

Microfinance as a Tool of Economic empowerment of Rural Women in Haryana

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Micro Finance is a provision of monetary offerings to low-income clients or solidarity lending groups including consumers and the self employed who lack access to banking and related services. Micro Finance is not just about giving micro credit to the poor but it covers a wide range of basic financial and non-financial services including micro loans, saving accounts, fund transfers, insurance, business training, counselling and aid to assist people living in poverty who do not qualify for regular banking offerings for want of collateral and formal identification. The borrower receives all these services at his/her doorstep and in most of the cases with a repayment schedule of borrower's convenience. But all this comes at a cost which is exorbitantly high and vary widely from 10% to 30% per annum.

Current Status of Micro Finance in India

Micro Finance originated in India in 1969 with the nationalization of banks to see that 1% of the profits of these banks goes to the poor towards their micro enterprises. The then Prime Minister Smt. Indira Gandhi envisioned it to facilitate her 20 point programme to fight poverty among the poor and she called it "Garibi Hatao". She envisaged that credit to the poor should be an instrument of social change towards social justice and empowerment both among the urban and rural poorer households. The Micro Finance initiative in private sector in India can be traced to the initiative undertaken by Shri Mahila SEWA (self employed women's association) Sahakari Bank set up in 1974 by registering as an urban co-operative Bank at Ahmedabad city of Gujarat State. The main aim of the SEWA Bank was to provide banking services to the poor women employed in the unorganized sector encouraged by the results of field level experiments in group based approach for lending to the poor. The initiatives of NABARD in 1992 in partnership with NGOs for promoting and extending financial services through SHGs has now blossomed into a "monolith" micro finance initiative. It has been recognized as a decentralized, cost effective and fastest growing micro finance intervention in the world enabling over 103million poor households access to a variety of sustainable financial services from the formal banking system by becoming members of nearly 8 million Self Help Groups. Steady progress of the project led to the mainstream of the SHG-Bank Linkage Programme (SBLP) in 1996 as a normal banking activity of the banks with widespread acceptance.

Table 1.1: Overall Progress under SHG-Bank Linkage Programme During past Three Years

Particulars		2015-16		2016-17		2017-18	
		No. of SHGs	Amount	No. of SHGs	Amount	No. of SHGs	Amount
SHG Savings with Banks as on 31st March	Total SHG Nos.	79.03 (2.68%)	13691.39 (23.79%)	85.77 (8.53%)	16114.23 (17.69%)	87.44 (1.95%)	19592.12 (21.59%)
	All women SHGs	67.63 (1.68%)	12035.78 (29.92%)	73.22 (8.26%)	14283.42 (18.67%)	73.90 (0.94%)	17497.86 (22.51%)
	Percentage of Women	85.58	87.91	85.36	88.64	84.51	89.31
	Of which NRLM/SGSY	34.57 (13.27%)	6244.97 (41.16%)	37.44 (8.30%)	7552.70 (20.94%)	41.84 (11.76%)	10434.03 (38.15%)
	% of NRLM/SGSY Groups	43.74	45.61	43.65	46.87	47.85	53.26
	Of which NULM/SJSRY	4.46 (3.00%)	1006.22 (6.12%)	5.46 (22.42%)	1126.86 (11.99%)	4.25 (-22.10%)	1350.80 (19.87%)
	% of NULM/SJSRY Groups	5.64	7.35	6.36	6.99	4.86	6.89
Loans Disbursed to SHGs during the year	Total No. of SHGs extended loans	18.32 (12.67%)	37286.90 (35.18%)	18.98 (3.60%)	38781.16 (4.01%)	22.61 (19.13%)	47185.88 (21.67%)
	All women SHGs	16.29 (12.50%)	34411.42 (40.92%)	17.16 (5.34%)	36103.13 (4.92%)	20.75 (20.92%)	44558.74 (23.42%)
	Percentage of Women Groups	88.92	92.29	90.42	93.09	91.78	94.43
	Of which NRLM/SGSY	8.16 (26.91%)	16785.78 (76.92%)	8.86 (8.58%)	17336.26 (3.28%)	12.70 (43.41%)	25055.18 (44.52%)
	% of NRLM/SGSY Groups	44.54	45.02	46.69	44.70	56.20	53.10
	Of which NULM/SJSRY	1.11 (5.71%)	2620.22 (40.00%)	1.06 (-4.5%)	2675.77 (2.12%)	1.06 (0.17%)	2424.07 (-9.41%)
	% of NULM/SJSRY Groups	6.06	7.03	5.60	6.90	4.71	5.14
Loans Outstanding against SHGs as on 31 March	Total No. of SHGs linked	46.73 (4.59%)	57119.23 (10.81%)	48.48 (3.74%)	61581.30 (7.81%)	50.20 (3.55%)	75598.45 (22.76%)
	No. of all Women SHGs linked	40.36 (4.61%)	51428.91 (12.04%)	42.84 (6.14%)	56444.24 (9.75%)	45.49 (6.20%)	70401.73 (24.73%)
	Percentage Of Women SHGs	86.37	90.04	88.36	91.66	90.62	93.13
	Of which NRLM/SGSY	21.91 (18.69%)	26610.16 (34.72%)	24.91 (13.69%)	29994.43 (12.72%)	27.93 (12.13%)	38225.29 (27.44%)
	% of NRLM/SGSY Groups to Total	46.89	46.59	51.37	48.71	55.63	50.56
	Of which NULM/SJSRY	3.13 (-1.57%)	3979.75 (14.93%)	3.18 (1.60%)	4133.29 (3.86%)	2.90 (-8.58%)	5350.63 (29.45%)
	% of NULM/SJSRY Groups to Total	7.00	6.97	6.55	6.71	5.79	7.08

(Figures in parentheses indicate increase/decrease over the previous year)

Source: NABARD report on Microfinance 2017-18

Table 1.2

Highlights of the SHG- Bank Linkage Programme

Sr. No.	Particulars	(2018-19 upto 30 Sep 2018)		(2018-19 upto 31 Dec 2018)	
		Physical (No. in lakh)	Amount (₹ in crore)	Physical (No. in lakh)	Amount (₹ in crore)
1	Total number of SHGs saving linked with banks	92.65	19911.06	93.22	20478.48
(i)	Out of total SHGs - exclusive Women SHGs	79.07	17715.07	79.50	18141.60
(ii)	Out of total SHGs- under NRLM/SGSY	47.33	10777.77	47.54	10890.53
(iii)	Out of total SHGs -under NULM/SJSRY	4.27	1279.34	4.05	1368.29
2	Total number of SHGs credit linked during the year	12.09	23932.17	17.53	36580.85
(i)	Out of total SHGs - exclusive Women SHGs	10.67	22514.23	15.44	33800.22
(ii)	Out of total SHGs – under NRLM/SGSY	6.81	13791.36	9.86	20399.26
(iii)	Out of total SHGs – under NULM/SJSRY	0.59	1758.03	0.85	2355.06
3	Total number of SHGs having loans outstanding	48.25	75739.52	49.29	79037.95
(i)	Out of total SHGs - exclusive Women SHGs	42.31	69015.60	42.89	71673.79
(ii)	Out of total SHGs - under NRLM/SGSY	28.98	43699.06	28.61	44399.96
(iii)	Out of total SHGs - under NULM/SJSRY	2.07	3664.30	1.95	3493.48
4	Average loan amount outstanding/SHG (in ₹)		156985.42		160337.26
5	Average loan amount disbursed/SHG during the year (in ₹)		197994.70		208721.76
6	Estimated number of families covered as at the end of the quarter(in lakh)	1132			1133
7	No of Banks and Financial Institutions submitted MIS (in number)	403			408
8	Data on Joint Liability Groups				
(i)	Joint Liability Group promoted during the year	6.24		13.11	
(ii)	Loan disbursed to Joint Liability Groups (JLGs) during the year		15578.67		23534.65
(iii)	Cumulative Joint Liability Groups promoted	40.96	56381.94	47.84	64337.92

Source:By Banks on NABARD's ENSURE Portal

Developmental Schemes

Government has launched various schemes as SGSY, Swa-Shakti, Swayamsidha, SJSRY, Kudumbashree, VSS (Vana Samrakshana Smithis) under Joint Forest Management Groups which are routed through SHGs.

SGSY: It was launched on 1st April 1999 after amalgamation of IRDP(Integrated Rural Development Programme) and its allied programmes. The basic objective of the programme is to bring the assisted poor families (Swarozgaris) above the poverty line by providing them income-generating assets through a mix of bank credit and governmental subsidy. The funds are shared between centre and state in the ratio of 75:25. As on March 31, 2008 already 2.74 million SHGs have been formed since the inception of SGSY and assisted 5.81 million SHGs swarozgaries and most important observation is that 82.54% of those SHGs are women SHGs. The programme has disbursed `72.03 billion and Rs38.03 billion as credit and subsidy to the SHGs.

Per capita investment per year has risen to `26,941 in 2007-08 from `17113 in 1999-2000 under SGSY.

Anganwadi Groups: These groups are formed by the department of women and children welfare at the habitation level for implementing health, nutrition and literacy programmes for women. Micro Finance is extended to the members for income generation as individual or group enterprises.

CAPART (Council for Advancement of People's Action and Rural Technology): It provides funds and training supports to the voluntary and community based organisations who are working with SHGs. It provides fund of `10,000 per SHG without interest and even finances upto `2 lakh as bridge funds for a federation of over 100 active SHGs.

DPIP (District Poverty Initiatives Project): Andhra Pradesh Government implemented the project with the help of World Bank. It aims to organise the poorest of the poor in selected districts through convergence of resources.

DWCRA Groups (Development of women and Children in Rural Areas): This department forms groups of maximum 15 members. A lump-sum grant of `25,000 is given to the group. Training in leadership, attitude and skills for income generation is an integral part of the scheme.

Kudumbashree Project: Kerala government in association with Government of India and NABARD launched this project to mitigate poverty from the state in a span of 10 years. It was aimed at combining the SHG approach with demand led convergence of available services and resources to tackle the poverty holistically.

Joint Forest Management Groups: Vana Samrakshana Smithis (VSS) are formed to conserve forest wealth. Social mobilisation and alternate income generation activities through SHG route is being achieved by this programme.

SJSRY (SwaranJayanti Shahari Rojgar Yojana Scheme): this Programme was launched to eradicate Urban Poverty and two sub-components: USEP(Urban Self-Employment Programme) and DWCUA (Development of Women and Children in Urban Area) which help urban poor in getting gainful employment through group activities.

Swa-Shakti Project: The project started on 16th Oct 1988 for a duration of 5 years with an outlay of `1.86 billion. In association with IFAD (international Fund for Agricultural Devepopment) and World Bank the project was implemented in 6 states viz. Bihar, Gujarat, Haryana, Madhya Pradesh and Uttar Pradesh. It was aimed at capacity building by promoting women SHGs and the same was achieved when in 2003-04 17647 SHGs were formed as against the target of 16000. In Haryana 1550 SHGs had been formed under this scheme.

Swayamsidha: This Programme is based on the formation of women SHGs with an emphasis on converging services, developing access to micro credit and promoting micro enterprises. As on 31st March 2007 68163 SHGs have been formed covering 0.99 million families.

Haryana State Rural Livelihood Mission (HSRLM): The NRLM has been taken up w.e.f.1.4.2103 and an amount of ` 27.04 crores have been approved by Government of India, under the scheme 1639 new SHGs have been formed and 914 SHGs have been provided the funds. In revolving fund scheme, an amount of ` 13.66 Crore have been spent upto January, 2015. (Source: Haryana Economic survey 2014-15. Web1.hry.nic.in/budget/esurvey.pdf)

Schemes Launched for Self Help Groups

Two schemes for the promotion of Self Help Groups were launched in the name of WSHG (Women Self Help Groups) and SGSY (Swarnjyanti Gram Swarozgar Yojana) to gear up the microfinance lending and linking rural poor women to the mainstream which has been assumed as a tool to alleviate poverty and women emancipation.

Women Self Help Groups

NABARD in association with Government of India has implemented a scheme for promotion and financing of WSHG across 150 backward districts of the country. In Haryana two districts namely Mewat and Sirsa have been included in this list of districts. This scheme intends towards broaden the scope and role of SHPIs (Self Help Promotion Institutes). Presently SHPIs are supposed to help SHGs to get linked with the banks, which is proposed to be extended to SHPI working as a banking/business facilitator, tracking and monitoring of SHGs and ensuring the loan repayments to reduce NPAs. A need was felt that a continuous support of Anchor NGOs/ Support Agencies are required even after a group starts functioning. Under this scheme SHPI will facilitate credit linkage of these SHGs with the banks, will provide a handholding support on a continuous basis and paving their way towards undertaking livelihood activities and at the same time being responsible for repayment of loan. Under this scheme NABARD shall provide grant support of ` 10,000 per SHG to this NGO/SHPI which will be provided over a period of 3 years i.e. till a group matures and will also bear the cost of training and other capacity building initiative taken by NGOs/SHPIs.

Some of the prominent features of this scheme are as follows

- 1) To implement this scheme an Anchor NGO/ Support Agency will be selected by NABARD in consultation with local authorities.
- 2) It will be implemented through bank branches having CBS facility.
- 3) A MOU will be entered into with NGO/Support Agency by the bank branch.
- 4) The selected NGOs would be eligible for grant amount up to a maximum of ` 10000 per SHG spread over 3 years period.
- 5) Need based awareness and capacity development program for the stakeholders of this scheme will be

organized by NABARD.

- 6) A 5% service charge per annum to meet NGO's administration, transaction and risk costs will be paid to respective NGOs/Support Agency on monthly basis on the average loan outstanding under this scheme.

Table 1.3
Progress in Implementation of WSHG Scheme upto 31st March 2018.

(Amount ` Lakh)

Source: NABARD Status of WSHG scheme.

Date	District	No of WSHGs sanctioned to the Anchor Agency	WSHG Savings Linked	WSHG Credit Linked	Exp out of WSHG Dev Fund		
					Grant to Anchor Agency	Others including Capacity Building	Total
31-12-2013	Mewat	1000	1106	104	19.09	NA	
	Sirsa	1000	1014	203	19.00	NA	
	Total	2000	2120	307	38.09	4.59	42.68
31-03-2014	Mewat	2000	1106	185	29.09	NA	
	Sirsa	1000	1014	276	23.00	NA	
	Total	3000	2120	461	52.09	6.35	58.44
30-06-2014	Mewat	2000	1366	239	29.09	NA	
	Sirsa	1000	1014	330	23.00	NA	
	Total	3000	2380	569	52.09	6.35	58.44
30-09-2014	Mewat	2000	1491	314	37.13	NA	
	Sirsa	1000	1014	517	25.50	NA	
	Total	3000	2505	831	62.63	9.47	72.1
31-12-2014	Mewat	2000	1492	366	37.13	NA	
	Sirsa	1000	1014	570	33.50	NA	
	Total	3000	2506	936	70.63	10.87	81.5
31-03-2015	Mewat	2000	1521	392	45.56	NA	
	Sirsa	1000	1014	652	38.00	NA	
	Total	3000	2535	1044	83.56	11.30	94.86
30-06-2015	Mewat	2000	1521	468	45.56		
	Sirsa	1000	1014	704	38.00		
	Total	3000	2535	1172	83.56	13.37	96.93
30-09-2015	Mewat	2000	1521	497	50.93		
	Sirsa	1000	1014	751	42.25		
	Total	3000	2535	1248	93.18	13.37	106.55
31-12-2015	Mewat	2000	1521	516	50.93		
	Sirsa	1000	1014	762	46.50		
	Total	3000	2535	1278	97.43	13.37	110.80
31-03-2016	Mewat	2000	1521	570	50.93		
	Sirsa	1000	1014	762	60.68		
	Total	3000	2535	1332	111.61	14.35	125.96
30-06-2016	Mewat	2000	1623	607	59.94		
	Sirsa	1000	1014	762	60.68		
	Total	3000	2637	1369	120.62	14.35	134.97
30-09-2016	Mewat	2000	1696	695	59.94		
	Sirsa	1000	1014	762	60.68		
	Total	3000	2710	1457	120.62	14.37	134.99
31-12-2016	Mewat	2000	1674	700	67.36		
	Sirsa	1000	1014	763	60.68		
	Total	3000	2688	1463	128.04	14.50	142.54
31-03-2017	Mewat	2000	1828	700	72.65		

	Sirsa	1000	1014	763	60.68		
	Total	3000	2842	1463	133.33	14.83	148.16
30-06-2017	Mewat	2000	1828	700	72.65		
	Sirsa	1000	1014	763	60.68		
	Total	3000	2842	1463	133.33	14.87	148.20
30-09-2017	Mewat	2000	1828	700	72.65		
	Sirsa	1000	1014	763	60.68		
	Total	3000	2842	1463	133.33	15.07	148.40
31-12-2017	Mewat	2000	1828	700	72.65		
	Sirsa	1000	1014	763	60.68		
	Total	3000	2842	1463	133.33	15.44	148.77
31-03-2018	Mewat	2000	1828	700	72.65		
	Sirsa	1000	1014	763	60.68		
	Total	3000	2842	1463	133.33	29.36	162.69

Table 1.16 reveals that in the year of inception this scheme performed beyond targets as 1210 SHGs were formed in Mewat as against a target of 1000 SHGs and 1217 SHGs were formed in Sirsa as against the target of 1000 SHGs. Out of WSHG Development fund Rs42.68 Lakh were spent as a grant to anchor agency and expenditure on capacity building. Both the districts got nearly equal share of this fund. However after that a quarterly progress report showed that after a steady progress, the scheme reached beyond its target of 2000 SHGs and 2528 SHGs were foirmed in Mewat District upto 31-03-2018 out of which 1828 SHGs were formed as Savings linked and 700 SHGs as credit linked. Total Rs 162.69Lakh were spent on both districts of Mewat and Sirsa. It can be seen from the above table that total spending on grant to Anchor Agency and capacity building has increased from Rs 42.68 Lakh to Rs162.69 Lakh upto 31-03-2015 which shows a positive outlook of Anchor Agencies towards this scheme.

Research Methodology

The proposed study is empirical and is based on Survey Method. Besides collection and analysis of Primary data, Secondary data has also been analysed and reviewed accordingly. Secondary data has been collected from Government and Non Government institutions, research institutions, Mewat Development Agency, Journals, Magazines and different official websites of NABARD, Bharat Microfinance, Haryana census etc. In order to collect Primary data through field survey 2 sets of Questionnaires/ interview schedules were developed viz., for Beneficiaries (Group Members) SHG Leaders.

- **To analyze the economic impact the following hypothesis has been framed and tested**

H₀: There is no significant difference in the Economic conditions of the members before and after joining the SHG.

H₁: There is a significant difference in the Economic conditions of the members before and after joining SHG.

Hypothesis was tested with respect to Savings, Borrowings, Asset Building, credit utilization, Employment Generation, Income Generation and Expenditure Pattern. Wilcoxon Sign Rank Test has been used to measure the economic impact of SHGs on members.

Dr Radhakrishnan has observed that “the Progress of our land cannot be achieved without active participation of our mothers, wives, sisters and daughter. In all stages of economic and social activities, involvement becomes essential.”

According to census 2011 out of total population women constitute nearly half of the population in India and they should be considered equally important for the growth of economy. No country can flourish by ignoring the women labour as a main component in the economic development and for achieving the goal of sustainable development. In all the developed economies women developmental programs aimed at women emancipation by providing them employment opportunities, training for self employment, education, health, financing etc. However women emancipation is a holistic term which may encompass social, political, cultural and economic aspects. The developmental programmes which revolve around these four aspects of women empowerment are considered to be the best for any economy striving hard for sustainable development. “The key players in financial inclusion would be banks, micro finance institutions, self help groups, post offices and MUDRA bank (Micro Units Development Refinance Agency Bank)”. Further financial inclusion would strengthen the reach of SHGs at village level which will empower women and develop community powers of rural population. It would also help to promote village cottage industry.

In this study exclusion of women in institutional finance/credit has been analyzed as a major policy drawback of women developmental programmes. However NABARD initiated a strategy in the name of SHG Linkage with the bank in the year 1992. The scheme was focused on women collectives and making them eligible to have access to the formal banking system which was not available to them earlier. Access to formal banking system brings in many opportunities for the empowerment of women. Government’s SGSY sponsors almost 2 million SHGs across the nation. About 16 million poor households have gained access to formal banking systems through NABARD’s SHG-Bank Linkage programme. SHGs are meant not only to provide credit but also to “bring about” poverty alleviation and women’s empowerment. These can be treated as forums of solidarity that enable women to address discriminatory practices, gain access to credit to fuel entrepreneurship or meeting consumption needs as well as to seek access to services and spaces of governance. Lending to small groups of poor women is viewed as a socially and economically empowering paradigm and has resulted in very high repayment rates, because the group based forms puts a pressure on the women to repay loan. As it has been rightly put up by M M Jana that “Women entrepreneurship is more suitable than regular entrepreneurship not only from transparency point but also from good administration and honesty, imaginative power, ability to hard work, persistence, ability to take risk and profit earning capacity”.

The term SHG is used to imply an economic entity that organizes its economic functions, autonomy and assertion of reproductive rights. However SHGs today have turned into a vehicle of savings for family well being and poverty alleviation (Kishore, 2002).

Economic Impact Variables

Impact of SHGs on the economic conditions of rural women of Haryana has been analyzed by using variables like assets holding, annual income, expenditure, savings and borrowings. Further assets holding has been analysed on the parameters of value of assets, pattern of assets held by members and change in value of assets after becoming members of SHGs. Annual income has been analysed on the basis of average income, profession wise income of the members before and after joining SHG. Expenditure analysis has been performed by total annual expenditure and consumption expenditure pattern before and after joining SHGs. Savings have been checked on the parameters of avenues of savings and number of savings of a member per annum and total amount of savings per annum. As far as loans are concerned it has been checked on the basis of total loan amount, frequency, change in loan pattern regularity in repayment and its source, reason of default and purpose of taking loan. To measure the impact of these economic variables following hypothesis has been formulated and tested with the Paired Z Test.

Aggregate Result of Economic Impact Variables

The study has used five variables to measure the impact of SHGs on economic conditions of the members. Following hypothesis has been formulated to test the economic impact and tested with the help of Paired Z Test.

H₀: There is no significant difference in the economic conditions of the members before and after joining SHG

H₁: There is a significant difference in the economic conditions of the members before and after joining SHG

Assets Holding

Assets are the possessions and a means of livelihood for the members of SHG. However the amount and composition of these assets may vary from family to family. The most common assets are agricultural equipments, land, houses, utensils, some electronic items, bullock carts and some jewellery etc. Assets holding has been analysed on the parameters of value of assets, pattern of assets held by members and change in value of assets after becoming members of SHGs. The survey shows that financial assistance from SHGs has resulted in assets creation directly or indirectly. Either this fund is utilized to buy household assets or to buy agricultural equipments to have better produce and improved income or is being invested in existing business like shop, poultry, dairy etc. As far as pattern of assets holding is concerned, it was found that, after joining SHGs, there is good increment in the minimum, maximum and average value of assets both household and moveable/non-moveable. It is an indicator of positive impact on economic conditions of the members and shows that financial assistance brings changes in the pattern of assets holding.

It was further revealed during survey that no member has reported a “No change” in their assets which shows that SHGs are contributing in their assets building which is good for them as well as for the economic development.

Income Generation

The core idea behind SHGs is invoking entrepreneurial activities among members to make them bread earners for their family and women emancipation. The group makes it mandatory to save something on monthly basis so to be eligible for a bank loan out of that pool. Then the group distributes this loan amount on the basis of

need. The member taking the loan as well as the one who surrenders that loan for the need of other, both are benefitted. One in the form of credit to invest in agriculture, shops, dairy, poultry etc and other will get a regular income of interest on this loan. However these loans can be used either for production or consumption purposes. A productive investment becomes a source of earning and repayment on time whereas a consumption loan sometimes poses a burden on the member. The very motive of this scheme is to record a boost in income of the members after joining SHGs. However the increase in income level has not touched the desired level as it was found during the survey that loans were mostly taken for consumption purpose and not for productive purpose. In a study conducted by (Rani and Hooda 2015) on the SHGs of district Sonapat it was found that average income of participants has increased after joining SHG and a decreased standard deviation shows that income inequalities has decreased.

It was further found that there had been an increase in minimum earning from almost all the professions taken up by the members which indicates that the loan money had been utilised in different activities alongwith consumption like dairy, poultry and shop which were already inexistence but due to want of financial support had not been able to perform better. This had a twofold effect on one hand it has increased the minimum level of earnings and on the other hand it has generated some avenues of employment to other women members.

Expenditure

When income is low the expenditure remains need based but as the income level increases the pattern of expenditure undergoes a change. It starts moving towards buying durables and spending on entertainment from merely on food, cloth and shelter earlier. Women join these SHGs as a source of income generation to makeshift in expenditure pattern as commonly they belong to lower income group and they perceive their savings as a group member to be future source of income to spend more on meeting their expenses. As per another study there has been a decrease in annual expenditure after joining SHGs whereas an increased Standard Deviation shows an increased variation in expenditure pattern.

As far as change in avenues for savings there has been a shift from banks and post offices to SHGs. Along with post offices and banks, there is significant increment of 885 in the no. of investments in SHGs. Though investment in NBFCs, Co-operatives and private lending has also been started by the group members after joining SHGs, still these are not preferable avenues of investment among the group members. According to a study annual savings of individuals has increased after joining SHG and an increased standard deviation is suggestive of increase in variation of savings instruments of the participants

Loans

Sample respondents belong to a category which cannot access to formal banking system for want of collateral security, identity proofs, ITRs (Income Tax Returns) etc. whereas they too have financial needs. This is the core purpose of microfinance to include the excluded sections of the society and to alleviate the poverty. All financial inclusion programmes aim at enhancing the credit base and the amount of borrowings so that these

disadvantaged sections of the society may indulge in some entrepreneurial activities to earn their living can be utilised. It was found that there has been a decrease in the number of members which were not taking loans after joining SHG means now more women have started taking loans than earlier. Moreover the frequency of taking loans has also increased and there has been a change in pattern of taking loans from consumption to production. The survey also revealed that there has been a change in source of repayment of loans. Now loans are repaid out of the income earned by SHG instead out of husband's income. The survey showed that the rate of default is less after becoming members of SHGs but the major reason for default is medical treatments. This indicates that the loans from SHG if being utilised on some medical procedure therefore likelihood possibility of default is more. It also indicates towards lack of health insurance practices in the sample area. Further revelation by the survey is that after joining SHGs agricultural spending has decreased, investment has increased from 2.75% to 4.28%. Most of the loans have been utilised for children education and construction of houses. Decrease in utilisation of loan for Daughter's marriage indicates yet another positive social impact i.e. girls are being sent for education and curb on early marriages of girls.

Aggregate Result of Economic Impact Variables

The study has used five variables to measure the impact of SHGs on economic conditions of the members. Following hypothesis has been formulated to test the economic impact and tested with the help of Paired Z Test.

H₀: There is no significant difference in the economic conditions of the members before and after joining SHG

H₁: There is a significant difference in the economic conditions of the members before and after joining SHG

Table 1.4 Results of Paired Z-Test for Economic Variables

Sr. No.	Economic Variables	Z Value Calculated	Level of Significance	Result
1	Assets	22.056	0.000	HS
2	Annual Income	20.204	0.000	HS
3	Expenditure	7.409	0.000	HS
4	Saving	50.764	0.000	HS
5	Loan	20.861	0.000	HS

HS means Highly Significant at 5% level.

Table 1.4 depicted that calculated z-value is greater than tabulated z-value (1.96) at 5% level of significance for all the economic variables. Hence H₀ is rejected in favour of H₁. This also implies that there is a significant difference in the values of the variables before and after joining SHGs. Since Z-values are positive which indicate that there is increment in the value of economic variables after joining the SHG.

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