

Socio-Economic Empowerment of Women and Micro Financing of SHGs: An Empirical Analysis in Bengaluru

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Abstract

The SHG movement has become a socio economic movement only because of its unique features of inclusiveness in designing development and implementation of social schemes and economic schemes added with Government patronage. The women folk have gain a lot from these SHGs. The rural women in particular who were longing for economic liberalizations have successfully got it through SHGs the immediate result bear of this strengthening of their social status. This study is undertaken to assess the socio economic empowerment of women. In order to obtain the survey is conducted by research in Bengaluru district with the total sample size of 119. The Questionnaire was tailor – made to meet the objectives of the study. The close ended questionnaire helped to get a clear idea about the women empowerment. The sources of data from the primary and secondary data included journals, magazines and related websites etc and clearly endorsed that above views.

Keywords: *SHGs, Women Empowerment, Microfinance and Social Status*

Introduction

The initiatives on SHGs were first mooted by Mohamed Yunus, a noble laureate hailing from Bangladesh. The SHGs were started in 1975. Women have been the most underprivileged and discriminated strata of the society not only in India but the world over. In the recent times, microfinance has been emerging as a powerful instrument for empowering women particularly, the rural women. Apart from the informal sector of finance the formal and semi-formal sectors like commercial banks; NGOs etc. are taking interest in providing microfinance to women considering it to be a profitable commercial activity. Women are also participating in the microfinance movement by availing the microfinance services being provided by the various financial channels.

Self-Help Group or in-short SHG is now a well-known concept. It is now almost two-decade old. It is reported that the SHGs have a role in hastening country's economic development. SHGs have now evolved as a movement. Mainly, members of the SHGs are women. Consequently, participation of women in the country's economic development is increasing. They also play an important role in elevating the economic status of their families. This has led boost to the process of women's empowerment. Women empowerment is one of the most important issues that have been in the focus of various policies and programs initiated by the Govt. and the non-govt. organizations. Microfinance is one such effort that has been emerging as a powerful tool of women empowerment.

Financial inclusion and provision of easy access to credit have always been the thrust areas of interest of Government of India. The success of SHGs movement is well recognized and it has provided a pathway for broader issues of empowerment and growth among various communities and societies. Rural women in India suffer from being both economically and socially invisible. Individually, poor rural women can overcome economic deprivation by Co-operation. Community approach is a viable setup to disburse credit to rural women. The arrangement for credit supply to the poor through SHGs is fast emerging as a promising tool for promoting income generation and economic empowerment for women in rural areas. The essence to empower rural women lies in catalyzing opportunities for them to even higher income in order to improve their standard of living.

Statement of the Problem

Socio economic empowerment can be achieved through different means such as provision of employment, encouraging self entrepreneurship, provision of training on life skills, direct transfer of economic incentives, provision of social security through populist schemes by Government and financial inclusion through SHGs and other microfinance. Among all these tools of socio economic empowerment micro financing assume centre stage in India, because of her typical socio-economic system. Inequalities in distribution of income and wealth, divergent culture, heterogeneous social groups, deep rooted social stigma, self restrained move towards adaptation to changes hinder the women populace in their bit to come to lime light.

Government and non-government organization are striving hard to remove these hindrances. Yet women folk tend to respond to the changes in a slow and steady pace. However, the world is changing fast. Women need to adapt the changes quickly. Excessive protectionism-personal and social manifested in Indian women community makes the problem further aggravated. A self realization is the panacea but the question is when the women realize themselves about their own socio-economic empowerment. The SHGs provide good platform for this noble endeavor. Here again dominance by few women is reported only to uphold the truth in the say “woman is enemy of woman”. There is a need for relooking into the functioning of SHGs so that all woman contribute to their collective empowerment.

Scope of the Study

The study is conducted to appraise the working of SHGs on empowerment of women in Bengaluru District.

Objectives of the Study

1. To study the performance of self help groups in Bengaluru District
2. To evaluate the effectiveness of SHGs in socio-economic empowerment of women
3. To analyze the changes on social conditions of the SHGs members
4. To suggest the economic empowerment of women regarding SHGs

Hypotheses of the Study

H1. There is significant and positive relationship between socio economic conditions of the beneficiaries.

H2. Microfinance is an instrument in encouraging thrift among its beneficiaries is positively correct.

Research Methodology

This study used the descriptive and exploratory research design. Analysis of Secondary data combined with shared thoughts of researcher's academic peers, social leaders and experts in financial services has given solid based for descriptive analysis, the perceptual analysis to explore the opinion of members of SHGs about socio economic empowerment through SHG. 119 respondents selected in simple random sampling. Pilot tested structured questionnaire was administered 192. 126 responses were collected of which 119 were used. The response percentage is 62.

Data Collection

For this study primary and secondary data were used. For collecting primary data a well structured questionnaire is important factor. The questions that ask the respondent to select an answer from a list of options are called closed-ended questions. They provide a uniformity of response and are relatively easy to analyze. Secondary data is obtained from the published sources namely, annual reports and monthly bulletin of NABARD and RBI.

Limitations of the Study

- Limitation of data availability has confined the study only to the human side of micro-financing system.
- The study relies on primary data, which could be biased and this study sample size only 119 respondents.
- This study is limited to 119 respondents of SHGs and district covered only Bengaluru.

Perceptual Analysis

Table No.1: Profile of the Respondents

Sl. No.	Contents	No. of Respondents	Percentage
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1	Age		
	18 – 25	23	19.33
	26 – 35	19	15.97
	36 – 40	26	21.85
	41 – 50	29	24.37
	51 & above	22	18.49
2	Occupation		
	Housewife	40	29.85
	Daily Wages	37	27.61
	Part time job	30	22.39
	Others	27	20.15
3	Education		
	Primary & below	37	27.60
	SSLC	46	34.33
	PUC	28	20.90
	Graduate & Diploma	08	06.72

Source: Field Survey

Table no.1 showing the details of socio-economic profile of the respondents in Bengaluru district, in this table covered age of the respondents, education and occupation of the respondents. Majority of the respondents' education and occupation is average level of economic empowerment.

Table No.2: Respondents influences to join Women SHGs

Sl. No.	Particulars	No. of Respondents	Percentage
1.	SHG Leader	52	43.68
2.	Family	11	09.24
3.	Neighbors	20	16.81
4.	Friends	26	22.14
5.	Others	10	08.13
	Total	119	100.00

Source: Field Survey

The above table represents the influence to join the beneficiary on women SHGs. 43.68% of the respondents are influenced by SHG Leader. 09.24% of the respondents are influenced by Family. 16.81% of the respondents are influenced by Neighbors. 22.14% of the respondents are influenced by Friends and Lastly 08.13% of the respondents are influenced by other peoples. To Conclude majority of the respondents are influenced by SHG Leader.

Table No.3: Respondents No. of years with Women SHGs

Sl. No.	Particulars	No. of Respondents	Percentage
1.	Less than 2 Years	40	33.57
2.	2 to 4 Years	35	29.29
3.	4 to 6 Years	28	23.57
4.	More than 6 Years	16	13.44
	Total	119	100.00

Source: Field Survey

The above table represents the respondent's number of year with women SHGs. 33.57% of the respondents are in less than 2 years, 29.29% of the respondents are in 2 to 4 years, 23.57% of the respondents are in 4 to 6 years and 13.44% of the respondents are in the scheme more than 6 years. To conclude majority of the respondents are in the scheme of less than 2 years.

Table No.4: Respondents Maximum Loan Availed Details

Sl. No.	Particulars	No. of Respondents	Percentage
1.	Less than 25,000	29	24.37
2.	25,001 to 40,000	40	33.57
3.	40,001 to 75,000	28	23.57
4.	75,001 to 1,00,000	14	11.76
5.	More than 1,00,000	08	06.72
	Total	119	100.00

Source: Field Survey

The above table shows the amount of loan taken by the respondents. 24.37% of respondents were found to be taken amount of 25,000/- Rs in loan, 33.57% of the respondents were found to be taken amount of 25,000/- to 40,000/- Rs in loan, 23.57% of the respondents were found to be taken amount of 40,000/- to 75,000/- Rs in loan, 11.76% of the respondents were found to be taken amount of 75,000/- to 1,00,000/- Rs in loan and lastly only 06.72% of respondents taken above 1,00000/- Rs in loan .

Table No.5: Reasons for borrowing Loan

Sl. No.	Opinion	No. of Respondents	Percentage
1.	Consumption	20	16.81
2.	Agriculture	03	02.52
3.	Animal Husbandry	17	14.29
4.	Income Generating Activities	50	42.02

5.	Asset Building	04	03.36
6.	Others	25	21.00
	Total	119	100

Source: Primary Data- Survey

Table no. 5 showing reasons for borrowing loan with special reference to women empowerment. 42.02 percent of the respondents are more prefer to borrowing loan for income generating activities, 21.00 percent of the respondents prefer for other purpose namely: children education purpose, marriage purpose and so on. 16.81 percent of respondents for consumption purpose and 14.29 percent of respondents are using animal husbandry purpose.

Table No.6: Interest rate for micro credit

Sl. No.	Opinion	No. of Respondents	Percentage
1.	High	05	04.20
2.	Reasonable	55	46.22
3.	Low	59	49.58
	Total	119	100

Source: Primary Data- Survey

Table no. 6 showing interest of micro credit. Majority of the respondents means 49.58 percent are agree low rate for micro credit, 46.22 percent of respondents are agree reasonable rate of interest and only 4.20 percent of respondents are agreed high rate of interest.

Table No.7: Level of Income of the SHG Members

Sl. No.	Income Level (in Rs)	Before Joining SHGs		After Joining SHGs	
		No. of Respondents	Percentage	No. of Respondents	Percentage
1.	< 3,000	47	39.50	18	15.13
2.	3,001 – 5,000	23	19.33	31	26.05
3.	5,001 – 8,000	19	15.97	24	20.17
4.	8,001 – 10,000	16	13.44	26	21.85
5.	10,001 & above	14	11.76	20	16.80

Source: Primary Data- Survey

Table no.7 showing level of income of SHG members of before and after joining of self help groups, this is the table clearly stated the level of socio economic empowerment of woman in Bengaluru District after the joining of SHGs. Majority of 39.50 percent of respondents are

income level of monthly Rs. less than 3000 but after the joining of SHGs, the income level is increased. 26.05 percent of respondent's income of three to five thousand and also the ten thousand above income respondents are also increased. In this after analyze that there is a significant increased income per month of the respondents after joining SHGs.

Table No.8: Sources of Savings

Savings	No. of Respondents	Percentage
Post Office	03	02.50
RRBs	45	37.80
Co-Operative Banks	10	08.40
Commercial Banks	61	51.30
Total	119	100

Source: Primary Data- Survey

Table no.8: showing sources of savings of respondents. Majority of 51.30 percent respondents are sources of savings in commercial banks, 37.80 percent of respondents prefer to savings in regional rural banks, 8.40 percent of respondents are prefer to cooperative banks and only 2.50 percent respondents are prefer to savings in post office.

Table No.9: Savings per Month

Sl. No.	Savings Level (Rs)	Before Joining SHGs		After Joining SHGs	
		No. of Respondents	Percentage	No. of Respondents	Percentage
1.	< 200	15	12.61	23	19.33
2.	201 – 500	19	15.97	42	35.29
3.	501 – 1,000	10	08.40	30	25.21
4.	1,001 & above	-	-	24	20.17

Source: Primary Data- Survey

Table no.9: showing respondent's savings per month of before joining SHGs and after joining of SHGs. In these clearly stated respondents are aware to savings in an every month. Only few

respondents are the habit of savings in a different agency of before joining of SHGs but after the joining of SHGs majority of respondents are savings pattern is increased.

Table No. 10: Elevation of Social Status on being member of SHG

SL No.	Particulars	No. of Respondents	Percentage
1.	Strongly Agree	32	26.89
2.	Agree	49	41.18
3.	No Objection	30	25.21
4.	Disagree	08	06.72
	Total	119	100

Source: Primary Data- Survey

Table no.10: showing respondent's social aspect details of after joining self help groups. In this table stated 41.18 percent of respondents are agree, 26.89 percent are strongly agree, 25.21 percent of respondents are normal and only 6.72 percent of respondents are disagree. Social aspect is important aspect of woman.

Table No.11: Suggestions to improve the SHGs

Sl. No.	Suggestions	No. of Respondents	Percentage
1.	To improve the credit facility	31	26.05
2.	Need for well planning	24	20.17
3.	To reduce interest	39	32.77
4.	To improve savings	15	12.60
5.	Coordination	10	08.40
	Total	119	100

Source: Primary Data- Survey

Table no.11: shows suggestions from the respondents to improve the SHGs. 32.77 percent respondents are suggest to reduce of interest, 26.05 percent of respondents are suggest to improve the credit facility, 20.17 percent of respondents are suggest need for well planning, 12.60 percent respondents suggest to improve savings pattern and 8.40 percent of respondents are suggest coordination with SHGs members.

Major Findings of the Study

- All the respondents have developed the able of with the activities of SHGs
- Study reveals that majority of the members being to agricultural family

- 42.02 percent of the respondents are more prefer to borrowing loan for income generating activities
- Majority of the respondents means 49.58 percent are agree low rate for micro credit
- Majority of 51.30 percent respondents are sources of savings in commercial banks
- After joining the SHGs the member's income have increased considerably
- The main purpose of savings of the members for the children education and marriage purpose
- After joining SHGs with they have got self confident and living with community
- Socio economic status of the respondents has increased in the form of family recognition, literacy and education on becoming members of SHGs

Suggestions

- Group activity needs to be encouraged in the interest of building up of strong SHGs. Selection of leader needs to be done carefully.
- Should provide self employment loan for individual SHGs members
- The training for the members is essential to successfully run the SHGs. Skill development of women will enable them to take up enterprises and thereby contribute more to their family income.
- The government should make budgetary allocation for training for the SHGs members.

Conclusion

Study on Socio-economic Empowerment of women through Micro financing – A Study of Women SHGs in Bengaluru District has clearly brought out most consinging issue of women empowerment through financial inclusion. This empirical study has clearly emphasized that SHGs have played significant role in women empowerment in rural area. Yet certain packets in the rural area need extra attention in as much as women empowerment is concern. The social stigma yet married women shall not come to lime light on public platforms is still acting as a block in women empowerment. The SHGs along with the political reservations and increased education level of women would undoubtedly emancipate them from the social economic shackles.

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