



A Study on Impact of Micro-Finance on Self-Help Groups for Women Empowerment with special reference to Udupi City of Karnataka State

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Abstract:

Micro finance is the provision of financial services to low income clients or solidarity lending groups including consumers and self-employed, who traditionally lack access to banking and related services. It is referred to as the alternate commercial sector targeting poor. Micro finance is not just about giving micro credit to the poor rather it is an economic development tool whose objective is to assist poor to work their way out of poverty.

Micro Finance is considered to be any activity that includes the provision of financial services such as a credit savings and insurance to low income individuals who fall just above the nationally defined poverty line and poor individuals who fall below the poverty line with a goal of creating social value. The creation of social value includes poverty alleviation and broader impact of improving livelihood opportunities. It is through the provision of capital for micro enterprises and insurance and savings for risk mitigation and consumption smoothing

The main objective of the study is to know how micro finance is helpful to SHGs and the individual empowerment of women through SHGs.

Key Words: Micro finance, SHGs, Empowerment.

Introduction:

The dictionary meaning of 'finance' is management of money. The management of money denotes acquiring and using money. Micro finance is buzzing word, used when financing for micro entrepreneurs. Concept of micro finance is emerged in need of meeting special goal to empower under privileged class of society, women and poor, downtrodden by natural reasons of men made; caste, creed, religion or otherwise. The principles of Micro finance are founded on the philosophy of co-operation and its central values of equality, equity and mutual self-help. At the heart of these principles are the concept of human development and the brotherhood of man expressed through people working together to achieve a better life for themselves and their children.

Micro Finance programs have generally targeted poor women. By providing access to financial services, only through women, making women responsible for loans, ensuring repayment through women, maintaining savings accounts for women, providing insurance coverage through women, microfinance programs send a strong message to households as well as to communities. Many qualitative and quantitative studies have documented how access to financial services has improved the status of women within the family and the community. Women have become more assertive and confident. In regions where women mobility is strictly regulated, women have become more visible and are better able to negotiate the public sphere. Women own assets, including land and housing play a strong role in decision making. In some programs that have been active over many years, there are even reports of declining levels of violence against women.

Concept of SHGs

"All for all" is the principle behind the concept of Self Help Groups (SHGs). They are voluntary associations of people formed to attain a individual and collective goal. People who are homogeneous with respect to social background, caste or traditional occupation come together for a common cause to raise and manage resources for the benefit of the group members.

The process by which the group of people with a common objective are facilitated to come together in order to participate in the development activities i.e., savings, credit, income generation, etc.

Statement of Problem:

Even after the 60 years of independence our society is still a male dominated one, where females suffer from illiteracy, poverty, asset ownership, and dependency. In addition to this they have big responsibility of maintaining the family requirements with minimum income. This resulted in identifying and taking up various income generating activities to supplement the family's income. Due to poverty and lack of asset ownership women find it difficult to take loans from bank. This resulted in formation of self-help groups and micro financial institutions in India. SHGs and micro finance has become one of the major tools in empowering women in India and also in world wide. SHGs and micro finance have become a burning issue in the world. Many research works have been done and

some of the research works are still going on. But in Udupi city limits only few works have been undertaken on this topic, hence the present study is undertaken with the title.

Objective of the study:

1. To study the awareness about the micro-finance among the women in self-help groups in Udupi city.
2. To analyze the performance of self-help groups in Udupi city.
3. To study the benefits of micro-finance availed by women through SHGs.
4. To identify the various developmental activities carried on by SHGs.
5. To offer suggestions to empower the women effectively through self-help groups in Udupi city.

Scope of the Study

1. The scope of the study is limited to women empowerment with the help of SHGs and micro finance. Only few self-help groups were selected for the study.
2. The time duration of the study is limited to 3 months only.
3. The area covered for the study is Udupi city only.

Data Collection

The data was collected from two sources for the present study.

1. Primary data
2. Secondary data

Primary data:

Primary data assumes a great importance in this type of studies. In this study primary data had been collected with the help of structured questionnaires and unstructured interviews with clients. In this way these data are very important and play a vital role.

Secondary data:

Secondary data had been gathered from many sources namely;

Newspapers, Magazines and Journals.

Standard references books.

Internet.

The purpose of using secondary data was to increase accuracy and to know the situations in the past.

Sampling Unit:

For the purpose of the study the sampling unit has been selected from the members in self-help group around Udupi city.

Sample Size:

In any study, it is impossible to study the whole population. The study being around 100 respondents towards research has been selected.

Sampling Procedure:

Simple random sampling method is adopted for the study.

Period of study:-

The study on the women empowerment through SHGs is conducted in the span of 3 months.

Method of analysis:-

The analysis of the data was done through simple statistical techniques such as percentage for generalization and construction of tables for tabulating the primary data. The use of pie diagrams and base diagrams is made for better understanding of the study.

Limitations of the Study

1. The response obtained from the respondents may not be free from personal bias.
2. The suggestions offered in this research study were based on the limited data collected from the respondents.
3. The study does not cover the whole population.
4. The survey was conducted in few SHGs, thus it cannot be generalized
5. The sample size was restricted to 100 respondents, due to lack of time constraint.

Findings of the study:

Following are some of the findings of the study:

- 1) Majority (53%) of the respondents are illiterates.
- 2) Majority (61%) of the respondents are self-employed.
- 3) The study says that (47%) the respondent's income level is Rs.15001 and above.
- 4) Majority (53%) of the respondents are member of SHG's for more than 5 years.
- 5) The study says that majority (52%) of the respondents are influenced by SHG members to join the SHG.
- 6) The study says that all the respondents have taken loan from MFI (100%) to meet their financial requirements such as day-today needs, children education, marriage expenses, medical purpose etc.
- 7) Majority (89%) of the respondents have joined SHGs because they can get the loan at reasonable rate of interest and without any collateral security.
- 8) The study says that Majority (57%) of respondents have taken loan between Rs.15001 to Rs.20000.
- 9) From the study, it is clear that, Majority of respondents (51%) have taken loan for the purpose of their business such as to start the new business or to purchase materials.

10)From the study, it is clear that, Half (50%)of the respondents are satisfied with the loan amount provided to them because they feel that it is up to their level and capacity to repay it.

11)The study says that Majority (94%) of respondents are availing insurance service from their SHG.

12)From the study, it is clear that, Majority (83%) of respondents have not undergone any training programs.

13)From the study, it is clear that, Majority (66%) of respondents strongly agree that they have been empowered after joining SHGs.

14)The study says that Majority (62%) of respondents are highly satisfied as a member of SHG and they enjoy the benefits and programs of SHGs.

Suggestions:

On the basis of the findings of the study the following suggestions have been made to improve the function and performance of the SHGs and MFIs in order to empower women more effectively.

1. Education level of the members must be improved. Education will improve their knowledge. They come to know what are all the benefits they get by the Government after joining SHG
2. Income generating activities must be encouraged like dairy, poultry etc.
3. Training program to the SHG members must be given to improve their skills. That will lead to increase their productivity and income level.
4. Savings of the members must be encouraged to improve their economic and social status.
5. Loan amount to the members must be increased, so that their requirement can be easily fulfilled.
6. Interest rates on loans must be brought down. It will encourage the members to take loans for economic activities and thereby they can improve their standard of living.
7. Encourage the more women to join SHGs. That will encourage the habit of savings among the people.

Conclusion:

Micro finance through SHGs has become major tool in empowering women and poverty alleviation world widely. There is no doubt in women empowerment and bringing women to main stream with the help and support of MFIs and SHGs.

The economic and social development of the members is possible only if they utilize their loan amount for the agreed reason and in income generating activities. Since women are the sole family caretaker, proper emphasis should be given to the women and for empowering the women with regard to finance is required.

Microfinance to the SHGs is a way to raise the income level and improve the living standards of the rural and urban women. The Self Help Groups have proved the way for economic independence of urban and rural women. Thus, it can be concluded that the self-help groups contribute more to the women empowerment and social development and can eradicate social evils like poverty, illiteracy, exploitation etc. as well.

References:

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