

DO MEMBERS OF SELF-HELP GROUPS HAVE AWARENESS ON SHGs? - A STUDY

Dr.G.Kalaivanan

*Associate Professor, PG Department and Research Centre in Commerce,
Saraswathi Narayanan College, Madurai*

V. Jeyavalli

*Ph.D. (Part-time) Scholar, Research Centre in Commerce,
Saraswathi Narayanan College, Madurai*

Abstract

A Self Help Group is evaluated in terms of its sustainability and impact on the economic conditions of the households of its members. It is a known fact that awareness is very essential for the members to understand the importance of any organization. The implication is that awareness has a far reaching impact on the performance of the organization. Thus, the researcher made an attempt to analyze the awareness of the members on the various aspects of microfinance and SHGs in Madurai district. The primary data to assess the members' awareness were collected from 261 members of SHGs linked to various branches of Canara bank in Madurai district. It has been found that 60 per cent of the members have higher level of awareness on the different aspects of SHGs. The survey brings out the point that the members of urban groups have higher level of awareness.

Self Help Group (SHG) is an organized set up to provide group loans to poor people on the strength of group's savings without insisting on any collateral security. It is a development strategy. It aims at motivating people to venture into entrepreneurial activities. It is a viable alternative measure for the eradication of poverty. It enables women to become economically independent. The concept of SHG in India was introduced in 1985. The National Bank for Agricultural and Rural Development (NABARD) launched the linkage programme in 1992. The SHGs are linked to the financial institutions in three ways. The commercial banks encourage the group formation, open savings account and provide loans directly to SHGs under Model I. NGOs form the groups and train them in thrift and credit management. In due course, the commercial banks link these groups by directly providing loans to them. NGOs form the groups, train them in thrift and credit management and act as financial intermediaries under Model III. The linkage programme will be successful only when the groups formed are sustainable both institutionally and financially. It is quite true that the performance of SHGs assessed in terms of either sustainability or their economic impact on group members will be effective only when the group members are aware of the different aspects of SHGs. Here, awareness means one's ability to recall and recognize the various aspects of the programmes or schemes as provided by an organization. It is useful for them to understand the product or service category in which it competes. In particular, awareness has a far reaching impact. Thus, the researcher made an attempt to analyse the awareness levels of the members of SHGs on the various aspects of SHGs in Madurai district.

Methodology

The study is based on the primary data provided by the members of SHGs. As Canara bank is the lead bank in the district, the SHGs linked to Canara bank have been considered for the present analysis. The records of Project Officer, Mahalir Thittam, Madurai show that 20 branches of Canara Bank have linked SHGs for providing loans for the economic benefits of the SHG members in the district. As on 31.03.2016, the Canara Bank linked 2612 SHGs for extending loans to the members. The researcher has chosen 10 per cent of the total SHGs linked to each branch of Canara Bank in Madurai district. Thus, 261 SHGs were selected for the present analysis at random. The researcher has chosen one member from each selected group. The members have been selected using simple random sampling technique. The necessary primary data have been gathered from these 261 selected members.

The researcher designed an interview schedule for the collection of primary data. Academicians, bank officers, government officials, NGO professionals were consulted for the preparation of the schedule. Further, the researcher pre-tested the schedule for getting the suggestions of SHG leaders for inclusion of relevant questions into the schedule and deletion of irrelevant questions from the schedule. Twenty leaders / animators were contacted for pre-testing. The schedule was well structured and finalized using the suggestions given by the experts and the leaders/animators. The schedule has been employed to gather general information about the SHGs from their members. The field survey was conducted by the researcher in the month of May 2016. The researcher applied Discriminant analysis to study the group characteristics of the members of SHGs having higher level of awareness on the different aspects of SHGs.

Results and Discussion

The researcher obtained answers for 20 yes or no type questions from the respondents to assess the members awareness on the different aspects of SHGs and the results are detailed in Table 1.

Table 1 Distribution of Sample Respondents Based on SHG models and Awareness on Various Aspects of SHGs

Sl. No.	Aspects of SHGs	Number of Respondents			Total
		Model I	Model II	Model III	
1.	The SHG - Bank linkage programme was started by NABARD	21 (33.33)	86 (55.13)	33 (78.57)	140 (53.64)
2.	The concept of micro finance originated from Malaysia	2 (3.17)	17 (10.90)	6 (14.29)	25 (9.58)
3.	The maximum number of members in a SHG is 20	51 (80.96)	142 (91.03)	40 (95.24)	233 (89.27)
4.	A SHG is a voluntary organization	63 (100.00)	156 (100.00)	42 (100.00)	261 (100.00)
5.	A SHG may be registered or unregistered	63 (100.00)	156 (100.00)	42 (100.00)	261 (100.00)

6.	Most of SHGs in India have been formed by NGO facilitators and intermediaries	60 (100.00)	156 (100.00)	42 (100.00)	258 (100.00)
7.	SHGs is a self managed institution	31 (49.21)	109 (69.87)	38 (90.48)	178 (68.20)
8.	Mysore Resettlement and Development Agency (MYRADA) founded a micro finance institution called Sanghamithra	0 (0.00)	2 (1.18)	45 (11.90)	7 (2.68)
9.	A SHG is a village based financial intermediary committee	8 (12.70)	52 (33.33)	24 (57.14)	84 (32.18)
10.	SHGs have to conduct regular meetings and maintain records	63 (100.00)	156 (100.00)	42 (100.00)	261 (100.00)
11.	SHGs are characterized by participatory and collective decision making	45 (71.43)	128 (82.05)	40 (95.24)	213 (81.61)
12.	SHGs do not promote saving habits	60 (95.24)	152 (97.44)	41 (97.62)	253 (96.93)
13.	SHGs encourage credit discipline	58 (92.06)	149 (95.51)	39 (92.86)	246 (94.25)
14.	Mahalir Thittam in Tamilnadu is implemented by Tamil Nadu Corporation for Development of Women	7 (11.11)	62 (39.74)	27 (64.29)	96 (36.50)
15.	The SHG approach was started in a small way in Dharmapuri district of Tamilnadu in 1989	0 (0.00)	2 (1.28)	19 (45.24)	21 (7.98)
16.	I know the rules and regulations of our group	63 (100.00)	156 (100.00)	42 (100.00)	261 (100.00)
17.	I know the bank balance of our group	63 (100.00)	156 (100.00)	42 (100.00)	261 (100.00)
18.	I know the annual income of our group	63 (100.00)	156 (100.00)	42 (100.00)	261 (100.00)
19.	I know the group's outstanding with our bank	59 (93.65)	154 (98.72)	42 (100.00)	255 (97.70)
20.	I know the track record of our group's internal loan	62 (98.41)	156 (100.00)	39 (92.86)	257 (98.47)

Source: Primary data

Figures in the brackets are percentages to the total sample size of the respective group. Total exceeds the respective sample size due to multiple responses.

Table 1 shows that all the members have been aware that they have to conduct regular meetings and maintain the records of SHGs. It has also been noticed that all the members have been aware that the maximum number of a group is 20. The survey points out that 97 per cent of the members have been aware that SHGs promote savings. It has also been found that most of the members have been unaware that Mysore Resettlement and Development Agency (MYRADA) founded a micro finance institution called Sanghamithra. The analysis reveals that most of the members were unaware that the concept of micro finance originated from Malaysia. It is essential to note that all the members are aware of the rules and the regulation, bank balance and annual income of the group. Sixty seven per cent of the members of SHGs formed under Model-I were unaware that the SHG-Bank linkage programme was started by NABARD. Only 49 per cent of the

members of SHGs formed under Model-I have been aware that a SHG is a self-managed institution. Forty per cent of the members of SHGs established under Model-II have been aware that Mahalir Thittam in Tamil Nadu is implemented by Tamil Nadu Corporation for Development of Women. It is important to note that all the members are aware that SHG is a voluntary organization.

The researcher analysed the levels of awareness of the respondents on the general aspects of SHGs. Two levels of awareness were generated from the response scores given by the sample respondents for the above set of 20 Yes or No type questions relating to the awareness on the various general aspects of SHGs. First, the response scores were aggregated across all the respondents and then median score was computed. The respondent who has secured more than the median score was taken as a member having high level of awareness and others as members having low level of awareness. The results are shown in Table 2.

Table 2 Distribution of Sample Respondents Based on their Levels of Awareness on SHGs and the SHG Models

Sl. No.	Group Model	Level of Awareness		Total
		Low	High	
1.	Model I	32 (50.79)	31 (49.21)	63 (100.00)
2.	Model II	54 (34.62)	102 (65.38)	156 (100.00)
3.	Model III	18 (42.86)	24 (57.14)	42 (100.00)
	Total	104 (39.85)	157 (60.15)	261 (100.00)

Source: Field Survey

Figures in the brackets are percentages to respective row total.

Chi-square value: 5.090

Table 2 shows that 60 per cent of the respondents in the study area have higher level of awareness on the different aspects of SHGs. It has also been found that 65 per cent of the members of SHGs established under Model II have higher level of awareness. It is also important to note that 51 per cent of the members of SHGs formed under Model-I have lower level of awareness on SHGs. The analysis brought out the point that 57 per cent of the members of SHGs established under Model III had higher level of awareness on the different aspects of SHGs. The Chi-square test indicates that the levels of awareness on SHGs are not associated with the linkage models.

The discriminant analysis was exercised to study the differences in the characteristics of the two groups of members classified based on their levels of awareness on SHGs. The variables were standardized using the method of pooled within group variance to make the coefficients directly comparable by their signs and magnitudes. The results are furnished in the Table 3.

Table 3 Results of Discriminant Analysis for the Factors Determining Awareness Levels

Sl. No.	Variables	Standardised Canonical Coefficients	Other Statistics
1.	Group model	0.104	Wilk's Lambda = 0.355 Canonical Correlation = 0.803 Chi-square = 263.282* Eigen value = 1.819
2.	Group age	0.254	
3.	Group location	-0.491	
4.	Group affiliation	0.439	
5.	Member's Age	-0.210	
6.	Member's Education	0.707	
7.	Duration of membership in the group	0.450	
8.	Social class of the member	0.046	
9.	Family type of the member	-0.028	
10.	Family size	0.223	

* indicates one per cent level of significance

The value of Wilk's Lambda is low (0.355). Further, this transforms to a Chi-square value of 263.28, which is significant at one per cent level. The inference is that the function is fit to describe the differences in the characteristics of the two groups. The variables having loadings greater than ± 0.40 are taken for discussion.

The loadings of the standardized canonical coefficient reveal that group's location, members' educational qualification, duration of membership in the group and group affiliation are the most important variables that differentiate significantly between the profiles of members with low and high levels of awareness. Thus, the hypothesis that there is no significant difference in the profiles of two groups of members in regard to their awareness levels is rejected.

The implication from the magnitudes and signs of the coefficients of the variables location and members' educational qualification is that members of urban groups and relatively educated members have high awareness on the different aspects of SHGs. The positive sign of the coefficient of the variable duration of membership in the group means that the awareness level is high among those members who have group membership for a longer duration. Further, members of the groups which are affiliated to federations or a cluster of groups or local organizations have been more aware of the general aspects of SHGs. The predictive accuracy of the Discriminant function is obtained from the classification matrix. Table 4 shows the overall efficiency of the fitted Discriminant function.

Table 4 Results of Classification Matrix for the Levels of Awareness on SHGs

Sl. No.	Category	Predicted Membership		Total
		Group - I	Group - II	
1.	Low Level of Awareness	98 (94.2)	6 (5.8)	104
2.	High Level of Awareness	11 (7.0)	146 (93.0)	157

Overall Efficiency: 93.5 per cent

The fitted discriminant function correctly classifies 98 out of 104 respondents under group I and 146 out of 157 respondents under Group II. That is, 254 out of 261 respondents are correctly grouped by the functions showing that the overall efficiency is 93.5 per cent.

Conclusion

A SHG is evaluated in terms of its institutional and financial sustainability. Its performance is also reflected in its impact on the economic conditions of the households of its members. It is a known fact that awareness is very essential for the members to understand the importance of any organization. In other words, awareness has a far reaching impact on the performance of the organization. Thus, the researcher made an attempt in this study to analyze the awareness of the members on the various aspects of SHGs in Madurai district. It has been found that 60 per cent of the members have higher level of awareness on the different aspects of microfinance and SHGs. The survey brings out the point that the members of urban groups have higher level of awareness. Further, the members of the groups which are affiliated to federations or a cluster of groups or local organizations have been more aware of the general aspects of SHGs. Thus, members of rural SHGs may be given orientation to understand the importance of SHGs as an alternative approach for economic empowerment. Moreover, the analysis points out that 51 per cent of the members of SHGs formed under Model I have been unaware of the different aspects of microfinance and SHGs. Therefore, these groups may be given special attention to create awareness on SHGs among the members.

References

1. Kamarkar K.G. (1997): Supplementary Rural Credit Systems: Some Asian Model, Journal of Rural Development, NIRD, Hyderabad, Vol.16(3).
2. Lakshman S. (2001): Working of SHG with Particular Reference to Mallipalayam SHG, Gobichettipalayam Block, Erode District, Tamilnadu, Indian Journal of Agricultural Economics, Vol.56 (3).
3. Sharma K.C. (2001): Micro-Financing through SHG, Indian Journal of Agricultural Economics, Vol.56(3).
4. APMAS, (2006): Self Help Groups in India: A Study of the Lights and Shades. Retrieved from [http:// www.edarural.com](http://www.edarural.com)
5. Purnachandra P. and S.Anushree (2010): Performance and Sustainability of Self-Help Groups in India: A Gender Perspective, Asian Development Review, Vol.27(1).
6. Maya Ghosh (2010): Organizing people in Self-Help Groups: The Role of Central Co-operative Banks of Madla District in West Bengal, Journal of Rural Development, Vol.29 (1).
7. Josily Samuel et al. (2011): Impact of Micro-finance on the Upliftment of Rural Women - An Economic Analysis, Journal of Rural Development, Vol.30 (2).
8. Lokhande, M.A. (2015): An Empirical Study of Self-Helps Groups and Awareness of Group Members, Research Journal of Commerce & Behavioural Science, Vol. 4 (12).