

Impact of Bank-Linkage programme for Economic Empowerment of Rural Women

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Abstract

In India women have always retained a very highly regarded position in the society from many years according to past history. In the current socio-economic situation, the concepts of women empowerment and their security always are observed by all the political parties. Without women development, economic development will not take place. For economic empowerment of women, they must have technical knowledge, skill- training and marketing to establishing enterprises for economic stability. Despite making innumerable efforts to the women empowerment, the present socio economic status of women in India is very dejected. In 1992, NABARD launch Self-Help Group (SHG) and bank linkage programme for economical empowerment of women in India. The objective of SHG-Bank linkage program was visualize with the objectives of developing supplementary credit delivery services for the unreached poor people, building mutual trust and confidence between the bankers and the poor people. In this paper we analyze, how empowerment of women through Micro credit bank linkage programme is achieved and also study the role and performance of SHGs in promoting women empowerment in Karjat Taluka, Raigad District, and Maharashtra.

Keywords: Self Help Groups, Employment, Bank Linkage Programme, Women Empowerment, NABARD.

1. Introduction

1.1 Women Economic Empowerment

The word "women empowerment" is first announced in 2001 in India. She is empowered when she is valued as a normal being of society who has the space to participate in public discourse. The educated Indian women are empowered because she knows her rights. But women belonging to the weaker or poorer sections of the society still face problems like domestic violence, dowry harassment, sexual harassment, etc. Empowerment is a multidimensional development and mentions to the growth of freedom of choice and action in all spheres—social, political, cultural and economic. It implies control over resources and autonomy in decision making. At the individual level it refers to improving different capabilities and at the collective level, it stands for the ability to organize and mobilize, to take action and to solve their problems. Empowerment helps people gain control of their lives through raising their awareness and helping them take action and work. In India women participates about 50 % of the total population and comprises one third of the labor force. So it is very important that when considering the economic development of this segment of the population, due attention is given to their socio-economic empowerment. The empowerment is one of the way constituent elements of poverty reduction, and as a primary development assistance goal. The promotion of women's Empowerment as a development goal is based on a dual argument, that social justice is an important aspect of human welfare and is intrinsically worth pursuing, and that women's empowerment is a means to otherends. A recent policy research report by the World Bank (2001a) identifies gender equality both as a development objective in itself, and as a means to promote growth, reduce poverty, and promote better governance. A similar dual rationale for supporting women's empowerment has been articulated in the policy statements put forth at several high-level international conferences in the past decade. Now it is the need of hour for

achieving workable development that the development creativities for women empowerment must be given importance to eradicate poverty, gender inequality, increase better standard of living. Self Help Group (SHGs) as small credit cooperatives is playing a vital role for all poor and all women in rural India. As it is well known universal truth which Aristotle said, "Man is a social animal". Since his birth man generally does not live alone. His insight of the world is based on his face to face interaction with his family members, friends and members of his community.

Bank Linkage programme

SHGs-Bank Linkage Programme is emerging as a cost effective mechanism for providing financial services to the "Unreached Poor" which has been successful not only in meeting financial needs of the rural poor women but also strengthen collective self-help capacities of the poor, leading to their empowerment. Rapid progress in SHG formation has now turned into an empowerment movement among women across the country.

NABARD has introduced in 1992-93, a project for Linking SHGs with banks. The programme has helped as an alternative credit system administered by the SHGs themselves. SHGs-Bank Linkage Programme provides supplementary credit to SHGs reduction in transaction for both banks as well as SHGs by reducing paper work, to build mutual trust and confidence between banks, NGOs and the rural poor, to mobilize small savings among poor rural women, to create healthy relations between SHG members and the linkage agencies and Constant supervision and monitoring by banks through NGOs. The formation of SHGs and microfinance will enhance their socioeconomic status in society. Mohd. Yunus, born 1940, is a Bangladeshi banker and the developer and founder of Concept of micro credit. With the help of micro finance, women get small loan for business and its gives them an independent means of generating wealth and becoming self-reliant in a

society. The two important models/channels of microfinance involving credit linkages with banks in India are (i) SHG - Bank Linkage Model: This model involves the SHGs financed directly by the. (ii)MFI - Bank Linkage Model: This model covers financing of Micro Finance Institutions (MFIs) by banking agencies for on-lending to SHGs and other small borrowers.

Review of Literature

In process to find out gaps on the topic of this paper, 11 research papers are reviewed. Authors present their view in different angles and different area on towards Economic Empowerment of Women through Self-help Group Bank Linkage programme.

- (1) Dr. S.V. Juja study in his paper, title “Self Help Groups: A Tool for Sustainable Development” Micro finance is being measured as a powerful tool for uplifting the economic condition of poor women through group approach. Mohammed Nizamuddin examined in his paper, title “Role of SHGs-Bank Linkage Programme in Women Empowerment: A Block Level Study of Mewat Haryana” the role of bank linkage programme for women economic empowerment in particular area.
- (2) Shashikala and Uma H R discussed in their paper, title “Research Note: Empowerment Of women through micro credit programme” Micro-credit interventions are well-recognized world over as an effective tool for poverty alleviation and improving socioeconomic status of rural poor women.
- (3) H. Ramakrishna, Khaja Mohinudeen J, Bibi Saleema G G and Mallikarjuna B study in their paper, title “Performance of Self-help group- bank linkage programme (SBLP) in India-An analytical study” that SHGs are the economy and credit groups formed informal way whose members pool savings and relend within the group on rotational basis.
- (4) D. Arul and P. Packirisamy find in their study that women empowerment was very important for the acceleration of economic growth of country.
- (5) Mrs. Eli kumari Das, Ms. Dharitri Baishya had discussed in their paper with title “Role of Self-Help Groups in Empowering Rural Women: A case study on selected SHGs in Rani Block of Kamrup District of Assam” that financial institutions not only provide small savings and micro credit to women but bringing them together in organised banking sector. Micro finance through SHGs has a positive role in income, savings and investment of women in Rani Block of Kamrup District of Assam.

- (6) Dr. Sr. Lovely Jacob discussed that the SHGs play a major role in empowerment of women. The raising of the standard of living of the masses is one of the objectives of planning in India. Micro finance helps the rural poor to improve their standard of living and full fill their credit needs.
- (7) G. Ramesh, Dr. G. Srinivasa Rao study about the role of SHG-Bank linkage programme in the economic empowerment of women in the two important districts of eastern UP. They found that the income and savings of rural women have substantially increased after joining the programme. Women participating in the said programme have paid their loans mostly on time and there was no case of default. They observed that women have started taking more loans for business after joining SHGs.
- (8) Murlidhar A. Lokhande discussed in his paper with title “Micro Finance for Women Empowerment - A Study of Self-help Groups-Bank Linkage Programme” study that poor, discriminated and underprivileged women if join the groups, can come out of poverty.
- (9) Uma. H.R, Rupa. K.N study that The Global Financial Inclusion Data base found that the women are particularly disadvantaged, when comes to the access to financial services. Only 37% of women in developing countries have bank account, where as 46% of men do.

Objectives of the Study

- To know the economic condition of SHG women members
- To identify the activities undertaken by the group members of SHG for economic empowerment

Research Methodology

Raigad district is an average district of Maharashtra state with regards of social and economically. Karjat Taluka still lack in women economic empowerment. Therefore the SHGs-Bank Linkage programme in this area has a very high prospect through providing gainful self-employment opportunity to the poor women for their empowerment. The present study is based on primary data as well as secondary data. The data are collected through survey method using personal interview schedule and collected from the officials of area.

5. Analysis of data

5.1 Effect of Age group

Table 1: Effect of Age group

Age Group (Year)	Total Number of women	Percentage
Below 25	14	11.47
25-35	86	70.49
35-45	13	10.65
45-55	7	5.73
Above 55	2	1.63
Total	122	100.00

The impact of SHGs-Bank Linkage programme on the women of different age group is different according to age. It is clear from the table no.-1 that majority by 70.49% of the respondents are from the age group of 25-35, followed by 11.47% in the age group below 25. However it can be noticed from the table-1

that SHGs-Bank Linkage programme is not very much popular among the women in the age group of below 25 and above 45. It is a matter of concern that SHGs-Bank Linkage programme is unable to target the section of senior women. Majority group is age 25-35, this age group aware of linkage program because

at this age women provide financially support to family as highest.

5.2 Effect of Education

Table 2: Effect of Education

Education Level	Total Number of women	Percentage
Illiterate	32	26.22
Primary	47	38.52
Middle School	18	14.75
High School	17	13.93
Higher Secondary	6	4.91
Graduate or Post Graduate	2	1.63
Total	122	100

Table no.-2 revealed that the effect of education of SHG members. Highest percentage is primary education level with 38.52% and second highest is Illiterate level is 26.22%. Both illiterate and literate women can participate in the SHG-Bank Linkage programme and benefited for all level.

5.3 Activity wise investment and income

Table no.-3 shows the details of activities wise investment and income with number of women associated with different activities.

Table 3: Activity wise investment and income

Business Activity	No of Women	Investment in INR	Income in INR (Per month)
Pavbhaji center	6	150000	35000
Dairy	17	1500000	450000
Cloth center	5	450000	45000
Vegetable shop	19	185000	100000
Bangle shop	7	550000	60000
Saree center	3	500000	65000
Papad and pickles	39	600000	250000
Beauty parlor	6	300000	750000
Tea stall	8	120000	78000
Tailoring	6	350000	90000
Xerox center	4	500000	120000
computer center	2	400000	50000
Total	122	56,05000	20,93000

The table no.-3 revealed that 31% of the women engaged in preparation of Papad and pickles. 16% of the women running vegetable shops and getting more income as compared to others. From this we can conclude that rural women with the help of banking they can survive well.

6. Conclusion

The study shows that after joining SHG the financial condition of group members grow up and access to financial services brings positive changes among group members leading to their social economic empowerment. 122 members of SHG are included in study. The senior women and educated unemployed women must be encouraged to participate in the programme. The group members should utilize the benefits of different government schemes to enhance their business

activities. Need to add more members and SHGs with bank linkage program in Karjat Taluka, Raigad District, to make more economical independent and empowerment of women in this particular area.

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