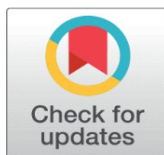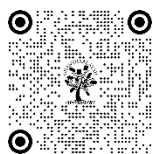# COLLECTIVE ACTION AND COMMUNITY DEVELOPMENT: EVIDENCE FROM SELF-HELP GROUPS IN MYSORE DISTRICT

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ABSTRACT

India can at present, boast of having the largest micro finance programme in the world. In this regard SHGs are playing a predominant role in achieving children's health, education and community development. The SHGs have become the delivery channel for micro credit. They have effectively and successfully demonstrated that poverty reduction and empowerment of rural poor, especially of women, can really be achieved. The present study is an attempt to analyze how community empowerment and empowerment of women through SHGs is achieved in the study area. And also the role and performance of SHGs in promoting women empowerment in Mysore district in Karnataka.

Keywords: SHGs (Self Help Group), Community Development, Women Empowerment

1. INTRODUCTION

India can at present; boast of having the largest micro finance programme in the world. NABARD has been instrumental in facilitating various activities under microfinance sector, involving all possible partners at the ground level in the field. NABARD has been encouraging voluntary agencies, bankers, and socially spirited individuals, other formal and informal entities and also government functionaries to promote and nurture SHGs. Financial support and promotional efforts of NABARD towards development of the microfinance sector have also been outlined in this study. In this regard SHGs are predominant role in achieving women empowerment and community development.

Self-Help Groups: SHGs are voluntary associations of the economically poor, usually drawn from the same socio-economic background and who resolve to come together for a common purpose of solving their issues and problems through self-help and community action. *Self-Help Groups are small groups of people, mainly women, who live in rural areas and come together to save money and provide loans to each other. They decide on savings and loan activities together, including the purpose, amount, interest rate, and repayment schedule*

Empowerment refers to the process by which people gain control over the factors and decisions that shape their lives. It is the process by which they increase their assets and attributes and build capacities to gain access, partners, networks and/or a voice, in order to gain control.

Community empowerment refers to the process of enabling communities to increase control over their lives. **Communities** are groups of people that may or may not be spatially connected, but who share common interests, concerns or identities. These communities could be local, national or international, with specific or broad interests.

The three models of credit linkage of SHGs with banks:
1. SHGs formed and financed by banks (Model type 1). Model –I formed 16 per cent of SHGs.
2. SHGs formed by formal agencies other than banks, NGOs and others, but directly financed by banks (Model type 2). Model –II formed 75 per cent of SHGs.
3. SHGs financed by banks using NGOs and other agencies as financial intermediaries (Model type 3). Model-III formed 9 per cent of SHGs.

Objectives of the study:
1.   To analyze how empowerment of women and community Development through SHGs is achieved in the study area.

Methodology: The study was conducted in Mysore District, state of Karnataka. Mysore district has seven taluks. For the purpose of the study H.D.Kote, Hunsur, and K.R.Nagar taluk have been considered because these taluks have large number of SHGs working in Micro finance and rural development. A total of 90 SHGs were selected from all the three taluks and 300 members were selected from these 90 SHGs. The socio-economic conditions of the members were compared between pre and post SHG situations to quantify the impact.

Analytical techniques applied:
For the purpose of fulfilling the objectives of the study, data were analyzed by tabular presentation method where frequencies and percentages were used and model wise distribution of data is made. To find out the impact of SHGs on the beneficiaries the **paired t-test** was done, which is a statistical test, used to measure and identify the difference between before and after intervention of the SHG. **T-test** is based on t-distribution, we use paired **t- test** for judging the significance of the mean of difference between the two related samples. The relevant test statistic is calculated from the sample data and then compared with its probable value based on **t-** distribution at a specified level of significance for concerning degrees of freedom for accepting or rejecting the null hypothesis.

Table-1 Three major sources of bank loan- Model wise distribution (%)

Banks	Model-I	Model-II	Model-III	All Model
Commercial Banks	42.85	33.33	42.86	37.78
RRBs	39.29	43.75	42.86	42.22
Co-Operative Banks	17.86	22.92	14.28	20.00
Total	100.00	100.00	100.00	100.00

Table-1 shows that the sample has also been stratified in terms of credit linkage with different banking agencies, i.e., CBs, RRBs and Co-Operatives. Bank linkage is important to the growth of SHGs and helps in analyzing the saving, loan repayment and income generating activities of the group members. While 37.78 per cent of sample SHGs were credit linked by Commercial Bank, about 42.22 per cent and 20 per cent were credit linked by RRBs and Cooperatives respectively. 43.75 percent of SHGs is having credit linkages with RRBs; which is highest in comparison with other two models. Chart 5.8 reveals that Linkage Percentage of RRBs in this area is high, because RRBs are actively participating in growth of SHGs and SHGs easily access to credit amount.

2. RESULT AND DISCUSSION:
Annual savings

The null hypothesis (Ho): There is no significant difference between the mean values of the two variables Annual savings before (ASB) the intervention of SHG and Annual savings after (ASA) the intervention of SHG impact.

The alternative hypothesis (Ha): There is a significant difference between the mean values of the two variables annual savings before the intervention of SHG and annual savings after the intervention of SHG impact.

Table-2 Annual savings result
Paired samples statistics

		Mean	N	Std.Deviation	Std.Error Mean
Pair 1	ASA	4132.7	300	1597.78	92.25
	ASB	707.00	300	500.33	28.89

Paired samples test:

		Std.Deviation	T	Df	Sig.(2-tailed)
Pair 1	ASA-ASB	1703.44	34.83	299	.000

Table indicates that, the average mean value of annual savings after and before intervention   is Rs 4132.7 and Rs 707 respectively and the standard deviation is Rs 1597.78 and Rs 500.33 respectively. Since the result of the analysis indicates that the null hypothesis is rejected at 1% significant level and the alternative hypothesis that there is statistically significant difference between the mean values of the two variables before and after the intervention of SHGs is accepted.

It is observed that there is an increase in the annual savings of the members of the SHGs after the intervention of the SHG. Also it is observed that NGOs and Bankers actively participated in SHGs activity and encourage   SHG members. Hence the research generalized the result of that; there is a significant increase in savings level of SHG members in study area. The mean value of annual savings has increased from Rs 707 to Rs 4132.7 after the intervention of the SHG. The result of the analysis states that, majority of the SHG members (82%) have below Rs 600 savings before intervention of SHG, but after the intervention of the SHG, majority of the SHG members (81%) have above Rs 3600 savings per annum. This shows that the level of annual savings between Rs600 to Rs 3600 has considerably increased after the intervention of the SHG.

Income generation activity (IGA) purpose credit availed by SHG members
 The null hypothesis (Ho): There is no significant difference between the mean values of the two variables namely credit availed for Income generation activity purpose (IGAPCB) to SHG members before the intervention of SHG and credit availed for Income generation activity purpose (IGAPCA) to SHG members after the intervention of SHG.
The alternative hypothesis (Ha): There is a significant difference between the mean values of the two variables namely credit availed for Income generation activity purpose to SHG members before the intervention of SHG and credit availed for Income generation activity purpose to SHG members after the intervention of SHG.

Table-3 Income generation activity (IGA) purpose credit availed by SHG members result
Paired samples statistics

		Mean	N	Std.Deviation	Std.Error Mean
Pair 1	IGAPCA	15410.00	300	12656.32	730.71
	IGAPCB	8103.33	300	9684.63	559.14

Paired samples test:

		Std.Deviation	T	Df	Sig.(2-tailed)
Pair 1	IGAPCA-IGAPCB	12851.84	9.85	299	.000

Table indicates that, in order to test the hypothesis framed in this connection the T- test was applied. The average mean value of IGA purpose loan amount availed after and before intervention of SBLP is Rs 15410 and Rs 8103.33 respectively and the standard deviation is Rs12656.32 and Rs 9684.63 respectively. Since the result of the analysis indicates that the null hypothesis is rejected at 1% significant level and hence the alternative hypothesis that there is statistically significant difference between the mean values of the two variables after the intervention of SBLP and before the intervention of SBLP is accepted. It is generalized the result of that; there is a significant increase in IGA purpose credit availed of SHG members in study area. The mean value of the IGA purpose credit availed has increased from Rs 8103.33 to Rs 15410.00 after the intervention of the SHG.

The analysis exhibits the IGA purpose loan amount availed by the SHG members. The quantum of loan has been classified into five categories such as below Rs 5000, Rs5001-10000, Rs 10001-20000, Rs 20001- 30000, Rs 30001 and above. This shows that before intervention of SHG most of the members (44.4%) could get a loan amount of below Rs 5000 and this has been increased after the intervention of the SHG. After the intervention of the SHG most of the members (74.3%) could borrow above Rs 20000. This shows the borrowing of IGA purpose has considerably increased after the intervention of the SHG.

3. CONCLUSION

Finally it can be conclude that, NABARD's SBLP is a very good programme for community Development and women empowerment. The study assessed the impact of SBLP on the economic activities, and social empowerment of SHG members. The impacts can be looked at as those bringing in economic changes, impact on the social status and political impacts, and the impact of SHGs on the community. SHGs contributed significantly to the development of women entrepreneurs and also for overall development of the community and economy. It has been proved in the study area.

CONFLICT OF INTEREST
None

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