



# INTERNATIONAL JOURNAL OF CREATIVE RESEARCH THOUGHTS (IJCRT)

An International Open Access, Peer-reviewed, Refereed Journal

## STATUS OF STREE SHAKTI GROUPS IN KARNATAKA

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### Abstract

The present study deals with the stree shakti groups in Karnataka, Stree Shakthi Groups (SSGs) are formed at the village level to inculcate the savings habit in the members empowering the women economically. About 15 to 20 women members who are from below poverty line families, landless agricultural labourers. The aim of the present paper is reviewing the growth and commenting on the present status of the government sponsored SHGs in Karnataka. The data is compiled from the Statistical Abstracts of Karnataka and Karnataka at a Glance for various years. The data is analyzed using simple statistical tools like growth rates, percentage shares, and ratios. Principal component analysis is employed to construct composite indices of SHG development. The state had formed 1.40 lakh SSGs with a membership of more than 20 lakh women members, the coverage of members was hardly 14% of the eligible population in the state.

**Keywords:** Stree Shakti groups, women empowerment, micro credit, rural employment, rural women.

## INTRODUCTION

Many types of development interventions are implemented through different institutions and agencies. Poverty is still a very huge social malady and in most countries poverty has a significant gender dimension as the work of women is often not accounted for and hence not paid. Therefore, poverty alleviation, through schemes for women empowerment, is expected to strengthen women economically and make their contribution to household income count in the real sense. Following the success of 'Grameen Bank' model of Bangladesh small informal associations of poor women named as self-help groups (SHGs) began as a women's empowerment initiative in the 1980's. In 1992 NABARD initiated significant financial component by linking the SHGs with banks. Self-Help Groups are informal associations of people who choose to come together to find ways to improve their living conditions. In India today, there are over 7 million savings-linked SHGs, covering approximately 2% of the total households. SHGs have evolved to be more than just a means for credit - they also act as a delivery mechanism for various other services, ranging from entrepreneurial training to savings deposits. They help to build social capital among the poor, especially women. The most important functions of SHGs are (a) to encourage and motivate its members to save, (b) to persuade them to make a collective plan for generation of additional income, and (c) to act as a conduit for formal banking services to reach them. Such groups work as a collective guarantee system for members who propose to borrow from organized sources. Consequently, SHGs have emerged as the most effective mechanism for delivery of micro-finance services to the poor. The range of financial services may include products such as deposits, loans, money transfer and insurance. The intention of these groups is to enable members to reap economic benefit out of mutual help, solidarity and joint responsibility. These small and homogeneous groups involved in savings and credit activities are expected to take care of the risks through peer monitoring.

According to the World Development Report (2000/2001) enabling access to financial markets by the poor people promotes micro- enterprises through credit, savings and insurance service. Savings and Credit facilities can help to make larger investment more affordable, and so allow people to take advantage of profitable business opportunities and increase their earnings potential (World Bank, 2008). Similarly, Littlefield, Murdoch and Hashemi (2003) argues that microfinance institutions also contribute to poverty alleviation through social intermediation and financial intermediation. While social intermediation involves organizing groups of poor people in order to offer services such as human and skills development training, healthcare, safe-drinking water and sanitation; financial intermediation primarily promotes group formation for savings mobilization, and the subsequent provision of credit, insurance as well as money transfer and payment services. Thus, social mobilization; involvement of hitherto secluded women; providing financial wherewithal to them; utilizing their skills; enhancing their employment and income capabilities; and empowering them are the means through which microfinance institutions and SHGs contribute to poverty alleviation and inclusive development. Precisely because of these reasons, microfinance schemes designed to provide such financial services as micro credit, micro insurance and savings to the poor have become popular

tools in the fight against poverty in all the poor countries of the world. However, recently questions regarding targeting of microcredit, viability of group lending, whether microcredit promotes resilience against vulnerability to natural and market shocks, micro insurance, trade-offs between outreach and sustainability, commercialization of microcredit, and the regulatory role of the state in promoting the pro-poor agenda of microfinance, are being raised. In India also the state governments have attempted to promote SHG movement for development of women in urban as well as rural areas, apart from groups formed by NGOs and financial institutions including banks. In Karnataka, the groups formed by the Department of Women and Child Development are called as Stree Shakti Samuhas. These samuhas are provided with seed capital, revolving fund, government guarantee for the loans taken, and other assistance like training and marketing of the products. The present paper aims at reviewing the growth and commenting on the present status of these government sponsored SHGs in Karnataka. The data is compiled from Government of Karnataka publications like the Statistical Abstracts of Karnataka and Karnataka at a Glance for various years. The data is analyzed using simple statistical tools like growth rates, percentage shares, and ratios. Principal component analysis is employed to construct composite indices of SHG development.

**Stree Shakti Groups: A Description of Activities.** The programme was launched during 2000-01 and it is being implemented throughout the state to empower rural women and make them self-reliant. Stree Shakti Groups (SSGs) are formed at the village level to inculcate the savings habit in the members empowering the women economically. About 15 to 20 women members who are from below poverty line families, landless agricultural labourers, SC/ST women join together. SSGs are formed through Anaganwadi workers and taluk federations. The specific aims of the programme are: a) to strengthen the process of economic development of rural women and create a conducive environment for social change; b) to form self-help groups based on thrift and credit principles which builds self-reliance and enable women to have greater access and control over resources; c) to increase the income levels of rural women by engaging them in income generating activities and creating financial stability, and d) to provide opportunities to the members of the groups to avail the benefits of other departmental schemes by converging the services of various departments and lending institutions to ensure; women's access to; credit financing. The state Department of Women and Child Development is in charge of forming and promoting these groups. The Department currently implements the programme by providing seed money in the form of revolving fund; kit including a trunk and few registers; incentive to groups for excess savings; assistance to take up income generating activities (IGAs); interest subsidy on the Bank loans up to Rs. 1.00 lakh availed by SSGs at 6%; strengthening of taluk level societies; training in communication, orientation, book-keeping, credit management and social issues in four phases and skill development to the members to produce good quality products; financial assistance to construct marketing complexes at division, district and taluk levels; assistance to organize exhibition/marketing melas at district and taluk levels; honouring better performing SSGs through awards and financial incentives; and very recently the Government has assured to provide mobile marketing vans for these groups on pilot basis. Hence, multifarious incentives are

provided for strengthening and sustaining the streeshakti movement.

### Geographical Spread of SSGs and their Membership

At the end of March 2015, the state had formed 1.40 lakh SSGs with a membership of more than 20 lakh women members (Appendix

1). The average number of members works out to 14, which is a good number for sustainability of the activities of the groups. However, the coverage of members was hardly 14% of the eligible population in the state. Across social groups, about 21% of members were from SC community, 8% from ST community and the rest 72% from all other communities. Hence, the participation of SC and ST community women is in proportion of their respective shares in total population. However, efforts need to be made for larger inclusion of women from these sections for benefitting them to a greater extent.

Figure 1 shows the relative position of various districts of Karnataka with respect to the streeshakti movement.

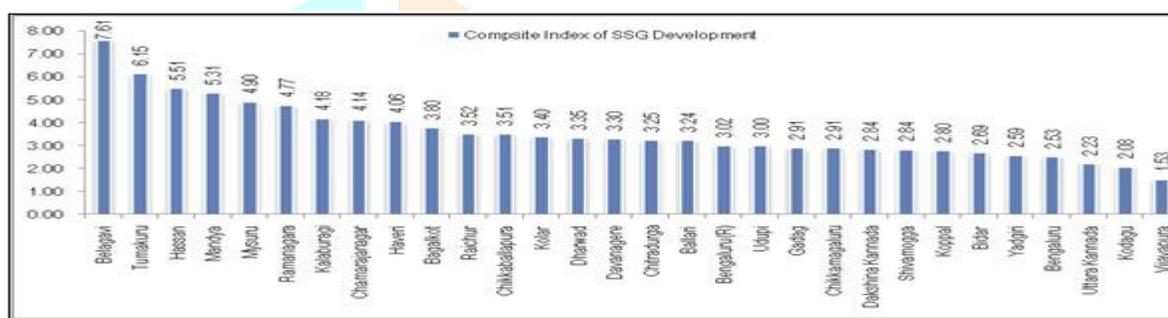


Figure 1: Distribution of SSGs across Districts in Karnataka, 2014-15 (%)

Note: Blue column shows the % of SSGs; brown column shows the % of members;

and the green line shows the average number of members in SSGs

Source: DES, 2015

Belagavi district reports the highest share of SSGs followed by Tumakuru, Mandya, Mysuru, Hassan, Kalaburagi, Ballari, Chitradurga, Chikkaballapura, Raichur, Davanagere, Ramanagaram and Haveri. These 13 districts having more than 3.3% each, shared 60% of total SSGs in the state. Kodagu has the least proportion of SSGs followed by Uttara Kannada, Koppal, Yadgiri, and Udupi. These five districts shared 8.4% of SSGs of the state. The remaining twelve districts between 2 and 3.3% of state SSGs shared the remaining 31% of SSGs of the state. Hence, the penetration of SSGs is quite skewed.

The proportion of district wise membership also shows a similar position with slight variations. Belagavi, Tumakuru, Mandya, Mysuru, Hassan, Kalaburagi, Raichur, Ramnagara, Haveri, and Bagalkot districts have more than 3.3% share of members sharing 51% total members in the state; and Kodagu and Uttara Kannada have less than 2% of members each.

But when we look into the average membership of SSGs across districts, 17 districts - Belagavi, Tumakuru, Mandya, Mysuru, Hassan, Kalaburagi, Raichur, Ramnagara, Haveri, Bagalkot, Chamarajnaraga, Dakshina Kannada, Bengaluru, Dharwad, Bidar, Udupi, Koppal and Kodagu - report higher than the state average membership. Another indicator considered for penetration of SSGs is the proportion of women members as per cent of female population. The data shows that 13 districts of Ramanagara, Hassan, Chamarajanagar,

Mandya, Tumakuru, Haveri, Belagavi, Chikkaballapura, Bengaluru (Rural), Mysuru, Gadag, Kolar, and Bagalkot had higher values. On the other hand, in Uttara Kannada, Vijayapura, and Bengaluru districts women members as per cent of female population was less than 10%. Hence, it becomes difficult to measure the relative penetration of SSGs across districts. Therefore, a composite index of institutional development (CIID) using the above four indicators is constructed employing the factor analysis. The CIID is presented in Figure 2.

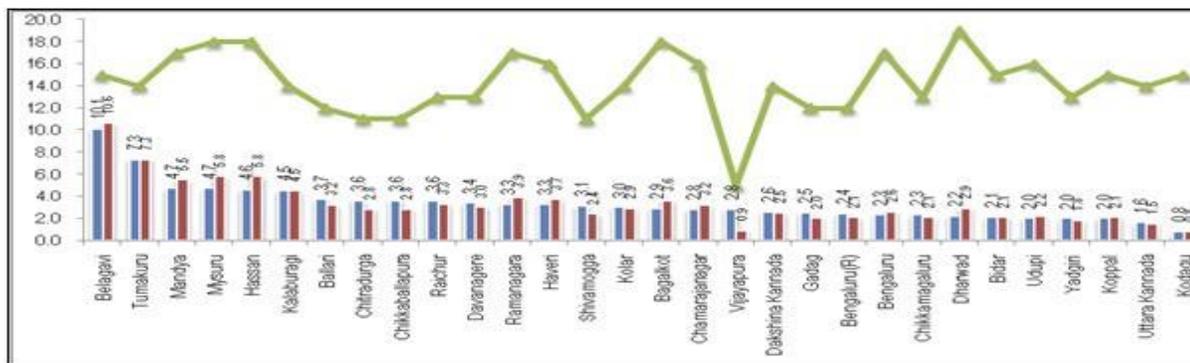


Figure 2: Composite Index of Institutional Development of SSGs in Districts of Karnataka, 2014-15 Source: Computed based on Appendix 2

	Above Average	Below Average
Developed (10)	Belagavi, Tumakuru, Hassan, and Mandya(4, 13%)	Mysuru, Ramanagara, Kalaburagi, Chamarajanagar, Haveri, and Bagalkot (6, 20%)
Backward (20)	Raichur, Chikkaballapura, Kolar, Dharwad, Davanagere, Chitradurga, Ballari, Bengaluru(R), Udupi, Gadag, and Chikmagalur(11, 37%)	Dakshina Kannada, Shivamogga, Koppal, Bidar, Yadgiri, Bengaluru, Uttara Kannada, Kodagu, and Vijayapura (9, 30%)

Table 1: Cross Classification of Districts by Level of SSG Development

Note: The basis for classification is the average value in each category Source: Figure 2

One-third of districts are developed districts (above state average index) with four districts (13%) Belagavi, Tumakuru, Hassan, and Mandya being the most developed districts. On the other hand, Dakshina Kannada, Shivamogga, Koppal, Bidar, Yadgiri, Bengaluru, Uttara Kannada, Kodagu, and Vijayapura are the least developed ones, comprising 30% of districts. The remaining 57% of districts are in the middle range of development. So far we have looked into the development of SHGs in terms of number and membership. The main aim of SSGs is to mobilize savings and enable the members to avail credit from formal financial institutions for improving income earning capacity of women members. We try to present relative development of the districts of Karnataka.

### Financial Inclusion of SSGs

That the SHGs help in achieving financial inclusion, therefore, governments are using them for the said purpose through various means. The Government of Karnataka has initiated many schemes in this regard, as mentioned previously. The SHGs are provided with revolving fund for beginning their income generating and other activities. While the data on SSGs availing the revolving facility is not available but the data on the amount of the fund provided is. As at the end of 2014-15 the total revolving fund disbursed to the

SSGs amounted to Rs. 88.11 crores throughout the state, which amounts to Rs. 6,290 per SSG (AppendixTable2).

SSGs in Bengaluru, Bengaluru (Rural), Chitradurga, Tumkuru, Chikkamagaluru, Dakshina Kannada, Chamarajnagar, Belagavi, Bidar, Yadgir and Raichur received revolving fund higher than the state average. However, the lower value of the co-efficient of variation (last row of Table 2) implies that SSGs in all the districts have been equally enthusiastic in receiving revolvingfund. However, a crucial indicator of financial inclusion is the proportion of SSGs availing credit from banks which is a part of the overall SHG-Bank linkage scheme. It may be seen from Table 2 that SSGs in Bengaluru, Chitradurga, Udupi, Mysuru, Chamarajanagar, Bagalkot, and Bidar districts have 100% bank linkage. On the other hand, Belagavi, Dharwad, Vijayapura, Kalaburagi, and Kolar had bank linkage between 90 and 100%, and the state average is around 91%. Hence, there is still a large chunk of groups, especially in backward districts mainly from north Karnataka that is not linked to banks.

A better indicator of financial inclusion of SSGs is their average amount of borrowings. A total of Rs. 2607.19 crores was availed by the SSGs in the state as a whole, which works out to Rs. 1.86 lakhs per group in 2014-15. It ranged between Rs. 4.70 lakhs in Kodagu and Rs. 20,000 in Yadgir. The inter-district variation was as high as 72%. It may be observed that 13 districts - 12 of them from south Karnataka (Kodagu, Mandya, Uttara Kannada, Udupi, Hassan, Chikkamagaluru, Ramanagara, Bengaluru (Rural), Bengaluru, Shivamogga, Chamarajanagar, and DakshinaKannada and Haveri from north Karnataka) reported average borrowings higher than the state average. Further 10 districts viz., Belagavi, Bagalkot, Koppal, Gadag, Vijayapura, Ballari, Raichur, Dharwad, and Yadgiri (all of them from north Karnataka) and Davanagere from south Karnataka, reported less than Rs.1.00 lakh of average bank borrowings by the SSGs. Thus, financial inclusion is relatively poor in the northern Karnataka districts. A third indicator of financial inclusion is the savings mobilized by these groups. During 2014-15 the total savingsmobilizedinthe state was Rs. 1615 crores, the average saving being Rs. 1.24 lakhs per group. Bengaluru,Bengaluru(Rural),Kodagu,Mandya, Dakshina Kannada, Udupi, Hassan, Chikkamagaluru, and Ramanagara from south Karnataka and only Dharwad fromnorthKarnataka reported average savings higher than the state average. Therefore, saving is also relatively poor in the districts of northKarnataka.In order to get a succinct picture of SHG development, we have constructed a composite index of financial development(CIFD)ofSSGs and depicted in Figure 3.

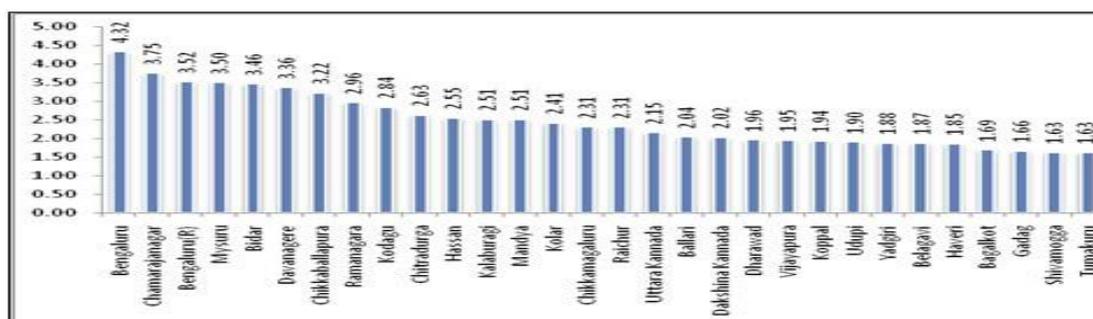


Figure 3: Composite Index of Financial Development of SSGs in Karnataka, 2014-15

As expected, the financial development of SSGs is quite skewed with Bengaluru having the highest and Tumakuru, the lowest development and the range more than double the lowest developed district. Only seven districts, i.e., up to Chikkaballapura in the Figure, have indices values above the average (2.51). The CV of the index is 28.87, lower than that of institutional development. Therefore, financial development is less unequal than institutional development.

Table 2 cross classifies the districts by their level of financial development as observed through the value of composite index. It is found that 43% of districts (13) fall in developed category. Similarly, 7 districts fall in the most developed and 9 districts in the least developed category. Once again, except Bidar and Kalaburagi, all the districts of northern Karnataka are in backward category.

Table 2: Cross Classification of Districts by Level of Financial Development

	<b>Above Average</b>	<b>Below Average</b>
<b>Developed (13)</b>	Bengaluru, Chamarajanagar, Bengaluru(R), Mysuru, Bidar, Davanagere, Chikkaballapura (7, 23%)	Ramanagara, Kodagu, Chitradurga, Hassan, Kalaburagi, Mandya (6, 20%)
<b>Backward (17)</b>	Kolar, Chikkamagaluru, Raichur, Uttara Kannada, Ballari, Dakshina Kannada, Dharwad, Vijayapura (8, 27%)	Koppal, Udupi, Yadgiri, Belagavi, Haveri, Bagalkot, Gadag, Shivamogga, Tumakuru (9, 30%)

Consolidating the results of tables 1 and 3, we get the SSG development scenario of Karnataka as presented in Table 3.

<b>Developed in Both</b>	<b>Backward in Both (12)</b>	<b>Institutionally Backward (6)</b>	<b>Financially Backward (5)</b>
Ramanagara, Hassan, Mandya, Mysuru, Chamarajanagar and Kalaburagi	Chitradurga, Davanagere, Kolar, Chikkaballapura, Chikkamagaluru, Udupi, Dharwad, Gadag, Ballari, Yadgiri, Raichur and Koppal	Bengaluru, Bengaluru(R) Dakshina Kannada Kodagu, Vijayapura Uttara Kannada, Bidar	Bengaluru, Shivamogga Tumakuru, Belagavi Bagalkot, Haveri

Table 3: Summary of SSG Development in Karnataka, 2014-15

While six districts are developed both institutionally and financially twelve districts are backward in both parameters. Intensive efforts are required in these 12 districts in terms of specific actions of awareness creation and institutional development as well as financial inclusion. In six districts that are institutionally backward efforts for institutional development need to be intensified; and in the five districts that are financially backward, efforts towards deepening financial inclusion need to be taken up. Since, most of the backward districts are from north Karnataka region the government should divert its attention more towards SSG development. This will help in promoting development of women in this generally backward region and reducing overall gender inequality in the region.

## CONCLUSION

The paper reviewed the district-wise development status of government sponsored self-help groups - streeshaktisamuhas - as at the end of March 2015. Karnataka is a prominent district adopting SHG based model for women development. A number of incentives and supportive programmes like providing revolving fund, training to key functionaries, bank linkage and marketing support. However, the development of SSG movement is not uniform. It also follows the general development pattern with districts of northern districts remaining backward and that of southern districts being advanced. The study identifies districts that are developed institutionally and financially. This calls for specific interventions for institutional and financial development in respective districts.

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Appendix I

S. No.	Districts	% groups	% members	Members/ group	Members as % offemale popn.	% SC members	% ST members	% Other members
1	Bengaluru	2.3	2.6	17	2.39	24.9	3.5	71.6
2	Bengaluru(R)	2.4	2.1	12	17.74	29.0	11.0	60.0
3	Ramanagara	3.3	3.9	17	29.78	20.5	1.3	78.2
4	Chitradurga	3.6	2.8	11	14.15	22.0	18.2	59.8
5	Davanagere	3.4	3.0	13	12.92	24.8	14.3	60.9
6	Kolar	3.0	2.9	14	15.82	34.2	6.6	59.2
7	Chikkaballapura	3.6	2.8	11	18.45	26.0	13.6	60.5
8	Shivamogga	3.1	2.4	11	11.27	21.0	4.3	74.7
9	Tumakuru	7.3	7.3	14	22.59	24.1	10.6	65.3
10	Chikkamagaluru	2.3	2.1	13	15.30	21.1	4.0	74.8
11	Dakshina Kannada	2.6	2.5	14	10.00	10.6	6.2	83.2
12	Udupi	2.0	2.2	16	14.66	6.5	5.1	88.3
13	Hassan	4.6	5.8	18	26.80	19.0	2.7	78.4
14	Kodagu	0.8	0.8	15	12.01	20.6	9.7	69.7
15	Mandya	4.7	5.5	17	25.29	14.9	0.6	84.5
16	Mysuru	4.7	5.8	18	16.03	22.2	8.6	69.2
17	Chamarajanagar	2.8	3.2	16	25.69	25.7	8.1	66.3
18	Belagavi	10.1	10.6	15	18.53	13.7	9.5	76.8
19	Vijayapura	2.8	0.9	5	3.60	26.5	3.7	69.8
20	Bagalkot	2.9	3.6	18	15.63	14.5	5.6	79.9
21	Dharwad	2.2	2.9	19	13.27	10.1	6.1	83.8
22	Gadag	2.5	2.0	12	15.91	13.3	7.3	79.5
23	Haveri	3.3	3.7	16	19.76	16.9	12.0	71.1
24	Uttara Kannada	1.6	1.5	14	8.78	8.0	2.0	90.0
25	Ballari	3.7	3.2	12	10.63	22.8	15.3	61.9
26	Bidar	2.1	2.1	15	10.53	27.0	8.2	64.8
27	Kalaburagi	4.5	4.5	14	14.90	28.2	7.3	64.5
28	Yadgiri	2.0	1.8	13	12.72	29.9	1.7	68.4
29	Raichur	3.6	3.3	13	14.24	17.8	15.8	66.5

30	Koppal	2.0	2.1	15	12.81	20.9	14.9	64.2
	State	100.0	100.0	14	13.71	20.1	8.0	71.9

Table 1: Parameters of Institutional Development of SSGs in Karnataka, 2014-15

Source: Computed from DES, 2015

## Appendix II

S. No.	Districts	RF/SHGs (Rs. 000s)	% SHGs availing loans	Loans/SHGs (Rs. lakhs)	savings/group (Rs. lakhs)
1	Bengaluru	6.45	100.00	2.90	3.98
2	Bengaluru(R)	6.51	92.84	3.01	2.53
3	Ramanagara	5.93	89.71	3.27	1.23
4	Chitradurga	7.43	100.00	1.77	1.19
5	Davanagere	5.91	97.37	0.71	1.14
6	Kolar	5.88	64.88	1.55	0.91
7	Chikkaballapura	5.80	90.91	1.16	0.87
8	Shivamogga	6.01	96.74	2.45	1.07
9	Tumakuru	8.09	97.93	1.51	0.93
10	Chikkamagaluru	6.21	93.60	3.41	1.29
11	Dakshina Kannada	6.50	100.00	1.97	1.40
12	Udupi	6.64	100.00	4.55	1.39
13	Hassan	6.00	99.72	4.46	1.33
14	Kodagu	6.10	95.72	4.70	1.96
15	Mandya	5.74	97.89	4.59	1.57
16	Mysuru	5.76	100.00	1.09	1.14
17	Chamarajanagar	6.36	100.00	2.06	1.14
18	Belagavi	6.81	79.66	0.78	0.66
19	Vijayapura	6.17	75.54	0.65	0.75
20	Bagalkot	6.28	100.00	0.67	1.11
21	Dharwad	5.74	79.50	0.34	1.34
22	Gadag	5.49	85.93	0.66	0.66
23	Haveri	6.03	95.00	2.23	0.98
24	Uttara Kannada	5.49	96.72	4.56	1.12
25	Ballari	6.25	91.84	0.65	1.06
26	Bidar	6.57	99.97	1.35	1.17
27	Kalaburagi	3.06	71.57	1.73	1.12
28	Yadgiri	10.00	86.14	0.20	0.48
29	Raichur	6.66	95.36	0.64	0.84
30	Koppal	6.21	97.18	0.66	0.87
	State	6.29	91.63	1.86	1.15
	CV (%)	16.91	10.22	72.35	52.29

Table 2: Parameters of Financial Development of SSGs in Karnataka, 2014-15 Source: DES, 2015.