Impact of Self-help Groups on Rural Women in Bankura District, West Bengal

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Abstract

During the last three decades rural development practitioners have been focusing on SHGs as an instrument for women empowerment in rural sector. SHGs of women in India have been identified as an effective strategy for the empowerment of tribal women in rural and urban areas. It is evident from many studies that women have developed abundant self-confidence and self-esteem through SHG movement. Not only economic security but also inculcating savings habits is the major motivating factors for joining SHGs. SHG women are becoming an instrument in transforming so called unproductive human being into productive human resources. However, it has been observed that the growth of SHGs have not been uniform. More particularly, the growth of SHGs has been slow in relatively backward areas in West Bengal.

Keywords: Self-help groups, empowerment, women, self-confidence, self-esteem, economic security, savings

The concept of women empowerment has gained increased attention over the past two decades and self-help groups (SHGs) have emerged as one of major strategies for women empowerment. NABARD (1995) stated that a self help organization denotes an institutional framework for individual or households who have agreed to cooperate on a continuing basis to pursue one or more objective. SHGs are playing a major role in removing poverty in rural India today. Chauhan *et al.* (2007) found that SHGs are capable of playing an effective role as financial intermediates for the poor, besides helping members in mobilizing considerable funds through small savings, SHGs have been able to tap external funds quite significantly to meet the increased credit needs of their members.

Banerjee (2009) estimated the impact of SHGs in the district of North 24 Parganas and expressed that the income generation through group activities has improved the average income of group members than that of the non group members. There has been a significant decline in the medical expenditure and school dropout rate in the families of group members than that of non group members. The group-based model of self-help is widely practiced for rural development, poverty alleviation and empowerment of women.

Deka *et al.* (2008) observed that economic security and inculcating savings habits were the major motivating factors for joining SHGs. Further, they observed that membership in SHGs aided in generating income, facilitated loans and increased social contacts and operated up training avenues leading to the enhancement of their socio-economic status. Self-help as a strategy for social development places emphasis on self-reliance, human agency and action. It aims to mobilize people, to give them voice and build people's organizations that will overcome barriers to participation and empowerment.

Thus SHGs have paved the way of economic independence for the members with no educational or industrial or entrepreneurial background. Chiranjeevulu (2003) observed that women have developed abundant self confidence and self esteem through SHG movement. Not only economic poverty, but also social and gender issues can be tackled effectively through this process. Palani (2008) found that communication skill among the SHGs members in contrast to no members was better and effective due to their frequent exposure to the external world. SHGs are presently promoted by government, development banks, and voluntary agencies with focus

on social and economic issues mainly thrift fund and credit facilities. Kothai *et al.* (2003) corroborated that there was positive impact on SHG members where the confidence level of the women members has increased enormously. They could talk to outsiders without any inhibition; they were capable of moving around to cities and banks without seeking the help from men and were also not getting cheated and subjugated easily by merchants and middle men.

Desai *et al.* (1992) recommended that credit organizations should simplify the procedures and mobility of credit to suit the education level of the rural women. The credit organizations should develop simple literature on local language for the benefit of rural women. They are also taking up issues relating to rural industry, improvement in indigenous skill in small scale industries and modernization of agriculture. The concept of SHG is proving to be a helpful instrument for the women empowerment. Main aim of SHG is to make group members self sufficient and self reliant by self employment and empowerment through group dynamics.

The World Bank has suggested that empowerment of women should be key aspect of social development programmes since women constitute almost half of the country's population. Paul (2002) stated that women development is directly related to national development. The effective management and development of interest, skills and other potentialities are of paramount importance. It could be well ascertained that women's development could be achieved by empowerment, which thereby enables women to be the agent of social change. Therefore, we need to integrate women's contribution in the process of development. Apparently within the last decade there has been a spree for SHG development irrespective of districts. However growths of SHGs have not been uniform throughout the state. The districts nearby to Kolkata city have been flourished with SHG units. On the other hand, growths of SHGs have been slow in relatively backward areas like Bankura and Purulia districts.

In view of the above, the present study has been conducted to ascertain how far Self-help Groups (SHGs) have been able to reach out to the poor women sections in selected areas of Bankura as well as to study the impact of women-lead SHGs in terms of family debt reduction, income generation, savings and expenditure.

Database and Methodology

The present study had been carried out in Bankura district of West Bengal. This district lags far behind in

growth of SHGs. In the next stage, one block was chosen at random. The selected block is Chhatna. Thereafter, two villages from Chhatna were selected purposively. This was done in consultation with the block level officials considering concentration of SHGs, convenience and costs. The focused villages under study comprise the villages namely; Hansapahari and Poragola of Chatna block. In turn, a list of SHGs falling under these focal villages was prepared. Then, ten SHGs were selected randomly from the above villages. Finally, three members from each selected SHGs were selected randomly as sample stakeholders. Thus a total of thirty sample members were selected for the purpose of detailed study.

Keeping in view the objectives and the variables under study, an interview schedule was prepared. Based on the suggestions given by experts, necessary corrections and modifications were done especially to ensure that the instructions and questions were clear and to the point. The final schedule consisted of two parts, namely general information which includes socio-personal characteristics like age, education, marital status, type of family, family income etc. and specific information which includes type of occupation, savings and loans, etc. The required information was obtained with the help of pre-tested schedule using personal interview method.

K-means cluster analysis is a tool designed to assign cases to a fixed number of groups (clusters) whose characteristics are not yet known but are based on a set of specified variables.

$$J(V) = \sum_{i=1}^{c} \sum_{j=1}^{ci} (\| XI - VJ \|)^{2}$$

Where,

$\| XI - VJ \|$ is the Euclidean distance between x_i and v_j

'ci' is the number of data points in i[th] cluster

'c' is the number of cluster centers

Let X = {$x_1, x_2, x_3 \ldots \ldots x_n$} be the set of data points and V = {$v_1, v_2 \ldots v_c$} be the set of centers. (1) Randomly select 'c' cluster centers; (2) Calculate the distance between each data point and cluster centers; (3) Assign the data point to the cluster center whose distance from the cluster center is minimum of all the cluster centers; (4) Recalculate the new cluster center using:

$$V_i = 1/ci \sum_{j=1}^{ci} X_i$$

where, 'c' represents the number of data points in i^{th} cluster; (5) Recalculate the distance between each data point and new obtained cluster centers and (6) If no data point was reassigned then stop, otherwise repeat from step 3.

Results and Discussion

Attempt has been made to focus and explore the extent of impact of women led SHGs in diversifying activities, accumulating income and savings. Additionally, we endeavoured to examine how far the SHGs have motivated rural women undertaking rural based entrepreneurship in selected sample areas. In pursuing researches, effort has been made to use both quantifiable and implicit variables. Accordingly, we have characterized and classified self-help group members using cluster analysis.

Table 1: Final Cluster Centers

Components	Cluster		
	1 (High profile)	2 (Medium Profile)	3 (Low Profile)
Age (yrs)	38	34	34
Education level (standard)	4	3	3
Land (cotta)	57	27	0
Family income (₹)	4936	4315	500
Family savings (₹)	100	98	0
Family Expenditure (₹)	4123	3225	500

Table 2: Classification of SHG-members

Cluster	Number of SHG members
1 (High profile)	2
2 (Medium profile)	13
3 (Low profile)	15
Total	**30**

Table 3: Distances between Final Cluster Centers

Cluster	1 (High profile)	2 (Medium Profile)	3 (Low Profile)
1 (High profile)	—	4688.846	5728.440
2 (Medium profile)	4688.846	—	1092.475
3 (Low Profile)	5728.440	1092.475	—

We have classified SHG members of this cluster into three groups. Surprisingly, low-profile group in Bankura constitutes about half of the sample units. So, we conclude that SHG-concept has touched every strata of the society whether it is relatively rich or poor in terms of socio-economic profile.

Table 4: ANOVA

Particulars	Cluster		Error		F	Sig.
	Mean Square	Df	Mean Square	df		
Age (yrs)	12.283	2	67.885	27	0.181	0.835
Education level (standard)	0.613	2	5.694	27	0.108	0.898
Land (cotta)	4833.278	2	738.623	27	6.544	0.005
Family income (₹)	17399493.462	2	136921.595	27	127.076	0.000
Family Savings (₹)	9172.468	2	5970.095	27	1.536	0.233
Family Expenditure (₹)	12399831.795	2	108978.386	27	113.782	0.000

Table 5: Final Cluster Centers

Indicators	Cluster		
	1 (Strong)	2 (Moderate)	3 (Weak)
% SHG contribution to family income	12.0275	11.7107	1.2383
Others	—	—	—
Additional income (₹)	700	442	63
Additional savings (₹)	300	58	17
Additional expenditure (₹)	400	384	46
%contribution to Family Expenditure	8.1633	13.3053	1.2110
SHG contribution to debt reduction (₹)	280	162	19
% contribution to family debt reduction	2800.0000	111.8648	3.9442

Table 6: Number of cases in each cluster

Cluster	Number of SHG members
1 (Strong)	1
2 (Moderate)	13
3 (Weak)	16
Total	**30**

Table 7: Distances between Final Cluster Centers

Cluster	1 (Strong)	2 (Moderate)	3 (Weak)
1 (Strong)	—	2713.911	2915.184
2 (Moderate)	2713.911	—	541.100
3 (Weak)	2915.184	541.100	—

Table 8: Descriptive features of SHG members

Particulars	Additional Income (₹)	Additional Savings (₹)
Mean	248.33	44.17
Max.	1000	300
Min.	0	0
Sd	248.958	69.034

Table 9: ANOVA

Particulars	Cluster		Error		F	Sig.
	Mean Square	df	Mean Square	df		
% SHG contribution to family income	411.258	2	63.934	27	6.433	0.005
Others	—	—	—	—	—	—
Additional income (₹)	622842.949	2	20434.473	27	30.480	0.000
Additional savings (₹)	39941.747	2	2160.025	27	18.491	0.000
Additional expenditure (₹)	431009.054	2	13506.891	27	31.910	0.000
% contribution to Family Expenditure	525.692	2	103.625	27	5.073	0.013
SHG contribution to debt reduction (₹)	91498.243	2	2581.962	27	35.473	0.000
% contribution to family debt reduction	3690805.322	2	20308.573	27	181.736	0.000

Tables- 1 and 2 show the distribution of members and nature of the groups respectively. Within group variation could be examined from table-2. Bankura cluster reiterates that age and education are no longer significant variables discriminating groups. We have observed that economic profile varies across groups. The positive point of ANOVA table indicates that SHG is spread all through the society irrespective of income, savings, and asset position. Component-wise weights under different clusters are displayed in Table 1. It has been observed that all the SHG-members belong to small marginal groups in terms of land-holding.

It has been observed that almost all the members except two of them have been classified into two groups (Table- 2). These two members are exceptional than others and thus created one specified entity and kept distance from other two groups. Distance between clusters could be seen from Table-3.

Euclidian distance between high and low group is high comparing to the distance between medium and high group. However, revealing figures of components under each category characterize distinct nature of each class. The class containing two members is obviously superior to the rest in terms of asset, income, savings, and education. Table-4 shows witnesses variation in the . . . . It has been found that there is no statistical difference between clusters in terms of age as well as education level. From this we may infer to that age-criterion is not a well divisor of the members. Similarly, we conclude that educational level does not typify the sample units. On the other hand, marked difference is being found between the groups in terms of economic criterion.

Thus, we reach to the conclusion that SHG-concept has grown in Bankura cluster irrespective of economic position of members. Prior it has been observed that quite

a large number of sample members belong to each group. In other words, SHG-members are formed by both high income and low income strata of the society. In fine, it can be concluded that outreach of SHG concept has extended evenly across the society. Referring to the depth of SHGs upon the society a bleak picture is being seen in Bankura cluster. Table- 5 clearly shows that a section is relatively better off than the rest.

Earlier it was attempted to discuss the breadth (coverage) of SHGs, now it is the time to examine the depth (impact) of SHGs about the interests of stakeholders in terms of selected indicators. Classified the members has been made into three homogeneous groups according to the strength of impact. Table- 6 presents distribution of sample units according to the magnitude of impact. However, varying level of impact has been observed across the members in Bankura. Majority of sample units have been classified as poor receiver. More than 50 percent have been put in this weak group. Only one member showed positive response since joining. On the other, thirteen respondents have received relatively moderate impacts. So it can be concluded that depth of SHGs have remained trivial in majority cases under study. However, SHGs have caused crash on the sample units in different degrees. Depth of impact is not uniform between classes and could be diagnosed from the distance-matrix (Table- 7).

In order to scrutinize the variation in the estimates of component weights across classes, it has been found that SHGs tell apart groups in terms contribution to income, savings and expenditure. SHG-income has been found to be as high as ₹ 1000.00 and minimum is zero (Table- 8). Table- 9 shows that all the components of group vary statistically. Group-wise difference in terms of income, savings, and expenditure and debt reduction is

prominent. Thus it can be concluded that SHGs failed to serve the society in equal proportion.

Summary and Conclusion

It is manifested from this study that there is group-wise difference in terms of income, expenditure, savings and debt lessening. Thus if we mull over the point of equity, it has been found that SHGs failed to serve the society in equal proportion. It may be said that depths of SHGs have remained trivial in majority cases. In précis, it can be concluded that SHGs have diverse responses upon the women members. However, constant watch, monitoring and dissemination of skills, knowledge among the women folk in a systematic way along with linkages with different rural institutions may steer in new hope in rural areas of West Bengal.

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