SELF-HELP GROUPS : A STUDY OF SOCIO-ECONOMIC STATUS IN MYSORE CITY

B. Madhusudhana
Assistant Professor, Government First Grade College, Sakharayapatna,
Kadur Taluk, Chikmagalur

Abstract

The society is male dominated and finance is also controlled by men. When financial freedom is detained from women then their social and political freedom are also detained. Governments around the world gave many social programs especially for women to develop but male dominated society has given a check in reaching these programs to women. The major hurdles for any women to develop economically are education, participation in economic activity and finally return. Micro-finance through SHGs made a small change in improving financial condition of the women. The sample respondents of the present empirical study accepted that their financial condition is improved but it is not enough. Even after becoming the members of SHGs, women could not affordable to durables. They exercised household decisions in festivals and purchases. It may be concluded that women require encouragement at family level and opportunities at society level in order to develop economically.

Key Words : *SHGs, microfinance, women empowerment and poverty alleviation.*

Mysore city is the 3rd largest city in the state Karnataka. Located at the base of Chamundi Hill about 139 Kms southwest of the state capital Bangalore. Tourism is the major industry in Mysore. Women constitute 50 percent of the total population in Mysore city as well as in the whole society. The society is male dominated and hence finance is controlled by men. Socio economic condition of women compared to men is negligible from time immemorial. When financial freedom is detained their social and political freedom are also detained. Governments around the world gave many social programmes especially for women to develop but male dominated society has given a check in reaching these programmes to women. During 1980s, women tried to solve these problems by assembled themselves and started to finance themselves through co-operative principles. Then onwards, government is also supporting such groups formally as well as informally. Members of SHGs received greater amount of economic and social benefits from SHG bank linkage programs (APMAS : 2009). Ali-Akpajiak and Pyke (2000) and Chen et al (2007) described the role of SHGs in developing poor people. The major hurdles for any women to develop economically are education, participation in economic activities and finally return. Therefore, the present study has taken up these three factors economic assistance, literacy and membership in SHGs plays considerable role in economic and social status of women. The objective of the present research work is to analyze the impact of socio-economic benefits of the SHGs on its members.

Review of Literature : Finance is the wheel of development both for individuals as well as organizations. Individuals with regular and assured income can get finance through organized firms. Individuals with no regular and assured income have to depend on informal organizations. Organized and unorganized financial sector have kept women at distance from providing financial assistance. Government has also not done enough effort in providing financial assistance to women. Therefore, it is inevitable for them to find a new way for finance. They have started with the co-operative principle to get financial assistance and lands down in self-help groups (SGHs). SHGs collect small savings of the members and lend it to the needy members. Lakshmanan (2001) opined that

SHGs provide financial autonomy in rural areas. But SHGs are more effective in providing financial assistance in urban areas. Pattanaik (2003) emphasized the role of SHGs for socio-economic development of women in particular and society as a whole. When financial autonomy is achieved naturally social and political conditions also changes. Therefore, SHG is a powerful instrument in changing social, political and economic conditions of women (Hulme & Mosley, 1996; Rutherford, 1998; Amin et al., 2001; Robinson, 2002; Antia and Kadekodi, 2002; and Jahan et al., 2004). Many developing and under developed countries have recognized the importance of SHGs and using as an important tool in eradicating poverty (Johnson & Rogaly : 1997, Fernando : 2004, Armendariz & Morduch : 2005, Bakhtiari : 2011).

Research Methodology : The present empirical study used primary and secondary data. The secondary data used in the present study were : past research work, articles and paper presentations in seminars and symposium. The primary data used in the present study was the response of the member of the SHGs. In order to receive the responses from members of SHGs, a structured questionnaire was designed containing two dimensions : economic and social status. Each dimension had 5 questions relating to economic and social status. The questionnaire was prepared with 5-point Likert's Scale. The questionnaire was served to 100 members of SHGs in Mysore city and we had received only 76 fully completed questionnaires. Mean value, standard deviation, calculated Z value, critical Z value and *p*-value were used for different purposes. They were used in the following manner : to measure the weightage of the different statements, mean value (average) was used; to measure the thickness of the opinion standard deviation was used; to compare the two means Z-test was used (as the samples are large); and *p*-value was effectively used to draw the conclusion. *p*-value was determined by comparing calculated $|Z|$ value and $Z_?$ value ($Z_?$ for n-1 observation with 2 degree of freedom = 1.96, where n = 76). And finally, testing of hypothesis was done.

Operational definition : The present research used the following terms as follows : (1) Seniority : the sample respondents who is a member in SHG for more than 5 years; (2) Backward castes are those who are SC/STs, Category I and

---

OBC and rest are forward castes; and (3) Literate are those whose qualification are equal to or above intermediate and illiterate are those whose qualification is below intermediate.

Analysis and Interpretation of Data : The tables presented below have been drawn from field survey. The following are the dimensions of analysis and interpretation of data : (A) Universal analysis; and (B) Group analysis.

(A) Universal Analysis : The data obtained from the sample respondent have been analyzed under (i) economic status of members of self-help groups and (ii) social status of members of self-help groups.

(i) Economic status of members of self-help groups : The standard of living of any person depends on his economic status. Table 1 presents the economic status in terms of affordability for basic necessities of the members of self-help groups of sample respondents. It was found that the average mean value of economic status of members of self-help groups stood at 3.41 and the standard deviation stands at 1.27 revealed that the economic status of the sample respondents was satisfactory.

Table 1 : Economic Status of Members of Self-Help Groups

Sl. No.	Affordability for	No of Respondents	Mean Value	Std Dev
1	Food	76	3.82	1.14
2	Dress	76	3.70	1.28
3	Education	76	3.45	1.21
4	Tours/ travels	76	3.33	1.60
5	Durables	76	2.74	1.20
	Total	76	3.41	1.27

The highest mean value assigned by the sample respondents was to affordability for food with the mean value of 3.82 followed by affordability for dress, education and local trips (Tours and travels) with 3.70, 3.45 and 3.33 respectively. It was also found that the thick opinion was found in affordability for food and that of thin was in affordability for local trips with the standard deviation of 1.14 and 1.60 respectively.

(ii) Social status of member of self-help groups : It is true that gender difference is always exists. Women working outside home feel unsecured and disrespectful and now-a-days, even in their home. The decisions taken by the members of self help groups in their family constitute social status and respect in society too. Such social status is captured in Table 2. It was found that the highest weightage was given by the sample

respondents to decision taken by the members of self-help groups in festivals in their home with the mean value 3.82 with the lower standard deviation of 1.13. It is true that when a woman earns, receives respect in her family. The present study found that the respect for the members of self-help groups stands at second position with the mean value of 3.71 and the opinion was so thick when compared to other variables constitute the validity of respect. On an average, the grand mean value was 3.36 which is less than the mean value of economic status of members and the opinion was also loose when compared to economic status constitutes economic benefits were more than social benefits.

Table 2 : Social Status of Members of Self-Help Groups

Sl. No.	Social Status	No of Respondents	Mean Value	Standard Deviation
	(a) Decisions in			
1	Festivals	76	3.82	1.13
2	Purchases	76	3.46	1.42
3	Marriages	76	3.00	1.29
	(b) Respect in			
4	Family	76	3.71	1.12
5	Society	76	2.59	1.17
	Total	76	3.32	1.31

(B) Group Analysis : The present research work analyzed the difference of opinion based on groups. The group analysis has been presented under : (i) Seniority; (ii) Caste; and (iii) Literacy.

(i) Seniority : The perceptions of the members of SHGs on socio-economic conditions have been analyzed under : (a) Economic Status; and (b) Social Status.

(a) Economic Status : Table 3 portrays the economic status of sample respondents of self-help groups based on seniority of the members. It was found that the sample respondents among seniors assigned highest mean value of 4.15 for affordability for dress materials whereas the least mean value assigned by them for affordability for durables with only 2.75 with the standard deviation of 1.02 and 1.25 respectively. Among juniors, the highest mean value assigned to the variable affordability for food with the mean value of 3.36 whereas the least mean value assigned to affordability for education and affordability for durable products with the mean value of only 2.71 with the corresponding standard deviation of 1.39 and 1.10 respectively. The $|z|$ value for affordability for food, affordability for dress materials and affordability for education statements found to be greater than the $Z_?$ value and hence the *p*-value <0.05.

Table 3 : Economic Status of SHGs Groups : Senior Vs Junior

Sl. No.	Affordability for	Status	No of Respondents	MV	STD DEV	|Z|	a
1	Food	Senior	48	4.08	1.20	3.061	<0.05
		Junior	28	3.36	0.85		
2	Dress	Senior	48	4.15	1.02	4.232	<0.05
		Junior	28	2.93	1.31		
3	Education	Senior	48	3.88	0.83	4.030	<0.05
		Junior	28	2.71	1.39		
4	Tours/travels	Senior	48	3.44	1.48	0.742	>0.05
		Junior	28	3.14	1.77		
5	Durables	Senior	48	2.75	1.25	0.129	>0.05
		Junior	28	2.71	1.10		
	Total	Senior	48	3.66	1.20	2.185	<0.05
		Junior	28	2.17	1.31		

(b) Social Status : Table 4 shows the social status of members of self-help groups based on seniors and juniors. The social status of the women is measured with the decisions taken by them in their home as well as respect in family and society.

Table 4 : Social Status of SHGs Groups : Senior Vs Junior

Sl. No.	Social status	Status	No of Respondents	MV	STD DEV	|Z|	a
	(a) Decisions in						
1	Festivals	Senior	48	4.04	1.10	2.367	<0.05
		Junior	28	3.43	1.08		
2	Purchases	Senior	48	3.94	0.94	3.719	<0.05
		Junior	28	2.64	1.69		
3	Marriages	Senior	48	3.23	1.31	2.164	<0.05
		Junior	28	2.61	1.14		
	(b) Respect in						
4	Family	Senior	48	4.02	0.80	2.979	<0.05
		Junior	28	3.18	1.36		
5	Society	Senior	48	2.65	1.25	0.553	>0.05
		Junior	28	2.50	1.04		
	Total	Senior	48	3.58	1.23	2.280	<0.05
		Junior	28	2.87	1.34		

It was found that the decisions taken by the seniors and juniors in festivals found to have highest mean value of 4.04 and 3.43 and the least mean value assigned to the statement : respect in society 2.65 and 2.45 respectively. Seniors had higher respect in their family compared to junior member of SHGs and the validity of the opinion was thicker in seniors than juniors. The $|Z|$ being > than $Z_?$ for all the statement except for the statement 'respect in society.' Therefore, the opinion of the sample respondents based on seniors and juniors found to be different for four statements except 'respect in society' and hence the significance value <0.05.

(ii) Caste : The perceptions of members of SHGs on socio-economic conditions have been analyzed under (a) Economic status; and (b) Social status.

(a) Economic Status : Table 5 highlights the economic status of SHGs based on caste. Sample respondents among forward caste given highest mean value for affordability for food with 4.50 followed by affordability for dress, education, local trips and durables with the mean value of 4.29, 4.29, 3.88, and 3.00 respectively. Whereas sample respondents among backward caste assigned highest mean value of 3.50 to affordability for food followed by dress, local trips, education and durables with the mean value of 3.42, 3.08, 3.06, and 2.67 respectively. On the whole, grand mean value found to be higher in forward caste compared to backward caste with 3.99 and 3.13 respectively. Further, $|Z|$ being greater than $Z_?$ confirmed that there were significant difference in the opinion of forward caste and backward caste respondents.

Table 5 : Economic Status of SHGs Groups : Forward caste vs backward caste

Sl. No.	Affordability for	Status	No of Respondents	MV	STD DEV	|Z|	a
1	Food	Forward	24	4.50	0.58	4.901	<0.05
		Backward	52	3.50	1.20		
2	Dress	Forward	24	4.29	0.61	3.754	<0.05
		Backward	52	3.42	1.41		
3	Education	Forward	24	4.29	0.68	5.710	<0.05
		Backward	52	3.06	1.20		
4	Tours/travels	Forward	24	3.88	0.44	2.924	<0.05
		Backward	52	3.08	1.86		
5	Durables	Forward	24	3.00	1.32	1.236	>0.05
		Backward	52	2.62	1.11		
	Total	Forward	24	3.99	0.95	3.099	<0.05
		Backward	52	3.13	1.42		

(b) Social Status : Table 6 presents the opinion of sample respondents based on caste. It was found that the highest mean value assigned by forward caste respondents to the decisions taken by the members of SHGs in festivals with 4.58 and assigned very low mean value of 2.75 for their respect in society.

Table 6 : Social Status of SHGs Groups : Forward Vs. Backward

Sl. No.	Social Status	Status	No of Respondents	MV	STD DEV	|Z|	?
	(a) Decisions in						
1	Festivals	Forward	24	4.58	0.49	5.883	<0.05
		Backward	52	3.46	1.17		
2	Purchases	Forward	24	4.13	0.97	3.397	<0.05
		Backward	52	3.15	1.49		
3	Marriages	Forward	24	3.83	1.21	4.156	<0.05
		Backward	52	2.62	1.13		
	(b) Respect in						
4	Family	Forward	24	4.13	1.27	2.066	<0.05
		Backward	52	3.52	0.99		
5	Society	Forward	24	2.75	1.42	0.713	>0.05
		Backward	52	2.52	1.03		
	Total	Forward	24	3.88	1.28	2.640	<0.05
		Backward	52	3.05	1.25		

The sample respondents from backward caste assigned highest mean value of 3.52 to the respect in family of members of SHGs and very low mean value of only 2.52 to the respect in society. It was also found that the members of SHGs from forward caste had enough power in taking decisions in purchases and marriages whereas backward caste members of SHGs had enough decision power in festivals and purchases but not in marriage functions.

(iii) Literacy : The perceptions of members of SHGs on socio-economic conditions have been presented under : (a) Economic Status; and (b) Social status.

(a) Economic Status : Table 7 highlights the economic status of SHGs groups based on literacy. It was found that the literate and illiterate sample respondents assigned the grand mean value of 3.54 and 3.23 with the standard deviation of 1.29 and 1.40 respectively. There was a consensus among literate and illiterate members for the statement affordability for durables with the mean value of 2.60 and 2.91 respectively and *p*-value found to be >0.05 concludes that there was no difference of opinion among them.

Table 7 : Economic Status of SHGs Groups : Literate Vs Illiterate

Sl. No.	Affordability for	Status	No of Respondents	MV	STD DEV	|Z|	a
1	Food	Literate	43	4.02	1.27	1.999	<0.05
		Illiterate	33	3.55	0.89		
2	Dress	Literate	43	3.93	1.02	1.767	<0.05
		Illiterate	33	3.39	1.50		
3	Education	Literate	43	3.49	1.19	0.336	>0.05
		Illiterate	33	3.39	1.23		
4	Tours/travels	Literate	43	3.65	1.26	1.957	<0.05
		Illiterate	33	2.91	1.88		
5	Durables	Literate	43	2.60	1.18	-1.107	>0.05
		Illiterate	33	2.91	1.19		
	Total	Literate	43	3.54	1.29	0.958	>0.05
		Illiterate	33	3.23	1.40		

(b) Social Status : Table 8 shows the opinion of sample respondents on social status of SHGs based on literacy. The literate members of SHGs assigned highest mean value for their respect given in their family with the mean value of 4.02, whereas the illiterate members assigned highest mean value for their decisions taken in festivals. To conclude, the grand mean value of literate and illiterate members' stands at 3.53 and 3.03 followed by Z-value 1.625, which was less than $Z_?$ value concluded that there was no difference of opinion among the sample respondents.

Table 8 : Social Status of SHGs Groups : Literate Vs Illiterate

Sl. No.	Social Status	Status	No of Respondents	MV	STD DEV	|Z|	a
			(a) Decisions in				
1	Festivals	Literate	43	3.74	1.24	-0.651	>0.05
		Illiterate	33	3.91	0.96		
2	Purchases	Literate	43	3.93	0.70	3.225	<0.05
		Illiterate	33	2.85	1.83		
3	Marriages	Literate	43	3.42	1.08	3.393	<0.05
		Illiterate	33	2.45	1.33		
			(b) Respect in				
4	Family	Literate	43	4.02	0.79	2.747	<0.05
		Illiterate	33	3.30	1.34		
5	Society	Literate	43	2.56	0.92	-0.273	>0.05
		Illiterate	33	2.64	1.43		
	Total	Literate	43	3.53	1.10	1.625	>0.05
		Illiterate	33	3.03	1.50		

Major findings

The present study found that the economic status of members of SHGs was satisfactory compared to social status.

It was found that the members of SHGs could affordable to food and dress.

Senior, forward caste, literate and illiterate members could affordable to education.

Senior, junior, forward, backward and literate members of SHGs could affordable to local trips.

Junior and backward caste members of SHGs did not affordable to education.

Except forward caste members of SHGs could not affordable to durables.

Seniors, forward caste and literate members of SHGs had decision power in festivals, purchases and in marriage functions.

Members of SHGs felt that they received enough respect from their family but not from society even after becoming the member of SHGs.

Testing of Hypothesis : In the background of objectives and findings of the study, the testing of the hypothesis has been presented below :

1) Hypothesis 1 : SHG schemes deliver economic benefits more than the social benefits.

The sample respondents of members of SHGs groups gave more weightage to economic status than social status with the mean value of 3.41 and 3.32 respectively. It is true that social status of any individual entirely depends on the economic status. The present research also found supportive evidence in this respect by assigning higher mean value to economic status than social status (seniors : 3.66 – 3.58; forward caste : 3.99 – 3.88; backward caste : 3.13 – 3.05; and Literate : 3.54-3.53; illiterate : 3.23 – 3.03) respectively. Therefore, the hypothesis that SHG schemes deliver economic benefits more than the social benefits stands accepted.

2) Hypothesis : there is a positive relationship between seniority and benefit delivery of SHG schemes.

Seniors always take the cream of benefits in any organization. Seniors always leads juniors by leadership as well as work. The mean value assigned by the seniors for economic status stands at 3.66 compared to juniors with very low mean value of 2.17 respectively. The calculated Z value in both the case is greater than $Z_?$ value and hence p-value <0.05 confirmed that there was significant difference in the opinion of both seniors and juniors. The mean value assigned by seniors in both economic status and social status confirmed that the cream have taken by seniors far more than juniors and hence the hypothesis that there is a positive relationship between seniority and benefits delivery of SHGs schemes stands accepted. It is also proved that the economic benefits are more compared to social benefits of the members of SHGs.

3) Hypothesis : there is a positive relationship between caste and delivery of benefits of SHG schemes.

Table 5 and table 6 clearly show that there was a mean difference between forward and backward classes of respondents. It is also observed that forward class assigned higher mean value compared to backward class respondents in all the 10 statements. The calculated Z value for both economic status and social status was more than the critical Z value resulted in ? level <0.05 accepts the hypothesis that there is a positive relationship between caste and delivery of benefits of SHGs schemes stands accepted.

4) Hypothesis : there is a positive relationship between literacy and delivery of benefit of SHG schemes.

Education is the base for development. The sample respondents have been asked to rate their economic development and social development based on qualification of the sample respondents. The present study has not find out any significant difference either in economic status or in social status in their opinion. On an average, literate respondents assigned the mean value of 3.54 for economic status as against illiterate sample respondents who assigned the mean value of 2.23. The empirical research also did not find out any difference in the thickness of opinion as standard deviation of 1.29 and 1.40 by both literate and illiterate. The $|Z|$ value also much less than $Z_?$ value resulted in ? to be > 0.05. Further, literate sample respondents assigned the mean value of 3.53 as their social development as against the illiterate sample respondents assigned the mean value of 3.03 only. When Z value is considered, the calculated Z value lower than the critical Z value and hence ? >0.05. Therefore, the hypothesis that there is a positive relationship between literacy and delivery of benefits of SHGs stands rejected.

Conclusion : Women in India have been placing distant from financial autonomy. They do not receive enough respect from the society. Micro-finance through SHGs made a modest change in improving financial condition of the women. The sample respondents of the present empirical study accepted that their financial condition was improved but it was not enough. Even after becoming the members of SHGs, women could not affordable to durables. They exercised household decisions in festivals and purchases (Kumar : 2009). They did not have enough power in marriage functions. Women require encouragement at family level and opportunities at society level in order to develop economically. Members of SHGs do have enough respect in their family but not in society. Since they don't receive enough encouragement and respect in the society it acts as a major check in social development. Therefore, it is the duty of the modern and educated society to provide enough opportunity for the women to grow and achieve economic and social status.

References

Ali-Akpajiak, C. A. and T. Pyke (2003). Measuring Poverty in Nigeria. 1st ed., UK Oxfam GB 33.

Amin, R., St M. Pierre, A, Ahmed, and R. Haq (2001). Integration of an essential services package (ESP) in child and reproductive health and family planning with a micro-credit program for poor women : experience from a pilot project in rural Bangladesh. World Development 29(9) : 1611-1621.

Armendariz, B. and J. Morduch (2005). The economics of microfinance. Cambridge, MA.

Bakhtiari, S., (2011). Microfinance and Poverty Reduction : Some International Evidence. International Business & Economics Research Journal 5(12).

Chen, M., R. Jhabvala, R. Kanbur, and C, Richards (2007). Membership Based Organizations of the Poor : Concepts, Experience and Policy. London and New York, Routledge.

Fernando, N. A., (2004). Microfinance outreach to the poorest : a realistic objective? Finance for the Poor 5(1) : 1-5.

Hulme, D. and P. Mosley (ed.), (1996). Finance against the poor (Vol. 1 and 2). London : Routledge.

Jahan, R., G. Kelkar and D, Nathan (2004). Redefining Women?s Samman : Micro credit and Gender Relations in Rural Bangladesh. Economic and Political Weekly 39(32) : 3627-3640.

Johnson, S., and B. Rogaly (1997). Microfinance and poverty reduction : Oxfam Publications.

Rutherford, S., (1998). The savings of the poor : Improving financial services in Bangladesh. Journal of international development 10(1) : 1-15.