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### Effectiveness of SHG among women

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#### Abstract

SHGs are like-minded groups, usually from the similar low economic background people, formed to help and receive support from each other in income-oriented activities or for social, economic, and political empowerment. This research shows the educational level and the social status (economic independence and participation in decision making) of women before and after joining any SHG.

**Keywords:** Poverty alleviation, SHGS, economic independence

#### Introduction

For the economy to develop, the status of women must be improved. Women's rights are not perfect in developing countries. India is marketing several development programs to enhance its status. NABARD also supports the creation of self-help groups (SHGs). In 1992, NABARD's efforts to reduce poverty in the field led to the creation of SHG. As a result, women's organizations have grown across the country. SHG members are encouraged to save money each month, which instills financial responsibility among SHG members. SHG members learn a wide range of skills. They teach not only sewing and weaving, but also agriculture, pickling, making soap and lighting candles. In addition to training, clients are not provided with secure funding to establish their own companies or to pay off past debts. In a nutshell, SHG is:

#### Need for SHGs

Majority of rural women are poor, uninspired and uninformed. As a collective, they are expected to promote awareness and overcome obstacles. So, SHGs were formed with a set of objectives:

- Instill financial discipline,
- Encourage saving,
- Improve living standards,
- Organize training and development,
- Create and develop linkage with different NGOs and government departments,
- Uplift their leadership qualities.

#### Government policies for SHGs

To achieve its duties, the Indian government has been creating policies to support SHGs and women welfare through integrating resources in women-centric sectors. Some of the programmes are:

- Rastriya Mahila Kosh in 1993,
- Swa-Sakti project in 2000-01,

- Swayamsidha in 2001,
- Mahila Vikash Samabaya Nigam in 1991,
- Mission Sakthi in 2001.

Latter two were at the state level of competition. Only a handful of the many government programmes aimed at empowering women were listed above.

#### Functions of SHGs

- Meet on a regular basis, keep a record of its members' attendance, and help its members find a solution to their issues.
- Collect membership fees; organize variety of training and skill enhancement-oriented courses; provide credit in small quantity and collect repayment of loans; keep accurate records; and take minutes during meetings.

#### Review of literature

There are several reasons why rural poverty exists, but majority of researchers focuses on the government's efforts to relieve it. On the other hand, it was highlighted that SHGs were the most effective approach to tackle poverty at the local level. Researchers argued that SHGs has the capability to develop employment and income opportunities for its members to curb poverty. It was also looked at how SHGs may bring about social transformation and help in rural development.

#### Objective

- To determine the educational level and the social status (economic independence and participation in decision making) of women before and after joining any SHG.

#### Research methodology

Researchers have studied SHG in some areas of J&K & Punjab. Descriptive Research Design was used.

- To examine the interdependency of income and

economic independence (standard of living) after joining SHG, and

- To examine the interdependency of education and participation in decision making (to change social status) after joining SHG.

10 SHGs and 100 of its three members were selected as a convenience sample to analyze data using a statistical tool (Chi-square).

**Limitations**

The respondents' responses might be prejudiced even though every effort has been made to eliminate bias. As a second point, the samples were gathered according to the researcher's schedule.

**Analysis and interpretation**

6% of respondents surveyed are 20-30 years old, 54% are 30-40 years old, 30% are 40-50 years old, and 10% are 50 years old or older.

5% of respondents belonged to the listed castes, 35% were from disadvantaged groups, 50% were small businesses, and 10% were from occupational castes.

8% are illiterate, 20% have completed compulsory education, 42% have completed tertiary education, and 30% have completed tertiary education. None of the respondents graduated from college, and none did.

55% of those surveyed are still unemployed and 32% are self-employed in the private sector.

50% of them joined SHG to have easy access to loan amount, 30% joined for savings, 15% joined to improve social stature. 5% of them gave the reasons which cannot be grouped and categorized.

80% of respondents use loans for unproductive purposes and 20% use loans for constructive purposes.

Before joining SHG, 60% respondents borrowed money from a money lender in the area, 30% from friends and

relatives, and 10% from a bank. After joining, percentage reduced to 20% lending money from money lender, 20% from friends and relatives, and 60% from banks.

60% of respondents delayed repaying their loans because of unreasonable interest from their lenders, and 40% made repayments on schedule. Those who signed up for SHG had 80% refunds, of which only 20% were deferred.

Before joining SHG, 30% of the respondents have income less than rupees 2000. 25% between rupees 2000-3000. 20% between rupees 2000 and 3000, and 20% between rupees 3000-4000. 5% have income over rupees 5000. After joining SHG, the member's income has increased. 5% earn less than rupees 2000. 30% between rupees 2000-3000, 35% between rupees 3000-4000, 20% within rupees 4000-5000 and 10% earn more rupees 5000 speaks for itself.

Before joining SHG, 40% responded to spend less than rupees 1000. 30% between rupees 1000-2000. 20% between rupees 2000-3000, and 10% between rupees 3000-4000. After joining the group, 20% of the respondents spent less than rupees 1000. 50% between rupees 1000-2000. 20% between rupees 2000-3000, and rest of 10% between rupees 3000-4000.

Before joining SHG 70% responded to have savings of rupees 200-400. 24% between rupees 400-600. 5% between rupees 600-800, and 1% between rupees 800-1000. After joining the SHG, 30% have savings between rupees 200-400. 40% between rupees 400-600. 25% between rupees 600-800, and 5% saved between rupees 800-1000.

**After joining the SHG, the members' income and economic independence (standard of living) were analyzed using the Chi square method.**

**Hypothesis**

H0: There exists no substantial link between income and economic independence (standard of living).

H1: Income and economic independence (standard of living) have a strong correlation.

**Table 1: Income Economic Independence (Standard of Living) Cross Tabulation**

			Economic laden			Total
			Improved	No Improvement	Neutral	
Income	Below 2000	Count	5	0	0	5
		Expected Count	3.7	.7	.7	5.0
	2000-3000	Count	19	6	5	30
		Expected Count	22.2	3.9	3.9	30.0
	3000-4000	Count	28	7	0	35
		Expected Count	25.9	4.6	4.6	35.0
	4000-5000	Count	12	0	8	20
		Expected Count	14.8	2.6	2.6	20.0
	5030 8 above	Count	10	0	0	10
		Expected Count	7.4	1.3	1.3	10.0
Total		Count	74	13	13	100
		Expected Count	74.0	13.0	13.0	100.0

Sources: Primary Data

**Table 2: Chi-Square Tests**

	Value	df	Asymp. Sin. (2-sided)
Pearson Chi-Square	27.557(a)	8	.001
Likelihood Ratio	34.119	8	.000
Linear-by-Linear Association	.000	1	1.000
N of Valid Cases	100		

Sources: Primary Data

Since  $P < \alpha$ , Null hypothesis is rejected. There exists a relation between income and economic independence (standard of living) of SHG members after joining SHG.

**Table 3:** Participation in Decision Making

Social Status	Before Joining SHG		After Joining SHG	
	Number of Respondents	% of Respondents	Number of Respondents	% of Respondents
Participate in Decision Making	30	30	80	80
Do Not Participate In Decision Making!	70	70	20	20

Sources: Primary Data

30% of SHG members were permitted to make decisions before entering the group. As a result of the SHG, 80 percent of respondents were able to engage in decision-making. According to the data, the social status of most of the members has improved significantly.

**After joining the SHG, the members' education and**

**participation in decision making (to change social status) were analyzed using the Chi square method.**

**Hypothesis**

H0: There exists no substantial link between education and participation in decision making (to change social status).

H1: Education and participation in decision making (to change social status) have a strong correlation.

**Table 4:** Education Participation in decision making (to change social status) Cross tabulation

		Participation In Decision Making		Total		
		Participate	Do Not Participate			
Literacy	Illiterate	Count	5	5	10	
		Expected Count	8.0	2.0	10.0	
	Primary	Count	15	5	20	
		Expected Count	16.0	4.0	20.0	
	Secondary	Count	35	5	40	
		Expected Count	32.0	8.0	40.0	
	Higher Secondary	Count	25	5	30	
		Expected Count	24.0	6.0	30.0	
	Total		Count	80	20	100
			Expected Count	80.0	20.0	100.0

Sources: Primary Data

**Table 5:** Chi-Square Tests

	Value	df	An-mu. Sig. (2-sided)
Pearson Chi-Square	7.549(a)	3	.057
Likelihood Ratio	6.649	3	.089
Linear-by-Linear Association	4.549	1	.034
N of Valid Cases	100		

Sources: Primary Data

Since  $P > \alpha$ , Null hypothesis is accepted. Hence, there exists no relation between education and participation in decision making (to change social status) of SHG members after joining SHG.

**Findings**

- The bulk of participants are between the ages of 30 and 40, with 42% having completed high school and 55% remaining unemployed.
- Half of the club's members join solely to take advantage of the no-hassle borrowing option.
- Eighty percent of participants utilize the loan for unproductive reasons, and sixty percent took out high-interest loans from moneylenders before to joining the Organisation.
- The monthly revenue of members has increased dramatically.
- Members were able to save substantially after joining SHG, and they became economically independent because of joining SHG.

**Suggestions**

- There is a possibility that members will be encouraged to spend the credit for constructive purposes.

- It is feasible to organize trips to other successful organizations so that members may share helpful ideas.

**Conclusion**

Individuals living in poverty found social housing groups (SHGs) to be a blessing. As a result, its members' financial and social status has improved. Self-help groups (SHGs) have grown in social and economic power. According to the survey, they were also able to save and lend a helping hand in times of need. Encourage them to join in social activities and public awareness campaigns so that they may make a difference in society.

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