



“The Impact Of Shgs Promoted By Micro Finance Institution On Women Empowerment”- A Case Study On Skdrdp With Special Reference To Belthangady Taluk.

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Abstract

Micro finance is a type of banking service, which provides the small business loan to unemployed or low income individuals or groups who have no other source to access financial services. Much micro finance institution focus on helping women in particular. One of such leading financial institutions is Shri Kshethra Dharmasthala Rural Development Project (SKDRDP). SKDRDP plays very important role in motivating women to join SHGs and contribute for the upliftment of women by providing technical guidance, training, financial support etc. SHGs are self managed groups of poor which primarily came into existence to mobilize the financial recourses through their own savings and lend the same against themselves to meet the credit needs of their members. This paper analyses the role of SKDRDP in women empowerment through micro finance.

Index Terms: Micro finance, SKDRDP, SHG's, Women empowerment.

Introduction

The majority of the population in India lives in villages and majority of them are poor. If they have access to financial resources for income generating activities, they will come out of their slim economic base.

Despite a wide network of rural banks in the country and implementation of the credit linked Poverty Alleviation Programme, a large number of poor continue to remain outside the formal banking system as well as the main stream of economic development. The main aim of rural development schemes is to generate employment opportunities, alleviate poverty by harnessing the available resources. The Government has implemented many schemes for the self-employment of the rural poor. But they did not yield desirable benefits / results due to the lack of coordination between the agencies involved and inadequate participation of the target group.

With the increasing criticism of the state led formal credit system and its utilization for poverty alleviation, in recent years, developing countries have moved towards new mechanism of lending micro credit/micro finance. Micro credit is the extension of small loans to the entrepreneurs too poor to qualify for traditional bank loans. It has proved effective and a popular measure in the ongoing struggle against poverty, enabling those without access to lending institutions to borrow at bank rates and start small business.

The experience in developing countries shows that provision of small credit to the poor through the linkage process contributes to the process of rural development by creating conditions that are conducive to human development. It is reported that significant changes in the living standards of SHG members have taken place in terms of increase in income level, assets, savings, borrowing capacity and income generating activities. Moreover the participation of women in the economic activities and decision-making at the household and at the society level is increasing and is making the rural development process participatory, democratic and sustainable. In India since independence a number of innovative programmes were tried for the upliftment of women in our country. Importance was given in Five year plans also where the women development shifted to women empowerment. It seeks to enable women to function as equal partners and participants in the development process.

Self-help group is an institutional approach that pools the physical and financial resources with the participation of government and nongovernmental organization to empower the women in rural areas.

WOMEN EMPOWERMENT THROUGH SELF HELP GROUPS

SHGs are a small economically homogenous affinity group of the rural poor voluntarily coming together. And saving small amount regularly which are deposited in common fund to meet members in terms of emergency needs and to provide collateral free loans after being decided by the group. Today the concept of self-help groups' is catching as the most viable to empower women at grass root level. Women have shown extraordinary dynamism in organizing themselves in group activities for income generation. Better bargaining

power and in quality of life. A member in a group provides women a legitimate forum beyond the private domestic sphere and inputs to which previously lacked access.

OBJECTIVES OF THE STUDY:

- To assess the change in income levels of the group members before and after joining SHGs.
- To analyze the organizational structure of the SHG and its implementation.
- To ascertain the functioning of SHGs in terms of group savings, investments and distributions.
- To study in the level of empowerment achieved by women SHG members
- To verify the role of SHG member in decision making in family & SHG.

RESEARCH METHODOLOGY

Data collected from primary as well as secondary sources. Primary data collected through questionnaire and interview method and secondary data is collected from various research journals, articles, news papers. Based on collected data analysis is made and results are drawn. For the study 150 samples are drawn from various parts of Dakshina Kannada district through simple random sampling.

SCOPE OF THE STUDY

To study the income generating activities and assets creation through Self Help groups and the outcome of the rural developmental initiatives in economic empowerment leading to better quality of life.

As the study analyses the causal factors and the contribution factors for the sustenance and growth of self help groups in the study area. This study can be used as a reference material for further studies are-

- Impact on employment generation in MFI.
- Socio economic impact on SHG members.
- Status of women before joining and after joining SHGs.

LIMITATIONS OF THE STUDY

- Only questionnaire and interview method was used as a tool to measures the impact of SHGs.
- Levels of maturity to answer the question among the respondents are relatively low due to low educational background and social status.
- The study is restricted to portion of the D.K district. So the findings cannot be generalized.
- Number of samples restricted to 150 only.

LITERATURE REVIEW

N. Manimekalai and G. Rajeswari³⁰ (2000) in their work “Empowerment of Women Through Self Help Groups,” analysed the women self help groups formed by the Non-Governmental Organisations in the rural areas of Tiruchirappalli District for the purpose of promoting rural women through self-employment. The Non-Governmental Organisation namely, Society for Education and Village Action and Empowerment (SEVAE) has been working in 362 villages and helping a total of one-lakh women beneficiaries consisting of different avenues of self-employment like petty businesses, processing, production and service units.

In the study entitled “A Study on Women Self-Help Groups in Andhra Pradesh”, by Mohana Rao R.M³³ (2000) concluded that SHGs showed a positive impact on the households of the members in respect of building of self-confidence and social development skill and formation and social empowerment of members.

T. Chiranjeevulu³⁶ (2003) in his study, “Empowering Women Through Self Help Groups”, studied the micro enterprises started by self-help groups in Warangal district (Andhra Pradesh). The micro-enterprises belong to chilly processing units. Srujana Mahilabhivridhi Upadi Mutually Aided co-operative Society was formed with a membership of 514 women. Each group raised a share capital of Rs.15, 000. The group members belonged to backward classes, scheduled castes and scheduled tribes. The researcher states that the conversion of consumption based self-help groups into entrepreneurship-oriented self-help groups led to employment generation and empowerment of women.

A PROFILE OF SKDRDP

SKDRDP(R) is registered under charitable trust act of 1920 in the office of Sub-Register, Government of Karnataka, Belthangady Taluk, and Dakshina Kannada district in the year 1991.

Promoted by a spiritual centre SKDRDP has always been very sensitive in doing anything that is perceived to be profit making even though it concerned with welfare of the poor. It was therefore a very reluctant step towards microfinance and driven more by the need of the community rather than profit taking. Over the last decade microfinance grew in size and provided the necessary funds for geographic extension of SKDRDP. In the process organization recognized the increasing financial needs of the community for survival and achieves the desired transformation.

THE MISSION:

- To adopt small, marginal and micro land holders as stakeholders and organize them in the informal sector to promote sustainable farming practices. In the process of SKDRDP is committed to economically empower the stakeholders to become self-reliant.
- To create a conducive environment in the village to enable different sections of the community to live in harmony. To create infrastructure through people participation to improve the living habitat.
- To motivate the individual family to plan for self-development and assist them in realizing their plans.

To dare the poor to envision a dream and to work together with them to make it possible.

- To work with unreached, the poor, the backward, the minorities, the weaker section and above all the women empower them socially and economically.
- To promote entrepreneurial skills among the poor and escort them to implement the skills.
- To achieve progress in an environment to tolerance. To spread the message in the community that to prosper does not mean earning more rupees but to use them more judiciously. To spread the message in the community that morality is not a liability but a virtue.
- To work in tandem with all such organizations who dream of vibrant rural India, where in the rich and the poor have their needs met, where the natural resources are put to optimum use without affecting the living environment, where everybody has an equal opportunity to sustain ones dream.

PROGRAMS

The major components of SKDRDP are:-

- Rural Development
- Community Development
- Urban community development.

Rural Development Project covers key issues contributing to the socio- economic progress:

- Micro finance
- Sampoorna Suraksha a comprehensive health-program.
- Promotion of sustainable agriculture.
- Organic farming.
- Watershed development.
- Transfer of technology.
- Conservation of water, soil and environment.
- Formation of Self Help Groups.
- Income Generating Activities.
- Jeevandharna housing scheme.
- Janajagruthi a mass movement against alcoholism.
- Religious festivals celebrated in the community.
- Gelathi, a counseling centre for women in distress.
- A centre for Rural Excellence the training wing.
- SIRI, an institutional framework for supporting livelihood activities.

Microfinance from SKDRDP

In order to make the overall development of small and marginal farmers, landless laborers more meaningful, the project initiated microfinance programme in the year 1996. The main features of pragathinidhi are

- Adequate funds without any hassle's and formalities
- Convenient tenure
- Easy accessibility and
- Easy repayment installments

In the year 2003, the project reactivated microfinance program with systematic procedures with an intention to extend the program on a large scale. As per modified pragathinidhi program the group can avail loan from the project for

- Agriculture
- Infrastructure development
- Non form sector development activities
- Group enterprise.

RESULT AND ANALYSIS

Table no.1 Age profile of SHG Members

AGE	Up to 20	21-30	31-40	41 and above	Total
No. of Respondents	10	75	20	45	150
Percentage	7	50	30	13	100

Table no.1 reflects the age profile of the members consulted for the study. From this it is inferred that more number of members belongs to the category of 21-40 years. This suggests that good percentages (75.08%) of middle age members are involved in productive purpose of income generation by becoming SHG members and working in micro enterprises. Being a rural area, opportunities in the form of state or central government jobs are limited and for self-sustenance, they have to be in the unorganized wage labor market. Becoming a SHG members and forming group enterprises will assure them a earnings for decent living.

Table no.2: Educational qualification of respondents

Educational qualification	Illiterate	Primary	High school	PUC	Total
No. of Respondents	20	35	60	35	150
Percentage	13	23	41	23	100

Educational qualifications of respondents are enumerated in table no.2 . Of the total number of respondents majority had completed High school (41%) and 23% had the pre university qualification. This indicates that Levels of maturity to answer the question among the respondents are relatively low due to low educational background.

Table no.3: Nature of occupation (Before joining enterprise)

Occupation	Agriculture	Beedi	Construction	Wage earners	Self employed	Total
No.of Respondents	24	68	5	45	2	50
Percentage	16	45	4	30	5	100

Table No.3 depicts the nature of occupational background of the respondents. From the data it can be interpreted that the respondents source of income generated prior to joining the SHG denotes an element of uncertainty and also the fluctuation. Joining to SHG assures a reasonable degree of income as well as a group assurance to carry a income generating activities.

Table no. 4: Household annual income

Family income(in rupees)	Less than 10000	10000-30000	30000-60000	60000 and above	TOTAL
No. of Respondents	50	46	30	24	150
Percentage	33	31	20	16	100

Table no.4 reveals the annual household income of the members. The above data indicates the configuration of membership patterns. All categories of members invariably come under the marginalized rural class. The income is generated by manual labor, working in the small and village industries, shops and

other commercial establishments. For this class becoming a SHG member and involving in microfinance is an assurance for earning a livelihood.

Table no- 5 Years of experience in SHG

Years	1 to 2	3 to 5	6 to 10	11 and above	Total
No.of Respondents	10	80	50	10	150
Percentage	7	53	33	7	100

Table no 5 shows the Years of experience in SHG is enumerated. The above table reflects two aspects of SHG i.e., popularity and utility. As SHG's are useful to rural people members and also in semi urban areas.

INCOME GENERATION ACTIVITIES OF SHG MEMBER

Table no.6: Annual Income

Particulars	Before joining SHG		After joining SHG	
	No of respondents	% of respondents	No. of respondents	% of respondents
Below 1 lakh	76.5	51	45	30
1 lakh to 2 lakh	60	40	72	48
2lakh to 3 lakh	7.5	5	22.5	15
3lakh to 4 lakh	6	4	10.5	7
Total	150	100	150	100

From the above table 9: It is clear that more number of members earn more amount of income after joining to SHG.

CHANGES IN THE EXPENDITURE PATTERN OF SHG MEMBERS**Table no.7: Changes in the expenditure pattern of food**

Particulars	Preference prior to joining SHG		Preference after joining SHG	
	No. of respondents	%	No. of respondents	%
Less than Rs 10,000	49	33	42	28
Rs 10,000 to Rs 15,000	65	43	60	40
Rs 15,000 to Rs 20,000	7	11	23	15
Rs 20,000 and Above	19	13	25	17
TOTAL	150	100	150	100

The changes in the expenditure pattern of SHG members are enumerated in Table no.7. It is a comparative study of expenditure met by the members for food before joining SHG and after joining. 33% of members were spending below 10,000 rupees in prior to joining SHG, now this percentage reduced to 28% after joining group. 43% of the respondents were spending around 10000-15000, and it reduced to 40% after joining to SHG. 11% of the respondents were spending around 15000-20000, and it increased to 15% after joining to SHG. 13% of the respondents were spending above 20000 prior to joining SHG, and it increased to 17% after joining to SHG. Expenditure pattern in food was directed on the basis of indicators leading to a better quality of life. There is a total shift in the preference and patterns of expenditure of members and after joining to SHG. There is both decrease as well as increase in the preferences, which suggests a qualitative improvement in the way of life of its members.

Table no.8: Changes in the expenditure patterns on Health

Health	Preference prior to joining SHG		Preference after joining SHG	
	No.of respondents	%	No.of respondents	%
Less than Rs 5,000	62	41	30	20
Rs 5,000 to Rs 10,000	40	27	57	38
Rs 10,000 to Rs 15,000	20	13	16	11
Rs 15,000 to Rs 20,000	18	12	24	16
Rs 20000 and above	10	07	23	15
Total	150	100	150	100

As per depicted in the table no.8: 41% of members were spending below 5,000 rupees prior to joining SHG, now this percentage reduced to 20% after joining group. 27% of the respondents were spending around 5000-10000, and it increased to 38% after joining to SHG. 13% of the respondents were spending around 10000-15000, and it decreased to 11% after joining to SHG. 12% of the respondents were spending around 15000-20000 and increased to 16%, and 07% were above 20000 prior to joining SHG, and it increased to 15% after joining to SHG. It is a clear indication that with the increase in the income level, spending patterns will also change. It is the basic human tendency in managing the resource when income level is minimum focus will be on the bare necessities and when there is a raise in the income, priority will shift towards higher level needs. What is a necessity is ultimately determined by the level of income and the capacity of spend.

Table no.9: Changes in the expenditure patterns in Insurance

Insurance	preference prior to joining SHG		Preference after joining SHG	
	No.of respondent	%	No.of respondents	%
Less than Rs 5,000	80	53	24	16
Rs 5,000 to Rs 10,000	45	30	27	18
Rs 10,000 to Rs 15,000	05	03	45	30
Rs 15,000 to Rs 20,000	09	06	39	26
Rs 20000 and above	11	08	15	10
Total	150	100	150	100

As per the table no.9: 53% of members were spending below 5,000 rupees prior to joining SHG, now this percentage reduced to 16% after joining group.30% of the respondents were spending around 5000-10000,and it decreased to 18% after joining to SHG.03% of the respondents were spending around 10000-15000,and it increased to 30% after joining to SHG.06% of the respondents were spending around 15000-20000 and increased to 26%,and 08% were above 20000 prior to joining SHG, and it increased to 10% after joining to SHG. It is a positive indication of increase in the disposable income. The safety and security needs' spending defends as the fulfillment of Basic sustenance needs. Prior to joining the SSG, the available income was spent for fulfilling basic needs. This situation was due to the lack of the availability of gainful employment and income assurance. After joining to SSG number of man days of work and assured earnings has increased.

Table no.10: Social and Religious ceremony

Social and Religious ceremony	Preference prior to joining SHG		Preference after joining SHG	
	No.of respondents	%	No.of respondents	%
Less than Rs 1,000	78	52	50	33
Rs 1,000 to Rs 5,000	44	30	70	47
Rs 5,000 to Rs 10,000	23	15	25	17
Rs 10,000 and above	05	03	05	03
Total	100	150	100	150

As per the table no.10: 52% of members were spending below 1,000 rupees prior to joining SHG, now this percentage reduced to 33% after joining group.30% of the respondents were spending around 1000-5000,and it increased to 47% after joining to SHG.15% of the respondents were spending around 5000-10000,and it increased to 17% after joining to SHG.05% of the respondents were spending 10000 and above .

It is an indication of shift in the mind set towards social and religious ceremonies. Prior to joining SHG, some of the religious ceremonies were done by the individual families and after joining to SHG they collectively hold some social and religious ceremonies. The overall impact of this shift is that the individual amount spends has come down, but collectively, the social and religious ceremonies were also undertaken to fulfill the social and religious objections. Reduced spending on this category has been diverted the other indicators leading to better quality of life.

FINDINGS

The results of the primary data clearly indicate a visible change in the members consulted for the study. The indicators of quality of life based on spending patterns of the members before and after joining SHG clearly reveal the transformation in the ways and means of learning and spending on livelihood issues. The study reveals the following major findings.

- Stability and consistency in the earnings.
- Spending on education has increased.
- Access to health services through insurance schemes.
- Availability of surplus for small savings and investment in assets.
- Improvement and added facilities in the houses.

- Focus on income generating activities, skill development and collective decision making for livelihood issues.

Ultimately the quality of life in a given situation depends on the effectiveness of the economic empowerment Initiatives and people participation in such initiatives. This fact is empirically validated in this study.

SUGGESTIONS

On the basis of the primary data and secondary data following suggestions are made:

- Government and NGO agencies to play a role. There is need to reorient several things right from grass root level.
- Separate small industrial estate may be setup for SHG to create special environment.
- Formulate and implement policies and programmes that enhance the skills of members.
- Create social environment through training institute in which members are encouraged to take challenging jobs to achieve their full potential.
- Tie up with media will give wide publicity about the entrepreneurs and entrepreneurial success stories.
- Co-operation among the members, the animators of the SHG should create team spirit and co-operation by providing necessary information.
- Members should realize the importance of savings habit, bonus and income generating activity and its impact.
- Working in remote villages far away from market centers limits the scope for identifying and initiating visible income generating activities. Any SHG operate in remote areas and intends to embark on IGA development should realize that it might be severely constrained in that regard.

From the social point of view, the SHG mechanism seems to be very effective for very poor and disadvantaged from IGA point of view it is necessary to bring in the elements of selecting and eligibility

CONCLUSION

Microfinance has evolved over the past quarter century across India into various operating forms and to a varying degree of success. One such form of microfinance has been the development of the self-help movement. Based on the concept of “self-help,” small groups of women have formed into groups of ten to twenty and operate a savings-first business model whereby the member’s savings are used to fund loans. The results from these self-help groups (SHGs) are promising and have become a focus of intense examination as it is proving to be an effective method of poverty reduction.

Particularly during the International Year of Microcredit 2005, significant policy announcements from the Government of India (GOI) and the Reserve Bank of India (RBI) have served as a shot in the arm for rapid growth. SHGs have spread rapidly due to their ease of replication. SHG Bank Linkage has provided the capacity for SHGs to increase their capital base to fund more members and bigger projects. Today, it is

estimated that there are at least over 2.5 million SHGs in India. In many Indian states, SHGs are networking themselves into federations to achieve institutional and financial sustainability. The formation of common-interest groups consisting primarily of women has had a substantial impact on their lives. The impact of SHGs on women's empowerment and social security has been invariably an improvement from the status but there is a need for support in several areas which are analyzed in this report. The status of women has generally improved as they have developed stronger confidence which has changed gender dynamics and their role in the household. In Dakshina district, significant improvements in fertility rates, female literacy, participation in development programmes and economic independence are evident. Women are able to fight for their rights and entitlements and have emerged as a force to be reckoned with. Further, SHGs are becoming more than just financial intermediaries, instead they have emerged into a more political and social unit of society. More importantly, the penetration of microfinance to the poorest of the poor is still weak and needs a wider reach.

SHGs are developed as a tool for poverty alleviation in different countries of the world. Basically SHGs are developed as a micro finance unit and they gradually move on to more complex income and employment generation activity. In India, a number of SHGs are developed and supported by different NGOs and Government departments. NGOs and Government plays a crucial role as a facilitator from inception to the development and the success of SHGs by providing technical guidance, training, financial support, and marketing of goods and services.

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