

Status of Self Help Groups in Uttarakhand

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ABSTRACT : Self-help group (SHG) approach is used by the government, NGOs and other institutions involved in rural development to implement developmental schemes at the grassroots level. SHGs benefit its members by providing regular saving, employment opportunities, access to credit, participation in local government, and change in family decision-making. Present study shows that of the 400 SHGs surveyed in six districts of Uttarakhand only 24% remained active after eight years of their formation. These groups were engaged in individual income generating activities only and large number of them discontinued or were dormant i.e. involved only in collection of money and micro-finance. The credit was used only to add more heads of milch animals and no new enterprise was developed by the groups covered under the survey. A number of reasons were reported for the dormancy and discontinuation of these SHG's mainly lack of interest and knowledge. But an important reason remains the lack of follow up by agencies responsible for their formation. The overall picture emerged that women SHGs in Uttarakhand were not very effective in improving their economic status and in generating any new enterprise.

Key words: Empowerment, group sustainability, micro-finance, Self Help Groups

Role of SHGs for promoting rural entrepreneurship using local resources, local skills and local knowledge involving women workforce has long been emphasized. The groups play an important role in developing rural women. Micro-finance through SHGs can motivate women to get self-employment and help them in development of entrepreneurial skills. Planning Commission as well as the Indian Government has rightly recognized the potentiality of women for livelihood improvement and economic development. India's Self Help Group movement has emerged as the world's largest network of community based organizations. The SHG bank linkage program (SBLP), which is the India's own innovation has proved to be one of the most effective poverty alleviation and women empowerment programs.

Empowerment of women through Self Help Groups would lead to benefits not only to the individual women but to the family and community as a whole through collective action for the development. In Tamil Nadu Puhazhendhi (2001) analyzed the functioning of SHG's, in performance, sustainability, empowerment of women, economic impact on the members and its future potentials and found that SHG's are performing well towards social

change and transformation. The emerging trends are leading to positive direction of empowerment of members and promotion of micro finance. Sharma (2001) in his study mentioned that through SHG's women empowerment is taking place. Their participation in the economic activities and decision - making at the household and society level is increasing and making the process of rural development participatory, democratic, sustainable and independent of subsidy.

Under All India Coordinated Research Project on Home Science Extension, study was conducted in the state of Uttarakhand to know the dynamics and performance of women's Self Help Groups along with empowerment of women as a result of becoming the members of SHGs.

The objectives of the study were to know the dynamics and performance of women Self Help Groups and to study the extent of change in the empowerment of women as a result of being member of Self Help Group.

MATERIALS AND METHODS

Uttarakhand state has two agro-climatic zones; Plains-Tarai and Bhabhar ; and Hill zone. Data were

collected from both the zones. Tarai and Bhabhar zone includes two districts, namely Udham Singh Nagar and Haridwar. Hill zone includes remaining eleven districts out of these four districts namely Nainital, Almora, Tehri Garhwal and Dehradun were selected.

Secondary information regarding women SHGs formed by different agencies in the six selected districts was collected from the District Rural Development Agency (DRDA) of the respective district. From the list of SHG's of each district, groups registered in the year 2008-09 were selected and from these groups, SHG's having representation across blocks were selected. To ensure wider representation, care was taken to select not more than 2-3 SHGs from one village. In total 400 SHGs were selected under the study. Primary data regarding the SHG, its members and their activities was collected from one office bearer of each group. The use of official records (registers, bank passbooks etc.) was also made. Data regarding the empowerment of women and extent of change in the level of empowerment after being the member of the Self Help Groups were collected from three members (one office bearer and two members). Scales were developed to measure the empowerment of women. Empowerment status was evaluated on five-point scale and extent of change after becoming the member of SHG was evaluated on a three-point scale.

RESULT AND DISCUSSION

Profile of the Self Help Groups

It includes present status of groups, group sustainability, reasons for discontinuation of groups and dormancy.

After eight years of their formation, only 24.25 percent groups were active i.e. they were involved in micro financing and income generating activities at

individual level (Table 1). These groups were collecting membership fees regularly from members, lending money to the members at the time of need at a nominal interest rate of 2.0 %. Majority of the members of these groups were engaged in income generating activities chiefly animal rearing individually. The groups in dormant category were 13.50 percent. They were only collecting money from the members and micro financing the group members as and when needed. Sixty two percent groups discontinued i.e. they had been dissolved due to one or the other reason.

Sustainability of SHGs

The study reveals that a large number of Self Help Groups had been discontinued due to one or the other reason (Table 2). Findings reveal that 11.75 percent groups survived for only 1-3 years, 33.75 percent groups survived for 3-5 years, 16.50 percent groups survived for more than five years and 37.75 percent groups are continuing.

The main reasons for discontinuation were lack of cooperation/conflict among members, negative attitude of the family members and lack of interest. Another important reason was that there was no follow up after their formation by the agencies to promote them so the members lost interest.

In Andhra Pradesh Reddy and Reddy (2012) found the reasons for discontinuation as negative attitude of household members, migration, marriage, health reasons, age & death, multiple memberships, group norms and procedures, ineligible members, to avail pro-poor programmes, small volume of loan, delay in getting bank linkage and delay in getting revolving fund/matching grant and bank linkage or financial assistance from external agencies.

Table 1: Percentage distribution of SHG's according to their present status

S. No.	Status	Activities	Frequency	Percentage
1	Active	Income generating and micro-financing SHGs	97	24.25
2	Dormant	Micro-finance/meetings/discussion	44	11.00
		Money collection and micro-financing	10	2.50
3	Discontinued	-	249	62.25

Table 2: Distribution of groups according to sustainability

S. No.	Group sustainability	Frequency	Percentage
1.	Less than 1 year	1	0.25
2.	1-3 years	47	11.75
3.	3-5 years	135	33.75
4.	More than five years	66	16.50
5.	Continuing after eight years (active and dormant)	151	37.75

SHG Activities

Active Self Help Groups were collecting membership fees, conducting meetings to discuss their problems or other issues, micro-financing, availing loan from bank and started one or the other income generating activities. Data regarding SHG activities were collected from only active and dormant groups. These income generating activities were undertaken by individual members only and not as a group and no entrepreneurship was developed.

Major or practically only income generating activity was rearing of milch animals for milk production. Forty nine percent individuals were already doing this before joining SHG and 51% started after joining SHG and getting loan. Rutherford (2000) has revealed that poorer people use financial services to turn small, frequent cash inflows like daily milk sales into usefully larger sums for buying a cow or land and they may also use financial services to turn large inflows proceeds from the sale of a cow into small investments.

The income generated from their activities is shown in Table 3. As stated above, 99% individuals were involved in dairy activity only. Few members were selling only a liter of milk per day, whereas some were selling up to 8-10 liters/day. The mean annual gross income from dairying was Rs. 21933.00. Individuals with dairy activity noted positive profit level and short payback periods for loans. Lalitha and Nagarajan (2002) have also reported that SHGs dealing with dairy farming have noted positive profit levels and short payback periods for loans.

Table 3: Annual income of members from income generating activity

S.No.	Income generating activity	No. and % of women involved	Total income earned in Rs	Average income per individual (Rs.)
1.	Dairy	786 (99.3%)	1,72,40,080	21,934
2.	Fruit shop	1 (0.1%)	25,200	25,200
3.	Tailoring	2 (0.3%)	1,44,000	72,000
4.	Tempo	1 (0.1%)	36,000	36,000
5.	Welding shop	1 (0.1%)	60,000	60,000
	Total	791 (100%)	1,75,05,280	22,130

Table 4: Loan taken by the group members

S.No.		
1.	Groups who took loan (No.)	97
2.	Number of Members who took loan	791
3.	Average amount of loan taken/ member (Rupees)	34,471
4.	Groups who returned the complete loan	62(63.9%)
5.	Groups who have to return the balance amount	35 (36.1%)
6.	Balance amount due to be returned/group	Rs. 73454

Use of loan

Out of the sustaining SHGs, 64.2 percent SHGs had availed loan from bank for starting income generating activities (Table 4). The loan amount was distributed among 60.8 percent members of these groups as rests of the members were not interested in availing loan. A total loan of Rs. 2, 72,67,000/- was availed by these groups thus on an average each member availed Rs. 34,471. Out of the total groups, who availed loan, 63.92 percent groups had returned the complete loan amount to the bank and 36.0 percent groups had to return the balance amount. The loan amount that was to be returned by these groups ranged from Rs.10, 000 - Rs.3, 00,000/-. Thus the total amount to be returned by 63.9 percent group was Rs. 24, 24,000/-. On an average each group had to return Rs. 73454. Das *et al.* (2015) also observed group-wise difference in terms of income, savings, and expenditure and debt reduction. Thus it was concluded that from the point of equity SHGs failed to serve the society in equal proportion.

Trainings

The trainings undertaken by active SHGs/members was mostly (93%) on animal rearing/dairying and only one group went under poultry and two groups under food preservation training, but these trainings on poultry and food preservation were not utilized by these in initiating any poultry or food preservation activity (Table 5). Table further shows that out of those groups that availed training on any income generating activity, its usefulness was of medium level. Mean usefulness score of the trainings was 2.45.

Table 5: Training undertaken and its usefulness

S.No	Nature of training	Groups received training	No. of members attended	Usefulness of training N=39			Mean usefulness (1-3)
				Low	Medium	High	
1.	Dairy	36	350	-	19	17	2.4
2.	Poultry	1	10	-	1	-	2.0
3.	Food Preservation	2	25	-	2	-	2.5
	Total	39	385	-	22	17	2.4

Empowerment of women

This was quite a subjective analysis using a questionnaire in which the respondents were asked questions about their participation in social, economic and political activities before joining the SHG and after being its membership to show the extent of change as a result of being a member of SHG. Level of empowerment was studied as low (score 1-2.33), medium (score 2.33-3.66) and high (3.66-5.00).

Socio-psychological empowerment was found to be of towards medium level i.e. (60.2 %). Economic empowerment was also of medium level (54.3%) and similar was the case with political and legal empowerment (Table 6). Empowerment of each type was slightly higher for office bearers as compared to members.

Overall level of empowerment shows that empowerment of Self Help Groups was medium followed by high level of empowerment. Thus it can be inferred that women of Uttarakhand were empowered. They were more legally and politically empowered (81.4%), followed by socio-psychologically (60.2%) and economically (54.3%) empowered. It was further recorded that educational level of the members had a positive relation with their status in the SHG.

Sharma (2001) in his study reported that through SHG's women empowerment is taking place. Their participation in the economic activities and decision-making at the household and society level is increasing

and making the process of rural development participatory, democratic, sustainable and independent of subsidy. Suja (2012) found out that association in Self Help Groups has enabled women to gain greater control over resources like material possession, intellectual resources like knowledge, information, ideas and decision making in home, community, society and nation. Ramakrishna et al. (2013) in their study also found that SHG members have been empowered through microfinance activities and they have engaged themselves in self employment activities like papad and pickles making, dairy activities, agricultural activities etc. which has enhanced the quality and standard of their life.

Puhazhendhi (2001) analyzed the functioning of SHG's in performance, sustainability, empowerment of women, economic impact on the members and its future potentials and observed that SHG's in Tamil Nadu are performing well towards social change and transformation. The emerging trends are leading to positive direction of empowerment of members and promotion of micro finance. Manimekalai (2004) also remarked that the formation of SHGs have boosted the self-image and confidence of rural women.

Relationship between group profile/activities and empowerment status

Relationship of group profile/activities with empowerment status of SHG members as shown in table 7 reveals that all group profile variables/activities had positive and significant relationship with empowerment

Table 6: Distribution of respondents according to level of empowerment

S.No.			Overall Empowerment %
1.	Socio-psychological empowerment	Low (1-2.33)	0.7
		Medium (2.34- 3.66)	60.2
		High (3.67- 5.0)	39.1
2.	Economic empowerment	Low (1-2.33)	2.6
		Medium (2.34- 3.66)	54.3
		High (3.67- 5.0)	43.0
3.	Legal and political empowerment	Low (1-2.33)	8.61
		Medium (2.34- 3.66)	81.4
		High (3.67- 5.0)	9.9

Table 7: Relationship of group profile/ activities with empowerment status

Profile members	Empowerment Status			
	Psycho- social	Economic	Legal-political	Overall
Gap (months) between formation and registration	0.066*	0.064*	0.052*	0.063*
Membership status	0.081*	0.081*	0.088*	0.083*
Collection status	-0.055 NS	-0.054 NS	-0.054 NS	-0.055 NS
Frequency of deposit in the bank	0.023*	0.008*	0.027*	0.021*
Group activities	0.008*	0.009*	0.014*	0.010*
Frequency of meetings	0.209*	0.226*	0.217*	0.215*
Frequency of activities during meetings	0.060*	0.063*	0.070*	0.063*
Trainings provided	0.210*	0.214*	0.218*	0.214*
Usefulness of training	0.209*	0.226*	0.217*	0.215*

status of Self Help Group members except collection status. Collection status of membership fees was not associated with empowerment status.

It can be said from the above findings that membership status, frequency of deposit of money in the bank, group activities, frequency of meetings, frequency of activities in meetings, training and its usefulness were positively associated with empowerment of SHG members. Those SHGs, where there was less gap in between the duration of formation and registration period, adequate number of members, organized regular meetings, regularly deposit money in the bank, groups had undertaken income generating activities, attended required training etc. in those groups women were empowered psycho-socially, economically as well as legally/ politically. Whereas, those groups that did not have adequate number of members, that did not deposit regular membership fees, did not conduct regular meetings, had not taken up any income generating activity or trainings were less empowered.

CONCLUSION

The study on SHGs in the state of Uttarakhand covered nearly half of the districts of the state; six out of thirteen and 400 women SHGs registered with DRDA in the year 2008-09 were surveyed. It was observed that over the period of eight years, only 97 (24.2%) remained active, 54 (13.5%) were dormant and remaining 249 (62.3%) discontinued. Those which remained active obtained loan from banks 63.9% of which was returned and the remaining was yet to be returned. Of the total 39 groups (385 individuals) underwent organized trainings mostly on dairying/animal rearing (36 groups and 350 individuals). Three groups had training on poultry and food preservation. But these few trainings on poultry and food preservation were not made use to start any new enterprise and all the active members only remained active in animal keeping which raised their annual

income by Rs. 21933 per individual. Discontinuation of large number of SHGs was mainly due to lack on interest and at times conflict of interest among the members. During the study it was observed that rural development departments/agencies focus more on formation of large number of SHG and not in the monitoring follow up and up gradation of knowledge and skills of SHG members that result in discontinuation or dormancy of SHGs. There is need to give emphasis on monitoring, microfinance, imparting capacity building trainings, establishing market linkages to make SHGs more sustainable. Thus it can be concluded that women SHGs in Uttarakhand have not been very effective in developing new income generating enterprises and whatever little impact was seen was only in improving their traditional animal raising activity and selling part of the milk produced.

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