

Empirical Analysis of Sustainability of Self Help Groups : A Study on Women SHGs in Udaipur District

Bhagyashree Menaria

Research Scholar

Pacific Academy of Higher Education and Research University
Udaipur, Rajasthan

Abstract

As the greater part of the women rural population is still not participating in the comprehensive growth of the nation and society, the concept of micro-financial activities especially self help groups becomes a helping tool to drive the Indian rural women in the mainstream of the Indian economy. With special reference to Rajasthan, since 1980 onwards many rigorous measures have been initiated by the Government, Public and Private sector banks, and Non-Government organizations etc., in support of micro-financial activities such as SHGs for rural development. But even though the impact of these is not creating a wonderful outcome which can confirm the participation of rural women in mainstream economic development, it seems satisfactory. Micro-financial activities especially SHGs are found very useful in driving away the poverty from the country. SHG is a small voluntary association of poor people preferably from the same socio-economic background. They provide the benefits of economies of scale, cost effective alternative for different financial services, collective learning, democratic and participatory culture, affirm base and platform for dialogue and co-operation. The main focus of promoting SHGs in rural India is to promote sustainable development and generating employment in rural areas for the rural women population. But, this all will happen when self help groups would perform with sustainability or continuity and positively work to attain and possess the position and success in the development activities required to continued existence of the SHGs. The objective of this Research study is to discuss about the conceptual aspects of sustainability of SHGs of Udaipur district. The present study is based on secondary data and Primary Data collected from Field Study at rural Udaipur level, different publications, journals, and news paper and website. The paper discusses the factors ensuring sustainability and performance of SHGs of the sample area.

Keywords: Self Help Group, Financial Inclusion, Sustainability, Economy, Socio-economic, Micro-Financial, Banks, Economy.

Introduction

The members of the SHGs are mostly at the lower stratum of economic ladder. They are economical, financial and socially disadvantaged and are in deprived condition on several aspects. To make them participative in the mainstream economic development, it is essential to pull them out of such conditions and it is a slow process, nothing will happen all of sudden. Their association with SHGs will certainly elevate them to the upper rung of the development ladder. This can be achieved only when the SHGs are sustainable. SHG is a medium which encourages savings on a continuous basis with a view to enhancing their financial strength. The efforts of the members to meet their financial requirements and to become financially strong turn a reality when the SHGs function in a viable manner. The main intention in augmenting the savings by the members of SHG is to avail more credit. The aggregate savings of the members as group savings is substantial for availing credit from the bank under bank linkage scheme.

The economic empowerment of the members of the SHGs depends on the capacity of the members in the areas of thrift, savings, credit, undertaking income generation activities and repayment of the loan obtained. However, their social and political empowerments fully depend on the sustainability of the group as a whole. The continuous and active involvement in the group activities such as attending group meetings, sharing responsibilities in the collection of savings, bank operations, holding leadership positions in the group, regular contact with change agents viz NGOs, government departments and professional bodies,

participating in Gram Sabha⁴ meeting, raising voice against social evils etc. become reality when the SHGs are sustainable.

To attain and possess that position and ensure the success in the development activities require continued existence of the SHGs. A self-help group becomes the basis for action and change. Change is inevitable that too on the socio-economic and political development of the members of SHGs. Changes in the external as well as internal environment of the SHGs requires continued performance.

Literature Review

During the tenure of this research work, the research work performed over the same domain or the allied by other authors or researchers were reviewed and found worthy in improving the overall quality of this research work. The literature presented in this section of the paper is worth mentioning. The word sustainability is derived from the 13th Century Latin word *sustinere* (*tenere*, to hold; *sus*, up) which bears the meaning of 'to hold up' for a longer period (American Society for Horticultural Sciences, 2010). Dictionaries provide numerous meanings for sustain, the main one being 'maintain', 'support', 'up-hold' or 'endure'. Longman (2009) defines sustainability as the quality of being able to continue for a long time.

Sustainability on micro-finance is viewed at several levels viz institutional, group and individual and thus they relate to organizational, managerial and financial aspects within micro-finance framework. The SHGs cannot be excluded when the institutional aspects of the sustainability of the MFIs are discussed. Sustainability in the financial

paradigm is seen in terms of financial self-sufficiency of the micro-finance intermediary. Under the poverty alleviation paradigm, sustainability is viewed in terms of long-term community self-reliance and self-determination of the poor. The feminist empowerment paradigm aims at the development of self-sustaining women's organizations for long-term change in gender relations (Ajay Tankha, 2002). All these are applicable in the case of SHGs.

A sustainable SHG is one that continues to function well over a long period of time. Moreover, the long-term performance depends on members' overall socio-economic development including their empowerment. Sustainability covers the performance of SHGs on various socio-economic aspects and their dependency on Self-Help Promoting Institutions (SHPIs) for various developmental activities (Purna Chandra Parida & Anushree Sinha, 2010).

The institutional sustainability of SHGs depends on their management systems including external support and membership in terms of relatively low member dropout levels, and consistent attendance and member participation, record-keeping, leadership - rotation, and decision making at meeting (Jennifer Isem, Prakash, Anuradha Pillai, & Syed Hashemi, 2007).

The indicators for assessing the sustainability of the SHGs are developed and applied on various situations for various purposes by various organizations. Important indicators of sustainability of SHGs are SHGs' performance in loan recovery and per capita savings of SHG members, linkage with SHG federations, types of SHG models - formation and financing of

SHGs by banks, and gender categories of SHGs (Purna Chandra Parida & Anushree Sinha, 2010). However, the indicators of sustainability of SHGs is traced out mainly from rating scale, guidelines, and reports of the studies and evolved by the experts out of their experiences from the field.

Research Objective

Sustainable development in the life of an individual is possible only when there are proper set of adequate livelihood opportunities and avenues available to him timely. But then, the poor, the marginalized, the weak and the powerless could not help themselves as they lack the wherewithal to do so even at a very small scale. The principle of self-help through mutual help has been practiced as a method of collective and joint effort particularly among the poor in one form or the other ever since the dawn of the human civilization. The self-help groups which have been growing as a big movement especially among the economically homogenous families living in close proximity particularly in the third world countries is a manifestation of this principle in practice. NGOs have been instrumental in promoting such groups as the SHGs are proved to be highly productive and effective in implementing projects with socio-economic objectives. Taking cognizance of the success of the NGOs, Governments, International donor agencies, banks and financial institutions have started supporting these group based experiments which ultimately resulted in the expansion of SHG movement.

The success of the SHG movement could be attributed mainly to the patronage extended by NGOs, Government, and banks. But, in recent

years, several agencies have started indulging in money making business which works against the interest of the self-help groups. Though such events are sporadic, their impacts are widespread and have drawn the attention of everybody including the media. This poses threat to the sustainability of the SHG movement, i.e. the sustainability becomes questionable. Under these circumstances, it is pertinent to address the issues such as will SHG become self-supporting, self-sufficient and self-reliant? What are the factors that would make the SHGs sustainable? What are the hindering factors? These are the issues the study attempts to address.

The present study guided under following objective:

- To study the factors that can make the SHGs sustainable with special reference to the SHGs of Udaipur, Rajasthan.

Hypotheses of the Study

- SHG organization, activities, association and communication does not affect the SHG institution sustainability.
- SHG Deposits / Loan Issues, Promotional Activities, Promotion of SHG activities and Execution of framed Plan and Policies does not affect the SHG practical sustainability.

Research Methodology

The study is empirical in nature, based on survey method. The study canvassed both primary and secondary data. The primary data required for the study were gathered from the members of the SHGs by administering a questionnaire in Hindi, personal attention was

given to each respondent. The secondary data were derived from the records of the Rajeevika and from the print media and electronic sources for appraising the growth and performance of SHGs. Delphi method was adopted for determining the various relevant factors to be considered in the measurement of sustainability of SHGs. The respondents chosen for the study purpose were from Udaipur district and its rural area like Balicha, Badgaon, Girva, Titardi, Eklingpura, Nela, Dabok, Chirwa, Sukher, Lasadiya, Sarada etc.

As the researcher was the native of Udaipur district itself that is the fundamental reason to chose the SHGs of the stated rural areas of Udaipur, it was quite convenient to get the feedback of respondents as the researcher was also aware with the local language Mewari, and it was also observed that the SHGs operating in the selected study area as well functioning and successfully executing their business activities. The sample size was one hundred fifty respondents constituting all categories of Self Help Group members from rural Udaipur of Udaipur district. Convenient sampling method was followed for SHGs selection and the same is followed for selecting the respondents who were member of the selected SHG. The questionnaire language was Hindi and for the purpose presentation the exact English translation was performed. Percentage analysis, Chi-Square test, multiple regressions and one sample T-test was used for the data analysis and to generate the meaningful output from the data encoded and collected through the questionnaire.

Analysis of respondents' feedback for their Socio-economic status

Table 1: Demographic Description of Women Respondents of SHGs of Rural Udaipur

S. No.	Class	No. of Respondents	Percentage (%)
Gender			
1.	Male	50	33.33%
2.	Female	100	66.67%
	Total	150	100.00%
Age Group			
1.	Below 30 Years	25	16.67%
2.	30 - 40 Years	52	34.67%
3.	40 - 50 Years	44	29.33%
4.	Above 50 Years	29	19.33%
	Total	150	100.00%
Literacy Status			
1.	Literate	112	74.67%
2.	Illiterate	38	25.33%
	Total	150	100.00%
Family Type			
1.	Joint	91	60.67%
2.	Nuclear	59	39.33%
3.	Extended	0	0.00%
	Total	150	100.00%
Access to Bank Services			
1.	Yes	121	80.67%
2.	No	29	19.33%
	Total	150	100.00%
Membership with SHG			
1.	Newly Joined - Less than 6 Months	12	08.00%
2.	Less than 2 Years	28	18.67%
3.	2 - 5 Years	58	38.67%
4.	More than 5 Years	52	34.67%
	Total	150	100.00%
Community status of SHG			
1.	Homogenous - Caste	26	17.33%
2.	Heterogeneous - Caste	124	82.67%
	Total	150	100.00%

Source: Author's Compilation

Table 1 of demographic description of the respondents of SHGs of rural Udaipur revealed the following percentage based demographic characteristics analysis:

1. Out of 150 respondents 33.33% respondents were male and remaining 66.67% were female. SHGs promotion schemes and benefits for rural women are comparatively higher.
2. Out of 150 respondents 16.67% respondents were below 30 Years age group, 34.67% were in between 30 - 40 Years, 29.33% were in between 40-50 Years age group and remaining 19.33% respondents were of above 50 Years age group.
3. Out of 150 respondents 74.67% respondents were of literate and remaining 25.33% were illiterate, so majority of the respondents of SHGs of rural Udaipur are literate, it not confirms that they are having higher professional degrees but they can read and can do some needful jobs.
4. Out of 150 respondents 60.67% respondents are living in joint families and remaining 39.33% are living as nuclear, it confirms that still culture of joint families are still alive in the rural areas and one of the fundamental reason of it there financial and economical dependence of each other.
5. Out of 150 respondents 80.67% respondents having access to banks and banks services and remaining 19.33% respondents are not having access to banks and banks services, it confirms that the reach of banking services even in rural Udaipur is good and rural people are having positive attitude for banking services.
6. Out of 150 respondents 08.00% respondents were newly associated with SHGs, 18.67% were associated from less than 2 years, 38.67% were associated with SHGs from 2 to 5 years and remaining 34.67% respondents were associated with SHGs from more than 5 years.

7. Out of 150 respondents 17.33% respondents are working with homogenous caste SHGs and remaining 82.67% are the members of heterogeneous caste based SHGs.

Analysis of Sustainability of SHGs

H₁: SHG organization, activities, association and communication does not affect the SHG institution sustainability.

Table 2: Chi-Square Test Result – SHGs institution sustainability (5% Significance)

Variables	Chi-square Value	Table Value	Df	Status
Group Organization	27.236	3.236	2	Rejected
Activities in Alliance	43.219	5.414	2	Rejected
Association and Communication	38.745	4.285	2	Rejected

Source: Primary Data

From the chi-square test performed over the data collected to assess the significance of difference in between table value and calculated values of Chi-Square test performed to measure the SHGs institutional sustainability, it was identified that for Group Organization, Activities in Alliance and Association and Communication calculated chi-square values were found 27.236, 43.219, and 38.745 consecutively and table value were 3.236, 5.414 and 4.285 with degrees of freedom two at 5% level of significance which confirmed that these variables are quite significant in ensuring the SHGs institutional sustainability.

So, it can inferred from the Chi-Square values that, the hypothesis framed “SHG organization, activities, association and communication does not affect the SHG institution sustainability” stands rejected and result derives that the organization, activities, association and communication variables significantly affects the SHG sustainability.

H₂: SHG Deposits / Loan Issues, Promotional Activities, Promotion of SHG activities and Execution of framed Plan and Policies does not affect the SHG practical sustainability.

Table 3: Chi-Square Test Result – SHGs Practical Sustainability (5% Significance)

Variables	Chi-square Value	Table Value	Df	Status
Deposits / Loan Issues	26.639	3.626	2	Rejected
Promotional Activities	27.429	3.472	2	Rejected
Promotion of SHG activities	23.462	4.426	2	Rejected
Execution of framed Plan and Policies	22.541	5.021	2	Rejected

Source: Primary Data

From the chi-square test performed over the data collected to assess the significance of difference in between table value and calculated values of Chi-Square test performed to measure the SHGs practical sustainability, it was identified that for SHG Deposits / Loan Issues, Promotional Activities, Promotion of SHG activities and Execution of framed Plan and Policies calculated chi-square values were found 26.639, 27.429, 23.462 and 22.541 consecutively and table value were 3.626, 3.472, 4.426 and 5.021 with degrees of freedom two at 5% level of significance which confirmed that these variables are quite significant in ensuring the SHGs practical sustainability.

So, it can inferred from the Chi-Square values that, the hypothesis framed "SHG Deposits / Loan Issues, Promotional Activities, Promotion of SHG activities and Execution of framed Plan and Policies does not affect the SHG practical sustainability" stands rejected and result derives that the variables such as SHG Deposits / Loan Issues, Promotional Activities, Promotion of SHG activities and Execution of framed Plan and Policies significantly affect the SHG practical sustainability.

Association between SHG General Sustainability and Institutional & Practical

H3: SHG General Sustainability does not affected by its Institutional and practical sustainability.

Table 4: Summary of Multiple Regression Model – Association between SHG General Sustainability and Institutional & Practical Sustainability

Model Summary ^b									
Model	R	R ²	Adjusted R ²	Std. Err. of Estimate	Change Statistics				
					R ² Change	F Change	df1	df2	Sig. F Change
1	.885 ^a	.783	.752	.27167	.783	133.120	2	147	.000
a. Predictors: (Constant), Institutional, Practical									
b. Dependent Variable: SHG General Sustainability									

Source: Primary Data

Table 4 of Multiple Regression Model presenting association between SHG general sustainability and institutional & practical revealed that the adjusted R² of the model of association is 0.752 with the R² = 0.783, that

confirms 78.3% of the variance in the overall data. This percent is a good linear association indicator between the SHG general sustainability and institutional & practical sustainability.

Table 5: ANOVA test analysis of association between SHG General Sustainability and Institutional & Practical Sustainability

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	146.258	2	18.625	117.138	.000 ^b
	Residual	46.421	147	.159		
	Total	180.654	149			
a. Predictors: (Constant), Institutional, Practical						
b. Dependent Variable: SHG General Sustainability						

Source: Primary Data

The Table 5 of ANOVA is measuring the significance of association between SHG General Sustainability as dependent variable and Institutional & Practical Sustainability as independent predictors, and predicts that the dependent variable as $F(2, 147) = 117.138$, $p = .000 < .0005$ which represent the goodness of fit of the data. So, from the statistics it could identify that there significant relationship

between the SHG General Sustainability and Institutional & Practical Sustainability. So, it could infer that hypothesis "SHG General Sustainability does not affect by its Institutional and practical sustainability" stands rejected and result into "SHG General Sustainability significantly affected by its Institutional and practical sustainability."

Table 6: Coefficients of association between SHG General Sustainability and Institutional & Practical Sustainability

Coefficients ^a						
Model		Unstandardized Coeff.		Standardized Coeff.	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.294	.129		1.952	.046
	Institutional	.299	.043	.372	8.326	.001
	Practical	.125	.048	.137	2.612	.010
a. Dependent Variable: SHG General Sustainability						

Source: Primary Data

Table 6 of coefficients of association between SHG General Sustainability and Institutional & Practical Sustainability helps to conclude that that general sustainability is significantly associated with institutional and practical sustainability and statistically significantly ($t = 1.952$, sig. value = .046) different from 0. Beta

value which represents the strength of relationship and association between the dependent and independent variables concluded that for institutional beta value is .372 and for practical it is .137, which is showing positive and moderate & low association consecutively.

Analysis of respondents' opinion about SHGs sustainability

Table 7: Respondents' opinion about SHGs sustainability

Factors	Poor	Good
Institutional Sustainability	26	124
Practical Sustainability	23	127
General Sustainability	13	137
Chi square value=4.369	Df = 2	

Source: Author's Compilation

From Table 7 of respondents' opinion about SHG sustainability, it could observe that out of 150 sampled SHG member respondents 26 are commenting poor to their SHG's institutional sustainability and remaining 124 are commenting good, thereafter 23 respondents are commenting poor to their SHG's practical sustainability and remaining 127 are commenting good and for general sustainability 13 are commenting poor and remaining 137 are commenting good. A significant variation was observed among respondent's opinion for their SHG sustainability which was derived by studying value of chi-square that is 4.369 at 5% significance level.

Respondents' opinion analysis for the SHGs sustainability Factors

Table 8: Respondents' opinion about factors of SHG sustainability

Variables	t	Sig.
Meetings Scheduled and Coverage	29.591	.001
Records Management	36.541	.000
Proper Accounts Management	28.067	.000
Group Decision Making	22.005	.000
Work and Profile Rotation	29.205	.000
Schedule of Training	38.215	.000
Proper Communication	28.598	.000

Awareness	35.287	.000
Follow-Ups of laws	25.774	.000
Transparency	34.117	.000
Deposits and Saving	22.266	.000
Linkage with Banks	24.265	.000
Linkage with NGO	32.514	.000
Loans Management	30.058	.000

Source: Primary Data

To assess the significance of the factors of SHG sustainability, SHG member respondents' opinion for the listed factors representing institutional and practical sustainability was analyzed through one sample T-test, where for the comparison mean score value was 4, as this value signifies the 4 rank over the likert scale and in the research questionnaire it is high conformity of respondent for the factors responsible for sustainability of SHG and measured over p is less than or equal to .05.

From Table 8, it could interpret that for all the factors responsible for sustainability statements the contrast between the examples assessed populace mean and the examination populace mean significantly and factually found different. The significant (2-tailed) score and positive t score presents that respondents' showed positive conformity which in totality shows that SHGs sustainability positively affected by the listed factors.

Findings and Conclusion

The study and results revealed through the statistical analysis have proven that women memberships are comparatively higher than the men membership in SHGs, it is because of restricted scope of the activities which can be performed under SHG, and so it is suggested to increase the rural man participation. More activities and dimension must be covered by SHG under the linkage with NGO and banks.

Group organization, activities performed, association & communication are the effective factors which ensures SHG institutional sustainability, Deposits / Loan Issues, Promotional Activities, Promotion of SHG activities and Execution of framed Plan and Policies are the factors which ensure the practical sustainability of SHG and in totality SHG General Sustainability significantly affected by its institutional and practical sustainability. Research also revealed that sampled SHG members are quite sure about their SHGs' Institutional Sustainability, Practical Sustainability and General Sustainability, which confirms their confidence on their SHG leadership and activities, and over the socio-economic improvements they observe in their lives. Factors like Meetings Scheduled and Coverage, Records Management, Proper Accounts Management, Group Decision Making, Work and Profile Rotation, Schedule of Training, Proper Communication, Awareness, Follow-Ups of laws, Transparency, Deposits and Saving, Linkage with Banks, Linkage with NGO and Loans Management are significant factors which ensures the sustainability of the SHG of Udaipur district. Hypotheses proved through the empirical analysis are:

1. SHG organization, activities, association and communication significantly affect the SHG institution sustainability.

2. SHG Deposits / Loan Issues, Promotional Activities, Promotion of SHG activities and Execution of framed Plan and Policies significantly affect the SHG practical sustainability.

3. SHG General Sustainability significantly affected by SHG's Institutional and practical sustainability.

References

- Ajay Tankha. (2002). Self-help Groups as Financial Intermediaries in India: Cost of Promotion, Sustainability and Impact. Retrieved from <http://www.micr0financ egateway.org>.
- Jennifer Isem., Prakash, L. B., Anuradha Pillai, & Syed Hashemi. (2007). Sustainability of self-help groups in India: Two analyses - Do India's Self-help Groups Provide Value for Money. Occasional Paper, No. 12.
- Longman Dictionary of Contemporary English. (2009). London: Longman Group.
- Purna Chandra Parida and Anushree Sinha (2010). Performance and Sustainability of Self-Help Groups in India: A Gender Perspective. Asian Development Review, vol. 27, no. 1, pp. 80-103, Asian Development Bank.