



ROLE OF SELF HELP GROUPS IN RURAL DEVELOPMENT - A STUDY IN VADAVUKODE PANCHAYATH

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Abstract:

The study addresses whether there is any change in income of members prior to and after joining SHG. The study made use of both primary data and secondary data. The population of the study consists of members of SHGs in Vadavukode Panchayath. The sample size is 60 respondents and the primary data were collected using a structured questionnaire. A probable sampling technique was used to select 60 respondents from Vadavukode Panchayath. Secondary data were also collected from published sources which were downloaded from internet. Statistical tools like percentage, arithmetic mean, etc. are used. The first section is the profile analysis of the sample respondents. In the second section, the data is analysed and presented with the mean differences before and after joining SHG. The findings of the study clearly revealed that, the SHGs have power to create a socio-economic revolution which contribution to the development of rural people in the country. When observing the whole data the people have come out of their problems and traditional bound. SHGs have paved the way to bring the rural people in the main stream of social and economic progress of the society. The SHG can contribute to changes in the economic conditions, social status, decision making and increase women in outdoor activities. Thus, SHGs play a very important role in social change.

Key Words: Self Help Groups, Profile, Financial Status, Social Change.

Introduction:

Self Help Groups (SHGs) are becoming one of the best means of empowerment of poor women, generation of employment opportunities and financial independence in almost all developing countries including India. People living in villages are faced with problems related to poverty, illiteracy, lack of skills, health care etc. These are problems that cannot be tackled individually but can be better solved through group efforts. Self Help Groups is a method of organizing the poor people and marginalized to come together to solve their individual problems. The SHG method is used by the government, NGOs and others. The poor collect their savings and save it in banks. In return they receive easy access to loan with a small rate of interest to start their micro enterprise. Thousands of the poor and marginalized population in India are building their lives, their families and their society through Self Help Groups. The ninth five year plan of Government of India had given due recognition on the importance and the relevance of the Self Help Group method to implement developmental schemes at the grassroots level. An economically poor individual gains strength as part of a group.

Statement of the Problem:

After going through the literature review it has been observed that there are numerous studies conducted in this area in the recent past. But studies related to the change in the income of members before and after joining SHG and the role of SHG in the rural people are not adequately investigated properly. Therefore, it is expected that the outcome of the present study will contribute more to the existing literature. The study addresses the following research questions. Whether there is any change in income of members prior to and after joining SHG? The present study was conceived and executed to analyse and answer these relevant issues.

Objectives of the Study:

- To identify the role of SHG in rural development.
- To know the change in the income of the members of SHG prior to joining and after joining SHG.

Research Methodology:

The study made use of both primary data and secondary data. The population of the study consists of members of SHGs in Vadavukode Panchayath. The sample size is 60 respondents and the primary data were collected using a structured questionnaire. A probable sampling technique was used to select 60 respondents from Vadavukode Panchayath. Secondary data were also collected from published sources which were downloaded from internet. Statistical tools like percentage, arithmetic mean, etc. are used.

Data Analysis:

The first section is the profile analysis of the sample respondents. In the second section, the data is analysed and presented with the mean differences before and after joining SHG in the following section.

Sample Profile:

Age:

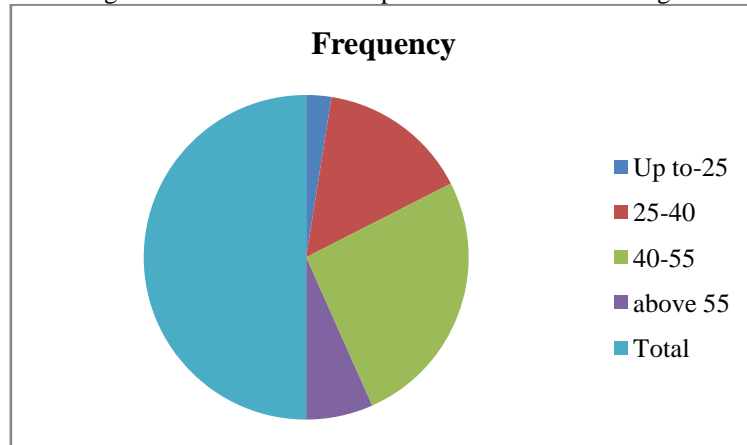
The age wise composition of the respondents is given in table 1

Table 1: Distribution of respondents on the basis of Age

Age	Frequency	Percentage
Up to-25	3	5
25-40	18	30
40-55	31	52
Above 55	8	13
Total	60	100

Source: Primary Data

Figure 1: Distribution of respondents on the basis of age



Source: Primary Data

The above table and diagram describes the age-wise details of the sample respondents. The table shows that 52 percentage SHG members are of the age between 40-55, 30 percentage are between 25-40, 13% are above 55 and 5% are up to 25

Marital Status:

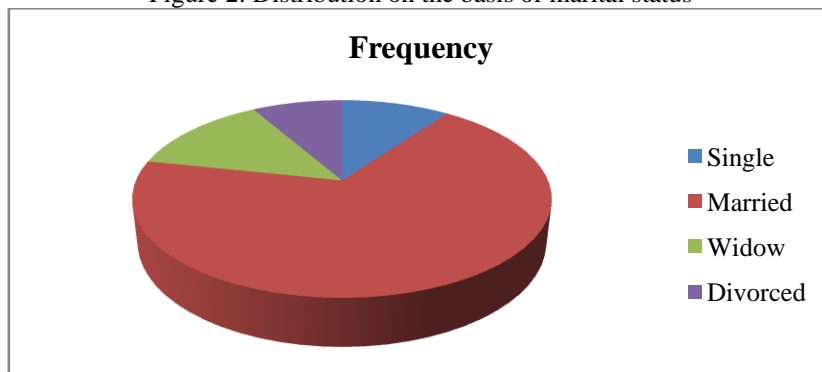
The following composition is based on marital status.

Table 2: Distribution on the basis of marital status

Marital Status	Frequency	Percentage
Single	6	10
Married	41	68.4
Widow	8	13.3
Divorced	5	8.3
Total	60	100

Source: Primary Data

Figure 2: Distribution on the basis of marital status



Source: Primary Data

The above table and diagram describe the marital status of the sample respondents. From the figure it is clear that, of the 60 samples 68.4% are married, 13.3% are widow, 8.3% are divorced and 10% are single.

Education:

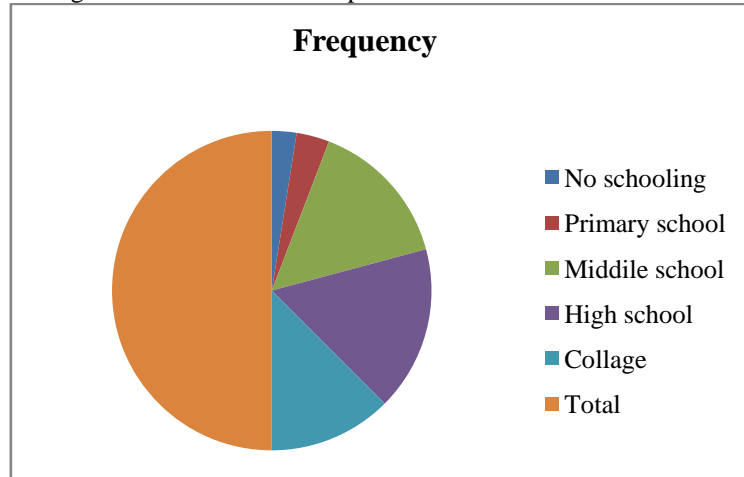
The education wise compositions of the respondents are given below.

Table 3: Distribution of respondents on the basis of education

Education	Frequency	Percentage
No Schooling	3	5
Primary School	4	7
Middle School	18	30
High School	20	33
College	15	25
Total	60	100

Source: Primary Data

Figure 3: Distribution of respondents on the basis of education



Source: Primary Data

Respondents are grouped into 5 categories on the basis of educational qualification. Table 3 and figure 3 shows educational qualification of the respondents. From the above table it is clear that 33% of the respondents are at high school level, 30% are at middle school, 25% are having college level education, 7% at primary level and only 5% consists of people with no schooling.

Occupation:

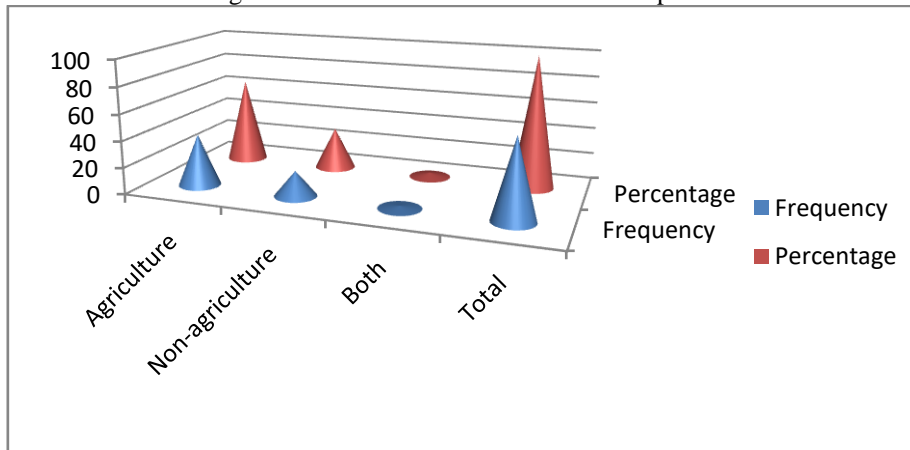
The occupation wise composition of the respondents are given below

Table 4: Distribution on the basis of occupation

Occupation	Frequency	Percentage
Agriculture	39	65
Non-agriculture	19	31.66666667
Both	2	3.333333333
Total	60	100

Source: Primary Data

Figure 4: Distribution on the basis of occupation



Source: Primary Data

The above table and diagram shows the occupational wise details of the sample respondents. From the figure it is clear that most of the respondents are having agriculture (65%) as their occupation, whereas the remaining respondents are engaged in non-agricultural activities (32%) and 3% of the respondents are engaged in both.

Family Size:

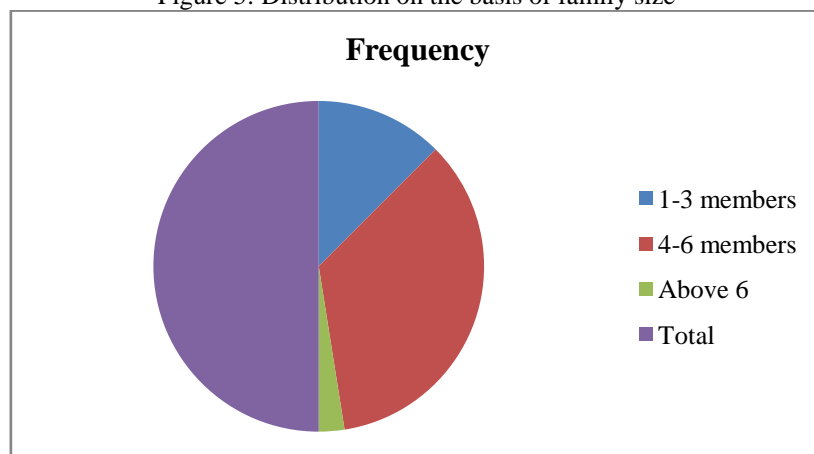
The following composition is based on family size

Table 5: Distribution on the basis of family size

Family Size	Frequency	Percentage
1-3 Members	15	25
4-6 Members	42	70
Above 6	3	5
Total	60	100

Source: Primary Data

Figure 5: Distribution on the basis of family size



Source: Primary Data

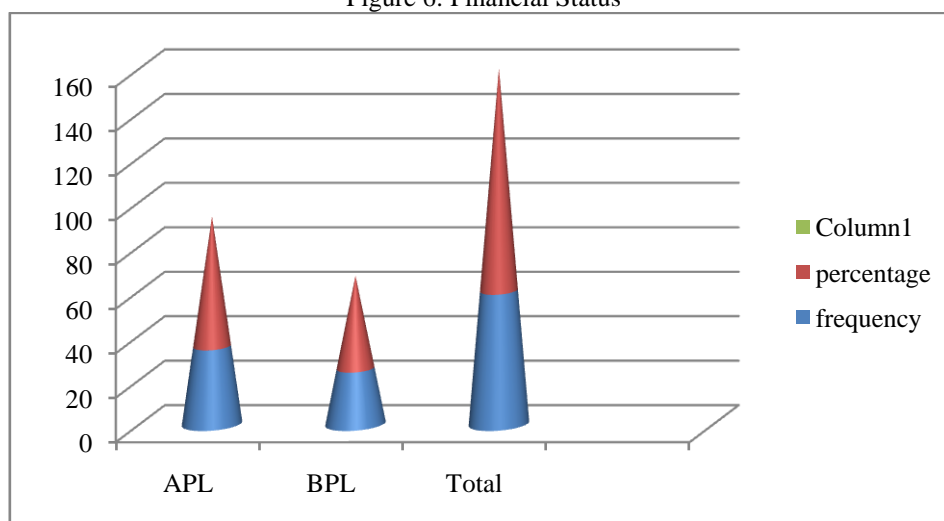
The above table and diagram explains the family size of the sample respondents. The family structure showed that 70% of the family size is between 4-6 members, about 25% is valid to 1-3 members and only 5% have above 6 members

Table 6: Financial Status

Financial Status	Frequency	Percentage
APL	35	58.33333333
BPL	25	41.66666667
Total	60	100

Source: Primary Data

Figure 6: Financial Status



Source: Primary Data

Table 6 and figure 6 shows the financial status of the sample respondents. It is clear that 58% of the members belonging to APL and 42% are BPL.

Income before Joining SHG:

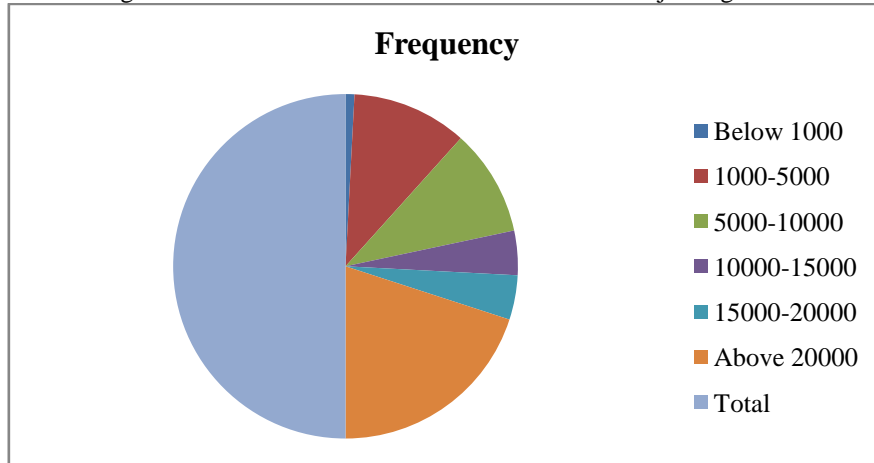
The following composition is based on the income before joining SHG.

Table 7: Distribution on the basis of income before joining SHG

Income Before	Frequency	Percentage
Below 1000	1	1.666666667
1000-5000	13	21.66666667
5000-10000	12	20
10000-15000	5	8.333333333
15000-20000	5	8.333333333
Above 20000	24	40
Total	60	100

Source: Primary Data

Figure 7: Distribution on the basis of income before joining SHG



Source: Primary Data

The above table and diagram describes the annual income of the respondents before joining SHG. Out of the 60 respondents 40% of the members have annual income above 2000, about 22% of the respondents have an annual income between 1000-5000, 20% of the respondents have income between 5000-10000, 8% of the members are having income between 10000-15000 and 15000-20000 and only 2% have income below 1000.

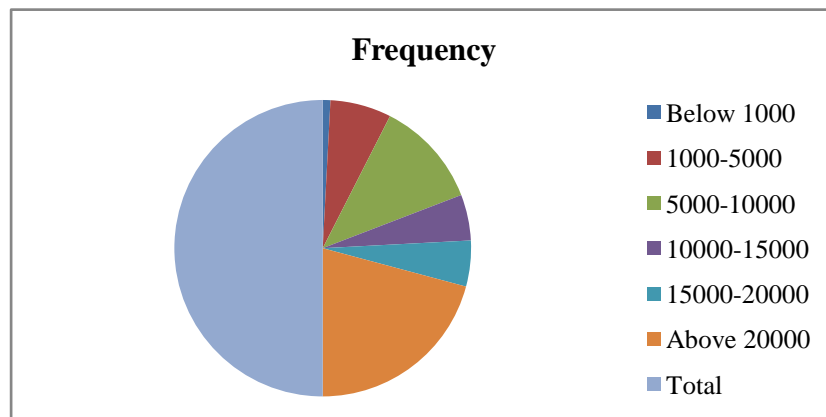
Income after Joining SHG:

Table 8: Distribution of income after joining SHG

Income After	Frequency	Percentage
Below 1000	1	1.666666667
1000-5000	8	13.33333333
5000-10000	14	23.33333333
10000-15000	6	10
15000-20000	6	10
Above 20000	25	41.66666667
Total	60	100

Source: Primary Data

Figure 8: Distribution of income after joining SHG



Source: Primary Data

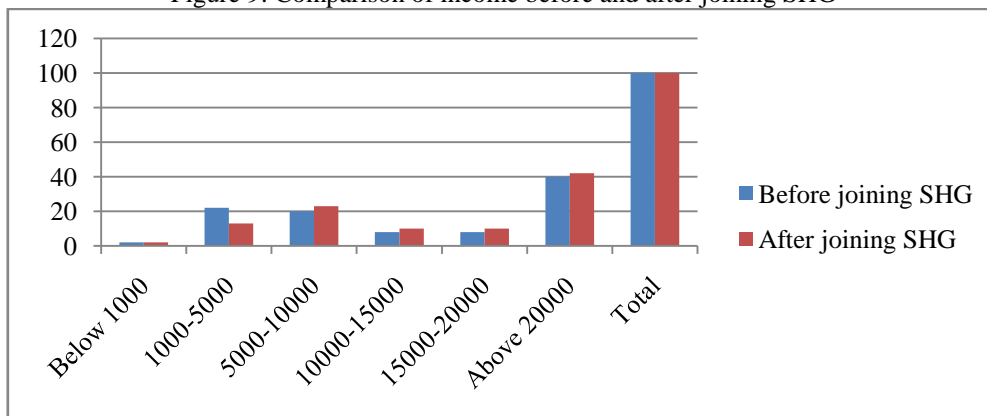
The above table and diagram describes the annual income of the respondents after joining SHG. About 42% of the members have about 20000, 23% have income between 5000-10000. 13% belongs to income between 1000-5000. 10% are having income between 10000-15000 and 15000-20000. 42% of members whose annual income below 1000.

Table 9: Comparison of income before and after joining SHG

Income	Before joining SHG	After joining SHG
Below 1000	2	2
1000-5000	22	13
5000-10000	20	23
10000-15000	8	10
15000-20000	8	10
Above 20000	40	42
Total	100	100

Source: Primary Data

Figure 9: Comparison of income before and after joining SHG



Source: Primary Data

The above table and diagram describes that 2% of respondents have no change in the income level before and after joining SHG and their annual income is below Rs.1000. For those respondents whose annual incomes between 1000-5000 have decreased from 22% to 13%. People between 10000-15000, 15000-20000 and above 20000 shows an increase in the annual income after joining SHG.

Finding and Discussion:

- 52% SHG members are of the age group between 40-55, 30% are between 25-40, 13% are above 55 and 5% are up to 25.
- Of the 60 samples 68% are married, 13% are widow and 10% are single and 8% are divorced.
- 33% of respondents are at high school level, 30% are at middle school 25% are having college level education, 7% are primary level and only 5% consist of people with no schooling.
- 65% of respondents engaged in agriculture, 42% engaged in non-agriculture; whereas the remaining 3% of respondents are engaged in both.
- 70% of the family size is between 4-6 members; about 25% is valid to 1-3 members and 5% have above 6 members
- 58% of the members belong to APL and 42% are BPL.
- Fifty two per cent had utilised loans from SHG by taking loan between 10000-20000, 28% take less than 10000 and 20% members take loan between 20000-40000.

Change in the Income of Members of SHG:

Two per cent of respondents have no change in the income level before and after joining SHG and their annual income is below Rs.1000. For those respondents whose annual income is between 1000-5000 have decreased from 22% to 13%. People between 10000-15000, 15000-20000 and above 20000 shows an increase in the annual income after joining SHG.

Conclusion:

The findings of the study clearly revealed that, the SHGs have power to create a socio-economic revolution which contribution to the development of rural people in the country. When observing the whole data the people have come out of their problems and traditional bound. SHGs have paved the way to bring the rural people in the main stream of social and economic progress of the society. The SHG can contribute to changes in the economic conditions, social status, decision making and increase women in outdoor activities. Thus, SHGs play a very important role in social change.

Savings, financial problems, social security, employment opportunities, availability of loan, inspiration from friends or relatives, success stories of others and officials are major motivational factor for joining SHG. Majority of the members of SHGs in Vadavucode Panchayath are satisfied after joining SHG. SHGs contribute significant change in the income level of people. Thus, it is concluded that SHGs play a vital role in rural development.

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