

Inter-Regional Disparity of Economic Variables of Members of SHGs in Maharashtra

Dr. Pawar Shivaji. A.

Assistant Professor, Mulund College of Commerce, Mulund (W), Mumbai.

Corresponding Author: Dr. Pawar Shivaji. A.

Abstract: Self Help Group is voluntary associations of women or men residing in a given area formed democratically and without any politically association. These groups have a common perception of need and impulse towards collective action. SHGs have impact on economic variables of its members, it may be towards equity or disparity. Personal income, savings and consumption expenditure are increasing towards equality due to SHGs. This is good sign of economic development of society due to SHGs. Thus, to generalize this successful movement in entire nation should have proper policy measures and efficient implementation of the same.

Date of Submission: 29-03-2019

Date of acceptance: 13-04-2019

I. Introduction

Self Help Group is voluntary associations of women or men residing in a given area formed democratically and without any politically association. Self Help Groups are formed for mutual assistance in accomplishing the economic gain and to change the quality of life. The basic principles on which self-help groups function are group approach, mutual trust, organization of poor manageable small groups, group cohesiveness, spirit of thrift, demand based lending, collateral free, women friendly loan, peer group pressure in repayment, skill training, capacity building and empowerment.

In brief, the concept of SHGs is very significant for poor people, especially the rural women those who don't have any alternative for living. The empowerment of women through SHG would lead to benefit not only to the individual women and women groups but also for their families and community as a whole through collective action for development. These groups have a common perception of need and impulse towards collective action. SHGs have impact on economic variables of its members, it may be towards equity or disparity. Thus, in this paper researcher has tried to focus on inter regional disparity of economic variable due to SHGs in Maharashtra.

II. Objectives

1. To study economic impact on different variables of SHGs in Maharashtra.
2. To study the inter-regional disparity of economic variables due to SHGs in Maharashtra.
3. To compare disparity of economic variables before and after joining SHGs in Maharashtra.
4. To suggest suggestions for more efficiency and more equity of economic variables of SHGs in Maharashtra.

III. Hypotheses of the Study

1. Due to SHGs, Personal Income of members of SHGs has increased towards equality.
2. Due to SHGs, Living Expenditure of members of SHGs has increased towards equality.
3. Due to SHGs, Savings of members of SHGs has increased towards equality.

IV. Research Methodology

The present study purely depends on primary data. Primary data was collected through survey method by administering separate structured questionnaires to the concerned set of respondent. The study area was Maharashtra. The Stratified Random Sampling Method was selected by the researcher to select responsible. This sampling method was selected by researcher, because the study area was very vast i.e. Maharashtra state. To select the samples five administrative regions of Maharashtra i.e. Western Maharashtra, Marathwada, Konkan, Vidharbh and North Maharashtra had been selected for the study. From every administrative regions one district (having large number of SHGs) had been selected i.e. from Westron Maharashtra Solapur, from Marathwada Nanded district, from Vidharbh Nagpur district, from North Maharashtra Nasik district, from Konkan Thane district have selected. From every district two blocks had been selected for the study. Thus, from each block five

Villages had been selected for collecting the primary data. From five Villages 100 SHG members i.e. from every Villages two SHGs.(20 SHG members) had been selected, means total 5 regions*200 SHGs members =1000 sample size of the respondents had been selected for the study.

1. Family income of SHGs Members

Income of the person is most influencing factor of performance. Table No. 01 shows inter regional disparity of family income of SHGs members before and after joining SHGs in Maharashtra. Table no. 01 indicates that in all four regional areas Gini Coefficient of members' income before joining SHGs was more than after joining SHGs, Gini's coefficient decreased. Conclusion is after membership of SHGs, members' income is increased more towards equality, because average Gini Coefficient of income before joining SHGs was 0.34 and it was 0.25 after joining SHGs.

Table No. 01: Inter Regional Disparity of Family income before and after Joining SHGs

Sr. No.	Area	Before Joining SHG (Value of Gini Coefficient)	After Joining SHG (Value of Gini Coefficient)
1	North Maharashtra	0.2148	0.1991
2	Vidharbha	0.1877	0.1581
3	West Maharashtra	0.3713	0.2319
4	Kokan	0.1464	0.0254
5	Marathwada	0.7904	0.6648

Note: GC= Gini Coefficient

2. Family Saving of SHGs Members

Saving is residual part of income after making consumption expenditure. It helps to capital formation and has importance in personal life. Table No. 02 shows inter regional disparity of savings of SHGs members before and after joining SHGs in Maharashtra. Table no. 02 indicates that in all four regional areas Gini Coefficient of saving before joining SHGs was more than after joining SHGs, Gini's coefficient decreased. On the basis of this analysis we conclude that after membership of SHGs saving is increased more towards equality, because average Gini Coefficient of saving before joining SHGs was 0.44 and it was 0.39 after joining SHGs.

Table No.02: Inter Regional Disparity of Saving before and after Joining SHGs

Sr. No.	Area	Before (Value of GC) (Value of Gini Coefficient)	After (Value of GC) (Value of Gini Coefficient)
1	North Maharashtra	0.4741	0.3968
2	Vidharbha	0.2457	0.2565
3	West Maharashtra	0.2850	0.3170
4	Kokan	0.6246	0.5196
5	Marathwada	0.5780	0.4829

Note: GC= Gini Coefficient

3. Living Expenditure SHGs Members

Living expenditure of the person is vital component of total expenditure, which is most influencing factor of standard of living and performance. Table No. 03 shows inter regional disparity of Living expenditure of SHGs members before and after joining SHGs in Maharashtra. Table no. 03 indicates that in all four regional areas Gini Coefficient of Living expenditure before joining SHGs was more than after joining SHGs, Gini's coefficient decreased. On the basis of this analysis we conclude that after membership of SHGs Living expenditure is increased more towards equality, because average Gini Coefficient of Living expenditure before joining SHGs was 0.30 and it was 0.27 after joining SHGs.

Table No. 03: Inter Regional Disparity of Living Expenditure before and after Joining SHGs

Sr. No.	Area	Before Joining SHG (Value of Gini Coefficient)	After Joining SHG (Value of Gini Coefficient)
1	North Maharashtra	0.3380	0.3234
2	Vidharbha	0.2338	0.2527
3	West Maharashtra	0.2615	0.2461
4	Kokan	0.2989	0.2582
5	Marathwada	0.3858	0.2977

Note: GC= Gini Coefficient

V. Major findings

1. It is concluded that after joining SHGs member's income is increased more towards equality, because average Gini Coefficient of income before joining SHGs was 0.34 and it was 0.25 after joining SHGs.
2. It is concluded that after membership of SHGs saving is increased more towards equality, because average Gini Coefficient of saving before joining SHGs was 0.44 and it was 0.39 after joining SHGs.
3. It concludes that after membership of SHGs Living expenditure is increased more towards equality, because average Gini Coefficient of Living expenditure before joining SHGs was 0.30 and it was 0.27 after joining SHGs.

VI. Major Suggestions

1. Rate of Interest on loan, which is receiving by members from SHGs is much higher, therefore SHGs should reduce rate of interest on loan.
2. NGOs, banks and Government should have more training camps.
3. Bank's participation in SHG's movement is limited, therefore banks should increase their participation in development of SHGs.
4. State and Central Government should take initiatives to avail various schemes to SHG members.
5. The proportion of saving by SHGs members should increase.
6. Government should give subsidy on bank loan to the members of SHGs.
7. Banks should available sufficient branches and bank facilities.
8. Some SHGs members misuse the loan amount for non-economic activities, therefore they should use it for business purpose.
9. Government, banks, media and private business organizations should available free and sufficient information of the Government schemes, which is applicable to SHGs.
10. Members should use various business strategies, business ethics and reduce the cost of production to raise their business and ultimately to increase their income from business.

VII. Conclusion

On basis of above analysis, we can conclude that SHGs have positive impact on socio – economic variables of SHGs members like Personal income, savings and consumption expenditure are increasing towards equality due to SHGs. This is good sign of economic development of society due to SHGs. But the successful movement of SHGs is limited upto certain areas of the nation. It should be generalize in entire nation. It will bring socio-economic sustainability in society. Thus, to generalize this successful movement in entire Nation Government should provide subsidy to SHGs, should reduce the rate of interest on loan, should available sufficient information, banks should provide sufficient support to SHGs, Government should frame various schemes for SHGs etc. Thus, efficient and self-reliable SHGS will help in SOCIO-economic development of Nation and also increases socio-economic welfare of the society. For this purpose Government should have proper policy measures and efficient implementation of the same.

Bibliography

- [1]. Bansal A.(2012), Microfinance and poverty reduction in India, Journal of Integral Review- A Journal of Management, Volume 5, No. 1, pp. 31-35.
- [2]. Pawar S.A. (2019), Towards A Sustainable Society: The Role of SHG as A Catalyst for Economic Stability with Special Reference to SHGs in Maharashtra (2002-2012), Ph. D. Thesis, University of Mumbai, 2019.
- [3]. Ravi and others (2014), Impact of micro finance on socio-economic status after joining SHGs in Karnataka: A study, Sothern Economist, Vol.52, p-28.
- [4]. Venketesh P. (2012), Micro credit penetration through self-help groups: clues from growth of SHG- Bank Linkage model in India, Indian stream Research journal, Vol.1, p-6.

IOSR Journal of Business and Management (IOSR-JBM) is UGC approved Journal with SI. No. 4481, Journal no. 46879.

Dr. Pawar Shivaji. A. "Inter-Regional Disparity of Economic Variables of Members of SHGs in Maharashtra ". IOSR Journal of Business and Management (IOSR-JBM), Vol. 21, No. 4, 2019, pp. -01-03