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ECONOMIC EMPOWERMENT OF WOMEN BY SELF HELP GROUPS THROUGH MICRO-CREDIT: A CASE STUDY OF BANGALORE RURAL DISTRICT

Ravikumar C. N.

Assistant professor, Department of Economics, Government First Grade College for Women, Chikkaballapur, Karnataka.

ABSTRACT

Microfinance Institutions (MFIs) are financial institutions that offer financial and non-financial products and services to the poor active that would otherwise not have access to the services from the formal financial institutions. Women entrepreneur Programme is one of the micro -finance institutions operating in the place. It provides financial products and services to the needy especially women. This paper evaluate the changes in terms of employment level, income ,savings, and assets of the SHG women in the study area between pre-SHG and post-SHG period and suggest measures for policy changes for better implementation of SHG-Bank linkage and micro-finance programmes. This study is mainly based on primary data. Simple statistical tools like averages, ratios, percentages, were employed for analysis of data. The main findings reveals that the proportion of employment generation, income generation, expenditure, average household savings and asset creation was found to be very high in post-SHG period comparatively with in pre-SHG period in all the categories during the study period. The study suggest that it is quite appropriate to encourage the people's oriented organizations or groups to come forward to mobilize the poor households into a platform known as self-help group and initiate several savings and credit management activities.



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KEY WORDS: - Self Help Groups (SHGs) , Micro Credit, Women Empowerment, Social Groups, Employment, Income, Expenditure, Savings, Assets.

INTRODUCTION:

The term micro finance is of recent origin and is commonly used in addressing issues related to poverty alleviation, financial support to micro entrepreneurs, gender development etc. There is, however, no statutory definition of micro finance. The taskforce on supportive policy and Regulatory Framework for Microfinance has

defined microfinance as "Provision of thrift, credit and other financial services and products of very small amounts to the poor in rural, semi-urban or urban areas for enabling them to raise their income levels and improve living standards". Microfinance Institutions (MFIs) are financial institutions that offer

financial and non-financial products and services to the poor active that would otherwise not have access to the services from the formal financial institutions. There are so many registered financial institutions in India out of which one few hundred are micro-financial institutions in Karnataka. Women entrepreneur

Programme is one of the micro -finance institutions operating in the place. It provides financial products and services to the needy especially women (Swapna 2017).

Self-help groups (SHGs)-small voluntary association of people from the same socioeconomic background with a purpose of solving their common problems through self-help and mutual help. In India, self-help groups are women oriented and most of their activities are concentrated towards savings and credit activities (Chakravarty & Jha 2012). There is a common perception in development literature that increased participation of women in savings and credit activities or economic attainment will empower women and it is an effective tool to alleviate poverty and empower women has garnered considerable interest worldwide (NPEW 2001). There is also the perception that economic attainment will empower women's status in family and in the community, giving them more power to participate in decision-making process (Kumar 2007). In the context of women's empowerment, it is assumed that when women come together, they find strength and move towards further knowledge and awareness. This process leads to further empowerment. Thus, collective action through self-help groups introduces an element of leadership, reduces risk and external threat, and enables women to overcome the oppression of patriarchy, and to realize their own true potential and achieve total well-being. Women's empowerment cannot be achieved by ignoring or denying issues related to health of women. Although women's empowerment has been a central issue on the agenda of various developmental programmes for so many years, women's health has got little attention or at best it has been confined to the field of family planning and contraception (Manvar et.al 2019).

The greatest contribution of SHG is that it empowers through self-awareness. It gives the poor a feeling of self-confidence, solidarity and social security to control and guide their own destinies. The amount they mobilize within themselves is insufficient even for the consumption needs of members and there is hardly any scope for production or investment credit. This necessitates providing credit support to SHGs by banks for meeting credit requirement. Thus, SHGs become a link between banks and the rural poor. Against this background the present study has been undertaken.

OBJECTIVES OF THE STUDY

The objectives of the study are :

- To study the impact of micro credit on employment , income ,savings, and assets of the SHG women in the study area between pre-SHG and post-SHG period by social groups;
- To suggest the measures for better implementation of SHG-Bank linkage and micro-finance programmes.

DATA BASE AND METHODOLOGY

The present study is a descriptive one mainly based on primary data. Multi-stage random sampling technique was adopted for collection of the primary data. Bangalore Rural district is selected for the purpose of present study. Bangalore Rural consists of four taluks. Among them only two taluks viz., Devanahalli and Hosakote taluks were chosen. 2 villages from two selected taluks were selected on the basis of proportion of women SHGs, savings and micro- credit investment of SHGs members, employment and income generation activities of SHGs members and the like. 5 SHGs were chosen from each selected village. From each SHG 20 members were randomly selected. The total sample size of the study was 200 members consisting of 5 members each from 10 SHGs. Simple statistical tools and techniques like averages, ratios, percentages, were employed for analysis of data.

RESULTS AND DISCUSSION

This section an attempt has been made to analyze the economic empowerment of women by self help groups through micro-credit in Bangalore Rural district of Karnataka.

Employment Generation by Social Groups

Growth with social justice demands that the fruits of economic growth should be shared by all, the rich as well the poor. An effective employment policy is the most appropriate instrument for

achieving this goal within the framework of existing economic and political system. In the absence of full productive employment, the poorest people of the developing countries would not be able to meet their basic needs, because of lack of purchasing power and development. One of the major objectives of SHG is to provide substantial employment opportunities to women through income generating activities. SHG creates an asset and the act of creation of an asset and subsequently the process of maintenance and operation of the asset leads to employment generation (Savadi 2019).

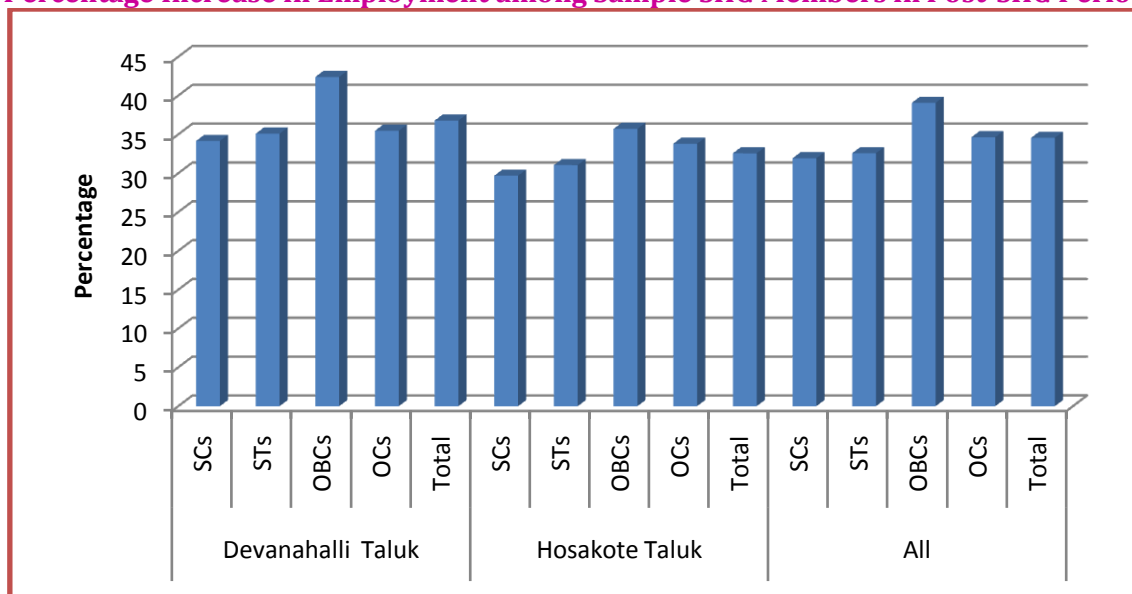
Table 1 provides the data on social groups wise employment among sample SHG members in pre and post-SHG period. The data shows that at the aggregate level the proportion of employment generation was found to be very high in post-SHG period comparatively within pre-SHG period among all the social groups during the study period. Across social groups, the percentage increase in employment is very high in OBC consisting 39.07 per cent and it is the least in SCs where the percentage was just 31.93 only. Across taluks the proportion of employment generation was found to be higher in Devanahalli taluk as compared to that of in Hoskote taluk in all the social groups. This implies that the average number of days the sample SHG members could get themselves employed was high, due to the financial and institutional support of the SHGs and the bank linkage.

Table 1
Social Groups wise Employment among Sample SHG Members in Pre and Post-SHG Period

Social Groups	Pre-SHG (Man days)	Post-SHG (Man days)	Incremental employment	Percentage increase
Devanahalli Taluk				
SCs	394.85	521.03	128.29	34.16
STs	392.98	522.31	131.35	35.10
OBCs	309.53	433.73	126.22	42.41
OCs	340.67	453.97	115.32	35.48
Total	359.51	482.76	125.30	36.79
Hosakote Taluk				
SCs	382.02	487.15	107.15	29.69
STs	365.25	470.70	107.47	31.05
OBCs	291.02	388.42	99.42	35.72
OCs	312.16	410.72	100.58	33.80
Total	337.61	439.25	103.66	32.57
All				
SCs	388.44	504.09	117.72	31.93
STs	379.11	496.51	119.41	32.58
OBCs	300.28	411.08	112.82	39.07
OCs	326.42	461.01	114.48	34.64
Total	348.56	468.17	116.11	34.56

Source: Field Survey.

Figure 1
Percentage Increase in Employment among Sample SHG Members in Post-SHG Period



Source : Table 1

Income Generation by Social Groups

Income is one of the important indicators to measure the level of living of the members of the society. The data regarding the average household income of sample SHG members was estimated at two points of time i.e. pre and post-SHG. In order to find out the differences, if any, in generation of income from SHG, the data was further analyzed across social groups.

Table 2 presents the data on social groups wise income among sample SHG members in pre and post- SHG period. It is clear from the data that the average household income of the sample SHG members during post SHG is Rs.17 275.29 constituting 31.39 per cent. Going by social groups it has been found that the percentage increase in income is found to be highest in case of Other caste constituting 36.76 per cent and it is just 29.08 per cent only in SCs which is the least . Across taluks the proportion of income generation was found to be higher in Devanahalli taluk as compared to that of in Hosakote taluk in all the social groups.

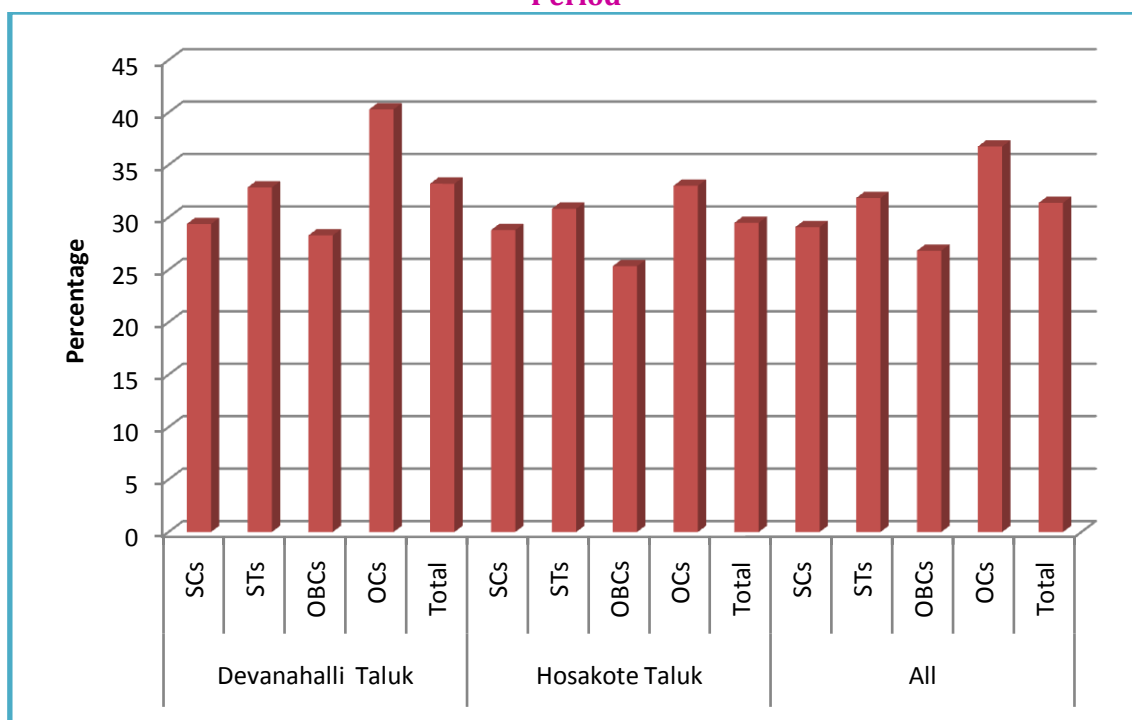
Table 2
Social Groups wise Income among Sample SHG Members in Pre and Post-SHG Period

Social Groups	Pre-SHG (in Rs.)	Post-SHG (in Rs.)	Incremental Income	Percentage increase
Devanahalli Taluk				
SCs	40284.07	52115.67	11831.60	29.37
STs	46567.41	61868.47	15301.06	32.86
OBCs	66234.07	84968.47	18734.40	28.29
OCs	70367.41	98735.13	28367.72	40.31
Total	55863.24	74421.93	18558.69	33.22
Hosakote Taluk				
SCs	38787.41	49952.47	11165.06	28.79
STs	46067.41	60268.47	14201.06	30.83
OBCs	65100.74	81601.80	16501.06	25.35
OCs	66934.07	89035.13	22101.06	33.02

Total	54222.41	70214.30	15991.89	29.49
All				
SCs	39535.74	51034.07	11498.33	29.08
STs	46317.41	61068.47	14751.06	31.85
OBCs	65667.41	83285.14	17617.73	26.83
OCs	68650.74	93885.13	25234.39	36.76
Total	55042.83	72318.12	17275.29	31.39

Source: Field Survey.

Figure 2
Percentage Increase in Income among Sample SHG Members by Social Groups in Post-SHG Period



Source: Table 2.

Expenditure Pattern by Social Groups

The expenditure pattern reveals the improvement of living standards of SHG women and their family. When the saving rate is increased, the SHG members actively participated in income –generating activities which resulted in earning more income with these the purchasing power of them increased in order to feed their children to keep the mal-nutrition at arm’s length. How the SHG programme has influenced the expenditure pattern of the members is discussed in the following tables.

Table 3 presents the data on social groups wise average household expenditure among sample SHG members in pre and post- SHG period. The data indicates that the expenditure incurred by the sample SHG members is comparatively very high in post-SHG period with the pre- SHG period. It is interesting to note that the expenditure incurred by SCs and STs is very high in Post-SHG period comparatively with OCs and OBCs. The percentage increase is 33.02 and 29.74 per cent among SCs and STs respectively. Whereas it is 22.38 and 24.06 per cent among OBCs and OCs, respectively. This implies that generally in SCs and STs , the propensity to consume is very low due to their low level of income. Whatever the income that they earn, would be spent on consumable goods, which results in increase in propensity to consume. Therefore, the expenditure incurred by SCs and STs is naturally high. Across

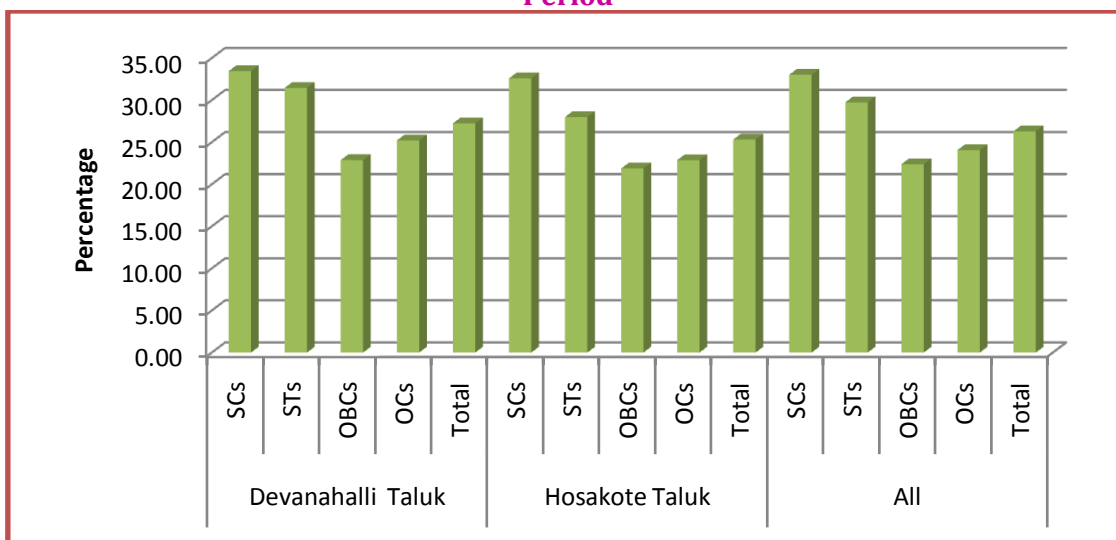
taluks the proportion of expenditure was found to be higher in Devanahalli taluk as compared to that of in Hosakote taluk in all the social groups.

Table 3
Social Groups wise Expenditure among Sample SHG Members in Pre and Post-SHG Period

Social Groups	Pre-SHG (in Rs.)	Post-SHG (in Rs.)	Incremental expenditure	Percentage increase
Devanahalli Taluk				
SCs	32164.61	42921.23	10756.62	33.44
STs	40025.74	52615.67	12589.93	31.45
OBCs	56400.74	69299.00	12898.26	22.87
OCs	59384.07	74351.80	14967.73	25.20
Total	46993.79	59796.93	12803.14	27.24
Hosakote Taluk				
SCs	30700.74	40701.80	10001.06	32.58
STs	39005.74	49922.33	10916.59	27.99
OBCs	54567.41	66501.80	11934.39	21.87
OCs	57017.41	70051.80	13034.39	22.86
Total	45322.82	56794.43	11471.61	25.31
All				
SCs	31432.68	41811.52	10378.84	33.02
STs	39515.74	51269.00	11753.26	29.74
OBCs	55484.08	67900.40	12416.32	22.38
OCs	58200.74	72201.80	14001.06	24.06
Total	46158.31	58295.68	12137.37	26.30

Source: Field Survey.

Figure 3
Percentage Increase in Expenditure among Sample SHG Members by Social Groups in Post-SHG Period



Source: Table 3

Savings by Social Groups

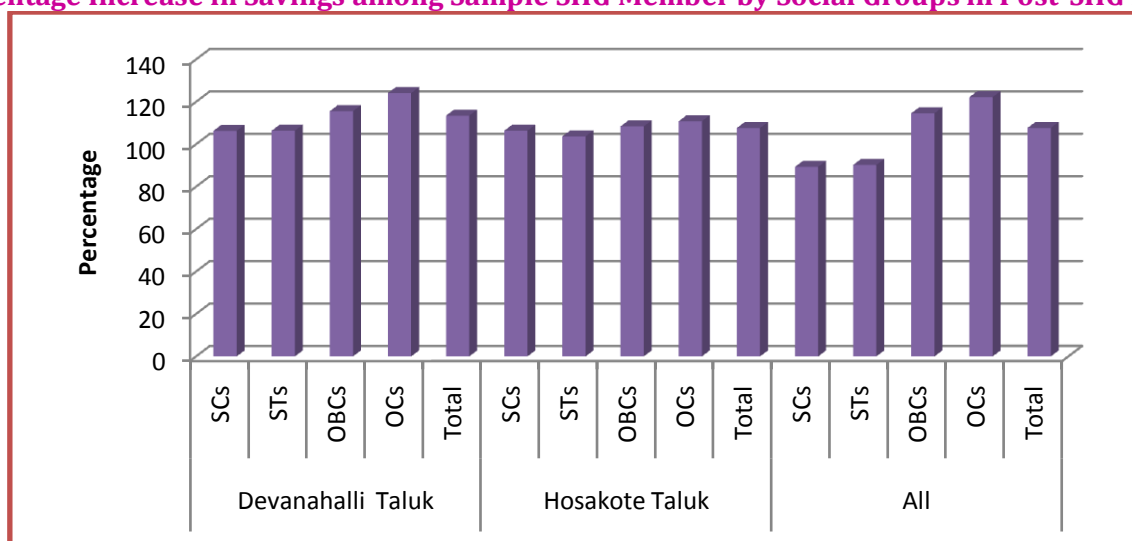
One of the main objectives of SHG is to inculcate saving habits and to improve their economic well-being. This has given scope to the SHG women to generate savings in order to provide economic security to them. Besides, the more the savings at their disposal, the more their repayment capacity to repay the bank loans which, in turn would encourage them to raise fresh loans for further promotion of their income-generating activities.

Table 4 presents the data on social groups wise average household savings among sample SHG members in pre and post- SHG period. The data indicates that the average household savings by the sample SHG members is comparatively very high in post-SHG period with the pre- SHG period. Across social groups it has been found that the proportion of savings was found to be quite significant OCs and OBCs as compared to that of in SCs and STs. The savings rate during post-SHG period ranges from 122.22 per cent in OCs to 89.33 per cent in OCs. Across taluks the proportion of savings was found to be higher in Devanahalli taluk as compared to that of in Hosakote taluk in all the social groups.

Table 4
Social Groups wise Savings among Sample SHG Members in Pre and Post-SHG Period

Social Groups	Pre-SHG (in Rs.)	Post-SHG (in Rs.)	Incremental savings	Percentage increase
Devanahalli Taluk				
SCs	3939.61	8129.57	4189.96	106.35
STs	5993.24	12368.17	6374.93	106.37
OBCs	8299.61	17892.90	9593.29	115.59
OCs	10157.41	22765.13	12607.72	124.12
Total	8097.47	17288.94	9191.47	113.51
Hosakote Taluk				
SCs	3699.61	7635.13	3935.52	106.38
STs	5503.24	11211.50	5708.26	103.73
OBCs	7912.94	16491.80	8578.86	108.42
OCs	9524.07	20081.80	10557.73	110.85
Total	7634.97	15855.06	8220.09	107.66
All				
SCs	5220.11	9883.15	4663.04	89.33
STs	7248.74	13790.64	6541.90	90.25
OBCs	10806.78	23193.15	12386.38	114.62
OCs	12341.24	27424.27	15083.03	122.22
Total	10866.72	22572.80	11706.08	107.72

Source: Field Survey.

Figure 4**Percentage Increase in Savings among Sample SHG Member by Social Groups in Post-SHG Period**

Source: Table 4

Asset Creation by Social Groups

The hard core of the rural poverty is constituted by the marginal farmers, agricultural labourers and rural artisans, possessing little or virtually no assets. Any development strategy which aims at improving the rural poor must aim at creating new productive assets for them. The philosophy underlying the SHG originates from the imperative that the main attack on rural poverty has to be by endowing the rural poor women with productive assets, and or skills so that they are assured of income which raises them above the poverty line (Savadi 2019). The SHG may also have an inter-alia impact in creating additional assets as a result of reinvestment of surplus derived from savings.

Table 5 presents the data on community-wise asset creation among sample SHG members in pre and post- SHG period. The data shows that comparatively the asset creation in post-SHG period is the highest as against the pre- SHG period. Social groups wise analysis indicates that in regard to sample SHG members, OCs SHG women stood top recording 34.24 per cent in creation of assets after forming SHGs and it is the least in SCs SHG women consisting 14.82 per cent. It has been found that the SHG members in OCs could rise their assets considerably, which may be due to their higher level of savings. Across taluks the proportion of assets creation was found to be higher in Devanahalli taluk as compared to that of in Hosakote taluk in all the social groups.

Table 5**Social Groups wise Assets among Sample SHG Members in Pre and Post-SHG Period**

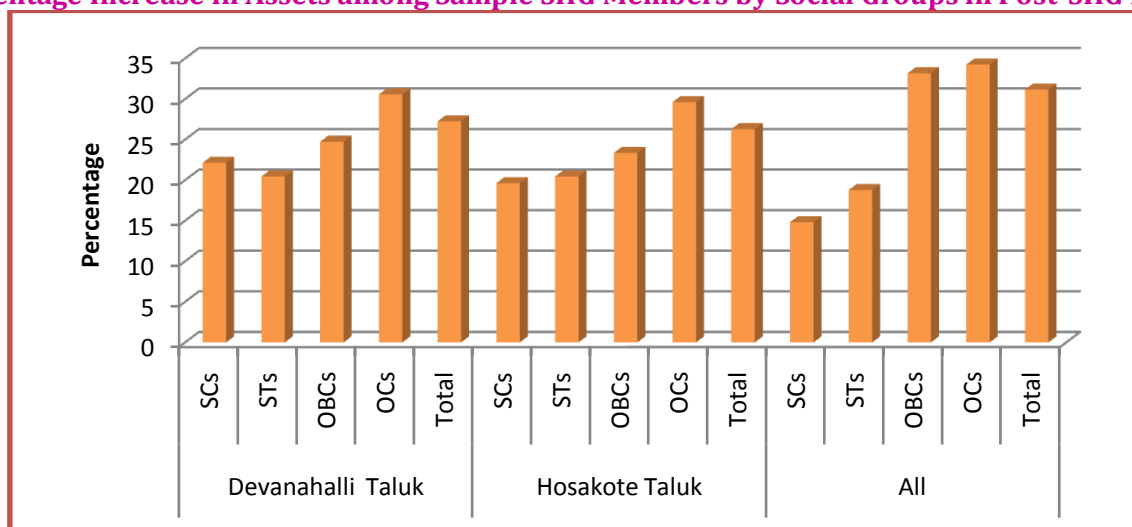
Social Groups	Pre-SHG (in Rs.)	Post-SHG (in Rs.)	Incremental assets	Percentage increase
Devanahalli Taluk				
SCs	26164.61	31957.33	5792.72	22.14
STs	38239.61	46060.13	7820.52	20.45
OBCs	60034.07	74887.90	14853.83	24.74
OCs	65234.07	85168.47	19934.40	30.56
Total	48343.09	61518.46	13175.37	27.25
Hosakote Taluk				
SCs	24967.41	29868.47	4901.06	19.63
STs	35702.94	43003.47	7300.53	20.45

OBCs	57150.74	70501.80	13351.06	23.36
OCs	62534.07	81058.47	18524.40	29.62
Total	46013.79	58108.05	12094.26	26.28
All				
SCs	28666.51	32913.70	4247.19	14.82
STs	39171.78	46532.60	7360.82	18.79
OBCs	59092.91	78695.65	19602.74	33.17
OCs	66384.57	89114.27	22729.70	34.24
Total	50178.94	65814.06	15635.12	31.16

Source: Field Survey.

Figure 5

Percentage Increase in Assets among Sample SHG Members by Social Groups in Post-SHG Period



Source: Table 5

POLICY RECOMMENDATIONS

In the light of the findings of empirical study, the following recommendations are offered for the effective role that the SHG programme can play in the economic empowerment and improvement of the quality of life of the poor/ low- income rural women.

- In the present study the performance of SHGs in terms of employment generation, income generation, savings generation and asset creation was significantly better. Therefore, it is quite appropriate to encourage the people’s oriented organizations or groups to come forward to mobilize the poor households into a platform known as self-help group and initiate several savings and credit management activities.
- Government, NGOs and Voluntary organizations should work in tandem, motivating the low-income rural women to form into SHGs and eventually become members of the SHG groups. Banks need to insist on micro-credit plans for the SHGs for proper appraisal of the SHG Loans.
- Success stories of the members of the SHGs, who have lead higher standard of living and become economically self-reliant and socially self-confident, must be given wider publicity among the non-beneficiaries so that they too are inspired and motivated to form into SHG members.
- A smaller proportion of SHGs members belonged to the socio-economically backward communities continued to be deprived of establishing the non-agricultural self-employment. Hence, the members of this community should be encouraged to set up such non-farm business by providing adequate micro credit or skill based training.

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