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## EFFECTS OF SELF HELP GROUPS TO EMPOWERMENT OF WOMEN IN RURAL AREA OF BELLARY DISTRICT

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### ABSTRACT

*Women empowerment is a process in which women challenge the existing norms and culture, to effectively promote their well-being. Self-help groups (SHGs) have emerged as popular method of working with people in recent years. This movement comes from the people's desires to meet their needs and determine their own destinies through the principle "by the people, for the people and of the people". The participation of women in Self Help Groups (SHGs) made a significant impact on their empowerment both in social and economic aspects this study addresses women empowerment through self-help groups in Bellary district of Karnataka. The information required for the study has been collected from both the primary and secondary sources. The researcher collected primary source by interview method and secondary source from books, journals, reports.*

**KEY WORDS:** SHGs, Empowerment, Women, Rural areas,

### INTRODUCTION

Self-Help Group (SHG) is a small voluntary association of poor people, preferably from the same socio-economic background. They come together for the purpose of solving their common problems through self-help and mutual help. The SHG promotes small savings among its members. The savings are kept with a bank. This common fund is in the name of the SHG. Usually, the number of members in one SHG does

not exceed twenty. NABARD defines SHGs as "small, economically homogenous affinity groups of rural poor, voluntarily formed to save and mutually contribute to a common fund to be lent to its members as per the group members' decision". They are usually formed by peers who have come together for mutual assistance in satisfying a common need, overcoming a common handicap or life-disrupting problem

and bringing about desired social or personal change. It plays a vital role in the rural development and groups reduce the emphasis of the unorganized sector and develop individual skills of the community and members.

A self-help group is defined as a group consisting of people who have personal experience of a similar issue or life situation, either directly or through their family and friends. Sharing experiences enables them to give each other a unique quality of mutual support and to pool practical information and ways of coping. The rural poor are in-capacitated due to various reasons such as; most of them are socially backward, illiterate, with low motivation and poor economic base. Individually, a poor is not 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 weaknesses, hence there are needs for SHGs which is specific terms are as under:-

- ✍ To mobilize the resources of the individual members for their collective economic development.
- ✍ To uplift the living conditions of the poor.
- ✍ To create a habit of savings, utilization of local resources.
- ✍ To mobilize individual skills for group's interest.
- ✍ To create awareness about right.
- ✍ To assist the members financial at the time of need.
- ✍ Entrepreneurship development.
- ✍ To identify problems, analysing and finding solutions in the groups.
- ✍ To act as a media for socio-economic development of village.
- ✍ To develop linkage with institution of NGOs.
- ✍ To organize training for skill development.

- ✍ To help in recovery of loans.
- ✍ To gain mutual understanding, develop trust and self-confidence.
- ✍ To build up teamwork.

### ORIGIN AND CONCEPT OF SHGs

The origin of Self Help Groups (SHGs) is the brainchild of Grameen Bank of Bangladesh, founded by Prof. Mohammed Yunus in 1975, who tried out a new approach to rural credit in Bangladesh. In India NABARD initiated SHGs in the year 1986-87 but the real effort was taken after 1991-92 from the linkage of SHGs with the banks. A SHG is a small economically homogeneous affinity group of the rural poor voluntarily coming forward to save a small amount of money regularly, which is deposited in a common fund to meet the members emergency needs and to provide collateral free loans decided by the group. The SHGs have been recognized as useful tool to help the poor and as an alternative mechanism to meet the urgent credit needs of poor through thrift (N. Thalavai pillai and S. Nadarajan 2010)

### WORKING OF SHGs

The SHGs in India are small, informal and homogenous groups of not more than twenty members each. Among them a member is selected as an „animator and two members are selected as representatives. The animator is selected for a period of two years. Members of the group meet every week. They discuss social and community programmes, group savings, rotation of funds, bank loan and repayment of loan. The group members are encouraged to make voluntary thrift on a regular basis. These pooled resources are used to make small interest bearing loans to their members. The process helps them imbibe the essentials of financial intermediation including prioritization of needs, setting terms and condition, and accounts keeping. This gradually builds financial discipline in all of them. Once the groups show this mature financial behavior, banks are encouraged to

make loans to the SHG in certain multiples of the accumulated savings of the SHG. The bank loans are given without any collateral and at market interest rates.

**a. Interaction / Meetings / Reflection / Analysis and Action:** Interaction among the group members in the form of group meeting is one of the fundamental principles of self-help groups. Meetings are held at fixed intervals of time.

**b. Regular Savings:** All group members contribute regularly to the group savings account.

**c. Trust in one's Self and among members in the group:** All the group members have trust on the group leader and have sense of belongingness for the group.

**d. Consensus:** Since the members have trust in one's self so the group leader is selected mostly by consensus method.

**e. Records:** All the groups have proper records regarding the number of members, amount deposited by each member, time of holding meetings etc.

**f. Access to Funds:** All group members have easy and free access to funds of group which helps in ruling out any fraudulent activity.

**g. Team management of Resources:** All the resources of these groups are managed with equal participation of all the members. Whole of the group function as one team with common goals.

### **How to Conduct an SHG meeting:-**

The following process should be followed some steps while conducting a meeting: It collected by the researcher through interaction among SHG members in Bellary district.

1. Sit in a circle
2. Sing a prayer or group song
3. Select a chairperson
4. Welcome address
5. Record the attendance
6. Set the agenda
7. Review the previous meeting's minutes.

8. Maintain discipline throughout – group members should ensure that rules and regulations are followed throughout the meeting.
9. Complete financial transactions related to savings, repayment, lending etc.
10. Ensure that all issues on the agenda are discussed.
11. Ensure that all members participate in the decision making
12. During every meeting the SHG members must make it a point to discuss and act upon at least one issue other than saving and credit
13. Record proceedings during the meeting itself and read them out to all members
14. All members must sign in the resolution book.
15. Vote of thanks.

### **Linking SHGs with Banks and Need for Linkage:-**

In India, efforts are made to promote micro finance in a sustainable manner. An important vehicle for this has been the SHG programme and its linkage with banks. Self-help group meets the smaller consumption and emerging needs of members from its own savings and common fund generated. As the age of the group increases the capacity of the group and credit also goes up. By this time the group would have acquired enough experience to manage the finances but the funds available are not adequate. At this stage group needs the support of the financial institution (S.P.Naganagoud 2011)

### **LITERATURE SURVEY**

During the course of the study, the study of several authors was referred and it is imperative that an outline of the literature survey is put to note and the following references are worth mentioning. Rekha Goankar (2001): in her study concluded that the movement of SHGs can significantly contribute towards the reduction of poverty and unemployment in the rural sector

of the economy and the SHGs can lead to social transformation in terms of economic development and the social change. M. Anjugam (2007) observed that socially backward, landless and marginal farm house holds participate more in the self-help group programme. Possession of livestock and consumer goods by the member households has been found to deter the joining of group. Gladis Mary John (2008) found that membership in SHG inculcated a great confidence in the mind of majority of women to succeed in day to day life. Positive change was found in the attitude of relatives and friends towards the women in self-help groups.

### RESEARCH OBJECTIVES

The major objectives of the study are:

1. To study the role of SHG in women empowerment.
2. To study the performance of SHGs in Bellary district of Karnataka.
3. To analyse the empowerment which women members get in SHGs.
4. To offer suggestion for betterment of women's empowerment through SHG.

### RESEARCH METHODOLOGY

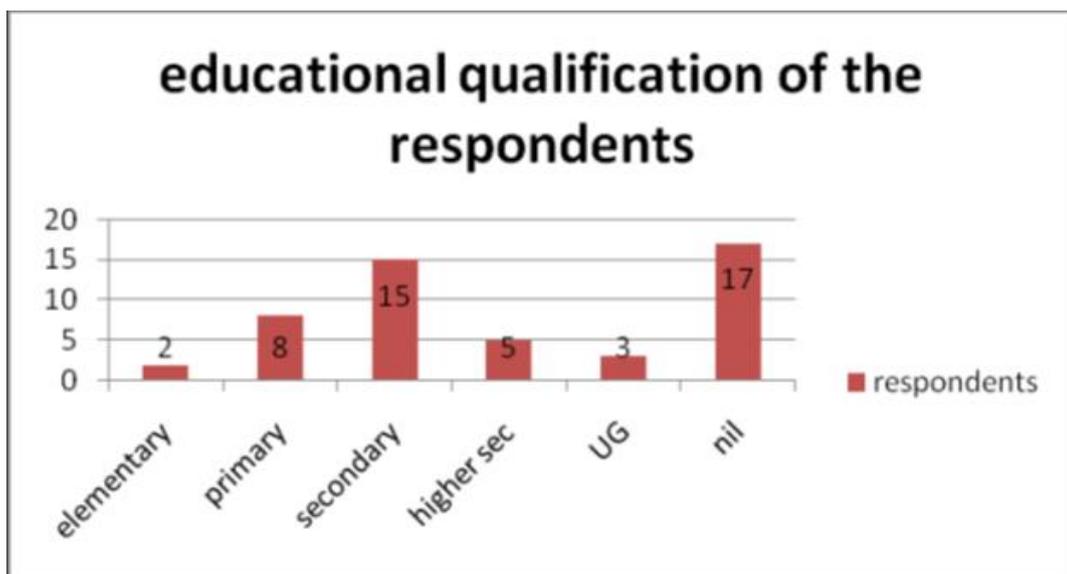
**Sources of Data:** The study is exploratory in nature and is based on both primary and secondary data. Secondary data was collected from various journals, articles, working papers, NGO reports etc. Primary data was enumerated from a field survey in the study region.

**Area of Sampling:** The study was conducted in the district of Bellary through a field survey to get an insight of the benefits and challenges faced by women in SHGs.

**Sample Size:** The study covered 50 samples from 3 SHGs from the area of s Bellary district. The data collected by simple random.

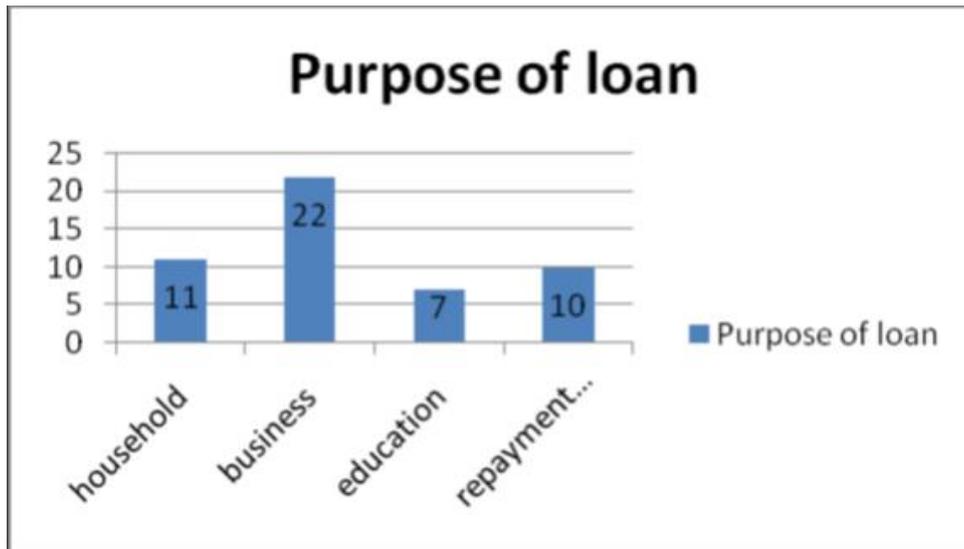
**Method for data collection:** A structured interview schedule was prepared and used for collecting data from the women SHG member. Both open ended and close ended questions were included in the schedule.

### DATA ANALYSIS AND FINDINGS



34% of the women are illiterate and 30 % of the women have completed up to secondary level

education. It is noticeable that only 6% of the respondents are graduates.



44% of the beneficiaries use the loan for starting a new business or for expanding the existing business. It is interesting to note that 20 % of the respondents take loan for the repayment of an

existing loan. However, 14 % of the respondents take loan for the education of their children, which signifies their awareness.

#### FINDINGS – PERCENTAGE ANALYSIS

Through percentage analysis is inferred that

- ★ Majority of the respondents are belonging to between the age group of 25- 45 years.
- ★ Majority of the respondents are married.
- ★ Majority of the respondents are Hindus.
- ★ Most of the respondents are not even have complete basic education.
- ★ Majority of the respondents are having nuclear type of family.
- ★ Majority of the respondents had faced the problem of extreme poverty before joining in SHG.
- ★ Majority of the respondents have joined SHG for their personal security and welfare.
- ★ More than half of the respondents are satisfied with their expectation in their group.
- ★ All the respondents have recommended to join SHG.
- ★ Majority of the respondents are getting more support from women for joining SHG.

#### SUGGESTIONS

On the basis of the Observations, the researcher offers the following suggestions for the betterment of women members in SHGs

- ⇒ Regional difference might be removed by identifying the constituent regions on the basis of their level of development, so that effective implementation of schemes and programmes in an impartial manner is possible.
- ⇒ The regular cooperation from their husband and his family is expected at all stages to make them empower.
- ⇒ The members should start formal banking services by involving and taking together of other colleagues.
- ⇒ They should access some education from evening schools and adult education centers working in their villages.
- ⇒ Government should concern on adult education in non- formal for make educate the SHGs members.

**CONCLUSION**

Self-help groups (SHGs) and women's self-help groups (WSHG) in particular, represent a form of intervention that is a radical departure from most current programmes. They are an effective strategy for poverty alleviation, human development and social empowerment. Empowerment is a process of awareness and capacity building leading to greater participation, greater decision making power and control and transformative action. The empowerment of women covers both an individual and collective transformation. It strengthens their innate ability through acquiring knowledge, power and experience. The study shows that the main reason for joining SHG is not be merely to get just credit, it in an empowerment process. After joining the self-help group the women are economically and socially empowered. Empowerment of women has emerged as an important issue in our country. In India nearly half of the population consists of women. Joining after SHGs has helped in the significant reduction of poverty, have made the women members feel more independent; has increased their standard of living. The women have found it easier to repay the principal amount along with the interest and furthermore the women members were also satisfied with interest-rates charged on the loans taken from SHGs.

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