

## **Impact of Sujala watershed project on income generating activities of self help groups**

**S DEVENDRAPPA and SYED SADAQATH**

**Directorate of Extension, University of Agricultural Sciences  
Dharwad 580 005 Karnataka**

### **ABSTRACT**

The study was conducted during 2008-09 to know the impact of Sujala watershed project with respect to income generating activities (IGAs) of self help groups (SHGs) of Dhrawad taluka, Karnataka. The prime function of self help groups in Sujala watershed project is to improve their economic position. Under the project, four villages were purposively selected based on the maximum number of vulnerable SHG members who had participated in training programmes on some of the important IGAs such as tailoring, agarbatti, detergent powder or candle making. It was observed that after participating in training programmes there was an increase of 18.6 per cent in tailoring skills followed by 23.92 per cent in agarabatti making, 37.6 per cent in soap detergent powder making and 48.32 per cent in candle making skills. The main constraint observed was lack of marketing of products prepared by the members.

**Keywords:** Sujala watershed, income generating activities (IGAs), self help groups (SHGs)

### **INTRODUCTION**

In India, the planners and policy makers are deeply concerned with the problems of the weaker sections of the society. Majority of organizations are mainly involved in uplifting weaker sections and assisting them to take up self-employment. Self help group (SHG) formation is one such effort which will enable the poor to be in the mainstream of development. Many development agencies are laying emphasis on assisting SHG members to secure

income and employment opportunities through their own efforts. The membership of SHGs is important for productive purposes. They also encourage the members as entrepreneurs. The SHGs have proved to be not only best change groups but also potent instruments of rural development. But they need to be developed on sound and scientific lines and strengthened with proper backward and forward linkages to make them real instruments of change in rural India. Government agencies, financial institutions

and non-governmental organizations (NGOs) work with the poor farmers to motivate them to form SHGs.

SHGs are self managed groups of poor men and women which primarily come into existence to mobilize financial resources through their own savings and lend the same amongst poor women/men of the groups. Each SHG has a unique system of organizing and managing its own finances and operates as an independent cooperative institution. SHG is an informal group of people where members pool their savings to re-lend within the group on an informal basis.

Bank linkage is essential for the SHGs in the early stage itself, the purpose being to enable the SHGs to invest their funds and to borrow in case of need. After the savings of six months the banks provide the loans to SHG members to take up any income generating activities (IGAs).

IGAs are taken up by the SHGs to help themselves to take up and manage their own productive activities which could supplement their family income leading to their improved living standards. At the same time, these IGAs are also expected to serve as instruments which could bring about economic awareness and empowerment among the members.

Sujala, a watershed development project was developed by the Government

of Karnataka and implemented by the State Watershed Development Department with tripartite cost sharing arrangements. The World Bank through international development association provided major portion of the plan outlay, the government of Karnataka financed it partially and watershed community contributed rest of the portion.

SHGs were small, informal groups of 15-20 members, who were generally landless families, small or marginal farmers, artisans, SCs or STs. The groups comprised of women, men or were mixed. Total budget for IGAs was Rs 5.8 lakhs for 10 SHGs per micro-watershed. That means each group had Rs 58,000 towards IGAs.

In total, 275 members of Sujala watershed project area of Dharwad district were trained in IGAs like tailoring, agarbatti, soap powder and candle making during first and second phases of the project. The project provided working capital and technical assistance to create self-employment.

Taking these aspects into consideration, the present study was undertaken with following objectives:

1. To study the outcome affects of SHGs with respect to IGAs
2. To know the constraints faced by SHGs while implementing IGAs

## METHODOLOGY

The present study was carried out during 2008-09 to study the impact of Sujala watershed project on IGAs of the SHGs in Dharwad taluka of Karnataka.

Main function of SHGs in Sujala watershed project was to improve their economic position by regular savings and credit in the SHGs and earning additional income being the main advantage of IGAs.

Sujala watershed project was operational in 79 villages of Dharwad Taluka out of which four villages (Managundi, Manasur, Benakanakatti and Nuggikeri) were purposively selected based on maximum number of vulnerable SHG members covered and trained in IGAs.

For each IGA 25 SHG members who had taken skill training were selected randomly. Thus total 100 SHG members who had taken skill training were selected randomly as respondents.

## RESULTS AND DISCUSSION

The increase in production of material prepared under IGAs after formation of SHGs is given in Table 1. The data show that there was an increase of 18.6, 23.72, 37.6 and 48.32 per cent in case of tailoring, agarbatti, soap powder and candle making. Such findings were also made by Sridhara (2002).

The data on constraints faced by SHG members adopting IGAs are given in Table 2. In case of tailoring, 76 per cent respondents faced problem of marketing, whereas, 72 per cent faced lack of cooperation. 72 per cent members of agarbatti making activity also complained of lack of marketing as the major constraint and 60 per cent that of lack of cooperation. The trend was same in the case of soap powder makers (84 and 68% facing the problem of marketing and cooperation, respectively). However, in case of candle making 76 per cent members faced the problems of lack of time and lack of cooperation and only 56 per cent complained of lack of marketing as the constraint. Similar observations were made by Sudarshan Reddy and Iqbal (1983) and Trivedi and Patel (1996).

Regarding benefits by the SHG member on the various activities such as tailoring, agarbatti, soap powder and candle making percentage increase were obtained by SHG member with regard to mean production.

The present study shows that as a result of implementation of Sujala watershed project, the formation of SHGs helped the members to gear up some paying IGAs. The income of members was significantly increased after the formation of SHGs under the project. However, most of the members faced the problems of marketing and lack of cooperation as main constraints in running IGAs.

Table 1. Increase in production under IGAs after formation of SHGs

IGAs	Production		
	Mean production		Total production No/kg (material)
	No/kg		
<b>Tailoring</b>			
Before participation	2.4		60
After participation	28.2		706
% increase	18.6		--
<b>Agarabatti making</b>			
Before participation	0.6		150
After participation	26.32		658
% increase	23.92		--
<b>Soap powder making</b>			
Before participation	21.6		540
After participation	67.4		3100
% increase	37.6		--
<b>Candle making</b>			
Before participation	3.52		88
After participation	15.6		390
% increase	48.32		--

Table 2. Constraints faced by SHG members after adoption of IGAs

S No	Constraints	IGAs							
		Tailoring		Agarabatti making		Soap powder making		Candle making	
		Frequency	%	Frequency	%	Frequency	%	Frequency	%
1.	Non availability of Inputs	3	12	5	20	4	16	11	44
2.	Heavy risk	8	32	8	32	11	44	3	12
3.	Lack of finance	6	24	8	32	14	56	6	24
4.	Lack of market	19	76	18	72	21	84	14	56
5.	Expensive materials	8	32	9	36	14	56	10	40
6.	Lack of cooperation	18	72	15	60	17	68	19	76
7.	Lack of time	13	52	11	44	7	28	19	76

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