



# An Investigation into the Socio-Economic Status of Members in the Self-Help Group of Manpadle Village

Dr. Umesh Gadekar

Assistant Director/ Assistant Professor,  
Yashwantrao Chavan School of Rural Development,  
Shivaji University, Kolhapur (MS) India

## Abstract:

India, as a developing nation, sustains a predominantly rural population, where the enduring issue of poverty has persisted over the course of a 62-year journey in rural community development programs. To elevate the economic standing and social standing of rural women, numerous initiatives have been undertaken across the country. Among these endeavors, the establishment of Self-Help Groups (SHGs) and the empowerment of women through them have emerged as significant pathways.

The SHG movement contributes substantially to enhancing the social and economic conditions of women within its fold. The fundamental principle of cooperative development underpins the functioning of SHGs. Therefore, evaluating the outcomes of women's empowerment efforts becomes an essential task. Through the platform of SHGs, the transformation of socio-economic status among impoverished rural women is actively pursued. This study focuses on assessing the role of SHGs in the socio-economic advancement of women associated with them in Manpadale Village, situated in the Hatkanangale taluka of Kolhapur district.

In this pursuit, a mixed-method approach has been employed by the researchers. The primary data source for this study is Panpadale Village, where 110 samples were selected through a lottery method from a pool of 220 SHG members. The essence of this research asserts that SHGs serve as a pivotal instrument for driving socio-economic progress among disadvantaged rural women. Participation in SHGs facilitates greater integration into society and augments their societal roles. This comprehensive development encompasses an enhancement not only in their economic well-being but also in their social standing.

**Keywords:** Self-Help Group (SHG), Women, Socio-Economic Status, Women Empowerment

## Introduction:

The World Bank classifies India as belonging to the low-income category. Numerous initiatives have been launched to enhance the socioeconomic status of rural women. One such effort involves the establishment and empowerment of Self-Help Groups (SHGs). These groups are founded on cooperative principles, where women

unite to address shared challenges through mutual understanding. The formation of SHGs fosters collaborative work for both economic and social progress.

The impact of the SHG movement extends beyond economic improvements for women; it also influences their social standing. Dr. A. Sundaram (2003) underscores the multifaceted role of Self-Help Groups. They significantly contribute to training individuals in self-employment, promoting infrastructure development, providing marketing and technology assistance, enhancing communication skills among members, boosting self-confidence, mitigating family violence, facilitating external interactions, altering saving patterns among members, encouraging engagement in politics, fostering social harmony and justice, driving community action, upholding sustainable quality and accountability, ensuring equity within SHGs, managing defaults and recoveries, and maintaining financial sustainability. In essence, SHGs represent a pivotal tool in the comprehensive development of rural women, not only elevating their economic circumstances but also transforming their societal roles.

In the backdrop of India's continued journey as a developing nation with a substantial rural population, the persistence of poverty in these areas has necessitated dedicated efforts towards community development. As the majority of the population resides in villages, uplifting these regions becomes pivotal for the nation's overall economic growth. Among the various strategies implemented to address this issue, the establishment of Self-Help Groups (SHGs) has emerged as a noteworthy approach, contributing significantly to the enhancement of both social and economic aspects within rural communities.

At the heart of the SHG movement lies the principle of cooperative development, where individuals, particularly women, come together to collectively tackle challenges, thereby fostering mutual growth. The evolution and effectiveness of this concept can be better understood through a focused investigation into its impact on the socio-economic status of its members. Such research holds potential for revealing the tangible outcomes of SHG participation and shedding light on the transformative potential it holds.

This study delves into the particular case of Manpadle Village, situated within the Hatkanangale taluka of Kolhapur district, to probe into the influence of SHGs on the socio-economic landscape of its members. By employing a mixed-method approach, we aim to comprehensively assess the contributions of SHGs in empowering rural women and catalyzing their advancement in both economic and social spheres.

Through an exploration of the socio-economic dimensions, this investigation seeks to contribute to the broader understanding of how SHGs, as vehicles of cooperation and empowerment, play a vital role in shaping the lives of rural women. Ultimately, this study aims to shed light on the ways in which SHGs can serve as catalysts for positive change within the communities they touch, thereby driving sustainable development at the grassroots level.

## **ORIGIN OF SHGS:**

The genesis of Self-Help Groups (SHGs) can be traced back to the Grameen Bank in Bangladesh, which was founded by Mohamed Yunus. The establishment and inception of SHGs date back to 1975 (Gunasekaran, 2010). The first official interest in informal group lending in India emerged during 1986-87 through the initiative of the National Bank for Agriculture and Rural Development (NABARD). As part of its broader

mission, NABARD initiated research endeavors focused on utilizing Self-Help Groups as a means of delivering microfinance in the late 1980s.

Within this context, one notable project sponsored by the Mysore Resettlement and Development Agency (MYRADA) explored "Savings and Credit Management of SHGs" and received partial funding from NABARD in the year 1986-87. Further collaborative efforts occurred in 1988-89, where NABARD, in conjunction with members of the Asia-Pacific Rural and Agricultural Credit Association (APRACA), surveyed 43 non-governmental organizations (NGOs) across 11 states in India. This survey aimed to delve into the operational dynamics of microfinance-based SHGs and explore avenues for collaboration with the formal banking sector.

Both of these research projects yielded promising prospects, prompting NABARD to initiate a pilot project known as the SHG Linkage Project [NABARD 1991].

### Objectives:

#### Present paper aims to study following aspects of SHG

1. Examining the Socio-Economic Status of Members within SHGs.
2. Investigating the Influence of SHGs on Economic Status.
3. Analyzing the Effect of SHGs on Social Status.

### Methodology:

The study assumes a descriptive nature as it marks the inaugural exploration within the study domain, specifically focusing on the self-help groups affiliated with the Mahila Arthik Vikas Mahamandal CMRC in Vathar, within the context of Manpadale village. The researcher aims to conduct an in-depth investigation into the tangible effects of self-help groups on the socio-economic status of their members. Within the purview of this research, there exist 232 self-help groups operating under the aegis of the Mahila Arthik Vikas Mahamandal, all functioning within the ambit of the Community Managed Resource Centre in Vathar. The village of Manpadale, in particular, operates under the jurisdiction of the Vathar CMRC. Within Manpadale village, there are 14 distinct self-help groups, collectively comprising a membership of 220 women. Out of this cohort of 220 self-help group members, a sample size of 110 was selected through a lottery-based methodology.

### Result and Discussion:

**Table No: 1 Socio-economic Status of SHG Members**

Literacy Level			Type of Occupation			Monthly Family Income		
Literacy	Frequency	Percentage	Occupations	Frequency	Percentage	Income in ₹.	Frequency	Percentage
Illiterate	16	14.55	Agriculture	58	52.73	4000-5500	33	30.00
Primary	10	9.09	Daily wage	32	29.09	5501-7000	39	35.45
Secondary	24	21.82	Business	20	18.18	7001-8500	20	18.18

Higher Secondary	55	50.00				8001-10,000	18	16.36
Degree and above	5	4.55						
<b>Total</b>	<b>110</b>	<b>100</b>	<b>Total</b>	<b>110</b>	<b>100</b>	<b>Total</b>	<b>110</b>	<b>100</b>

Table No.1 shows Socio-economic Status of SHG Members. The analysis is as follows.

**Literacy Level:** The data shows a diverse representation of literacy levels within the sample group. The largest portion (50.00%) has a higher secondary education, followed by secondary education (21.82%), primary education (9.09%), and a smaller portion with a degree and above (4.55%). A notable percentage (14.55%) are illiterate.

The data illustrates a distribution of literacy levels within the sample group. The fact that the highest percentage (50.00%) possess a higher secondary education suggests a relatively educated group. The presence of individuals with primary, secondary, and higher education levels also highlights a diversity in educational attainment.

**Type of Occupation:** The majority of the respondents (52.73%) are engaged in agriculture, followed by daily wage laborers (29.09%) and business (18.18%).

The majority of respondents (52.73%) are engaged in agriculture, reflecting the prominence of agrarian activities within the community. A notable portion (29.09%) work as daily wage laborers, while a smaller fraction (18.18%) is involved in business ventures. This diverse occupational distribution points to the range of economic activities prevalent in the area.

**Monthly Family Income:** When it comes to the monthly family income distribution, the majority of families fall within the income range of ₹5501 to ₹7000 (35.45%). The other substantial groups include those earning between ₹4000 and ₹5500 (30.00%), and those earning between ₹7001 and ₹8500 (18.18%). Additionally, there are families with income ranging from ₹8001 to ₹10,000 (16.36%).

The income distribution reveals a broad spectrum of monthly family incomes. The largest group falls within the income range of ₹5501 to ₹7000 (35.45%), which implies a moderate level of earnings. The presence of families in income brackets ranging from ₹4000 to ₹8500 indicates a variety of financial situations. Additionally, a portion of families earns between ₹7001 and ₹8500 (18.18%), while some achieve an income ranging from ₹8001 to ₹10,000 (16.36%).

In summary, the data signifies a diverse community with a range of literacy levels, occupational choices, and income distributions. This diversity provides valuable insights for policymakers, researchers, and community developers aiming to design effective interventions that consider the distinct characteristics and aspirations of the population under study.

Table No. 2 Impact on Social Status of SHG Members

Participation in Family decision			Participation in Social Activity			Attended Gramsabha Meeting		
Response	Frequency	Percentage	Response	Frequency	Percentage	Response	Frequency	Percentage
Yes	96	87.27	Yes	88	80.00	Yes	67	60.91
No	14	12.73	No	22	20.00	No	43	39.09
<b>Total</b>	<b>110</b>	<b>100</b>	<b>Total</b>	<b>110</b>	<b>100</b>	<b>Total</b>	<b>110</b>	<b>100</b>

Table No. 2 speaks about impact on Social Status of SHG Members. The analysis is as follows.

**Participation in Family Decision:** Among the total respondents (110), a substantial majority of 96 women (87.27%) reported active participation in family decision-making. A smaller portion of 14 women (12.73%) indicated that they do not participate in family decisions.

The overwhelming majority of women (87.27%) actively participate in family decision-making. This substantial level of involvement suggests a shift towards more inclusive decision-making processes within families, potentially reflecting increased empowerment and recognition of women's perspectives.

**Participation in Social Activity:** For engagement in social activities, 88 respondents (80.00%) actively participate. Conversely, 22 respondents (20.00%) stated that they do not partake in social activities.

Similarly, a significant majority (80.00%) of respondents engage in social activities. This active participation indicates a desire for community engagement and signifies a role beyond the household context.

**Attended Gramsabha Meeting:** With regard to attending Gramsabha meetings, 67 respondents (60.91%) confirmed their attendance. On the other hand, 43 respondents (39.09%) have not attended Gramsabha meetings.

The attendance at Gramsabha meetings by 60.91% of respondents is noteworthy. This increased participation in community meetings indicates growing interest in local governance and civic participation.

Overall, the data reflects positive trends in terms of increased participation in family decisions, social activities, and community gatherings. These trends suggest the potential for enhanced women's empowerment and broader community engagement. The high levels of involvement in family decision-making can indicate a transition towards more equitable and inclusive familial dynamics. Additionally, the active participation in social activities and community meetings indicates a willingness to contribute to and engage with the community's social fabric and decision-making processes.

**Table No. 3 Impact on Economic Status SHG Members**

Ever taken loan from the SHG			Benefit of the loan from Bank			Purpose of the loan		
Response	Frequency	Percentage	Response	Frequency	Percentage	Response	Frequency	Percentage
Yes	98	89.09	Yes	94	85.45	Consumption	37	33.64
No	12	10.91	No	16	14.55	Production	73	66.36
<b>Total</b>	<b>110</b>	<b>100</b>	<b>Total</b>	<b>110</b>	<b>100</b>	<b>Total</b>	<b>110</b>	<b>100</b>
Decision of Loan utilization			Started business			Increased Income		
Response	Frequency	Percentage	Response	Frequency	Percentage	Response	Frequency	Percentage
Yes	88	80.00	Yes	77	70.00	Yes	102	92.73
No	22	20.00	No	33	30.00	No	8	7.27
<b>Total</b>	<b>110</b>	<b>100</b>	<b>Total</b>	<b>110</b>	<b>100</b>	<b>Total</b>	<b>110</b>	<b>100</b>

Table No. 3 reveals impact on economic status of SHG Members The analysis is as follows.

**Ever Taken Loan from the SHG:** Among the total respondents (110), a substantial majority of 98 women (89.09%) have taken a loan from the SHG. A smaller portion of 12 women (10.91%) have not taken a loan from the SHG.

A substantial portion of respondents (89.09%) have taken loans from SHGs, indicating the popularity and accessibility of this financial tool within the community.

**Benefit of the Loan from Bank:** Similarly, a majority (85.45%) of respondents have benefited from a loan obtained from a bank, while a smaller portion (14.55%) have not.

**Purpose of the Loan:** When considering the purpose of loans, a notable observation is that 33.64% of loans were used for consumption, while a significant majority (66.36%) were utilized for production-oriented purposes.

The data illustrates a higher inclination towards utilizing loans for production purposes (66.36%), reflecting the community's focus on productive activities that contribute to income generation and economic growth. While a portion used loans for consumption (33.64%), the larger emphasis on production aligns with sustainable economic development.

**Decision of Loan Utilization:** Regarding the decision-making process behind loan utilization, 80.00% of respondents reported being involved in deciding how the loan would be used, while 20.00% indicated otherwise.

**Started Business:** Among the participants, a significant majority (70.00%) confirmed that they started a business using the obtained loan, while 30.00% did not.

**Increased Income:** Impressively, a vast majority (92.73%) reported an increase in their income after obtaining a loan, while only a small fraction (7.27%) did not experience an income increase.

The data underscores the positive effects of loans on economic empowerment. A substantial majority (92.73%) reported increased income after obtaining loans, indicating a significant improvement in their financial well-being. The majority (70.00%) utilized loans to start businesses, which aligns with increased economic activity and entrepreneurship within the community.

In summary, the data indicates the positive impact of loans from SHGs and banks on economic empowerment, business initiation, and income generation within the community. The increased participation in decision-making and reported income gains underscore the efficacy of these financial tools in fostering economic development and women's empowerment.

### **Conclusions:**

The literacy levels, spanning from primary to higher secondary education, reveal a diverse educational landscape that aligns with the wide spectrum of occupational choices, including agriculture, daily wage labor, and business endeavors. The distribution of monthly family income underscores a range of economic circumstances, with a significant portion falling within the ₹5501 to ₹7000 bracket. This distribution reflects the community's aspirations for financial progress and the pursuit of diverse economic opportunities. Notably, the active participation of women in family decisions, engagement in social activities, and attendance at Gramsabha meetings signifies a shift towards more inclusive decision-making processes within families. This suggests a growing empowerment and recognition of women's roles beyond the household context. The prevalence of women taking loans from both SHGs and banks showcases the popularity and accessibility of these financial instruments. This financial support, primarily directed towards production-oriented purposes, underscores the community's proactive approach to income generation and economic advancement. The substantial increase in income reported post-loan utilization indicates the transformative potential of financial assistance in enhancing economic well-being. This resonates with the majority of participants reporting increased income levels, ultimately contributing to an improved quality of life. Furthermore, the active involvement in social activities and community meetings underscores the community's commitment to both social cohesion and civic responsibility. This engagement signifies the participants' desire for broader community involvement and a role in shaping local governance. In essence, this multifaceted analysis showcases a community striving for economic progress, gender equity, and active civic engagement. The insights gleaned from this analysis provide a solid foundation for tailored interventions that can further foster sustainable growth and enhance the overall well-being of the community.

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