level and Social awareness recognition in which scores 1 it means not at all. Similarly, if score was 2 means very little, score 3 means some-what, score 4 means much more and score 5 means to a great extent. For Skills and Ability to access various public facilities and services scores framed 1 denoted extremely poor, 2 denoted poor, 3 means satisfactory, 4 means good and 5 means excellent. On the basis of these scores social empowerment index was calculated.

1. Self confidence level
2. Skills
3. Social awareness recognition
4. Ability to access various public facilities and services

It can be expressed as:

$$\text{Social Index (Sn)} = \sum S_i / \sum S_{i(\text{max})}$$

Where,

$\sum S_i$ = ith social indicators

$\sum S_{i(\text{max})}$ = Maximum scores of ith Social indicators

$$w1 = \sum S_{i(\text{max})} / (\sum S_{i(\text{max})} + \sum E_{i(\text{max})})$$

$$w2 = 1 - w1$$

RESULTS AND DISCUSSION

Economic empowerment index

Combined socio-economic empowerment index

The combined socio-economic empowerment index is the average weighted index of economic empowerment index and social empowerment index, for measures the overall socio-economic index of SHG members and non-members. The study on change of this index helps in determining the socio-economic impact of microfinance programme on SHG members.

Formula for calculate the combined index of socio-economic empowerment is given as below:

$$SEIn = w1Sn + w2En$$

Where,

SEIn = Combine Socio-Economic Empowerment Index

Sn = Social Empowerment Index

En = Economic Empowerment Index

Economic impact through SHGs on tribal women measured from various economic indicators such as income, savings, consumption expenditure, type of house and borrowings. Scores assigned to different economic indicators for preparing economic index is given in the Table 1 and Table 2 for SHGs members and non-members, respectively. The table revealed that the 5 SHG members have household assets above Rs. 72,500 and in case of non-members 14 have above Rs. 60,000. Further it was indicated that 2 members have household income above Rs. 113000 while in case of non-members 3 members have income above Rs. 80000. The savings, expenditures and loan taken was also higher in SHG members as compared to non-members. This may be due to the adequate flow of micro-credit to the members of the SHGs. Hence, the accessibility of credit towards the rural section of the society is helpful to increased economic empowerment.

Table 1: Score of economic empowerment index for SHG members

(n=60)

Economic indicators/scores	1	2	3	4	5	6	Max Score
Household assets	Below 42500 (8)	50000 (9)	57500 (13)	65000 (10)	72500 (15)	Above 72500 (5)	06
Household income	Below 41000 (12)	59000 (16)	77000 (11)	95000 (10)	113000 (9)	Above 113000 (2)	06
Expenditure	Below 37400 (9)	43000 (7)	48600 (15)	54200 (17)	59800 (7)	Above 59800 (5)	06
Savings	Below 6800 (9)	7400 (15)	8200 (9)	9000 (4)	9800 (15)	Above 9800 (8)	06
Loan	Below 12500 (33)	15000 (1)	17500 (17)	20000 (00)	22500 (8)	Above 22500 (1)	06
Housing type	Katcha (rent) (00)	Katcha (own) (15)	Semi-pucca (rent) (00)	Semi-pucca (own) (27)	Pucca (rent) (00)	Pucca (own) (18)	06
Total Score							36

(Note: Figures within the parentheses indicate out of 60 respondents)

Table 2: Score of economic empowerment index for non-members

(n=60)

Economic indicators/scores	1	2	3	4	5	6	Max Score
Household assets	Below 32000 (8)	39000 (8)	46000 (11)	53000 (10)	60000 (9)	Above 60000 (14)	06
Household income	Below 32000 (7)	44000 (13)	56000 (16)	68000 (14)	80000 (7)	Above 80000 (3)	06
Expenditure	Below 34500 (6)	38400 (6)	42300 (8)	46200 (20)	50100 (16)	Above 50100 (4)	06

Economic indicators/scores	1	2	3	4	5	6	Max Score
Savings	Below 5400 (20)	6000 (2)	6600 (22)	7200 (9)	7800 (6)	Above 7800 (1)	06
Loan	Below 21700 (2)	28400 (3)	35100 (2)	41800 (2)	48500 (2)	Above 48500 (3)	06
Housing type	Katcha (rent) (00)	Katcha (own) (25)	Semi-pucca (rent) (00)	Semi-pucca (own) (23)	Pucca (rent) (00)	Pucca (own) (12)	6
Total score							36

Note: Figures within the parentheses indicate out of 60 respondents

Table 3 gives the details of the average economic empowerment index of the SHG members and non-members. The study revealed that the average economic empowerment index was 54.07 per cent in SHG members which was relatively higher than the 49.53 per cent of non-members showing improvement in economic status of SHG members.

Simple t-test was used to test the hypothesis for establishing

Table 3: Average economic empowerment index

Particulars	n	Range		Mean	Std. Devi	Std. Error	df	t
		Min	Max					
Members	60	36.11	77.77	54.07	10.01	1.292	118	2.44*
Non-members	60	27.77	72.22	49.53	10.29	1.329		

*Significant at 5 % levels of significance

Social empowerment index

Social impact of SHGs on rural women measured from various social variables such as self-confidence, communication skills, decision making power, and accessibility of medical facilities, sanitation facilities, water supply and domestic violence. Scores assigned to different social indicators for preparing socio index is given in the Table 4 and 5 for members and non-members. A close

the impact on economic empowerment index of SHG members and non-members. Since t value is significant at 5 per cent level the above null hypothesis is rejected and alternative hypothesis is accepted. Therefore, it can be concluded that there is significant improvement in overall economic empowerment index of SHG members. Similar findings were reported by Singh *et al.* (2008), Salas *et al.* (2015) and Mula and Sarker (2013). They reported that average economic empowerment index increased from 41.27 to 77.64 per cent of SHGs members.

(n=60)

examination of the table revealed that social indicator such as Self- confidence (34) and Social awareness and recognition (33) was improved to a great extent among the SHG members as compared to very little in case of non-members. Similarly, skill and facilities/services was also excellent among the SHG members and in case of non-members it was extremely poor. This may be due to the key role of SHGs was develop skill and capacity building for self-employment, independent, self-reliance of rural women to increased involvement in the entrepreneurial and other activities of SHGs.

Table 4: Score of social empowerment index for SHG members

(n=60)

Sr. No.	Social indicators/scores	1	2	3	4	5	Max score
Self confidence		Not at all	Very little	Some what	Much more	To a great extent	5
1	Confidence of financial crisis	00	00	28	20	12	5
2	Confidence of meeting official people	00	00	30	18	12	5
3	Physical mobility	00	00	21	29	10	5
Social awareness and recognition		Not at all	Very little	Some what	Much more	To a great extent	
4	Social recognition	00	00	22	28	10	5
5	Social awareness	00	00	24	28	08	5
6	Respect in the family	00	00	30	22	08	5
7	Ability to take up social issues	00	00	33	20	07	5

Sr. No.	Social indicators/scores	1	2	3	4	5	Max score
Skills		Extremely poor	Poor	Satisfactory	Good	Excellent	
8	Communication skills	00	00	27	24	09	5
9	Business skills	00	00	28	22	10	5
10	Financial skills	00	00	32	18	10	5
Facilities/services		Extremely poor	Poor	Satisfactory	Good	Excellent	
11	Medical facilities	00	14	38	08	00	5
12	Hygienic sanitation facilities	00	22	32	06	00	5
13	Drinking water supply	00	20	35	05	00	5
Total score							65

(Note: Figures within the parentheses indicate out of 60 respondents)

Table 5: Score of social empowerment index for non-members

(n=60)

Sr. no	Social indicators/scores	1	2	3	4	5	Max score
Self confidence		Not at all	Very little	Some what	Much more	To a great extent	5
1	Confidence of financial crisis	00	42	18	00	00	5
2	Confidence of meeting official people	22	38	00	00	00	5
3	Physical mobility	20	28	12	00	00	5
Social awareness and recognition		Not at all	Very little	Some what	Much more	To a great extent	
4	Social recognition	12	42	06	00	00	5
5	Social awareness	08	48	04	00	00	5
6	Respect in the family	14	39	07	00	00	5
7	Ability to take up social issues	18	36	06	00	00	5
Skills		Extremely poor	Poor	Satisfactory	Good	Excellent	
8	Communication skills	10	40	10	00	00	5
9	Business skills	16	38	06	00	00	5
10	Financial skills	14	42	04	00	00	5
Facilities/services		Extremely poor	Poor	Satisfactory	Good	Excellent	
11	Medical facilities	22	28	10	00	00	5
12	Hygienic sanitation facilities	18	34	08	00	00	5
13	Drinking water supply	15	33	12	00	00	5
Total Score							65

Note: Figures within the parentheses indicate out of 60 respondents

Table 6 gives the details of the average social empowerment index of the SHG members and non-members. The study revealed that the average social empowerment index was 75.89 per cent in SHG member which was significantly higher than the 40.43 per cent of non-members showing improvement in social status of the SHG members in tribal area. This may be due to respondents realized their self-worth, communication skill and interaction with

officials had improved also able to face and solved their financial and social problems independently. Since t value is significant at 1 per cent level the above null hypothesis is rejected and alternative hypothesis is accepted. Therefore, it can be concluded that there is significant improvement in overall social empowerment index of SHG members. Hence, it was inferred that microfinance intervention through SHGs has contributed to the social empowerment of women.

Relatively higher social empowerment index for SHGs members observed in the present study was in conformity with the findings of Singh *et al.* (2008) and Mula and Sarker

(2013). They reported that average social empowerment index increased from 43.85 to 73.15 per cent of SHGs members.

Table 6: Average social empowerment index

(n=120)

Particulars	n	Range		Mean	Std. Devi	Std. Error	df	t
		Min	Max					
Members	60	63.07	86.15	75.89	4.87	0.62	118	43.46**
Non-members	60	32.30	50.76	40.43	4.02	0.51		

(**Significant at 1% levels of significance)

Combined socio-economic empowerment index

The average values of combined socio-economic was furnished in the Table 7. It was observed that the average combined empowerment index was higher (68.11 %) of SHGs members as compared to non-members (43.68 %). Thus it could conclude that the combined index of standard of living has been more pronounced in the SHG members. The SHGs had greater impact on both the economic and social aspects of the beneficiaries and succeed in their role of change agents

which could help in pushing back tribal women.

Since t value is significant at 1 per cent level the above null hypothesis is rejected and alternative hypothesis is accepted. Therefore, it can be concluded that there is significant improvement in overall socio-economic empowerment index of SHG members. The positive and significant impact of SHGs on SHG members observed was conformity with the finding of Singh *et al.* (2008).

Table 7: Average combined socio-economic empowerment index

(n=120)

Particulars	n	Range		Mean	Std. Devi	Std. Error	Df	t
		Min	Max					
members	60	58.41	79.20	68.11	5.07	0.65	118	26.93**
non-members	60	32.67	55.44	43.68	4.86	0.62		

(**Significant at 1% levels of significance)

Other perceived benefits

Apart from asset creation, income generation, the respondent also expressed certain perceived benefits like social status, health care and education.

CONCLUSION

Micro-finance through self-help groups has developed the entrepreneurial skills among rural women community and helped them to be self-employed. SHGs are responsible for significant positive change in the economic variables like income, employment generation, asset building, productive investment and savings. Thus, seeing the positive impact, steps should be taken to bring greater SHG network in rural areas by making the people aware about the benefits of the micro-finance made available through SHGs. The role and contribution of NGOs in the formation and functioning of SHGs is noteworthy. Therefore, these NGOs should concentrate in providing training and awareness programme for the benefit of members of SHG. SHG if efficiently organized can be an effective instrument to create income and employment opportunities in rural and tribal areas.

Table 8: Other perceived benefits from SHGs (n=60)

Sr. No.	Particulars	Number	Percent
1	Education	0	0
2	Health	07	11.66
3	Social status	11	18.33
4	Education Health	13	21.66
5	and Social Status	29	48.33

The highest percentage (48.33 %) of respondent perceived their education, health and social status improved after joining SHG and about 21.66 per cent of respondent expressed that they derived benefits in terms of education and health care through SHG assistance, whereas, 18.33 per cent respondent felt that only their social status has been improved and none of the respondent opined that education was only benefit due to SHG membership. Thus, the foregoing results indicate that the beneficiaries perceived a combination of benefits which changed their social outlook.

REFERENCES

Anonymous (2016a). Annual Report of Status of Micro-finance in India, National Bank for Agricultural and Rural Development.
 Anonymous (2016b) Annual Report of Status of Micro-

- finance in India, National Bank for Agricultural and Rural Development.
- Deshmukh, Dipti and Naik, R.M. (2017) Socio-personal characteristics of rural women of SHGs. *Guj. J. Ext. Edu.* 28(1):82-84
- Mula, G. and Sarker, S.C. (2013). Impact of Microfinance on Women Empowerment: An Economic analysis from Eastern India. *African Journal of Agricultural Research*, 8(45): 5673-5684.
- Narang, U. (2012). Self Help Group: An Effective Approach to Women Empowerment in India. *International Journal of Social Science and Interdisciplinary Research*, 1(8): 8-16.
- Patel, K. J., Patel, K. M. and Modi, A. G. (2014). Impact of Microfinance services on Rural Women Empowerment: An empirical study. *Journal of Business and Management*, 16(11): 68-75.
- Preethi, Yashodhara. B., Vinaya Kumar, H. M. and Chandrashekar, S. Vaster (2015). Personal and socio-psychological factors influencing the knowledge level of Agro-met Advisory Service (AAS) farmers. *Annals of Plant and Soil Research*. 17: 106-109.
- Salas, S., Ojha, S. N., Ramasubramanian, V., Vipin Kumar, V. P., Ananthan, P. S. and Krishnan, M. (2015). Empowering Women through Entrepreneurship in Fishery based SHGs of Kerala. *Agricultural Economics Research Review*, 28: 295.
- Singh, H. R. and Singh, N. D. (2008). An impact Assessment of Micro-finance: A Case study of Socio-Economic Empowerment of SHG Members in Manipur (India). <http://www.internationalseminar.org/XIVAIS/TS%203/1%20H>.
- Singh, J. (2012). Performance of Self-help group in India. *International Journal of Transformations in Business Management*, (2), July-September.
- Singh, P., Tewari, P. and Rani, S. (2008). Mobilizing Self-help groups for livelihood security. *Pantnagar Journal Research*, 6(1):158-162.
- Thakor, C. and Patel, I. (2012). Whether Self-help groups based Micro-Credit Program can Shrink Deficiency: A Case Study in Mehsana District of Gujarat. *National Monthly Refereed Journal of Research in Commerce & Management*, 1(11): 51-75.

Received : August 2019 : Accepted : November 2019