

Self help group: A path way for financial inclusion and women empowerment

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Abstract

Financial inclusion is delivery of financial services at an affordable cost to the vast section of the disadvantage and low income members, providing them with timely and adequate access to the financial products, services like bank accounts, savings, insurance and entrepreneurial. There were still many obstacles cropping up in attaining financial inclusion. Hence, both public and private sector institutions should work together to overcome these challenges and contribute towards inclusive growth. Inclusive growth is much needed to include common people into the orbit of development. Self Help Groups are primarily community based organizations which grow through a process of social mobilization wherein the poor are organized and their capacities built up to tackle various issues that are critical for mitigating poverty and finally overcoming it. Needless to emphasize, self help groups offer an enabling platform for unleashing the innate abilities of the rural poor women to overcome poverty. The present study is an attempt to examine the financial inclusion activities and to explore the impact of self help groups, and the areas of women empowerment as members of Self Help Groups. A descriptive study was conducted among 160 women members of self help groups situated in Jamkhandi Taluk of Bagalkot District in Karnataka. The socio-demographic profile, awareness about savings in the group, self help activities and the area of members' empowerment is examined. Most of the respondents able to decide for their children and family, acquired everyday skills related bank operation, conducting meeting, reporting, sharing opinion in groups, improved knowledge and standard of living. Thus we can say that the self help groups have created a sound social and financial improvements in rural poor women.

Keywords: Women, financial inclusion, self help groups, empowerment

Introduction

Microfinance became progressively more important the government started an enormous microfinance program in 1991-92. The contribution of women and their role in the family as well as in the economic development and social transformation are essential. Rural women who are engaged in agriculture form 78 per cent of all women in regular work. Experience of NIRD action research projects tell that, the operational aspects, such as the extent of enabling that goes into the community self help processes and sharpening the mind set of women.

Nothing arguably, is important today in the political economy of development as an adequate recognition of political, economic and social participation and leadership of women (Amartya Sen, 1999). All round development and harmonious growth of a nation would be possible only when women are considered as equal partners in progress with men. Women's contribution to national development is crucial and their participation is essential for the economic development and social progress of the nation.

Financial inclusion and empowerment of women

The empowerment of women is an objective that goes beyond increasing the income of low-income women. Women have other, less tangible priorities, such as a more equal role, and a greater sense of efficacy, within and outside the household. The financial inclusive programs can lead to empowerment in its social as well as economic dimensions. The mobility of women and their access to information is strengthened by the process of participation in microenterprise program activities,

including attendance at weekly meetings and other interactions in the public sphere that come about as a result of economic activities.

Empowerment of women is a holistic concept is essential to harness the women labour in the main stream of economic development. Empowerment is multi-dimensional in its approach and covers social, political, and economic aspects. Of all these facets of women's development, economic empowerment is of utmost significance in order to achieve a lasting and sustainable development of society.

Financial inclusion: Its impact on the women lives

Self Help Groups are proved to be very fruitful for empowerment of women. SHG's broadly go through three stages of evolution comprising of group formation, capital formation and taking up economic activity. SHG emerged in order to help the women in securing inputs like credit and other services. It laid the foundation of self-reliance through the building up of an institution, which has the capacity to sustain the development and empowerment process. Women should play a critical role in developmental activities to achieve the targets of prosperity and progress.

Formation of SHG is not the end itself but the means to facilitate the process of bringing positive change in the society. The self-management of the groups has improved their managerial, decision making and leadership skills. Women had found to take up challenges and to question all types of exclusion and exploitation. The members had got the ability to deal with the family problems. Their ability to deal productivity has been enhanced. Women feel psychologically

stronger and active as their participation in the family affairs is positive one. Grant of subsidies or loan advances may help to some extent to solve the financial problems. Women have become economically active members in their family which strengthened her to control over the household resources. The present study looks at various dimensions of empowerment and throws light that regular meeting of SHG serves as the secular platform for the women members to promote social transformation and to become more socially visible.

Aim and Objectives

The present paper aims to explore the impact of Self Help Groups through the financial inclusion on the empowerment of

rural women. The paper examines the socio-demographic factors, thrift and credit activities and changes in the status of rural women.

Method of the study

A descriptive study was conducted among 160 women members of self help groups situated in Jamkhandi Talluk of Bagalkot District in Karnataka. The study was based on both the primary and secondary data. A pre-tested, semi structured questionnaire was administered and data were analyzed by using percentages and proportions. The secondary data was obtained from various published and unpublished records such as books, journals, magazines, newspapers, websites etc.

Major findings

Socio-demographic profile of the respondents

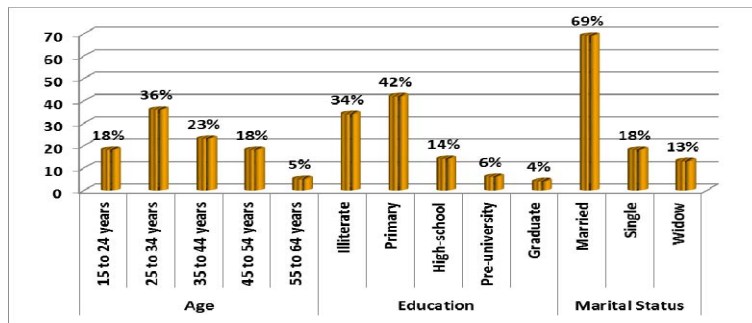


Fig 1: Socio-demographic profile of the respondents

It is evident from the study that the majority of (77 percent) the respondents are between the age group of 15 years to 44 years which shows a great number of young generations actively become the members of SHG's. Almost 66 percent of the respondents were literates. Nearly 69 percent are married and most (77 percent) of the respondents were living in joint

family. Nearly 48 percent of the respondents were agriculture based daily labours and substituting the family income and a very minimal percentage of respondents were home makers which shows women are conscientised about the income generation activities.

Thrift and credit activities of women

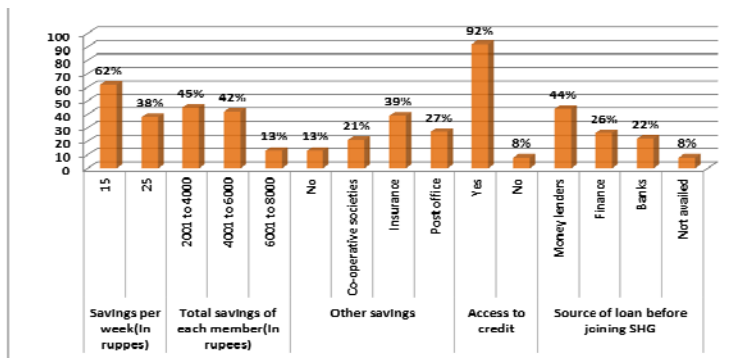


Fig 2: Thrift and Credit Activities of Women

Usually the SHG's conduct meetings once in a week and all members attend meetings regularly. The saving for a week differs from one group to another. Though all the groups under the study started with an equal saving of Rs.15, some of the groups raised saving pattern for week from Rs.15 to Rs. 25 after knowing and benefiting from the money they saved. As all the respondents reported total savings up to January 2014 ranges from Rs. 2001 to Rs. 8,000. The members are very clear

that higher the savings, higher will be the amount and higher will be loan imbursement. It can be understood from the study that almost 87 percent of the respondents were aware about the importance of saving and utilize the services of Co-operative society, Insurance, Post office etc. The members availed various benefits from saving in these sources. An overwhelming (92 percent) revealed as they availed the loan facility from the Self Help- Groups and the interest is meagre

one and the procedure for loan is very simple, the members access loan facility from the groups. Since (44 percent) of the respondents have availed the loans from the money lenders

before joining the Self Help Groups. SHG has become a boon for most of the women who lives in rural areas.

Social transformation through self help groups

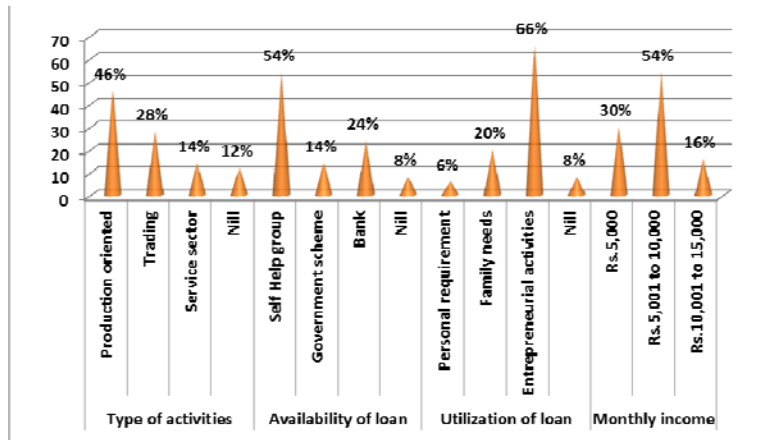


Fig 3: Social Transformation through Self Help Group

Women face relatively more difficulties in becoming entrepreneurs. This is because of social and cultural pressures put on them by the family, relatives and societies. Though this was the situation, majority of 88 percent respondents were taken up Entrepreneurial Development Programme and Income Generation Activity (EDP/IGP) because of the motivation of Non -Governmental Organization and Government Scheme. Among them 46 percent were producing Papad, pickle, Tailoring, Sambar powder, Candle, poultry, cultivation etc. Nearly 28 percent were involved in trading activities. They were selling the home products which were produced by other members of the group, selling stitched dresses, petty shops, grocery shops etc. The rest 14 percent of the respondents were engaged in service based enterprises in which skilled services are offered to customers to earn profit. The respondents were working as typist, tailors, housekeepers, sales in the shops, catering etc.

There has been tremendous change in the lives of respondents

after joining self help groups. After becoming the members the micro finance institution was the major source of loan for the respondents, the members also availed the credit facilities from the bank and government. A majority (66 percent) of the respondents utilized the loan to develop their entrepreneurial activities. Majority of them expressed that they were only agriculture based daily labours before joining the SHG. About 88 percent of respondents had been initiated into supplemental/alternative income generation activities by 2014.

Areas of empowerment after becoming members of self help groups

Empowering rural women is one of a towering challenge. Self help groups and micro enterprises in rural area can help to meet these challenges. Micro – enterprises not only enhance national productivity, generate employment and also help to develop economic independence, personal and social capabilities among rural women.

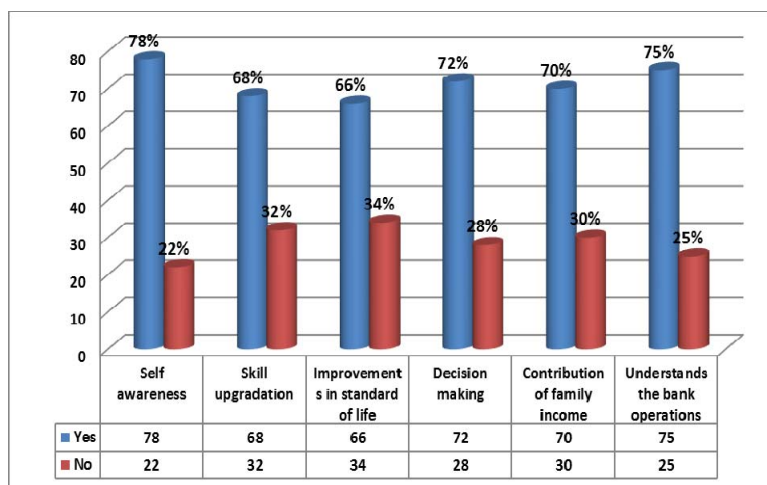


Table 1: Areas of Empowerment after becoming Members of Self Help Groups

The Self Help Group programme mainly focuses on empowerment of rural women and making them financially, socially and politically capable. Almost 78 percent respondents expressed that they became aware about their strengths and weakness after joining the Self Help Groups. Nearly 68 percent opined that, they had attended skill training through which they acquired many of the skills which would be helpful for them to take up income generation activities. About 66 percent of the respondents felt that, the standard of life of theirs has been improved after joining SHG which is a positive impact of Self Help Group. Before joining Self Help Group 70 percent of the women of the study were not able to contribute towards their family income because they were not having any skills and the opportunities for employment. Because of income generation activities now they are able to contribute to family income. More than half (72 percent) respondents felt that, they are involved in decision making process and started making decisions for the family because of the economic control they received due to income generation activities. The majority of (75 percent) the respondents opined that, they understood the bank operations since the bank transactions were done by the members themselves.

Suggestions

1. Self Help Group internal adjustment is very important to win the confidence of the members and maintain unity in the groups. Being available to each other and sharing of problems and discussing them are very important.
2. The Self Help Group members need to be motivated in the right direction for the formation of SHG itself. So sufficient time need to be taken to prepare the ground to initiate the SHG process. It is not enough that women are motivated, but the whole household and the community, especially men need to be made aware and be convinced about SHG approach and hence they too support the women in their effort for an integral development.
3. The SHG members standard saving and attendance should be made mandatory to inculcate group cohesiveness in the group. Proper encouragement and periodical training at regular intervals to group members on self-management, income generation projects should be imparted with the help of experienced resource persons. All the members may not have the same caliber and expertise, the group developers should identify the inefficient members of the group and impart proper training to them in order to make them competent.
4. Rural women can do wonders by their effective and competent involvement in entrepreneurial activities. The rural women are having basic indigenous knowledge, skill, potential and resources to establish and manage enterprise. The knowledge regarding accessibility to loans, various funding agencies procedure regarding certification, awareness on government welfare programmes motivation, technical skill and support from family, government and other organization are need of the hour.

Conclusion

This paper made an attempt to understand the role of self help group and microfinance in socio-economic empowerment of women in the Jamkhandi Talluk of Bagalkot District. No doubt, microfinance has been effectively contributing to women empowerment significantly to their family socio-

economic development in terms of getting credit for personal requirement, entrepreneurial development programme, education, family needs and also consumption purpose. The emergence of SHG is an innovative step for women empowerment. SHG should be visualized as an effective tool and component to provide an opportunity to work and earn in compatible with their role in housekeeping, child care and meeting several other social obligations, thereby act as change agents without having compromised with the roles of women in conservative Indian rural society. Microfinance can prove to be a very powerful instrument of women empowerment in the times to come.

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