



Socio-Economic Empowerment of Women Through SHGs- A Case Study of RDCC Bank.

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Abstract:

Through SHG-Bank linkage programmes, the effort is made to reach poor villagers and sincerely empower them. RDCC Bank in Hoskera and Gangavathi has played an effective role in empowering women by assisting them in business ventures. Credit at lower interest rates have helped them to grow their business. With the continuous support from SHG and RDCC Bank, majority of the group members are now self-reliant. There is improvement in social status of these members and they have been respected in their family. After joining the group, their decision-making ability has gone up. Women groups have proven that they may bring more change than they really wish.

Key words: SHGs, RDCC Bank, Poverty, Micro Credit, Socio-Economic Development.

Introduction:

Microfinance is an economic developmental tool which assist the poor to overcome poverty. It covers a range of services which include provision of credit, savings, insurance, money transfers, counseling, etc. The credit needs of the rural poor are at present only partially met by the formal credit agencies and a majority of rural poor depend on the informal sources of credit. Though the needs are of small volume, they habitually arise at unpredictable times and are usually instant in nature. Meeting these credit needs as and when they arise is decisive.

However, linkages are created with the formal banking system through Self Help Groups, such as Self-Help Groups (SHG)-Bank linkage programmes. In India, efforts have been made to deliver formal credit to rural areas by setting up special agricultural / rural banks or insisting commercial banks to provide loans to rural borrowers. However, these programmes have also not worked well due to reasons such as the difficulty to enforce loan repayments and the selection of relatively wealthy and influential people rather than the poor for the bank loans. The high risk and the high transaction costs of banks associated with small loans and savings deposits and absence of collaterals are the factors which make the poor non-bankable. Because of these difficulties the poor people rely on relatives or local money lenders whose interest rates are very high. Poverty and unemployment are the major problems in villages in India. The rate of growth of women employment in India is very low. The Bank-SHG linkage programmes can really help poor to come out of poverty by assisting them in business ventures.

SHGs in association with RDCC Bank in Hoskera and Gangavathi have really impacted on the life of poor villagers. It is found that the SHG memberships have significantly increased recently. The SHGs are efficient in managing the groups and effectively contributed to poverty alleviation. Here an attempt is made to understand the role of SHGs and RDCC bank in enabling poor to lead life successfully and economically sound. The study revealed that, members of the SHGs are able to lead a self- reliant life. There is improvement in their social status and have been respected in their family. After joining the group, their decision-making ability has gone up. Women groups have proven that they bring more change than they really want. Study also revealed that few members have not utilized the loan amount for the purpose which they borrowed. These are the areas of concern to be immediately attended by the SHG with support of RDCC Bank.

Literature Review:

Jaya S Anand (2002) advocated that, the concept of group activity is gradually catching up. Beyond financial intermediation, SHGs can and should bring about drastic changes in the lives of the poor. It has been clearly established that delivering credit alone may not produce the desired impact. The supporting services and structures through which credit is delivered, ranging from group formation and training to awareness-raising and a wide range of other supporting measures are critical to make the impact of group activity strong and sustainable.

Sharma and Mai Chand (2014) found that, most members had favorable response towards SHGs. Defaulting members, fluctuating bank policies, lack of cooperation among the members, restrictions imposed on females to go outside, groupism among the members etc were the main problems in the effective functioning of SHGs which require more attention.

B.D.Karadennavar in his study found that, over 4300 NGO's and around 41000 branches of 549 banks were associated with SHG programme in 2006. Cumulative number of such SHG's was 2.2 million as on March 2006. Banks extended loans to aggregating Rs 4499 crores during 2005-06, registering a growth of 50.3 percent. The number of poor families benefited through SHG's increased to over Rs 32.5 million in 2006.

Uttam Singh advocated that, participation in SHG has improved the access to credit, and helped women to reduce their dependency on money lender. The woman has invested credit obtained from SHG on new economic activity and strengthening old activity to enhance their livelihood. SHG provides a platform to women to start own business and to discuss social issues in the group. They contributed to monthly income of household that, reduce the gender inequality and sustained the poverty. Author highlighted that, their decision-making power was still on edge, for this, they were totally dependent on male, this shows that the society is still male dominated, and women are pushed to the walls in the decision-making process.

Vandana Kaushik and Savita Singh advocated that, the women members are not highly motivated to take membership. A low motivation may affect the attendance and performance. Result of the study highlights that nothing is motivating women from financial benefits to family welfare, from availing subsidy to getting recognition in the family. Further, not much difference in the motives and their intensity was observed among the women members of the two different zones that is sub-humid zone and southern humid plain.

Nandini and Sudha, (2010) concluded that, there was positive impact on women empowerment through self-help groups, in terms of increase in social awareness and

participation, savings habits, income level, self-employment, asset creation, repayment of other debts, improvement in decision making skills and improved nutrition level at their household. The self-help groups have enabled poor women to get access of various financial products and services. The self-help group concept enabled many women to achieve social recognition. Author suggested to provide education, training to the members of the group.

Objective of the study:

To examine the role of RDCC bank in Social and Economic development of SHG Group members.

Need for the study:

Poverty and unemployment are the major problems in villages in India. The rate of growth of women employment in India is very low. There is a need to understand, whether rural poor women are able to develop their socio- economic status with the support of Self-HelpGroup (SHG). SHG – Bank linkage is a tool to remove poverty and improve the entrepreneurship and financial support poor inIndia. Self-help groups enhance the equality of status of women and bring confidence in them to take decisions in their family. The number of beneficiaries who have joined the SHGs associated with the RDCC Bank have gone up significantly. It is also noticed that the SHGs are efficient in managing the groups and successful in retaining the group members.Question arises that, whether the SHGs in assistance from RDCC Bank have effectively reached the members and playing a key role in transforming the members of the group economically well. Here an attempt is made to understand the role of RDCC bank in development of poor through SHGs. There is need to understand whether women can really support the family and help to overcome poverty.

Scope for the study:

The study helps to examine the poverty status of villagers and the role of RDCC Bank in their social and economic development.It examines how the SHG have helped to improve the social status and economic status of rural poor women. Findings may provide guidelines to NBFCs, agencies and NGOs in deciding future plans and making effective efforts to motivate rural women to join SHGs.

Research Methodology:

The survey is carried out to examine the socioeconomic development of villagers in Hoskera and Gangavathi, Karnataka. The questionnaire in Kannada language is administered to the 600 members belonging to 50 SHGs registered with RDCC Bank. Research articles were

reviewed, and inputs were collected. Data analysis is carried out using SPSS and inferences were drawn using graphs and tables.

Analysis:

Table No: 1 - Increase in the self- esteem of members due to SHG membership

Scale Opinion	Frequency	Percent	Cumulative Percent
Neutral	10	1.7	1.7
Agree	500	83.3	85.0
Strongly Agree	90	15.0	100.0
Total	600	100.0	

Table No: 2 - Increase in the members recognition in the society due to SHG membership

Scale	Frequency	Percent	Cumulative Percent
Neutral	90	15.0	15.0
Agree	400	66.7	81.7
Strongly Agree	110	18.3	100.0
Total	600	100.0	

Table No: 3 - Change in the quality of life due to SHG membership

Scale	Frequency	Percent	Cumulative Percent
Neutral	70	11.7	11.7
Agree	440	73.3	85.0
Strongly Agree	90	15.0	100.0
Total	600	100.0	

Table No: 4 - Increase in financial contribution to family due to SHG membership

Scale	Frequency	Percent	Cumulative Percent
Neutral	180	30	30
Agree	360	60	90
Strongly Agree	60	10	100.0
Total	600	100.0	

Table No: 5 - Increase in Savings/Assets due to SHG membership

Scale	Frequency	Percent	Cumulative Percent
Neutral	180	30	30
Agree	360	60	90
Strongly Agree	60	10	100.0
Total	600	100.0	

Findings:

Poverty measurement study found that 200 respondents are very poor, 180 respondents are moderately poor, and 220 respondents have come out of poverty completely with the support from SHG-RDCC Bank. At least 40 members who are very poor have borrowed loan for the purpose of business have utilized the loan amount for other reasons.

It is found that, majority (96%) of the respondents are of the view that, loan amount disbursed by RDCC bank is sufficient enough for them to meet their requirements and all are satisfied with the interest rates charged by the RDCC Bank. It is noticed that the interest rate charged on the loan is 4% which is found to be cheaper and comfortable for them in repaying the loan. Majority (98%) of the members are satisfied with the loan term which seem to be comfortable.

Most of the members (97%) are of the view that RDCC bank has played an important role in their social and economic development. All the members of the SHG group have borrowed loan from RDCC Bank, either to start up a new business or for the expansion of their existing business. But 7% of the respondents have utilized the loan amount to pay the school fees of their children, the existing debt and for their household expenditure, which is the matter of concern. Majority (98%) of the members are of the opinion that, the financial assistance from RDCC bank through SHG has helped them to grow their businesses.

The study revealed that, majority (98%) of the respondents are of the opinion that, their association with SHG has helped them in increasing their confidence level and self-esteem. Majority (85%) of the members revealed that, they got recognition in the society. Majority (88%) of the members agreed that they are able to lead a quality life after joining SHG.

The study revealed that, majority (82%) of the members are agreed, that, support extended from RDCC Bank through SHG has helped them in providing better education for their children. Majority (83%) of the SHG members income level has increased and at least considerable (60%) number of members are able to save/purchase assets with the support from SHG and RDCC Bank. It is also found that 70% members are contributing to family for livelihood.

Suggestion:

Few borrowers who are very poor have utilized the loans for different purposes which has made borrowers to face repayment problems. The concern is that loans availed for the business activities was consumed to meet household requirements. It is necessary that proper guidance and training has to be given to the members who have borrowed loan for the business activities. The RDCC bank must motivate and encourage the group members to earn and save money through business. At most care is to be taken, so that borrowers utilize loan amount properly and grow their business.

Conclusion:

The study revealed that SHG in association with RDCC bank has played an effective role in poverty alleviation. Among 600 members from 50 SHG groups, at least 400 members life was transformed effectively. Members have borrowed loan with purpose of coming up with a new venture. But the concern is that, few members didn't utilize the money properly, but consumed for different purposes. Majority of the members are satisfied with the lower interest rates levied on loans and the term what was offered to repay back the loan. It is found that RDCC Bank has helped group members to improve the Socio-Economic status of members.

SHG membership has helped member to lead a self-reliant life. There is improvement in social status and they have been respected in their family. Their participation in social activities has increased and they are more exposed now. After joining the group, their decision-making ability has gone up. Women groups have proven that they bring more change than they really desire. Microfinance plays an important role in poverty management and improvement.

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