



To study the 'Impact of the SHGS-bank linkage program on the socioeconomic status of members of the groups in district Malda

¹Sanat Kumar Singha and ²Dr. Meena

¹Research Scholar, Department of Sociology, Maharaja Agrasen Himalayan Garhwal University, Uttarakhand, India

²Professor, Department of Sociology, Maharaja Agrasen Himalayan Garhwal University, Uttarakhand, India

Corresponding Author: Sanat Kumar Singha

Abstract

The study looks into how women's social and economic empowerment in rural areas is impacted by microfinance interventions and the entrepreneurial activities of Self-Help Group (SHG) members. The study uses a mixed-methods approach, integrating qualitative insights from case studies, interviews, and surveys with quantitative data analysis. The results of the study showed that microfinance and entrepreneurial activity had a moderately substantial and noticeably good effect on the social, economic, and psychological aspects of women's empowerment. Additionally, the inclusion of case studies demonstrated how microfinance initiatives and entrepreneurship have significantly empowering women in a number of areas, including boosting their overall self-confidence and well-being, increasing their financial independence, improving their participation in decision-making processes, and creating social networks and support. These observations highlight the revolutionary potential of microfinance programs in promoting women's empowerment and gender equality across a range of socioeconomic circumstances.

Keywords: Entrepreneurial, social, economic empowerment, gender equality, self-confidence

1. Introduction

The concept of self-help groups, or SHGs for short, is now widely accepted. It has existed for nearly twenty years. SHGs are said to support a country's economic development. Now, SHGs have become a movement. The majority of SHG members are women. Women are thus playing a bigger role in the country's economic development. They also play a vital role in helping their families' financial circumstances. The emancipation of women has hastened as a result of this.

The importance of empowerment in developing women's position has been recognized in recent years. Empowering women is crucial for development as a whole because they are a more potent source of development than ever before. Women who are empowered are more effective over the long run in addition to being able to contribute to the progress of development. Achieving social development goals requires the empowerment of women. Women must be able to do a range of tasks in order to be included in the main stream of the nation's growth programs. It is impossible to overlook women's empowerment when developing a variety of socioeconomic development policies. These days, it's acknowledged that a nation's

economic progress may be gauged by the prosperity of its women. This does not mean that women, who comprise roughly half of the population, will necessarily better as a result of their economic progress.

In recent years, women in third-world nations have pushed for empowerment. It seeks to address women's strategic gender demands resulting from their inferior status to males by mobilizing them around a single practical gender need in line with their recognized role in society. It aims to empower women by enhancing their autonomy and inner strength to make life decisions and influence the direction of change. Women's empowerment through Self-Help Groups (SHGs) will benefit not only the individual women but also the family and community at large through collective action and development. In terms of collection, these SHGs are active. Although women's economic needs must be satisfied, empowering them also advances more all-encompassing societal progress. Women are empowered and educated by the SHGs to take an active role in the socioeconomic advancement of the country. Women now have more power as a result of the creation of SHGs. SHGs, which are mainly composed of landless agricultural laborers and small/marginal farmers, are becoming more and more

recognized as alternative credit delivery methods for meeting credit needs, especially those of the poorest members of society.

2. Importance of the study

Several studies show that self-help group programmes, frequently in the form of credit or microcredit schemes, and savings, have helped disadvantaged women improve their lives by allowing them to earn more money and have more self-esteem. This is evidenced by the state's rising number of self-help groups. The purpose of this study is to examine the influence of self-help groups on women in the District Malda of West Bengal. The major goal of this research is to see how effective SHGs are at improving women's economic status, how empowered they are, and what problems they face.

3. Review of Literature

Suman Bery conducted a research on the sustainability and impact of the SHG bank linkage program in 2008 in order to get access to the program at the SHG level and to evaluate the need for training and capacity building in order to engage in income-generating activities. The study, which was carried out in five Indian states, focused on the distribution of savings, loan utilization, and membership among the SHGs in the study area.

This study is founded on the idea that "self-help groups can empower women and eradicate poverty." Highlights of this study include: a) SHGs have improved members' knowledge and communication skills; b) greater awareness of various government programs and the participation of impoverished women in them; and c) 6800 SHG members won loyal body elections in 2006 and saw improvements in their health and nutrition.

Raghav Gaiha, Department of Economics, University of Rome "Tor Vergata," and Mani Arul Nandhi, Jesus and Mary College, University of Delhi, did a study on microfinance, self-help groups, and empowerment in Maharashtra state. Six (6) villages in the Pune district were selected for this study from among panchayat members, seven (7) NGOs, and seven (7) bank officials. The control group consisted of 72 members and 150 non-members. SHG members were not satisfied with the economic and financial improvements, according to the study's conclusion. On the other hand, loans were mostly used for the family's children's education and health rather than for charitable purposes.

Susy Cheston and Lisa Kuhn (2002) The Empowering Women via Microfinance study forms the basis for another study, but this one concentrated on the actual empowerment of women and the function of microfinance in this regard. The real degree of women's empowerment and its performance in microfinance were highlighted in this study. This study concludes that while microfinance does not address the obstacles to women's empowerment, it can play a significant role in empowering women in a constructive way if it is correctly organized.

Self-help groups and financial inclusion: By choosing cross-sectional data from 42 areas, statistics, and UTs for the year 2006, the 2008 study focused on financial inclusion for SHGs. According to this report, 63% of persons over 19 who are financially included save 16% of their credit

accounts. The branch density has a positive and significant relationship with the percentage of adults who have both a credit and a savings account, according to the regression equation calculated using cross-sectional data from states.

4. Objectives of the study

1. Research on the 'Socio-economic profile of SHG women.'
2. To determine the 'Impact of the SHGS-Bank Linkage Program on the Socioeconomic Status of Members of the Groups in District Malda.'

5. Research Methodology

A pilot study was carried out to verify the study's viability and validate the questionnaire. A sample of 150 questionnaires were given to District Malda SHG members as part of the pilot project. Higher order statistical analysis was performed on the gathered opinions using a variety of methods, including factor analysis, chi-square, t-test, and percentage analysis.

The information gathered in this way served as supplemental information to verify the information gathered using the questionnaire method. Additionally, the study revealed the way of participated observation. This method appeared to be most helpful when looking at the internal environment, such as work ethics, morale, initiative, discipline, and human interactions. Lastly, a group discussion was also conducted to obtain a comprehensive understanding of the units' issues.

The respondents were selected through random sampling method and 500 SHG members were considered for the main study.

The research is analytical in nature and is predicated on gathering information from primary and secondary sources. Primary information was gathered via a carefully designed questionnaire. Random sampling was used in this study, and secondary data was gathered from a variety of published and unpublished documents, books, journals, and material provided by the office in District Malda.

The study's research approach is divided into two phases. The research was conducted in two stages: an exploratory stage and a descriptive stage. Consequently, there are two stages to the investigation. A thorough examination of the District Malda 's SHG members was conducted in the first phase. The exploratory research serves as the foundation for the subsequent research preparations. Descriptive research, conducted using a survey method, was the second phase of the study. The District Malda 's sample respondents provided the study's data. The primary and secondary data gathered from several SHG groups in District Malda serve as the study's main sources of information.

6. Results and Data Interpretation

6.1 Influence of the respondents' demographics on the motivation to join SHGS

One-way ANOVA is used to determine the impact of respondents' age, experience, and occupation on SHG and independent sample motivation in order to examine the significant influence of respondents' demographics (age, marital status, education, and occupation). The t-test is used to determine how respondents' marital status affects their desire to join a Self-Help Group.

Table 1: Influence of respondents' demographics on motivation to join SHGS

	Categories	N	Mean	S D	t/ F values
Age	Up to 25 years	117	38.25	2.710	F =18.885** ($p<.001$)
	25-35 years	164	42.12	2.853	
	36-45 years	147	42.07	2.231	
	Above 45 years	72	41.87	1.286	
Marital status	Unmarried	163	36.52	6.146	t =15.620** ($p<.001$)
	Married	337	42.02	2.426	
Education	Illiterate	166	42.05	2.614	F =1.422 ($p=.102$)
	Up to secondary	139	42.06	2.040	
	Higher Secondary	138	42.57	6.273	
	Degree/Diploma	57	41.74	1.811	
Occupation	Self Employed	74	42.04	2.564	F =19.122** ($p<.001$)
	Salaried	144	38.82	5.784	
	Labourer	218	41.16	3.700	
	Dependent on others	64	38.11	5.873	

6.2 AGE

At the 1% level, the derived 'F' value of 18.885 is significant. The value shows that the age of the responder has a substantial impact on their motivation to join a SHG.

Also, according to mean table, respondents between the ages of 25 and 35 had the highest mean score (42.12), while respondents under the age of 25 had the lowest mean (38.25). This indicates that respondents between the ages of 25 and 35 are more motivated to join SHGs, whereas respondents under the age of 25 are less motivated.

6.3 Marital status

At the 1% level, the derived 't' value of 15.620 is significant. The number shows that the respondent's marital status has a considerable impact on their motivation to join SHGs. Additionally, respondents who were married had a higher mean score of 42.02 than respondents who were single (36.52), according to mean table. This indicates that married respondents are more inclined than single respondents to join Self-Help Groups.

Consequently, the hypothesis H0 2(b), which states that "the respondent's marital status has no significant influence on their motivation to join SHGs," is disproved.

6.4 Education

At the 5% level, the computed 'F' value of 1.422 is not significant. The value suggests that respondents' education has no discernible impact on their motivation to join SHGs.

6.5 Occupation

At the 1% level, the derived 'F' value of 19.122 is significant. The value shows that respondents' occupation has a considerable impact on their motivation to join SHGs. Additionally, as shown in mean table, respondents who were self-employed had the highest mean score (42.04), while those who were reliant on others had the lowest mean (38.11). This indicates that respondents who worked for themselves were more inclined to join a self-help group (SHG), but those who relied on others were less inclined to do so.

6.6 Performance of SHG

Information about the size of their self-help groups has been

provided by the respondents. Information about the size of their self-help groups is shown in table below.

Table 2: Group size of SHG

	Number of SHG members	Percentage
Less than 10	119	23.80
More than 10	381	76.20
Total	500	100

Source: Primary data

The data about the size of their self-help groups is shown in table above. Of the respondents, 76.20% are members of SHGs with a group size greater than ten, while the remaining 23.80% are members of SHGs with a group size smaller than ten. The majority of respondents (76.20%) acknowledged that they belong to SHGs with a group size more than ten.

6.7 Mode of savings

Information about the method of saving in self-help groups has been provided by the respondents. The data about the method of saving in self-help groups is shown in Table.

Table 3: Mode of Savings

	Number of SHG members	Percentage
Chit funds	75	15.00
Post offices	225	45.00
Co-operatives	105	21.00
Nationalized Banks	72	14.30
Private sources	23	4.70
Total	500	100

Information about the method of saving in self-help groups can be found in table 3 above. According to the survey, 45.00% of respondents save in post offices, 21.0 percent in cooperatives, 15.00 percent in chit funds, 14.30 percent in nationalized banks, and 4.70% in private sources. The majority of respondents (45.00%) are seen to be saving money at post offices.

Table 4: T-test for self-confidence of respondent

Statements	Mean	SD	t-value	P-value
Able to start income-generating activities	4.11	0.666	41.551**	<.001
Children educational needs fulfilled	4.07	0.882	38.297**	<.001
Adding more facilities in the house	3.27	0.903	10.298**	<.001
Able to purchase assets	3.55	0.741	21.566**	<.001
Expansion of business	4.01	0.784	31.367**	<.001
Meeting bank officials	3.83	0.778	29.044**	<.001
Meeting Government officials	3.53	0.742	17.647**	<.001

*significant at 1% level

The self-confidence t-values of respondents 41.551, 38.297, 10.298, 21.566, 31.367, 29.044 and 17.647 are significant at the 1% level, according to table. This indicates that there is a substantial discrepancy between the test average score (=3) and the mean answers provided by the respondent about self-confidence. Additionally, the mean scores for the following are higher than the test average: meeting bank officials (3.83), meeting government officials (3.53), expanding the business (4.01), adding more facilities to the house (3.27), meeting children's educational needs (4.07), meeting the respondent's self-confidence, and being able to start income-generating activities (4.11). Respondents overwhelmingly concurred that they can launch revenue-generating ventures, meet their kids' educational demands, and grow their businesses. The respondents concurred that they can meet government and bank representatives, buy assets, and add amenities to their homes. Therefore, based on the aforementioned study, the main drivers of respondents' self-confidence are activities that generate revenue and meeting the educational demands of their children.

7. Conclusion

SHGs have been recognized as a means of empowering women and reducing poverty. Additionally, the goal of women's empowerment is to help them realize their identities, potential, and power in all areas of their lives. The SHG is now a source of motivation for the betterment of women. Establishing Self-Help Groups (SHGs) is a practical way to accomplish rural development goals and gain community involvement in all programs. A good organized way to give rural women microcredit and encourage them to start their own businesses is through Self-Help Groups (SHGs). According to the report, joining a SHG is mostly done as part of an empowering process rather than only to obtain credit. It is recognized as a strategy for empowering women and reducing poverty. By creating strong grassroots institutions of the poor (SHGs), the majority of employment programs now aim to reduce poverty by giving impoverished households access to opportunities for skilled wage work and gainful self-employment, which will significantly improve their standard of living over the long term. The women gain social, political, and economic strength after joining the self-help group. By helping women become financially independent and enabling them to preserve money for future development, Self-Help Groups (SHGs) play a larger role in empowering women. Additionally, it was discovered that the SHGs gave women the confidence they needed to

become economically and socially independent. It gives women self-assurance and decision-making authority. It creates loan policies, awareness campaigns, and other initiatives. Self-help groups do, however, have a beneficial effect on women's social empowerment.

However, a woman can only truly be empowered if she has greater access to financial resources, greater self-assurance and drive, greater strength, greater recognition and influence over family issues, and greater involvement through participation. Even if it is a steady and progressive process, women should cultivate the mindset that they are willing to put in more work for their entire development. There is a chance that SHGs will influence women's empowerment. In order to enhance the living conditions of rural and semi-urban women, the idea of self-help groups has been proposed. Although the SHG concept is applicable to men in our nation as well, it has only proven more successful with women. As a result, SHGs have been paving the way for women's empowerment and the reduction of poverty in India.

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