

ROLE OF BANKS ON WOMEN EMPOWERMENT THROUGH SELF HELP GROUPS

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Abstract

Self Help Groups (SHGs) which recently came into existence as in formal organizations, are linked to banks mainly women as its members. The present study is an attempt to analyse the empowerment of women through the SHGs scheme of banks. A self Help Group is defined as “a small economically homogenous and affinity groups of rural/ urban poor/ voluntarily formed to save and contribute to a common fund to be lent to its members as per group decisions.” “Self Help Group is a media for the development of savings habit among the women”. Self Help Groups are potential sources to empower and institutions arise participatory leadership among the marginalized and to identify, plan and initiate development activities. Self Help Groups are usually informal group whose members have a common perception of need and importance towards collective action. The social status of women is reliable indicator of the social development of the society. These SHG-NGO-Bank integration is very much essential to credit delivery, self-employment and other business activities which could be an effective vaccine against poverty. The ultimate goal of this linkage programme is not just promotion of SHGs but the focus is poverty eradication. It is an established fact that micro-credit is an important means of poverty alleviation.

Key words: SHGs, Bank linkage, NABARD,NGOs

Introduction

It is a voluntarily formed group the member size is 10-20. The group is basically homogenous in nature. They came together for addressing their common problem. They are encouraged to save in a regular basis. They rotate this common pooled resource within the members with a very small rate of interest. Each group has a leader who is called as the President and Secretary. They usually maintain records of transaction in daily basis in written format and that has been kept with the president or secretary. Not only from the internal resources, has the member also got loan in bulk amount from mainstream banks, different governmental and non-governmental organizations.

Role of banks

Organizations like MYRADA and NABARD made micro finance and SHG an undividable part of the total process of Indian rural development. The first effort was taken by NABARD in 1986-87 when it funded an action research project on “Saving and credit management of Self Help Groups” of Mysore Resettlement and Development Agency [MYRADA]. In 1986 also another major funding agency started its participation in SHG formation and credit system that is Asia Pacific Regional Agriculture Credit Association (APRACA). During 1991-92 also NABARD launched projects to provide micro credit to SHGs by bank linkage. NGOs like people’s Rural Education Movement (PREM), Professional Assistance for Development Action (PRADAN), Association of Sarva Seva Farms (ASSEFA) has also done excellent work in the field of micro finance. In 1999 the involvement of RBI has made this micro credit movement a rather imperative one.

The most successful one in this process of micro finance is NGO called BASIX. There are many foreign funding agencies which are taking part eagerly in micro finance and the CASHE (Credit and Savings for House hold Enterprises) project of CARE is one of the most vital one. There are also many other small institutions that are working extensively in the field of micro finance. Not only the NGOs, the corporate participation in micro finance made it automatically clear that it has now become a golden stick for the poor as well as the financing institutions in India. The involvement of corporate icon like HLL in micro finance is now gone to give a radical direction to this revolution of micro finance and SHG.

Statement of the problem:

Though the literacy rate of women is improved in this current scenario, women are facing lot of harassment in the family and in the society. Women are facing many problems like poverty, inequalities in income distribution, unemployment, harassment of women, growing problem of alcoholism among men, street fights and violation of human rights in every form. Men have control over their income and do not provide for their families but most of them were spent their income in alcohol ,so,the income of men is not only enough to run the family. As a result women are left alone to look after their families with no money in hand. Under this situation they slowly turn to money lenders who charge exorbitant rate of interest. They have to sell or pledge their productive assets to meet their needs in the absence of any outside help. Women are considered subordinates and since they are economically weak, they finds no place in decision making in the family. Their poor economic status leads to no social empowerment at all. It is in this background that banks are a source of help to these affected downtrodden women through Self Help Groups. This study tries to analyse how these women who are facing all these problems are empowered by the financial assistance provided by the banks through Self Help Groups and the extent to which they are benefited out of it.

Objectives of the Study

- ❖ To assess the contribution of banks to the SHGs.
- ❖ To analyse the mode of operation of SHG
- ❖ To know the growth of members after participation in the SHGs.
- ❖ To study the levels and aspects by women in decision making in their household.
- ❖ To find out the problems faced by SHGs while getting assistance from banks.
- ❖ To find out the impact of SHG in empowering women.
- ❖ To study the income, expenditure and savings of the members after joining SHGs.

Hypothesis

- ✓ There is no relationship between the educational qualification and member's participation in separate income generating activity.
- ✓ There is no relationship between the total income of the member's family and their improvement in living condition.
- ✓ There is no relationship between marital status and family member's attitude of the respondents towards becoming member of SHG.

Methodology of the study:

The data required for the study were collected from both primary and secondary sources. The primary data were collected from the members of women Self Help Groups of tirunelveli city by using Interview Schedules. The secondary data were collected from published journals, books and magazines.

Sample design:

The total number of 120 sample respondents was selected for this study. The samples were selected by administering convenience sampling technique. The study was conducted among the members of women self help group of tirunelveli city.

Limitations of the study:

- The study was conducted only in Tirunelveli city therefore the findings of the study may not be similar to other areas.
- Time and cost are the other factors limiting the study to a sample of 120 respondents.
- The respondents are hesitated to give information for the study.

Social Relevance of the study:

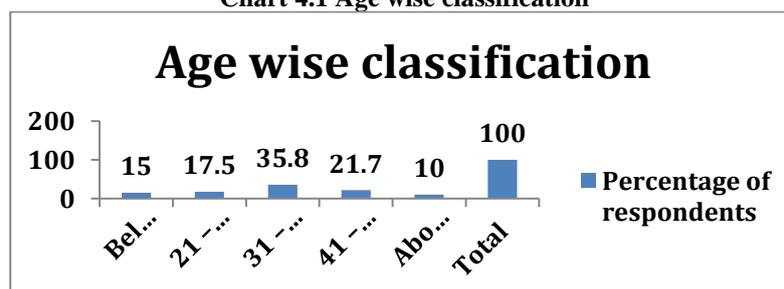
The study will be very useful to the women who want to know the benefits of SHG. This study will be helpful to the banks and also to the existing members of SHGs to create awareness among the women who do not join in the SHGs. This study will induce the interest among the women to enter into financial activities which leads to more opportunities and empowerment of women and again to economic development. The overall society will be improved with the empowerment of the women and in turn there will be the development of the economy as a whole.

Women generally face several traumas in life by virtue of their secondary status in society. The culture of silence that is prevalent among this suffering manifold. There are social taboos against women expressing their sorrow or narrating their household problems to the outsider. Self Help Groups have emerged as Support Groups to bring about women's solidarity in facing all kinds of problems in their domestic environment. This has led to the increasing empowerment of women, releasing them from their anguish and helping them to resist injustice. Women just like men have been involved in economic activities since early years. Their involvement has been in addition to their participation in the domestic sector. However, their economic activities have focused primarily on meeting basic needs, yet lack of resources and control of resources has been common. Their contribution in the economy has been equally unpaid, unrecognized and undervalued. By scaling up, women's role in the economy will be enhanced. As a result of empowering women, there will be a development in the human capital whereby a continuity of the enterprise can be ensured since the young generation will be empowered.

The data required for the study were collected from both the primary sources and secondary sources. Primary data were collected directly with the help of interview schedule from the Women Self Help Group members of tirunelveli city. The secondary data were collected from books, journals and related articles. The samples were selected by administering convenience sampling technique. The total numbers of sample were 120 and were selected among the women SHGs members in Tirunelveli city. The various statistical tools applied to analyses the primary data were percentage analysis, mean score, chi- square analysis to interpret the data to arrive at required finding from the study. For effective analysis and easy understanding, the data were tabulated.

Analysis & Interpretation:

Chart 4.1 Age wise classification

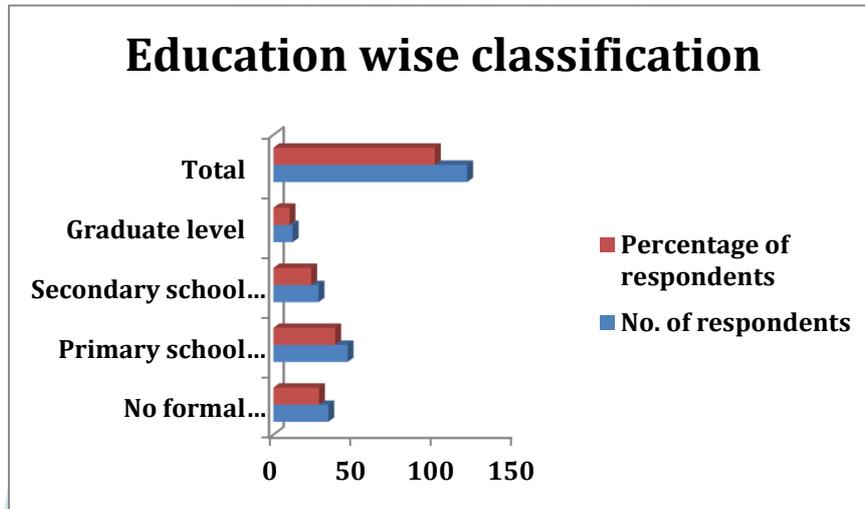


Source: Primary data

The above chart 4.1 shows the age wise classification of the respondents. Out of the 120 sample respondents, 15% of the respondents are under the age group of Below 20 years, 17.5% of the respondents are under the age group of 21 – 30 years, 35.8% of the respondents are under the age group of 31 – 40 years, 21.7% of the respondents are under the age group is 41 – 50 years. 10% of the respondents are under the age group of Above 50 years. This will reveal that majority (35.8%) of the women those who were under the age group of 31 – 40 years.

Education wise classification

Chart 4.2 Education wise classifications

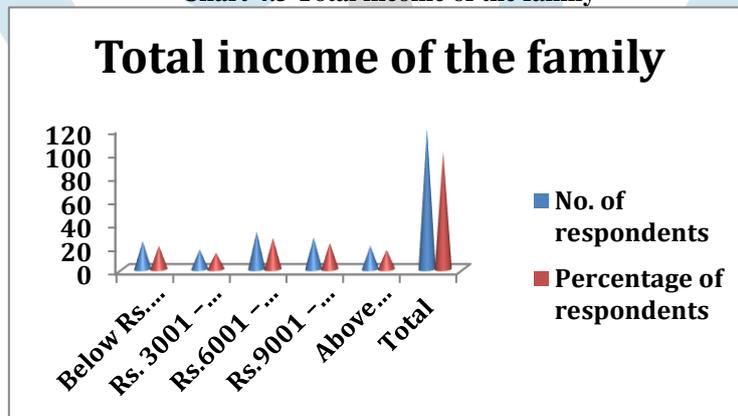


Source: Primary data

The chart 4.2 shows Education wise classification of the sample respondents, Out of the 120 sample respondents, 28.3% of the respondents are not having any formal education, 38.3% of the respondents are told that they are educated at the primary school level, 23.4% of the respondents are educated at the secondary school level, 10% of the respondents are graduates. This will reveals that majority (38.3%) of the respondents educated only at primary school level.

Total income of the family

Chart 4.3 Total income of the family

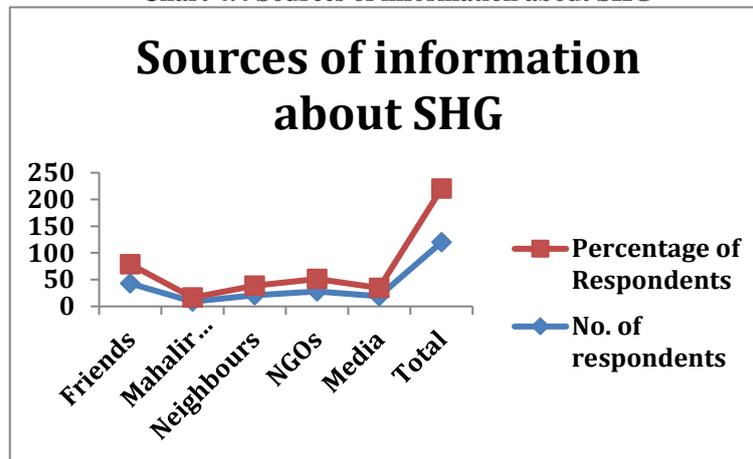


Source: Primary data

The chart 4.3 shows the total income of the respondent’s family. Out of the 120 sample respondents, 20% of the respondent’s family earning below Rs. 3000 per month, 14.16% of the respondent’s family earning Rs.3000 – Rs.6000, 26.67% of the respondent’s family earning Rs.6001 – Rs. 9000 per month, 22.5% of the respondent’s family earning Rs.9001 – Rs.12000 per month, 16.67% of the respondent’s family earning Above Rs.12000 per month. This will reveal that majority 26.67% of the respondent’s family earning Rs.6001 – Rs. 9000 per month

Sources of information about SHG

Chart 4.4 Sources of information about SHG



Source: Primary data

Chart 4.4 shows the sources of information gained about the SHGs. Out of the 120 respondents, 35.8% of the respondents came to know about the SHGs through their friends, 7.5% of the respondents were known through Mahalir thittam, 17.5% of the respondents known through Neighbours, 23.4% of the respondents were known from NGOs, 15.8% of the respondents were known through media. This will reveal that majority (35.8%) of the respondents were came to know about the SHG through their friends

Type of activity performed by the members on their own

Type of activity performed by the members on their own		
Type of business	No. of respondents	Percentage of respondents
Clothing business	3	3.75
Tailoring	13	16.25
Selling of snacks	2	2.5
Vegetable vending	6	7.5
Flour grinding	8	10
Tiffin centre	7	8.75
Petty shop	9	11.25
Sheep rearing	5	6.25
Wire bag making	8	10
Fish vending	5	6.25
Dairy farming	5	6.25
Poultry farming	2	2.5
Making of fancy items	6	7.5
Others	1	1.25
Total	80	100

Source: Primary data

Table shows the type of business done by the respondents, Out of the 80 sample respondents, 3.75% of the respondents are engaged cloth business, 16.25% of the respondents are doing tailoring, 2.5% of the respondents are selling snacks, 7.5% of the respondents are selling vegetables, 10% of the respondents are doing flour grinding, 8.75 % of the respondents are selling tiffin, 11.25% of the respondents are having petty shop, 6.25% of the respondents are doing sheep rearing, 10% of the respondents are making wire bags, 6.25% of the respondents are fish vendors, 6.25% of the respondents are engaged dairy farming, 2.5% of the respondents are engaged in poultry farming, 7.5% of the respondents are making fancy items, 1.25% of the respondents are engaged in some other business. This will reveals that majority (16.25%) of the respondents are doing tailoring business

Total income of the family and improvement in Standard of living

Ho: There is no relationship between total income of the family and improvement in standard of living.

Table 4.39 Total income of the family and improvement in Standard of living

Standard of living	Income		Total
	Below 9000	Above 9000	
Yes	22	21	43
No	51	26	77
Total	73	47	120

Source: Primary data

Chi – Square Analysis

Calculated Value :	2.63
Table value :	3.84
Degrees of freedom :	1
Level of significance :	5%

From the table 4.39, the calculated value is (2.63) less than the table value (3.84). So Null Hypothesis is accepted. Thus there is no relationship between total income of the family and improvement in standard of living.

Importance of banks for SHG**Importance of banks for SHG**

S. No	Indicator of empowerment	A	N O	DA	Mean score
1	Bank's financial assistance is important because SHGs own fund is not enough	96	3	21	2.62
2	Lower interest rate to SHG loans	66	5	49	2.13
3	No security is needed for getting loan	107	5	8	2.81
4	Government subsidies can be availed through banks	59	13	48	2.08
5	Banks are most reliable source to deposit savings of SHG	99	16	5	2.78

Source: Primary data

Table 4.37 shows the various facets which were agreed and disagreed by the sample respondents. The respondents agreed that banks financial assistance is important because SHGs own fund is not enough (2.62), no security is needed for getting loan amount through SHG (2.81), banks are most reliable source to deposit savings of SHG (2.78), they felt moderate on banks loans with lower interest rate to SHG (2.13), government subsidies can be availed through banks. They were not disagreed on any facets.

Findings

- The majority (35.8%) of the women those who were under the age group of 31 – 40 years.
- The majority (38.3%) of the respondents educated only at primary school level.
- The majority (60%) of the respondents are living in urban area.
- Married women were more eager to become the member of SHG than unmarried women.
- The majority (35.83%) of the respondents are having 3 – 5 members in their family.
- The majority (56.67%) of the respondents are not having their own house.
- The majority (45%) of the respondents are living in Thatched house.
- The majority (26.67%) of the respondent's family earnings Rs.6001 – Rs. 9000 per month.
- The majority (35.8%) of the respondents were come to know about the SHG through their friends.
- The majority (70%) of the respondent's family didn't support them to get membership in SHG.
- The majority (40.83%) of the respondents are in the SHG for 1 – 3 years.
- The majority (66.67%) of the respondents are in the SHG which has 16 – 20 members.
- The majority (64.17%) of the respondents were joined SHGs for getting loan.
- The majority 60% of the respondent's groups were not having income generating activity in their group.

- The majority 37.5% of the respondent's group are having textile business for gaining income.
- The majority (31.25%) of the respondents are involved in activities which needs less amount of capital.
- The majority (36.11%) of the respondents are not having income generating activity because huge capital may need to start the income generating activity
- The majority (90%) of the respondents were taken loan from bank.
- The majority (44.44%) of the respondents are received Rs. 10001 – Rs. 15000 as loan from bank.
- The majority (43.52%) of the respondents are paying Rs. 501 – Rs.1000 per month.
- The majority (72.5%) of the respondents are satisfied with the loan amount.
- The majority (56.67%) of the respondents felt that SHGs help to access larger quantum.
- The majority (66.7%) of the respondents are having income generating activity on their own.
- The majority (16.25%) of the respondents are doing tailoring business
- The majority (53.33%) of the respondents are having separate bank account .
- The majority (80.33%) of the respondents were not taken separate loan from bank.
- The majority (34.79%) of the respondents were received home loan from banks.
- The majority (91.31%) of the respondents have faced problem while getting personal loan.
- The majority (33.33%) of the respondents told that banks are asking collateral security to provide loan.
- The majority (55.83%) of the respondents are saving every month in the SHG.
- The majority (54.17%) of the respondents are saving Rs.101 – Rs.200 per month.

Suggestions:

The following are the major suggestions from the study. The suggestions were given to the SHGs and its members.

- ❖ Special care should be given to the women to improve their educational qualification.
- ❖ Awareness should be created also among the unmarried women to become members of SHGs
- ❖ SHGs can initiate many awareness programmes to motivate women members to enter into entrepreneurship.
- ❖ SHGs can give suggestions to the members to choose various income generating activities by identifying their potential.
- ❖ SHGs can invite successful women specialist in various fields to create enthusiasm among the members to do the business.
- ❖ SHGs should provide training to the members to use internet to avail various modern facilities.
- ❖ Banks can conduct programmes to the SHG members to know the various government provisions, financial assistance, subsidies to the SHG members.
- ❖ SHGs can arrange financial assistance to purchase income generating properties for the SHG members.
- ❖ SHGs can use their members as a media to create awareness among the non members about SHGs.
- ❖ SHGs can assist the members to get personal loan from the banks.
- ❖ Many of the members have joined with SHGs only to get loans, SHGs should make clear about the various benefits of SHGs.
- ❖ SHGs also take steps to create awareness among the family members to support the women.
- ❖ Banks can conduct training programmes to make aware of the procedures of banking to the SHG members.
- ❖ To reduce work load bank can offer particular day for the SHGs operation in every week.
- ❖ Bank can open SHGs cell which is particularly meant for the SHGs operation and to help the SHG members.

Conclusion

The importance of the process of Group formation and the development of Groups ethos in building sustainable Self-Help Groups clearly seem to emerge as a necessary factor for the success of Self-Help Groups. However it is not only the provision of credit which leads to the empowerment of the members of the groups, but the sustained inputs in concentration of the women and raising their level of awareness by means of sustained capacity building. The solidarity and strength obtained from being together with other women placed in similar circumstances is a powerful factor in empowering the women and building their sense of self worth and self-confidence. The SHGs act as a support group developing courage and offering mutual solace and comfort to the members. It is when training in accounts and managerial inputs are given, that the availability of Credit leads to the setting up of successful ventures. This success in turn leads to a growth of their confidence and improves their status at home and in the community and without the presence of banks in self help group, it may not be able to empower them economically. So that banks are more important part in SHGs.

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