

## Management of Economic Activity in Women Self-Help Groups

**Keshava<sup>1</sup>, A. K. Mehta<sup>2</sup> and H. K. Gill<sup>3</sup>**

1. Sr. Scientist (Agril. Ext.), Zonal Project Directorate, Zone-I, (ICAR), Ludhiana, 2. Asstt. Director General (AE), ICAR, Pusa, New Delhi, 3. Programme Coordinator, KVK, Bahawal, Hoshiarpur, Punjab.

*Corresponding author e-mail: dkeshava@rediffmail.com*

### ABSTRACT

*Members of Self Help Groups must start some economic activities for additional income to sustain the financial strength the group. A Study was carried out to analyze the process of management of income generating activities in groups. Data were collected both at group and at members' level through analysis of groups' records, through purposely-developed interview schedules and focused group discussion. The study revealed that about 37 per cent members had either started new economic activities or expanded on going economic affairs after joining the groups. Average monthly income obtained from new activities was Rs. 2600, while that from expansion of ongoing activities was Rs. 2857. About 59% respondents started economic activities related to agriculture and allied sector. Around 53% of group members, who started new activity, did this in group, fulfilling all the requirements of economic activity i.e. from arrangements of raw materials to marketing of final product. About 82 % respondents, who faced financial problems in running the activity, relied on group savings for taking loans. Scientists of Punjab Agricultural University/Krishi Vigyan Kendra solved their technical problems. The group members used variety of methods for selling the products.*

**Key words:** *Self Help Groups; Income generating activities; Economic empowerment;*

Self-Help Groups (SHG) in India have endowed thousands of rural poor, especially women, not only with platforms to work together to solve common problems but also financial accessibility. They get loans, both production and consumption ones, from group savings whenever needed. Consumption loans are preferred over production loans in majority of the cases. Biggest challenge for the development agents is to sustain the financial support provided by the SHGs. *Sharma and Varma (2008)* described income generating activities as a means for attaining financial sustainability among members of SHGs. The change agents will have to guide the members of SHGs to start some profitable income generating activities and facilitate them in sustaining those activities through technological and market linkages. Krishi Vigyan Kendra (KVK) of Hoshiarpur district in Punjab has formed seven women SHGs.

A study was carried out on these SHGs to analyze the process of management of income generating activities in these groups and to through light on how the members of SHGs can be made financially self sustainable.

### METHODOLOGY

Five out of seven women SHGs formed by KVK Hoshiarpur were at least two years old at the time of study. The present paper is the outcome of study of those five SHGs. The data were collected at two levels. At first, group level data were collected by analyzing records of the groups. The analysis indicated that 23 out of 63 members (nearly 37 per cent) had either started new economic activities or expanded on going economic affairs after joining the groups. These members comprised the sample of the study and were interviewed at second level. The data were collected with the help of purposely-developed interview schedule. Focused group discussion was also carried out to understand the various facets of management of income generating activities by the group members. Analysis of the data was done in terms of frequency, percentage and average.

### RESULTS AND DISCUSSION

General characteristics of the women SHGs and their members were given in Table 1. Number of members per group was thirteen. The members of the

groups deposited on an average Rs. 90/- per member per month in the groups' savings. There was continuity in saving behaviour which resulted in the average total saving of Rs. 118527/- per group. The members of these groups took an average of Rs. 48600/- as loan per year from group savings. Loans were taken both for production and consumption purposes. The average age of the members was 44.3 years with range from 26 to 53. Average land holding size of the members was 1.76 hectares.

Table 1. General characteristics of SHGs and their members (Number of groups=5)

S. No.	Particulars	Statistics
1.	Average members per group (No.) (Numbers)	13
2.	Average saving per member per month (Rs.)	90.00
3.	Average total saving per group (Rs.)	118527.00
4.	Average amount of loans taken per year per group from group savings (Rs.)	48600.00
5.	Average age of the members (Years)	44.30
6.	Average land holding size of the members (ha)	1.76

The characteristics of groups and their members indicated that groups had manageable numbers of members, energetic ones (based on average age) to carry out different income generating activities. The group members took considerable amount as loan from group saving. Majority of the loans were for consumption purposes like for education of children, for meeting emergency household needs, for emergency medical needs and for social ceremonies. However, considerable number of respondents took loans for production purposes also like for starting a new enterprise, for contributing in ongoing family business and for purchasing farm inputs (Table 2).

Table 2. Distribution of respondents as per the purpose of loan (N=23)

S. No	Purpose of taking loan	N	%age
1.	For starting a new enterprise	10	43.0
2.	For contributing in ongoing family business	9.0	39.0
3.	For purchasing farm inputs	2	9.0
4.	For education of children	1	4.0
5.	For meeting emergency	16	70.0
6.	For meeting emergency medical needs	1	4.0
7.	For social ceremonies	8	35.0

About 37 per cent group members (23 out of 63) had either started new economic activities or expanded ongoing economic affairs after joining the groups. Table 3 depicted the income generating activities started and ongoing business expanded by the members. Majority of the respondents (About 59 %) started economic activities related to agriculture and allied sector. Similar was the case with ongoing business expansion also. The average monthly income fetched by the members who started income generating activities was Rs. 2600. The average additional monthly income generated in case of expansion of the ongoing activities was Rs. 2857. This showed that SGH approach of development of rural women was quite successful in empowering them on economic front.

Table 3. Distribution of respondents as per Income generating activity started and ongoing business expanded (N=23)

S. No	Income generating activity	N
1.	Stitching / Tailoring / Knitting	4
2.	Soft toy making	2
3.	Detergent making	1
4.	Dairy farming	2
5.	Mushroom Production	1
6.	Value addition to agricultural & dairy produce	3
7.	Bee keeping	4
	Total	17
	<i>Ongoing Business expanded</i>	
1.	Stitching / Tailoring / Knitting/ Boutique	3
2.	Dairy farming	5
3.	Value addition to agricultural & dairy produce	2
4.	Poultry farming	1
5.	Earthen Pot making	1
6.	Dhaba/General Store	2
	Total	14

Table 4. Distribution of respondents as per mode of starting the Activity

S. No.	Mode of Starting the income generating activity	N	%age
1.	Alone	8	47.0
2.	Along with someone else	9	53.0
	Total	17	100.0

Resource poor persons faced difficulty in carrying out any new income generating activity, as it requires investment both in term of money and work force. On the other hand, group of like-minded people can run any venture easily. As shown in Table 4, majority (around 53 per cent) of group members, who started income generating activity, did this in-group. Focused

group discussion with the members revealed that working in group fulfilled all the requirements of the economic activity i.e. from arrangements of raw materials to the marketing of final product. That may be one of the reasons for good beginning of the economic activity with earning of Rs. 2600/- a month.

An attempt was made to know the problems faced by the respondents in running new income generating activities. The problems were later on categorized as financial, technical and market related problems. The data presented in Table 5 revealed that majority of the respondents (about 65 per cent) faced financial problems followed by them (about 47.0 per cent) who faced marketing related ones. Technical problem was faced by about 29.0 per cent of the respondents.

Table 5. Distribution of respondents as per the problem faced by them in starting/running new Income Generating Activity (N=17)

S. No.	Nature of Problem	N	%age
1.	Financial	11	65.0
2.	Technical	5	29.0
3.	Marketing related	8	47.0

Furthermore, the respondents were enquired about the ways of tackling the problems encountered by them in running the income generating activities. As depicted in Table 6, majority of the respondents (about 82 per cent), who faced financial problems, relied on group savings for taking loans followed by those (about 36 per cent each) who took loans either from bank or from relative/friend/neighbour. Nevertheless, group savings cannot fulfill the demands of funds by such members due to paucity of savings. Some of the respondents expressed their reluctance to go to banks for the loans due to procedural complexity. The financial institutions should relax their formalities of providing financial help to such entrepreneurs.

As far as the technical problems are concerned, majority of the respondents (80.0 per cent) took guidance on the problems from the scientists of Punjab Agricultural University (PAU/KVK). However, it is worth mentioning here that members all the groups may not be having ideas of contacting PAU/KVK scientists to solve such problems. Here it is necessary for the agencies forming SHGs to guide the members for consultations.

In case of marketing related problems, majority of the respondents (50.0 per cent) sold the produce through

local general stores followed by those (about 38 per cent) who sold the produce through different methods like, local sale, mobile van, marriages/parties. Thus, the group members used different methods for selling the products.

Table 6. Distribution of respondents as per the methods adopted by them to solve their problems

S. No.	Method of solving problem	N	%age
<i>Financial Problem (N=11)</i>			
1.	By taking loan from bank	4	36
2.	By taking loan from SHG	9	82
3.	By taking loan from relative /friend/neighbour	4	36
<i>Technical Problem (N=5)</i>			
1.	Guidance from PAU/KVK scientists	4	80
2.	Guidance from knowledgeable persons	1	20
<i>Marketing related Problem (N=8)</i>			
1.	Selling produce through own retail shop	1	13
2.	Selling produce through local general stores	4	50
3.	Selling produce in near by town	2	25
3.	Selling produce through different methods like, local sale, mobile van, marriages /parties	3	38

Though majority of the respondents (about 71 per cent) continued the income generating activities they started after joining the SHGs, considerable number of them (about 29 per cent) discontinued the activities due to one reason or the other (Table 7).

Table 7. Distribution of respondents as per the continuity of Income generating activities

S. No.	Particulars	N	%age
1.	Continued	12	71
2.	Discontinued	5	29
	Total	17	

Table 8. Distribution of respondents as per reasons for discontinuing income generating activities (N=5)

S. No.	Reasons	N	%age
1.	Fall in price of honey for two consecutive years	1	20.0
2.	Difficulty in migration of bee colonies at small scale	1	20.0
3.	Bee colonies destroyed by some unknown pest	1	20.0
4.	The activity could not be remunerative at small scale (Mushroom & Detergent making)	2	40.0

Reasons for discontinuance of income generating activities are given in Table 8. The bee keeping activity was discontinued due to fall in price of honey for two consecutive years, difficulty in migration of bee colonies at small scale and bee colonies destroyed by some unknown pest. Here the first problem can be sorted out through pricing policy intervention by the government while, the second one can be solved by providing the entrepreneurs with financial accessibility for starting the business at large scale. Likewise, the problem in continuance of mushroom production and detergent making activities can also be overcome by providing the entrepreneurs with financial accessibility for starting the business at large scale.

## CONCLUSION

Findings of the study indicated that the economic activities carried out in the groups fulfilled all the requirements of the economic activity i.e. from arrangements of raw materials to the marketing of final product. Since the groups had support of scientists of Krishi Vigyan Kendra/Agricultural University, their members were able to manage the technical problems encountered in carrying out the activities. The financial institutions should relax their formalities of providing financial help to such entrepreneurs in running the income generating activities.

## REFERENCES

1. Sharma, Preeti and Varma, S. K. (2008). Women empowerment through entrepreneurial activities of Self Help Groups. *Indian Res. J. Ext. Edu.* **8** (1): 46-51.

□ □ □ □ ■