



Self Help Groups (SHGs) - A Tool for Socio-Economic Development of the Rural Women in West Bengal, India: A Study

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Abstract

Poverty is a major concern for many of the developing countries. The financial requirement is one of the basic needs of the poorer section of the society, especially rural women, for their socio-economic development. This paper is an attempt to study the role of Self-Help-Groups (SHGs) in the socioeconomic development of the rural poor women in Dhaniakhali block of Hooghly district in West Bengal, India. A field survey on the socio-economic impact of SHGs was conducted during 2018-19 with 300 respondents. For the purpose of the study, both the primary and secondary data have been used. Multiple regression technique has been used to examine the impact of SHG membership on the standard of living of the rural women by considering expenditure on food, education, health and fuel as dependent variables. The article discusses in depth about the findings in the study area and elaborates on the positive impact of SHGs in the socio-economic development of the rural poor women in West Bengal. The author concludes by providing several policy prescriptions.

JEL: C31, G21, I31, J16

Keywords: Self Help Group, Rural livelihood, Financial inclusion, Socioeconomic

1. Introduction

One of the worst prevailing problems of today's world is the existence of gender inequality. The root causes of this gender inequality are the presence of abject poverty and the belief that women are economically less productive than men. So, it is of utmost importance to provide financial assistance and self-employed livelihood activities to the under privileged women. Self Help Groups (SHGs) are considered by many as a catalyst for the rural development, alleviation of poverty and social and economic empowerment of women. The Self-help groups are informal associations of people of same standard of living who come together to improve their livelihood by generating employment opportunities and providing financial assistance to its members. They are groups of people usually 10-15 rural women with the same socio-economic background who address their common problems and find ways to improve their living conditions. They voluntarily save small sums of money, on a regular basis. They pool their resources to become financially stable, taking loans from their collective savings in times of emergency or financial scarcity, important life events or to purchase assets. The group members use collective wisdom and peer-pressure to ensure proper end-use of credit and timely repayment. The concept of self-help groups was introduced in India in late 1980s. In India, the Reserve Bank of India (RBI) regulations mandate that banks offer financial services, including collateral free loans to these groups on very low interest rates. SHGs offer poor women a platform for building solidarity

and allow them to come together and act on issues related to their own lives including health, nutrition, governance and gender justice.

The micro-finance has emerged as a powerful instrument in the new economy. With availability of micro-finance, Self-help groups and credit management groups have also started in India. In 1991-92, the self-help groups were promoted by the government on a large scale and it was the real take off point for the SHGs movement. In 1993, RBI allowed SHGs to open saving accounts in banks. Since then, SHGs have spread widely in India and almost all the states have adopted the SHG model for the upliftment of the rural poor and vulnerable poor women. In addition to financial inclusion, the SHG also plays an important role in empowerment of the rural women. It covers all aspects of self-employment, their capacity building, activity clusters, infrastructure build up, technology, credit and marketing. The SHG's primary focus is to enhance the financial security of the members through economic upliftment and also improve their common interest areas of leadership, motivation and training.

The self-help groups are associated with the economic development of the country. Majority of the members of the self-help groups are women and hence SHGs play a very positive role in improving the livelihood security of the rural women (Sharma, et al.,2014).Self Help Groups acts as change agents designed systematically to create income generating opportunities, among its members (Bareh, 2018). Self help Groups have assisted in the overall

development of the woman in rural India. Rural women typically face difficulties or discrimination in their day today livelihood. However, the scenario is changing now as women are coming forward and demanding more economic independence, an identity of their own, equal status in the society and freedom (Pandey & Pandey, 2016). Self Help Groups have helped the rural women in bringing positive change in their life. A study on transformation made by self-help groups in Andaman and Nicobar Islands established the fact that self-help group have played a significant role in the promotion of livelihood and development of the rural women even in the remote islands (Rajeev and Vinodan, 2018). A study on the relationship between self-help groups and socio-economic development in rural community of Chaygaon block at Kamrup district, Assam, by focusing on the socio-economic profile of women member, reveals a positive impact of SHGs on women members in households and in community (Barman and Bhattacharya, 2015). The authors are also of the view that the Government and other agencies need to give more emphasis on improving the entrepreneurial skills of the Self-Help Group members. Self Help Group is an important tool which helps the rural women to acquire power for their self-supportive life. A study on the participation of women in self-help group (SHGs) in Tamil Nadu claims that SHG programme plays a central role in the lives of the rural poor (Saravanan, 2016).

Self Help Groups have also played an important role in poverty alleviation in rural West Bengal (Chakravorty, 2012). Based on a field study in some selected districts in West Bengal, the author identified the income levels of 80 SHG participants and 20 non-SHG participants before and after joining Self Help Group. The empirical study established the relationship between self-help group and poverty alleviation in West Bengal. A similar field study on self-help groups in Bardhaman district in West Bengal measured the impact of SHG membership status with borrowing and identified the factors responsible for affecting the SHG membership with the help of three econometric models (AdhikaryM, 2010). An empirical study on Self-help groups at *Gram Panchayat* level in in Kolaghat block in Purba Mednipur district in West Bengal

reveals that the self-help groups have given confidence to the poor rural women about their employment opportunity and financial ability (AdhikaryB, 2015).

SHGs play an important role in economic upliftment through increase in the level of income and assets of the rural women of SHGs and reduction in the level of poverty as a result of intervention of micro finance by SHGs (Dasgupta,R, 2001; Meher, 2007; Sivachithappa, 2013). The net impact of borrowing on income is positive not only in case of all the borrowers but also in case of the poorest borrowers, showing the better outreach of the bank linkage programme and so on. The entire study was based on sample beneficiaries of microfinance institutions in Mandya district of Andhra Pradesh. A study aimed to provide empirical evidence of the economic and social impacts of access to micro loans disbursed through Self-Help Group (SHG) programmes in Kerala, South India showed that wealthier group members were significantly more likely to reap economic benefits, probably from productive investments (Goto, 2014). As per the author, for poor members, asset accumulation and consumption smoothing were the two main pathways out of poverty through SHG-modelled microfinance initiatives. Self Help Groups are successful to promote financial inclusion of the rural women. An empirical study based on a set of primary data on access and the amount of savings and credit availed, collected from 541 SHG members residing in the district of Bankura, West Bengal indicates the high incidence of financial inclusion among the rural women (Bagli and Adhikary, 2010).

Self Help Groups play an important role in empowerment of women (Kabeer,N, 2001) . Self Help Groups carry out various activities like awareness campaigns, social control activities like advocating for poor and voiceless women, providing skill-based trainings to its members. A field survey, on the impact of women participation in Self Help Groups and their empowerment indicators (i.e. social, economic, political etc.), conducted on 83 SHGs in Belbari Block of West Tripura district in Assam reveals that various activities like rural microcredit reduced the economic dependency of women upon other members of the family and the trainings and knowledge enabled the women to begin economic activities (Das, et al., 2017). Thus, women could use the fusion of loan and trainings to improve their livelihood by diversifying their income sources and reducing dependency. Self Help Groups have played a very important role in empowering women by strengthening their earning ability, boosting their self-confidence and promoting regular savings(Sahu and Singh, 2012). The micro-finance and Self-Help Groups have played a critical role not only in alleviation of poverty and overall rural development but also in empowerment of the rural women folk through their economic independence (Sarmah & Das, 2012).

Self-Help Groups (SHGs) have played a major role in changing the living conditions of the rural poor, both on the economic and social side. SHGs also have a positive impact on the standard of living of the rural poor with the economic development of women. Under this backdrop, this paper attempts to explore the role of SHGs on the sustainable rural livelihood. In specific terms the objective of the study are as follows:

- i) To study the socio-economic background of respondents in the study area
- ii) To examine the Pre-SHG and Post-SHG income status of SHG members
- iii) To study the socio-economic impact of SHGs on the respondents
- iv) To assess the impact of Self-Help Groups on the standard of living of the rural poor in the study area through analysis of food consumption and non-food consumption i.e. expenditure on fuel and energy, health care and education.

2. Data and Methodology

This paper is an attempt to study the socio-economic development of the rural people through Self-Help-Groups in Hooghly district of West Bengal, India during the period 2018-2019. For the purpose of this study both the primary and secondary data have been used. The primary data was collected from field survey through filled in questionnaire and direct interview method. The field survey was undertaken in 8 villages of Dhaniakhali block viz Belmuri, Bhandarhati I, Bhandarhati II, Dashghara, Gopinathpur, Gurap, Somashpur II and Mandari in Hooghly district of West Bengal. These villages were selected for the survey because they were economically backward and several active SHGs have been formed. In total, 100 Self Help Groups in the study area were interviewed. Three individual members were selected from each group for interviews. Total 300 households were surveyed. Individuals selected for interview were from different age groups, occupation, economic and marital status. The main criterion for selecting the SHGs in the study area was that the SHGs must consist of members who had completed minimum one year. The secondary data was collected from different journals, books, relevant documents, newspapers and records of National Rural Livelihood Mission (NRLM) under Ministry of Rural Development, Govt. of India.

In order to study the impact of SHGs on the standard of living of the households, we have planned to estimate two models. Here the model I relates to the estimation of standard of living measured by the four indicators of the economic condition of the rural poor i.e. annual expenditure on food and nutrition, education, health and fuel & energy. The investigation is done both on food as well as non-food products.

The multiple regression technique is used to examine the impact of Self-Help Group membership on standard of living. In this model, four separate regression equations are considered. Further, four dependent variables (i.e. expenditure on food and nutrition, expenditure on education, expenditure on health and expenditure on fuel and energy) are considered for the regression equations. All the dependent variables are function of land, income, Self Help Group membership, household and community characteristics and random disturbance term.

Our specified model is

$$EXPEFA = \alpha_0 + \alpha_1 AVGAGE + \alpha_2 CASTE + \alpha_3 EDULVL + \alpha_4 OWNLAND + \alpha_5 FAMSIZE + \alpha_6 FEMPER + \alpha_7 DEPRATIO + \alpha_8 SHGMEM + \alpha_9 AINCOME + \alpha_{10} ASAVING + u_1 \dots (1A)$$

$$EXPEDA = \beta_0 + \beta_1 AVGAGE + \beta_2 CASTE + \beta_3 EDULVL + \beta_4 OWNLAND + \beta_5 FAMSIZE + \beta_6 FEMPER + \beta_7 DEPRATIO + \beta_8 SHGMEM + \beta_9 AINCOME + \beta_{10} ASAVING + u_2 \dots (1B)$$

$$EXPHA = \gamma_0 + \gamma_1 AVGAGE + \gamma_2 CASTE + \gamma_3 EDULVL + \gamma_4 OWNLAND + \gamma_5 FAMSIZE +$$

$$\gamma_6 FEMPER + \gamma_7 DEPRATIO + \gamma_8 SHGMEM + \gamma_9 AINCOME + \gamma_{10} ASAVING + u_3 \dots (1C)$$

$$EXPENGA = \lambda_0 + \lambda_1 AVGAGE + \lambda_2 CASTE + \lambda_3 EDULVL + \lambda_4 OWNLAND + \lambda_5 FAMSIZE +$$

$$\lambda_6 FEMPER + \lambda_7 DEPRATIO + \lambda_8 SHGMEM + \lambda_9 AINCOME + \lambda_{10} ASAVING + u_4 \dots (1D)$$

Here the dependent variables are defined as follows:

(1A) Annual expenditure on Food (*EXPEFA*) in Rupees: The household expenditure on food implies the spending for daily food items i.e. food grains, vegetables, edible oil, grocery, fish, egg, meat, etc. of all the family members in the household

(1B) Annual expenditure on Education (*EXPEDA*) in Rupees: The household expenditure on education implies the expenditure for school fee, tuition fee, cost of purchasing books, notebooks, etc. for all the members of the household who are studying in school or college.

(1C) Annual Expenditure on Health (*EXPHEA*) in Rupees: The expenditure on healthcare include all the medical cost i.e. expenditure for medicine, doctor's fees, charges for diagnostic test as well as expenditure for hygiene i.e. sanitary facility and safe drinking water, etc.

(1D) Annual Expenditure on Fuel and Energy (*EXPENGA*) in Rupees: By the expenditure on fuel and energy we mean expenditure on fuel for cooking, lighting, vehicle, etc.

The Explanatory variables are defined as follows:

AVGAGE = Average age of the household in years;

It is hypothesized that younger members have more willingness and the capability to work hard and thus improve their standard of living.

CASTE = Caste of the household;

There are four legal castes namely General caste, Other Backward caste, Schedule Caste and Schedule Tribe. We have considered caste as a binary variable indicating:

CASTE = 1, if the individual belongs to General caste

CASTE = 0, if the individual belongs to any caste other than General caste (viz. Schedule Caste, Schedule Tribe or Other Backward caste)

It generally presumed that people in the rural area belonging to General caste get more facilities from SHG and other economic activities as compared to people belonging to Schedule caste, Schedule Tribe or Other Backward caste. Therefore, it is hypothesized a positive relationship between caste and standard of living.

EDULVL = Educational Level of the household;

We have considered the highest educational level of the household in a five-point scale, viz. 1-Illiterate; 2-Primary; 3-Secondary; 4-Higher Secondary; 5- Degree; in order to capture the effect of education on standard of living and hypothesized that the relationship to be positive.

OWNLAND = Total land owned by the household in *bigha* (1 *bigha* = 1338 m² approx. in West Bengal);

Land is one type of asset of the individual and helps both directly and indirectly in rural livelihood. Therefore, it is hypothesized a positive relationship between standard of living and land property

FSIZE = Family size of the household;

Family size is an important determinant of rural livelihood. The larger the family size, the higher is the labour time available for farming and non-farming activities and this increases the family income. Therefore, it is hypothesized a positive relationship between rural livelihood and family size.

FEMPER = Percentage of female members in the household;

In rural area we observe that mostly female members join the SHG activities which help them earn money. The participation of women in Self-Help Groups make a positive impact on their empowerment aspects. Hence, it is hypothesized a positive relationship between female percentage and rural livelihood.

DEPRATIO = Dependency Ratio;

Here, Dependency Ratio indicates the employment condition of the household i.e. ratio of number of non-working members to the number of working members of the household. As the number of non-working members increases in the family, the burden on the working members increases and this leads to fall in the standard of living.

SHGMEM = Duration of Self-Help Group membership (in months);

Membership of Self-Help Group is an important determinant of rural livelihood. Self-Help Group membership elevates the social status of the member and also increases access to different Government or NGO schemes. Poor households in rural area take loan from *Gramin Mahajans* (village money lenders) at a high cost of borrowing. However, after joining SHG program, it becomes easier for them to access formal loan with an affordable cost of borrowing in order to meet their most critical expenditures. Therefore, it is hypothesized a positive relationship between SHG membership and rural livelihood.

AINCOME = Total annual income of the household measured in Rupees;

Income is an important determinant of standard of living. As income increases, actual expenditure on food and non-food products rises. So, it is hypothesized the relationship between standard of living and income to be positive.

ASAVING = Annual savings of the household in Rupees;

If the household desires to improve standard of living by increasing expenditure on food and non-food products, then their saving will decrease. Hence it is hypothesized that there is a negative relationship between expenditure on food and non-food products and annual saving of the household.

Here $\alpha_0, \beta_0, \gamma_0$ and λ_0 are constants. Further $\alpha_i, \beta_i, \gamma_i$ and λ_i are the constants coefficients associated with the explanatory variable ($i = 1, 2, \dots, 10$) and u_i ($i = 1, 2, 3, 4$) are the random disturbance term.

3. Results and discussion

3.1 Empirical Results

3.1.1 Self-Help Group in the Study Area

The primary growth strategy of the Self-Helps Groups is to meet the increasing credit requirement of its members. The group members create a common fund by voluntarily contributing to save small amount of money on a regular basis. This pooled resource helps to make the SHG financially stable. The group manages the pooled resource in a democratic way and funds are managed meticulously with a far greater responsibility and commitment among the members towards the utilization of the amount for the approved purposes and in repayment. The groups develop their own management system and accountability for handling the resources generated. The members can thus take loans from their collective savings in case of any emergencies in order to tide over their financial crisis or for the purchase of any asset for their income generating activities. The group members decide amongst themselves the quantum of loan to be disbursed to the members who require them and the repayment instalments at a mutually agreed rate of interest during their periodic meetings. The SHG is a flexible system wherein the members manage their resources in a democratic way with the full cooperation and participation of all the members in the decision-making process.

After the formation of SHG, it takes a minimum of six months to one year to settle to a stable pattern. Soon after a SHG is formed and after one or two meetings are held, the savings are collected from its members. The SHG has to pass a resolution in the group meeting, signed by all members, indicating their decision to open savings bank account with the bank. This resolution and authorisation from the SHG have to be filed with the bank. The bank then opens the savings bank account in the name of the SHG. Loan can be given to the SHG for various purposes for its members. The bank does not decide the purpose for which the SHG gives loans to its members. The purpose may be for emergency needs like illness in the family, marriage, etc. or for buying of assets for income generation or repairing their home etc. In this case, the group internally decides the purpose for which loans are to be given to its individual members. The SHG and the bank holds several discussions during the loan appraisal stage so as to enable the bank to arrive at a credit decision. For the credit being availed by the SHG from the banks, the terms and conditions stipulates joint liability, which is clearly made understood to all its members. In case any member defaults on payment due to any genuine reason, the group squares up for the default amount and pass on the instalment amount to the bank as per the contract. However, the group exerts peer pressure on the borrowing members for their repayment. Due of this internal pressure within the group, the bank gets a much better repayment from the SHG.

The Self-Help Group has now become synonymous with financial and social empowerment of rural poor women. Over a period of time, it has given a great opportunity to the rural poor to attain reasonable economic, social and cultural empowerment, thereby leading to a better living standard and quality of life for the SHG households. The SHG has helped their naïve female members to not only come out of the four walls of their houses but also interact with bank officials. The female SHG members have been seen making decisions in household matters along with their spouse, particularly with respect to the education of their children. They have also been able to put pressure on their spouses to change their undesirable habits like smoking and drinking. The SHG members have also participated in the elections of the Gram Panchayat. The SHG has helped in becoming agents of social change and economic development of the community through women empowerment.

Dhaniakhali is Community Development (CD) Block under the administrative division of Chinsurah sub division of Hooghly district in the Indian state of West Bengal. As per the data of Census of India, 2011 Dhaniakhali CD Block had a total population of 320,534, all of which were rural. Dhaniakhali Blocks in the Hooghly district have large number of Self-Help Groups. The profile of the SHGs, along with the number of their bank account membership in Dhaniakhali block is shown in Table 1.

Table 1

SHG member profile in Dhaniakhali, Block

SI No.	Gram Panchayat	Total SHG	Total Members	Members with Bank Account	Members without Bank Members
1	Belmuri	174	1824	822	1002
2	Bhandarhati-I	148	1716	1179	537
3	Bhandarhati-II	200	2112	1476	636
4	Bhastara	197	2039	1553	486
5	Dashghara-I	173	1822	892	930
6	Dashghara-II	207	2225	1730	495
7	Dhanekhali-I	198	2111	1517	594
8	Dhanekhali-II	164	1749	966	783
9	Gopinathpur-I	198	2039	1863	176
10	Gopinathpur-II	221	2323	1877	446
11	Gudubari-I	159	1716	1214	502
12	Gudubari-II	187	1964	745	1219
13	Gurap	351	3902	1775	2127
14	Khajudahamilki	233	2462	1615	847
15	Mandra	188	2021	1262	759
16	Perambuasahabazar	245	2588	2089	499
17	Somaspur-I	185	1962	1589	373
18	Somaspur-II	205	2180	1641	539

Source: NRLM report on SHG (2018-19)

The socio-economic status of the respondents in the study area is shown in Table 2.

In the Table 2, on the demographic category of age of the respondents, it is observed that majority of the SHG members i.e. 66 percent in Dhaniakhali Block are in the mid age group (31 to 50 years), while 29 percent are in the young age group (18 to 30 years) and the balance 5 percent are in the old age group (above 50 years). On the education front, it is observed that 28 percent in Dhaniakhali Block of the respondents were illiterate, 33 percent in the primary level, 34 percent in the secondary level, 4 percent in the higher secondary level, 1 percent in the graduate level. On the category of marital status, 94 percent of the respondents in Dhaniakhali Block were married, 0 percent were unmarried, 2 percent were separated and 4 percent were widow. On the basis of caste categorisation of the respondents, 21 percent in Dhaniakhali Block were General 68 percent were Schedule Caste, 3 percent were Schedule Tribe and balance 8 percent were Other Backward Caste (OBC).

Table 2

Socio Economic status of the respondents

SI No.	Variables and Categories		Frequency (nos.)	Percentage (%)
			Dhaniakhali Block	Dhaniakhali Block
1	AGE	Young adults (18 to 30 years)	87	29
		Middle age (31 to 50 years)	198	66
		Old age (above 50 years)	15	5
		TOTAL	300	100
2	EDUCATION	Illiterate	84	28
		Primary	99	33
		Secondary	102	34
		Higher Secondary	12	4
		College/University	3	1
		TOTAL	300	100
3	MARITAL STATUS	Married	282	94
		Unmarried	0	0
		Separated	6	2
		Widow	12	4
		TOTAL	300	100
4	CASTE	General	63	21
		SC	204	68
		ST	9	3
		OBC	24	8
		TOTAL	300	100
5	FAMILY SIZE	Small (1 - 4 members)	234	78
		Big (> 4 members)	66	22
		TOTAL	300	100
6	FAMILY LAND HOLDINGS	Landless	18	6
		Marginal (0 - 0.25 bigha*)	159	53
		Small (0.25 - 0.50 bigha*)	84	28
		Medium (0.50 - 1.0 bigha*)	30	10
		Large (>1 bigha*)	9	3
		TOTAL	300	100
7	ANNUAL INCOME OF THE FAMILY	Below 0.5 Lakh	81	27
		Between 0.5 -1 Lakh	153	51
		Above 1 Lakh	66	22
		TOTAL	300	100

Source: Field Survey (2018-19) * 1 bigha = 1338 m² approx.

The Table2 shows that the categorisation of family size of the respondents, 78 percent in Dhaniakhali Block belongs to Small family size (1 - 4 members) whereas 22 percent belongs to Large family size. Based on the categorisation of family land holdings of the respondents, we observe that 6 percent in the Dhaniakhali Block

are landless, 53 percent are marginal (0- 0.25 *bigha*) land holders, 28 percent are small (0.25- 0.50 *bigha*) land holders, 10 percent are medium (0.50- 1 *bigha*) land holders and remaining 3 percent are large (> 1 *bigha*) land holders. On the basis of annual income of the family of the respondents, we observe that 27 percent in the Dhaniakhali Block of the respondents earn below Rs 0.5 Lakhs, 51 percent earn between Rs 0.5 Lakh to Rs 1 Lakh and balance 22 percent earn above Rs 1 Lakh.

3.1.2 Income status of the respondents in Pre-SHG and Post-SHG stage:

The SHG members are involved in activities which yield income to them. The income of the respondents in pre-SHG and post-SHG stage is analysed in Table 3. It is inferred from the Table 3 that before joining SHG, 20 percent of the respondents had no income and none of the respondent had monthly income more than Rs 6000/-. However, after joining SHG there is no respondent without any income and 3 percent of the respondents crossed their monthly income level above Rs 6000/-. 2.33 percent above Rs 8000/- and 1.67 percent above Rs 10000/-. Further, 23 of the respondents out of 300 representing 7.67 percent have monthly income below Rs 2000/-. 58 percent of the respondents have monthly income of Rs 2000-4000 and 27.33 percent have monthly income of Rs 4000 – 6000 after joining the group.

Table-3

Income status of the respondents in pre-SHG and post-SHG stage

Monthly Income of SHG member (Rs)	Dhaniakhali Block			
	Pre SHG (nos.)	Percentage (%)	Post SHG (nos.)	Percentage (%)
No Income	60	20.00	0	0.00
Below Rs 2000	183	61.00	23	7.67
Between Rs 2000-4000	53	17.67	174	58.00
Between Rs 4000-6000	4	1.33	82	27.33
Between Rs 6000-8000	0	0.00	9	3.00
Between Rs 8000-10000	0	0.00	7	2.33
Above Rs 10000	0	0.00	5	1.67
TOTAL	300	100.00	300	100.00

Source: Field Survey (2018-19)

3.1.3 Social impact of SHG activities on the respondents:

Efforts were made to assess the social impact of the respondents during the Pre-SHG and Post-SHG stage and the data relating in this regard is presented in Table 4. On the social issue regarding recognition for the SHG members, the respondents stated that after joining the group many people have come to know about them and their activity and shown more interest in interacting with them. It is observed that 60.7 percent of the women respondents felt that they were taking important decisions and issues connecting with their family with their husbands. After joining the SHG, 54.3 percent of the respondents were able to read and write. The survey reveals that 42.3 percent of the respondents were able to provide better schooling and better health to their children. The survey data shows that the participation of the women respondents in social services like raising funds for girl's marriage, settling family disputes, encouraging people to send their children to schools etc. have increased from 27.7 percent to 48 percent. After joining the groups most of the members

were felt self-dependent. The respondents were more aware of the new developmental schemes introduced by the government. Their standard of living had also increased from 19.3 percent to 50.7 percent after joining the group. They have now improved their houses, sanitation conditions etc. and better access to medical facilities after joining the group. The study also reveals that Awareness regarding new Govt. schemes regarding banking amongst the SHG members have increased from 21.3 percent to 54.7 percent.

Table 4

Social impact of the respondents in the Study area

Social Impact	Pre-SHG Stage		Post-SHG Stage	
	Frequency	Percentage	Frequency	Percentage
Equally participated with husband in family decisions	37	12.3	182	60.7
Literacy (able to read and write)	54	18.0	163	54.3
Better schooling and Better Health of the Children	36	12.0	127	42.3
Better standard of living	58	19.3	152	50.7
Participation in social activities	83	27.7	144	48
Awareness regarding new Govt. Schemes	64	21.3	164	54.7
Domestic Violence	167	55.7	52	17.3

Source: Field Survey (2018-19)

Domestic violence is a violence or abuse by one person against another in a domestic setting normally committed by a spouse against the other spouse or against children, parents or elderly. From Table 4 above, it is observed that the domestic violence has decreased from 55.7 percent to 17.3 percent in our surveyed villages. The decrease in domestic violence can be attributed to the fact that women after joining SHGs have become financially independent. Whenever any member of the SHG is subjected to domestic violence or abuse, the rest of the members of the group supports the victim for their rights and justice and they collectively fight against such wrong doings.

3.1.4 Economic impact of SHG activities on the respondents:

An effort was also made to access the economic impact of the respondents through microfinance and the data relating in this regard is presented and analysed in Table 5. It has been observed from the above Table 5 that 77.3 percent of the respondents have better access to the credit facilities after joining the group which was only 7.3 percent before joining the group. Family dependence on village money lenders has also reduced from 84 percent to 5 percent after joining the group. Economic independence was also found to be encouraging as 60.3 percent of the respondents were feeling economically independent. The results of the study indicate that 70.7 percent of the respondents improved their food consumption pattern. After joining

the group, the number of respondents had also increased their savings from 9 percent to 82.3 percent. Further, 52.3 percent of SHG borrowers were able to create assets.

Table 5

Economic impact of the respondents in the Study area

Level of Economic impact on the SHG members	Pre-SHG stage		Post-SHG stage	
	Frequency	Percentage	Frequency	Percentage
Better access to the credit facility	22	7.3	232	77.3
Minimized family dependence to money lenders	252	84	15	5
Economically independent	21	7	181	60.3
Improved the food consumption pattern	35	11.7	212	70.7
Increased savings	27	9	247	82.3
Asset creation	26	8.7	157	52.3

Source: Field Survey (2018-19)

3.2 Regression Results

The results of our four regression estimates are presented in Tables 6A, 6B, 6C and 6D. From the Tables it is observed that in most of the cases, the results are consistent with our hypothesis. As expected, income (*AINCOME*) has been found to have a positive and significant influence on food expenditure and non-food expenses viz. health, education and energy in the surveyed villages of Dhaniakhali block. Most of our sample household belong to low income group. Hence as income increases their actual expenditure on food as well as other products i.e. on health, education and energy also increases and thereby improves their standard of living. It is observed from the above Tables that coefficient of saving (*ASAVING*) have negative and significant impact on expenditure of food, health, education and energy. It is quite natural that if expenditure on food and non-food products increases then savings of the household decreases.

Table 6A: Determinants of Expenditure on Food in Dhaniakhali Block

Dependent Variable: EXPFA Method: Least Squares				
Sample: 1 300 Included observations: 300				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
AVGAGE	124.1713	58.27945	2.130619**	0.0358
CASTE	-2669.517	1746.747	-1.528279	0.1300
EDULVL	2179.056	686.3509	3.174842*	0.0021
FAMSIZE	1380.867	512.4519	2.694627*	0.0084
FEMPER	-32.87015	24.61241	-1.335511	0.1851
DEPRATIO	219.4642	661.9852	0.331524	0.7410
OWNLAND	316.0884	455.8992	0.693330	0.4899
AINCOME	0.575013	0.032274	17.81655*	0.0000
ASAVING	-0.632597	0.074962	-8.438851*	0.0000
SHGMEM	-137.9789	43.64729	-3.161225*	0.0021
R-squared	0.929543	Mean dependent var	47178.00	
Adjusted R-squared	0.922498	S.D. dependent var	19981.20	
S.E. of regression	5562.610	Akaike info criterion	20.18016	
Sum squared resid	2.78E+09	Schwarz criterion	20.44068	
Log likelihood	-999.0081	Hannan-Quinn criter.	20.28560	
Durbin-Watson stat	1.850277			

Source: Estimated using Eviews Software package based on field survey data

*Significant at 1% level; **Significant at 5% level, ***Significant at 10% level

Table 6B: Determinants of Expenditure on Education in Dhaniakhali Block

Dependent Variable: EXPEDA
Method: Least Squares

Sample: 1 300
Included observations: 300

Variable	Coefficient	Std. Error	t-Statistic	Prob.
AVGAGE	-2.648925	32.02058	-0.082726	0.9343
CASTE	896.1723	959.7181	0.933787	0.3529
EDULVL	141.3613	377.1029	0.374861***	0.0718
FAMSIZE	-527.1968	281.5573	-1.872431***	0.0644
FEMPER	0.763228	13.52284	0.056440	0.9551
DEPRATIO	-219.6997	363.7157	-0.604043	0.5473
OWNLAND	-380.4187	250.4855	-1.518726	0.1323
AINCOME	0.152244	0.017732	8.585636*	0.0000
ASAVING	-0.162239	0.041187	-3.939103*	0.0002
SHGMEM	39.00570	23.98121	1.626511*	0.0007
R-squared	0.815837	Mean dependent var	9505.130	
Adjusted R-squared	0.797421	S.D. dependent var	6790.397	
S.E. of regression	3056.274	Akaike info criterion	18.98242	
Sum squared resid	8.41E+08	Schwarz criterion	19.24294	
Log likelihood	-939.1210	Hannan-Quinn criter.	19.08786	
Durbin-Watson stat	1.486005			

Source: Estimated using Eviews Software package based on field survey data

*Significant at 1% level; **Significant at 5% level, ***Significant at 10% level

Table 6C: Determinants of Expenditure on Health in Dhaniakhali Block

Dependent Variable: EXPHA
Method: Least Squares

Sample: 1 300
Included observations: 300

Variable	Coefficient	Std. Error	t-Statistic	Prob.
AVGAGE	-85.55128	38.09846	-2.245531**	0.0272
CASTE	1371.197	1141.884	1.200820	0.2330
EDULVL	1582.231	448.6815	3.526401*	0.0007
FAMSIZE	-729.4590	335.0002	-2.177488**	0.0321
FEMPER	11.57631	16.08963	0.719489	0.4737
DEPRATIO	154.7327	432.7532	0.357554	0.7215
OWNLAND	713.0288	298.0305	2.392469**	0.0188
AINCOME	0.186054	0.021098	8.818454*	0.0000
ASAVING	-0.136887	0.049004	-2.793357*	0.0064
SHGMEM	34.94579	28.53312	1.224745	0.2239
R-squared	0.872468	Mean dependent var	7533.600	
Adjusted R-squared	0.859715	S.D. dependent var	9708.771	
S.E. of regression	3636.391	Akaike info criterion	19.33001	
Sum squared resid	1.19E+09	Schwarz criterion	19.59053	
Log likelihood	-956.5005	Hannan-Quinn criter.	19.43545	
Durbin-Watson stat	1.477393			

Source: Estimated using Eviews Software package based on field survey data

*Significant at 1% level; **Significant at 5% level, ***Significant at 10% level

Table 6D: Determinants of Expenditure on Energy in Dhaniakhali Block

Dependent Variable: EXPENGA
Method: Least Squares

Sample: 1 300
Included observations: 300

Variable	Coefficient	Std. Error	t-Statistic	Prob.
AVGAGE	-35.97111	18.98657	-1.894556**	0.0614
CASTE	402.1476	569.0639	0.706683	0.4816
EDULVL	738.1864	223.6028	3.301329*	0.0014
FAMSIZE	-124.2108	166.9491	-0.744004	0.4588
FEMPER	20.53062	8.018353	2.560453**	0.0121
DEPRATIO	-154.9682	215.6648	-0.718560	0.4743
OWNLAND	-16.52163	148.5251	-0.111238	0.9117
AINCOME	0.086689	0.010514	8.244794*	0.0000
ASAVING	-0.068277	0.024422	-2.795763*	0.0063
SHGMEM	64.02741	14.21963	4.502747*	0.0000
R-squared	0.885172	Mean dependent var	5611.920	
Adjusted R-squared	0.873689	S.D. dependent var	5099.045	
S.E. of regression	1812.215	Akaike info criterion	17.93713	
Sum squared resid	2.96E+08	Schwarz criterion	18.19764	
Log likelihood	-886.8563	Hannan-Quinn criter.	18.04256	
Durbin-Watson stat	1.748202			

Source: Estimated using Eviews Software package based on field survey data

*Significant at 1% level; **Significant at 5% level, ***Significant at 10% level

The most important finding of this study is impact of Self-Help Group Membership (*SHGMEM*) on expenditure of food and non-food products and we hypothesized a positive relationship between the two. In contrary to our hypothesis, the relationship between Self-Help Group membership and expenditure on food was found to be negative and significant in our surveyed villages. However, we have a positive effect of SHG membership on expenditure on education, health and energy. In cases of expenditure on education and energy, the results are positive and significant. However, in the case of expenditure on health, although the coefficient is positive but it is not statistically significant. In fact, Self-Help Group is considered to be a vital tool for improvement of the standard of living in rural areas. SHG has a positive impact on non-food consumption. By becoming a member of the SHG, the women are empowered and they understand the importance of education, health and other non-food expenditures. Thus, the relationship between Self-Help Group membership and expenditure on non-food consumption is found to be positive and significant.

The educational level (*EDULVL*) was found to be one of the most important determinants of rural livelihood. In Dhaniakhali block we have positive and significant effect of education level on all the food and non-food expenditure. Education helps the rural households to get better job opportunities and alternate income. Hence educated people improve their standard of living in a better way than less-educated and illiterate persons. We hypothesized a positive relationship between standard of living and land property (*OWNLAND*). We get contradictory results in cases of expenditure on education and energy. However, in both the cases the results are insignificant.

It was hypothesized that family size (*FAMSIZE*) would be positively related to expenditure on food and non-food consumption. It is expected that larger the family size, the higher is the labour time available for

farming and non-farm activities which increases their food and non-food expenditure through increased income. However, the result is positive and significant only in the case of food expenditure. It may be due to the fact that in our surveyed villages the number of dependent members is high in the family. Here larger family size does not mean larger income. Therefore, in our surveyed households as family size increases only expenditure on food increases.

As expected, the coefficient of female percentage (*FEMPER*) is seen to be negative in case of expenditure on food and positive on education, health and energy in both blocks. Since the women are mainly involved in SHG activities, as the number of female members in the family increases relative to the male members, the importance of expenditure on education, health and energy increases in the household. However, the result is insignificant in all the cases except in the case of energy expenditure. Average age (*AVGAGE*) of the household has been found to have a positive influence on expenditure of food and negative effect on expenditure of education, health and energy. Results are significant in all the cases except expenditure on education. This can be explained in two ways; on one hand, with increase in age, the experience of the person increases which in turn increases their employment opportunities and income and thus improves their standard of living; on the other hand, young and energetic members are more capable of improving their standard of living.

Dependency Ratio (*DEPRATIO*) is positive in case of expenditure on food and health and negative in case of education and energy. As dependent member increases in the family, major portion of income is spent on food and health purposes. This leads to shortage of money for the household resulting in lower expenditure on education and other non-food products. However, the result is insignificant in all the cases. As expected, caste (*CASTE*) is positively related to expenditure on education, health and energy but in contrary to our hypothesis it is negatively related to expenditure on food. However, in this case also we observe that the result is insignificant.

4. Conclusion

Self-Help Groups membership has had a significant impact on the socio-economic development of the rural poor. SHG programmes have helped the rural poor to gain access to credit from various financial institutions. Female household members are mostly engaged in SHG programme which enables them to become active, knowledgeable and economically independent. SHGs play a vital role in changing saving pattern of the household. After joining SHG, the members are now able to manage most of the outdoor activities without any hindrance from senior family members. A major impact of SHG has been the members' ability to take decisions within the family towards children's education, purchase of any luxury household item, health care, etc. Economic enhancement of the SHG members has also ensured that they are able to contribute to the financial burden of the family by meeting small expenses towards children's education fee, medical expenses, daily household needs, etc. SHGs have also helped their members in increased awareness of the current political and legal scenarios. The regression analysis shows that there is a positive effect of SHG membership on expenditure of education, health and energy. Therefore, we may conclude that SHG membership improves food security and non-food expenditure and thereby enhance the standard of living of the members.

SHG programmes play a very crucial role in rural livelihood. There are few suggestions for better implementation of the SHG activities:

- The NGOs and the State Government should efficiently monitor the performance of SHG at regular intervals.
- There should be proper regulating authority at each level (i.e. saving, depositing, money lending, etc.) in order to avoid any misuse of money.
- Training programme to all the member participants should be imparted regularly by the NGOs and other Government officials in order to make them aware about bank loan, proper accounts, decision making etc.
- SHG members should compulsorily participate in every meetings and workshops.
- Members of the SHGs should be properly trained so that they can manage the programme very efficiently.

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