Impact of Women Self Help Groups in Changing Socio-Economic Status of Rural Families in Nainital District of Uttarakhand

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Abstract

The study was conducted in Nainital district of Uttarakhand, where seven agencies were running SHGs. Thirty (30) SHGs were selected from the agencies for the study purpose by using the proportional allocation technique. A sample comprising of three hundred (300) women (150 beneficiaries and 150 non-beneficiaries) was drawn by using random sampling technique. An interview schedule was prepared and data were collected by personal interview method. The data so collected were classified, tabulated and analyzed. The findings research that SHGs had a significant influence in changing socio-economic status of the beneficiaries. The additional monthly income of the beneficiaries also increased significantly as a result of enterprises taken in SHGs.

Key Words : *Women, Self Help Groups, Socio-economic Status, Nainital, Uttrakhand.*

1. INTRODUCTION

The Self-help group (SHG) is an impressive approach to achieve the objectives of the rural development. SHG is a viable organized setup to disburse micro-credit to the rural women and encouraging them to enter into entrepreneurial activities. SHG ideology has reduced the dependence of such people on moneylenders and also resulted in empowerment benefits of women. *Swarnajayanti Gram Swarojgar Yojana* (SGSY)*,* launched by the Ministry of Rural Development of Government of India in the year 1999 for boosting rural economy through development of multi faceted micro-enterprises for poverty alleviation and sustainable employment generation for rural poor, has led to microfinance operation by women's self-help groups. These SHGs have really made a impact on the life of the rural women or not. This is a predictable issue. Therefore, the investigation was undertaken to find "the Impact of the SHGs in changing socio-economic status of rural families in Nainital District of Uttarakhand".

2. GEOGRAPHY AND DEMOGRAPHY OF UTTARAKHAND

The state of Uttarakhand, also known as "Devbhumi" or the "Land of God" with its scintillating natural beauty, fascinating snow-clad mountains, fresh and pure water and air, and an aura of Godliness, attracts people from all over the world all through the year. Famous for mountaineering and aero sports like paragliding and hand gliding, Uttarakhand has been a great place of

attraction for foreign tourists. Also, Haridwar and Rishikesh, two famous Hindu pilgrimages, Gurdwara of Hemkund Sahib— famous shrine for Sikhs and valley of flowers, all are located in Uttrakhand. Archaeological evidence like ancient rock paintings, paleoloithic stone tools, rock shelters, megaliths, etc. suggest that this mountainous state had been frequented and inhabited from prehistoric times. Findings in Chamoli and Almorah districts clearly reveal the existence human habitation from stone Age in this state. The name of this state can be found in the great Purans and Vedas and the legendary epic of Ramayana and Mahabharata.

In the ancient scriptures of Hindu religion, the combined region of kedarkhand (Presently Garhwal) and Manaskhand (Presently Kumaon), has been mentioned as Uttarakhand or Devbhumi. The state is divided naturally by Nanda Devi Mountains, in two regions, Kumaon and Garhwal. Dehradun, the capital, is the largest city of the state and can be approached by rail. The high court of Uttarakhand is also located in Nainital.

The Kingdoms of Kumaon and Garhwal, were formed during the medieval period. The region fell to the Gorkha empire of Nepal in 1803, but in 1816, British took over the kingdom after winning the Anglo-nepalese war and formed the Treaty of Sugauli.

The similarity of traditions, geography, and proximity to different ethnic groups brought Kumaon and Garhwal closer forgetting their long rivalry, and this had greatly strengthened the movement for statehood of Uttarakhand in 1990. Finally, on 9th November 2000, the birth of Uttarakhand took place by carving out 13 districts from Uttar Pradesh. It became the 27th state of India with Dehradun as its capital. The name Uttarakhand was coined for the state, which was changed later as Uttaranchal and again it was renamed as Uttarakhand.

(a) Districts of Uttarakhand

Uttarakhand comprises of 13 districts out of which 7 districts belong to Garhwal region and 6 districts belong to Kumaon region. The districts in the Kumaon region are Bageshwar, Almora, Nainital, Champawat, Udhamsingh Nagar and Pithoragarh while the Garhwal region comprises of Pauri Garhwal, Tehri Garhwal, Haridwar, Dehradun, Rudraprayag, Uttarkashi and Chamoli.

(b) Economy of Uttarakhand

From 2005 to 2014 Uttarakhand has registered a growth of around 19.57 per cent which places it among the five fastest growing states in India.

Udham Singh Nagar, Haridwar, Dehradun and some parts of Nainital contributes to the main economy (around 80 per cent) of the state. The hilly areas are predominantly dependent on agriculture, which get tremendous setbacks due to natural calamities, geographical locations and other physical constraints. The major industries of the state are floriculture, horticulture, Agro and food processing Industries, biotechnology and information and communication technology. Forest products-mainly herbs and spices and tourism are major engines of economical growth in this state.

Uttarakhand, located in Northern India is formed from north western districts of Uttar Pradesh. It borders Nepal on the east, Tibet on the north, Himachal Pradesh on the west, Uttar Pradesh on the south and Haryana in the northwest. Out of a total area of 53483 km, the state of Uttarakhand is 65 per cent covered by forest and 86 per cent is mountains.

Generally, the people belonging to Uttarakhand are called Uttarakhandi. Depending on their place of origin, they are sometimes specifically called either Kumaoni or Garhwali.

(c) Women in Uttarakhand

As per latest census, the population of Uttarakhand is 10,086,292. The population of men is around 5.1 million and women around 4.9 million.

The two main dialects of the state are Kumaon and Garhwali. There are other dialects such as Jaunsari and Bhotia, which are spoken by

Table 1

Economic Activity Pattern of Women (2011)

District	Total Workers	M	F	Cultivators Total	M	F	Agricultural Workers Total	M	F	Household industry workers Total	M	F	Other Workers Total	M	F	Non Workers Total	M	F
Chamoli	164729	82509	82220	114594	40149	74445	1380	714	666	4216	1999	2217	44539	39647	4892	205630	101236	104394
Rudraprayag	102033	45504	56529	77411	23734	53677	635	324	311	1099	826	273	22888	20620	2268	125406	62031	63375
Tehri Garhwal	264715	133016	131699	185276	63500	121776	3416	1855	1561	2341	1768	573	73672	65893	7789	340032	162152	177880
Dehradun	400475	324725	75750	75354	45948	29406	27877	19854	8023	10176	7039	3137	287068	251884	35184	881668	354858	526810
Garhwal	269871	135030	134841	179424	58734	120690	4528	2468	2060	3451	2699	752	82468	71129	11339	427207	196031	231176
Pithoragarh	198709	98796	99913	134336	47169	87167	2532	1223	1309	7919	3540	4379	53922	46864	7058	263580	128819	134761
Bageshwar	118844	53499	65345	88574	29271	59303	3597	1592	2005	2499	1518	981	24174	21118	3056	130618	65011	65607
Almora	292182	130833	161349	218280	69658	148622	4568	1928	2640	3826	2937	889	65508	56310	9198	338385	163015	175370
Champawat	90208	48306	41902	62851	25077	37774	1801	1049	752	1554	1045	509	24002	21135	2867	134334	62778	71556
Nainital	278947	192347	86600	116703	59997	56706	24327	14359	9968	5759	3229	2530	132158	114762	17396	483962	207907	276055
U.S. Nagar	392156	344946	80210	118664	89017	29650	101428	75135	26293	9710	5273	4437	162354	142524	19830	843458	337538	505920
Hardwar	425263	366268	58995	97042	86864	10178	80889	68560	12329	17823	10713	7110	229509	200131	29378	1021924	409753	612171
Uttarkashi	135904	73398	62506	101607	45307	56300	2705	1433	1272	2075	1158	917	29517	25500	4017	159109	78618	80491
Uttarakhand	3134036	1996177	1137859	1570116	684429	885694	259683	190494	69189	72448	43744	28704	1231789	1077517	154272	53555313	232974	3025566
% age	—	63.7	36.3	50.1	43.6	56.4	8.29	73.4	26.6	2.31	60.4	39.6	39.3	87.5	12.5	17.1	43.5	56.5

relatively small percentage of tribal communities in the north and the west. However, the official language of the state is Hindi and the urban class mostly speaks in Hindi.

The women is Uttarakhand work harder and longer than men with an average working hour of 16.49 hours per day, and are primarily engaged in house hold chores, besides participation in agricultural and livestock operations, which consumes 29.35 per cent of the total work hours. But, they are marginalised both inside and outside the households in terms of social and economic status, due to lack of independent source of income and lack of control over income generating resources.

3. RESEARCH METHODOLOGY

(a) Demographics of Nainital District

As of the 2011 Indian census, Nainital had a population of 41,377. Males constitute 52.3 per cent of the population and females 47.7 per cent. In 2011, Nainital had an average literacy rate of 92.93 per cent, higher than the Uttarakhand state average of 78.82 per cent In Nainital, 9.54 per cent of the population is under 6 years of age. Kumaoni people form the major part of the town's population along with people from all over India.

The SGSY model, promoted by Ministry of Rural Development of Government of India has subsidy component and has a mandate of including at least 70-80 per cent of its members from people living below poverty line. Financial assistance from bank is granted to SHGs, either formed by the non-government organizations (NGO) or through arbitration of NGOs as financial intermediaries.

(b) Study Area

The study was conducted during June 2016 in Nainital district in Kumaon division of Uttarakhand state, which has high livestock density as well as large number of women dairy self-help groups (SHGs) under the banner of Swarnajayanti Gram Swarojgar Yojana (SGSY).

(c) Data Survey

The study was conducted in Nainital District of Uttarakhand. A sample of three hundred rural women (150 beneficiaries and 150 non-beneficiaries) was drawn from 30 selected SHGs by using random sampling technique. The data were collected through personal interview method with the help of a well-structured, comprehensive, and pretested interview schedule on the socio-economic profile, institutional support structure, and constraints in regular work of member and non-member respondents. The data so collected were tabulated and analyzed by applying appropriate statistical tools.

4. RESULTS AND DISCUSSION

Mean score and standard deviation were computed basing upon the scores obtained by the respondents and the respondents were categorized into three groups namely low, medium and high level. The data regarding Socio-economic Status level of beneficiaries and non-beneficiaries have been presented in Table 2.

Table 2
Distribution of beneficiary and non-beneficiary respondents under different
Socio-economic Status level (in %age)

Category	Beneficiaries	Non-beneficiaries	Total
	$n_1 = 150$	$n_2 = 150$	$n_3 = 300$
Low (<21)	03 (2)	09 (6)	11 (3.67)
Medium (21 to 53)	125 (83.33)	139 (92.67)	264 (88)
High (> 53)	22 (8)	04 (2.67)	26 (8.67)

Figures in parentheses are percentages

It is evident from Table 2 that 92.67 per cent non-beneficiaries and 83.33 per cent beneficiaries are of medium socio-economic status. While 8 per cent of beneficiaries and 2.67 per cent of non-beneficiaries are of high level of Socio-economic status. Only 6 per cent of non-beneficiary and 2 per cent of beneficiaries are of low Socio-economic Status level.

Hence, it may be observed that majority of beneficiary and non-beneficiary respondents are from medium socio-economic status.

Further, in order to find out the impact of SHG on socio-economic status of beneficiaries as compared to non-beneficiaries, standard normal deviate test i.e. 'Z' test was applied. It was tried to find out, whether there is significant difference in socio-economic status of both the categories or not. The data about this aspect have been presented in Table 3.

Table 3
Comparative Study of Socio-economic Status level of beneficiaries and non-beneficiearies respondents

Sl. No.	Categories	Mean Score	Variance	Calculated value of 'Z'
1.	Beneficiaries (n_1 = 150)	41.23	273	
2.	Non-Beneficiaries (n_1 = 150)	32.24	215	4.98**

**Significant at 1 per cent level of significance

It may be seen from the table that the computed value of 'Z' i.e. 4.98 is statistically significant at 1 per cent level of significance which means that there is a significant difference between socio-economic status of both the categories and SHG helped the beneficiaries in raising socio-economic status in the community. This had reflected the impact of SHGs on the rural people.

The ultimate aim of SHGs is to raise income of the rural families. In this study an attempt has also been made to measure increase in additional monthly income due to participation in SHG programme on the basis of perception of the respondents. For this purpose, the respondents are asked about increase in their additional monthly income after joining SHG. Income of beneficiaries is classified into six income groups and presented in Table 4.

Table 4
Impact of SHGs in terms of increase in additional monthly income of beneficiaries (n = 150)

Sl. No.	Income group (in Rs.)	Before joining SHG		After joining SHG	
		Number of beneficiaries	Percentage	Number of beneficiaries	Percentage
1.	Less than 500	115	76.67	70	46.67
2.	500 to 800	19	12.67	46	30.67
3.	801 to 1100	10	6.67	24	16.00
4.	1101 to 1400	04	2.67	04	2.67
5.	1401 to 1700	02	1.33	03	2.00
6.	1701 & above	Nil	0.000	03	2.00
	Total	150	100.00	150	100.00

The Analyses of data presented in Table 4 reveal that there are 76.67 per cent beneficiaries in the lowest income group before joining the socio-economic status. However, after joining the SHG the income of the beneficiaries has raised and hence the percentage of beneficiaries in the lowest income group was decreased from 76.67 to 46.67 per cent. On account of increase in the income of beneficiaries, they jumped to the proximal upper income groups. It may be seen in the table that there were 12.67 per cent beneficiaries in the income group of Rs. 500 to Rs. 800 before joining SHG which has increased to 30.67 per cent after joining SHG. Similar kind of observation can be made in all the income groups. None of beneficiary is there in the income group of Rs. 1701 & above before joining SHG but there were 2 per cent beneficiaries in this income group after joining SHG.

It is evident from the above description that there was an increase in the additional monthly income of beneficiaries after joining SHG. Whether this increase in income was significant or not. for this purpose 'Z' test was applied. The data have been presented in Table 5.

Table 5
Comparison of monthly additional income of beneficiaries before and after joining Self-Help Groups (SHG)

Sl. No.	Income of beneficiearies	Mean Score	Variance	'Z' value
1.	Before joining SHG	331.82	100140.76	
2.	Before joining SHG	611.82	190222.10	6.36**

**Significant at 1 per cent level of significance

The data in Table 5 indicated that the calculated 'Z' value was 6.36 which was significant at 1 per cent level of significance. This shows that there is significant difference in the monthly additional income of the beneficiaries before and after joining SHG. It is the indication of positive impact of SHG in rural area.

Thus, it can be established that there is a positive impact of SHGs in raising the socio-economic status of beneficiaries as compared to non-beneficiaries and also the significant increase in additional monthly income of beneficiaries after joining SHG. Despite the facts that majority of the respondent is illiterate, they could not think about generating additional monthly income and joining SHG's to provide support to their families. Consequently, they could earn more through simple participation in the SHG and can raise their socio-economic status.

Further, it is pertinent ot point out that the SHGs have made an impact and encouraged rural women to undertake earning enterprises supported by SHGs.

5.   BENEFITS OF PARTICIPATION IN SHG

The benefits of participation in SHG are presented in Table 6. Nominal interest rate charged by banks on loans and subsidies availed on that loan was cited as the prime benefits of participating in SHG. (Rank-I). The fiscal interest attracts the farmers. The farmers considered development of personnel relations as a major attraction. (Rank-II).

This implied that women members valued social benefits of SHG membership in terms of developing social bonding, which is an important characteristic of women that drive them to join SHG.

Building up of confidence and raised socio-economic status (Rank-III) with good savings (Rank-III) were also the important attractions. The other benefits were easy availability of credit (Rank-IV) and enhanced production and marketing efficiecny (Rank-V). In fact, women conceive good savings, increased self confidence and cooperation among group members are the major benefits accrued from participation in SHG.

Table 6
Benefits of participation in SHG

Sl. No.	Particulars	Mean Score
1.	Easy availability of Credit	0.67 (IV)
2.	Nominal interest rate & availability of subsidies on loan	0.93 (I)
3.	Development of personnel relations	0.90 (II)
4.	Enhanced production and marketing efficiency	0.63 (V)
5.	Build up of confidence and raised socio-economic status	0.87 (III)
6.	Savings can be made	0.87 (III)

6.   REASONS FOR NON-PARTICIPATION IN SHG

The basic reasons for non-participation in SHG are given in Table 7. Farmers with steady income and sufficient wealth (Rank-I) are not attracted to join SHG. They find it more cumbersome and less lucrative. Strict rules and regulations of SHG is another constraint (Rank-II), which many individuals do not relish. The other limitations are unawareness of SGSY scheme (rank-III), lack of family support to join SHG (Rank-IV), and lack of time for the employees in service (Rank-V). The stringent rules in the selection of borrowers and mandatory need of guarantees dissuade them for taking loans.

Table 7
Reasons for non-participation in SHG

Sl. No.	Particulars	Mean Score
1.	Unaware of SGSY scheme	0.23 (III)
2.	Steady income/Sufficient wealth	0.53 (I)
3.	working as government employee so lack of time	0.10 (V)
4.	No family support to join SHG	0.17 (IV)
5.	Strict rules and regulations of SHG	0.37 (II)

7. CONCLUSION

Above narrated results indicated that the self help groups had produced a positive impact in terms of raising socio-economic status of rural women. Apart from it, the additional monthly income of the beneficiaries has also been increased significantly as a result of enterprises taken in SHGs. It may be said that the SHGs have provided employment opportunities to rural women which inturn helped them in empowerment also.

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