

Micro Finance Self – Help Groups

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Abstract

This study has the overall objective of analyzing on rural Women performance of the SHGs in Telangana State. The specific objectives of the study are: 1.To study the Socio economic conditions of the SHGs selected sample households. 2. To examine Impact of Income of the SHG's members. 3. To analyse Impact of Employment of the SHG's members. 4. To study the Empowerment of Rural women through SHG's. The rural women who were the members of Self Help Groups formed and linked with banks during 2017-2020 years in rural areas of Nalgonda district of Telangana State.

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I. Introduction

Microfinance can help families to generate sufficient income to send their children to school rather than work. Microfinance institutions can support poor people in managing their savings. They offer loans to poor people either for business purposes or to deal with financial emergencies caused by illness, accidents, funerals or otherwise. The vast majority of families of child workers, however, don't have access to the services of microfinance institutions. They don't meet the requirements, or are excluded from loan groups, because they don't have collateral, because they are indebted or because they are no permanent residents in the place of work. They are a vehicle for very poor people to build up some savings. Through mutual support, they can provide members with small loans for business purposes or in times of financial stress.

Alleviation of poverty, the care of all developmental efforts, has remained a very big task among developing countries. Poverty is more chronic and involving several inter locked aspects such as not having assets, political powerlessness under-employment, uncertain and relevantly unproductive employment, inadequate remuneration, lack of barraging power, economic vulnerability, illiteracy, proneness to disease, social disadvantage and. Poverty manifests in malnutrition, overcrowding, growth of slums and infant/maternal mortality, drought, flood, cyclone and resource-poor areas.

Karmakar, K G had analysed on existing credit delivery system in India with special reference to the credit needs of rural poor and role of SHGs in making the delivery system more effective and viable. He also reviewed the depth of outreach in microfinance, which usually starts and often ends with loan size.

Shannon Doocy, Dan Norell and Shimeless Teferra compared two controlled groups of borrowers and community members matched by sex and selected at random revealed a statistically significant increase among the women borrowers as opposed to male borrowers and non borrowers in nutritional status of both women and children, higher diversification of income, greater household income, greater land and home ownership and reduced receipt of food aid.

Sushila Ravindranathan revealed that the micro entrepreneurs usually want to start ventures not amounting more than Rs. 10,000. The interests they pay to the moneylenders make vegetable market in Chennai; one can see people disbursing Rs. 100 to various vegetable vendors in the morning. By the evening the vendors have to pay back Rs. 120. This means they pay 20% interest every day. These are the vegetable, flower; fish vendors, tea stall and food stall owners who require funds and have no resource other than the moneylenders.

In India bank loans are offering only against securities. Most of the people don't have assets to offer as securities and therefore, they could not avail any bank loans to undertake any economic activities. It is more of true to Indian women who don't possess any of the family assets, if any, in their own name. The co-operative societies were formed especially in rural areas to meet the financial needs of the people. But the co-operative movement has failed in this country. Thus the financial needs of the poor people remained unfulfilled. They could not participate in the economic development of the country and thereby they could not improve their living conditions. To overcome this problem, NABARD desired and introduced micro credit system to cover unbanked poor people in India. Accordingly Banks were instructed to offer micro credit by having linkages with self help groups. Thus the movement of self help groups especially formed by women gained momentum in our

country. In this regard there is a need to study the impact of micro-credit on the living conditions of the poor people and in particular among women folks.

II. Objectives Of The Study

There have been many studies in micro credit as briefly outlined above. NABARD also compiles data on micro credit delivery to the SHGs every year. But the data is an aggregate and does not spell out how much it benefited the people in each sector. This study has the overall objective of analyzing on Handicraft Women performance of the SHGs in Telangana as such study has not yet been undertaken. The specific objectives of the study are:

1. To study the Socio economic conditions of the SHGs selected sample households.
2. To examine Impact of Income of the SHG’s members.
3. To analyse Impact of Employment of the SHG’s members.
4. To study the Empowerment of Rural women through SHG’s

III. Methodology And Data Source

We use the multi stage random sampling method in the selection of SHG’s beneficiaries. In the first stage will select SHG’s instituting which is providing loans in the poor people. In the second stage Nalgonda district is selected it is due to the concentration of large number of beneficiaries in the district. In the third stage 4 mandals is selected randomly for the collection of primary data. The sample respondent’s are going to select mostly by adhering to the principles of stratified random sampling. The criteria for stratification are social status and nature of activity.

Data sources

The study makes use of both primary and secondary sources. Administering a pre-designed questionnaire among the SHG beneficiaries collects the primary data. The secondary data were collected from the annual reports of sample Micro enterprises and the reports published by NABARD for the years concerned. Primary data collected time period April 2019 to march 2020. Sample size is 400.

Statistical tools

The present study used various tools of statistics including simple percentages, frequency distribution, mean, standard deviation, chi-square statistic, correlation co-efficient and simple regression are employee. The present study has considered the rural women who were the members of Self Help Groups formed and linked with banks during 2017-2020 years in rural areas of Nalgonda district of Telangana.

Primary Data Analysis:

Table: 1 Social status of the respondents

Social Status	Respondents	Percentage
SC	92	23
ST	40	10
BC	184	46
OC	84	21
Total	400	100.0

Source: Field Study

The above table shows that social status of the respondents. Among the 400, 23 percentages of the respondents are Schedule Cast, 10 percentages of the respondents are Schedule Tribes, 46 percentages of the respondents are Backward Classes and 21 percentages of the respondents are General Category.

Table: 2: Housing conditions

Type of House	Respondents	Percentage
Pucca	90	22.5
Semi Pucca	212	53
Kutchra	98	24.5
Total	400	100.0

Source: Field Study

The above table shows that type of the house they having. Among the 400 households 22.5 percentages of the respondents are having pucca house, 53 percentages of the respondents are having semi pucca house and remaining 24.5 percentages of the respondents are having Kutchra type house.

Table: 3 Major Source of Income to the Household

Major Source of Income to the Household	Respondents	Percentage
Own Cultivation	68	17.0
Tenant Cultivation	22	5.5
Allied Agricultural Activity	48	12.0
Agricultural Labour	148	37.0
Non farm self employed	36	9.0
Non-farm daily wage	28	7.0
Business	18	4.5
Milk selling	12	3
Vegetable selling	20	5.0
Total	400	100.0

Source: Field Study

The above table shows that Major Source of Income to the Household. Among 400 respondents 17 percentages of the respondents are having Own land cultivation, 5.5 percentages of the respondents are Tenant Cultivation, 12 percentages of the respondents are allied Agricultural activity, 37 percentages of the respondents are agricultural labour, 9 percentages of the respondents are non farm self employed, 7 percentages of the respondents are nonfarm wage, 4.5 percentages of the respondents are business, 3 percentages of the respondents are milk selling and 5 percentages of the respondents are Vegetable selling.

Table: 4 Land Ownership

Land Owned	Respondents	Percentage
Irrigated	72	18.0
Un-irrigated	112	28.0
Not Applicable	216	54.0
Total	400	100.0

Source: Field Study

The above table shows that land owned by the households. Among the 400 respondents 18.0 percentages of the respondents are having irrigated land, 28.0 percentages of the respondents are having un-irrigated land and 54.0 percentages of the respondents are does not have land.

Table: 5 The Household

Size of the Household	Respondents	Percentage
1-3	98	24.5
4-6	286	71.5
7-10	16	4.0
Total	400	100.0

Source: Field Study

The above table shows that Size of the households of the respondents. Among the 400 respondents 24.5 percentages of the respondents are 1-3 members of the family, 71.5 percentages of the respondents are 4-6 members of the family and 4 percentages of the respondents are 7-10 members of the family.

Table: 6: Income of the household

Own Income	Respondents	Percentage
Upto 75000	280	70.0 %
75001- 150000	92	23.0%
Above 150000	28	7.0 %
Total	400	100.0

Source: Field Study

The above table shows that Income of the respondents. Among the 400 respondents 70.0% percentages of the respondents are having income upto 75000, 23.0% percentages of the respondents are having income 75001 to 150000, and remaining 7.0 % percentages of the respondents are having income above 150000.

Table: 7: Size of employment

Size of employment	Respondents	Percentage
Up to 2	236	59.0
2-4	112	28.00
Above 4	52	13.0
Total	400	100.0

Source: Field Study

The above table shows that Size of employment of the respondents. Among the 400 respondents 59.0 % percentages of the respondents are having employment Up to 2 members, 28 % percentages of the respondents are having employment 2 to 4 members and remaining 13.0% percentages of the respondents are having employment above 4 members in a family.

Table: 8 Man days of employment

Man days of employment	Respondents	Percentage
143 days	216	54.0
212 days	170	42.5
276 days	14	3.5
Total	400	100.0

Source: Field Study

The above table shows that Man days of employment of the respondents. Among the 400 respondents 54 percentages of the respondents are having employment 143 days, 42.5 % percentages of the respondents are having employment 212 days and remaining 3.5% percentages of the respondents are having employment 276 days in the year.

Table: 9 Types of saving

Forms of saving	Respondents	Percentage
Nil savings	130	32.5
LIC Policy	112	28.0
Bank deposit	86	21.5
Installments to house site	56	14.0
Gold	16	4.0
Total	400	100.0

Source: Field Study

The above table shows that, types of saving of respondents. Among the 400 respondents 32.5 percentages of the respondents are Nil Savings, 28 percentages of the respondents are taken LIC Policy, 21.5 percentages of the respondents are saving in Bank deposit, 14.0 percentages of the respondents are paying Installments to house site and remaining 4.0 percentages of the respondents are purchased Gold.

Table 10: Loans distribution to SHG members

Sl. No.	Distribution of loans	No. of respondents	%Total
1.	According to the need of members	320	80
2.	Equally distributed among all	60	15
3.	Leaders decides who should get	20	5
	Total	400	100

Source: Fieldwork,

Table 10 demonstrates that 80% respondents kept up that the credits inside the SHG are appropriated by the requirements of the individuals, 15 % respondents said that advances are similarly circulated among the individuals and 5% uncovered that the pioneers settled on who ought to get the advance. The information gathered, uncovers that in the greater part of the SHGs, advances are given by the requirements of the individuals and the term for reimbursement of advances is settled by the SHGs according to the measure of advance taken.

Table 11: Meetings organised by SHG

Sl. No.	Meetings	No. of respondents	% Total
1.	Regular (twice or once a month)	370	92.5%
2.	Irregular (only once a month)	30	7.5%
3.	Rarely held	0	0
	Total	400	100%

Source: Fieldwork

Out of 400 respondents, 92.5% reacted that gatherings are held normally in their SHGs, 7.5% respondents kept up that gatherings are once in a while held in their SHG. The reasons given by respondents for abnormality of gatherings was that, occasionally there was no unanimity on the date of meeting and over the span of changing the dates according to the simplicity all things considered, the gathering frequently neglected to lead ordinary gatherings. Barely any respondents said that the places of SHG individuals were situated in faraway places and holding customary gatherings was not really conceivable, in this manner any correspondence that occurred between the individuals was through cellphone.

Table 12: Level of cooperation within the SHG

Sl. No.	Level of Cooperation	No. of respondents	% Total
1.	All members are cooperative	384	96%
2.	Some members are cooperative	16	4%
3.	None are cooperative	0	0
	Total	400	100%

Source: Field work,

The field information shows that 96% respondents saw that, all individuals in their gathering are agreeable though 4% respondents expressed that a few individuals are not helpful and 0% respondents communicated that their gathering were not helpful. Accordingly, the examination connotes that ladies who are individuals from SHGs are generally agreeable with different individuals in the gathering.

Table 13: Monthly income through economic products

Sl. No.	Income per month	No. of SHGs	% Total
1.	1001-2000	2	5
2.	2001-3000	5	12.5
3.	3001-4000	8	20
4.	4001-5000	16	40
5.	5001-6000	4	10
6.	6001-7000	2	5
7.	7001-8000	2	5
8.	More than 8000	1	2.5
	Total	40	100

Source: Fieldwork,

The information speaks to that 20% SHG had created a salary running from Rs. 3001- 4000, 40% SHG had salary of Rs.4001-5000, 5% every one of the SHG have pay extending from Rs.1001-2000, 12.5% of the SHG have pay extending from Rs.2001-3000 and 5% of the SHG have pay extending from Rs. 6001-7000. 5% SHG had pay of Rs, 7001-8000 another 2.5% SHG produced salary that occasionally surpassed Rs.8000 month to month.

Table 14: Contribution of members in income generating activities

Sl. No.	Contribution	No. of respondents	% Total
1.	All members	350	87.5
2.	Some members	25	6.25
3.	Very few members	25	6.25
	Total	400	100

Table 14 demonstrates the commitment of SHG individuals in monetary exercises. It portrays that 350 respondents (87.5%) guaranteed that all individuals make approach commitment in monetary exercises, 25 respondents (6.25%) uncovered that just a few individuals contribute in financial exercises of the gathering and 25 respondents (6.25%) said that not many individuals make commitment in pay creating exercises. It very well may be in this manner inferred that the majority of the individuals from SHG contribute similarly in the financial exercises of the gathering. In a few gatherings the commitments of a few individuals supposedly were inadequate with regards to, the explanation for this is the land area of those individuals.

Table 15: Self-employment after joining SHG

Sl. No.	Self-Employed in areas of	No. of respondents	% Total
1.	Agriculture	300	75
2.	Livestock	60	15
3.	Business	40	10
4.	Other	0	0
	Total	400	100

Source: Fieldwork,

The table 15 delineates that 75% respondents got independent work in zones of farming, 15% in zones of animals and 10 % began little scale business. The respondents opined that the preparation they got under SHGs helped them to upgrade their abilities in farming and domesticated animals which brought about better creation of vegetables, natural products, poultry and domesticated animals and brought maintainable financial additions. Some had contributed the credits from SHGs to begin a dress business and few put it in their self-claimed unimportant shops. Without a doubt, SHGs have helped the vast majority of the ladies to begin their very own endeavor and accomplish financial strengthening.

Table 16: Economic status of the respondents after joining SHG

Sl. No.	Economic Status	No. of respondents	%Total
1.	Totally dependent on spouse or family	50	12.5
2.	Dependent only few times	280	70
3.	Independent	70	17.5
	Total	400	100

Source: Fieldwork

The table 16 shows that 17.5% respondents have turned out to be monetarily independent and don't rely upon their family or spouse for satisfying essential needs. 70% still depended here and there on their mate's salary. 12.5% respondents completely relied upon their life partner and family. Most of respondents who had turned out to be financially autonomous took credits from the SHGs and put it in little scale business of pieces of clothing, vegetables, piggery, poultry, gardening, conventional painstaking work and so on for money age. Different respondents who couldn't do as such guaranteed that because of disappointment of their past monetary endeavors they have not possessed the capacity to set up another business and are along these lines subject to spouse's salary.

Table 17: Assets bought after joining SHG

Sl. No.	Assets	No. of respondents	% Total
1.	Land	50	12.5
2.	Jewellery	190	47.5
3.	Home Appliances	140	35
4.	Vehicle	4	1
5.	Nil	16	4
	Total	400	100

Source: Fieldwork,

The information in table 17 shows that 35% respondents have purchased home apparatuses subsequent to joining SHG, 47.5% have purchased gems, 12.5% have purchased land, 1% have purchased vehicle and 4 % have not purchased anything in the wake of joining SHG. It is discovered that the majority of the respondents have expanded their benefits in the wake of joining SHG.

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