

# GOLDEN RESEARCH THOUGHTS

## A STUDY ON POVERTY ALLEVIATION AND WOMEN EMPOWERMENT THROUGH SHG IN PANDHARPUR TEHSIL



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### Abstract:-

The Self help Group under the scheme of Micro Finance in India have been known for its positive impact on the economic development and the empowerment of women. In India where the population is more than 1000 million, there are around 350 million people living under poverty, out of which only 20% have access to loan from formal sources and 80% have access to informal sources and out of 20% only 10% have access to micro finance. However there are local money lenders delivering finance to the poor people still has the strong presence in rural India. Majority of the poor people still don't have access to formal sources, so it is a major challenge in front of the nation to enlarge the access to formal sources by providing financial credit and assistance to poor especially poor women. The importance is being raised on the empowerment of women because it is the woman who is more likely to be credit constrained, has a limited decision making and bargaining power within the household. In this context self help group which is proved to be an important vehicle in empowering women has a sustainable scope and growth in the long run. Self Help Group has helped the poor women in many ways like in terms of decision making ability, freedom of choice, standard of living, realizing the importance of education, cleanliness etc. thus leading to the total empowerment of women.

The present study is done on the performance of Self Help Groups in Pandharpur, Maharashtra in alleviating poverty and empowering women. The present study is based on primary data collected through structured questionnaire from the sample of 24 SHGs (240 SHG members) in Pandharpur Tehsil. The questionnaires are based on the factors like Members details, Income level, Savings, Credit details, Interest rates, Loan utilization, Income from economic activities, Decision Making.

### MAJOR FINDINGS:

The study shows that there is significant increase in the level of income of the SHG members where income of almost 53% of the members is increased by below 20% and in case of 38% of the members the income is increased by 20% to 50% and the remaining 9% of the members have above 50% increase in their income.

Majority of respondents (92% to 98%) have the facility of school for children, Maternity service, sanitation facility, safe drinking Water, Immunization of child, Immunization of mother, clean Environment, own house, electricity etc. Some of them (1% to 8%) have family planning. No one of them has facility of pension scheme.

It is observed from the study that in case of 58% to 83% of the SHG members the decision related to the factors children education, marriage of girls & boys, loan utilization, savings, expenditure, asset building; is taken by Husband before joining SHG and now these decisions are taken by both. It indicates that the Self Help Group is empowering women in making decisions regarding house related activities.

Two null hypothesis of the paper were rejected on the basis of results by using CHI-SQUARE Test and alternative hypothesis is accepted. It means there is an increase in the income level of most of the SHG members after joining SHG and SHG has impact on poor women which resulted in to empowerment of women.

**Keywords:** Devadana – Poverty Alleviation , Women Empowerment , Self help Group , economic development .

## A Study On Poverty Alleviation And.....

### INTRODUCTION

“When women are empowered, a society with stability is assured. Gone are the days when women were considered subservient or secondary in almost all walks of life compared to men. It has now amply been proved that women are capable of executing any job as efficiently as men, if not more so.”- APJ Abdul Kalam.

The growing social awareness across the globe has brought a number of issues to the fore among which gender equality and empowerment of women are very significant. Discrimination against women in the form of male-female differentiation constitutes the core of the gender-biased system. The education is the biggest liberating force and the rise in the levels of education which nourishes progressive outlook and the advent of industrialization and modernization have effected a sea change in the attitudes and thinking pattern of the people. The empowerment is not essentially political alone in fact; political empowerment will not succeed in the absence of economic empowerment. The scheme of micro financing through Self Help Groups (SHGs) has transferred the real economic power in the hands of women and has considerably reduced their dependence on men. This has helped in empowerment of women and building self-confidence, but lack of education often comes in the way and many a times they had to seek help from their husbands for day-to-day work viz; bank, accounts, etc. The distance education provides an opportunity to these women to improve their skills. The higher level of learning will help them to learn skill and vocations and play an effective role in the management of SHGs.

The scheme of micro financing through Self Help Groups (SHGs) has transferred the real economic power in the hands of women and has considerably reduced their dependence on men. This has helped in empowerment of women and building self-confidence, but lack of education often comes in the way and many a times they had to seek help from their husbands for day-to-day work viz; bank, accounts, etc. Self Help Groups are also considered to be the instrument for poverty alleviation, where the first and perhaps the most critical Millennium Development Goal of the country is to make a pivotal difference in reducing the extreme poverty and hunger. Being a key instrument and the key factor which can affect the poverty reduction, SHG in the area of Micro-Credit needs a greater consideration.

Results have shown that women are having strong commitment than men, which helped SHGs to prosper. Though there is a satisfactory growth of SHGs, there is a need to look in to each factor of SHGs to ensure the success in the long run and to prove SHGs as one of the important instrument in the financial system of the country and key factor in the economic development of the country. But to ensure this a complete standardization of SHGs is needed, where most of the members generally are not having the formal training in their activities. This study is basically focused on the effectiveness of SHGs in women empowerment and poverty alleviation and its impact on the economy of the country.

The concept of Micro-Credit was first introduced by Mohammad Yunus in Bangladesh, when he had given the \$23 loan to a villager and the villager repaid the loan promptly. M. Yunus has realized that the poor people can repay the loan in time from their small businesses if they are provided with small loans and to effect this invention with his graduate students in Chittagong University in 1976 he designed an experimental credit programme to serve them & he has established the Micro-Credit Bank known as “Grameen Bank”. He has disbursed and recovered thousands of loans from the poor people.

The Self Help Groups represent a unique approach to the financial system which enabled the women to save a small amount of money and to utilize it for the productive purpose resulting in their empowerment and increase in self reliance.

### STATEMENT OF THE PROBLEM

As specified in the introductory part of this study many programmes being implemented in India right from the India’s nationalization period to till the date for the women empowerment and poverty alleviation, but these initiatives have not completely resulted in the poverty alleviation and total empowerment of women. Though the need for women empowerment has been realized in many conferences like world conference in Mexico, still there is a need to catalyze this movement. The study is aimed at reviewing the functioning of Self Help Groups and its implications, analyzing the impact of Self Help Groups and micro-credit on empowerment of poor women & poverty alleviation and suggesting policy measures for empowering them, strengthening micro-finance programme and effective and efficient functioning of SHG’s, therefore the study is titled- “A Study of Poverty Alleviation and Women Empowerment through Self Help Groups in Pandharpur Tehsil”

### OBJECTIVES OF STUDY

1. To study the working of Self Help Group in Pandharpur Tehsil.
2. To evaluate the effectiveness of Self Help Group in alleviating the poverty and empowering women in Pandharpur Tehsil.
3. To evaluate the performance of Self Help Groups in their different productive and entrepreneurial activities.

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### NULL HYPOTHESIS

1. There is no increase in the income level of most of the SHG members after joining SHG.
2. There is no impact of Self Help Groups on the empowerment of most of the SHG women.

### RESEARCH METHODOLOGY

#### PRIMARY DATA

The present study is based on primary data collected through structured questionnaire from the sample collected in Pandharpur Tehsil.

#### The questionnaires are based on the following factors

- Members details
- Income level
- Savings
- Credit details
- Interest rates
- Loan utilization
- Income from economic activities
- Decision Making

**Sample Size:** 24 SHGs and 240 SHG members have been selected as a sample size from Pandharpur.

**Sampling Technique:** There are approximately 40 to 60 villages in Pandharpur Tehsil. Simple random sampling is used and 4 villages i.e. Wakhari, Korti, Kauthali and Shridhon, have been selected randomly and tried to cover all the self help groups in these villages.

#### SECONDARY DATA

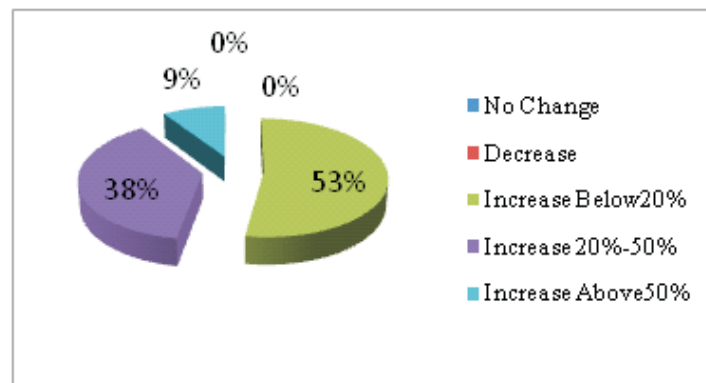
For the present study some secondary data is also used to support the study. The secondary data is collected from various magazine, journals, periodicals, and websites, the details of which are given in the reference part of the paper.

#### DATA ANALYSIS

**Table No:-1 Increase in Income Level of Group members if SHG**

No Change	Decrease	Increase		
		Below 20%	20%-50%	Above 50%
0	0	141	102	25

**Graph No:-1 Increase in Income Level of Group members if SHG**



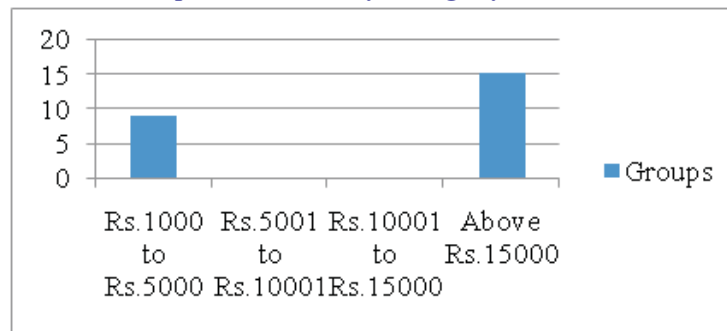
## A Study On Poverty Alleviation And.....

It is observed that the income level of 53% of the SHG members is increased by below 20%, while the income of 38.05% of the SHG members is increased by 20%-50% and in case of the remaining 9.33% of the SHG members the increase in income level is above 50%. This clearly indicates that the self help groups are an efficient tool to reduce the poverty among poor people.

**Table No:-2 Monthly savings by SHG**

Savings	Groups	Percentage
Rs.1000 to Rs.5000	9	37.50%
Rs.5001 to Rs.10001	0	0
Rs.10001 to Rs.15000	0	0
Above Rs.15000	15	62.50%
<b>Total</b>	<b>24</b>	<b>100%</b>

**Graph No:-2 Monthly savings by SHG**

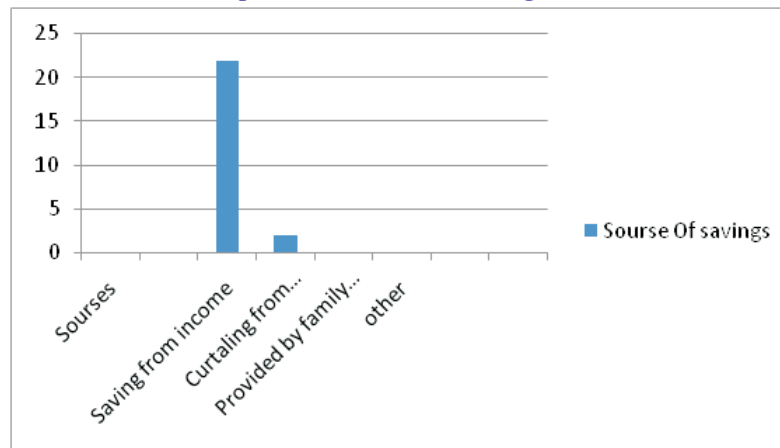


It is observed that 37.50% of the Self Help Groups monthly save Rs.1000 to Rs. 5000, where as 62.50% of the Self Help Groups save monthly above Rs. 15000.

**Table No: 3 Source of savings**

Sources	Groups	Percentage
Saving from income	22	91.67%
Curtailing from expenditure	2	8.33%
Provided by family members	0	0%
other	0	0%

**Graph No:-3 Source of Savings**



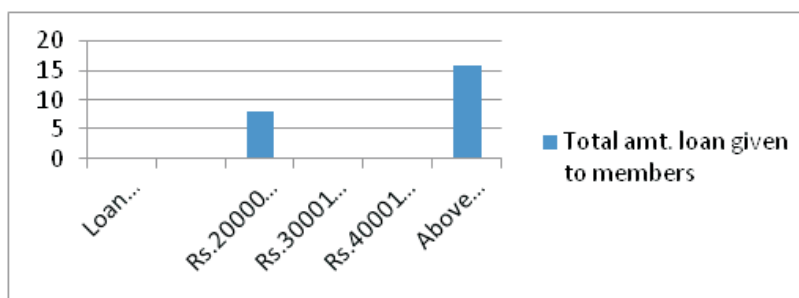
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It is observed that 91.67% of the respondent's source of saving is their income, where as 8.33% of the respondents save the money by curtailing from their expenditure.

**Table No: 4 Total amount of loan given to members**

Loan Amount	Groups	Percentage
Rs.20000 to Rs.30000	8	33.33%
Rs.30001 to Rs.40000	0	0%
Rs.40001 to Rs.50000	0	0%
Above Rs.50000	16	66.67%
Total	24	

**Graph No:-4 Total amount of loan given to members**



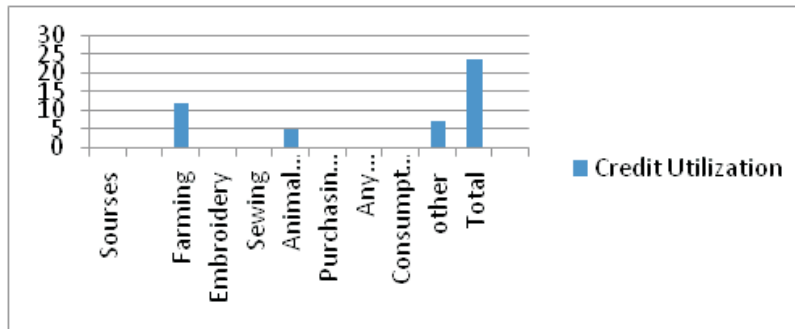
It is observed that in case of 33.33% of self help groups the total amount of loan given to members is in between Rs.20,000 to Rs.30,000, where as in case of 66.67% of the Self Help Groups the total amount loan given to members is above Rs.50,000.

**Table No:-5 Credit Utilization**

Sources	Groups	Percentage
Farming	12	50%
Embroidery	0	0%
Sewing	0	0%
Animal Husbandry	5	20.83%
Purchasing of Asset	0	0%
Any commercial production	0	0%
Consumption	0	0%
other	7	29.17%
Total	24	

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**Graph No:-5 Credit Utilization**

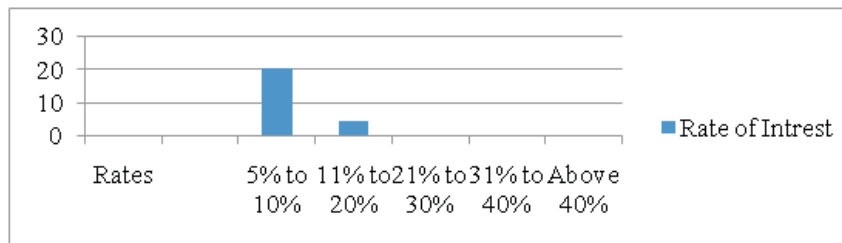


It is observed that 50% of the respondents utilized the loan for farming; where as 20.83% of the respondents utilized the loan taken from the SHG for Animal Husbandry, while 29.17% of the respondents use the loan taken from the SHG for other reason

**Table No - 6 Rate of Interest charged on loan**

Rates	Groups	Percentage
5% to 10%	20	83.33%
11% to 20%	4	16.67%
21% to 30%	0	0%
31% to 40%	0	0%
Above 40%	0	0%
<b>Total</b>	<b>24</b>	

**Graph No:-6 Rate of Interest Charged on loan**



It is observed that in case of 83.33% of the respondents the interest rate charged on the loan is 5% to 10%, where as in case of 16.67% of the respondents the rate of interest charged on the loan is 11% to 20%.

**Table No.-7 Repayment status**

Category	Groups	Percentage
All repay in time	20	83.33%
Few repay in time	4	16.67%
All don't repay in time	0	0%
No repayment of loan	0	0%
<b>Total</b>	<b>24</b>	<b>100%</b>

It is observed that in case of 83.33% of the respondents all the group members repay the loan amount in time, while in case of 16.67% of the respondents only few members repay in time. There is no group among the respondent which members do not repay at all.

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**Table No.-8 SHG related activities or terminologies**

Factors	Groups	Percentage
Books of accounts	0	0%
Information in group	24	100%
Pass Book	24	100%
No. of Members in group	24	100%
Achievement of group	24	100%
Objectives of group	24	100%
Amount of savings by group members	24	100%
Amount of loan taken by group members	24	100%
Name of group members	24	100%
Agenda of meeting	0	0%
Minutes of meeting	0	0%

It is observed that 100% of the groups are having the knowledge of the SHG related terminologies or activities like Books of accounts, pass book, achievement of group, Amount of savings by group members, amount of loan taken by group members. But none of them is aware about Agenda of meeting & minutes of meeting.

**Table No.-9 SHG Linkage with Bank**

Sources	Groups	Percentage
Solapur DCC Bank , Market yard, Pandharpur	18	75%
SBI ,Pandharpur	6	25%
<b>Total</b>	24	

It is observed that 75% Self Help groups linked with Solapur DCC Bank, Pandharpur & 25% Self Help groups are linked with SBI Pandharpur.

**Table No.-10 Available basic services to group members**

Type of Service	Availability percentage		
	Majority	Some	None
School for children	98%	0%	0%
Maternity service	95%	5%	0%
Sanitation facility	92%	8%	0%
Safe Drinking water	99%	1%	0%
Family Planning	95%	5%	0%
Pension Scheme	0%	8%	92%
Immunization of Child	98%	2%	0%
Immunization of Mother	95%	5%	0%
Clean environment	99%	1%	0%
Own house	98%	2%	0%
Electricity	94%	6%	0%

It is observed that Majority of respondents (92% to 98%) have the facility of school for children, Maternity service, sanitation facility, safe drinking Water, Immunization of child, Immunization of mother, clean Environment, own house, electricity etc. Some of them (1% to 8%) have family planning. No one of them has facility of pension scheme.

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**Table No.- 10 Decision making of SHG member after joining SHG (Empowerment of Women)**

Sr. no.	Area of decision making	Before joining SHG			After Joining SHG		
Sr. no.	Area of decision making	Husband	Wife	Both	Husband	Wife	Both
1	Children education	14	1	9		1	23
2	Marriage of girls	14		10			24
3	Marriage of boys	16		8			24
4	Loan utilization	21	2	1	1	2	21
5	Savings	20	2	2		2	22
6	Expenditure	19	3	2		3	21
7	Asset building	22		2			24

It is observed from the above table that in case of 58% to 83% of the SHG members the decision related to the above factors is taken by Husband before joining SHG and now these decisions are taken by both. It indicates that the Self Help Group is empowering women in making decisions regarding house related activities.

### HYPOTHESIS TESTING:

There are three hypothesis made for this paper all of hypothesis are tested by using statistical method i.e. CHI-SQUARE test, the details of which are given below.

**1<sup>st</sup> hypothesis (H<sub>0</sub>):** There is no increase in income level of most of the SHG members.

#### CHI-SQUARE Test at .05 probability

	o	e	$X^2=(o-e)^2/e$	Table Value at 0.05
No Increase in Income	0	17	17	
Increase in Income	24	7	41.28571429	
Total			58.28571429	3.84

As the calculated value of X<sup>2</sup> is greater than the table value at 0.05 probability, the 1st hypothesis i.e. there is no increase in the income level of most of the SHG members, is rejected and alternative hypothesis is accepted.

**2<sup>nd</sup> hypothesis(H<sub>0</sub>):** There is no impact of Self Help Groups on empowerment of most of the SHG women

#### CHI-SQUARE Test at .05 probability

Decision Making after Joining SHG	o	e	$X^2=(o-e)^2/e$	Table Value at 0.05
Husband	1	17	15.05882353	
Both	23	7	36.57142857	
Total			51.6302521	3.84

As the calculated value of X<sup>2</sup> is greater than the table value at 0.05 probability, the 2nd hypothesis i.e. There is no impact of Self Help Groups on empowerment of most of the SHG women, is rejected and alternative hypothesis is accepted

### FINDINGS



## A Study On Poverty Alleviation And.....

- ❖ The study shows that there is significant increase in the level of income of the SHG members where income of almost 53% of the members is increased by below 20% and in case of 38% of the members the income is increased by 20% to 50% and the remaining 9% of the members have above 50% increase in their income.
- ❖ It is observed that 62.50% of the respondents save the amount above Rs.15000 and the remaining 37.50% of the respondents save the amount in between Rs. 1000 to Rs. 5000.
- ❖ It is observed that 91.67% of the respondent's source of saving is from income, where as 8.33% of the respondents source of saving is curtailing from their expenditure.
- ❖ In case of majority of Self Help Groups the total amount of loan given to members is above Rs.50000 and in case of remaining 33.33% of the Self Help Groups the amount of loan given to members is in between Rs. 20000 to Rs. 30000.
- ❖ It is found that 50% of the respondents utilized the loan for farming; where as 20.83% of the respondents utilized the loan taken from the SHG for Animal Husbandry, while 29.17% of the respondents use the loan taken from the SHG for other reasons.
- ❖ It is found that maximum interest rate charged on the loan is 5% to 10% and in case of some groups it is 11% to 20%.
- ❖ The repayment status of the SHG members is good as in case of maximum self help groups all the members repay in time.
- ❖ It is observed that 100% of the groups are having the knowledge of the SHG related terminologies or activities like Books of accounts, pass book, achievement of group, Amount of savings by group members, amount of loan taken by group members. But none of them is aware about Agenda of meeting & minutes of meeting.
- ❖ It is observed that 75% Self Help groups linked with Solapur DCC Bank, Pandharpur & 25% Self Help groups are linked with SBI Pandharpur.
- ❖ Majority of respondents (92% to 98%) have the facility of school for children, Maternity service, sanitation facility, safe drinking Water, Immunization of child, Immunization of mother, clean Environment, own house, electricity etc. Some of them (1% to 8%) have family planning. No one of them has facility of pension scheme.
- ❖ It is observed from the above table that in case of 58% to 83% of the SHG members the decision related to the above factors is taken by Husband before joining SHG and now these decisions are taken by both. It indicates that the Self Help Group is empowering women in making decisions regarding house related activities.
- ❖ Two null hypothesis of the paper were rejected on the basis of results by using CHI-SQUARE Test and alternative hypothesis is accepted. It means there is an increase in the income level of most of the SHG members after joining SHG and SHG has impact on poor women which resulted in to empowerment of women.

### CONCLUSION

SHG focuses on organization of the poor grassroots level through a process of social mobilization for poverty eradication. In such a group the poorest women would come together for emergency, disaster, social reasons, economic support to each other have ease of conversation, social interaction and economic interactions. Self-help groups are good development interventions also because they provide social support to group members, in that women gather during group meetings to discuss and resolve their financial and personal issues related to "health, hygiene, sanitation and cleanliness, environmental protection, education, etc. The basic motive of any Self Help Group is to have increase in the standard of living and empowering women by utilizing the credit for some economic activities and earning some amount of income for the family. Though we find the increase in the level of income after joining SHG, still many of the members are not properly utilizing the loan for different economic activities. It is also observed during the study that some Self Help Groups utilize amount loan for the daily consumption. In conclusion we can say that still there is a need to give the training regarding different economic activities and making the group members aware about different opportunities in the market where they utilize this credit recourse in efficient manner.

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