

Socio-economic Impact of Self Help Group on Members in Banaskantha District of Gujarat

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ABSTRACT

The *ex-post-facto* study was undertaken in Banaskantha district of Gujarat state to evaluate the socio-economic impact of Self Help Groups on its members. The district comprises of 12 talukas, from which two talukas *viz.*, Palanpur and Deesa was selected purposively as these talukas have more number of SHGs. A list of women SHGs based on animal husbandry activities were obtained. Total twelve SHGs, six SHGs from each taluka were selected using simple random sampling. SHG members from each Self Help Group were selected proportionately for making sample size of 120 SHG members as respondents. Assessment of socio-economic impact was categorized into five aspects *viz.*, (i) Change in income, (ii) Change in spending pattern, (iii) Change in material possession, (iv) Change in thrift habit and (v) Change in employment of the respondents. Per cent change in income, spending pattern, material possession, thrift habit and employment was worked out and overall socio-economic impact of SHGs on its members was calculated by summing the score of all five dimensions of socio-economic impact and converting into per cent change. The study revealed that impact of SHG in terms of change in income (38.33 %), change in thrift habit (50.84 %), and change in employment (43.33 %) was found medium level of change. While impact of SHG in terms of change in spending pattern (57.50 %) and change in material possession (44.16 %) was found low change. It was recorded that 44.17 per cent of the respondent belonged to medium level of change of overall socio-economic impact of SHG on its members. Out of eleven variables, seven variables *viz.*, education, social participation, occupation, annual income, attitude, innovativeness and media exposure had positive and significant association with overall socio-economic impact on members of SHG.

Key words: SHG, Socio-economic impact

INTRODUCTION

Failure of formal credit institutions in meeting the credit need for the poor stressed the need for an alternative arrangement for the delivery of credit to the poor. In recent years the SHGs emerged as an alternative mechanism to meet the urgent credit need of poor through thrift. SHG is the organization whose members have united on the basis of common interest to improve their economic and social condition in order to be better able to pursue their paramount long-term aim (Verhagen, 1987). SHGs are now-a-days gaining ground as important group approach for rural development, in general and income generating activities in particular. Most of the SHGs started to enhance the capacity and income of the rural women. Government is also giving more emphasis on development of SHGs. Rural women's contribution to family income by participating in SHGs may have some impact. Information on impact of Self Help Groups on its members gives a clear picture of the role of Self Help Group in socio-economic development of rural women. Hence, it was felt necessary to study the impact of women SHG on its members and so the present study was undertaken to study the socio-economic impact of Self Help Group on its members.

METHODOLOGY

The present study was undertaken in Banaskantha district of Gujarat state. The district comprises of 12 talukas, from which two talukas *viz.*, Palanpur and Deesa were selected purposively as these talukas are having more number of SHGs.

A list of women SHGs based on animal husbandry activities were obtained. Total twelve SHGs, six SHGs from each taluka was selected using simple random sampling. SHG members from each Self Help Group were selected proportionately for making sample size of 120 SHG members as respondents.

Assessment of socio-economic impact was categorized into five aspects *viz.*, (i) Change in income, (ii) Change in spending pattern, (iii) Change in material possession, (iv) Change in thrift habit and (v) Change in employment of the respondents. Per cent change in income, spending pattern, material possession, thrift habit and employment was worked out by using formula:

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$$\text{Per cent change in income} = \frac{\text{Difference in income in rupees}}{\text{Base income in rupees}} \times 100$$

$$\text{Per cent change in spending pattern} = \frac{\text{Difference in spending pattern in rupees}}{\text{Base spending pattern in rupees}} \times 100$$

$$\text{Per cent change in material possession} = \frac{\text{Difference in score of material possession}}{\text{Base score of material possession}} \times 100$$

$$\text{Per cent change in thrift habit} = \frac{\text{Difference in thrift in rupees}}{\text{Base thrift in rupees}} \times 100$$

$$\text{Per cent change in employment} = \frac{\text{Difference in employment in man-days}}{\text{Base employment in man-day}} \times 100$$

$$\text{Overall socio-economic impact in per cent change} = \frac{\text{Difference in score of all the five dimensions of economic impact}}{\text{Sum of base score of all five dimensions of economic impact}} \times 100$$

The resultant changes in per cent that occurred after participation in each aspect of impact of SHGs were assessed separately. The information in this regard was collected and classified into four levels *viz.*, (1) No change, (2) Low change (upto 33.00 per cent change), (3) Medium change (33.01 to 66.00 per cent change) and (4) High change (above 66.00 per cent change) as per the equal interval in per cent change. Then overall socio-economic impact of SHGs on its members was calculated by summing the score of all five dimensions of socio-economic impact and converting into per cent change.

RESULTS AND DISCUSSION

Table 1: Distribution of SHG members according to their change in income

n=120

Category	Per cent change in income	Frequency	Per cent
No change	00.00	13	10.83
Low	Up to 33.00	35	29.17
Medium	33.01 to 66.00	49	40.83
High	Above 66.00	23	19.17
Total		120	100.00

The result of the change in income of the respondents presented in Table 1 indicated that, nearly two-fifths (40.83%) respondents had a medium change in their income due to participation in SHGs to the extent of 33.01-66.00 per cent, followed by 29.17 per cent having

low change in their income *i.e.* upto 33 per cent. While 19.17 per cent of the respondents had high change (above 66.00 per cent). There were only 10.83 per cent of the respondents who had no change in their income *even* though they participated in the SHGs.

Majority (60.00 %) of the respondents had generated above 33.00 per cent more income through participation in SHGs. It might be due to the reasons that their positive attitude towards SHGs contributed in well functioning of SHGs, which in turn helped them to procure loans from the linked banks for purchasing milch animals. Secondly, milk co-operatives in the study area also had given remunerative prices to their milk. Above findings were supported by the findings of Katole (2001).

Change in spending pattern

An attempt was made to study the various aspects of spending pattern on which the respondents incurred additional expenditure as a result of participation in SHGs. Change in spending pattern was measured against four aspects *viz.*, (i) food habit, (ii) clothing pattern, (iii) change in living condition and (iv) change in educational aspect. The frequency and per cent of respondents were calculated for each aspects of spending pattern. The data have been furnished in Table 2.

Table 2: Distribution of the SHG members according to their change in spending pattern

n =120

Aspect wise change in spending pattern	Frequency	Per cent
Food habit	85	70.83
Clothing pattern	74	61.66
Change in living condition	29	24.16
Change in educational aspect	63	52.50

The Table 2 revealed that, majority of the SHG members had increased spending on various aspects like food habit, clothing, living condition and educational aspect of children. Change in food habit was observed in majority (70.83 %) of the SHG members. It was found that SHG members had included vegetables, milk and fruits in their daily diet besides cereals and legumes.

With regards to change in clothing pattern 61.66 per cent of the SHG members changed their clothing pattern. After joining the SHGs, the income of the SHG members was increased hence, they were able to purchase more number of clothes for their family members. In case of change in living condition, nearly one-fourth (24.16 %) SHG members increased were expenditure to change or renovate their houses.

Change in educational aspect was observed in nearly half (52.50 %) of the respondents which might be due to

the reason that the increased income of SHG members might help them spending money for school fees, extra coaching, purchasing text book, uniform, *etc.*

Thus, it could be inferred that, a conspicuous change in spending pattern could be noticed among the members of SHGs as a socio-economic impact on them due to participation in SHGs.

After studying the aspect wise spending pattern, the per cent change in spending pattern of members of SHG was computed and the data obtained have been presented in Table 3.

Table 3: Distribution of the SHG members according to their change in spending pattern

Category	Per cent change in spending pattern	Frequency	Per cent
No change	00.00	00	00
Low	Upto 33.00	69	57.50
Medium	33.01 to 66.00	30	25.00
High	Above 66.00	21	17.50
Total		120	100.00

It was observed from Table 3 that, majority (57.50 %) of the respondents had a low change *i.e.* upto 33.00 per cent change, in their spending pattern due to participation in SHG, as a result they incurred additional expenditure on food items, clothes, living condition and educational aspects, whereas 25.00 per cent of them had medium change in their spending pattern *i.e.* 33.01 to 66.00 per cent change. Quite a few (17.50 %) respondents could have high change in their spending on the various items above 66.00 per cent.

Due to additional income from participation in SHGs, some respondents spent more money for purchasing different food items and clothes. While some spent money to improve their living condition and for better educational for their children.

Change in material possession

Material possession refers to the number of house hold and farm implements / equipments possessed by the SHG members. The data collected regarding change in material possession of the SHG members are given in Table 4.

Table 4: Distribution of the SHG members according to their change in material possession

Category	Per cent change in material possession	Frequency	Per cent
No change	00.00	20	16.67
Low	Upto 33.00	53	44.17
Medium	33.01 to 66.00	28	23.33
High	Above 66.00	19	15.83
Total		120	100

It is evident from Table 4 that, 44.17 per cent of the respondents appeared in low change (upto 33.00 per cent change) category, followed by 23.33 per cent of the respondents appeared in medium (33.01 to 66.00 per cent change) category of material possession. A few respondents *i.e.* 15.83 per cent appeared in high change (above 66.00 per cent change) category of material possession. Respondents' changes in their material possession may be due to additional income they could earn after participation in SHG. It was observed that among 16.67 per cent of respondents did not have any change in their material possession though they participate in SHGs.

It may thus be inferred that, a substantial economic impact of SHGs could be noticed on their members as far as the material possession is concerned, which facilitated them to earn additionally and buy the needy house hold and farm material. Above findings were supported by the findings of Katole (2001).

Change in thrift habit

The members of SHGs generally saved their additional income generated by participating in SHGs activities at home, by fixing deposit in bank, depositing in bank, saving in SHGs and by getting insurance policy. The information regarding change in thrift habit is depicted in Table 5.

Table 5: Distribution of the SHG members according to their change in thrift habit

Category	Per cent change in thrift habit	Frequency	Per cent
No change	00.00	00	00.00
Low	Upto 33.00	24	20.00
Medium	33.01 to 66.00	61	50.84
High	Above 66.00	35	29.16
Total		120	100.00

The data in Table 5 revealed that, the 100.00 per cent of the respondents had a change in their thrift habit because of regular saving in SHGs. It is further observed that half (50.84 %) of the respondents had medium change *i.e.* 33.01 to 66.00 per cent change, followed by 29.16 per cent of them had high change in their thrift habit *i.e.* above 66.00 per cent change. The findings of present study were in accordance with the findings reported by Katole (2001).

Change in employment

It referred to the difference between employment in days after participation in SHG and employment in days before participation in SHG. The SHG gave opportunities to its members for additional employment for whole year which contributes to earn additional income. The data collected regarding change in employment of the SHG

members were categorized in four categories are given in Table 6.

Table 6: Distribution of the SHG members according to their change in employment

n=120			
Category	Per cent change in employment	Frequency	Per cent
No change	00.00	23	19.17
Low	Upto 33.00	31	25.83
Medium	33.01 to 66.00	52	43.33
High	Above 66.00	14	11.67
Total		120	100.00

The data presented in Table 6 indicated that 43.33 per cent of the respondents had medium change (33.01 to 66.00 per cent change) in their employment due to participation in SHGs followed by 25.83 per cent of the respondents who had low change (upto 33.00 per cent change) in their employment. While only 11.67 per cent of the respondents found having high change (above 66.00 per cent change) in their employment. It was interesting to note that 19.17 per cent respondents did not have any change in their employment even though they participated in SHG activities. It is thus inferred that, the SHGs had an impact on their members in generating employment opportunities which contributed to earn additional family income for the welfare of their families.

Overall socio-economic impact of Self Help Groups

The aim of SHG programme was to provide microfinance *i.e.*, credit plus related services and also focus on empowerment of members with special emphasis on women. The socio-economic impact of SHG on its members was assessed by consolidating the impacts of the five dimensions decided for the study *viz.*, change in income, change in spending pattern, change in material possession, change in thrift habit and change in employment. The data thus computed had been depicted in Table 7.

Table 7: Distribution of the SHG members according to the overall socio-economic impact of SHG as a whole

n=120			
Category	Per cent change in employment	Frequency	Percentage
Low impact	Upto 33.00	45	37.50
Medium impact	33.01 to 66.00	53	44.17
High impact	Above 66.00	22	18.33
Total		120	100.00

A critical look at the data in Table 7 revealed that the medium level of socio-economic impact of SHGs could be noticed among 44.17 per cent of its members. This was followed by 37.50 per cent of the respondents who belonged to low level of socio-economic impact. The percentage of respondents appearing in high level category of socio-economic impact of SHGs was found 18.33 per cent.

It could thus be inferred that the SHGs had moderate socio-economic impact on its members in terms of change in income, change in spending pattern, change in material possession, change in thrift habit and change in employment. The findings were in accordance with the findings reported by Shambharkar (2012).

CONCLUSION

It was concluded from the aforesaid discussion that impact of SHG in terms of change in income (38.33 %), change in thrift habit (50.84 %), and change in employment (43.33 %) was found medium level of change. Change in spending pattern (57.50 %) and change in material possession (44.16 %) were found in low level. It was recorded that 44.17 per cent of the respondents belonged to medium level of change as overall socio-economic impact of SHG on its members.

Paper received on : February 05, 2015

Accepted on : February 16, 2015

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