



## **Enhancing farmers income through self help group approach**

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### **ABSTRACT**

*Self Help Groups (SHGs) are novel and innovative organization setup for rural people and their social upliftment and welfare. SHGs have inculcated great confidence in the minds of rural women to succeed in their day to day life. Empowering is not just for their economic needs but also through more holistic social development. The study was conducted with the objective to know the impact of self help groups participated in Kisan Mela after being involved themselves into a group. The leaders of fifteen SHGs were personally interviewed for the fulfillment of the objective. The data collected with the help of frequencies and percentages. The findings revealed that a large majority (93.33%) took technical advice from the Punjab Agricultural University and were involved in the entrepreneurship of honey, spices, pickles, mushroom, Jaggery, multigrain flour, bags as a result of which most of the respondents (60%) increased their income in the range of 1-10 lakhs annually.*

**Keywords:** self help group, enterprises, income, empowerment

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### **INTRODUCTION**

Man is a social animal; the saying of Aristotle is a well-known and universal truth. Since his birth man generally never lives alone. His understanding of the world is based on his face to face interaction with his family members, friends and members of his community. So we can say that man always lives in various groups. These groups in society serve political, financial as well as social purposes. When people come together with an idea and an inspiration to improve themselves or to solve their common problem/s, SHGs come into existence[1].

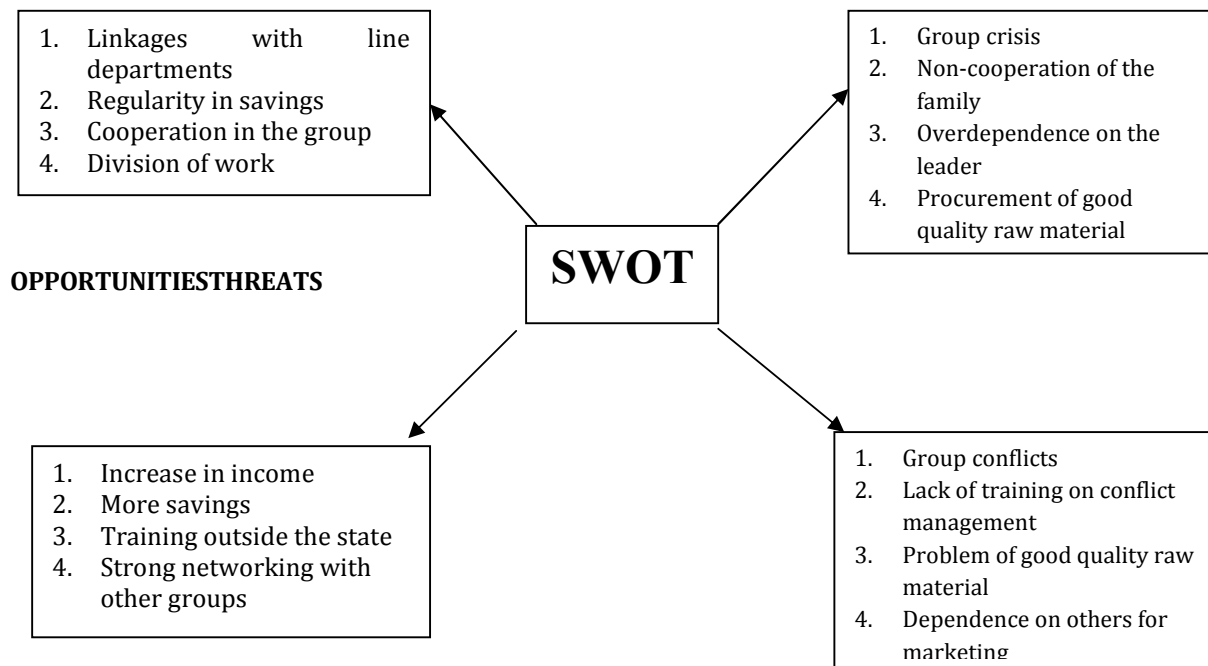
Self Help Groups (SHGs) are novel and innovative organization setup for rural people and social upliftment and welfare. The SHGs are promoted by the government as all rural people may not be resourceful enough to be entrepreneurs.

The concept of SHGs originates from co-operative working with a difference that SHG is small and economically homogenous affinity groups of rural poor, they are voluntarily coming together for achieving a small amount of regular income, mutually agree to contribute a common fund, meet their emergency needs, collective decision making, solve conflicts through collective leadership/mutual discussion. Any member borrows money from the pooled money at a prescribed rate of interest and interest is disbursed among the members. Today it is considered as a tool for the development of the rural people[2].

NABARD (1995) defined SHG as a homogenous of rural poor voluntarily formed to save whatever amount they can, conveniently out of their earnings and mutually agree to contribute to a common fund from which they lend to group members for productive and emergent credit needs.

The Self-Help Group (SHG) defined as a group consisting of people with personal experience of work in a similar situation. Sharing experiences enable them to cope with the adverse conditions with practical knowledge. They are created at the grass root level for the purpose of enabling members to reap economic benefits. They are formed voluntarily by the rural and urban poor to save and contribute to a common fund to be lent to its members as per group decision and for working together for social and economic uplift of their families and community [2].

**STRENGTHS WEAKNESS**



**Fig1: SWOT Analysis of self help groups [3]**

Instead of relying on external agencies, resources or persons for empowering you or solving your problems; you should depend on yourself, belief in your own abilities, skills and by recognizing your strength; you should try to improve yourself, to change your surroundings and to overcome your problems [4].

**Agencies support the SHGs in India**

S.No:	Name of Agency	Services have been provided by them
1	NABARD	Capacity building and financial support
2	ATMA	Creating awareness and organizing groups, exposure visits and marketing facilities.
3	KVK	Group identification, Technical guidance, Training and Imparting skills
4	PAU	Training, skill impartment, providing marketing support.
5	NGOs/CSR Departments	Financial support, Capacity building, Exposure visits, Marketing support, etc.

(Source: Khangjarkpam,2013)

Self help groups are considered as one of the most significant tools in participatory approach for the economic empowerment of women. SHG are based on principles of need and collective action and thus provide self-reliance to women [5]. Keeping this in view, the present study was conducted with the objective to know the impact of self help groups participated in *Kisan Mela* for enhancing group income.

**REVIEW OF LITERATURE**

A study carried out by [6] reported that meetings of self help groups on monthly basis were observed to be common phenomena. Majority (96%) of the SHGs were found to be regular in their contribution towards savings, deposited in the range of Rs 100-200 per month. The data revealed that 98 per cent of the SHGs were using saving amount for inter-loaning among group members. Majority of the SHGs procured raw material from nearby town followed by 56 per cent who procured raw material from city and 36 per cent from their own/nearby village. All the respondents indicated that SHGs had helped them to increase income generating economic activities and developed habit of saving. [7]conducted study on self help group: an effective approach to women empowerment in India and reported that numbers of SHGs increased in the period 2005-06 to 2009-10. It was further reported that full support and timely advice for balancing family and business responsibilities, leadership and experience in decision making made a positive contribution to the empowerment of women. These were [8] reported that 80 per cent of SHGs had the practice of monthly savings, 12 per cent of SHGs followed weekly

savings, a negligible percentage of SHGs had the practice of fortnightly savings (2%) and a few SHGs did not have any schedule (6%). The saving amount varies from Rs. 20 to 200 with an average of Rs. 53 per month per member. Majority of the sampled SHGs at present had the practice of monthly meetings (67%) followed by weekly (13%) and fortnightly (8%). Majority of the groups had not changed their group leaders/representatives since inception. SHGs' loan repayment rate was more than 95 per cent (56%) followed by less than 50 per cent (25%) and between 51-95 per cent (19%). The confidence levels of SHG women have gone up with reference to learning to sign (88%), speak to visitors (94%) participate in Gram Sabha (71%) and to attend meetings (87%), when compared to before joining the groups. In terms of mobility, the dependency of women on family members and others had decreased as reported by 66 per cent of women who can go alone to meetings outside their villages

## MATERIAL AND METHODS

The study was conducted in the month of March, 2019 during *Kisan Mela* of Punjab Agricultural University, Ludhiana, Punjab. The fifteen self help groups from various districts of Punjab who were participated in *Kisan Mela* and display their products for sale were selected. The group leader was selected from each group. An interview schedule was used to document the information from leaders regarding impact of self help groups on empowerment. The data were collected with the help of interview schedule. The data collected were analyzed with the help of percentages. Secondary data were also collected from the studies relating to the self help groups conducted by different scientists and analyzed thoroughly. A critical review of the same has been specified in the results and discussion.

## RESULTS AND DISCUSSIONS

SHGs in India often work in association with Banks (SHG – Bank Linkage Programme). The same is the basis of Indian Microfinance Model too. SHG – Bank Linkage was started in India in 1992 under the guidelines of NABARD and Reserve Bank of India [9]. SHG Bank linkage programme is a strong intervention in economic enablement and financial inclusion for the bottom of the pyramid. A confirmed platform initially conceived for increasing the outreach of banking services among the poor has since graduated to a programme for promotion of livelihoods and poverty alleviation. The number of SHGs with savings bank accounts, during the past three years is presented in Table 1. The data revealed that total number of self help groups increased from 79 (2015-16) to 87 (2017-18).

**Table 1: Overall progress under SHG-Bank Linkage Programme during past three years**

SHG savings with Banks as on 31 <sup>st</sup> March, 2018	Particulars	2015-16		2016-17		2017-18	
		No. of SHGs (lakhs)	Amount (Crores)	No. of SHGs (lakhs)	Amount (Crores)	No. of SHGs (lakhs)	Amount (Crores)
	Total SHG	79.03 (2.68)	13691.39 (23.79)	85.77 (8.53)	16114.23 (17.69)	87.44 (1.95)	19592.12 (21.59)
	All women SHGs	67.63 (1.68)	12035.78 (29.92)	73.22 (8.26)	14283.42 (18.67)	73.90 (0.94)	17497.86 (22.51)
	Percentage of women	85.58	87.91	85.36	88.64	84.51	89.31

Source: [9]

The data in Table 2 indicated that groups were established from the year 2000 to 2017. Total number of members in each group ranges from 6 (Angel natural group) to 13 (Majha SHG, Sada Shiv Modern). They are involved in variety of enterprises viz. honey, multigrain flour, pickles, spices, jiggery, honey, all kin of bags etc. Majority of the group were formed of female members rather than male members. This may be due to the fact that women who were never used to step outside the four walls of their home were now empowered, becoming business women and supplementing their family income.

**Table 2: General information of the Self Help Groups participated in Kisan Mela**

Sr. No.	Name of the group	Year of establishment	Locale of the group	Number of members	Gender of members	Enterprises
1.	Angel Natural	2012	Amritsar	6	Male	Honey
2.	Kisan health food	2016	Ludhiana	10	Male	Multigrain flour
3.	Sandhya	2004	Hoshiarpur	11	Female	Pickles
4.	Majha	2008	Amritsar	13	Male	Spices, Honey, Mushroom
5.	Pind-R	2011	Bathinda	11	Male	Pickles, Spices
6.	ZamindaraKulhar	2015	Sangrur	10	Male	Jaggry
7.	Punjab Honey	2009	Amritsar	10	Male	Honey
8.	Sada Shiv Modern	2003	Hoshiarpur	13	Female	Pickles

9.	Sukhmani	2010	Patiala	12	Female	Kurtas, Fulkari,
10.	Gurv Arjun Dev	2007	Samrala, Ludhiana	10	Female	All kind of bags
11.	Preet Boutiue	2017	Ludhiana	9	Female	Kurtas, Dress
12..	Waheguru Kirpa	2006	Gurdaspur	12	Female	Spices
13.	Himati Aaurt beekeeping	2000	Amritsar	10	Female	Honey, Spices
14.	Zakia	2009	Ludhiana	10	Female	Pickles, Spices
15.	Punjab	2005	Raikot, Ludhiana	11	Male	Honey

Data in the Table 3 indicates that about 93.33 % of the groups contact PAU experts for technical guidance and about 73.33 % contact with KVK experts and about 46.67 % in contact with ATMA team. The findings were in tune with study conducted by various researchers on self help groups [10, 3].

**Table 3: Distribution of the groups according to contact of institutions for technical guidance n=15**

Sr. No.	Institutions	Frequencies	Percentage
1.	PAU	14	93.33
2.	KVK	11	73.33
3.	ATMA	7	46.67

**\*Multiple response**

Data given in Table 4 shows that about 33.33 % groups having Honey as main product. Spices and pickles comprises 26.67 % for each and Fulkari/Dresses are the products of 13.33 % of groups. Rest all i.e. Mushroom, Jaggery, Multigrain flour and Bags are the products of left four groups comprise 6.67 % for each. The findings were in line with study conducted by [11] who also indicated that there is great scope of food processing for the self help groups to increase their income.

**Table 4: Distribution of the SHGs according to their range of products n=15**

Sr.No.	Enterprise	Frequency	Percentage
1	Honey	5	33.33
2	Multigrain flour	1	6.67
3	Pickles	4	26.67
4	Spices,	4	26.67
5	Mushroom	1	6.67
6	Jaggry	1	6.67
7	Kurtas, Fulkari, Dress	2	13.33
8	All kind of bags	1	6.67

**\*Multiple response**

**Fig 2: Marketing of the various products by the respondents**

Marketing is a big challenge for the members of the self help groups to sell their products to fetch higher price for the upliftment of the group. It was noticed that about 73.33 % of the groups are followed the

collective marketing of their products i.e. all members are collectively participated for marketing of their produce while 26.67 % of groups individually market their products.

The data given in Table 5 revealed that most of the respondents (60%) earned income in the range of 1-10 lakhs annually while 26.67 per cent of the respondents earned income in the range of 11-20 lakhs annually from the group. It may be due the fact that all group members were actively involved in various activities of the group. The findings were in tune with the studies conducted by [5,12,13] who reported that in their study that members of all the groups significantly increased their income as well as savings after joining the group.

**Table 5 Distribution of the respondents according to their annual turnover=15**

Sr. No.	Range	Frequencies	Percentage
1.	1 – 10 lakhs	9	60
2.	11 – 20 lakhs	4	26.67
3.	21 – 30 lakhs	2	13.33

## CONCLUSION

The opportunity to work with others, rather than on your own, can provide distinct benefits. Groups that work well together can achieve much more than individuals working on their own. In order to maximize these benefits, we will need to manage our group work effectively. A number of promoting and facilitating institutions are working for hand holding of SHGs so, this approach for entrepreneurial activities is best but there must be 'WE' feelings within the group i.e. 'We will together forever'. Training given by various KVKs and Punjab Agricultural University regarding various enterprises helped the members of self help groups in acquiring the essential skills required for various income generating activities. The members of the groups increased their income after joining the group. So it is recommended that capacity building programmes should be organized preferably in the vicinity of village for livelihood security.

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