

ROLE OF SHGs IN ECONOMIC EMPOWERMENT OF WOMEN

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ABSTRACT

Microfinance services help to empower women from poor households, especially in rural and sub urban areas while contributing to family well-being. Micro finance – a prerequisite of financial services to the economically backward people in a sustainable manner enables women and downtrodden masses to utilize credit, saving, insurance to manage and mitigate risk cost effectively. The paper focuses on the role played by microfinance in women empowerment is considered from five dimensions – economic, social, psychological, legal and political. The present study has been undertaken in Krishna region by taking a sample of 122 members who are also the members of NGOs.

Field survey is the tool used for Primary Data Collection, NGOs reports and data from reliable website form the sources of secondary data. The researcher/s has used the statistical methods like - Percentage Method, Simple Correlation Coefficient etc. And also, in due course of data analysis it was observed that a few members are not completely aware of the benefits of SHG and MFIs, some other enthusiasts have shown interest to get trained in various income generation activities. Most importantly, it was identified there is a definite improvement in the morale and self- confidence level of members and it is significant to note that the betterment in income level goes, towards welfare of the children and education. Size and homogeneity of group, credibility and trust among the members are the key factors that play a vital role in success of SHG program.

Keywords – Self Help Group (SHG), Non-Governmental Organization (NGO), Micro Finance Institutions (MFIs), Women Empowerment, Micro Finance.

INTRODUCTION

Women's Empowerment is a pre-requisite for development and achievement of economic goals of a nation. Achieving women empowerment is not a quick fix; rather it would obtain a holistic approach, long-standing commitment and well-structured policies for the public, from all the sectors of the economy. Women experience hurdles in almost every aspect of their and social and professional roles. Getting back to economic empowerment of women, microfinance works out to be a great tool towards creating and enhancing the financial independence of women.

Microfinance is the cluster of financial services to low-income and low-profile clients, including consumers, self-employed, women and all those who are excluded by the traditional financial service providers like banks and NBFCs. Micro finance is financial intermediation framework for those who are too poor to be offered financial services by the conventional bankers and other related institutions to serve. Micro credit is a boon for those who have the zeal, enthusiasm and entrepreneurial capability, yet lack financial resources. Micro finance services to poorest of the poor enable them to avail the commercial opportunities and become independent.

Micro finance leads to women's empowerment by positively influencing their decision-making power and thereby increasing their economic status. NABARD (2005) explains that the SHGs are "a group with an average size of about fifteen people from a homogeneous class. They come together and form a group to address their common problems". The basic principle is to inculcate the habit of voluntary savings among the members. They utilize this pooled fund to make small interest bearing loans. This brings in financial discipline and accountability. They will enforce responsibility among the members and in the process of handling the operations of the group, they get enriched with book-keeping and basic accounting knowledge and emerge as effective administrators. Gradually, SHG members start appraising the utility of credit arrangement. When the group attains stability and performs well, displaying credibility; traditional banks are motivated to extend loans to members in multiples of the pooled savings. The rate of interest charged will be

encouraging; at the same time no collateral security is demanded. The loan repayment duration would be deciding factor while determining the ROI. The pooled savings remains, it is significant to note that the loan is given not out of the accumulated savings. Each member of the group should extent guarantee to bank for the loan taken. There exists peer pressure among the members to ensure timely payments. In the event of default by the member, the said loan will be joint and several liabilities of the remaining members.

STATEMENT OF THE PROBLEM

Owing to the social framework ubiquitous in olden days, women were restricted only to family and social rituals. They were refrained from participating in key decisions. But, in contemporary society, women from all social strata are being part of income generating activities. Although microfinance can contribute dramatically towards women's economic development but it can't be regarded as a magic wand bringing instantaneous results. The main motto of microfinance is to make powerful/empower the weaker sections of the society especially rural women. This greatly motivated the researcher/s to study the factors responsible for success of SHGs.

OBJECTIVES OF THE STUDY

- To understand the benefits accrued to the member of SHG.
- To identify and analyze the factors of SHG program that fetch freedom of choices to women.
- To study the program areas in SHG program.
- To analyze the empowerment of women psychologically, socially and economically.
- To analyze how improved political and legal framework can lead to the empowerment of women.
- To offer suggestions for designing SHG program effectively.

RESEARCH DESIGN

This research has been undertaken in the pastoral areas of Krishna Region. Both primary and secondary data is used. Primary data is collected by conducting a field survey with the help of a structured closed ended questionnaire. Secondary data is collected from NGOs report and other documents and web-sites. One NGO and 5 SHGs are taken for study.

Sampling Method : Cluster Sampling and Random Sampling is followed.

Sample Size : 122 Members of 5 SHGs promoted by one NGO are taken for study.

Statistical Tools : Simple Correlation, Percentage Analysis, Cross Tabulation are applied for analyzing the data

Data Collection Method: Structured Schedule Interview

Research Instrument : Structured questionnaire

LIMITATIONS

- The study is confined to Krishna Region only. The outcome may not be applied to the whole universe.
- Data was collected from those members who are engaged in income generating activities.

RESULTS AND DISCUSSION

Table No.1 Demographic Segmentation of the Sample Data -Age

AGE	No. of Respondents	Percentage (%)
20-30	56	45.91
31-40	39	31.96
41-50	24	19.68
51-60	3	2.45
Total	122	100.00

Table No.2 showing Educational Qualifications of the Respondents

Academic Qualification	No. of Respondents	Percentage
Elementary	49	40.17
Secondary	32	26.22
Intermediate	24	19.67
Degree	11	9.02
Post Graduation	06	4.92
Total	122	100.00

Table No.3 Projecting -Family Income of the Respondents

Income Slabs (Rs.)	Before Joining SHGs	Percentage
Less than 50,000	23	18.85
50,001-100000	56	45.91
100001-150000	35	28.68
Above 150000	08	6.56
Total	122	100.00

Table No.4 showing -Opinion of the respondents regarding Change in Children Education

Opinion	No. of Respondents	Percentage
Agree	91	74.59
Disagree	31	25.41
Total	122	100.00

Table No.5 Showing the purpose of the respondents to become a member in SHG

Purpose	No. of Respondents	Percentage
Savings	9	7.38
Low Interest Borrowings	38	31.15
Children Welfare	33	27.04
Domestic Needs	16	13.12
Development Existing Business	26	21.31
Total	122	100.00

Table No.6 showing -Support Requirement

Requirement	No. of Respondents	Percentage
Training	47	38.52
Monitoring	7	5.73
Marketing	22	18.03
Information	46	37.72
Total	122	100.00

Table No.7 showing -Opinion about Micro Insurance

Awareness	No. of Respondents	Percentage
Yes	88	72.14
No	34	27.86
Total	122	100.00

Table No.8 showing SHGs Level of Improvement in Financial Position

Level of Improvement	No. of Respondents	Percentage
Greatly Improved	28	22.95
Moderately Improved	68	55.74
Slightly Improved	26	21.31
No Improvement	0	0.00
Total	122	100.00

Table No.9 showing -Major Risks in SHGs

Risks	No. of Respondents	Percentage
Forced Savings	06	4.92
Fear of Misuse dominant male in family	48	39.34
Default by member	65	53.28
Increased stress and strain	03	2.46
Total	122	100.00

Table No.10 showing -Factors for success of SHGs

Factors	No. of Respondents	Percentage
Size of Group	28	22.96
Homogeneity of Group	20	16.39
Trust among the members	11	9.02
Credit Discipline	63	51.63
Total	122	100.00

Table No. 11 Cross Tabulation Analysis of Psychological Variables

Variables	Age Wise Distribution of the Respondents							
	20-30		31-40		41-50		51-60	
	Yes	No	Yes	No	Yes	No	Yes	No
Self Confidence	52	4	27	12	13	11	1	2
Courage	37	19	28	11	16	8	0	3
Boldness to Communicate with Officials	46	10	37	2	17	7	1	2
Awareness of Children	27	29	21	18	15	9	0	3
Happiness & Peace in family	50	6	34	5	20	4	3	0

CALCULATION OF SIMPLE CORRELATION COEFFICIENT

Simple Correlation Coefficient – Age of the respondents and perceived risks – 0.026

Simple Correlation Coefficient – Age of Respondents and Perceived Success Factors - -0.59

Simple Correlation Coefficient - Age of Respondents and Perceived Contribution to financial position – 0.59

Simple Correlation Coefficient – Education Qualifications and Perceived Success Factors - -0.524

Simple Correlation Coefficient – Education Qualifications and perceived risks – -0.0782

FINDINGS

- It is found that the economic/financial position of the members has improved to some extent.
- It is observed that women feel that their social image has improved significantly.
- Most of the women respondents opined that have been strengthened psychologically by joining in SHGs.
- Majority of the women opined that their membership in SHG has contributed for the improvement of their children in education.
- It is significant to note that about 28% of the women are unaware of micro-insurance.
- Timely and appropriate information is all they need to enhance their participation in SHGs
- It is key to note that nearly 40% of the women opine that “Fear of misuse of funds by dominant male members” as a major risk and hence the NGO needs to pay a vigilant eye on the use of funds.

SUMMARY & CONCLUSION

It can be inferred that, there is positive, but mild correlation between the age of respondents and perceived risks of SHG membership. However, there is a negative correlation between the age of the respondents and perceived success factors. This means, elder members perceive that SHG can be successful with credit discipline rather than size or homogeneity of the group. Positive correlation between age of the respondents and their opinion on SHG membership facilitating betterment in financial position indicates that more matured women are able to realize improvement in financial position. A negative correlation coefficient between educational qualifications and perceived success factors indicates that, members with degree and above qualifications feel that size and homogeneity of group are the factors contributing to success of SHGs, at the same time they appraise their decision of joining the group.

It is concluded that there is a definite improvement in the morale and self- confidence level of members and it is significant to note that the betterment in income level goes, towards welfare of the children and education. Size and homogeneity of group, credibility and trust among the members are the key factors that play a vital role in success of SHG. Encouraging policies and laws valuing the care work of women can further create a plethora of opportunities and thus empower women.

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