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## IMPACT OF MICROFINANCE ON WOMEN EMPOWERMENT WITH SPECIAL REFERENCE TO ATTIKATTI VILLAGE SHGS: A MICRO STUDY

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### Abstract

Women represent about 48 % of the population in India and hence it is very much essential to necessitate them with proper recognition. SHG is one of the ways for empowering women. The study analyzes the contribution of SHGs towards women empowerment. The study has been carried out to know the functions of SHGs and occurrence of improvement in SHG members. The study has been conducted using primary data as a source using questionnaire method. The study is limited to 50 samples through field survey limiting to the areas of Haveri district. The study concludes that the majority of the respondents agree that there is improvement in their Participation in Social Activities after joining SHG. The study suggests that, there is very much need for the encouragement and regular co - operation from the family members to the members so that the SHG program would be a successful one

### Key Words:

- 1) Woman Empowerment 2) Microfinance 3) Self- Help Groups 4) Strengthening 5) Empower 6) Stree Shakti Program 7) Organizations 8) Mainstream 9) Encouraging

### Introduction:

In India, microfinance scheme is dominated by self- help groups, bank linkage program aimed at providing financial Services to the undetected poor based on the philosophy of peer pressure and group securing as collateral substitute. The self- help groups have been successful not only in meeting peculiar needs of the poor, but also in strengthening collective self- help capacities of the poor at the local level leading to their empowerment. The SHGs are making significant contribution to women empowerment and empower the members in economy, social and political spheres. The micro - finance programs are also expected to become increasingly self-reliant and independent of donor funds through self- help groups. Micro-finance is carried out through where poor come together in the India's micro-credit programs are implemented through group structure which is known as "Self Help Groups". In Karnataka, women self- help groups are organized under "Stree Shakti Program". This program was implemented in the year 2000-2001 with an objective to empower rural women and make them to self- reliant. The SHGs are being organized by Government, NGOs and co-operative banks and women organizations. It is hoped that through such interventions uncovered groups are covered with credit and in process get empowered. Women led SHGs in many parts of the country have achieved success in bringing women to the mainstream of decision making. The SHG is also a viable organize setup to disburse micro credit to the rural women and encouraging them to enter into entrepreneurial activities. And manage thrift appraise credit needs and enforce financial self-discipline.

## Self Help Groups

Self-Help Groups (SHGs) or thrift and Credit Groups are informal groups whose members pool savings and relend within the group on rotational or needs basis. These groups have operated on co-operative principles and do collective actions. Sometimes the internal savings generated were supplemented by external resources loaned/donated by the Voluntary Agency which promoted the SHGs. They succeeded in performing/providing banking services to their members door steps without any defaults. National Bank for Agriculture and Rural Development (NABARD) defines Self Help Groups as "a group of 20 or less people from a homogenous class who are willing to come to together for addressing their common problems. They make regular savings and use the pooled savings to give interest-bearing loans to their members. The process helps them imbibe the essentials of financial intermediation including prioritization of needs, setting self-determined terms for repayment, and keeping books and records. It builds financial discipline and credit history than then encourages banks to lend to them in certain multiples of their own savings and without any demand for collateral security

According to planning commission of India, a self- help group (SHGs) is a self - governed, peer controlled, small and informal association of the poor, with an average size of 15 people, usually from socio - economically homogenous families, organized around savings and credit activities. Members of the SHGs meet weekly or monthly to discuss their common problems and share informative to arrive at a solution Group members make effort to rectify their economic and social problems through mutual assistance They are encouraged to make voluntary monetary contribution on a regular basis . They use these pooled resources to make small interest bearing loans to their members. Once the groups start exhibiting mature financial behavior, banks are encouraged to make loans to the SHGs in certain multiples of the accumulated Savings of the SHG

### Need of SHGs

The rural poor are incapacitated due to various reasons, because most of them are socially backward, illiterate, with low motivation and poor economic base. Individually, a poor man is not only weak in socio - economic term but also lacks access to the knowledge and information which are the most important components of today's development process. However, in a group, they are empowered to overcome many of these shortcomings. Hence, the role of SHGs is highly essential which in specific terms covers the following as under.

- 1) To mobilize the resources of the individual members for their collective economic development and uplifting the living conditions of the poor
- 2) To create a habit of savings and utilization of local resources in form of utilizing individual skills for group interest
- 3) To create awareness about rights that help in financial assistance.
- 4) To identify problems, analyzing and finding solutions in the group.
- 5) To act as a media for socio-economic development of the village.
- 6) To develop linkages with institutions of NGOs.
- 7) To help in recovery of loans.
- 8) To gain mutual understanding, develop trust and self- confidence.
- 9) To build up teamwork.
- 10) To develop leadership qualities.
- 11) To use as an effective delivery channel for rural credit.

### How Self Help Groups Work

NABARD (1997) defines SHGs as "small, economically homogenous affinity groups of rural poor, voluntarily formed to save and mutually contribute to a common fund to be sent to its members as per the group member's decision". Most of the SHOS in India have 10 to 25 members, who can either only men, or women or only youth, or mix of these, As women's SHGs or sangha have been promoted by a wide range of government and non- governmental agencies, they now make up 90 per cent of all SHGs. The rules and regulations of SHGs vary according to the preferences of the members and those facilitating their formation. A common characteristic of the groups is that they meet regularly (typically once per week or once per fortnight) to collect the savings from the members, decide to which member to give loan, discuss joint activities (such as training, running of communal business, etc.) and to mitigate any conflicts that might arise. Most SHGs have an elected chairperson, a deputy, a treasurer, and sometimes other office holders.

Most SHGS start without any external financial capital by saving regular contribution by the members. These contributions can be very small (e. g Rupees. 10 per week). After a period of consistent savings (e. g 6 months to one year) the SHGs start to give loans from savings in the form of small internal loans for micro enterprise activities and consumption. Only these SHGs that have utilized their own funds well are assisted with external funds through linkages with banks and other financial intermediaries.

## Review of Literature

**Gupta (2007)** mentioned that SHGs have become most elective tools for women empowerment. The confidence level of women members of SHGs has been increased, as a result of which, the family and society are at beneficial stage.

**Kumar A. (2009)** observed that this may lead to improved household-level outcomes with respect to health, education particularly education of the girl, child, nutrition and family planning.

**Manimekalai (2004)** stated that SHG need the help of NGOs to run the income generating activities successfully. The bank officers should counsel and guide the women in selecting and implementing profitable income generating activities. He remarked that the formation of SHGs have boosted the self-image and confidence of rural women.

**Manimekalai & Rajeswari (2002)** investigated outcomes of businesses through activities of SHGs in terms of investment, capacity utilization, income and profit etc.

**Narasimhappa (2007)** investigated that only legislation cannot develop the status of women, unless the women themselves become conscious of their own dignity and actual needs.

**Singh (2009)** had critically investigated that the women contribution in these groups is an valuable approach to bring desired changes in their social-economic and psychological wellbeing.

: All the above the studies do not provide sufficient information about women SHGs involved in various economic activities. Therefore, a humble attempt has been made in this research we activists in the Haveri District of Karnataka State. To study women SHGs and their performance in different economic Women Empowerment. The World Bank (2001) report confirms that discrimination on the basis of gender pays a cost of greater poverty, slower economic growth, weaker governance and a lower living standard of their people. The World Bank also identifies key elements of empowerment that accessing information, inclusion and active participation, accountability and finally local organizational capacity. Kabeer (2001) conclude that empowerment signifies increased participation in decision-making and it is this process through which people feel themselves to be capable of making decisions and the right to do so.

## Microfinance and Women Empowerment

Micro-finance programs not only give women and men access to savings and credit, but reach millions of people worldwide bringing them together regularly in organized groups. Although no 'magic bullet', they are potentially a very significant contribution to gender equality and women's empowerment, as well as pro-poor development and civil society strengthening. Through their contribution to women's ability to earn income these programs have potential to initiate a series of 'virtuous spirals' of economic empowerment, increased well-being for women and their families and wider social and political empowerment. Micro finance services and groups involving men also have potential to question and significantly change men's attitudes and behavior as an essential component of achieving gender equality.

Majority of microfinance programs focus women with the view to empower them. There are varying underlying motivations for pursuing women empowerment. Some argue that women are amongst the poorest and the most vulnerable of the underprivileged and thus helping them should be the priority. A more feminist point of view stresses that an increased access to financial services represent present an opening/opportunity for greater empowerment. Such organizations explicitly perceive microfinance as a tool in the fight for the women's right and independence. Finally, keeping up with the objective of financial viability, an increasing number of microfinance institutions prefer women members as they believe that they are better and more reliable borrowers.

Self-help Groups intermediate by microcredit have been slowly to have positive effects on women, with some of these impacts being ripple effects. They have played valuable roles in reducing vulnerability of the poor, through asset creation, income and emboldening women by giving them control over assets and increased self-esteem and knowledge (Zaman 2001). Several recent assessment studies have also generally reported positive impacts (Simanowitz and Walker 2002).

## Need for the study

The Self Help Groups have been evolved as a mechanism for meeting the socio-economic aspiration and credit need of poor people. Involvement of SHGs with bank could help in overcoming the problem of high transaction cost in providing credit to the poor. The present study is carried to know the functions of SHGs and occurrence of improvement in SHG members.

## Statement of the problem

In olden days women were restricted to take part in any social activities and not given roles and decision in her family. The situation was even more worsening in rural and remote areas. Now the situation has been changed. She is given freedom to do what she wishes. In today's scenario more women are financial institutions came forward to provide microfinance to poor women. They believe that a woman is the small credit risk and often benefits the whole family. The main aim of microfinance is to empower women. This induced the researcher to focus more on the empowerment of rural women who participates in the microfinance. Hence the problem "Impact of Microfinance on Women Empowerment with special reference to Self Help Groups" has carried out.

## Objectives of the Study

The following are the objectives have been enacted for the present study

1. To study the level of women empowerment.
2. To analyze the contribution of SHGs towards women empowerment.
3. To analyze the impact of the microfinance on women empowerment.
4. To provide useful suggestions.

**Research Methodology:** The success of any study depends upon the methodology adopted i.e. the techniques on the way of approaching to gather information from different sources.

**Sources of Data:** The study is based on both primary and secondary data.

**Primary Data:** It was collected from a field survey and questionnaire

**Limitations of the study:** The study is confined with the Attikatti village. Hence the results are applicable only to SHGs of Attikatti village.

2. The conclusion is drawn on the basis of responses.
3. 50 respondents have been selected from 5 SHGs.

## Data Analysis and Interpretation:

The study presents the responses from all tools used to collect data. The responses from biographical data are presented and interpreted. The themes that emerged from the individual interviews group meetings are analyzed and interpreted.

**Table 1: Demographic Profile of the Respondents (2021-22)**

Total Population of Attikatti Village	1320
Male	659
Female	662
General	499
OBC	23
SC	31
ST	109
Total number of SHGS	20
CDPO	04
Dharmastal SHGS	02
Private SHGS	14
Total members of SHGS	252

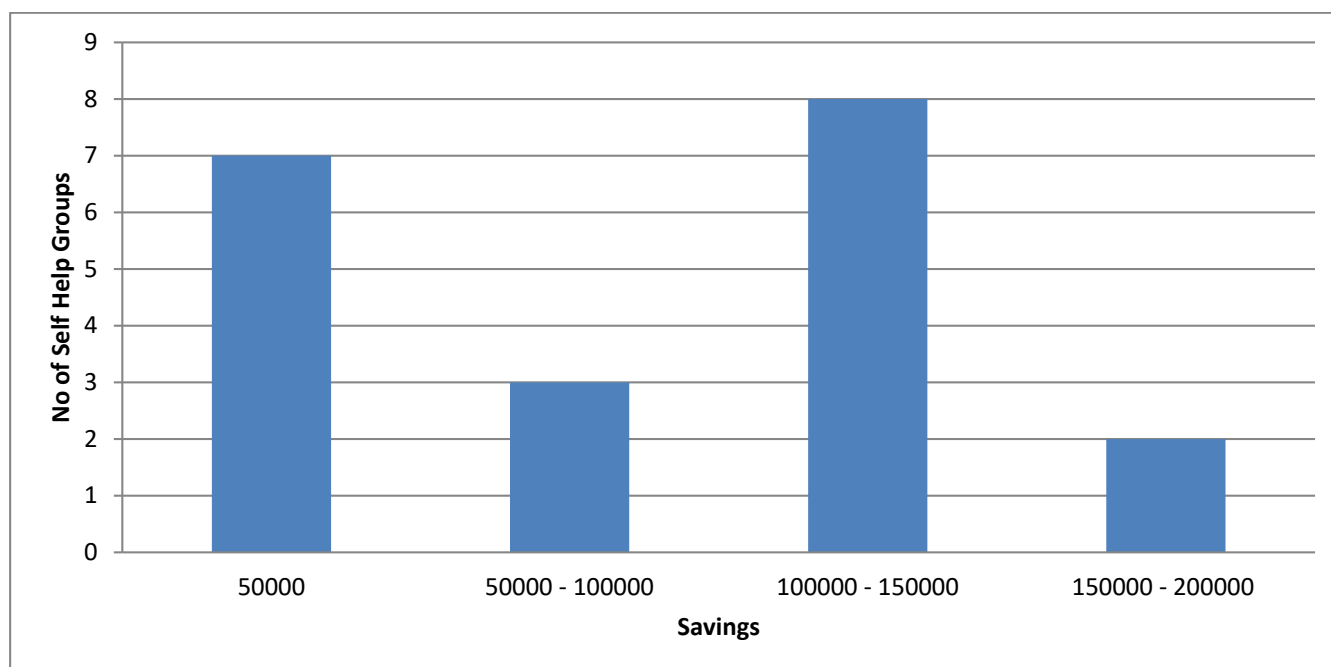
Out of 50 respondents surveyed, the majority of respondents belong to age group of 30-40 years, 80 per cent are married, 34 per cent have studied up to high school level 38 per cent are house wives, 58 per cent belong to nuclear family. 56 per cent belong to SC and ST community, 20 per cent of SHGs have membership of more than 15 members and 56 per cent have membership between 1-5 years. The above table reveals that, 56 per cent, 44 per cent, 40 per cent and 36 per cent of the respondents strongly agree for increase in Self-Confidence, for improvement in problem solving ability, improvement in economic status and improvement in income level by joining SHG respectively. 34 per cent, 40 per cent and 36 per cent of the respondents agree for improvement in literacy level, improvement in quality of life, improvement in participation in social activities by joining SHG respectively. It can be inferred that, SHGs has positively impacted on the life of women. The study concludes that SHGs have been successful in empowering women.

**Table 2 – Showing Sanction amount of Loan to SHGs (2021-22)**

S.NO	Name of the SHGs	Total Number of Members	Loan Amount
01	Annapurneswari Sangh	12	60,000
02	Aparna SHG	12	35,000
03	Suvarna SHG	11	30,000
04	Laxmi SHG	12	1,25,000
05	Sporthi SHG	13	40,000
06	Durga Devi SHG	11	25,000
07	Akkamahadevi SHG	13	40,000
08	Banashankari SHG	10	40,000
09	Guttemma Devi SHG	12	1,25,000
10	Sarswati SHG	10	-
11	Navajoti SHG	15	-
12	Tippamma Devi SHG	13	30,000
13	Maruti SHG	13	25,000
14	Sre Renuka Sangh	14	-
15	Basaweswar Sangh	10	30,000
16	Parvati SHG	12	-
17	Veerabhadreswar Sangh	16	20,000
18	Shiddarameswar Sangh	12	-
19	Ramalingeswar Sangh	16	30,000
20	Sre Gouri SHG	15	25,000

**Table 3 - showing that savings amount of various SHGs (2021-22)**

S NO	Savings	Number of SHGs
01	50000	7
02	50000 -100000	3
03	100000 -150000	8
04	150000 -200000	2



Highest savings SHGs in the village are:

- 1) Guttemma Devi SHG – 2,00,000
- 2) Laxmi SHG – 1,75,000
- 3) Annaporneswari SHG – 1,25,000

Least savings SHGs in the village

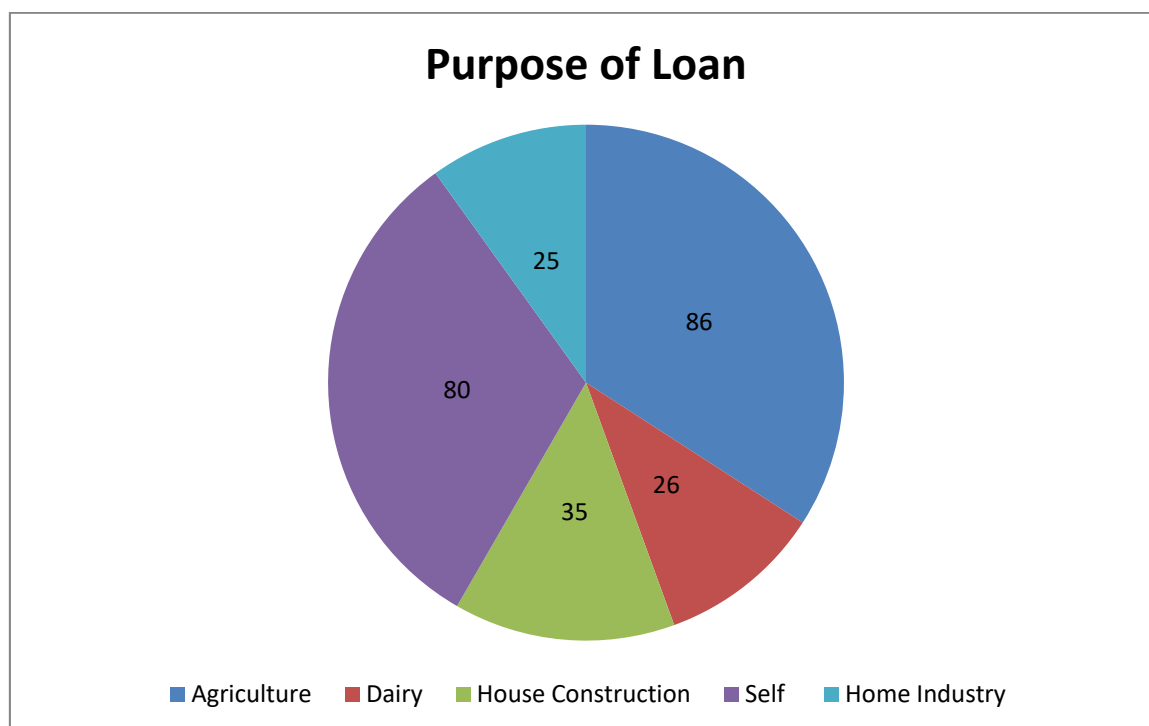
- 1) Sarswati SHG – 35,000
- 2) Sri Gouri SHG – 22,000
- 2) Navajoti SHG – 5,300

Thus they have saved their savings in the name of the association, Karnataka Rural Development Bank, Chikkabasur, 86 people stated that the loans used for agriculture, such as seed, fertilizers etc. As mentioned in the chart above, 80 people were used for their own expenses. Only 26 and 25 people used the loan amount for the dairy activity and industry respectively, while 35 said they had borrowed from the association to build the house (Table – 4).

**Table – 4 Illustrate that Utilization of Loan Amount**

S NO	Purpose of Loan	Number of Members
01	Agriculture	86
02	Dairy	26
03	House Construction	35
04	Self	80
05	Home Industry	25
06	Total	252





The most inspiring thing to know when it comes to associations is that the Spurthi SHG is the oldest society, the 20 years old. Guttemmma Devi Sangh is made up of members of the scheduled caste/tribe which has increased the savings to rupees 2 lakh in just 8 years. Members of the Annaporneswari Sangh have actively participated in agricultural activities and have become self-reliant. They have gone to work together to save money, to work together to break free planting and so forth. Laxmi SHG is making, Udabatti and is working with sells. This is a very small income for the Sangh and its members. Sre Maruti SHG has a medium savings which makes and sells chips and pickles. The villagers have mostly borrowed on its own from the SHGs not for economic activities.

Milk production in the village has doubled with the borrowing and starting of dairy farming. They say the facilities have been obtained from the unions and know the ability to question and peer into it all. Knows how to save and how to use it. We as farmers have supplemented it by increasing dairy farming. We were able to ban liquor from our associations. Little is known about the business of banking. We have distinguished ourselves at the taluka level from home making (swaddle and chips). They stated the benefits received from their Sanghs.

### Conclusion

The present study reveals that the SHG members have empowered through microfinance activities. However, the study has depicted in the tables that the level of Self Confidence, Decision Making Ability and Problem Solving Ability have increased. They have engaged themselves in self-employment activities like Papad making, Fruits and Vegetables selling, dairy activities, and agricultural activities, Sewing etc. This has enhanced the improvement in their Income level and hence leads to improvement in Quality of Life.

The study concludes that Micro-Finance brought psychological and economic empowerment. Impact of micro Finance is appreciable in bringing Self Confidence, Decision Making Ability, Problem Solving Ability and also improvement in Literacy level. The SHG members feel free to move with their groups and leaders. It leads them to participate in various social welfare activities with good cooperation. While interaction with the respondents, it is noticed that some members are expecting the NGOs to come up and help them. Finally, one can conclude with this study is that Micro-Finance is the best tool for empowering women and which can be synergetic if exercised through Self Help Groups' and also result in improvement in the social psychological as well as economic empowerment of women.

### Suggestions

The members should maintain the discipline in the meeting as one of the prime personality development and regular cooperation from their husband and his family is expected at all stages to make them empower and finally achieve the fruitfulness of SHG program. The members should start formal banking services by involving and taking together of other colleges. In this regard, the concerned authorities should involve in creating awareness among them. They should undertake more and more entrepreneurial activities in large in order to avail the socio-economic benefits. They should involve in social campaigns and other such programs organized by government and which creates social outreach in them and involvement in getting some other benefits offered by the governments other than their SHG activities. Summarizes the shortcomings that I have found which are addressed by their associations below are suggestions for them.

- 1) Officers should be appointed at the panchayat level in rural areas.
- 2) Meet once a month in the respective village and inform the people.
- 3) The association can be used when it is mandatory that the total number of members of the household should be in a SHGs.
- 4) Unions operate as small banks they should therefore be able to offer their day savings on any given day rather than weekly savings.
- 5) Awareness from the government is essential thus when the young generation of the village is given change of their village, employment can be created with little comfort.

#### Drawbacks:

- 1) The authorities do not provide proper information.
- 2) Money will not be used for the stated purpose.
- 3) Agriculture and own expenses such as weddings and other ceremonies are becoming more and more debt-intensive, so there is no economic viability.
- 4) Disputes have been found in some family by the Sanghs.
- 5) There is no proper marketing system for home industrial product.
- 6) Weekly savings and loan repayment careless.

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