



Role of Self Help Groups in Rural Development-A Study

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ABSTRACT

Rural development is a very dynamic process which includes in improving the socio-economic, political, environmental, and well-being of the poor people living in rural areas. In India more than 70 percent people living in rural areas, the concept of rural development assume great significance. The Molakalmuru taluk is one of the most backward taluk in Chitradurga district these areas have been facing so many problems like unemployment, poverty, lack of skills, illiteracy, and basic infrastructure health care common trend here. The present study is focused on the Socio-Economic status of Self-Help Group on rural development, and to study impact of Self-Help Group on rural development in Molakalmuru taluk. The present paper it is based on primary and secondary sources of information.

Keywords: Rural Development, Socio-Economic, Unemployment, Poverty

1. INTRODUCTION

Development of a state is very much dependent on the growth of rural people. Poverty is physical problem faced by every developing country like India. The fiscal condition is one of the basic needs of the poor rural people of the society for their socio-economic upliftment. Microfinance to Self-Help Group may be measured as a dynamic tool for meeting the fiscal condition of those inferior sections of the society living in rural areas. Since 1999, over 2.25 million SHGs have been recognized with an investment of Rs. 14,403 crores, making over 6.697 million people.

The objective to bring the poor families above the poverty line by ensuring significant increase in income over a period of time, is to be achieved over a process of social mobilization, skill development

training programme based on local requirement and capacity building along with the provision of income-generating assets over a mix of bank credit and government subsidy. A Self-Help Groups is a small voluntary association of poor people preferably from the same socio-economic back drop. The micro credit given to them makes them enterprising it can be all-women group, all-men group or even a mixed group. However, it has been the experience that women's groups perform better in all the important activities of SHGs. The Self-Help Group promotes small savings among its members. The savings are kept with a bank. This common fund is in the name of the SHG. Usually, the number of members in one SHG does not exceed twenty. SHG is now well-known concept. It is now almost two-decade old. It is reported that the SHGs have a role in hastening country's economic development. Mainly, members of the SHGs are women. Therefore, participation of women in the country's economic development is increasing. As majority of the women lack of resources that help contribute to their empowerment and well-being, economic independence through self-employment and entrepreneurial development must be paid attention to. So, the Government of India has provided for Self-Help Groups (SHGs).

Definition of SHGs.

According to the NABARD Self-help group means twenty or less people from a homogenous class who are willing to come together for talking their common problem. They make regular savings and use the joint savings to give interest borrowing loans to their members.

2. Impact of Self-Help Group on Rural Development

The Self-Help Group contribute for the rural development in the following manner. The saving interference under the groups in the Self-Help Group helps to show punishment on group members in emerging saving practice, the increase self confidence level of the female, and cyclone or any abnormal activities in requirement of funds, income increase and standard of living, in order to change the expression of socio-economic scenario, and Self-Help Group are playing significant role in the self-employment by income increase and better standard of living of the rural people. Alleviate poverty and promote economic individuality microfinance is playing a significant role in easing poverty, and rural

development. Microfinance to the rural Self-Help Group is a way income increases and better standards living of the rural women. The Self Help Groups have exposed that economic independence of rural women. The members look to transfer the finance from moneylenders, and friends to Self-Help Group loans to meet these expenditures. Rise self-confidence and self-respect SHGs movement is theoretical to build economic self-reliance of rural poor, create confidence and overcome waste SHGs members have savings in their name and it gives them increased self-confidence and self-respect role with Self-Help Group has reduced family strength due to decreases in financial problems. Make self-employment opportunities the implementation of SHGsprogramme has made Self-employment opportunities for the poor rural people.



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3. Review Literature

Anjugam and Alagumani (2001) in their research article on “*The Impact of Micro Finance on the Socio-Economic Status of Women in Madurai District*”, identified that it allowed households to pay old loans, to meet medical expenses, to purchase livestock, to fulfill social obligations, and to benefit on let cultivable land also discussed in the paper.

A research paper on “*Socio-Economic Impact through Self Help Groups*”, by K. Ritu, R. K. Kushwaha and A. K. Srivastava (2003), analyzed the working of self-help groups in Kanpur District, 25 women from self-help Groups had been selected as sample for the study. 10 female members from each self-help groups and 10 outsiders from the similar village were selected as respondents, the author found that effect of the SHGs on their socio-economic status. Finally show that there is close relationship between the SHGs and the socio-economic status of women in the study area.

A study carried out by M. A. Lokhande (2008) entitled on “*Socio-Economic Impact of Microfinance through Self Help Groups in Maharashtra Region*”, observed that microfinance for

micro enterprises become a one of the most effective poverty reducing tool. The need of the hour is to promote more and more microfinance organizations and strengthen them to provide more facility to the needy and poor people. The small business activities can be started based on local resources. In order to give motivation to small business activities by poor people in rural areas as well urban areas, microfinance organizations should be promoted to provide adequate, regular microcredit to the needy entrepreneurs. Development of microfinance strengthens not only rural sector but also the fiscal system of the country as a whole.

4. Objective of the study

- To study the Socio-Economic status of SHGs on rural development.
- To study impact of SHGs on rural development.

5. Methodology

The present paper is descriptive and analytical in nature. For the purpose of analysis, both the secondary and primary data were being used. In the taluka of Molakalmuru, in Chitradurga district, a total

of 70 respondents, chosen randomly, were personally interviewed by the author of the paper using structured interview schedule. The information gathered are presented in appropriate Tables and analyzed accordingly. The results are also appropriately interpreted and Secondary data is obtained by Journals, Magazines, NIRD Reports, NABARB Documents, Department of Women and

Child Development Annual Reports, and RDPR report.

6. Analysis and Interpretation

Here using secondary data, published by the RDPR report in the year 2014-15 district wise SHG groups entries in Karnataka are briefly discussed in below Table-01

Table: 1 District Wise Report on SHG Group Entries in Karnataka as On 2014-15

District Name	No. of GPs	No. SHG Groups Entered	No. of Member Details Entered	No. of Unemployed Member Details Entered	No. of Aged/Disabled Member Details Entered	No. of SHG Groups with Complete details	No. of SHG Groups with Incomplete details	No. of SHG Groups Confirmed
BAGALKOTE	163	6576	82104	6802	6823	6182	394	5764
BANGALORE	86	3447	59737	2862	6678	3444	3	3437
BANGALORE RURAL	98	3277	52379	2504	4145	3146	131	624
BELGAUM	486	17685	209217	10554	10499	14907	2778	9628
BELLARY	189	5468	60943	5091	4058	4417	1051	1823
BIDAR	175	7800	82257	2908	2898	5680	2120	5042
BIJAPUR	199	5770	73158	6781	6041	5212	558	4843
CHAMARAJA NAGARA	120	6796	85691	4713	3685	5415	1381	4850
CHIKKABALLAPURA	151	3437	52364	4291	3694	3163	274	3131
CHIKMAGALUR	226	6553	74494	5264	6514	5437	1116	4849
CHITRADURGA	185	11013	133766	7900	6371	10112	901	5398
DAKSHINA KANNADA	203	8494	93434	3604	11041	7535	959	7001
DAVANAGERE	230	4387	60640	4161	5781	4272	115	4225
DHARWAR	127	8523	101962	3814	6344	7816	707	247
GADAG	106	6242	72843	3733	3732	6177	65	4093
GULBARGA	220	5091	70403	3267	2341	4336	755	3768
HASSAN	258	15678	208978	11632	5792	14295	1383	8992
HAVERI	208	10981	126049	6225	7733	9481	1500	7899
KODAGU	98	2463	32669	2465	3227	2385	78	1427
KOLAR	156	3743	31029	2644	2749	1484	2259	900
KOPPAL	134	8001	89948	5152	5054	7489	512	2465
MANDYA	232	9864	169895	14497	11202	9720	144	9469
MYSORE	235	15158	205514	11409	7716	14819	339	14732
RAICHUR	165	4077	37400	1703	882	2880	1197	2446
RAMANAGARA	130	4818	79229	4563	5013	4707	111	4597
SHIMOGA	260	11969	153651	11097	14364	11524	445	10963
TUMKUR	321	24616	312810	14704	10370	24191	425	23056
UDUPI	146	6906	76570	2697	15519	5791	1115	4855
UTTARA KANNADA	208	7791	95469	11485	9747	7597	194	7405
YADGIR	117	2480	34317	2756	1452	2139	341	1929
TOTAL	5632	239104	3018920	181278	191465	215753	23351	169858

Source: RDPR Government of Karnataka

Now in this part of the paper briefly discuss and interpretation of primary data gathered through the field survey. In the survey, a total of 70 respondents were personally interview. Their views and opinions are being analyzed below.

Table-02. Age and Literary Level of the Respondents

Age	Number of respondents	Education	Number of respondents
18-20 year	25 (35.71)	Illiterate	15 (21.42)
21-24 year	18 (25.72)	Primary and Secondary	34 (48.57)
25-30 years	17 (24.29)	Graduate	12 (17.14)
Above 30 years	10 (14.28)	Above Graduation	09 (12.86)
Total	70 (100)	Total	70 (100)

Note: Figures in brackets are percentage to the total, vertical.

Source: Data gathered through primary investigation, may 2018

From the data presented in the Table 02, it can be observed that of the 70 respondents interviewed, about 35.71 percent belong to 18-24 years, 25.72 percent is 21-24 years, 24.29 percent 25-30 years and 14.28 percent belongs to above 30 years. Of the total 70 respondents 21.42 percent is found in illiterate, 48.57 percent in Primary and Secondary, 17.14 percent is in Graduate and a small of 12.86 percent is Above Graduation.

Table -04 Purpose of Loan Given and Monthly Savings of the Respondents

Purpose	Number of respondents	Monthly Savings	Number of respondents Before Joining SHG	Number of respondents After Joining SHG
Agriculture	15 (21.42)	Less than 200	12 (17.14)	09 (12.85)
Education	08 (11.42)	200-350	19 (27.14)	17 (24.28)
Housing	14 (20.00)	350-500	25 (35.71)	33 (47.14)
Small Business	12 (17.14)	Above 500	14 (20.00)	11 (15.71)
Health	21 (30.00)	Total	70 (100)	70 (100)
Total	70 (100)			

Note: Figures in brackets are percentage to the total, vertical

Source: Data gathered through primary investigation, may 2018

Table-03. Occupational Background and Income of the Respondents

Occupation	Number of respondents	Monthly Income	Number of respondents
Agriculture Labour	32 (45.71)	2,000-3000	33 (47.14)
Agriculture	23 (32.85)	Below - 5000	18 (25.72)
Small Business Activities	12 (17.14)	7,000-10,000	11 (15.71)
Service	03 (4.28)	Above 10,000	08 (11.42)
Total	70 (100)	Total	70 (100)

Note: Figures in brackets are percentage to the total, vertical.

Source: Data gathered through primary investigation, may 2018

From the data presented in the Table 03, it can be observed that of the 70 respondents interviewed, about 45.71 percent Occupation belong to Agriculture Labour, 32.85 percent Occupation belong to Agriculture, 17.14 percent Occupation belongs to Small Business Activities, 04.82 percent Occupation belongs to Service. Of the total 70 respondents 47.14 percent is found monthly income 2,000-3000, 25.72 percent is found monthly income below 5.000, 15.71 percent is found monthly income 7000-10000, and a small of 11.42 percent is found monthly income Above 10,000

From the data presented in the Table 04, it show that of the 70 respondents interviewed, about 21.42 percent belong to agriculture, 11.42 percent belongs to education, 20.00 percent belongs to the housing purpose, 17.14 percent belongs to the small business activities. Of out of the 70 respondents before joining of SHGs 17.14 per cent belongs to monthly savings 200 rupees before joining, 27.14 percent belongs to monthly savings 200-350 rupees, 35.71 percent belongs to monthly savings 350-500 rupees, 20.00 percent belongs to monthly savings above 500 rupees; of the out of 70 respondents monthly savings after joining SHGs 12.85 percent belongs to monthly savings 200 rupees, 24.28 percent belongs to monthly savings 200-350 rupees, 47.14 percent belongs to monthly savings 350-500 rupees, 15.71 percent belongs to monthly savings above 500 rupees per month.

Table-05. Training Skill Impact of the Respondents

Activities	Number of respondents
Agarabathi-making	05 (07.14)
Candal-making	03 (02.28)
Tailoring	33 (47.14)
Minor irrigation	13 (18.57)
Animal husbandry	12 (17.14)
Bakry items	-
Computers	-
Appalam, jam and pickle	04 (05.71)
Total	70 (100)

Note: Figures in brackets are percentage to the total, vertical.

Source: Data gathered through primary investigation, may 2018

Data presented on the Table-05 shows that all these mentioned training programmes play a dynamic role in employment generation, all SHGs have imparted training skill on 7.14 percent belongs to agarabathi-making, 02.28 percent belongs to candle making, 47.14 percent belongs to tailoring, 18.57 percent belongs to Minor irrigation, 17.14 percent belongs to animal husbandry, 05.71 percent belongs to appalam, jam and pickle.

7. Problems Faced by SHGs on Rural Development

The following are the problems faced by the self-help group's members in the study areas, Male members always dominate the group meetings, micro credit is also small to make a hollow in poverty alleviation and growth, monopolistic power in the hands of NGOs and banking agencies, incapability to catch the market for farm based product rather than industrial product, problem of maintaining the records and books of accounts, irregularity in attending meetings, as majority of the respondents have poor knowledge.

8. Suggestions

The following suggestions and conclusion have been made for the improvement of SHG on rural development.

- The program is helpful in giving education to the children of the family.
- Regarding savings, since number of members have come down extremely in the urban counterpart, savings has come down extremely as compared to rural counterpart.
- The activities of the SHGs should focused on those activities which make good return.
- Internal recovery is better than external recovery. It shows self-help group leaders are severe in recollecting debt fund.
- The Anganwadi teachers, workers and the president should take care and convince every member and bring co-operation among the members in the rural area.

Conclusion

The financial support provided the self-help groups for the development of social-economic status are found to have reached the socially backward, and economically marginalized in the study area. Have well done in the nation to alleviate poverty and authorize rural people. The influx of small enterprises and its activities have made a considerable contribution in the socio-economic development of rural poor in the society. The understanding of the significance of self-help groups in the economic development of rural India by the government of India recognized over 2.25 million SHGs in the country.

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