

Reaction of Farm Women about the Self Help group in Navasari District of Gujarat

R. M. Naik, G.G. Chauhan, M. R. Prajapati and C.S. Desai

Krishi Vigyan Kendra
Navsari - 396 450 (Gujarat)

ABSTRACT

A total of 120 farm women belonging to 40 self help groups located in 8 different villages were selected randomly for the collection of required information for the study. It was observed that rural women were able to increase their savings and income with the help of SHGs. The study emphasizes the importance of the self help promoting institutions like banks and the NGOs. The NGO intervention was the major motivating factor for the women to join the SHGs. The women opined that these institutions were initiators for starting income generating activities and their guidance is needed for the smooth functioning of SHGs. Therefore, there is a need to encourage and establish SHGs in all the villages for the betterment of poor particularly the women.

Keywords: Farm Women, SHG, Empowerment, Banks,

INTRODUCTION

A self-help group (SHG) is a village-based financial intermediary usually composed of 10–20 local women from a similar class and region, who come together to form savings and credit organization. Many self-help groups, especially in India, under NABARD's SHG-bank-linkage program, borrow from banks once they have accumulated a base of their own capital and have established a track record of regular repayments. This model has attracted attention as a possible way of delivering services to poor populations that have been difficult to reach directly through banks or other institutions. It is worth to mention that by aggregating their individual savings into a single deposit, SHG minimize the bank's transaction costs and generate an attractive volume of deposits. Through, SHGs, the bank can serve small rural depositors while paying them a market rate of interest. The major benefit of becoming a member of SHG is that an economically poor individual gains strength as part of a group. Similarly, borrowers as part of an SHG cut down expenses on travel (to and from the branch and other places) for completing paper work and on the loss of workdays in canvassing for loans.

Members make small regular savings contributions over a few months until there is

enough capital in the group to begin lending. Funds may then be lent back to the members or to others in the village for any purpose. The approach combines access to low-cost financial services with a process of self management and development for the women who are SHG members. The SHGs' are implemented with support of Non-governmental Organizations (NGOs) and banks. The present study was undertaken with a view to assess the reaction of farm women who were the members of various self help groups working in the district in order to know their socio economic status as well as facilities available to them. Other objectives were to study the general characteristic features of the members, the loan availed by the members and their savings position, factors motivating the members to join the SHGs and to elucidate the opinion of the members regarding the micro financial institutions.

MATERIALS AND METHODS

Primary data were collected through personal interview method from the SHG members with the help of a well structured and pre-tested schedule developed by KVK. Vandsa Taluka was purposefully selected. Based on the highest number of self help groups operating, eight

Corresponding author e-mail: chaksdesai@yahoo.co.in

Table 1. General characteristics of the respondents (n = 120)

Sr.No.	Category	Respondents	
		Number	Percentage
1	Age		
	a. Young (18-35 years)	47	39.1
	b. Middle (36-50 years)	65	54.2
	c. Old (Above 50)	08	6.7
2	Marital Status		
	a. Married	87	72.5
	b. Unmarried	23	19.2
	c. Widow	10	8.3
3	Educational qualification		
	a. Illiterate	14	11.7
	b. Primary education (1-4)	25	20.8
	c. Secondary education (5-12)	38	31.7
	d. College	43	35.8
4	Family type		
	a. Joint Family	18	15.0
	b. Nuclear family	102	85.0
5	Caste		
	a. SC	30	25.0
	b. ST	32	26.7
	c. SEBC	58	48.3

villages were selected purposively from the Taluka for the study. Five SHGs from each village which carried out income generating activities were purposively selected. Thus a total 120 farm women from 40 SHGs with three members from each SHG were selected randomly for the collection of required information for the study. To know about the functioning of SHGs and Bank / NGO, the respondents were asked to give their reaction on a 3 point continuum scale i.e., Yes (3), Partly (2) and No (1). The data were classified based on frequencies and percentage.

RESULTS AND DISCUSSION:

Characteristics of the Members of Self-Help Groups

The information on socio-economic

characteristics of rural women of self help group like age, marital status, educational qualification, family type, caste were presented in Table 1. It was found that majority of the members (54.1%) belonged to middle aged group and 39.1 per cent of the members belonged to the young age group. The women of middle age were more efficient and responsible than their younger counter parts. The results were in agreement with the findings of Joseph and Easwaran (2006). Marital status of the women indicated that 72.5 per cent of the members were married as most of women belonged to the middle age (36-50 years). Women tend to leave their village (home town) once they got married and as SHGs are a long-term activity and leaving the group in between could affect its progress. About 8.3 per cent of members were widows and the SHG movement could thereby

Table 2 Factors motivating the members to join SHG (n = 120)

Sr.No.	Factor	Frequency(no. of members)	Percentage
1	NGO intervention	98	81.6
2	Emulation of others SHG	48	40.0
3	Initiation by other agencies	14	11.6
4	SHG is a good means to save money	68	56.6
5	The intention to start income generating activity	72	60.0
6	To gain social status by being a part of the group	54	45.0

Table 3. Details of loan availed and savings of the sample members (n=120) (in Rs.)

Sr.No.	Particular	Total Amount(Rs)	Average amount per member(Rs)
1	Loan		
	i. SHG (since inception)	2,83,240/-	2360
	ii. Bank	21,82,056/-	18,184
2	Savings / year		
	I. SHG	1,68,432/-	1404

make them self reliant and self sufficient. Majority of the members were educated due to the education facilities available in the district. Educated women proved as an asset to the groups as they take care of the maintenance of all records and documents of the group. It was noticed that 85 per cent of the members belonged to nuclear family and only 15 per cent belonged to joint family. Majority of the members belonged to the SCBC caste category (48.3 %) followed by scheduled tribe category (26.6 %) who are the economically suppressed class. SHGs encourage and aim at improvement of their living status and encourage persons living below poverty line to join SHG.

Table 2 showed that the majority of the members (81.6 %) opined NGO intervention as the major motivating factor. This was followed by the members' intention to start income generating activities which needs investment. About 56.6 per cent of the members opined that they joined SHG as it is a good means to save money and it might be because their money can be saved in smaller amount/thrifts on weekly basis. Emulation of other SHG and to gain social status was also opined as factors, which motivated 40 per cent and 45 per cent of the members,

respectively.

Loan Availed and Savings of the Members

The amount of loan availed and the savings of members in SHGs is presented in Table 3. The total loan availed by SHG members since inception was Rs. 2, 83,240/- and average amount to each member was Rs. 2,360/-. The loan availed from bank was Rs. 21, 82,057/- and average amount for each member was Rs. 18,184/-. The members collected their savings in each week and most of the members contributed on the fixed day. Average amount of savings per member was Rs. 1,404/-.

Opinion of Beneficiaries About Bank / NGO

Majority of the members opined as yes with respect to ease in getting loan collectively. Nearly 61.6 per cent of the members opined partly with respect to the repayment were easy due to collective responsibility (Table 4). Regarding the adequacy of amount of loan sanctioned by the bank to perform the activities, 74.1 per cent of the members opined as partly. About fifty two per cent of the members opined as 'partly' with respect to better supervision by bank / NGO which will avoid mis-utilization of loan. About 57.5 per cent of the members opined that Bank / NGO staff

Table 4. Opinion of beneficiaries about bank / NGO (n=120)

Sr.No.	Opinion	Yes		Partly		No	
		F	%	F	%	F	%
1	It is easy to get loan collectively	98	81.6	20	16.6	2	1.6
2	Easy for repayment due to collective responsibility	44	36.6	74	61.6	2	1.6
3	Rate of interest if lower than SHG loan	30	25.0	52	43.3	38	31.6
4	Amount sanctioned by the bank is adequate to perform the activities	28	23.3	89	74.1	3	2.5
5	Available of technical guidance	42	35.0	54	45.0	24	20.0
6	Better supervision by the Bank / NGO staff avoids misutilization of loan			54	45.0	62	51.6
4	3.3						
7	Bank / NGO staff gives clear guidance about the scheme	43	35.8	69	57.5	8	6.6

F = Frequency (number of members)

Table 5. Opinion of beneficiaries about SHG.

Sr.No.	Opinion	Yes		Partly		No	
		F	%	F	%	F	%
1	Timely and convenient to get credit	87	72.5	30	25.0	3	2.5
2	Repayment terms are easy	42	38.3	74	61.6	4	3.3
3	The Scheme is beneficial	68	56.6	46	38.3	6	5.0
4	No exploitation in money lending	3	2.5	37	30.8	80	66.6
5	Lower interest rate	105	87.5	10	8.3	5	4.1
6	Easy procedure in advancing	20	16.6	91	75.3	9	7.5
7	Increased social participation	88	73.3	12	10.0	20	16.6
8	Helps in overall development of family	76	63.3	18	15.0	26	21.6
9	Willingness to continue as members of SHG?	96	80.0	24	20.0	0	0.0

partly gave clear guidance about the scheme. The NGO and bank were initiators for starting income generating activities and formation of SHGs and the clear guidance is very much needed.

Reaction of Beneficiaries about SHG

Seventy three per cent of the members opined that SHG provided timely and convenient credit to the members (Table 5). About 61.6 per cent of the members opined that the repayment terms were easy and 66.5 per cent of the members opined that there was no exploitation in money lending, as the members themselves were involved in lending activities. The scheme proved beneficial to members in a number of ways as it increased social as well as economic empowerment of farm women. About 87.5 per cent of the members informed that the interest rate was less as compared to interest rates of money lenders and other informal sources. Seventy six per cent members opined that the procedure to get advance money was easy in the SHGs. Hence, the existence of SHGs had increased their social participation, attended meetings and programmes conducted for the social welfare of the people. Similarly, 63.3 per cent members were of the view that SHGs had helped in the overall development of the family. Majority of the members (80.0 %) informed that

they were willing to continue as members of SHG which indicates that the members were highly benefited by the activities of SHGs working in the study area.

CONCLUSION

It can be concluded from the present study that majority of the members join SHGs because of NGO intervention. Most of them opined yes in terms of getting loan collectively and repayment was easy because of collective responsibility. SHGs provided timely and convenient credit to the members and repayment terms were also easy. The interest rate in SHGs compared to interest rates of money lenders and other informal sources was also low. Linked not only to banks but also to wider development programmes, SHGs are seen to confer many benefits, both economic and social. SHGs enable women to grow their savings and to access the credit which banks are increasingly willing to lend. Purpose of SHGs is to make women economically independent and to increase their funds so that they should start any enterprise. So, majority of the members were willing to continue as members of SHGs as they not only to increase their family income but also for overall development of family.

REFERENCES

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