

Empowerment of Women Through Self Help Group - A Case Study of Mysore City

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Abstract— The deficiencies of the banking services to the poor through Government- sponsored programme led to the search for an alternative mechanism which would ensure a better credit delivery system for the poor. The successful experiment with micro-credit in Bangladesh and other countries encouraged our policy-makers to introduce this innovative method in India. Reorientation of the rural credit delivery system became necessary consequent upon the introduction of several banking sector reforms in the early nineties. The Committee on Banking Sector Reforms said, "Banking policy should facilitate the evolution and growth of micro-credit institutions/ including LABs which focus on agriculture, tiny and small scale industries, including such specialist institutions as may be promoted by NGOs for meeting the banking needs of the poor. Third-tier banks should be promoted and strengthened to be autonomous, vibrant, effective and competitive in their operations (RBI 1998)

I. INTRODUCTION

The deficiencies of the banking services to the poor through Government- sponsored programme led to the search for an alternative mechanism which would ensure a better credit delivery system for the poor. The successful experiment with micro-credit in Bangladesh and other countries encouraged our policy-makers to introduce this innovative method in India. Reorientation of the rural credit delivery system became necessary consequent upon the introduction of several banking sector reforms in the early nineties. The Committee on Banking Sector Reforms said, "Banking policy should facilitate the evolution and growth of micro-credit institutions/ including LABs which focus on agriculture, tiny and small scale industries, including such specialist institutions as may be promoted by NGOs for meeting the banking needs of the poor. Third-tier banks should be promoted and strengthened to be autonomous, vibrant, effective and competitive in their operations (RBI 1998)

Micro-credit as the name itself indicates, is small amount of credit to lower income groups which comprise small and marginal farmers, landless labourers, petty shop owners, hawkers, fishermen, rural artisans, etc. The beneficiaries are those who in the normal course have great difficulty in having access to formal banking sector. It has very distinctive features which make it different from the approach adopted hitherto to reach the poor.

The Idea of Micro-finance has got long history. Micro finance is some form has been there since a very long time. Chit Funds, Nidhis, etc., are examples of informal micro-credit arrangements which played an important role in providing small amount of credit to the members of a group out of their own savings. The role of this informal arrangement has been rediscovered and a more systematic approach has been developed by forging a link between the formal and informal financial markets.

II. SELF-HELP GROUPS

Poverty is a global phenomenon. Formation of Self-Help Groups is an attempt to create more opportunities for getting additional income and employment for the poor people. For the last three decades the women's movement across India gave emphasis on the promotion of grass-root level organizations for women's development. Women's Self-Help Groups arise as a result of the increasing emphasis on the promotion of grass-roots level organizations for women's development. SHGs strategy enables the women to participate in the ongoing development process at village level. Individual woman and women group not only benefited from the self-help groups but the families and community as a whole will be benefited from this. It is a well designed tool to empower rural women also. This is not only help them

to alleviate their poverty but also help them to get economic and social empowerment. It also increases the members access to important services like education, health care etc. Members of SHG are more aware about their children education and health. Apart from economic and social empowerment the SHG households also show greater awareness and participation in local politics. It also helps them to familiarize with the banking system and NGOs

III. DEFINITIONS OF NGOS

According to UNO “ a NGO is any non profit voluntary citizens group, which is organized on a local, national or international level. Task oriented and driven by people with a common interest. NGOs perform a variety of services and humanitarian function, bring citizens concerns to government advocate and monitor policies and encourage political participation through provision of information. Some are organized around specific issues such as human rights, environment or health. They provide analysis and expertise, serve as early warning mechanisms and help monitor and implement international arguments”. According to world Bank “NGOs as private organization that pursue activities to relive suffering, promote the interests of the poor, protect – the environment, provide basic social services or undertake community development”.

IV. ROLE OF NGOS IN INDIA

NGOs which started playing their role in the development process in India by assisting the target groups by way of helping them to adopt improved technology in agriculture and related activities soon felt the need for helping them to get credit from banks to finance their activities. In this process, they involved themselves in providing services like identification of beneficiaries, handling the loan formalities, supervising the end-use of loans and subsidies, procuring inputs and overseeing fulfilment of agreed repayment obligations (NABARD 1999). Subsequently, it was realized that informal organisational structure should be promoted to encourage thrift and self-reliance which led to the emergence of Self-Help Groups, which constitute today the informal arrangement through which the micro-credit system works.

V. SALIENT FEATURES OF SHGs

1. Self-help groups are homogenous groups formed by the poor to take care of both thrift and credit needs of the poor. They are essentially small groups having membership up to a maximum of twenty.
2. Majority of the groups formed are those of women.
3. They work on democratic principles. Each group has a president and a secretary and rotation of executives gives equal opportunities to all the members in managing the affairs of the group. Frequent meetings are held by the groups and decisions are taken after careful deliberations with regard to their savings, credit to be provided to the members, the activities to be financed through the credit, rate of interest to be charged for the loan given to the members, repayment period, etc.
4. SHGs follow the principle "savings first and credit later." It is mandatory that they should save. The minimum amount to be saved is fixed in some cases and in some cases it is left to the discretion of the members to decide the amount to be saved. The amount is deposited with the bank and used either as collateral for the loan raised from the bank or for building up an Emergency Fund from which small amounts of loans would be given as consumption loans. Unless the poor have access to institutional credit for meeting expenditure connected with health care, social or religious ceremonies, etc. they can never be free from the clutches of the money lenders.
5. Production credit is given to the members of the group out of the loans given to the group either directly or through an NGO under the Bank-SHG Linkage Programme.
6. The quantum of loan to be given to a member of the group is generally left to the discretion of the group. There is no uniform approach in this regard. The limit in each case depends upon the need and the capacity to repay promptly. Generally, the amount available as production credit is more than the amount available as consumption credit.
7. The activities for which SHGs make credit available are very large and diverse. They include both agricultural and non-agricultural activities of various kinds. Apart from the activities undertaken at the individual level, group activities involving

all the members of the group such as cattle rearing, sheep rearing, social forestry, management of common property resources may also be undertaken.

8. Repayment periods of micro-credit are very short ranging between ten to twenty-four months and repayments are in weekly/fortnightly/monthly instalments. Banks which directly lend to SHGs or to NGOs for on-lending to SHGs expect repayment over a period of three years. But SHGs fix shorter periods of repayment in order to recycle the funds to ensure that all the members who need credit get the benefit.
9. Regarding the interest rates, the groups are free to fix their own rates. Some groups lend at the same rate at which they borrow from the banks and some groups maintain margin and lend at a rate which is higher than the rate at which they borrow. In most cases the rates are very high ranging between 24 and 36 per cent like the usurious rates of moneylenders. But the interest earned remains with the group unlike in the case of borrowing from the moneylenders.

Apart from the SHGs, some NGOs like ASA (Activists for Social Alternatives) in Tamil Nadu, RDO (Loylam Bank of Rural Development and Organisation) in Manipur and SHARE (Society for Helping and Awakening Rural Poor Through Education) in Andhra Pradesh and the Oriental Bank of Commerce in Dehra Dun and Rajasthan have promoted groups of Grameen Bank Group (GBG) ...model (Rajaram Dasgupta, 2001). GBGs are different from SHGs in certain ways. The group is very small consisting of five members. The savings of members are deposited in a bank and the bank lends directly to the individual members. The group's responsibility is only to screen the borrowers and ensure prompt repayment of the loans. GBGs are not as popular as SHGs, though they serve the same purpose as SHGs.).

Following are the NGOs Micro Finance to SHGs in Mysore City:

1. Ujjeevan
2. Sanghamithra
3. Sri. Keshthra Dharmastala Grameena Abhivrudhi (BKRDP)
4. Jana Lakshmi

5. Spandana
6. Grameena Koota Bangalore
7. Orgnaisatin for development programme
8. Sowharda Co-operatives etc.,

OBJECTIVES:

1. To study the financial inclusion by the women empowerment through SHGs
2. To study the generation of micro finance by SHGs
3. To study the structure of SHGs
4. To evaluate the Economic development of the members of the SHGs
5. To analyse the income generating activities of SHGs

VI. METHODOLOGY OF THE STUDY

The study is based on both the primary and the secondary source of data. The primary data has been collected from the fieldwork in Mysore City. A structured questionnaire has used and the factors are tabulated through statistical tables. For the study 100 respondents have been selected from women on simple random sampling basis. Secondary data has been collected from published books, articles, Magazines and research papers etc.,

The variables selected to study this case are age group, education, duration, amount of loan availed, occupation, employment generation, amount deposited, earnings, marital status and number of member remained and re-joined in SHGs

TABLE 1: AGE GROUP OF MEMBERS IN SHGs

Age	No of Members	Percentage
18 -25	10	10
26-35	25	25
36-45	50	50
46 and above	15	15

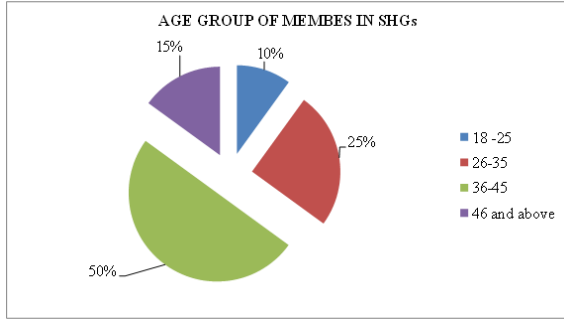


Table No.1 consists of classification of members according to their age group. In this table age group of 18-25 is 10%, 26-35 is 25%, 36-45 is 50% and 46 and above 15%. It results 50% of members are in the age group of 36-45.

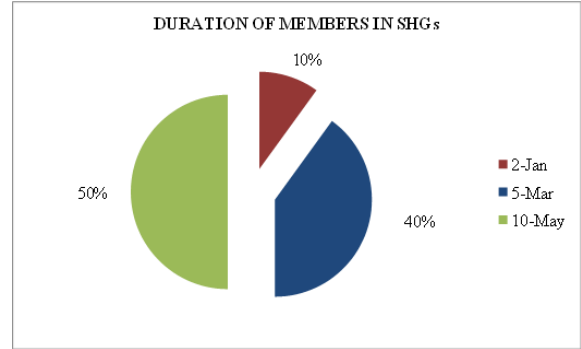


Table No.3 Indicates the duration of members in SHGs. 10% of members joined with in 2years, 40% of the members have joined with in 5 years ,50% of the members joined within 10 years.

TABLE 2: EDUCATION OF MEMBERS OF SHGs

Education	No of Members	Percentage
Education	30	30
Less than S.S.L.C	60	60
P.U.C	10	10
Degree	nil	nil

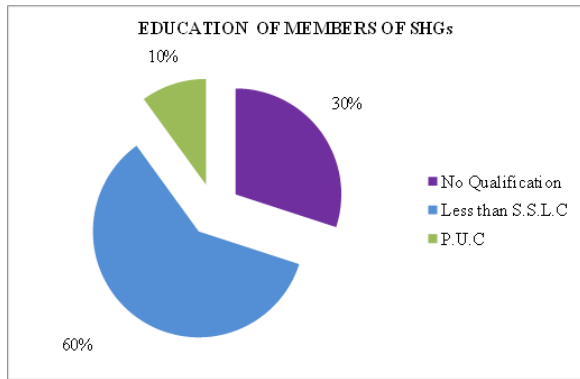


Table No. 2 Reveals Qualification of members of SHGs. Having no qualification are 30% of members, 60% members have less than S.S.L.C, 10% are of P.U.C and there are no members who have degree qualification.

TABLE 3: DURATION OF MEMBERS IN SHGs

No. of years	No. of members	Percentage
1-2	10	10
3-5	40	40
5-10	50	50

TABLE 4: AMOUNT OF LOAN AVAILED BY THE MEMBERS OF SHGs

Loan availed	No. of members	Percentage
Less than 10,000	05	05
10,000-15,000	30	30
15,000-25,000	30	30
25,000-35,000	05	05
35,000-45,000	10	10
45,000 and above	20	20

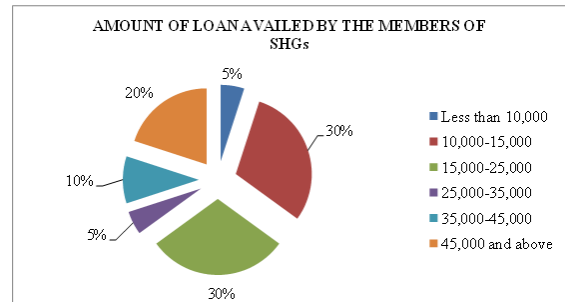


Table No. 4 consists of the members availed loan from any micro finance institutions. 5% of the members availed only Rs.10,000/- 30% of the members availed 10,000/- to 15,000/- 30% of the members availed Rs. 15,000/- to 25,000/-, 05%,10% and 20% of the members have availed 25,000/- to 35,000/-, 35,000 to 45,000/- and 45,000/- and above respectively.

TABLE: 5 OCCUPATIONS OF MEMBERS IN SHGs

Occupation	No. of Members	Percentage
Business	75	75
Agriculture	10	10
House hold (No Business)	10	10
Working (No Business)	05	05

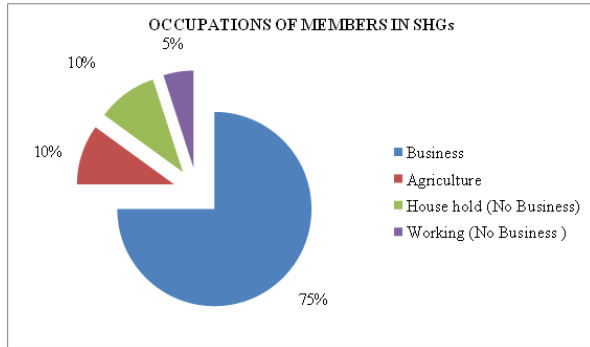


Table No. 5 reveals the occupation of the member of SHGs. 75% of the members undertaken Business, 10% of members doing Agricultural activities, 10% are house hold and 05% are working and not doing any business. It specified that 85% of the members have under taken one or the other work.

TABLE : 6 EMPLOYMENT GENERATED BY THE MEMBERS OF SHGs.

No. of Employees	No. of members	Percentage
Less than 1	27	27
Less than 2	60	60
Less than 4	13	13
5 and above	Nil	Nil

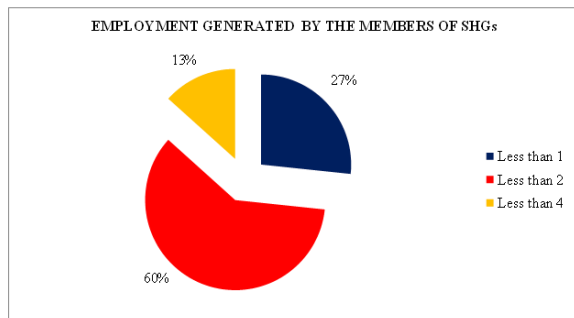


Table : 6 Shows the employment generated by the

members of SHGs. 27% of the members do business but employed any employees. 60% of members employed 1 or 2 employees, 13% of members employed 3 or 4 employees. Nobody hired 5 and more than 5 employees.

TABLE: 7 AMOUNT DEPOSITED BY THE MEMBERS IN SHGs

Amount of Deposited	No. of members	Percentage
100 & Less than 100	58	58
200 & Less than 200	37	37
More than 200	05	05

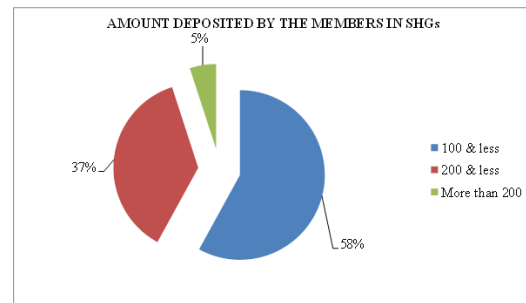


Table : 7 consists of the deposits made by the members of SHGs. 58% of members deposited Rs. 100 and less, 37% of the members deposited 200 & less, 05 members deposit Rs. 200 and above.

TABLE: 8 EARNINGS PER MONTH BY THE MEMBERS OF SHGs.

Earnings	No. of members	Percentage
Up to 2000	19	19
2000-5000	35	35
5000-8000	26	26
8000 and above	20	20

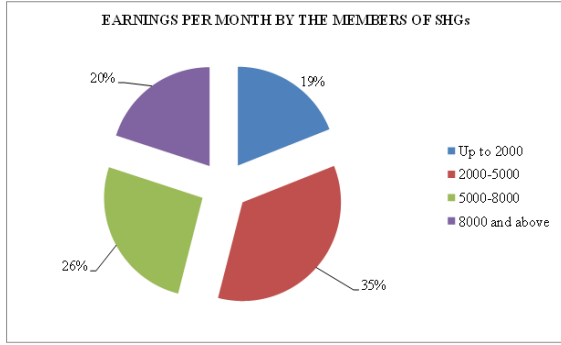


Table No. 8 reveals the earnings of the members of SHGs. 19% of the members earn less than Rs. 2000/-, 35% of members earn Rs.2,000 to Rs. 5000/-, 26% of them are earning Rs. 5000-8000 and 20% of members earn Rs. 8,000 and above.

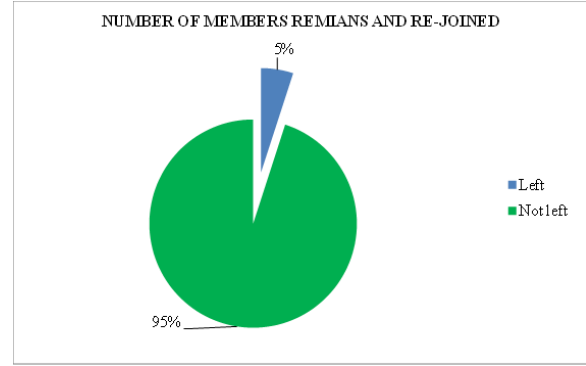


Table No. 10 throws light on the member who have left and the re-joined SHGs. out of 100 5% of the members who have left and made their relatives to join the SHGs.

TABLE: 9 MARITAL STATUS OF MEMBER SHGs

Marital Status	No. of members	Percentage
Married	95	95
Unmarried	05	05

Marital Status	No. of members	Percentage
Married	95	95
Unmarried	05	05

Table No. 9 Consists of marital status of the members of SHGs. Among 100 members 95 of the member are married and only 5% of them are unmarried.

Table: 10 Number of Members remains and re-joined

Status of members	No. of members	Percentage
Left	05	05
Not left	95	95

SUMMARY

- Most of the members of SHGs are fall under the age group of 36 to 45 that is 50.
- Married women are interested to be empowered because of high responsibility to earn more for children education, children Health, savings for the future maintenance of family etc., that constitute 95 percent of members
- The qualification of most of the members is less than SSLC. Few among them are illiterates. But PUC and above are very less.
- 90% of women joined before 3 years.
- All the members of SHGs are availed the loan.
- 75% of the women used the money for their business and 10% agricultural activities 10%.
- 73% of members of SHGs employed employees
- 58% of members deposited Rs.100 and less than Rs.100, 37% deposited Rs. 200/- and less than Rs. 200, others have deposited more than Rs. 200
- 46% of women earn more than Rs. 5000/- and 20% earn more than Rs.8,000/-
- 5% of members left the SHGs and replaced by their relatives.

CONCLUSION

Women empowerment through Micro Finance is considerably increasing. Now the earning capacity of the Women is increased. Every woman avail the loan from SHGs. The members are loyal toward the

payment of their deposit as well as repayment of loan. They are able to acquire some household assets. They can run their family independently and they are self sufficient. The scheme is running effectively. It improved the social and economic conditions of the people who availed the benefit of the scheme. They are educated to some extent to know, how to bank the amount, how to avail the loan etc., they attend meetings regularly and come to know the recent developments. They are ready to face the risk and take decisions of their own.

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SUGGESTIONS

1. Most of the women are from economically backward and illiterate. It is necessary to educate the members of SHGs. Educated women can know how to utilize the amount. It reduces the cost of maintenance and better utilization of the resources. This lead to the betterment of their family life.
2. There is a urgent need to reduce the existing rate of interests. To reduce the interest it is essential to start government organizations, to provide the funding to the members of SHGs.
3. It is necessary to provide the member of SHGs training to start the moderate business and other activities to become self-sufficient.
4. There is a need to make the members earn more than the repayment of installment.
5. It is necessary to create awareness among economically developed to contribute to the NGOs. the deposit can be assured with the minimum interest / or tax relief. It increase the lending capacity of NGOs.
6. More publicity is required so that every women from weaker section come under this scheme and enjoy the Benefit.

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