



Economic Activities of women Self Help Groups in Dharwad District

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ABSTRACT

Economic empowerment of women precedes all other empowerment and in order to understand how SHG have enabled women economic empowerment, the present study was taken up in four villages of Dharwad taluk, Dharwad district of Karnataka state. One hundred and fifty nine SHGs were selected for the study. The study revealed that 184 women have taken up individual income generation activities and most of them in the young and middle age categories, had some formal education and were either home makers or involved occasionally in farming. Group income generation activities were taken up by 29 groups. The entrepreneurial activities varied from business/ trading, food and agriculture related to others like candle, agarbatti, flour mill, chilli pounding unit etc. Among individual activities chilli pounding unit earned the highest income of Rs. 40,000/year followed by vermicelli making with an average Rs. 20,294/ year. Among group activities vermicelli earned highest income of Rs 40,000-50,000 followed by poultry with Rs. 30,000-40,000.

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Introduction

The SHG movement in India heralded a new era of women's empowerment. Hitherto women were confined to the household chores and at best participated in agricultural activities either as unpaid labour in landed households or wage earner in landless families. It is important that women who form nearly half of the population be empowered in all spheres of life. However it is the economic empowerment which acts as a stepping stone to all other empowerment be it psychological, social, legal or political. According to Sharma and Verma 2008, if women are not economically independent they have to depend on their husbands or someone else, and dependents are never free. Freedom depends on economic conditions even more than political conditions., The self help groups in the initial stage were only thrift groups where women saved money in groups and used the money as and when necessary to meet the family and household needs. Later the groups were linked to the banks for safe keeping of money and transparency in financial dealings. The SHG Bank linkage model popularized from 1992 has been spreading rapidly (Nagayya and Koteswar Rao 2009). Soon the government also realized that the potentiality of the SHGs could be harnessed for poverty alleviation and rural development in general and women empowerment in particular. The government began to include formation and development of SHGs in their plan. The government of Karnataka gave a boost to SHG movement during 2000-2001 and since then 23198 (2014) of SHGs have been formed.

The present study was formulated to study those SHGs which have sustained over the past five years (SHG formed in 2008- 2009) and the members who have become independent due to their taking up of income generating entrepreneurial activities. The study was taken up with the following objectives.

1. To know the status of SHGs in Dharwad district and Dharwad taluka in particular

2. To identify the economic activities undertaken by the SHGs/SHG member

3. To quantify the income generated by various activities.

Methodology

The study was conducted in Dharwad district of Karnataka state during the year 2014-15. Four villages from Dharwad taluk namely Hebbali, Uppin Betegeri, Kotur and Tegur were purposively selected for the study based on the highest number of registered SHGs as per the 2011 official records of DRDA (District Rural Development Agency). Only those SHGs registered during 2008-09 were selected for the study as it was thought that the SHGs should have at least sustained for five years after formation. A total of 159 SHGs from four villages were therefore selected for the study. A structured interview schedule was developed to elicit relevant information from respondents. The data were collected by personal interview method from the selected respondents.

Table 1 show the status of SHGs in the four selected villages of Dharwad taluk. The SHGs have been categorized as discontinued, dormant and active (individual and groups). Out of 159 SHGs registered during 2008-09, five SHGs (3.15%) have discontinued meaning that the members have split and no activities are carried out either individually or in groups. Some important reasons for discontinuance are misunderstandings, personal rifts and payment defaults. Seventy SHGs are dormant groups which means that the members are involved only in money collection and money lending. The dormant groups are quite high in number because at the very outset women join the groups so that they can avail loans at reasonable rate of interest. The SHG membership has become a boon to poor rural women who find it difficult to avail loans because of collateral. Women lend and borrow money among group members at an interest rate of 2 per cent /month (24%/annum). Group members also lend money to women other than their own group and at an interest rate of 3 % so as to earn some extra money.

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Table 1. Status of SHG's in selected villages N=159

Selected village	No of SHG's Registered in 2008-09		Status							
			Discontinue		Dormant		Active			
	F	%	F	%	F	%	Individual activity		Group activity	
Hebballi	66	41.50	02	1.25	27	16.98	22	13.83	15	9.43
Kotur	15	09.43	--		10	6.28	05	3.14	--	--
UppinaBetegari	25	15.73	02	1.25	08	5.03	12	7.54	03	1.88
Tegur	53	33.34	01	0.62	25	15.72	16	10.00	11	6.91
Total	159	100	05.00	3.15	70.00	44.02	55.00	34.60	29.00	18.23

The interest earned on the group money is shared equally by all members. SHGs have therefore prevented women from falling into the debt trap and the clutches of the local money lender who at times even charge an interest of 10 % / month (120 %/ year).

There are 84 active groups which means these groups are involved in some entrepreneurial activity. An important aspect envisaged in the SHG is to help women take up some income generating activity either on a full time basis or as a source of supplementary income. While 55 groups have taken up individual activity only 29 groups have taken group enterprises. Individual activities are seen to be more common than group activities as co-ordination between members is difficult because of difference of opinions. Although there are 55 groups not all members have taken entrepreneurial activities. The reasons for other members not taking up enterprises are that: most women are agricultural labours who do not have time to spare nor the skill and knowledge. They are also risk averse and fear of losing their money, some of them do not have the knowledge and skill. Lack of tie up with market is also an important reason. The amount of loan available to these individuals through the Swarna Jayanthi Swarojagar Yojana (SJSY) is up to 1 lakh provided the woman has been regular in her contributions and payments for at least one year.

Twenty nine groups have taken group enterprises. The main reason why women go in for group activity is that loan availability for group enterprise is high i.e., up to three lakhs at an interest rate of only 6 per cent along with a 50% matching grant by the government. This is available provided the group has sustained for five years with maintenance of proper records. Normally a group enterprise requires that all members have some role to play in the group entrepreneurial

activity. But in the present study we see that few groups usually work this way. The money taken as group loan is shared and the entrepreneurial activity is carried on in their respective home. In case of purchase of machinery like that of papad/roti and vermicelli women invested the group loans but carry out activities independently.

Table 2 shows the characteristics of women who have taken up the income generation activities. It is to be noted that 52.17 per cent women were in the age range of 18-35 which is considered the age when women are most productive. Women in the age range of 36-55 were also considered (45.65%). However only 2-18% women were above 55 years of age. Regarding women most women were those with middle school education (33.19%), with an almost similar percentage in the high school education (26.08%) and primary school educated (25.00%) since managing an enterprise requires basic mathematics and maintenance of records it is natural that those with some formal education would take up entrepreneurial activities. Women with higher education would seek better pastures than take up small enterprises. It is quite evident from the data that most women who took up activities are either pure home –makers (44.57%) or home makers who also participate in farming (55.43%). None of the wage earner from 159 groups took up entrepreneurial activities probably because they are daily wage earners who are risk averse and join group mainly to avail loans at low rates of interest.

Table 3 Shows that out of 676 group members 184 (27.20%) have individually taken up entrepreneurial activities, while 492 (72.80%) have not involved in any activity. Of the 184 members who have taken individual activity 39.67 per cent are into business i.e. trading. Of these 10.87 per cent were selling sarees.

Table.2 Socio personal characteristics of individual members involved in income generating activity.

Characteristics	Categories	Frequency	Percentage
Age	Young (18 to 35 years)	96	52.17
	Middle (36 to 55 years)	84	45.65
	Old (Above 55 years)	4	02.18
Education	Illiterate	13	07.08
	Can read & write	11	05.98
	Primary school	46	25.00
	Middle School	62	33.69
	High School	48	26.08
	Post matric	03	01.63
	Graduate & above	01	00.54
Occupation	Home maker +Farming	102	55.43
	Home maker	82	44.57
	Wage earner	00	00

Table 3. Individual group members in Income generating activity (n=676).

	Income generating Activities	Individuals involved activity		Women not involved in individual activity	Individuals involved activity N=184	
		F	%		F	%
1	Business items			492 (72.80)		
i	Oil selling	08	1.18		08	4.34
ii	Grocery shop	08	1.18		08	4.34
iii	Cereals & Pulses selling	15	2.22		15	8.15
iv	Fruits & vegetable selling	16	2.36		16	8.69
v	Sari selling	20	2.95		20	10.87
vi	Bangle selling	06	0.88		06	3.28
	Total	73	10.77		73	39.67
2	Food items related					
i	Papad making	10	1.48		10	5.43
ii	Pickle making	08	1.18		08	4.34
iii	Roti making	08	1.18		08	4.34
iv	Vermicelli	13	1.94		13	7.08
	Total	39	5.78		39	21.19
3	Agriculture related					
i	Vermicompost	01	0.14		01	0.54
ii	Dairy	14	2.08		14	7.60
iii	Poultry	10	1.47		10	5.43
iv	Sheep & Goat Rearing	02	0.30		02	1.09
	Total	27	3.99		27	14.67
4	Others					
i	Flour mill	04	0.60		04	2.18
ii	Tailoring	34	5.03		34	18.48
iii	Candle making	05	0.74	05	2.71	
iv	Phenyl & Soap powder	01	0.14	01	0.54	
v	Chili pounding unit	01	0.14	01	0.54	
	Total	45	6.65	45	24.45	
	Total	184	27.20	492(72.80)	184	100

About 8-9 per cent each were selling grains and fruits & vegetables and about 4.34 per cent each were selling cooking oil and maintaining a grocery shop and 3.28 per cent women were into bangle selling. About 24 per cent were involved in other activities, with maximum women (18.48 per cent) taking up tailoring. Tailoring is an activity where many trainings are provided by different agencies and sometimes even machines are given under certain programmes, so tailoring is one of the most popular individual income generating activity. About 2-3 per cent women each took up candle making and flour milling. Women are trained in candle making by Non government agencies, the raw materials are also provided with a buy back arrangements. The next important area was preparation of food items. Women being culinary experts are preparing a variety of items for sale like vermicelli (07.08 per cent), papad (05.43%), pickle and rotis (04.34 % each).

Agriculture related income generation activities were taken up by 14.67 per cent and these included dairy (7.60%) followed by poultry (5.44%), sheep and goat rearing (1.09%) and vermicompost making (0.54%).

Table-4 relates to the income generated by the women by virtue of their starting the enterprise. The two activities in which women earned the maximum money are chilli powder and vermicelli production. Both these activities are highly seasonal and short period activities of about 2-3 months. The income earned in these three months is substantial and leaves enough scope for them to take up other activities. In all other activities although the income may not seen high, the hidden benefits are the items consumed by the family like those of dairy, poultry, fruits & vegetables, grocery etc. This

contribution of the enterprise cannot be ignored, in fact it is much more important than cash earning because this goes into improving the health and quality of life of their respective families.

Table 5 shows that out of the 184 active groups 29 have taken up group entrepreneurial activities which are categorized as business, food products, agriculture related and others. Most groups have taken enterprise from the other category of which the maximum i.e. 24.15% (7/29) have taken agarbatti followed by candle making by 13.85 (4/29). These two enterprises are usually sustainable because certain NGOs train women in these activities and supply the raw materials with buy back arrangement.

Of the nine groups in food item enterprise two groups each are involved in papad making and vermicelli. Papad and vermicelli machines are on group ownership basis by availing group loans and are successful because of contacts with other women groups in the cities who procure orders. Two groups are involved in mango pickle making which is a seasonal affair. The roti machine is purchased with a bank loan. Each member makes use of the machines individually prepares roti and sells them. Five groups have taken agriculture related enterprises out of which three groups have taken poultry as an enterprise which is backyard poultry with local breeds, and one group each are involved in vermicompost production and sheep & goat rearing respectively.

One group each are involved in sari selling where saris are purchased at whole sale rates and sold in the village at retail prices. Phenyl and soap powder are produced by two groups again on buy back policy.

Table 4. Average annual income generation from individual activity (n=184).

Sl.No	Income generating activity	No. of women involved	Total income earned in Rs	Average income per individual in Rs	Rank
1	Business items				
I	Oil selling	08	102000	12750	IV
Ii	Grocery shop	08	81000	10125	VII
Iii	Cereals & Pulses selling	15	115000	7667	XV
Iv	Fruits & vegetable selling	15	131000	8734	XII
V	Sari selling	20	188000	9400	X
Vi	Bangle selling	06	35000	5834	XVI
2	Food items related				
I	Papad making	10	167000	16700	III
Ii	Pickle making	08	68000	8500	XIII
Iii	Roti making	08	80000	10000	VIII
Iv	Vermicelli	13	272000	20924	II
V	Flour mill	04	44000	11000	VI
3	Agriculture related				
I	Vermicompost	01	5000	5000	XVII
Ii	Dairy	14	172000	12286	V
Iii	Poultry	10	98000	9800	IX
Iv	Sheep & Goat Rearing	02	20000	10000	VIII
4	Others				
I	Candle	05	40,000	8000	XIV
Ii	Phenyl & Soap powder	01	10000	10000	VIII
Iii	Chili pounding unit	01	40000	40000	I
Iv	Tailoring	34	3,08,000	9059	XI

There is one flour mill which is installed at a common place. The mill is managed on turns and income earned during that period is collected by the person managing it. Narayanswamy et.al 2005 also reported similar type of activities in Tamil Nadu although they were broadly classified as Manufacturing and Non Manufacturing activities. **Table 6** The range of annual income generation from group enterprises is shown in table 8. Vermicelli making is the only unit earning between Rs. 40,000 – 50,000 per year. Considering that this is a seasonal activity for about six months and that it is only a part time activity even during the seasons the income is substantial. Poultry is the only unit earning between Rs. 30,000- 40,000. Poultry birds are

purchased in a group and birds are distributed among themselves and maintained in their own backyards. Eggs and chicken are sold in addition to consumption by the family.

In the Rs.20,000- 30,000 income category there were 24.14 per cent groups. The highest of 10.64 per cent was in food items and 6.89 per cent each in agriculture and other enterprises. About 55 per cent of the groups earned between Rs. 10,000 – 20,000 with highest in agarbathi (17.24%). This was followed by about 7 percent each in papad making and phenyl & soap making. One group each in sari selling, pickle making, vermicomposting and agarbathi was earning income between Rs.5,000 – 10,000.

Table 5. Group members in Income generating activity (n=29).

	Income generating activities	No. of Groups involved	
		F	%
1	Business items		
i	Sari selling	01	03.44
	Total	01	3.44
2	Food items related		
i	Papad making	03	10.34
ii	Pickle making	02	06.89
iii	Roti making	01	03.44
iv	Vermicelli	03	10.34
	Total	9	31.01
3	Agriculture related		
i	Vermicompost	01	03.44
ii	Poultry	03	10.34
iii	Sheep & Goat Rearing	01	03.44
	Total	05	17.22
4	Others		
i	Flour mill	01	03.44
ii	Candle making	04	13.85
iii	Phenyl & Soap powder	02	06.89
iv	Agarbatti	07	24.15
	Total	14	48.33

Table 6. Annual income generation from group enterprise (n=29).

Income generating activity	5000-10000		10001-20000		20,001-30000		30,001-40,000		40,001-50,000	
	F	%	F	%	F	%	F	%	F	%
Business items										
Sari selling	01	3.44	--	--	--	--	--	--	--	--
Total	01	3.44								
Food items related										
Papad making	--	--	02	6.89	01	3.44	--	--	--	--
Pickle making	01	3.44	01	3.44	--	--	--	--	--	--
Roti making	--	--	01	3.44	--	--	--	--	--	--
Vermicelli	--	--	--	--	02	6.89	--	--	01	3.44
Total	01		04		03	10.34			01	3.44
Agriculture related										
Vermicompost	01	3.44	--	--	--	--	--	--	--	--
Poultry	--	--	--	--	02	6.89	01	3.44	--	--
Sheep & Goat Rearing	--	--	01	3.44	--	--	--	--	--	--
Total	01	3.44	01	3.44	02	6.89	01	3.44	--	--
Others										
Agarbatti	01	3.44	05	17.24	01	3.44	--	--	--	--
Phenyl & Soap powder	--	--	02	6.89	--	--	--	--	--	--
Flour mill	--	--	01	3.44	--	--	--	--	--	--
Candle Making	--	--	03	10.34	01	3.44	--	--	--	--
Total	01	3.44	11	37.93	02	6.89	--	--	--	--
Total	04	13.79	16	55.18	07	24.14	01	3.45	01	3.44

Conclusion

The study thus revealed that women with formal education were able to utilize the group funds to start entrepreneurial activities. They have taken up varied activities ranging from trading and business to agriculture and allied activities based on their interest and availability of resources. These enterprises have been able to generate some extra cash in the hands of women. When women have control over their money it means better standards of living for the family. NABARD report 2002 says that there have been many positive results on the impact of participation of rural poor in the SHGs. There have been perceptible and wholesale changes in the living standards of SHG members in terms of ownership of assets, borrowing capacities, income generation activities, income levels and increase in savings. Economic independence of the woman is a precursor to women's empowerment in the society as a whole.

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