



## Micro - Finance to Women Self Help Groups

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### ***Abstract***

*The idea of Self Help Group was an inherent part of group work practice right from the very beginning. The beginnings of collective bargaining to improve wages, as an effort to preserve cultural traditions, to promote adult education and to provide growth opportunities through camping were all initial at using groups to tackle common problems through mutual help. They are reasons for starting the Self Help Groups. The steps and tasks involved in their development and the sources of satisfactions and frustrations. They found in their study that people start Self Help Groups because they want connect with others who share their concern an important fact that .*

***Key Words :*** Micro Finance, Self Help Groups, Banking and NGO's

### **Introduction**

Micro finance with Self Help Groups plays an effective role for promoting women empowerment. It is not only a tool fight against poverty, but also as a means of promoting the empowerment of the most marginalized section of the population, especially women. It is just old wine in a new bottle. The group consists of a people, the people assuming responsibility for the development of all people of the group. Micro finance institution started in India 1980s through Self Help Groups (SHGs) model. There is nearly 30,00,000 SHGs working whole over India. Andhra Pradesh is the most successful region for Micro finance is the other states in this case in our country.

### **Definition**

In general "Self Help Group" can defined as a small group (8-15 or 15-20 members) voluntarily formed and related by affinity for specific purpose, it is a group whose members use savings, credit and social involvement as Self Help

Groups are continuously striving for a better future for tribal women as participants, decision-making and beneficiaries in the domestic, economic social and cultural spheres of life.

### **Objectives**

1. To understand the impact of the programme on poverty alleviation
2. To educate the people how to develop their group
3. To create awareness about bank linkage programme

### **Methodology**

Most of the rural people earn and spent money family maintenance as well as on their weakness like drinking and gambling, etc. The rural women have to with stand to manage the feed children she only has to take initiation for the children education to meet family expenses she has to borrow and repay, so there is a need to help her to overcome all these problems. In the year 1982, the government of India launched DWCRA (Development of Women and Children



Rural Areas). Now it is turned to Self Help Groups and then Government has long been emphasizing as need for the development of rural women and their involvement in development activities.

#### **Area of the study**

The study was conducted in Srinivasa Mangapuram, SC, ST colonies in Chandragiri Mandal. Famous temple situated in Srinivasa Mangapuram main sources of the income is business and daily wage work at Tirumala Tirupati Devasthanams.

#### **Methods of the Data Collection**

The interviewer used three types of methods

1. Observation method
2. Interview Schedule

In the data collection process the interviewer approached government any Non Government Organization to know prior and priority information about the respondents to know their social conditions, activities, living conditions and their earning sources, with the assistant of prominent people in the village.

#### **Micro Finance and Women Empowerment**

The majority of micro finance programmes target women with the explicit goal of empowering them. There are varying underlying motivations for pursuing women empowerment. Some argue that women are amongst the poorest and the most vulnerable of the underprivileged and thus helping them should be a priority. Whereas, other believe that investing in women's capabilities empowers them to make choices which is a valuable goal in itself but it also contributes to greater economic

growth and development. It has been well documented that an increase in women's results in the well-being of the family especially children.

#### **The Self Help Groups Bank Linkage Programme**

Over the past decades, subsidized rural banking in India, despite its large network of rural bank branches has failed to reach the poorer sections of the society. By the early 1980s, the all India Debt and investment survey showed that the share of non-institutional agencies in outstanding cash dues of the rural households was 38 percent. The main limiting factors in reaching formal finance to this group were the high transaction costs and lack of appropriate credit and saving products. A study conducted by NABARD in the mid-eighties revealed that financial services required by poor households are, safe keeping of small surpluses in the form of thrift, access to consumption loans to meet emergency needs and financial services and products that did not require collateral.

The Self Help Groups Bank linkage model evolved from the pioneering efforts of NABARD and two NGOs, MYRADA and PRADHAN. Starting with 500 groups in the early 1990s, the cumulative numbers of SHGs that have been financed have increased to 1,618,456 by March 2005.

#### **Information on Self Help Groups a physical achievement**

1. Number of poor families who have accessed bank credit up to March 2005 24.5 million.
2. Estimated number of poor people assisted up to March 2005 121.5 million



3. Parentage of SHGs comprised of women 90
4. Cumulative number of SHGs financed by banks up to March 2005 - 1,618,456

#### Financial Results

1. Cumulative bank loans disbursed to SHGs up to March 2005 more than Rs.68 billion
2. Bank loans disbursed to new SHGs during 2004- 2005 Rs.17,266 million

3. On time repayment reported by participating banks over 98 percent partnerships.

#### Banks

1. Number of participating banks 573
2. Commercial banks 47
3. Regional Rural Bank 196
4. Cooperatives 330
5. Number of bank branches lending to SHGs 41.082
6. Number of participating NGOs and other agencies 4323

#### Age wise distribution of the respondents

Age in years	Number of the Respondents	Percentage (%)
25-36	04	16
36-45	09	36
46-55	07	28
56 and above	05	20
<b>Total</b>	<b>18</b>	<b>100</b>

The above table shows that a countable percent that is 36 percent were belongs to 36-45 years followed by 28 percent were in 46-55 years and 20 percent of the respondents were belongs to 55 and above years but least percent 16 percent were belongs to 25-35 years.

#### Family Size Wise Distribution of the Respondents

Family size	Number of the Respondents	Percentage (%)
1.-3	07	28
4-6	15	60
7-9	03	12
<b>Total</b>	<b>25</b>	<b>100</b>

It is clear from the above table that a majority of respondent's families that is 60 percent were having 4-6 members followed by 28 percent of the respondents having 1-3 members and least percent of the respondents that is 12 percent were having 7-9 members in their family.



**Distribution of respondents by their Educational status**

Educational Status	Number of the Respondents	Percentage (%)
Illiterate	14	56
Primary	02	08
Secondary	06	24
Inter	03	12
<b>Total</b>	<b>25</b>	<b>100</b>

The above table shows that a majority respondents that is 56 percent were belongs to illiterates, followed by 24 percent of the respondents had educated up to 10 class 12 percent of the respondents are having Inter Mediate education and less 8 percent of the respondents are had primary education.

**Distribution of respondents to their Occupation**

Occupation	Number of the Respondents	Percentage (%)
Not doing	06	24
Petty shop	03	12
Employee	06	24
Vegetable	02	08
Cooly (Daily wage)	08	32
<b>Total</b>	<b>25</b>	<b>100</b>

The above table shows that Occupation wise distribution it is clears that, majority of respondents were belongs to daily wage workers that is 32 percent following 24 percent of the respondents were not involving in away gainful job, and the same go were doing an 12 percent of the respondents were maintaining petty shop and least percent that is 08 percent were vegetable venders.

**Distribution of respondents to their annual household Income**

Annual Income of the Family	Number of the Respondents	Percentage (%)
Below 10000	05	20
10001-20000	07	28
20001-30000	08	32
30001-40000	03	12
40001 and above	02	08
<b>Total</b>	<b>25</b>	<b>100</b>

From the above table it is clearly indicate that a notable percent of the respondents that is 32 percent were having Rs.10000/- Rs.20,000/-, 20 percent were



having below Rs.10,000/- and less than percentage that is 08 percent were having Rs.40,001 and above.

**Type of families wise distribution of the respondents**

Family type	Number of the Respondents	Percentage (%)
Joint family	08	32
Nuclear family	17	68
<b>Total</b>	<b>25</b>	<b>100</b>

The above table shows that a majority of the respondents that is shows that a 68 percent were belongs to nuclear families followed by 32 percent were bellows to joint families.

**Monthly expenditure wise distribution of the respondents**

Expenditure	Number of the Respondents	Percentage (%)
Below 1500	12	48
1501-2000	08	32
2001-3000	05	20
<b>Total</b>	<b>25</b>	<b>100</b>

From the above table it is clearly indicate that a notable percent of the respondents that is 48 percent monthly expenditure is below Rs.1500 followed by 32 percent Rs.1501-2000 and less 20 percent to Rs.2001-3000.

**Mode of savings (other than SHGs) wise distribution of the respondents**

Mode of	Number of the Respondents	Percentage (%)
Chits	03	12
Banks	02	08
Post office	08	32
LIC	07	28
No mode	05	20
<b>Total</b>	<b>25</b>	<b>100</b>



The above table shows that a mentionable respondents that is 32 percent were saving money post office, followed by 28 percent were saving LIC and heats 12 percent were saving their money is the registered Chits, but 20 percent of the respondents are not having are savings.

### Conclusion

The Self Help Groups have become than most popular form of group work that are being used by both government and non –governmental organizations in India accomplish a variety of development goals in recent times. However, the idea of Self Help Group was an inherent part of group work practice right from the very beginning. As part of concurrent field work training the trainee placed in Buchinaidu Palli ST colony and Sreenivasa Mangapuram SC colony. The collect data by using interview schedule. The results reveal that nearly 1/4 of the respondents are in the age group of 25-30 years and 3/5<sup>th</sup> of the respondents are illiterates. A little above 1/4<sup>th</sup> of the respondents watch TV during free time and 2/5<sup>th</sup> of them are habituate to pan (betel nuts). Regarding occupation the study reveal that nearly 2/5<sup>th</sup> of them are daily wage workers and same members of t hem were having annual income Rs.20000 to Rs.30000. A little less than percent of the respondents belongs to nuclear families. Nearly of 1/2 the respondents monthly expenditure below rupees Rs.1500/- around of 1/4<sup>th</sup> the respondents were saving money for their children marriage. Further the study reveals that nearly 3/10 of the respondents also savings money in post

office. From t he present study it was found that a little above 3/5 respondents participating in groups meeting regularly.

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