



ECONOMIC IMPACT OF SHGS ON MEMBERS OF SHGS IN MAHARASHTRA

Dr. Sunil Gosavi W

Assistant Professor, Department of Economics, Smt. K. G. Mittal College of Arts and Commerce, Malad(W), Mumbai- 064

Corresponding Author- Dr. Sunil Gosavi W

Email-sunilgosavi2010@gmail.com

Abstract

Self Help Group is significant component of co-operative sector and it is voluntary associations of women or men residing in a given area formed democratically and without any politically association. SHGs have economic impact on its members, inform of personal income, saving and consumption expenditure are increasing towards equality due to SHGs. This is positive economic impact on its members, which has resulted in economic development of society due to SHGs. Thus, to create economic development in entire nation should have proper policy measures and efficient implementation of the same. Self Help Group is significant component of co-operative sector and it is voluntary association of women or men residing in a given area formed democratically and without any politically association. The principle of mutual assistance is the base of SHGs for the economic gain and to change the quality of life. Unity, mutual trust, organization of poor manageable small groups, group cohesiveness, spirit of thrift, demand based lending, collateral free, peer group pressure in repayment, skill training, capacity building and empowerment are basic principles of SHGs. In brief, the concept of SHGs is very vital for poor people, especially the rural women. The empowerment of women through SHGs is the biggest benefit of the SHGs. Thus, in this paper researcher has tried to focus on economic gains due to SHGs in Maharashtra.

Objectives:

1. To study economic impact of SHGs on its members in Maharashtra.
2. To study problems of SHGs in Maharashtra.
3. To suggest suggestions for more efficiency and more equity of economic variables of SHGs in Maharashtra.

Hypothesis of the Study:

1. Personal Income of members of SHGs has increased.
2. Consumption Expenditure of members of SHGs has increased.
3. Savings of members of SHGs has increased.
4. Personal income, consumption expenditure and savings of the members of SHGs have increased towards equality.

Research Methodology

This research paper purely depends on secondary data. To collect the statistical data researchers

have used various sources like articles published in news papers, research articles from e-journals, reference books, Ph. D. thesis, off-line journals and sources from Internet etc.

Family income of SHGs Members

Table No. 01 shows statistical analysis of income respondents. Average income of sample respondents was Rs. 6742.9 and 11071.6 per month respectively. SD of personal income of sample respondents was 4377.5 and 45077.8 respectively. GC of members' income before joining SHGs was (0.34) more than after joining SHGs, Gini's coefficient (0.25) decreased. Conclusion is after membership of SHGs, members' income is increased more towards equality, because average Gini Coefficient of income before joining SHGs was 0.34 and it was 0.25 after joining SHGs.

Table No. 01: Statistical Analysis of Income of Respondents (In %)

Sr. No.	Statistical Techniques	Before Joining SHG	After Joining SHG
1	Respondents	1000	1000
2	Total Income	6689050	11016250
3	Average	6742.9	11071.6
4	Gini Coefficient	0.34212	0.25586
5	Standard Deviation	4377.5	45077.8

Source: Secondary Data (Ph. D. thesis of Dr. Shivaji Pawar, University of Mumbai).

Note: GC - Gini Coefficient

Range of Gini's coefficient is from 0 to 1.

If coefficient is 0 then it indicates complete equality.

If coefficient is 1 then it indicates complete inequality.

SD – Standard Deviation

Family Saving of SHGs Members

Table No. 02 shows analysis of saving of respondents. Average saving of sample respondents was Rs. 569.59 and 945.65 respectively. GC of saving before joining SHGs was (0.44) more than after joining SHGs (0.39), Gini's coefficient decreased. SD of saving of sample respondents was 594.74 and 1196.20 respectively, which shows more disparity in

saving by respondents after joining SHGs than before joining SHGs. Range, i.e. measure of dispersion of saving of respondents was Rs. 7000 and 22000 respectively. On the basis of this analysis, we conclude that after membership of SHGs saving is increased more towards equality, because average Gini Coefficient of saving before joining SHGs was 0.44 and it was 0.39 after joining SHGs.

Table no. 02: Statistical Analysis of Saving of Respondents (In %)

Sr. No.	Statistical Techniques	Before Joining SHG	After Joining SHG
1	Respondents	861	997
2	Total Saving	490415	942810
3	Average	569.59	945.65
4	Gini Coefficient	0.4414	0.3945
5	Standard Deviation	594.745	1196.205
6	Range	7000	22000

Source: Secondary Data (Ph. D. thesis of Dr. Shivaji Pawar, University of Mumbai).

Consumption Expenditure SHGs Members

Table No. 03 shows statistical analysis of consumption expenditure respondents. Average consumption expenditure of sample respondents was Rs. 1691.4 and 2167.6 per month respectively. GC of Living expenditure before joining SHGs was (0.30) more than after joining (0.27) SHGs, Gini's coefficient decreased. Standard deviation of consumption expenditure

of sample respondents was 1161.8 and 1398.2 respectively. Whereas, maximum consumption expenditure was Rs. 9000 and 10000 respectively. On the basis of this analysis, we conclude that after membership of SHGs Living expenditure is increased more towards equality, because average Gini Coefficient of Living expenditure before joining SHGs was 0.30 and it was 0.27 after joining SHGs.

Table No. 03: Statistical Analysis of Consumption Expenditure (In %)

Sr. No.	Statistical Techniques	Before Joining SHG	After Joining SHG
1	Respondents	1000	1000
2	Total Cons. Exp.	1688100	2161120
3	Average Cons. Exp.	1691.4	2167.6
4	Gini Coefficient	0.3036	0.27562
5	Standard Deviation	1161.8	1398.2
6	Minimum	0	0
7	Maximum	9000	10000

Source: Secondary Data (Ph. D. thesis of Dr. Shivaji Pawar, University of Mumbai).

Major Findings:

1. It is found that member's income is increased after joining SHGs and it is in equal form because average (GC) Gini Coefficient of income before and after joining SHGs it was 0.34 and 0.25.
2. It is observed that member's saving is increased after joining SHGs and it is towards equality because average (GC) Gini Coefficient of saving before and after joining SHGs it was 0.44 and 0.39.

3. It is cleared that member's Living expenditure is increased after joining SHGs and it is towards equality because average (GC) Gini Coefficient of Living expenditure before and after joining SHGs it was 0.30 and 0.27.

Major Problems of SHGs

1. Inadequacy of the Capital
2. Lack of Training
3. Technical Constraints for Sanctioning the Loan
4. High Interest Rate on Loan

5. Installments of Loan Are Not Paid in Time
6. Inconvenient Bank Time
7. Misuse of Loan Amount
8. Lack of Information of Various Government Schemes
9. Lack of Knowledge of Self Employment Schemes

Major Suggestions

1. SHGs should available loan on lower rate of interest.
2. NGOs, banks and Government should have more training camps for members of SHGs.
3. All banks should increase its participation in development process of SHGs.
4. Government should take initiatives to avail various schemes to SHG members.
5. SHGs should receive subsidy on bank loan from Government.
6. Banks should provide sufficient bank facilities.
7. Members of SHGs should use resources or credit for business purpose only.
8. SHGs should available free and sufficient information of the Government schemes.
9. Members should reduce the cost of production to raise their business profit.
10. SHGs should use business strategies and ethics for success in business.

Conclusion

On basis of statistical analysis as above stated by researcher, he comes to conclude that SHGs have positive economic impact on SHGs members. Personal income, savings and consumption expenditure are increasing due to Cooperative movement i.e. SHGs in study area. This is good for socio - economic development of society in study area. But the success of cooperative movement is limited up to certain areas of the nation. It should be extended in entire society and nation. Thus, to generalize this successful cooperative movement in entire nation, Government should have proper policy measures and efficient implementation of the same policy.

Bibliography

1. Bansal A. (2012), Microfinance and poverty reduction in India, Journal of Integral Review- A Journal of Management, Volume 5, No. 1, pp 31-35.
2. Pawar S.A. (2019), Towards A Sustainable Society: The Role of SHG as A Catalyst for Economic Stability with Special Reference to SHGs in Maharashtra (2002-2012), Ph. D. Thesis, University of Mumbai, 2019.
3. Ravi and others (2014), Impact of micro finance on socio-economic status after

joining SHGs in Karnataka: A study, Sothern Economist, Vol.52,p-28.

4. Venketesh P.(2012), Micro credit penetration through self-help groups: clues from growth of SHG- Bank Linkage model in India, Indian stream Research journal, Vol.1, p-6.