

WOMEN EMPOWERMENT THROUGH MICRO FINANCE – AS AN INSTRUMENT FOR POVERTY ALLEVIATION

Dr. Ravi C.S M.Com., M.Phil, Ph.D

Assistant Professor and Head
Department of Commerce
Shri Annadaneshwar Arts, Science and Commerce College
& P.G Centre, Naregal – 582 119,
Gajendragada Taluk,
Gadag (Dist)

Abstract

Micro financing institutions is emerging as a powerful instrument in development of small formers, landless labours and also poverty alleviation among people. Its approach is integration of credit with other development programmes and also covers a broad range of financial services including loans, deposits and payment services and insurance to the poor and low-income households and their micro enterprises. It links traditional and financial system with modern banking have shown a significant contribution towards the poor in rural, semi urban or urban areas for enabling them to raise their income level and living standards in various countries. It has become a movement in various countries of the world, including India, especially after the Nobel Prize winner Prof. Md. Yunus experimented with this idea quite necessary at Bangladesh. In India also, efforts are being made in this direction. In this context, this paper focuses on the following aspects: an attempt to analyze micro financing programme in India. Micro finance is emerging as a powerful instrument for poverty alleviation in the economy. The main objective of the study is to present women empowerment through micro financing in Shivamogga City.

Keywords: micro finance, poverty, financial institutions, developing country

Introduction

Micro financing, the buzzword today, is emerging as a powerful tool for financial inclusion, reaching out to a fifth of all poor households as well as many non-poor households who have yet to be reached by the formal financial sector. Bangladesh Government first conceived the micro financing in the present form as an effective intervention for poverty alleviation in early seventies for developing countries. The great visionary and Nobel prize winner Prof. Md. Yunus has conceptualized this intervention for its extensive use to eradicate the poverty for millions of the world's poorest people. In India, there are two models for micro financing; self help groups (SHG) bank linkage programme covered about 185 million poor households in March, 2019 and provided indirect access to the banking system to another 24 million. The other model, micro finance institution (MFI) served 9.3 million households, of which 5.2 million were poor.

Need for Micro Finance

Micro finance in India was majorly dependent on subsidies and the concept of providing finance to the people at exceedingly low rates of interest. It also inculcated a culture of increased tolerance for loan defaults, waivers and lax appraisals and monitoring of loans. In this backdrop, informal groups of people came into existence. These groups known as Self Help Groups (SHGs) were a way for people to come together in order to pool their savings and dispense small unsecured loans.

The potential of these SHGs to develop as local financial intermediaries to reach the poor has gained recognition due to their community based participatory approach and sustainability recovery rates have been significantly higher than those achieved by commercial banks in spite of loans going to poor. Success stories in neighbouring countries, like Grameen Bank in Bangladesh, Bank Rakyat in Indonesia, Commercial and Industrial bank in Philippines, etc.

NABARD recognized the potential of these groups and realized that they are constrained only due to the meagreness of their financial resources. In order to overcome this problem the concept of linking the groups to a bank was to overcome financial constraints was designed, popularly known as the SHG Bank Linkage programme. It was started as a pilot project in 1992 and has come a long way since then. As of March 2011, there were 7.4 million SHGs under this scheme covering over 10 crore households with savings balance of over Rs 70 billion (7000 crores). About 49 lakh of these SHGs have also accessed bank credit and have over Rs 31,000 crore as outstanding credit from the banking system. In other words, the SHG-BLP has so far been the most preferred and viable model for financial inclusion of the hitherto unreached poor.

About SKDRDP, Dharmasthala

Shri Kshethra Dharmasthala Rural Development Project, popularly known as SKDRDP, is a charitable trust promoted by Dr. D. Veerendra Heggade. SKDRDP concentrates on the empowerment of people by organizing Self-help Groups (SHGs) on the lines of Joint Liability Groups (JLGs) and provides infrastructure and finance through micro credit for the rural people.

Shri Kshethra Dharmasthala Rural Development Project all aspects of enriching the rural life, it is currently engaged in developmental activities in Dakshina Kannada, Udupi, Uttara Kannada, Coorg, Shivamogga, Chickkamaalur, Dharwad, Haveri, Gadag, Tumkur, Belgaum, Mysore, Chamarajnar, Koppal, Davangere, Chitradurga district operating in 30,000 villages covering more than 37, 18,000 families. SKDRDP in active with its community development programmes throughout the state of Karnataka and holds its presence in six coastal towns under the Karnataka Urban development and coastal environment management project. During the year SKDRDP has extended its area of operation to six more districts like Hassan, Mandya, Bangalore Rural, Bellary, Raichur and Bagalkote. SKDRDP is registered under the charitable trust act of 1920 in the office of sub- registrar, governmental of Karnataka, belthangady taluk, Dakshina Kannada district in the year 1991

Women Empowerment through SHG Programme in SKDRDP

An SHG both by definition and in practice is a group of individual members who by free association come together for a common collective purpose. That is they are homogeneous and have certain pre group social binding factors. In the context of micro-finance, SHG are formed around the theme of savings and credit. In practice SHG comprise individual members known to each other. To enable people to inculcate the habit of helping others, we started organizing Self-Help Groups which are called as Pragathi Bandhu Groups (PBG). Our lending and Training programs are geared towards members and their families. As every family has three types of people, we have special programs focused these three focus groups.

1. Family Head - huge array of programs under Agriculture division.
2. Women Empowerment - Jnanavikasa to make them self-sustainable.
3. Children SujnanaNidhi scholarship

SKDRDP not only provides financial aid to the women but empowers them. With the loans, people are equipped with the abilities to make something for their future and to improve their standard of living. Also it bestows upon them the responsibility of them making their own decisions and controlling their fate. Empowering the poor and enabling them with the capabilities is what SKDRDP strives to do with its programs. The two parts of women empowerment programmes are

1. **Jnanavikasa- Flagship women empowerment programme:** women in rural areas to given opportunity to express talents and skills. Women also learn about inculcating family values and developing savings habits. This programme mainly concentrates on main objectives like health and hygiene, family coherence, legal aid, utilization of government facilities and self employment.

2. **Gelathi - A Counseling Program:** SKDRDP has established a counselling centre to help women who need support. This programme offers the services of a sociologist, an advocate, a psychologist and a doctor, who provide counselling services to the women on demand. The services are given free of cost. Legal aid is also given in times of need.

Role of Micro finance in Women Empowerment – A Case Study of SKDRDP

A case study conducted on above mentioned aspect. Objectives of the study are as follows

1. To analyze the contribution of microfinance initiatives in the area of women empowerment in Dharmasthala region.
2. To measure the role of selected self help programmes towards microfinance.
3. To discuss the important problems of microfinance experiments and offer solutions to resolve them.

Objectives of the Study

1. To study the present women empowerment through micro financing in Shivamogga City.
2. To understand the socio-economic conditions of the women who are joining the SHG.

Research Methodology

The study was undertaken in rural area of Shivamogga City. Both primary and secondary data's are used. Primary data is enumerated from a field survey in the study. Secondary data is collected from SKDRDP reports and other documents. Jhnana Vikasa Members from different places have been identified and selected for data collection. Sampling method - cluster sampling and area sampling is followed. Since the members are large in number they are divided by groups and randomly selected for data collection. Sample size – 50 samples method of data collection. A structured interview schedule was prepared by the researcher and used for collecting data from the rural SHG women members who are engaged in micro enterprises through microfinance.

Analysis of Data

1. 90% respondents responded that microfinance programmes are useful in increasing women's status.
2. 90% respondents that participation in microfinance has programmes increased women's self esteem.

3. 90% respondent's respondent that microfinance have improved enhanced women's decision making in domestic matter.
4. Micro finance improved the income generation activity.
5. 40% of them utilized the loan for income generation activity, 40% of them for agriculture and 20% for other activities like construction of house, toilet construction, household matters etc.
6. 60% of them responded that micro finance activity helped to reduce the problem of addiction in the family.
7. We can also see various success stories of empowered women from different parts of Karnataka who are the beneficiaries of micro finance activities of SKDRDP.

Suggestion

1. There was lack of support from family members. The self help group and supporting system should also educate the family members about the benefit from self help group. Moral support of family member gives confidence to the women for her growth.
2. More and more training programs should be conducted by the government bodies
3. Bank must follow up performance of SHGs, because self help groups misuse the loan amount.

Case Studies

- Ms. Shobha from abbigeri village, Shivamogga taluk, is partially disabled, lived in the poverty. She had only the knowledge of tailoring, when SKDRDP programme has just entered the village. She has become active member of the SHG group and hired loan from Pragathi Nidhi and invested for house repair, and invested for agriculture (Banana Plantation) and she has started her own tailoring training centre and became independent. She has also contested for Gram Panchayath election and she has been the member of state women association Bangalore along with all these she is working for the development of the village.
- Savith Prakash is living with her husband and two children in a rented room at lakkavalli of Shivamogga taluk district. She found it very difficult to manage her family with husbands little income. She had to earn but she could not because of her little education. She has tried a lot to get job in both public and private sectors. But she could not savith joined as a member of jnanavikasa and actively participated in the entire programme under Jnanavikasa. She got motivated to become self employed. She has attended training programme on beautician and tailoring for a period of six months. After that she has taken a loan about one lakh from SKDRDP and started a beauty parlour. It is running very well and she never found difficult to repay the loans. Now she happily says that i am leading a wonderful life with my husband and children and always thankful to Jnanavikasa. She is a best entrepreneur and best example for real empowerment. Savith has awarded as Jnanavikasa Sadhaki of 2018 in state level krishimela of SKDRDP.
- Smt. Johana Banu from reppinpete has joined as the member of Jhnanavikasa group in 2018. She has received the 1,50,000 loan from group which she has invested on self employment. Today she is exporting the home products to abroad through personal contacts. She has not stopped her life even after losing her husband last year. She is living along with her 2 children happily.

There is thousand success stories we can find in around Karnataka of women empowerment. SKDRDP is playing very crucial role in braining psychological, economical, political, social changes among women.

Conclusion

The present study brings forth the fact that there is a gradual change in the status of women. When compared to what it was in the past, her role in the family and society has been transformed. Besides being housewife, she is now either primary or secondary bread earner. She has a say in her family and society. The dependency on local money lenders is reduced to a great extent after joining SHGs. The present microfinance programmes have induced self confidence in women. Even women outside the fold of SHGs are coming forward to form groups to become the beneficiaries of the bank loans.

A main conclusion of this paper is that microfinance can contribute to solving the problem of inadequate housing and urban services as an integral part of poverty alleviation programmes. The challenge lies in finding the level of flexibility in the credit instrument that could make it match the multiple credit requirements of the low income borrowers without imposing unbearably high cost of monitoring its end-use upon the lenders.

Reference

1. Thangamani, Muthuselvi S. "A Study on Women Empowerment through Self-Help Groups", (ISOR Journal of Business and Management) Coimbatore-Tamil Nadu, 2013
2. Thileepan T, Dr. Soundararajan K. "Problems and opportunities of women self-help groups entrepreneurship in India". (International Research Journal of Business and Management), 2013.
3. Anchal Soni. "Role of Self Help Groups in Women Entrepreneurship Development: A Case Study of Jalandhar District", Punjab, Advances in Economics and Business Management (AEBM), 2015.
4. Ajit Kumarbansal and Ms.Anubansal (2012), "Microfinance and Poverty Reduction In India", Integral Review- A Journal Of Management ISSN: 2278-6120, Volume 5, No. 1, June 2012, Pp 31-35.
5. Banerjee Chatterjee, T (2009) "Economic Impact of Self Help Groups - A Case Study". Journal of Rural Development 20 (4):451- 467