

TITLE OF THE RESEARCH: Impact of Self Help Group Movement on Livelihood and Empowerment of Rural People in Meghalaya.

NAME OF THE RESEARCH

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1. INTRODUCTION

SHG and micro-credit movement have initiated in the year 1975 at Bangladesh by Mohammed Yunus. In the eighties, a serious attempt was made by the Government of India to promote an apex bank to take care of the financial needs of the poor, informal sector and rural areas. And then, NABARD took steps during that period and initiated a search for alternative methods to fulfill the financial needs of the rural poor and informal sector. NABARD initiated the effort in 1986-87, but the real effort was taken after 1991-92 by linking the SHGs with the banks. What started as a pilot programme has now become a movement for social empowerment particularly for the rural poor including women. The journey so far traversed by the Self Help Group – Bank Linkage Programme (SHG-BLP) crossed many milestones from linking a pilot of 500 SHGs of rural poor two decades ago to cross 8 million groups in 2012. Similarly, from a total savings of a few thousands of Indian Rupees in the early years to a whopping 27,000 crore, from a few crore of bank credit to a credit outstanding of 40,000 crore and disbursements touching 20,000 crore during 2012-13. Further, the geographical spread of the movement has also been quite impressive - from an essentially Andhra Pradesh – Karnataka phenomenon in the beginning now spreading to even the most remote corners of India. Over 95 million poor rural households are now part of this world's largest micro credit initiative.

Micro finance has evolved over the past quarter century across India into various operating models i.e. SBLP, MF linkage model, Grameen model and so on. The degree of success of the movement is also varied from region to region. There is no definitive date that determined for the actual conception and propagation of SHGs in the NER, however the practice of small groups of rural and urban people banding together to form a savings and credit organization is well established in India and in the region too. Researchers believed that the SHG movement started late in the region and is confounded by many regional complexities. The state of the SHG movement varies from state to state, and within states from one district to another. The SHG movement is yet to take off in any major way in Arunachal Pradesh. In Manipur too, it is not significant. However, many traditional systems of organizing savings and lending still hold way. Sharma, 2008 outlines some of the traditional systems of savings and lending prevalent in the states in the region. For instance, Manipur has a wide network of 'marups' started by the Metei community. In Arunachal, the lack adequate number of formal financial institutions and the thin spread of population make the SHG model irrelevant except a few. In Mizoram, the number of

SHGs linked to banks was also very limited. Meghalaya has been the most proactive in the formation of SHGs. This was also the first state in which banks directly started SHGs. In Tripura and Assam the SHG movement is very successful in terms of quantity.

According to NABARD, “SHG is a homogeneous group of rural poor, voluntary governed to save whatever the amount they can conveniently save out of their earnings and mutually to contribute to a common fund to lend to the members for making their production and emergency consumption credit needs”. SHGs have the power to create a socio-economic revolution in the rural areas of our country. SHGs have not only produced tangible assets and improved living conditions of the members but also, helped in changing much of their social outlook and activities. In order to reduce poverty by enabling the poor household to have access to beneficial self employment and employment opportunities based on their skills which then results in appreciable improvement in their livelihood on a sustainable basis, through building strong grass-root institutions of the poor (SHGs), is now the main motive of most of the employment schemes. Thus, SHGs have been showing and paving the way ahead to alleviate the poverty of India along with empowerment.

SHG movement aims to provide livelihood security as well as betterment in livelihood of rural poor. A livelihood includes a number of activities, not all of which involve money. For example, a family may cultivate a home garden to produce food for family consumption, earn a small income by renting a piece of land, work as seasonal agricultural laborers, make bricks, sell eggs from their poultry, occasionally work on a construction or road repair site, etc. All of these things together are their livelihood. When the bottom of the pyramid i.e. four billion people are converted into micro producers, opportunity for global growth becomes obvious. The real effectiveness and success depends on alleviating poverty by converting the poor into producers which will increase the income of the rural families (Rajendran, 2012).

A sustainable livelihood

- Enables a family to cope with and recover from stresses or shocks
- Maintains or improves assets and capabilities
- Maintains or improves the natural resource base
- Does not undermine the livelihoods of others
- Provides for future generations

The very purpose of SHG approach is the empowerment of rural poor. The word empowerment is defined as the process by which a person takes control and ownership of his/her choices. Empowerment is a process of awareness and capacity building leading to greater participation, greater decision making power and control and transformative action. The core elements of empowerment have been defined as agency (the ability to define one's goals and act upon them), awareness of gendered power structures, self-esteem, and self-confidence. SHGs have the power to create a socio-economic revolution in the rural areas of our country. SHGs have not only produced tangible assets and improved living conditions of the members but also, helped in changing much of their social outlook and activities. SHGs have served the cause of women empowerment, social solidarity and socio-economic betterment of the poor (Ramachandran and Balakrishnan, 2008).

Statement of the Problem:

The Government of India has made several efforts to increase the role of women and to improve their status. Also, institutions and organizations have help in promoting informal structure of the poor to help them save and promote self reliance in financing their needs through Self Help Groups. But the poor still have financial crisis and their poverty still persists. SHGs have emerged as one of the major strategies for skill development, awareness generation, gaining access to credit and management of credit for the economically deprived sections particularly women in the state of Meghalaya. Hence, in this context a study pertaining to **“Impact of SHG movement on Livelihood and Empowerment of Rural People in Meghalaya”** is designed to make an in-depth and detailed study with the following objectives.

Objectives of the study:

1. To study the profile of selected SHGs in the state of Meghalaya.
2. To explore the socio-personal, socio-economic and communication profile of the members of the selected SHGs
3. To examine the changes in the livelihood status and livelihood security of the SHG members
4. To assess the effectiveness of SHGs as perceived by their members

5. To measure the empowerment of SHG members and delineate the factors influencing empowerment
6. To identify the problems faced by the members of SHGs in their functioning and management
7. To suggest better policy measures for empowerment of rural people through SHGs in the study area

Importance of the study:

The present study shall make an attempt to examine and evaluate SHGs as change agents which has been designed systematically to create income generating opportunities, identifying predominant factors of empowerment and knowing the level of empowerment among the SHG members in Meghalaya. The component of livelihood and livelihood security will also be highlighted. The results of the study will pave the way for policy makers to frame suitable policies and strategies for implementing such movements in other districts of North Eastern States for the well being of rural people.

Moreover, this study would assume great significance in creating database for realistic planning and implementation of future SHG movement. Findings will also serve as a bench mark for future evaluation. A study like this will help in adding to existing store-house of knowledge concerning SHG approach and related issues. It will also guide future researchers in deriving insight in understanding many aspects relevant particularly to SHG approach.

2. REVIEW LITERATURE

Gupta (1997) reported that when individuals act at a thematic level of conglomeration on their own initiative in an attempt to meet their individual and common needs with primary focus on self-reliance, they are called a “Self Help Group”.

Sengupta (1997) mentioned those SHGs or the thrift and credit groups are mostly informal groups whose members pool savings and re-lend within the group on rotational or need basis.

Sherin (1999) found that 82.69 per cent of the functional SHG respondents had expressed empowerment in terms of authority in planning, decision making, implementation and evaluation of the SHG's programmes while only 55.17 per cent of the respondent of the non functional SHG's claimed that had been similarly empowered.

NABARD (1999) conceptualized that SHGs are the homogenous group of persons coming together voluntarily usually not more than 20 to undertake joint activities on the principle of self-help and mutual help.

Ganesamurthy *et al.* (2000) conducted a study of SHG in Erode and reported that 48.98 per cent of members belonged to the age group of 15-30 years and 40.82 per cent belonged to 30-45 years and 10.2 per cent belonged to 45-60 years. It was reported that 53.06 per cent of the members completed the school education and the remaining 46.94 per cent of them were illiterate.

Puhazhendi and Satyasai (2000) conducted a study for NABARD on SHG-bank linkage programme. The study assessed the impact of microfinance on socio-economic conditions of 560 household members from 223 SHGs located in 11 states; Rajasthan (Northern region), Orissa and West Bengal (Eastern region), Madhya Pradesh and Utter Pradesh (Central region), Gujarat and Maharashtra (Western region), and Andhra Pradesh, Karnataka and Tamil Nadu (Southern region). They have observed that SHG-bank linkage programme has significantly contributed to the improvement in savings, assets, income levels and social conditions of the rural people.

Bakshi (2001) envisaged that Self help group (SHG) has emerged as a very successful concept of empowering rural women by providing not only easy credit and thrift facilities but also many other opportunities for their self development.

Agarwal (2001) reported that the status of women is low and their socio-economic conditions are much more depressed than that of men; therefore, SHG holds importance to enhance the status of women.

Dwaraknath (2001) reported that women had income generating opportunities through traditional and modern occupations such as spinning and weaving industry, agricultural

activities, animal husbandry hosiery, brass items, candle, cane items, carpets, *chappals*, chili powder, *khadi* / leather items, plastic items etc.

Puyalavannan (2001) conducted a study of CRUSADE (Center for Rural Systems and Development) an NGO in Thiruvalluvar district in Tamil Nadu. He found that CRUSADE encouraged 100 members to take up income generating activities. Women members were granted loans up to 3000 for enterprises such as small business, goat rearing, fish vending, dairying, agricultural inputs etc.

Samar and Raman (2001) conducted a study of the SHGs in Tirupati (Andhra Pradesh) and found that 33 per cent of the members had no formal education, about 28 per cent had completed the elementary education, 18 per cent of them up to 10th standard, 17 per cent of members had reached to middle level and only about 4 per cent of the members had reached more than higher secondary level.

Jain (2003) in her study revealed that SHGs enhanced the equality of status of women as participants, decision makers and beneficiaries in the democratic, economic, social and cultural spheres of life.

Jain and Kushwaha (2004) reported that SHGs are groups of women mobilized into groups for undertaking mutually beneficial social and economic activities. The groups provide women a base for self employment and empowerment through dynamics.

Vadivoo and Sekar (2004) stated that the self-help groups are a movement for women empowerment; it covered women collectively struggling against direct and indirect barriers to their self development and their social, political and economic participation. Women's empowerment can be viewed as a continuous process of several inter-related and mutually reinforcing components.

Sinha (2004) opined that the formation of SHG is a viable alternative to achieve the objectives of rural development and to get community participation.

Radhakrishana *et al.* (2008) conducted a study to examine economic empowerment of women through income generating activities. The study revealed that majority of the members of self

help group (SHG) had savings up to Rs. 1000-2000. Employment status of majority of the members was improved after joining in the SHGs of Sujala Watershed Programme.

3. RESEARCH METHODOLOGY

The details of the research methods are explained and presented under the following heads:

3.1. Sampling procedure

3.2. Selection of variables and their measurement

3.3. Techniques of Data Collection

3.4. Data analysis

3.1. Sampling Procedure:

State	District	RD blocks	SHGs	Respondents	Total sample size	Sampling procedure
Meghalaya	D ₁	B1	3	30	240	Stratified random sampling
		B2	3	30		
	D ₂	B3	3	30		
		B4	3	30		
	D ₃	B5	3	30		
		B6	3	30		
	D ₄	B7	3	30		
		B8	3	30		

3.2. Variables and their measurements:

The variables will be selected based on the objectives of present study. A brief detail of the variables considered in present study and their measurement procedures is given below.

Profile of selected SHGs

Features of SHGs will be explored through their basic information i.e. location, year of formation, membership detail, activities, financial detail of SHG, etc. The information will be obtained through secondary data as well as interview schedule survey of the selected SHG members as respondents of present study.

Socio-personal, socio-economic and communication profile of the members of the selected SHGs

Socio-personal, socio-economic and communication profile of the sampled members of selected SHGs will consider following variables.

Variables		Measurement
Socio-personal		
1	Age	On the basis of chronological age at the time of investigation
2	Sex	Categorized as male and female
3	Education level	Scale developed by Pareek and Trivedi(1964)
4	Family size	Scale developed by Pareek and Trivedi (1964)
5	Occupation	Structured schedule will be developed
Socio -economic		
1	Size of holding	Structured schedule will be developed
2	Economic status	Structured schedule will be developed
3	Annual income from agriculture/ farming	Structured schedule will be developed
4	Annual income from other sources	Structured schedule will be developed
Socio- psychological		
1	Economic motivation	Scale developed by Moulik (1965)
3	Independency	Scale developed by Supe (1969)
4	Scientific orientation	Scale developed by Supe (1969)
5	Social participation	Structured schedule will be developed

Communication profile		
1	Mass media exposure (X_{19})	Scale developed by Singh (1972)
2	Contact with personal cosmopolite (X_{20})	Scale developed by Singh (1972)
3	Contact with personal localites (X_{21})	Scale developed by Singh (1972)

Livelihood status and livelihood security of the SHG members

Impact of SHG on livelihood of members will be assessed from their livelihood security and level of living point of view.

The livelihood security refers to food and nutritional security, economic security, habitat security, educational security, social security and health security. Food & nutritional security refers to qualities of foods for the family members. Economic security considers sources of income, savings, loan/ credit availability, etc. Habitat security deals with condition of living, safety, insurance, adaptation at the time of any crisis/ emergency in family, etc. Educational security addresses to schooling of children, family members' literacy, communication ability, etc. Social security means recognition in society, membership in social organisations, etc. Health security indicates health condition, treatment of illness, readiness to meet health related expenditure, etc. Interval scale shall be used for the measurement. Each of six indicators of livelihood security will be assessed with an interview schedule to be developed for present study.

Department for International Development (DFID) framework (1999) will be used. to measure level of living, according to which it the function of physical, social, financial, human and natural assets. Physical assets refer to type of housing condition, sanitation, conveyance, electric, cooking, communication facility, etc. Social assets mean recognition, social and political participation, involvement in developmental works, common services used, etc. Financial assets involve sources of income, kinds of savings and investments, lending, borrowing, etc. Human assets indicate language competencies, education/literacy, management skill, mobility, etc. Natural assets consist of natural resources holdings viz. farm size, irrigated land, livestock, poultry, fishpond, etc. Each of five indicators of level of living shall be assessed with the help of an interview schedule.

Effectiveness of SHGs

The effectiveness of SHG will be measured based on satisfaction of the SHG members having membership in SHG. The extent of satisfaction will be explored through perceptions of sampled SHG members on five issues *viz.* financial assistance, capacity building, empowerment, living condition and social status. An interview schedule will be prepared for this purpose.

Empowerment of SHG members

Empowerment of rural poor through SHG approach will be evaluated with the help of following indicators *viz.* self development, social empowerment, economic empowerment, political empowerment and information empowerment in term of media exposure and awareness about development programmes. Structured interview schedule will be developed for measurement of empowerment of rural poor.

Constraints faced by SHG members

The constraints faced by SHG members will be explored with the help of Focus Group Discussion (FGD) with the members and accordingly problems will be listed followed by formation of problem tree and solution tree for the major constraint(s).

3.3. Techniques of data collection:

A pilot study will be conducted among some of the members of SHG from non-sampling areas to check the reliability of the schedule. Based on the information received in the pilot study, the schedule will be modified and finalized to conduct the survey.

Primary data will be collected directly from the sampled SHG members with the help of interview schedules through personal interview. Secondary data will be collected from published sources and relevant Government departments and other reliable sources.

3.4. Statistical tools and analysis:

The data will be systemically analyzed with the help of appropriate statistical analysis namely:

- a) Descriptive statistics such as frequency, percentage, mean, standard deviation and coefficient of variation
- b) Non-parametric Chi-square test to identify the association between various groups of SHG members with respect to the indicators of women empowerment
- c) Correlation and Multiple Regression analysis to identify the factors influencing empowerment of the members of SHG.
- d) Friedman's test (non-parametric) to find out variation among the indicators of women empowerment.

4. UTILITY OF THE STUDY:

- i) The study attempts to provide information regarding functioning of SHGs and the profile of SHG members. .
- ii) Findings of the study will help in gaining information related to the livelihood of SHG members and effect of SHG movement on empowering the rural people in Meghalaya.
- iii) The study shall help to identify the reasons for the success or failure of the SHGs.
- iv) The study would bring into focus on the various problems faced by rural poor including the women SHG members in carrying out various income generating activities within the group.
- v) The study would also help the SHG promoting institutions to move towards a firm direction of developmental approach and solution to real problems faced by SHG members.

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