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EMPLOYMENT STATUS OF SELF-HELP GROUP MEMBERS IN ASSAM: RESURVEYING EVIDENCE

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ABSTRACT

The self-help groups (SHGs) in India were formed among rural poor women for facilitating microfinance services, especially microcredit to engage them in economic activities for generation of income and employment. This paper investigates the factors influencing employment status of a selected group of SHGs members in Bodoland area of Assam in India. The same set of SHG members has been surveyed twice, once during 2013 and again during 2016 to collect information related to proximate determinants of continuity of employment status of women members. The findings suggested that about 55% of women members who were employed in 2013 have turned into housewife without any employment and the factors such as increased monthly income, occupation like livestock rearing with agriculture farming and availability of agricultural land possessed by the households are the significant variables influencing the continuity of employment women member in the study area.

KEYWORDS: *Self Help Group, Women, Employment Status, Income, Assam.*

1. INTRODUCTION

A vast majority of population still suffer from abject poverty in developing countries. According to the World Bank estimate (2011), there are an estimated 1.345 million poor people in developing countries who live on $1.25 a day or less (The World Bank, 2011). The persistent poverty scenario in rural areas caused by a number of factors like, lack of income generating activities, lack of entrepreneurship, grim employment scenario and most importantly, the lack of access for both individuals and communities to productive assets and financial resources. Furthermore, the individual effort of the poor, particularly of women is too inadequate to improve their fate (Karmakar, 1999). Interestingly, about half of the world population are women and rural women in India constitute 77 percent of the total female population, which is a leading working force. Therefore, in order to ameliorate the rural people, there is an urgent need to organize rural women in small groups and finance this category of poor by creating opportunities where credit can be used in productive activities. As a result, the Self Help Groups (SHGs) has emerged as a potentially effective tool to alleviate poverty and improve overall conditions of the rural poor in many developing countries including India.

The self-help group (SHG) approach is a new paradigm into the rural development framework which main objectives are to increase the well-being of the poor people, provide access to resources and credit, increase self-confidence, self-esteem and increase their creditability in all aspects of lives (Kachari, et. al, 2011). The SHG is a voluntary and self-managed association of about ten to twenty people (predominantly women), belonging to similar socio-economic characteristics, who come together to promote savings among themselves for self-help and mutual help. The poverty alleviation intervention of the SHG is in the form of undertaking economic programmes to provide employment, giving microfinance services (tiny loans) to the poor so that they can get themselves acquainted with skills and occupational

diversification. This new initiative was taken up by the Swarnajayanti Gram Swarozgar Yojana (SGSY), implemented 1st April in 1999, to organize the poor into Self-help group in India.

The SGSY is a Self-help Group based microcredit programme of Ministry of Rural Development that aim at extending income generating self-employment activities among poor women in rural areas through financial inclusion[1]. A large number of self-help groups have been created across India under SGSY to link the rural women to the formal banking institutions by way of Self-help groups where groups will receive joint liability loans from formal lending institutions. The programme covers all aspects of self-employments such as training, credit, technology, infrastructure and marketing and enabling the rural poor to take decisions on all issues concerning poverty eradication (Banerjee, 2009). The present study attempt to examine the incidence of continuity of employment among women members of SHGs created under the SGSY scheme in the state of Assam. This study will also try to identify the set of socio-economic and demographic variables that have significant impact on the continuity of employment status of the group member.

The rest of the paper is structured as follows: After this introductory section, Section 2 shows framework of literature review, Section 3 presents research methodology including survey procedure and areas, data, and empirical model used, Section 4 provides results and discussion, and, finally, Section 5 concludes the paper.

2. A BRIEF REVIEW OF LITERATURE

The ongoing studies on self-help groups and microfinance interventions have shown that group participation has helped to alleviate poverty; improved consumption level of the poor families; improved rate of asset creation of the families; and it improves the levels of women empowerment (Pitt and Khandekar, 1998; Puhazhendi and Badatya, 2002; Sinha, et al., 2008; Swain and Floro, 2010; Sharma, 2008; Panda and Atibudhi, 2010). The Grameen bank experiences in Bangladesh have shown that availability of collateral free tiny loans for income generating activities for poor have a significant impact on the lives of poor families (Yunus, 2004). McKernan, (2002), has shown large positive effects of participation and the non-credit aspects of participation on self-employment profits in rural Bangladesh. A study by Bansal, (2011), in the state of Punjab of India, showed that SHG-bank linkage microfinance programmes were successful diversify the economic activities and made participants engaged in economic activities which increased income of individual-cum households which helped managed women to extricate themselves from financial vulnerability and reduced level of poverty and inequality among SHG participants as compared to nonparticipants in rural areas. However, Mukherjee and Kundu, (2012), in West Bengal state of India revealed that the government sponsored microfinance programme (SGSY) had failed to fully deliver anticipated benefits to the programme participants. The experiences of Gujarat also revealed that the political pressure to form as many SHGs as short a time as possible, village level policy functionaries and their administrative officials in blocks and districts failed to bring process-orientation into their policy practice (Sud, 2003).

The review of above literature revealed controversies among researchers and have hardly dealt with the incidence of continuity of employment status of the SHG member. Hence, our main objective is to find out the effect of group participation on the continuity of employment status of the group member. An attempt has been made to find out the factors that influence the woman to remain employed.

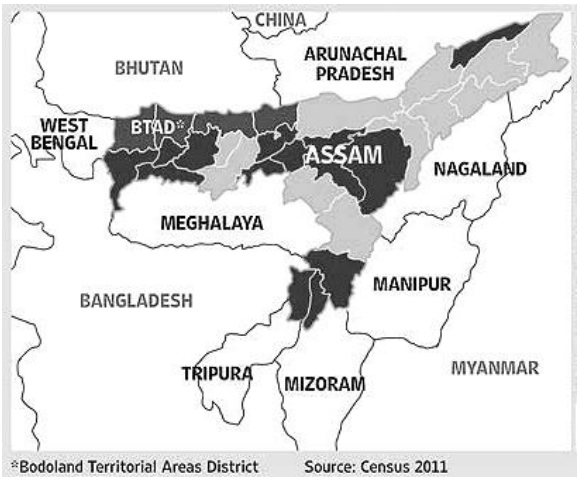
This paper contributes to the literature by exploring the efficacy of SHGs on the continuity of employment of SHG members based on the two rounds of primary surveys conducted in Bodoland area of Assam, first round of survey was carried out during May 2013 to October 2013 and again the same set of members was resurveyed during June 2016 to November 2016 covering a span of three years. During the first round of survey about 84 percent of the group members were employed. However, during the second round of survey we found that even if groups are in existence, a large number of group members have become unemployed. Srinivasan (2009) has also observed that an estimated 3.13 million groups were created under SGSY programme up to October 2008 across different states of India but only 21% of the total number of groups created took up economic activities. This study based on the revisit for primary field survey tries to identify the socio-economic and demographic factors that are affecting the continuity of employment status of the group members.

3.RESEARCH METHODOLOGY

3.1 Study area and Survey Design:-

The Bodoland area of Assam is purposively selected to conduct the survey. Bodoland, covering an area of 27100 square kilometres, constitutes four districts, viz., Kokrajhar, Baksa, Udalguri and Chirang which collectively known as Bodoland Territorial Area District (BTAD). The geographical periphery of BTAD lies between 260 7'12" N

to 260 47'50"N Latitude and 890 47'40" E to 920 18'30" E Longitude. The following maps shows the area under study:



In order to select SHG members, a multistage purposive random sample design was adopted in four stages. In the first stage, two out of four districts of Bodoland, viz., Baksa and Udalguri districts were selected on the basis of availability of working SHGs. In the second stage, two development blocks from each of the district, namely, Baska and Jalah development blocks out of eight development blocks from Baksa district and Udalguri and Bhergaon development blocks out of six blocks in Udalguri district were selected to conduct the survey. In the third stage, 60 SHGs (taking 15 SHGs from each selected block) spread over 35 villages were randomly selected. In the last stage, by taking 2 to 3 members randomly from each SHG, we selected a total of 150 women SHG members, who received the benefits through SHG participation at least two years prior to the survey, were selected for conducting interview. The second survey was conducted on the same set of group members who have been interviewed after a span of three years. The total surveyed sample size of 150 respondents comprises the women SHG members who availed microfinance benefits from bank through SHG-Bank linkage of SGSY scheme. A direct face-to-face interview method was applied using interview schedule specially prepared and pretested for the purpose to derive the primary information.

We have collected socio-economic and demographic information about the SHG members. Respondents were asked about their family structure, their age, sex, education, ownership of assets, agricultural land holding, individual and household income, nature and days of employment, etc. The SHG members were also asked some questions related to the SHG activities, such as number of group members, group maturity, saving per month, amount of bank loans received, rate of interest, purposes for which loans are utilised, repayment procedure, etc. The second survey further collected information about the size of borrowing of the member from the group corpus; the training received by the member; the loan use pattern and other loan related information.

3.2 Empirical model and Estimation Procedure:-

In this study, we applied logistic model to identify the proximate determinants of employment status of the group member. The software, Statistical Package for Social Science (SPSS) version 16 was used to carry out the logistic regression (logit regression) analysis. Logit regression is used when the response or dependent variable is dichotomous taking one for yes and zero for otherwise (Gujrati, 2006). The predictor variables may be quantitative, categorical or a mixture of the two. The model predicts the likelihood of happening of an event **Y, [P (Y=1)]** from a set of explanatory variables $X_1, X_2, X_3 \ldots \ldots\ldots\ldots X_k$

The logit model is specified as:

$$P = P\left[\frac{1}{X_1, X_2, X_3 \ldots\ldots\ldots\ldots X_K}\right] = \frac{e^x}{1+e^x} = \frac{\exp(Z)}{1+\exp(Z)}$$

Where Z, is a linear function of a set of explanatory variables, $X_1, X_2, X_3 \ldots\ldots\ldots X_k$ given by

$$Z = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \ldots\ldots\ldots\ldots + \beta_k X_k$$

and, $\beta_0, \beta_1, \beta_2, \ldots\ldots\ldots\ldots \beta_k$ are regression coefficients.

Logit of **P** is derived by taking natural logarithm as,

$$\log\left[\frac{p}{1-p}\right] = Z$$

The quantity $\left[\frac{p}{1-p}\right]$ is the odds and, therefore, $\log\left[\frac{p}{1-p}\right]$, the coefficients $\beta_0, \beta_1, \beta_2, \ldots\ldots\ldots \beta_k$ are similar to regression coefficients and are called logit regression coefficients. Odds ratios are computed by using these coefficients which give the ratio of two odds of an event happening **(Y=1)**. The odds ratio for dichotomous independent variable can be interpreted as the increased odds of a positive outcome on the dependent variable for the affirmative category **(X=1)** over the negative one (X=0). An odds ratio more than one indicates a positive association between the independent and dependent variables and an odds ratio less than one indicate a negative association.

Dependent variable: The dependent variable, in this model, employment status takes the value 1 if the member is employed during 2009 survey or 0 otherwise.

Independent variables: The set of explanatory variables comprises of the following:

Age: age of the SHG member in years

Family size (FS): number of members in the household

Agri_dummy (AGRD): agriculture landholding dummy takes value of 1 if the member is having some agriculture cultivable land[2].

Income change_dummy (YCD): this variable will capture the impact of the economic status of the family on the continuity of employment status of the group member and it takes a value equal to one if the family income of the group member in 2013 has increased as compared to that of 2016 level.

Education above_dummy (EDUD)=1 if the member has above primary education level and 0 otherwise.

Occupational Dummy: Occupation dummies are defined as follows:

Livestock&agriculture_2013(LIVAGRD=1 if the members are engaged in livestock rearing and/ or farming and 0 otherwise.

Weaving & business_2013(WEBSD)= 1 if the members are engaged in weaving activity and/or any petty business and 0 otherwise.

Dependency Ratio(DR)= it refers to the ratio of the number of household members without income to the number of income earners in the household.

SHG_size (SHGS): total number of members in self-help group. This variable is included to take account of the group related impact on the employment status.

4.RESULTS AND DISCUSSION

4.1 Socio-economic and demographic profile of Sample SHG members:-

The socio-economic characteristics of the women members in self-help group are shown in Table 1.

Table 1: Socio-economic characteristics of women SHG members in Bodoland of Assam

Variable	Mean	Standard deviation
Age of the member	43.21	7.873
Family size	4.57	1.844
Dependency ratio	2.42	1.510
Agricultural Landholdings (bigha)	4.27	4.752
Membership Size of SHGs	11.5	2.05
Education	**Percentage**	**(N=150)**
No formal education	32.7	
Primary education	33.3	
Secondary education	16.7	
Matric	14.0	
Higher secondary	3.3	
Marital status	**Percentage**	
Married	87.3	
Unmarried	1.3	
Widow	11.3	

Source: Field Survey

The table-1 shows that the mean age of the women respondents was 43.21 years. This indicates that the women in self-help group in the study area were mostly middle aged that were within the active productive work force. Majority, that is, over sixty seven percent has obtained some form of education and about thirty two percent were reported to be having no formal education. Majority (87.3%) of the women members were married. The mean household size is 4.57 persons with a mean of 2.42 persons dependent, i.e., without income in the family.

4.2 Impact of SHG participation on Income and employment status of member during 2013 and 2016:-

The self-help group members are supposed to invest group loans in various economic activities which leads to generation of additional income and employment. This increase in income enables the women members to support their families, thereby to come out of poverty and raise their standard of living in a meaningful way. The following table 2 shows the income and employment levels of respondents during the two surveys.

Table 2: Income and employment of SHG participants during the two survey in Assam

Variable	Mean	Std. deviation	t-value
Average Monthly Family income of 2016 (in Rs.)	5426.55	5646.459	
Average Monthly Family income of 2013 (in Rs.)	5075.83	5872.781	
Paired Differences	**-350.72**		**-2.23****

***significant at 5% level*

A perusal of the table 2, reveals that can be observed that the mean monthly family income level of the group members at Rs.5426.55 in 2016 has increased by Rs.350.72 as compared to the income during 2013 (Rs.5075.83). The result of paired t-test of the significance of difference shows that the increased income during 2016 is significant at 5% level. However, even then, a large number of group member have become unemployed during 2016. The following Table 3 demonstrates the employment status of members in self-help groups for two surveys.

Table-3: Employment Status of the women member in SHGs

Employment Status	During 2013		During 2016	
	Frequency	Percentage	Frequency	Percentage
Unemployed	24	16.0	106	70.7
Employed	126	84.0	44	29.3

Source: Researcher's own calculation based on primary data

A perusal of the table 3 reveals that during the first survey majority, i.e., 84.0% of the group members were employed during the first survey, however, during the second survey we found that about 29% of the respondents have been engaged in some kind of employment in productive activities. This implies that about 55% of women members who were employed in 2013 have turned into housewife without any employment.

4.2 Determinants of Employment Status of member in SHGs:-

There may be many factors that influence the continuity of employment of women in self-help group in various economic activities. To identify the proximate determinants of continuity of employment, we used Logistic regression (logit model) analysis taking employment status of women in self-help group as dummy dependent variable and various explanatory variables including socio-economic and demographic traits of members as explained in point 3.2 above. The estimated result of the Logistic regression equation is given in Table 4.

Table 3: Factors Influencing employment of Women in SHGs: Odds Ratio (Exp. B)

Dependent Variable: Employment status=			1 of SHG member is employed 0 otherwise		
Variable	**B**	**S.E.**	**Wald**	**Sig.**	**Exp(B)[1]**
SHGS	.046	.116	.157	.692	1.047
YCD	3.638	.674	29.163	.000	38.012*
EDUD	-.420	.529	.631	.427	.657
AGE	.031	.032	.908	.341	1.031
FS	.012	.181	.005	.946	1.012
LIVAGRD	1.275	.661	3.715	.049	3.577**
WEBSD	.758	.708	1.147	.284	2.134
AGRD	-1.481	.683	4.706	.030	.227**
DR	.208	.205	1.035	.309	1.232
Constant	-4.934	2.203	5.017	.025	.007**
Cox and Snell R Square= **0.375**					
Nagekerke R Square = **0.534**					
- 2 log likelihood = **111.124**					

[1]Odds Ratio= Value more than 1 are more likely and less than 1 are less likely influences on dependent variable.
*, **, *** represent the 1, 5 and 10 per cent significance level respectively.

The variables YCD, LIVAGRD and AGRD have turned up statistically significant in the result. However, the interpretation of logit coefficient is difficult to understand at face value and hence, Exp(B) is estimated to simplify the interpretation. This is the value by which the odds of the event change when the i^{th} independent variable increases by one unit. The values, algebraic sign and the Exp(B) values show that that income change dummy (YCD) has positive and significant effect on employment status of group member. This implies that for those members whose absolute family income has increased over the period 2013-2016 are more likely to remain employed. Similarly, the occupation dummy of 2013, livestock rearing and agriculture farming (LIVAGRD) is positive and significant which means that the group members who were engaged in animal husbandry and farming in 2013 are more likely to remain employed compared to members who were in the labour class and weaving & petty business in 2013. Furthermore, agriculture land dummy (AGRD) is also positive and statistically significant and related to employment of women member's in self-help group. The other variables have no statistically significant impact on employment of women member's in self-help group in the study area. The Nagelkerke R-square value shows that the variables included in the logit model explain about 53 percent variation in the dependent variable. The Cox and Snell R Square value is smaller and indicates that the independent variables explain about 37 percent of the variation of the dependent variable.

5. CONCLUSION AND RECOMMENDATIONS

Various results can be observed from the above analysis. First, the mean age of the women in self-help group in the study area was 43.21 years and 76 percent has obtained some form of education and about forty percent were reported to be having no formal education. 87.3% of the respondents were married with their mean household size is 4.57 persons and on an average have 2.42 persons dependent, i.e., without income in their family. Secondly, the monthly income of the households during the second survey has increased significantly by Rs.350.72 as compared to the first survey (during 2013). However, about 55% of women members who were employed in 2013 have turned into housewife without any employment.

This paper has also tried to identify the proximate factors responsible for continuity of employment status of the woman members of the self-help groups. It was found that the most influencing factor of continuity of employment of members in SHG was increased income of the household, followed by livestock and agriculture farming and agriculture hand holdings. Hence, it can be suggested that SHG members be motivated to take income earning activities by arranging awareness campaign and training at the ground level for their sustainability along with credit campaign at the village level.

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Notes:

[1] Financial inclusion denotes delivery of financial services such as insurance, credit, thrift and other remittance facilities to the vast sections of the disadvantaged and people of low-income groups at affordable costs.

[2] The unit of measurement of agricultural land is bigha (1 bigha = 0.4 acre)