A Study on Socio Economic Impact of Microfinance on Women Self Help Group in Mahesana District

Vipul Patel
Assistant Professor,
V M Patel College of Management Studies,
Ganpat University, Gujarat, India
Email: vbp01@ganpatuniversity.ac.in

Nikita Patel
Research Scholar,
Faculty of Social Sciences & Humanities,
Ganpat University, Gujarat, India
Email: nikitapatel1907@gmail.com

Abstract

Microfinance is an important financial tool for poor people. The main aim of microfinance and self-help group is to reduce poverty, women's empowerment and improve the social and economic status of women. In India half of the population is measured as female. They are not able to take part in any social and economic activity. They are also not able to take a decision in the family and able to express their view in the family. They are highly dependent on their husbands. Self-help group through microfinance made an attempt to overcome this limitation. Microfinance and SHG are important tools for poor people to meet their urgent financial needs. This study evaluates the socio-economic impact of microfinance on women self-help group in the rural area of Mahesana district.

The study has been done by many authors in many countries like Bangladesh, Pakistan, India, Nepal, and many other countries to find the socio-economic impact of microfinance on women self-help group. There have been many studies those reveal the results that there is a positive impact of microfinance in the reduction of poverty, women empowerment, and improvement in the socio-economic condition of SHG members. India is divided geographically into two parts; one is urban India and second in rural India. It is observed that in rural India, women are highly dependent on their family especially husband as a need of era it reveals that women should be self-independent, empowered, and get relief from poverty and dependency. This study is a decent attempt in this era.

Key Words

Empowerment, Self-help Group, socio-economic, microfinance, rural area.

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1. Introduction

Programmes for the growth of women are a modern trend in India. Usually, women were dependent and were permitted to present only limited activities. But in recent days a small number of women grow and know about the opportunities existing in every ground. The researcher has attempted to study socio-economic impact of microfinance on women SHG in Mahesana district.

Conception of SHG

An SHG is town based monetary mediator board normally created 10-20 nearby ladies. Individuals make little customary reserve funds commitment over a couple of months until there is sufficient capital in the gathering to start landing. An SHG might be enlisted. It ordinarily involves a gathering of smaller scale business visionaries having a homogeneous social financial foundation. They pool their assets to end up noticeably monetarily steady, taking credit from the cash gathered by that gathering and by making everyone in that gathering independently employed.

2. Research Methodology

Research Methodology decides the territory of the proposed study and gives information to the readers about the adopted process of analysis for the respective study. This includes aims for which the study is undertaken. These also clarify time, scope, data sources etc. of the proposed study. Another significant aspect is tools and techniques which are used for the study.

Objective

- To study the microfinance activities of self-help group at the rural level.
- To study how microfinance plays a role in poverty reduction, empowerment and socio- economic development of members of the self-help group in north Gujarat.
- To study and make a comparative analysis of the socio-economic situation of members of the self-help group before and after their joining of SHG.
- To check out the impact of microfinance operation on members of the self-help group.
- To focus on the contribution of a self-help group for poverty reduction and empowerment of members.

Research Design

The research design is a framework of the research, which consists of pronouncing the problem, formulating a hypothesis, collecting a data, analyzing the data and getting certain conclusion either in the form of the solution towards the concerned problem or in the form of certain generalization for some theoretical formulations. In this research, the descriptive and exploratory research design will be used.

Source of Data

In this research, primary and secondary data were used. For this study, primary data is collected through a structured questionnaire which has close-ended questions. In this research, most of the respondents were illiterate or having a lower education. So, the questionnaire was mostly filled up by the researcher.

For using the secondary source of data researcher has used books, thesis, articles, bulletins, research literature, and journals. Further, the annual reports and handbooks are also used by the researchers.

3. Data Analysis and Interpretation

Table-1 Demographic Profile of the Samples

S.N	Variables	Frequency	Percentage
Age	Less than 30	14	14.0
	31-40	68	68.0
	41-50	17	17.0
	Above 50	1	1.0
	Total	**100**	**100.0**
Designation	Members	87	87.0
	Leader	13	13.0
	Total	**100**	**100.0**
Occupation	Animal husbandry	31	31.0
	Agriculture	10	10.0
	Labour Wok	18	18.0
	Cottage Industry	2	2.0
	Aanganvadi Karyakarta	7	7.0
	Housewife	32	32.0
	Total	**100**	**100.0**
Education	Illiterate	0	0.0
	Can Sign only	0	0.0
	Up to 5th Std	6	6.0
	6th To 7th Std	36	36.0
	8th To 10th Std	52	52.0
	11th To 12th Std	6	6.0
	Up To Graduation	0	0.0
	Total	**100**	**100.0**
Type of Family	Joint	93	93.0
	Nuclear	7	7.0
	Total	**100**	**100.0**
Social Group	Open	38	38.0
	OBC	44	44.0
	ST	18	18.0
	SC	0	0.0
	Total	**392**	**100.0**

From the above table, it can be seen that majority of the respondents belonged to the age group of 31-40 (68%). Respondents included in the survey sample belong to the age group less than 30 years (14%), and age group of 41-50 year (17%). The least of respondents were belongs to the age group above 50 years (1%). Out of 100 respondents, 87 respondents were members (87%) and 13 respondents were a leader (13%). Majority of the respondents were a housewife (32%). Out of this 10%, respondents belonged to the occupation of agriculture. While 18% of respondents belonged to the occupation of labour work. 7% of respondents were from the occupation of AnganwadiKaryakarta and 31% respondents were from the occupation of animal husbandry housewives. The least of respondents were from cottage industry (2%). In this sample survey, most of the respondents having a lower education.

Out of all, none of the respondents were illiterate. 6% of the respondents having an education up to 5th std. only. Respondents having an education between 8th to 10th std. (52%). only 6% of respondents having an education between 11th to 12th std. and 0% respondents having an education up to the graduation. Respondents were also asked to tell about their type of family. It can be seen in above table that 93% of respondents were living in a joint family while 7% of respondents were living in a nuclear family. Respondents also provided information about their social group. Majority of the respondents belonged to the OBC group (44%). 38% from open category while 18% belongs to ST and none of the respondents belonged to the SC category (0%).

Pair Sample T-Test

Table-2 Pair Sample Statistics

Pair	Paired Samples	Mean	N	Std. Deviation
Pair 1	Enhancement in personal or family income before	2.23	100	0.053
	Enhancement in personal or family income after	4.24	100	0.055
Pair 2	Reduction of poverty in the family before	2.09	100	0.065
	Reduction of poverty in the family after	4.52	100	0.061
Pair 3	Reduction of dependency on money lenders before	2.08	100	0.091
	Reduction of dependency on money lenders after	4.35	100	0.074
Pair 4	Commencement of income generating activities before	2.19	100	0.065
	Commencement of income generating activities after	4.28	100	0.055
Pair 5	Ability to meet the financial crisis in the family before	2.14	100	0.065
	Ability to meet the financial crisis in the family after	4.15	100	0.052
Pair 6	Increase in purchasing power before	2.45	100	0.073
	Increase in purchasing power after	4.16	100	0.056
Pair 7	Increase in saving before	1.83	100	0.073
	Increase in saving after	4.10	100	0.076

Table-3 Pair Sample T-Test

Pair	Paired Samples	Mean	Std. Deviation	T	df	Sig. (2Tailed)
Pair 1	Enhancement in personal or family income before Enhancement in personal or family income after	-2.010	0.718	-28.007	99	0.000
Pair 2	Reduction of poverty in the family before Reduction of poverty in the family after	-2.430	1.085	-22.400	99	0.000
Pair 3	Reduction of dependency on money lenders before Reduction of dependency on money lenders after	-2.270	1.355	-16.755	99	0.000
Pair 4	Commencement of income generating activities before Commencement of income generating activities after	-2.090	0.975	-21.427	99	0.000
Pair 5	Ability to meet the financial crisis in the family before Ability to meet the financial crisis in the family after	-2.010	0.959	-20.966	99	0.000
Pair 6	Increase in purchasing power before Increase in purchasing power after	-1.710	1.057	-16.179	99	0.000
Pair 7	Increase in saving before Increase in saving after	-2.270	1.127	-20.145	99	0.000

H0: There is no significant improvement in agreement level of members about enhancement in personal or family income before and after joining SHG

H1: There is a significant improvement in agreement level of members about enhancement in personal or family income before and after joining SHG.

A paired-samples t-test was conducted to compare agreement level of members about enhancement in personal or family income before and after joining SHG. There was a significant improvement in agreement level of members about enhancement in personal or family income before (M=2.23, SD=0.529) and after (M=4.24, SD=0.653) condition t; (99) =-28.007, p =0.000. These results reject the H0 and suggest that significant improvement in agreement level of members about enhancement in personal and family income after joining SHG.

H0: There is no significant improvement in agreement level of members about the reduction of poverty in the family before and after joining SHG.
H1: There is a significant improvement in agreement level of members about the reduction of poverty in the family before and after joining SHG.
A paired-samples t-test was conducted to compare the agreement level of members about the reduction of poverty in the family before and after joining SHG. There was a significant improvement in agreement level of members about the reduction of poverty in the family before (M=2.09, SD=0.653) and after (M=4.52, SD=0.611) condition t; (99) =-22.400, p =0.000. These results reject the H0 and suggest that the significant improvement in agreement level of members about the reduction of poverty in the family after joining SHG.

H0: There is no significant improvement in agreement level of members about the reduction of dependency on money lenders before and after joining SHG.
H1: There is a significant improvement in agreement level of members about the reduction of dependency on money lenders before and after joining SHG
A paired-sample t-test was conducted to compare agreement level of members about the reduction of dependency on money lenders before and after joining SHG. There was a significant improvement in agreement level of members about the reduction of dependency on money lenders before (M=2.08, SD=0.907) and after (M=4.35, SD=0.744) condition t; (99) =-16.755, p =0.000. These results reject the H0 and suggest that the significant improvement in agreement level of members about the reduction of dependency on money lenders after joining SHG.

H0: There is no significant improvement in agreement level of members about the commencement of income generating activities before and after joining SHG.
H1: There is a significant improvement in agreement level of members about the commencement of income generating activities before and after joining SHG
A paired-samples t-test was conducted to compare agreement level of members about the commencement of income before and after joining SHG. There was a significant improvement in level of members about commencement of income before (M=2.19, SD=0.647) and after (M=4.28, SD=0.552) condition t; (99) =-21.427, p =0.000. These results reject the H0 and suggest that the significant improvement in the level of members about the commencement of income after joining SHG.

H0: There is no significant improvement in agreement level of members about the ability to meet the financial crisis in the family before and after joining SHG.
H1: There is a significant improvement in agreement level of members about the ability to meet the financial crisis in the family before and after joining SHG.

A paired-samples t-test was conducted to compare agreement level of members about an ability to meet the financial crisis in the family before and after joining SHG. There was a significant improvement in agreement level of members about an ability to meet the financial crisis in the family before (M=2.14, SD=0.652) and after (M=4.15, SD=0.520) condition t; (99) =-20.966, p =0.000. These results suggest that the significant improvement in agreement level of members about the ability to meet the financial crisis in the family after joining SHG.

H0: There is no significant improvement in agreement level of members about an increase in purchasing power before and after joining SHG.
H1: There is a significant improvement in agreement level of members about an increase in purchasing power before and after joining SHG.
A paired-samples t-test was conducted to compare agreement level of members about an increase in purchasing power before and after joining SHG. There was a significant improvement in agreement level of members about an increase in purchasing power before (M=2.45, SD=0.726) and after (M=4.16, SD=0.564) condition t; (99) =-16.179, P =0.000. These results reject the H0 and suggest that the significant improvement in agreement level of members about an increase in purchasing power after joining SHG.

H0: There is no significant improvement in agreement level of members about an increase in saving before and after joining SHG.
H1: There is a significant improvement in agreement level of members about an increase in saving before and after joining SHG.
A paired-samples t-test was conducted to compare agreement level of members about an increase in saving before and after joining SHG. There was a significant improvement in agreement level of members about an increase in saving before (M=1.83, SD=0.726) and after (M=4.10, SD=0.759) condition t; (99) =-20.145, p =0.000. These results reject the H0 and suggest that the significant improvement in agreement level of members about an increase in saving after joining SHG.

4. Findings

From the chapter of analysis and interpretation, it has been observed that majority of the members (68%) belonged belong to the age group of 31-40 years. In this study out of 100 respondents, 87 were members and 13 were leaders. It has been observed that majority of the members were a housewife. In this study, it has been observed that majority of the members having a lower education up to 10th standard. In this study all respondents were Hindu. It has been observed during the survey that the majority of the members (93%) live in a joint family. It has also been observed that the majority of the members (44%) belong to the OBC category. In this study only (12%) members have BPL card majority of members not having benefits of BPL.

In this study, Pair Sample T-test was used to test the hypothesis. It has been seen that there is a significant increment in members' personal as well as family income after joining SHG. Majority of the members are agreed that their poverty is reduced after joining SHG. Dependency on a money lender is also reduced after joining SHG. Members are also able to meet with the financial crisis after joining SHG. Majority of the members are agreed that their purchasing power and saving habits are increased after joining SHG.

5. Conclusion

The objective of the study is to found how microfinance plays role in poverty reduction, women empowerment, and development of status of SHG members. It has been observed during the study that the majority of the people joining SHG to increase their saving habits. Majority of the members taken a loan for animal husbandry and children education. Pair sample t-test reveals the result that there is a positive impact of microfinance in poverty reduction and women empowerment. It has been observed during the study that majority of members social status also increased after joining SHG. After joining SHG members, the standard of living is also increased, their income and expenditure are also increased. Self-confidence and saving are also increased in grater term after joining SHG. The overall conclusion is that there a positive impact of microfinance in poverty reduction, women empowerment, and socio-economic status.

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