Impact of Self Help Groups on Urban Women: A study with special reference to Bengaluru

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Abstract

The study was conducted in Urban Bengaluru with an objective to measure impact of Self Help Groups on urban women across a set of variables including income savings, decision making, benefits derived after joining an SHG. The individual member was the unit of analysis. Data collected from 300 respondents through a well-structured questionnaire administered as schedule keeping in the mind literacy rate in the study area and to obtain data accurately avoiding non-response. Analysis of data is done through chi-square, ANOVA and Wilcox-on Matched Pair analysis. The study concluded that there exists positive impact of SHGs on urban poor women in the study area.

Key Words: SHGs, Empowerment, Measuring Impishness, Decision making, Poverty Alleviation.

Introduction

Microfinance refers to the provision of financial services, including small business loans to lower income clients, generally in poor communities, with the aim of supporting economic development (Bruton et al., 2011[1], Khaval, 2013[2]. Micro credit loans aim to help alleviate poverty by empowering the poor to participate in markets, generate income and become more self sufficient (Siwale and Ritchie, 2012)[3]. The extent to which microfinance encourages poverty alleviation in emerging markets economies has been the focus of a growing body of research in the area of development economies (Cassar et al., 2007[4], Fienberg et al 2010)[5].

Microfinance is becoming powerful tool poverty alleviation through generation of income, providing employment, mobilizing savings and encouraging entrepreneurial skills but still one third of world population is still estimated to live in poverty. They are earning less than US$2 per day (Chandan Ravallion, 2008)[6]. A significant percentage of these individuals are located in large economies such as China and India, which have been the key drivers of growth in emerging markets. Microfinance industry has grown sizeably over the past 10 years as an alternative to bank lending, improving access to capital to millions of poor citizens in emerging economies (Midgley, 2008)7. Despite tremendous growth of microfinance activities especially in India, and Bangladesh has been criticized for charging high rate of interest, the use of loans for personal consumption, the creation of debt traps for the poor and sometimes, the tragic effects of intense pressure for repayment from loan officers or loan groups (Roodman, 2012)[8].

Objectives of the study

(1)   To study the impact of SHGs on income generation.

(2)   To know the impact on savings formation.

(3)   To study the impact of SHGs in employment generation.

(4)   To study impact of SHGs on women empowerment.

Hypotheses

(1)   SHGs do not impact on savings of urban women parameters.

(2)   There is no difference income generation before and after joining on SHGs.

(3)   SHGs do not create any impact on employment generation.

(4)   SHGs do not impact on women empowerment.

Research Methodology

A well structured questionnaire was administered as schedule in order to get quick response. 300 sample representing universe through fit for the purpose. Convenient sampling technique was applied and data gathered is presented in the form of Tables. Wilcoxon-Matched Pair test. Chi-square and ANOVA questionnaire techniques were used in order to present the data according.

Review of Literature

Srinivas(2010)[9] has stated that there is ample evidence that SHG programme reduces poverty through increase in income and enables the poor to build assets and thereby reduce their vulnerability.

Kumar (2005)[10] studied the economic and non-economic impact of microfinance in Haryana. His study revealed that there is enhancement of knowledge and skills of women. They fight against social evils like dowry, female infanticide and alcoholism and they co-operated with NGOs in the field of protection of environment and human rights and male chauvinism. He concluded that feudal mindset and shirk culture are working as stumbling blocks to the success of micro finance in the state of Haryana.

Amma & Panicker (2008)[11], Patra S. (2008)[12] have stated that the impact of SHGs have shown positive growth in addressing the socio economic characteristics of the measures like income, saving, expenditure, employment and micro enterprise development Singh (2009)[13], Xavier, Raja & Nandini[14] in their research they have concluded that microfinance through SHG has brought positive change in the field of literacy and migration.

Survey Findings

Demographics factors:

Table-1 highlights the demographic variables. 40% of the respondents belongs to 30-35 years and 35-40 years of age group, 60% of the respondents have been selected from Bengaluru Urban and Urban respondent women are interested to join ion SHG to gain income who are lacking at present. 61% of the sample respondent women are not employed anywhere since they are housewife. 45% or 135 respondents have 2 to 4 years of experience in this programme. 25% or 75 respondents each have been motivated by neighboring SHG members and friends and relatives, since they might have close better understanding with neighboring SHG members and relatives and with friends and relatives.

Monthly income before and after joining SHGs:

Table-2 reveals respondent's monthly income before and after joining SHGs. Appreciate changes were found in monthly income of respondents before and after joining an SHG. There is rise in income by 50% in the age group of 15 to 20, 17% in case the 20-25 years, 14% in case of 25-30 years, 25% in case of 30-35 years, 12% in case of 35-40 years being the least, 28.5% in case of 45-50 years and 29% in case of 50 and above years. Here null hypotheses are accepted and therefore we may conclude significant different in the monthly income before and after joining an SHG.

Wilcoxon Matched Pairs Test (Signed Rank Test)

Null Hypotheses: H_0 there is difference between the monthly income of members before and after joining the SHG.

Wilcoxon Paired Test Analysis: The table value of T @ 5% level of significance when n = 8 is 4. Therefore, the calculated valve is greater than table value and null hypotheses are accepted. Therefore, we may conclude that there exists significant difference in the monthly income after joining the SHGs.

Saving level after joining into SHGs

Table-3 reveals the data about saving level after joining into SHGs. 45% or 135 respondents have been saving Rs. 500-1000 after join to SHGs. 26% of the women respondents have been saving less than Rs. 500 after joining to SHGs. 16% of the respondents have been saving Rs. 1000-1500 and 8% of the respondent between Rs. 1500-2000 after joining to SHGs only 5 respondents found to be earning between Rs. 2000 and above.

Increase in savings level v/s occupational status

Increase in savings level v/s occupational status has been measured and presented in the table-4. Table-4 establishes the relationship between the increase in saving level after joining into SHGs and occupational status of the members, a chi-square test has been applied with hypotheses.

Hypotheses: There has been no significant association between the increase in saving level after joining SHGs and occupational status of the employees.

Chi-square table

Calculated value 24.9193 d.f. = 4, t.v. = 9.488, significance level 5%

Chi-square Analysis

The calculated value being 24.9193 greater than the T.V. = 9.488 at d.f. = 4 with 5% level of significance rejects the null hypotheses and therefore we may conclude that occupational status influences the level of the respondents.

Benefits Gaining Through SHGs

Table-5 reveals the benefits derived by the respondents from SHG programme. Among 300 respondents, most of the respondents have been ranked habit of saving as prime benefit with 290 respondents, as the ultimate aim of SHG is to ensure, saving habit, second rank has been given to increase in standard of living (280) and through savings and increase in income their standard of living will automatically increase. The 3rd rank was given to free from money lenders, fourth rank to additional

earnings, which tells that through SHGs the respondents can create additional earnings. The 5th rank was given to social cohesion, 6th rank to children marriage 7th rank to investment in fixed assets and final the last rank 8, was given to children higher education.

Problems that overcome after join to SHGs

Problems and troubles are the greater de-motivating factors in any organization that destruct the positive thinking and skills. Table-6 reveals problems which are solved by the respondents after joining into SHGs. Final ranking is awarded which is present in the table after proper arrangement. All the respondents who have joined SHG have frankly expressed their opinion. The opinion is tabulated as per multiple ticking requests. Out of 300 respondents 290 gave first rank to lack of family support and many of the family members are not supporting to them which has been solved by the members after joining into SHG. Second rank has been given to more work as if the SHG members were showing their work with a positive attitude. The third rank to lack of education as the sample respondents overcome this problem through participating in the training arranged by the NGOs. The rule of SHG says that all the members should participate in all the activities so that they overcome the problem of hesitation in facing the problems. Fourth rank was awarded to this by the respondents. Fifth rank and 6th rank was given to male domination and social barrier overcoming by participating in various social welfare activities. Seventh rank to lack of awareness and final eighth rank was given to lack of proper training.

Level of importance of training programme arranged by government to perceive skills

Training generally given in any organization in order to get overall improvement of employees. In microfinance sector women are trained to gain knowledge and to get a practical education in the programme. Table-7, reveals the level of importance of training programme arranged by the government to acquire skills. In order to acquire skills stated in the table from Sl. No. 1 to 4, the members require training programme to be arranged by the government. Table reveals that respondent's opinion in each skill is more than the needed value. Therefore, it is concluded that for all the required skills training programme is needed and it is to be arranged by the government.

Hypotheses: In order to acquire skills training programme is needed and it is to be arranged by the government.

Anova Table

Source of Variation	S.S.	d.f.	M.S.	F-ratio	5% of limit (From F-Table)
Between Sample	3200	(3-1)=2	3200/2 =1600	1600/601.1111	F(2,9)=4.26
Within sample	5410	(12-3)=9	5410/9 =601.1111	= 2.6617	
Total	8610	(12-1) = 11			

Anova Table Analysis

The above Anova Table shows that calculated value is 2.6617 which is less than the TV=4.26 at 5% level of significance with V1=2 and V2=9 accepts the null hypotheses. Therefore, we may conclude that in order to acquire skills government should provide training.

Women participation agreeability and influence in social, community and political activities

Agreeability of women participation in social, community and political activities is measured and highlighted in the Table-8. 5 point Likert scale has been used to measure the different activities. Out of 300 respondents 170 or 56.67% have strongly agreed for all the activities stated in the table. Only 16% or 48 respondents are either neutral or do not agree and strongly do not age. 82 sample respondents have expressed agreeability about women participation in social, community and political activities. To know if any difference exists in opinion among the respondents and exert influence in social, community and political activities, a null hypothesis was framed to apply Anova.

Hypotheses: There exists difference in opinion among respondents about membership in SHGs increases women's participation and influence in social, community and political activities.

Anova Table

Source of Variation	S.S.	d.f.	M.S.	F-ratio	5% of limit (From F-Table)
Between Sample	3200	(3-1)=2	3200/2 =1600	1600/601.1111	F(2,9)=4.26
Within sample	5410	(12-3)=9	5410/9 =601.1111	= 2.6617	
Total	8610	(12-1) = 11			

Anova Analysis

The above table shows that the value of F is 4.4193 which is greater than the table value 2.78 at 5% level with d.f. being V1 = 4 and V2 = 20 and rejects the null hypotheses and therefore we may conclude that membership in SHGs increases women's participation and influence in social, community and political activities.

Level of women improvement in Economic Decision making after participation in SHGs:

Decision making much depends upon skill in choosing the right option at right time. Decision making must be effective as it is going to solve women from critical or worst financial position. Table-9 indicates the level of women improvement in economic decision making after participation in SHGs.

ANOVA

To know it there has been any difference in opinion among the embers of SHGs for the level of economic advancement in economic decision making after participation in SHGs, a null hypothesis has been framed to test Anova.

Hypotheses: There exists difference in opinion among respondents of improvement in economic decision making after participation in SHGs.

ANOVA Table

Source of Variation	S.S.	d.f.	M.S.	F-ratio	5% of limit (From F-Table)
Between sample	3689.9	(5-1)=4	3689.6/4 = 922.4	922.4/208.72 = 4.4193	F(4,24) 2.78
Within sample	4174.4	(25-5)=20	4174.4/20 = 208.72		
Total	7864.30	(25-1)=24			

Anova Table Analysis:

The above table shows that the calculated value of F being 4.9131 greater than Table value 2.87 at 5% level of significance with V1=4 and V2 = 20 rejects the null hypotheses and accepts the alternative. Therefore we may conclude that everybody is accepting that SHG programme increases the level of improvement in economic decision making.

Awareness of Management Tools

Table-10 highlights the awareness of management tools by the respondents. Management tools like planning to forecast over consider and high negative response exists about the variables. Decision making and awareness of social media is seems to be highest known management tools among different variables. 130 each respondent known about social media and decision making, 120 members know the management tool of forecasting and 110 each imposing discipline and coordination. There exists a moderate ignorance of management tools and awareness of management tools makes the SHG bank linkage programme a success.

Table-11 reveals the results of impact measurement knowledge and awareness. Self-help group approach is popular among the age group between 1 to 2 years and banking in the age group of 1 to 2 years. Health and sanitation popular among the respondents whose age is above 3 and 5. Family planning popular among 1 to 2 years. Income generative activities popular in age group 2 to 3 years and finally common property management popular in the age group 2 to 3 years.

Conclusion

This paper made an attempt to understand the effectiveness of unorganized microfinance in Bengaluru. Microfinance is effectively contributing significantly to their family development in terms of obtaining credit for education, house repairs and marriage of their children and also for consumption purpose. The study find the positive impact on the society but still there exists some hindrances in the success of existing model of microfinance like credit time, product options, loan utilization etc., It was felt during the time of data collection members expressing dissatisfaction of various service activities followed by banks such as requirement of collaterals, inconvenient procedural formalities, loan utilization checks, requirement of collaterals, difficult repayment terms. Since many of the management tools are not known to the members, the organizers immediately should address this trend which is going to make microfinance program a high success.

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Table-1

Demographic Profile of SHG Members

Demographic Factors	Variables	No. of Respondents	Percentage
Age	15-20 years	15	5.00
	20-25 years	30	10.00
	25-30 years	30	10.00
	30-35 years	65	22.00
	35-40 years	55	18.00
	40-45 years	30	10.00
	45-50 years	40	13.00
	50 & above	35	12.00
	Total	300	100.00
Residence	Bangalore outer-skirts	120	40.00
	Bangalore urban	280	60.00
	Total	300	100.00
Occupational Status	Housewife	183	61.00
	Employee	117	39.00
	Total	300	100.00
Experience	< than 2 years	55	18.00
	2-4 years	135	45.00
	4-6 years	100	33.00
	Above 6 years	10	4.00
	Total	300	100.00
Persons Motivating to Join SHGs	NGO	45	15.00
	Govt Departments	60	20.00
	Banks	30	10.00
	Neighboring SHG members	75	25.00
	Friends and Relatives	75	25.00
	Own interest	15	5.00
	Total	300.00	100.00

Source: Primary Data

Table-2

Monthly Income

Age in Years	Income Before Joining	Income After Joining	Difference	Rank	Rank Sign.
15-20	1000	1500	-500	4.5	-4.50
20-25	1500	1750	-250	1.5	-1.50
25-30	1750	2000	-250	1.5	-1.50
30-35	2000	2500	-500	4.5	-4.50
35-40	2500	2800	-300	3.0	-3.00
40-45	3000	3800	-800	6.0	-6.00
45-50	3500	4500	-1000	7.0	-7.00
50 & above	4500	5800	-1300	8.0	-8.00

Source: Primary Data

Wilcoxan Matched Pair Test:

Null Hypotheses:

There is difference in between the monthly income of members before and after joining SHG.

Wilcoxan Matched Pair Test Analysis:

The table of T @ 5% level of significance when n = 8 is 4. Therefore the calculated value is greater from the TV and therefore the null hypotheses are accepted.

Table-3

Saving Level after Joining SHGs

S.No.	Saving Level	No. of Respondents	Simple Percentage
1	Rs 500	77	26
2	Rs 500-1000	135	45
3	Rs 1000-1500	48	16
4	Rs 1500-2000	24	8
5	Rs 2000 & above	16	5
	Total	300	100

Source: Primary data

Table-4

Increase in Savings level vs occupational status

Increase in Savings level	Occupational Stamps		Total
	Housewife	Employed	
Less than Rs 500	61	16	77
Rs 500-1000	87	48	135
Rs 1000-1500	15	33	48
Rs 1500-2000	15	9	24
Rs 2000 and above	05	11	16
Total	183	117	300

Source: Primary data

Table-5

Benefits Gaining Through SHGs

Sl No	Benefits	No. of Respondents	Rank
1	Habit of Saving	290	1
2	Increase in Standard of living	280	2
3	Social Cohesion	239	5
4	Investment in Assets (Fixed)	168	7
5	Free from money lenders	275	3
6	Additional Earnings	260	4
7	Children Higher Education	139	8
8	Marriage	198	6

Source: Primary Data

Table-6

Problems that overcome after join the SHGs

Sl No.	Solved Problems	No. of Respondents	Final Rank
1	Lack of Family motivation	290	1
2	More work	270	2
3	Lack of education	250	3
4	Hesitation in facing Problem	245	4
5	Male Domination	241	5
6	Social Barrier	238	6
7	Lack of awareness	231	7
8	Lack of proper Training	228	8

Source: Primary data

Table-7

Level of Importance of Training programme arranged by Government to perceive Skills

No.	Level Skills	Highly Essential	Less Essential	Essential	Total
1	To obtain required skill to run business	90	65	3	158
2	To improve efficiency	49	12	3	64
3	To make decision making	23	10	8	41
4	To face competition	18	13	6	37
	Total	180	100	20	300

Source: Field work

Table-8

Women participation Agreeability and influence in social, community and political activities.

No.	Activities	SA	A	N	DA	SDA	Total
1	Participation in meetings	81	45	04	01	01	132
2	Voting	33	10	06	02	02	53
3	Candidate in BBMP election	08	08	03	04	08	31
4	Action on social issues, dowry, alcoholism	23	12	02	01	02	40
5	Community Development Participation	25	07	05	02	05	44
	Total	170	82	20	10	18	300

Source: Field work

Note: SA= strongly agree A=Agree, N= Neutral D.A.=Do not Agree

SDA: Strongly do not agree

Table-9

Status of Improvement in Economic Decision Making

No.	Improvement Economic Decision Making	HI	I	N	4	NI	Total
1	Use of Income generated	75	22	05	6	12	120
2	Make house hold purchases	48	13	06	7	6	80
3	Power to spend money independently	35	18	03	02	7	65
4	Decision making - purpose of loan	08	06	02	03	04	23
5	Control of use of credit	07	02	01	01	01	12
Total		173	61	17	19	30	300

Source: Field Survey

Note: HI= High Improvement, I=Improvement N=Neutral

LI= Low Improvement, NI=No Improvement

Table-10

Awareness of Management Tools

Sl. No.	No. of respondents			Percentage		
	Yes	No	Total	Yes	No	Total
Planning	60	240	300	20	80	100
Books maintenance	50	250	300	17	83	100
Conducting Meetings	100	200	300	33	67	100
Social media awareness	130	170	300	43	57	100
Co-ordination	110	190	300	37	63	100
Decision Making	130	170	300	43	57	100
Imposing Discipline	110	190	300	37	63	100
Forecasting	120	180	300	40	60	100

Source: Primary Data

Table-11

Results of impact measurement : Knowledge and awareness

A. Self-help group approach	Age of SHGs	Basic	Understanding	Clarity	
	1 - 2 years	58	33	10	
	2 - 3 years	30	48	21	
	3 years & above	21	45	34	
B. Banking	Age of SHGs	Basic	Understanding	Clarity	
	1 - 2 years	64	48	14	
	2 - 3 years	58	39	10	3
years & above	31	18	18		
C. Health & Sanitation	Age of SHGs	Basic	Understanding	Clarity	
	1 - 2 years	20	61	10	
	2 - 3 years	28	58	8	
	3 years & above	32	25	58	
D. Family Planning	Age of SHGs	Basic	Understanding	Clarity	
	1 - 2 years	31	61	18	
	2 - 3 years	18	48	43	
	3 years & above	19	31	31	
E. Income Generating	Age of SHGs	Basic	Understanding	Clarity	
Activities	1 - 2 years	80	53	15	
	2 - 3 years	40	30	20	
	3 years & above	16	20	26	
F. Common Property	Age of SHGs	Basic	Understanding	Clarity	
Management	1 - 2 years	38	40	8	
	2 - 3 years	40	45	32	
	3 years & above	18	39	40	

Source: Primary Data