

The “Role Of Micro Finance In Women’s Empowerment (An Empirical Study In Chittoor Rural Shg’s) In A.P.

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Abstract: The SHG method is used by the government, NGOs and others worldwide. Thousands of the poor and the marginalised population in India are building their lives, their families and their society through Self help groups. The main aim of this paper is to examine the impact of self help group in socio-economic development of India. Self help Groups have been playing considerable role in training of Swarozgaris, infrastructure development, marketing and technology support, communication level of members, self confidence among members, change in family violence, frequency of interaction with outsiders, change in the saving pattern of SHG members, change in the cumulative saving pattern of SHG members per month, involvement in politics, achieving social harmony, achieving social justice, involvement in community action, sustainable quality and accountability, equity within SHGs, defaults and recoveries, and sustainability- financial value. It analyses what is Self -Help Group? Why the Self Help Group is so important in India. The article throws light on forming self help groups in rural areas as well as its effect on the rural economy.

Keywords:-Microfinance, Socio-economic Conditions, Rural development, achieving Social Justice, Sustainable Quality, Equity, and Women Empowerment.

I. INTRODUCTION

Poverty is widespread in India despite the impressive economic development that has taken place since independence. Poverty continues to be a serious problem in both Rural and Urban India. The intensity of poverty varies widely across the states of India, with a high concentration of poor in the central region of country. Landlessness and limited access to land are glaring features of rural poverty the population below the poverty line is nearly 42 percent in rural areas, compared in urban areas. Perpetuation of poverty is due to the exclusion of some sections of poor from growth and not necessarily due to lack of growth. Economic betterment through self- managed activities could equip the poor to play a more assertive role in the community. Community initiatives in the implementation of such measures with strong coalition in of the poor could bring in significant differences. Credit has been recognized by the govt and banks as a tool for poverty reduction for several years. Implementation of govt sponsored credit linked poverty alleviation programmes with

high transaction cost and default and trusting of public distribution system on co-operation too has affected the viability of rural lending.

OBJECTIVES

- ✓ To analyse the role of self help groups in the social, economic and political empowerment of women.
- ✓ To analyze how the programme helped the women beneficiaries especially the SC, ST and BC
- ✓ Women to improve their income and Employment in the selected areas.
- ✓ To assess the extent of awareness regarding the governmental programmes.
- ✓ To examine and evaluate the specific problems of beneficiaries with regard to saving, revolving fund, productivity, marketing etc.
- ✓ To identify the problems and to suggest the suitable remedies for effective implementation of SHG’S programme in Rural Areas.

II. METHODOLOGY

Methodology makes a study more scientific and realistic objective. This paper on methodology deals with the description of the study area, sample, selection, procedure adopted for collection of data for the study and analysis of the data.

III. STUDY AREA

The present study is conducted at Chittoor Rural Area which is situated in chittoor mandal. During the process of field work the research has an opportunity to work the Self Help Groups in this area.

In the present study an interview schedule was exercised to collect the data. Interview method is one of the important techniques widely used by social scientists for data collection. The relevant questions were framed in the form of interview schedule buy keeping in view the objectives of the study elicit adequate information which can serve the purpose of the study for collecting necessary information about the organization separate questionnaire was framed. Each respondent was personally contacted and interviewed.

SELECTION OF THE SAMPLE

There are 150 Self Help Group Members in Chittoor Rural was selected for the present study. Purposive sampling method was employed for selecting the women beneficiaries.

TOOLS AND METHODS OF DATA COLLECTION

The data collected with the help of interview schedule to know the socio-economic condition, income expenditure of respondents and involvement of women in SHGs. The interview schedule was developed with open and closed ended question which were completed in the respondents mother tongue is Telugu. The information was collected from the respondents through in the interview method in Telugu language only.

ANALYSIS OF THE DATA

After collection information from the respondent's data was tabulated and analyzed in a sequential order for generalizing the findings. The analysis of data was done manually. Report writing was the last step in the research process concise and clear cut description was made in report writing.

IV. SOCIO-ECONOMIC CONDITIONS

Socio- economic conditions of the selected beneficiaries are discussed with the variables like age, caste, literacy level, type of house, particulars of hold assets possessed by the beneficiaries and their debt position etc., which provides an understanding about the socio-economic status of the beneficiaries.

Age of the beneficiaries is one of the important factors which directly influences and intervenes in the effectiveness of any income generating programme like SHGs. Age particulars of the beneficiaries are presented in the Table 1.1

SI. No	Age in Years	Number of the Respondents	Percentage %
1	20-30	31	20.67
2	30-40	62	41.33
3	40-50	47	31.33
4	50-60	10	06.67
	Total	150	100.00

Source: primary data from field survey.

Table 1.1: Distribution of the respondents according to their Age Groups

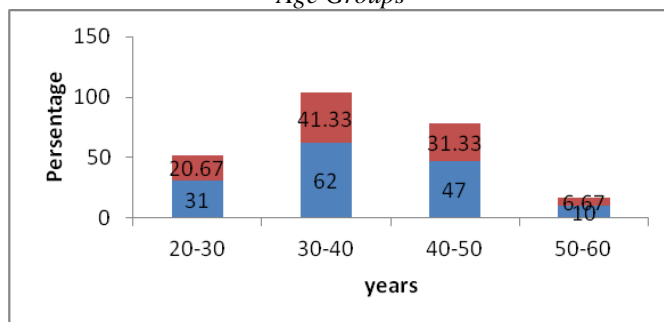


Figure 1

From the above table it is revealed that the percentage of middle age respondents is more i.e. (41.33%). As per the survey the middle age involvement is higher than that of young age and old age groups in SHGs in the study area. The reason is during the middle age. Only most of the women face problems in managing their household activities and are responsible to run their family. Hence to support the household income they are on the lookout for some earnings.

SI. NO	Category	No of the respondents	percentage
1	Scheduled caste (SC)	49	32.67
2	Scheduled Tribes (ST)	12	08.00
3	Backward caste (BC)	57	38.00
4	Forward caste (OC)	32	21.33
	Total	150	100.00

Source: primary data from field survey

Table 1.2: Community Wise Distribution of the selected SHG members

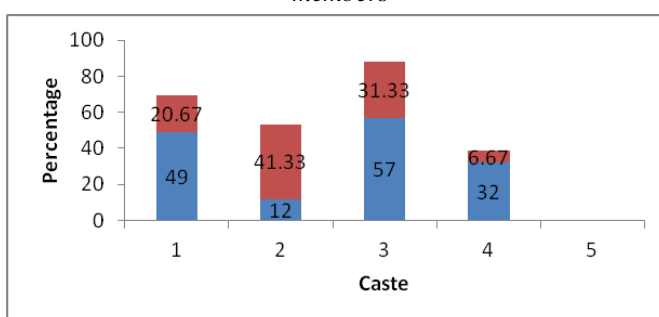


Figure 2

The above table-2 reveals that the majority participants in the group activities belong to backward caste accounting for 38 percent of the sample while scheduled caste constituted 32.67 percent. Their enrolment in SHGs in the study area is high which is due to the fact that they are most economically oppressed class and SHGs aim to improving their living status and standard of living.

LITERACY

Education not only makes the people literate but also provides silks. The progress of any nation depends upon the nature of education, imparted to its people. The upliftment of scheduled caste and scheduled Tribes and other weaker sections solely depends upon the educational facilities provided to these groups, which certainly improves their socio-economic conditions.

SI.NO	Educational status	No of the Respondent	Percentage%
1	Illiterate	48	32.00
2	Primary	59	39.33
3	secondary	25	16.67
4	Others	18	12.00
	Total	150	100.00

Source: primary data from field survey.

Table 1.3: Literacy particulars of the selected beneficiaries in SHGs

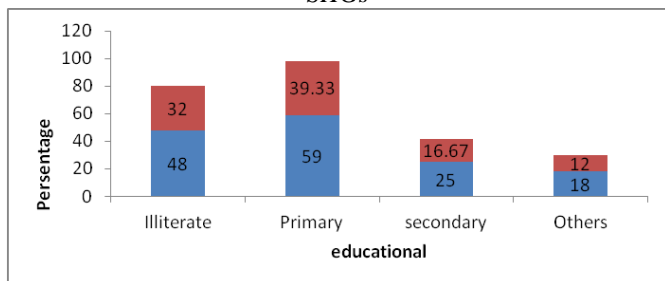


Figure 3

The above table Education is another factor which influences the status of SHG women. Education serves as a means towards change and development. It also helps to develop and create awareness about the ways of life through the acquisition of appropriate skills. It helps the individuals to overcome their prejudice and to support their family income. According to the data (table-3) (48) 32 percent of the respondents are illiterate, (59) 39.33 percent have primary education, (25) 16.67 percent have secondary education and (18)12 percent higher education. In rural area in chittoor mandal the number of primary education is high.

SI.NO	Marital Status	No of the Respondents	Percentage %
1	Married	124	82.67
2	Widow	24	16.00
3	Divorced	2	01.33
	Total	150	100.00

Source: primary data from field survey.

Table 1.4: Marital Status of the selected SHG members

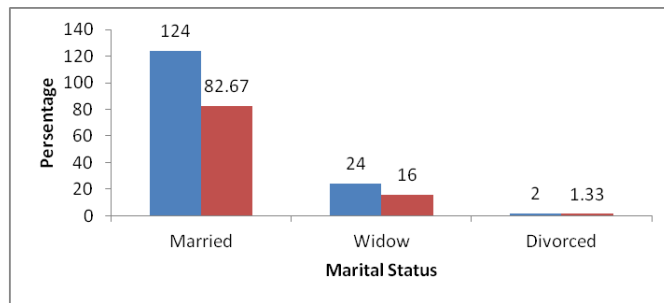


Figure 4

The above table-4 shows the marital status of the respondents. According to the data, higher percentage 82.67% (124) of the respondents are married, (16 %)24 members of the respondents are widowed, and (1.33 %) 02 of the respondents are divorced.

SI.NO	Type of Family	No of the Respondents	Percentage %
1	Joint Family	22	14.67
2	Nuclear Family	126	84.00
3	Single parent family	02	1.33
	total	150	100.00

Source: primary data from field survey

Table 1.5: Family Size Wise distributions of the selected SHG members

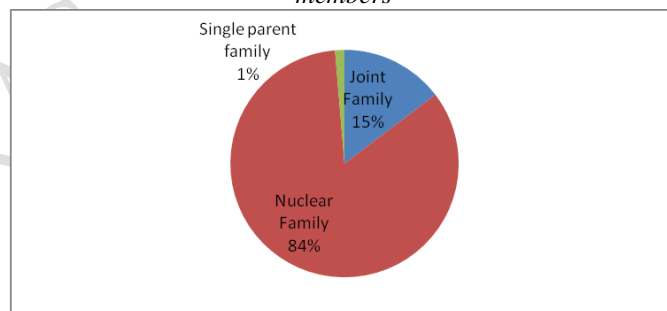


Figure 5

The above table-5 shows the nature of family of sample SHGs women. It is evident from table at a large number 126 respondents (84 percent) are living in nuclear families followed by 22 respondents (14.67) living in joint families, two respondents (1.33 percent) are living in single parent families. It shows that the traditional joint families are fast declining and nuclear families are on the rise even in rural areas. This is the impact of social transformation that is taking place in the society.

HOUSING CONDITIONS OF THE BENEFICIARIES

Like mass poverty, scarcity of housing facilities has proved as an intractable problem and remained an abiding future of the Indian reality, and further lack of shelter or its degradation are an inseparable for part of poverty. The houses in which the beneficiaries lives are classified into three categories i.e., (1) Hut (2) semi pucca (3) Pucca. Housing particulars of the beneficiaries of SHGs are presented in below the table.

SI.NO	Type of House	No of the Respondents	Percentage %
1	Pucca	09	06.00

2	Semi pucca	27	76.00
3	kutchha	114	18.00
	Total	150	100.00

Source: primary data from field survey.

Table 1.6: Type of the House of the Respondents

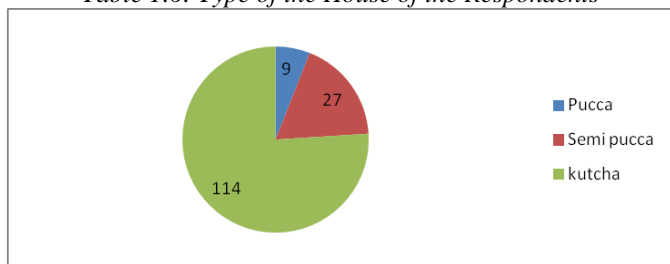


Figure 6

The above table shows the type of house in which the beneficiaries live in. All the sampled beneficiaries have pucca houses 06.00 percent of the beneficiaries have semi pucca houses as against 76.00 percent of the beneficiaries and 18.00 percent of them are residing pucca houses.

Sl.NO	Duration period	No of the Respondents	Percentage %
1	0 to 05 years	51	34.00
2	05 to 10 years	43	28.67
3	10 years above	56	37.33
	Total	150.00	100.00

Source: primary data from field survey

Table 1.7: Duration period of respondents according to the year of joining in SHGs

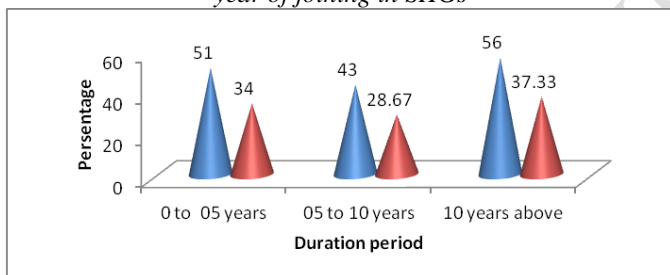


Figure 7

In the surveyed area majority of the sample respondents 37.33 percent are self employed under SHGs for the past ten years. On the other hand the remaining 34.00 percent are self employed under SHGs for the 05 to 10 years below. And past 05 years 34.00 percent are self employed under SHGs.

Sl.NO	Occupation	No of the Respondents	Percentage %
1	Milk and curd vending	45	30.00
2	Petty business	16	10.67
3	Employees	Nil	00.00
4	House wives	89	59.33
	Total	150.00	100.00

Source: primary data from field survey

Table 1.8: Occupation of the respondents

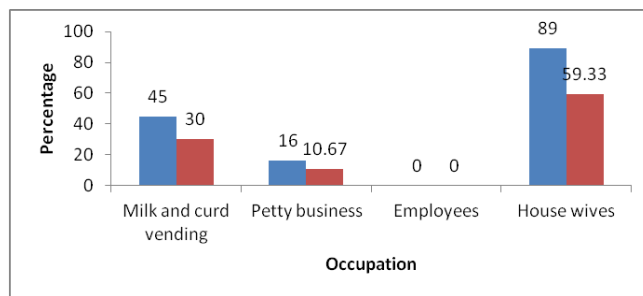


Figure 7

The above table indicates the sample respondent's occupational status. in the study area more than(89) 59.33 percent are housewives and (45) 30.00 percent of the beneficiaries are Milk and Curd Vending business and (16) 10.67 percent of the beneficiaries are the petty Business.

Sl.NO	Reasons	No of the Respondents	Percentage %
1	Friends/Neighbours'	132	88.00
2	Anganwadi Women	10	06.67
3	officials	08	05.33
	Total	150.00	100.00

Source: primary data from field survey

Table 1.9: Respondents Reason of Motivation to joining the SHGs

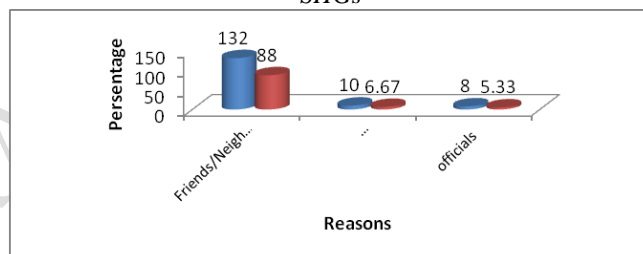


Figure 8

The above table shows that 83.00 percent of the respondents are motivated by their friends/neighbours where as about 6.67 percent of the samples are motivated by Anganwadi women's and 5.33 percent of the respondents are motivated by officials.

Sl. NO	benefits	No of the Respondents	Percentage %
1	Savings increased	96	64
2	Able to send children to school	42	28
3	Away from local loans	12	08
	Total	150.00	100.00

Source: primary data from field survey

Table 1.10: Type of Benefits received by the respondents due to SHGs

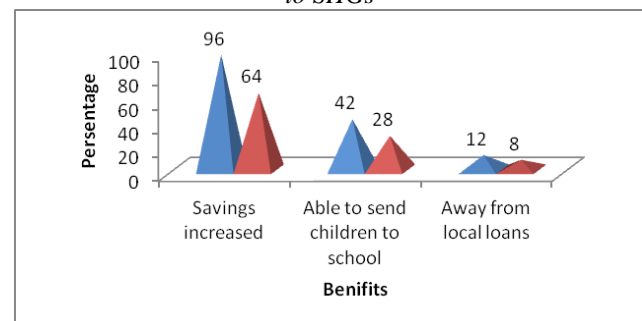


Figure 9

In the study area more than half of the respondents expressed that their savings are increased due to SHGs. (96) 64 percent increased savings. About one quarter of the sample (12) 08 percent stated that are not going to money lenders for credit purpose. The rest of respondents (42) 28 percent pinioned that they are sending their children to schools/colleges due to member in SHGs.

SI.NO	Savings of Money	No of the Respondents	Percentage %
1	50-100	Nil	00.00
2	100-150	66.00	44.00
3	150-200	84.00	56.00
	Total	150.00	100.00

Source: primary data from field survey

Table 1.11: Respondent's monthly savings

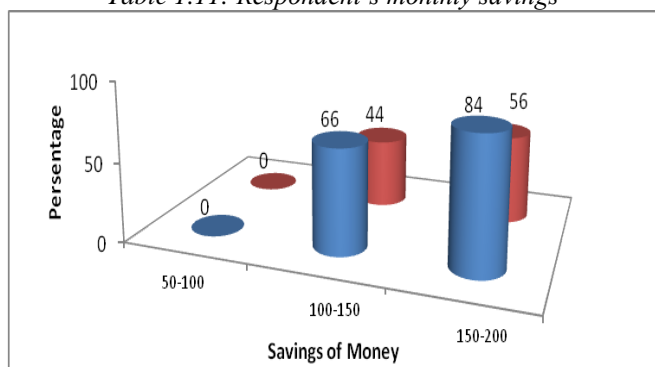


Figure 10

The above data clearly indicates the beneficiaries 44 percent are savings Rs. 100 to 150 per month. Whereas on the other hand 56percent of the beneficiaries are savings Rs.150 to 200 per month.

SI.NO	Utilisation	No of the Respondents	Percentage %
1	Family Expenditure	57	38.00
2	Business	4	09.33
3	Health	10	06.67
4	Education	47	31.33
5	cultivation	22	14.67
	Total	150.00	100.00

Source: primary data from field survey

Table 1.12: Utilization of savings and Bank Loans by the Respondents

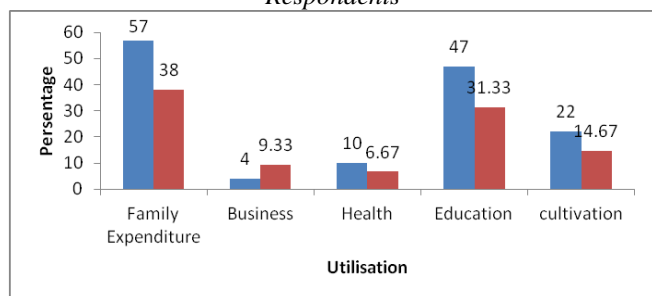


Figure 11

It is clear from the above table that majority of the respondents 38 percent are utilizing the savings and bank loans for their family purpose. Whereas 31 percent of the respondents are utilizing their savings and loan for education Purpose, 22 percent of the respondents are utilizing their savings and bank loan for cultivation purpose. The remaining

sample utilizing savings and bank loans for Health and Business purpose.

V. MAJORITY FINDINGS

The findings and results of this study are mentioned below:

- ✓ The social profile of self-help group members indicates that majority of members are from tribal background.
- ✓ From the study it is found that the operational efficiency of the SHGs is not same because of their internal problems and effective leadership.
- ✓ It is found that micro finance through SHGs helps to improve the economic conditions of the women section and it has brought mental satisfaction to their family members.
- ✓ 90% respondents accept that they play an important role in decision making which is an important factor of women empowerment.
- ✓ Micro finance through self help groups improves the literacy levels of women and also improves their awareness on child education.
- ✓ Women are economically and socially empowered after getting micro finance through Self Help Groups as most of the respondents reported that their poverty level has reduced than earlier.
- ✓ Women's access to SHGs has enabled them to make a greater contribution to household income and enable them to bring about wider changes in gender inequality.
- ✓ There is a significant improvement in saving habit of women in the study area and the inclusion of formal financial institutions through self help groups.
- ✓ SHGs and Bank linkage programme developed by NABARD provide only savings and credit services and provision of insurance is almost nil or very less in the surveyed SHGs.
- ✓ The SHGs disburse loans for consumption and production purposes for the members. The member of SHGs perceives several benefits as economic independence, self confidence, provision of saving and freedom from debts.

VI. SUGGESTIONS

- ✓ The following suggestions are forwarded for promoting SHGs and Bank linkage programme in the study area for empowering rural women.
- ✓ The SHGs should open Bank A/C in the nearby bank where the organization or groups are formulated.
- ✓ The group should maintain proper accounts records, savings records and loan register.
- ✓ The rural people, especially the women community should be educated about the various financial services and products offered by various financial institutions and banks.
- ✓ The awareness schemes or advertisement programs should be enhanced, especially in the regional languages.

- ✓ ATMs cash dispensing machines can be modified suitably to make them user friendly for people who are illiterate, less educated or do not know English.

VII. CONCLUSIONS

Women constitute nearly half of the world's population. But how many women have any idea on empowerment? In India, majority of our population live in rural area and women living in rural India have no idea about the importance of women's empowerment as they are not properly educated. Women have been playing an important role for the socio-economic development of the society since time immemorial. They are considered as the back bone of a family. But women in particular often bear the brunt of poverty and limited access to economic opportunities, including unfavourable financial access. Thus it is very important to empower the rural women through self-help groups for economic development. From the study, it is found that micro finance through self-help group is helping the poor and upgrading women empowerment by making them financially strong. SHGs have increased their habit of savings and investment in some developmental

activities. Thus it is universally accepted that SHGs and Bank linkage programme has profound influence on the economic status, decision making process and level of dependence of women in India.

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