

Micro Finance a means to empowerment of women in Karnataka: A Case Study of Kollegal Taluk of Chamarajanagara District

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Abstract - Self Help Group (SHG) a strategy which has emerged worldwide as the single most significant economic development program for women. A SHG is a small group of people who voluntarily come together to address their poverty and social problems. The core theme of SHGs is responsibility of small saving from group members and group lending from accumulated savings as well loans. It is for this reasons that SHGs are also micro finance or mini bankers. Microfinance is an upcoming sector. Pegged at just a few million dollars in the early 1990's this sector has grown in to \$20 billion global industry by 2007 reporting close to 100% growth year-to-year over the previous decade. Apart from growing in size, microfinance is today seen by most governments as a useful tool for poverty mitigation. Self Help Groups have been receiving greater attention by all the concerned like the Government, NABARD, RBI, Commercial Banks and RRB's. This innovative form of credit delivery is catching up in a big way in rural area. SHG movement is the strength of the formal banking system and flexibility of informal SHG's in providing adequate financial services to the rural poor. The program has turned in to a social movement with high expansions rates in recent years. Fueled by competence and enthusiasm at all stakeholder's levels it is expanding rapidly throughout India including tribal areas. It is probably the world's largest and most successful microfinance program for the rural poor outstanding in its highlighting on self-reliance and local autonomy of the very poor.

Index Terms - Micro Finance, Banking System, Rural Areas, Financial Service.

INTRODUCTION

Self Help Groups are novel and innovative managerial setup in India for the upliftment of women. All Women in India are given chance to join any one

SHGs for training and development, so that forthcoming entrepreneur and skilled workers. In Rural India, there is substantial degree of feminization of poverty on account of an increase in the net population growth rate among the landless agricultural labour households which includes Scheduled Castes, Scheduled Tribes, Other Backward Classes and Women, low level of human skills, lack of availability of wage employment opportunities. This is including economic factors responsible for termination of poverty which are much stronger in operation and which function along with socio-cultural barriers and discrimination against women in economic participation. The objective of the Self-Help Group is to promote strong and independent women groups who exert control over their own growth and that of the community. The women would be equipped with managerial and technical skills through enhanced participation in economic activities. It is widely felt that there have been perception changes in the living conditions of the rural poor mainly on economic side and relatively on social side. It is with the perceptual background that a detailed study has to be undertaken to find out the economic impact of the self-help groups microfinance on the development of women.

MEANING OF THE SELF HELP GROUPS

“A Self-Help Group (SHG) is a village based financial intermediary usually composed of 10 women or men”. A mixed group is generally not preferred most of Self Help Groups are located in India through it can be also found in other countries especially in South Asia and Southeast Asia.

SELF HELP GROUPS IN KARNATAKA

The origin of micro finance in Karnataka dates back to 1984 when Mysore resettlement and development agency MYRADA a non-government organization engaged in rural development. There are over 962446 SHGs in Karnataka under various departmental programs, the majority of which are women’s SHGs. In Karnataka, conveying sector for poor women through self-help group has emerged as the dominant strategy for combating female poverty. Karnataka State running the financial matters by SHGs saving money in the year 2020 is 28924222 lakhs rupees’ money is saved by brave SHGs women.

IMPORTANCE OF THE STUDY

Women play a significant role in all the fields of development. For the rural folk’s women is the backbone in all spheres of the activities. Women contribute directly and indirectly for the economic development. Though the women have given the genetic power of reproduction, the socio-economic status of women is poor and incidence of poverty is more, hence a small study is undertaken on SHGs.

OBJECTIVES OF THE STUDY

1. To study the socio-economic background of the women beneficiaries and their family members.
2. To analyze the income, expenditure and savings pattern of the respondents.
3. To study the level of satisfaction of members in SHGs.
4. To study the women empowerment through Self Help Groups.

AREA OF THE STUDY

The present study is conducted in Kollegal town of Chamarajanagara District of Karnataka. Though Kollegal town is a small town it caters market needs of 25 to 30 villages. In this villages around 40 self-help groups are actively participating for the economic benefits of the women. The sample size of the women respondents are 50 in numbers.

SOURCE OF DATA

While having informal method of conversation with the respondent’s interview schedule method is used to

collect the primary data. Secondary data were collected through books, magazine and journals.

Table 1 Distribution of Respondents by Productive Assets (%)

Assets	Acquiring before joining SHG	%	Acquired after joining SHG	%
Land	04	08	06	12
Mulch Animals	06	12	44	88
Sheep/goats	11	22	48	96
Poultry	05	10	26	52
Agri Equipment	02	04	12	24

The present study indicates especially the income generating actively undertaken with financial assistance from micro-finance programs help the households to take up some other activities, which become important in so far as the household income is concerned. Data shows that the livestock rearing and dairying activities undertaken by the households helped for well irrigation and purchase of land. Ultimately, it was income from agriculture which was significant to the household. Highest number of respondents more than three fourth of them are after getting loan from the SHGs brought sheep and goats for rearing. They seem to be comfortable with the rearing of this domestic animals. Only 12% of them have purchased small amount of agricultural land.

Table 2 Respondents Purchased household equipment

Assets	Acquiring before joining SHG	%	Acquired after joining SHG	%
Radio	22	44	32	64
Television	26	52	42	84
Bycle	11	22	44	88
Scooter	05	10	21	42
Wall Clock	12	24	33	66
Iron Box	07	14	36	72
Gas Stove	02	04	18	36
Jewelry	04	08	26	52

Data provided in the table 2 divulges that in so far as the acquisition of consumer durables is concerned like Television, Radio, Wall-Clock, Iron Box, Bycle, Scooter, Gas Stove, Jewelry is concerned a few members acquired these assets after they become members. Highest number of respondents i.e, more than 88% per cent of them brought cycle for their members. Those respondents who were very much concerned about the households had acquired cycle and gas stove after they become members of the SHGs.

Majority of the households acquired radio, TV and Iron Box after they had become members. Interestingly more than half of the respondents i.e., 52% per cent of them had acquired costly jewellery also.

Table 3 Respondents Decision Making Authority

Decision Making Authority	Acquiring before joining SHG	%	Acquired after joining SHG	%
Education	12	24	36	72
Purchasing Property	05	10	21	42
Leasing Land	02	04	12	24
Family Planning	05	10	35	70
House Repair	02	04	22	44
Purchasing Household Articles	22	44	48	96

Available data shows in the table 3 reveals that long years of association with micro-finance resulted empowerment of women through SHGs. Gradual economic improvement in the family and taking vital decisions by women on major events in one's own life is taking place after joining SHGs. Table-3 shows that all most majority of women nearly 96% per cent have purchase house hold articles. Only 24% per cent of them least numbers are having decision making authority over the purchase of property and leasing of the land.

Table 4 Benefits to Members

Benefits in terms of category	Acquiring before joining SHG	%	Acquired after joining SHG	%
Improvement in Assets	12	24	38	76
Improvement of Education	05	10	28	56
Improvement of Knowledge	02	04	33	66
Repaid the Debt	05	10	38	76
Improvement of Health	05	10	32	64
Satisfied Life	07	14	35	70

Table 4 gives us a vivid picture of the benefits that apart from acquiring household and agricultural equipment's. The women who have involved in the SHG's are reaping considerable amount of benefits which can be seen in the improvement of children education, improvement of knowledge beyond their

world, improvement of Health. Majority of them 76% of the respondents are leading a satisfied life after repaying old and unpaid debt.

Table 5 Respondents Perception on Awareness about Programs

Awareness	Acquiring before joining SHG	%	Acquired after joining SHG	%
Government Sponsored Programs	07	14	38	76
Skill Development Programs	05	10	24	48
Banking and Finance	04	08	36	72
Loans and Debts	04	08	38	76
Local Planning	06	12	32	64
Legal Awareness	02	04	36	72

Table 5 reveals about the information regarding the perception on awareness about the program organized by the Government. More than three fourth of the respondents 76% per cent reported that after getting into the Self Help Group they have learned about the government sponsored programs. 72% per cent of the respondents replied that after joining into the SHGs women have learnt or received information about banking system and they found confident of dealing with bankers. The study also highlights the fact that considerable number of respondents have opened their savings bank account in their nearest village. This shows that respondents have come up with pro-active in mood as far as their economic benefits are concerned.

IMPACT OF MICRO-FINANCE

Purchase of productive assets has been used as the indicator to examine the impact of micro-finance benefits. Purchase of assets indicates that members were in an advantageous position to buy things after joining SHG's. Between 15 and 49 percent of the households had acquired mulch animals, poultry and sheep after they had become members in SHG's. More importantly majority of the households purchase land before they had become member.

SUGGESTIONS

On the basis of the findings of the study the following suggestions have been made

1. The Banks should advance adequate credit to the SHGs members
2. The State Government must pay more attention on the women's health, sanitation and food security.
3. There is no proper meeting place for the SHGs members, village panchayats have to allocate separate hall for the SHGs members.
4. Marketing facilities for the sale of products of SHGs has to be done in a systematic way.
5. Government must make provision for the export of products produced by the SHGs.
6. The government should provide more attention to the women's education.

CONCLUSION

In Karnataka rural woman's Self Help Groups formed under the National Rural Livelihood Mission have played a key role in the economic empowerment rural women. Even though their economic life has been changed, many women even after participating in Self Help Group for many years did not participate in the decision making in the affairs of repairing their house, purchase of household articles. In the study it has been found that majority of the respondents are scared to take huge loan from the respective banks fearing backlash from their male counterparts.

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