

SELF HELP GROUPS-BANK LINKAGE PROGRAMMES -AN INSTRUMENT OF ECONOMIC UPLIFTMENT OF POOR WOMEN – CASE STUDY SHGS IN VASCO TOWN

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Abstract: Women form about half of the population of the country, but their situation has been grim. The main reason for this disadvantageous position of women was extreme social restriction of freedom of movement and activities. Low female participation in education is one aspect of this general pattern of women limited interaction with the outside world. But the status of women is intimately connected with their economic status, which in turn, depends upon rights, roles and opportunity for the participation in economic activities. It is only through SHG's that result in improving women's economic activities and in turn lead to their empowerment. The economic status of women is now accepted as an indicator of a society's stage of development and one such development is the formation of Self Help Movement wherein microfinance can be an instrument of Economic upliftment of Poor women.

Key words: Microfinance, Women empowerment, Self Help Groups, economic upliftment

Introduction: Most women across the globe rely on the informal work for an income. If women were empowered to do more and be more, the possibility for economic growth becomes apparent. Empowering women in developing countries is essential to reduce global poverty since women represents most of the world's poor population. All round development and harmonious growth of a nation would be possible only when women are considered as equal partners in progress with men. Emancipation of women is a pre-requisite for nation's economic development and social upliftment. Poverty is the main obstacle for the improvement of the women. The role of women and the need to empower them are central to human development programmes including poverty alleviation. In spite of various programs relating to poverty alleviation has been started, it was observed that micro credit system through SHGs bank linkage programme plays a very important role for the empowerment of woman in rural areas, especially from the poor families could be benefited. Rapid progress in SHG formation has now turned into an empowerment movement among women across the country. Economic empowerment results in women's ability to influence or make decision, increased self confidence, better status and role in household etc. The empowerment of women through SHGs would give benefit not only to the individual women but also for the family and community as a whole through collective action for development.

Self Help Group(SHG) is a small, autonomous, non political group of people living near each other and sharing common concerns, who come together voluntarily to work jointly for their personal, social and economic development. They agree to save regularly and convert their savings into a Common Fund known as the Group Corpus. The members of the group agree to use this common fund and such other funds that they may receive as a group through

a common management. The main objective of SHG formation is to improve poor people's access to microfinance. Micro finance programmes are important channels for providing small credit to the rural poor in order to alleviate poverty. Microfinancing programmes through Self-Help Groups (SHGs), introduced in several parts of India, have the potential to minimize the problem of inadequate access of the poor to the banking services.

Objectives:

1. To identify the economic activities undertaken by the group members of SHGs
2. To highlight the importance of Micro finance to Self Help Groups in earning their livelihood and inturn empowering women.
3. To know the problems faced by SHG's and to provide remedial measures to overcome their problems.

Literature Review:

1. L. Mayoux (1997) considered that microfinance has become an important tool of women empowerment. Microfinance programme is promoted currently not only as a strategy for poverty alleviation but also as a means of empowering the women
2. Zaman (2001) reported that the Self Help Groups intermediated by microcredit has been shown to have positive effects on women. They have played valuable roles in reducing the vulnerability of the poor, through assets creation, income and provision of emergency assistance. It has empowered the women by giving them control over assets and increased self esteem and knowledge.
3. Cheston has regarded that Micro finance programme has been very successful in reaching the women. This has given micro finance institution an extra ordinary opportunity to act internationally to empower poor women.

4. Rosalinda (2005) suggested that the credit to women can initiate a multiplier effect by way of economic empowerment which increase well being for women’s and their families and greater political and social empowerment.

Methodology: The required information for the study was collected from two basic sources of information namely the primary source and the secondary source of information.

Primary data-The primary data were collected by means of interview with various SHG members. To understand how microfinance has helped in transforming lives of the members of SHG the data was collected through a questionnaire based upon which necessary findings and conclusions were drawn.

Secondary source- Secondary data were collected through books, newspapers magazines and internet websites.

Findings and Discussion:

Table 1. Classification of Women microenterprise

Sr. No.	Nature of Microenterprise	No. of respondent	Percentage
1	Soft toys	4	5
2	Readymade Garments	9	11.25
3	Masala Making	6	7.5
4	Candle Making	7	8.75
5	Tiffin Supply	5	6.25
6	Tea canteen	4	5
7	Selling coconuts & Vegetables	8	10
8	Tailoring	5	6.25
9	Sweets	17	21.25
10	Making pickles	4	5
11	General stores	3	3.75
12	Handicrafts	5	6.25
13	Catering	3	3.25
	Total	80	100

Source: Primary data

SHGs have enabled women entrepreneurs to start a variety of business. Out of the total 80 SHG members who were interviewed it was found that around 5% of the women are engaged in making soft toys. 11.25% were dealing with readymade garments, 7.5% were making masala. Around 8.75 % of the women were engaged in candle making, 6.25% were engaged in

supplying tiffins, 5% were running canteens. 10% of the women were found to be vegetable vendors, 6.25% were engaged in tailoring activities, 21.25% and 5% were making sweets and pickles respectively. 3.75% were running General stores, 6.25% were doing handicraft items and 3.25% were undertaking catering orders.

Table 2: Obstacles for obtaining Credit from Bank

Sr. no.	Constraints	No. of respondents	Percentage
1	Lack of self confidence	7	8.75
2	Lack of collateral security	24	30
3	Procedure and formalities	16	20
4	Lack of information	7	8.75
5	Legal Barriers	8	10
6	Negative attitude of the Bankers	9	11.25
7	High rate of interest	9	11.25
	Total	80	100

Source: Primary data

From the above data it is clear that around 8.75% did not approach bank for a loan due to lack of self confidence , 30% did not approach the bank for a loan due to lack of collateral security , 20% of the women did not approach the bank for the loan because it involves too much procedures & formalities 8.75%. of the respondents lacked information, 10% of the women were of the opinion

that the legal barriers did not permit them to approach to the bank for a loan. Around 11.25% did not approach the bank for a long on account negative attitude of the bankers towards these women. Further around 11.25% of the women did not approach the bank for a loan on account of high rates of interest on the loan amount.

Table 3: Amount Borrowed

Sr. No	Amount Borrowed	No. of Respondents	Percentage
1	1000 -5000	25	31.25
2	5001 – 10,000	30	37.5
3	10,001 – 15,000	10	12.5
4	15,001 -20,000	15	18.75
5	Total	80	100

Source: Primary data

From the above table it is clear that majority of women were found to have taken loan ranging from Rs. 5000/- – Rs. 10,000/-. It can be observed from the table that around 37.5% interviewed women have taken the loan of Rs. 5000/- – Rs. 10,000/-. 18.75 % of women have chosen a higher level of credit i.e. Rs. 15,000/- – Rs. 20,000/- . 31.25 % of interviewed women have taken loan ranging from Rs. 1000/- - Rs. 5000/-

and only 12.5 % borrowed between Rs. 10,000/- - Rs. 15,000/- for starting their economic activity.

It was also found from our study that majority of women borrowed money for business purpose. From among 80 interviewed SHG women, it was found that around 72.5 % women borrowed money for business purpose and the remaining 27.5 % women borrowed money for personal use like child's education, etc.

Table 4: Change in Income per month

Sr. No	Income	Before Borrowing	After Borrowing
1	Nil	50 (62.5)	
2	Rs. 500 – Rs. 1000	12 (15)	19 (23.75)
3	Rs. 1001 – Rs.3000	10 (12.5)	44 (55)
4	Rs. 3001 – Rs. 6000	8 (10)	10(12.5)
5	Rs. 6001 – Rs. 10,000	--	7 (8.75)
6	Above Rs. 10,000	--	--
	Total	80 (100)	80 (100)

Source: Primary data (Figures in the bracket shows the percentage)

From the above table it is clear that majority of women i.e. around 62.5 % had no income before joining the SHG. Around 15% of the women had income between Rs. 500/- -Rs. 1000/-. 12.5% had income between Rs. 1000/- - Rs. 3000/- and around 10% had income between Rs.3000/- - Rs. 6000/- .

But after joining the SHG, there is a drastic change in the level of income of the women. From the above table it is clear that majority of the women earn

income between Rs. 1000/- - Rs. 3000/- per month i.e. around 55%. Around 23.75% earn income between Rs. 500/- -Rs. 1000/-. In the income slab of Rs. 3000/- - Rs. 6000/- there are around 12.5% of women and around 8.75% of women earn income between Rs. 6000/- - Rs. 10,000/-. The women who earn income between Rs. 6000/- - Rs. 10,000/- are basically the women who are engaged in tailoring business and who runs general stores.

Table 5: Change in Saving

Saving pattern	Before joining SHG	After joining SHG
Saving	24 (30)	70 (87.5)
No saving	56 (70)	10 (12.5)
Total	80 (100)	80 (100)

Source: Primary data (Figures to the right shows the percentage)

From the above table it is clear that before joining the SHG around 30% of the women used to save and the remaining 70% did not have any saving. But after joining the SHGs, there is considerable change in the saving potential of the women. After joining the SHG, almost 87.5 % of the women can save and the remaining 12.5 % have not shown any tendency to save. Thus SHG have been successful in promoting the saving habits among the members.

Benefits enjoyed after becoming the member of SHG: Out of the sample size of 80 women interviewed who had joined the SHG, majority of the

women were of the opinion that they got a chance in participating in social activities which was around 68.75%, around 56.25% of the members said that they had gained a lot of self confidence and Self Esteemed. Around 50% of the members got a right in participating in decision making. Since the women had to go about places to sell their products, there was freedom of movement among them. Around 37.5% were of the opinion that they got freedom of movement and around 21.25% were of the opinion that their health and Nutrition of their family increased due to increase in income.

Suggestions: The following are the suggestions that would be made in order to improve the working of SHG's

1. The banking procedure should be simplified so that women can get access to credit.
2. The banks should take initiative to develop the entrepreneurial skill, training and support to start the enterprise by women.
3. The technical training should be extended to women's. Instead of having a centric approach, efforts should be made to involve more and more women according to their timings, conveniences and close to their door. The training can be imparted not only through NGO but also with the help of students, associations, teachers, government servants, etc.
4. The various procedure and laws should be simplified as the poor women have difficulty in understanding them. The grievances of the poor

should be carefully handled and action must be taken against those who make complications in the government department.

5. Special women credit counter should be opened for providing credit for women.

Conclusion: From the study it is clear that women on joining the SHG's their family income has increased and women members have started saving their income. They have developed necessary skills and abilities in various productive activities. Self Help Groups (SHGs) have been successful in empowering women through entrepreneurial activities. The SHG's helps in increasing the income and saving habits of women and also have a major impact of transforming social and economic life of women. Thus SHG's should be encouraged in order to eradicate poverty through self employment and at the same time empower women which will in turn lead to social inclusion.

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