

OPERATIONAL DIMENSIONS OF WOMEN SELF HELP GROUPS: A COMPARATIVE STUDY OF BELAGAVI AND DHARWAD DISTRICTS

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ABSTRACT

Promotion of Self-Help Groups (SHGs) is instrumental in empowering poor women. In almost all the societies, women have less power than men, have less control over resources and receive lesser wages for their work. Self-help groups enable women to make decisions, increase self-confidence, self-esteem, better status and role in household activities etc. It is a known fact that poor women can be exploited easily, and have been underestimated and discriminated against in all phases of life. The economic development of the country is inseparably linked with the status and development of women. One of the powerful and effective tools to empower women is the formation of Women- Self-Help Groups. At present more than 100 schedule banks, 349 District Co-operative Central Banks, 27 State Rural Livelihood Missions and over 5000 NGOs are engaged in promoting SHGs as per the report of NABARD. This paper focuses on the operational dimensions of the Women Self-help groups in Belagavi and Dharwad districts of Karnataka. An attempt is made to analyze the impact of operations of WSHGs on the respondents in both Belagavi and Dharwad districts.

KEYWORDS: Women Self-Help Groups, Bank Linkage, Micro-Finance, Poverty, Empowerment

ABBREVIATIONS

MFI	Micro- Finance Institution
MYRADA	Mysore Resettlement and Development Agency
NABARD	National Agricultural Bank for Rural Development
NABFINS	NABARD Financial Services Limited
NBFC	Non-Banking Financial Corporation
NGO	Non-Governmental Organisation
SHG	Self Help Groups
SHG-BLP	Self Help Group- Bank Linkage
SKDRDP	Shri Kshetra Dharmsthal Rural Development Programme
SP	Seva Pratinidhi

INTRODUCTION

Women constitute almost half of the total population in the world and out of which two-third of world's adult illiterates are women. Although women represent the bulk of labor force in developing economies of Asia, they are not yet brought under the fold of mainstream of development. The most disadvantaged section of the society is poor women. Seventy per cent of the world poor is women. They face socio-economic, cultural, educational, political and related problems. The economic liberty of women would be able to develop self- confidence, esteem, identify their potential and enhance their collective bargaining power. Promotion of Self-Help Groups (SHGs) is instrumental in empowering poor women. One of the powerful and effective tools to empower women is the formation of Women- Self-Help Groups. This tool had fetched noticeable results not only in India and Bangladesh but also worldwide.

Formation of WSHGs and linking them to the formal mechanism made the tremendous impact on savings mobilization and credit lending functions of Banks. Initially to help themselves, the poor started forming groups, collecting small savings weekly, the same collected savings amount was utilized as micro--loans amongst themselves to meet their financial requirements of consumption or production needs. These groups for additional financial requirements started approaching MFIs for microcredit. But during the year 2010, few MFIs started exploiting in Andhra Pradesh by charging an exorbitant rate of interest due to which poor dragged into a vicious circle. Few suicidal deaths were also reported in this connection. In this scenario, the RBI was forced to enter to control and regulate MFIs. So the RBI has issued guidelines for the lending operations of MFIs.

OBJECTIVES OF THE STUDY

The study focuses on the following objectives.

- To examine the operational dimensions of WSHGs in both Belagavi and Dharwad district.
- To analyze the impact of operations on the women members of SHGs.
- To offer valuable suggestions.

HYPOTHESIS

“There is no significant difference between the factors of joining women self-help groups with respect to Belagavi and Dharwad districts”.

RESEARCH METHODOLOGY

Formation and successful operation of SHGs play a vital role in tapping the potentials of women by giving the opportunity to make oneself economically independent. To attain the study objectives the researcher has made an empirical and intensive study to draw the results. The data for the study is collected from both sources, the primary and secondary. The primary data is collected through interview schedule. The questionnaire is been designed on the bases of the objectives of the study to obtain the responses of the members of WSHG. The secondary data of the research study is obtained from annual reports of NABARD, published literature, books RBI reports, journals, published literature, yearbook of NABARD- Status of Microfinance, Karnataka@glance, Ph.D. theses. The study focused on Women self-help groups in Karnataka. To analyze the data provided by the respondents the

researcher has used simple Statistical methods like percentage and Chi-Square.

LIMITATIONS

The study is confined to only two districts of Karnataka i.e. Belagavi and Dharwad. The study is limited to Women Self Help Groups only. Moreover, the data from the fieldwork is based on the respondents' memory.

OPERATIONAL DIMENSIONS OF WSHGS

SHG-BLP realized the dream of poor that they are also bankable. SHG-BLP is instrumental in pooling small savings of poor women and in turn the members have an easy access to micro-credit. In this chapter an attempt is made to study right from the boosting motives which enable poor women to join SHGs, what are the operational dimensions of the SHGs. It comprises formation and functioning of these groups. So it deals with awareness, influence, reasons for joining, training, meetings and selection of the leader, functioning of groups, different stakeholders, and operational dimensions. The SHG movement enabled poor women that they can make their own banks, they can save, borrow microloans internally.

Awareness about Self Help Groups

Generally, the awareness programme about the formation of Self-help groups is made by different stakeholders like NGOs, Banks NABARD, MFIs and Government agencies by selecting villages and conducting awareness programme, which covers what is self-help group, why these are formed, the need and importance of such groups. How groups have to mobilize savings, how to link with banks, opening bank accounts, borrowing group loans, internal lending, keeping records, maintaining accounts and the rate of interest. Much focus is made on how their wants can be satisfied through microloans. They create keen interest among the poor about this concept SHG. Later, the same message passes to other unreached through informal communication media. It's not possible to reach each and every poor woman in the village to convey the information about such groups. Those who attended the awareness programme start communicating information to their friends and relatives. This becomes the easiest cost-free and fast communicating media to cover the other poor, who want to join their hands in becoming part of it. The awareness about the SHG movement made a tremendous positive impact on the formation and bank linkage programme. The following table shows that the different sources through which sample women member respondents come to know about the concept of SHGs.

Table 1: Awareness about SHGs

Sl. No.	Different Sources	District		Total
		Belagavi	Dharwad	
1	Friends	138(57.74)	164(59.64)	302(58.75)
2	Relatives	44(18.41)	67(24.36)	111(21.6)
3	NGO	36(15.06)	34(12.36)	70(13.62)
4	Government	14(5.86)	5(1.82)	19(3.7)
5	Banks	7(2.93)	5(1.82)	12(2.33)
	Total	239(100)	275(100)	514(100)
Chi-square Value				9.1814**

Source: Field Survey

Note: The figures in parentheses are in percentage.

It is learned from the above table that friends play an important role in creating awareness about SHGs followed by relatives. More than ½ of the sample members got awareness not from any agencies but from their friends followed by relatives. Less than 5 percent of the members of both districts got the awareness about SHGs from government agencies and banks. In total less than 20 percent of member respondents got awareness from the formal agencies such as NGOs, Government, and Banks. It is clear from the discussion made with the member respondents that they are impressed by the talk about SHGs by their friends. This highlights the confidence and good faith in their friends, who are convincing about the importance of groups.

Motivator to Join SHGs

After getting the awareness about the SHG Movement the next step is joining and becoming members of groups. To join SHG either the awareness programme should be the effective or convincing capacity of friends and relatives is of utmost importance. The following table highlights influenced women to join SHGs.

Table 2: Motivator to Join SHGs

Sl. No.	Motivators	District		Total
		Belagavi	Dharwad	
1	Self	95(34.30)	103(43.75)	198(39.25)
2	Group Leader	54(19.49)	41(13.49)	95(16.35)
3	Friends	89(14.08)	85(27.96)	124(21.34)
4	NGO	45(23.47)	30(9.87)	95(16.35)
5	Bank	3(1.08)	2(0.66)	5(0.86)
6	Government	21(7.58)	13(4.27)	34(5.85)
	Total	277(100)	304(100)	581(100)
Chi square value 38.98334**				

Source: Field Survey

Note: The figures in parentheses are in percentage.

The above table reveals that about 40 percent of women members joined SHGs with their self-motivation followed by the influence and motivation of their friends i.e. 21.34 percent. Poor are aware that they can also save, borrow and do participate in social and other activities. The inner motive pushed them to be the part of such groups. The role of banks in influencing poor to join SHGs is very less (0.86 percent) and of Government is about 6 percent only. It is clear from the above table that it is not possible to formal agencies such as NGOs, Banks, and Government to cover

the mass of poor in creating awareness and in influencing them to join SHGs.

Purpose of Joining SHG

Once the rural poor are aware of the need and importance of such groups, they desire to be a member, so that they can cater their requirements. Different people have different purposes for joining groups. The following table portrays the respondents’ purposes for joining SHG.

Table 3: Different Purposes of Joining SHG

Sl. No.	Different Purposes	District		Total
		Belagavi	Dharwad	
1	To Promote Savings	160(47.20)	200(44.05)	360(45.40)
2	To Improve Social Status	44(12.98)	53(11.67)	97(12.23)
3	To Improve Financial Condition	109(32.15)	175(38.55)	284(35.81)
4	To make use leisure time	23(6.78)	26(5.73)	49(6.18)
5	Others	3(0.89)	0(0)	3(3.80)
	Total	339(100)	454(100)	793(100)
	Chi Square Value			7.277063**

Source: Field Survey

Note: The figures in parentheses are in percentage.

It is very interesting that majority of the respondents (45.40 percent) reveal the main purpose of joining SHGs is to promote savings followed by the purpose to improve their financial condition which endorses about 1/3 of the respondents. It is appreciable that they are joining groups with the intention to save a small amount regularly. They are aware of the power of savings, which later becomes the basic criteria to avail easy loans from banks. It is surprising to know that there are members, whose purpose of joining SHGs is just to make use of their leisure time which endorses about 6 percent followed by the other purposes like helping the needy, participating in social activities through groups, enabling themselves to mingle with others etc is only about 3 percent. In case of Belagavi district, about 47 percent of women respondents have joined SHGs to save money regularly and about 32 percent members for improving their financial condition and less than 1 percent are of the opinion of other purposes. A similar trend is there in case of Dharwad district also but no member said the other purposes.

Ho: “There is no significant difference between the factors of joining women self-help groups with respect to Belagavi and Dharwad districts”. To test the independence of attributes between the different factors which include sources of awareness, the motivators and the purposes of joining WSHGs with respect to Belagavi and Dharwad districts the Chi-square test is used. The study reveals that the association between these two attributes is significant at 5% level of significance. Hence the factors are independent with respect to two districts. The Chi-square value of the sources of awareness, the motivators and the purposes of joining WSHGs are 9.1814, 38.98334 and 7.277063 respectively. Hence the above hypothesis is rejected.

Benefits Derived After Joining SHGS

Now a day's SHGs are formed by the stakeholders like NABARD, NGOs, Government agencies, Banks and MFIs with strong objectives to achieve such as poverty elevation, women empowerment, improving standard of living, job employability, tapping hidden talents of poor women, creating awareness and educating them about bank accounts, savings, borrowings and various other assistance and benefits. The following table highlights the benefits derived by the respondents.

Table 4: Benefits after Joining SHG

Sl. No.	Different Benefits	District		Total
		Belagavi	Dharwad	
1	Employment	110(23.11)	106(22.60)	216(22.86)
2	Economic Empowerment	128(26.89)	134(28.57)	262(27.72)
3	Poverty Alleviation	159(33.40)	146(31.13)	305(32.28)
4	Co-operation	13(2.73)	10(2.13)	23(2.43)
5	Leadership	66(13.87)	73(15.57)	139(14.71)
	Total	476(100)	469(100)	945(100)

Source: Field Survey

Note: The figures in parentheses are in percentage.

Majority of the respondents (32.28percent) opined that they have come out of the clutches of poverty and their economic status is improved after joining SHG. They are proud to say that they are economically empowered (27.72 percent). About 22 percent of the total respondents told they are employed after joining SHG. Very marginal number of members said that they become cooperative with other members. It is clear from the above table that the members have benefitted with one or the other thing after joining SHGs. Their dreams are becoming true. They are able to come out of poverty, they are doing the economic activity that supports their livelihood, they are confident now, learned leadership quality, mingling with other members and also cooperate with others.

Training

Training to Leaders as well as to group members is very much required to learn many more skills which are required for the successful functioning of the WSHGs. If training is not provided at the right time the lifespan of the group will be shortened due to lack of one or the other required knowledge to run and function in such groups. Much more training are provided by Government agencies and NGOs to poor women members, to imbibe different skill sets, be it in SHGs conducting meetings, formulation of rules and regulations, maintaining records about weekly savings and entering loans disbursed in Loan ledger, writing resolution in minute's book, maintaining attendance register, banking operations and income generating activities. The coordinated joint efforts of all the stakeholders (NABARD, NGOs, Banks, MFIs and Government agencies) helped to give focused direction to lead the SHG movement successfully. So from time to time, these stakeholders conduct training.

Possession of New Skills by Women Members

Once the members undergo training they gain a lot of new skills, which should have to be practiced by them while conducting meetings, maintaining records, doing income generating activities to empower them economically. No doubt many of them are poor and illiterates, they do have much potential. The proper platform should have to be formed to explore the hidden talents of women. So training boosts their confidence, leadership qualities and they also imbibe new skills too. The following table shows the opinion of members regarding possession of new skills.

Table 5: Possession of New Skills by Members of WSHG

Skills	District		Total
	Belagavi	Dharwad	
Yes	190 (84.4)	206 (91.6)	396 (88.0)
NO	35 (15.6)	19 (8.4)	54 (12.0)
Total	225 (100.0)	225 (100.0)	450 (100.0)

Source: Field Survey

Note: The figures in parentheses are in percentage

The above table depicts that in Belagavi district about 84 percent of members gained new skills after training and about 15 percent members expressed that no such new skills they possessed. Whereas in Dharwad district almost about 92 percent respondents imbibed new skills and very few members (19) did not gain any new skills. It is clear from the above table that more than 4/5th of the sample respondents gained new skills and less than 1/5th of them did not gain any new skills.

Conduct of the Meeting

Conducting regular meeting is one of the important functions of SHGs so that all members, can sit together, collect weekly savings, disburse loans, and also collect the loan repayment amount. Further, this is the right place and time to discuss their common problems and other issues in this connection. As per the convenience of all the members the place and time of the meeting are decided. Accordingly regular weekly or monthly meetings are conducted. Rules are not similar for all SHGs, formalities, the rate of interest differ from one SHG to other. All the proceedings of the meetings are recorded properly in the books properly by the leaders. During the field survey, it is found that the SHGs formed by SKDRDP have their own procedures, rules, and regulations which are appreciated by the member respondents. It assigns the responsibility of members to Seva Pratinidhi (SP) of that area of work. The SPs are constantly in touch with all the SHGs formed and financed by them. The meeting starts with a prayer song by all members of SHGs formed by SKDRDP to create belongingness. A chance is given to every member for the motivational talk. SKDRDP boost self-confidence of women.

Matters Discussed in Meeting

Agenda of the meeting should be planned in advance by the leader of the group. Generally, they discuss regarding the collection of savings, the lending rate of interest, records of accounts, loan amount recovered and other matters relating to their personal problems. One of the important outcomes of the SHG Movement is to enable women to take own decisions. After discussing the matters in the meeting, the final decision is taken by all the members of the group.

Functions Performed By the Leader of the Group

A leader of the group has to convene meetings, collect membership fees, savings, and decide loan amount to be disbursed, monitor loan utilization and repayment of the same on the one side. Doing correspondence with the banks, Government and other activities on the other side all constitute a good leader's functions. Generally, leaders maintain savings and repayment accounts for each member.

Members Savings Bank Accounts and Amount of Loan

SHG-BLP has been instrumental in the financial inclusion of many unbanked poor in the country. SHG stands on the principle of 'self-help is the best help which aims towards mutual help'. The ultimate purpose of forming WSHGs is to pool thrift savings regularly and use it for micro-credit to its members at a low rate of interest to meet their emergencies. All members together decide the amount of savings. It differs from group to group. Usually, it starts from ₹ 10 to 50. Every member of the group is induced to open Savings Bank Account in this connection. Once SHG is formed it can be linked with the banks in two ways a) Savings Linked: such groups will have Savings Bank A/c. b) Credit Linked: such groups will have Loan A/c along with SB A/c.

In-fact once SHG is formed it is linked with banks and deposit its savings in the SB A/c opened in the name of the group. Later, if the group wishes to have access to credit, based on the record of savings, 5 times of savings amount, a loan is sanctioned and credited to the SB account of the group. Considering the track record of group repayment the borrowing limit increases. It can be 5 to 10 times the savings amount of group. It depends on the judgment of the Bank Manager. Loan amount sanctioned is credited to a separate Loan A/c in the name of the group. The same amount is then disbursed to members by the leader of the group. In this connection, leader should record and maintain separate loan accounts for individual details.

Purpose of Borrowing Loan

In the initial stage, poor members used to borrow loans for consumption purpose only. They never had a thought of using loans for some other purposes too. Now the days are changing, poor also have different purposes of borrowing loans for Business, agriculture, education, marriage and other purposes. Other purposes include construction of the house, repairs, and renovations, to buy sewing machines, electronic gadgets, and second-hand vehicles or for other ceremonies. If the purpose of loan is for income-generating activities that reflect efficient credit management.

Table 6: Purpose of Borrowing Loan

Sl. No.	Different Purposes	District		Total
		Belagavi	Dharwad	
1	Business	121(30.8)	117(30.5)	238(30.6)
2	Agriculture	79(20.1)	65(16.9)	144(18.5)
3	Education	99(25.2)	103(26.8)	202(26.1)
4	Marriage	62(15.8)	58(15.1)	120(15.4)
5	Others	32(8.1)	41(10.7)	73(9.4)
	Total	393(100.0)	384(100.0)	777(100.0)

Source: Field Survey

Note: The figures in parentheses are in percentage

The above table portrays that in total about 1/3rd of the respondents borrowed loan for Business purpose, followed by education and agriculture which endorses about 26 percent and about 19 percent respectively. For marriage and other purposes, the respondents borrowed loan is very marginal i.e. about 15 percent and 9 percent respectively. The similar trend is there in case of both Belagavi and Dharwad district. It is found that about 1/2 of the member respondents borrowed loan for income generating and productive activities, more than 1/4th of the respondents borrowed for education purpose.

FINDINGS AND SUGGESTIONS

It is found that more than ½ of the sample members got awareness not from any agencies but from their friends followed by relatives. Less than 5 percent of the members of both districts got the awareness about SHGs from government agencies and banks. There is a requirement of formal agencies to be more active in creating awareness. The role of banks in influencing poor to join SHGs is very less (0.86 percent) and of Government is about 6 percent only. Banks and government together should have to be more active in boosting them to join SHGs.

It is found that majority of the respondents (45.40 percent) reveal the main purpose of joining SHGs is to promote savings followed by the purpose to improve their financial condition which endorses about 1/3 of the respondents. It is suggested that the driving force behind joining SHGs should be to empower themselves. In this connection, the formation of SHGs should be made.

It is further found that the members have benefitted with one or the other thing after joining SHGs. They are able to come out of poverty, they are doing an economic activity that supports their livelihood, they are confident now, learned leadership quality, mingling with other members and also cooperate with others. It is also found that more than 4/5th of the sample respondents gained new skills and less than 1/5th of them did not gain any new skills. There is a requirement of 100% devotion of members in learning new skills

It is found that about ½ of the member respondents borrowed loan for income generating and productive activities, more than ¼th of the respondents borrowed for education purpose. To be economically strong the members should focus more on the productive use of the loan borrowed.

CONCLUSIONS

It can be concluded that the formation and the operational activities influenced a lot in empowering poor women from different dimensions. They are now confident of mobilizing small savings regular, which has awakened their self-esteem and respect. They are aware of recording and maintaining accounts of savings as well as loan lent and repayment made. They also conduct regularly meetings; do participate in income generating activities, social functions etc. They also join their hands in resolving social problems. So the SHG Movement has been instrumental in empowering women.

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