



A Study on Socio-Economic Conditions of Members of Self Help Groups - With Special Reference to Belakavadi Village of Mandya District.

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ABSTARCT

The SHG system is designed to be effective in empowering the rural women below poverty line. Economic and social empowerment is one of the basic components of SHGs development. Microfinance is often defined as financial services for poor and low-income clients offered by different types of service providers. The self help group movement is a revolutionary initiative which connects group members, many of whom had never had a bank account before, to formal financial services in a sustainable and scalable manner. The roots of the model are indigenous. Hence this study will cover the study on socio-economic conditions of members of SHGs in particular village. The is based on both primary and secondary data and analyse the data by using statistical methods.

Keywords : SHGs, Socio-economic, Income, Savings, Microfinance.

INTRODUCTION

Self-Help Groups: Self-Help Group formed by the community women, which has specific number of member like 15 to 20 in such a group the poorest women would come together for emergency disaster, social reason, economic support to each other have ease of conversation social interaction and economic interactions. Self help Groups (SHGs) are informal associations of people who come together to improve their standard of life. They help to build social capital among the poor especially women. Their most important function is to encourage the members to save their earning, persuade them to make a collective plan for generating additional income and to act as a conduit for formal banking services to reach them. SHGs work as a collective guarantee systems like microfinance institutions. Hence, they have emerged as the most efficient mechanism for the delivery to micro finance services to the poor.



LITERATURE REVIEW

Prasantasahoo, Ranjan Kumar shoo (2021) in his article title “Study on economic growth among the SHGs. The result of the present study revealed that in KBK region SHGs are more dominant by tribal women, so their joining in SHG magnify socio economic condition of their family as well as social development, self esteem and capacity building.

Dr.RichaSharma,Dr seraph mishap, Dr.Shashikant Rai(2021) this article title “Through microfinance during covid 19 A case study of women SHG” this article women’s self help groups are working extremely great in India and are fighting to meet the daily challenges with full courage ,safety and enthusiasm.

Danish Ahmad, Itismita, LailiIrani(2020) this article study on “Participation in microfinance based self help groups in India”. The article supports the view that microfinance programs need to examine their inclusion and retention strategies in favour of poorest household using multidimensional indicators that can capture poverty in its myriad fores.

Megha Tiwari(2020) in this paper “Self help groups in rural development” SHGs is an informal group where rural people come together and work as a team which build a team spirit in them it empowers women both socially and economically. The study has shown that the microfinance and SHGs are not needed to resolve the issue of poverty but also for individual development .

OBJECTIVES

- To know the role of SHGs in socio-economic development of rural people in general
- To know the socio economic status of members of SHGs in case study area.



HYPOTHESIS

- Higher level of performance of SHGs better will be socio- economic development of rural people.
- There is positive relationship between micro credit activities of SHGs and financial development of members of SHGs.

Methodology of Study

This study is based on both primary and secondary data. The primary data has been collected from the selected people of the area through observations, questionnaires schedule. The secondary data has been collected from books, theses, journal articles and internet sources, etc. The present study is undertaken the period from 2020-2022 to analyze the role of SHGs in economic development of people through microfinance in case study area. This study will consider 28 SHGs Groups in case study area. The study uses a simple statistical technique like chi-square test, graphs and diagrams etc.

Concept and Importance of SHGs

SHGs are informal groups whose members pool savings and re-lend within the group on rotational or needs basis. The groups have a common perception of need and impulse towards collective action. NABARD launched SHGs Bank Linkage Program in 1992 to integrate informal savings and credit groups with the mainstream banking system. Generally poor women are more likely to become SHG members based on income threshold limit (government sponsored BPL cards) but women from poor families are more likely to become members.

The prime objective of providing financial assistance provided the SHGs for the progress of socio-economic or financial status are initiates the economically weaker section and brings a swift to the self help group member in rural economy. Self help groups have been continuously applauded for the significant impact on the women empowerment and their economic condition. SHGs have to work more honestly in the right direction for the empowerment of tribal women,



then only a positive impact can be bring on life tribal women and this will bring the real empowerment.The financial support provided the self- help-groups for the development of social- economic status are found to have reached the socially backward and economically marginalized in the study area.

Concept of Micro Finance

The terms micro credit and microfinance are closely related to each other. Micro credit can be defined as "the provision wherein debtor takes money either from formal or informal sources of credit on unilaterally decided terms by the creditor".Low rate of interest easy and periodical with moratorium period credit for income generating activities, easy process of disbursement, no collateral or security and less paper work etc, are the characteristics of microfinance. micro finance has been evolved as an economic development approach intended to benefit low income women. The term refers to the provision of financial service to low income clients including the self employed.

Mohammed Yunus, popularly known as the father of micro popularly known as the father of micro credit system, started a research project in Bangladesh in 1979 and came out with ideas of micro credit micro finance that resulted in the establishment in 1983.

Micro finance is an important element through which he welfare of the poor can be improved.In addition some poor people use borrowing in order to embark on entrepreneurship an thus microfinance can contribute to poverty alleviation programmes. Micro-finance interventions .Through SHGs programmes are well recognized world over as an effective tool for poverty alleviation and improving socio economic status of rural poor in India.

During the year 2020-21 the number of SHGs increased by 9.80 lakh with a corresponding increase in the savings by 11325.56 crore. The savings outstanding of SHGs with banks as on 31 March 2021 has reached an all-time high of 37477.61 crore. During the year 2020-21 the banks have disbursed loans of 58070.68 crore.

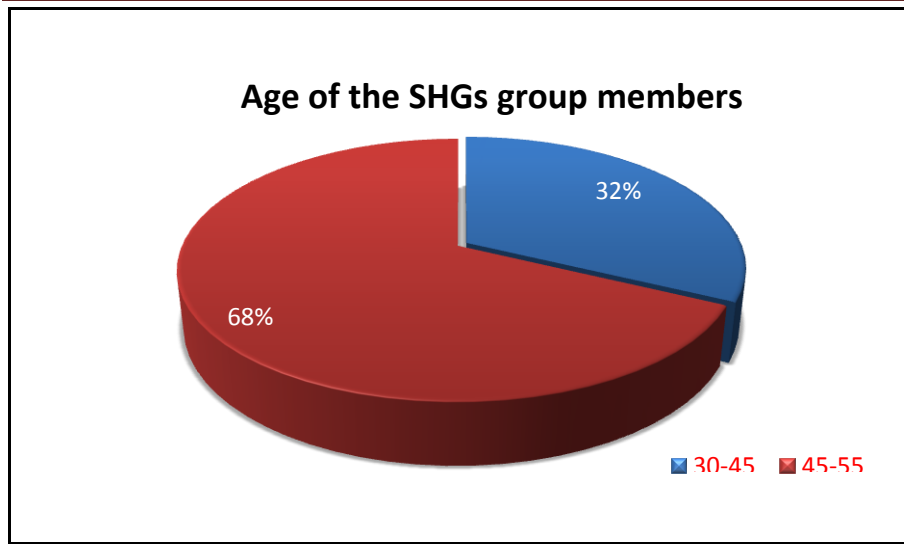


A Case Study

According to census 2021 information the location code or village code of Belakavadi Village is 84,807. Belakavadi village is located in Malavalli Taluka of Mandya district in Karnataka, India. It is situated 18km away from sub- district headquarter Malavalli (tehsildar office) and 48km away from district headquarter Mandya. As per 2009 stats, Belakavadi village is also a gram Panchayat. The total geographical area of village is 3331.36 hectares. Belakavadi has a total population of 9,151 peoples, out of which male population is 4,518 while female population is 4,633. Literacy rate of Belakavadi village is 63.945 out of which 70.61% males and 57.44% female are literate. There are about 2,141 houses in Belakavadi village Pincode of Belakavadi village locality is 571417.

Age of SHG group members

Age Level	Members	Percentage
30-45	9	32
45-55	19	68
TOTAL	28	100

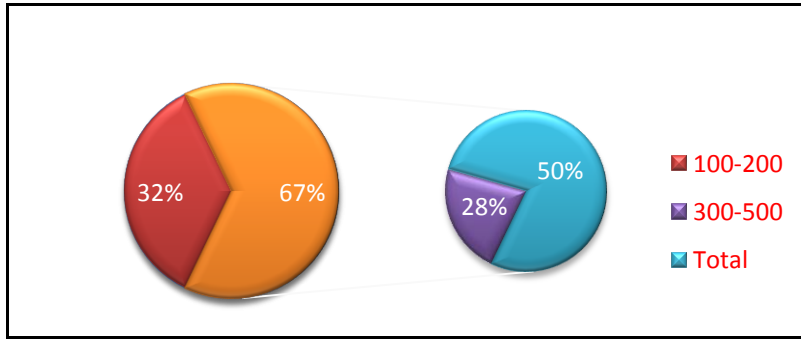


Inference: This table shows out of respondents 32% percent members age is 30-45 and respondents 68% percent members age is 45-55 is there in SHGs group.

Monthly income Before and After joining in the SHGs

Monthly Income	Before(No.)	After(No.)	Before SHGs join(%)	After SHGs join(%)
100-200	20	9	71	32
300-500	8	19	28.14	67
Total	28	28	100	100

Monthly income before and After joining in the SHGs

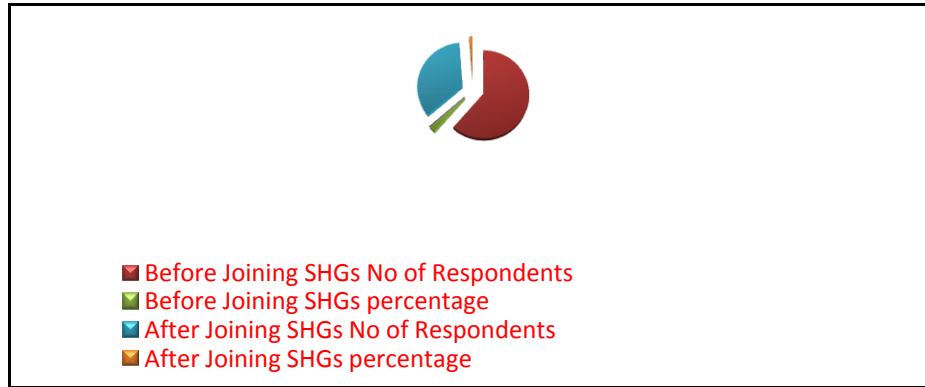


Inference: The above table and graph give the information about the income level of the monthly women before and after out of 28 respondents 20 respondents earn 100-200Rs. But after 9 respondents earn 100-200Rs. 8 respondents earn 300-500. But after 19 respondents 300-500Rs. So finally after SHGs join women's income increases.

Annual Savings before and after joining in the SHGs

Savings level	Before Joining SHGs		After Joining SHGs	
	No of Respondents	percentage	No of Respondents	percentage
500-1500	21	75%	12	42.85
1500-2500	7	25%	16	57.14
Total	28	100%	28	100

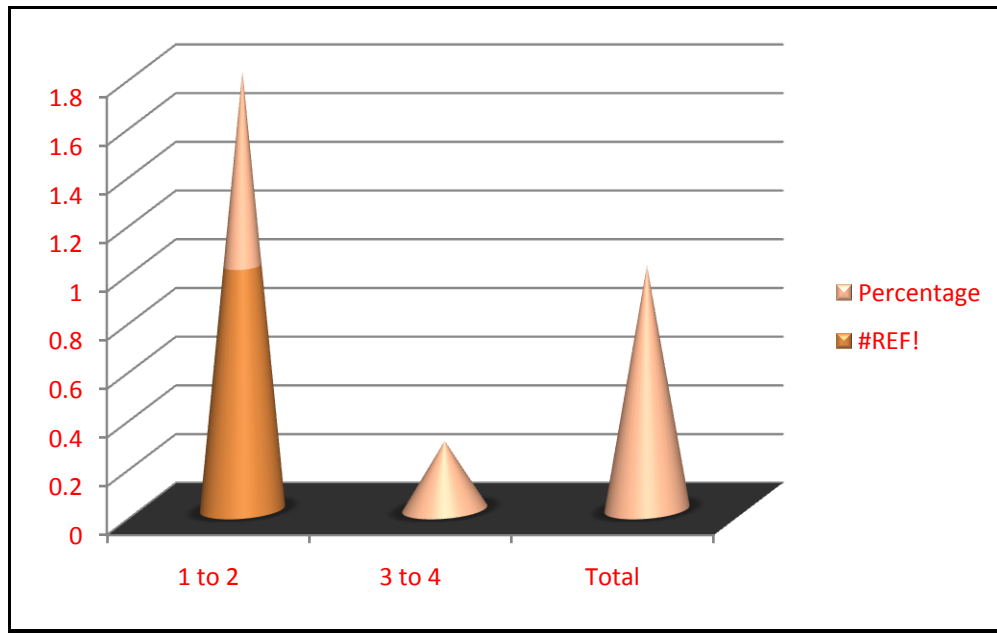
Annual Savings before and after joining in the SHGs



Inference: The above table and graph given the information about to savings level of the women before SHGs and After SHGs. out 28 respondents 21 respondent 500-1500 in before joining SHGs. But after savings is 28 respondents 12 respondent .Out off 28 respondents 7 respondent 1500-2500 in before joining SHGs. But 28respondents 16 respondent means 57.14% so this graph and table shows savings after joining shags increased.

Time of Taken a loan

Time	Respondents	Percentage
1 to 2	20	80
3 to 4	8	28
Total	28	100



Inference: Table and graph showing how many times taken a loan with special reference to economic development of rural women people 80 percent of the respondent are more taken loan 1 to 2 times 20 percent of the respondent to 3 to 4 times.

Hypothesis Testing

There is positive relationship between micro credit activities of SHGs and financial development of members of SHGs.

	Saving Before	Saving after
Chi-Square	7.000 ^a	.571 ^a
Degrees of freedom	1	1
Sump. Sig	.008	.450

0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 14.0

SAVING BEFORE

	Observing N	Expected N	Residual
0	21	14.0	7.0
500-1000	7	14.0	-7.0
Total	28		

Saving after

	Observing N	Expected N	Residual
0	12	14.0	-2.0
1000-1500	16	14.0	2.0
Total	28		

Inference: Chi-Square test result shows that the calculated value is .571 and 95 confidence level Degrees of freedom is 1 . so the hypothesis is accepted finally the test shows After joining SHGs increase savings of Women.

Hypotheses Testing

Higher level of performance of SHGs better will be economic development of people.

Paired sample statistics

	Mean	N	Std. Deviation	Std. Error mean
pair monthly income before	.2857	28	.46004	.08694
Monthly income of after	.6786	28	.47559	.08988

Parried sample Correlations

	N	Correlation	Sig
Pair 1 -Monthly Income Before Monthly Income After	28	.097	.624

Parried Samples Test

	Parried Difference						t	Degrees of freedom	Sig. (2-tail)
	mean	Std. Deviation	Std. Error mean	95% Confidence Interval of the Difference					
				Lower	Upper				
Pair1 monthly income Before-Monthly Income After	-.39286	.62889	.11885	-.63672	-.14900	-3.306	27	.003	

Inference:The t test result shows that the calculated value is .003 and 95% confidence interval of the Difference a then t test is -3.306 Degrees of freedom is 27 its 2 tailed test so that test shows Monthly income after joining SHGs Group increase of SHGs members so hypothesis is accepted.

Findings of the study

- Majority of the respondents are greater than the age group of 30-40.
- Many scheme is there in India its help to SHGs members economic Development.
- 50 Per cent respondents earn an annual income above Rs1500-2500.
- The study shows the impact of SHG on the annual savings of the respondents before and after joining the group. Before joining the groups only 80 percent of respondents are

earning an annual saving above Rs 500. But after joining the group 55 per cent of the respondents opt for saving above Rs.1500.

- The study shows that the SHG activity made a positive impact on the economic development of rural women's.
- 55 percent of the respondents reveal that increase in the monthly saving is achieved after joining SHGs.
- At all level in India & Karnataka and Belakavadi village the majority of rural banking helps to loans use of loans facility are Self-Employment oriented women.
- Microfinance facilities if improving women economic through increase will bring of women and their families widen economically empowerment.
- All the respondents have developed the able of with the activities of SHGs.The study show that the SHG activity made a positive impact on the economic development of SHGs members.SHGs helps to taken a loan to women they economically development. After joining SHGs increase taken loans 80%.

Suggestions

- Group Activity needs to be encouraged in the interest of building up of strong SHGs selection of leader needs to be done carefully.
- Government should provide self employment loan for individual SHGs members. And conduct awarenessprogramme about the bank account should be created.
- Programmers on SHGs skill should be oriented towards women.
- Loans facilities to acquire practical knowledgeshould be provided to women.
- Provide training of group members to improve their business skill.



- Oversee that group activities do not suppress individual entrepreneurship which is important for creating and maintaining dynamic SHGs.

Conclusion

Microfinance programmed for the rural women economic development has resulted in improving the economic status. Positive impact on the lives of the women in the areas for the study. A drastic change is seen in their quality of life after becoming the member of SHGs. Based on the result it can be SHGs are helpful and significant for economic development of rural women members. The status and livelihood options of rural women in every sphere, so as to make the lead an empowered life. Thus it can be concluded that the below of SHGs through microfinance is significant in bringing rural women economic development through confidence building, courage, saving increasing, skill development among the financially excluded section of the society.

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