

## **Study of Women Self Help Groups of Chitradurga District**

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**Abstract:** Self-Help Groups (SHGs) are informal associations of people who choose to come together to find ways to improve their living conditions. A SHG is an informal association to enhance the member's financial security as primary focus and other common interest of members such as area development, awareness, motivation, leadership, training and associating in other social inter-mediation programmes for the benefit of the entire community. The present study has surveyed the SHGs run by SKDRDP and SHGs of Stree Shakti (programme) Groups in Holalkere and Chitradurga taluks. The study reported that SKDRDP and SHGs of Stree Shakti are playing vital role in the formation of SHG and motivating women to join the group .

**Key Words:** SKDRDP and SHGs of Stree Shakti playing vital role.

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### **I. INTRODUCTION**

Self help is the best help. The age old saying 'everyone for all and all for everyone' defines the characteristics of self help groups. Self-Help Groups (SHGs) are informal associations of people who choose to come together to find ways to improve their living conditions. It can be defined as self governed, peer controlled information group of people with similar socio-economic background and having a desire to collectively perform common purpose. A self help group consists of members in the age group of 18-60. SHG is a group formed by the community women, which has specific number of members like 15 or 20. In such a group the poorest women would come together for emergency, disaster, social reasons, economic support to each other have ease of conversation, social interaction and economic interaction. A SHG is an informal association to enhance the member's financial security as primary focus and other common interest of members such as area development, awareness, motivation, leadership, training and associating in other social inter-mediation programmes for the benefit of the entire community. The group should devise a code of conduct to bind itself. This should be in the form of regular meetings functioning in a democratic manner allowing free exchange of views, participation by the members in the decision making process. The group should be able to draw up an agenda for each meeting and take up discussions as per the agenda. The members should build their corpus through regular savings. The group should be able to collect the minimum voluntary saving amount from all the members regularly in the group meetings. Savings so collected will be the group corpus fund. The Group Corpus Fund should be used to advance loans to the members. The group should develop financial management norms covering the loan sanction procedure, repayment schedule and interest rates. The members in the group meetings should take all the loaning decisions through a participatory decision making process. The group should be able to prioritise the loan applications, fix repayment schedules, fix appropriate rate of interest for the loans advanced and closely monitor the repayment of the loan instalments from the loanee. The group should operate a group account preferably in their service area bank branch, so as to deposit the balance amounts left with the groups after disbursing loans to its members. The group should maintain simple basic records such as minute's book, attendance register, loan ledger, general ledger, cash book, Bank pass book and Individual pass books. Fifty percent of the groups formed in each block should be exclusively for the women. SHGs function on the basis of co-operative principles and provide a forum for members to extent support to each other. It is considered is a means of empowerment.

### **Background of SHGs**

SHGs could be traced to mutual aid and trust in Indian rural society. Self Help Groups (SHGs) is the brain child of Bangladesh as early as in 1971. Self help groups (SHGs) and microfinance is the recent past has emerged as a potential instrument for poverty alleviation and financial inclusion and women empowerment. The basic principles of the SHGs are group approach, mutual trust of small and manageable group, spirit of thrift, demand based lending, collateral free, poor-friendly loan, peer group pressure in repayment, skill training, capacity building and empowerment. In the decade of nineties and twentieths National Agriculture Bank for

Rural development (NABARD), Government Organization, Non government Organizations (NGOs), Micro Finance Institutions (MFIs), initiates and started Self help groups for microfinance, micro credit activities for the objectives of poverty alleviation, women empowerment and financial inclusion. Microfinance and self help groups activities has been long recognized and practiced in India as a toll for extending banking services to poor and at the same time financially inclusion of weaker section of the society. In 1970, the small scale flower vendors formed SHGs to uplift small time vendors economically. In 1978, women workers in Madurai district in Tamil Nadu formed SHGs to give financial assistance to small time vendors. Later, in 1988, these SHGs established their network in Karnataka, Andhra Pradesh, Kerala and other states.

### **Background of SHGs in Karnataka**

The origin of micro-finance in Karnataka dates back to 1984 when Mysore Resettlement and Development Agency [MYRADA], a Non-Government Organization [NGO] engaged in rural development and based in Karnataka promoted several co-operative societies those extended loans to their members. Later in the mid-1980s the national bank for agriculture and rural development [NABARD] took the lead. After the launching of SHG –Bank linkage program in 1991-92 and under, this programme the first micro credit NABARD up scaled the programme by way of initiating a series of measures that include training of NGOs and bank staff. In the 1950 Chinese war more than three lakh Tibetans migrated to India and Jawaharlal Nehru was the prime minister then. His government decided to give shelter to the war victims. Out of this, 1500 people were sent to Karnataka. MYRADA was established by W H K Devin in 1968 and in H D Kote the branch of MYRADA was established. Many had emerged from the breakdown of the large cooperatives organized by MYRADA. In these areas, a number of members asked MYRADA to revive the credit system. They usually came in groups of 15-20. When reminded of the loans they had taken out from the cooperative, they offered to return them to MYRADA, but not to the cooperative, which in their experience was dominated by a few individuals. MYRADA staff suggested that they return the money to themselves – in other words to the members who had come in a group to present their case to MYRADA. After some hesitation, they decided to continue meeting in these smaller groups. MYRADA staff realized that they would need training: how to organize a meeting, set an agenda, keep minutes, etc. Efforts were made to train the members systematically. On analysis it emerged that the members were linked together by a degree of affinity based on relationships of trust and support; they were also often homogeneous in terms of income or of occupation, but not always. Caste and creed played a role, but in several groups affinity relationships and economic homogeneity were stronger; as a result, several groups included different castes and creeds. MYRADA opened its branches in Andhra Pradesh and Tamil Nadu states and played a decisive role from 1992 in the field of forming self help groups.

### **Objectives of SHG**

- To inculcate the savings and banking habits among members.
- To secure them from financial, technical and moral strengths.
- To enable availing of loan for productive purposes.
- To gain economic prosperity through loan/credit.
- To gain from collective wisdom in organising and managing their own finance and distributing the benefits among themselves.
- To sensitize women of target area for the need of SHG and its relevance in their empowerment.
- To create group feeling among women.
- To enhance the confidence and capabilities of women.
- To develop collective decision making among women.
- To encourage habit of saving among women and facilitate the accumulation of their own capital resource base.
- To motivate women taking up social responsibilities particularly related to women development.
- It acts as the forum for members to provide space and support to each other.

SHGs are considered as one of the most significant tools to adopt participatory approach for the economic empowerment of women, SHG is a group of people that meets regularly to discuss issues of interest to them and to look at solutions of commonly experienced problems. The group may or may not be promoted by Government or non-Government institutions.

### **Origin of Stree Shakti Groups**

The saving schemes started by MYRADA in 1984-85 spread across the state and by 2002 the initiatives of this non-government group became the most decisive financial program in the entire country. In 1990, the Union and Karnataka state governments introduce tree Shakti program under the financial assistance of World Bank. s. SHGs have evolved to be more than just a means for credit – they also act as a delivery

mechanism for various other services, ranging from entrepreneurial training to savings deposits. They help to build social capital among the poor, especially women. In Karnataka, the groups formed by the Department of Women and Child Development are called as Stree Shakti Groups. These Groups are provided with seed capital, revolving fund, government guarantee for the loans taken, and other assistance like training and marketing of the products. The present paper aims at reviewing the growth and commenting on the present status of these government sponsored SHGs in Karnataka. As per a survey, it is reported that more than 40, 295 anganwadi workers, 561 volunteer groups, 108 regional and rural banks, and financial groups under Sri Manjunttha Sangha have been involved in this small scale initiatives across the state. The programme was launched during 2000-01 and it is being implemented throughout the state to empower rural women and make them self reliant. Stree Shakthi Groups (SSGs) are formed at the village level to inculcate the savings habit in the members empowering the women economically. About 15 to 20 women members who are from below poverty line families, landless agricultural labourers, SC/ST women join together. SSGs are formed through Anganwadi workers and taluk federations. The Stree Shakti Program was launched in Karnataka on 25-08-2000. SHGs have been formed under Anganwadi workers spreading in 175 taluks in the state. The Anganwadi workers will extend cooperation during the first six months to the groups to manage their activities. After six months, the Anganwadi workers will only supervise the work in the next six months. If the groups are not able to manage the work themselves, they can appoint an outsider and give remuneration from the amount of savings the groups have in account. After six months the groups have to take measures to initiate internal loans in a small scale and open savings accounts compulsorily in the banks. The supervisors of department have to guide the Anganwadi workers from time to time and at the same time they have to supervise the work. As per government reports, there are 75026 SHGs and mobilised is 10.95 lakh women and the total saving stands at 90.29 crores.

#### ***Background of Sri Kshetra Dharmasthala Rural Development Project (SKDRDP)***

Dharmasthala is a famous religious centre in India. Dharmadhikari, Dr. Veerendra Heggade, who heads the management of temple and its various community development activities, started SKDRDP in 1982 as a charitable trust to provide livelihood support programmes to the poor and marginalised. The organisation commenced microfinance operations in 1992 by forming self help groups to help women and marginalised farmers become financially self sustainable. Consequently the organisation partnered with banks to provide SHG-bank credit linkage facilities to SHG members. Dr.D.Veerendra Heggade has emphasised that farmers particularly small farmers need to come together and organise themselves to emerge as a force to reckon with. Governments and NGOs have greater role to play in organising small farmers and to support them in building their capacity so that they would be in a position to avail all the facilities from the Government departments and Banks. He said that there is a need for designing special programmes depending on the contextual requirements to reach them. They should not be deprived of benefits of the Governments programmes because of the problems in documents rather they should be helped by the concerned departments in such situations. Shri. Heggade wondered why there is no single window system even now to provide solutions to many problems faced by small farmers and it is an urgency that Government shall setup the single window system. He lamented about the lack of basic amenities in villages and sought for stakeholders support in providing basic amenities like drinking water facility, sanitation unit, housing etc. He was of the view that small farmers must prepare their Farm Planning by taking to consideration all wealth available in the land like water, soil, animal and also manpower wealth. He felt that microfinance has provided good support to people to improve their quality of life for effective livelihoods activities. The initiatives taken up by SKDRDP have now spread across South Canara, Shimogga, Chikmagalur, Kodagu and other districts. The schemes of this institution have set a role model to other non-government organizations across the state.

#### ***Sri Kshetra Dharmasthala Rural Development Project***

Sri Kshetra Dharmasthala Rural Development Project is playing a vital role in setting up self help groups and promotes women to join the groups. Presently, this non-government organization is involved in rural development works across 30,000 villages in South Canara, Udupi, North Canara, Shimogga, Chamaraja nagara, Koppal, Davanagere, Mysore, Haveri, Gadag, Tumkur, Belgaum, and Chitradurga districts. More than 2, 71, 8000 families have been covered by the schemes implemented by this organization.

#### ***Objectives of SKDRDP***

- To form SHGs in order to mobilize rural populace in the rural development programs.
- To motivate the rural people to organize themselves and to form into SHG;
- To educate, train the group members in managing the group activities like maintenance of books of accounts, conducting meetings, management of funds, etc;
- To inculcate, promote thrift and savings habit among the group members and to help in institution
- Building along with the development of individual

- To help the SHG in identifying raw materials and local resources
- To help the group members to upgrade their skills and technology to make best use of resources
- To make available credit facilities and to act as a link between the rural poor and the bank
- To educate and train the group members to utilize credit properly and to improve their economic conditions
- To help the group members in exploring markets for their products
- To work as facilitator in the meetings of the SHG
- To act as friend, philosopher and guide to the SHGs

## II. REVIEW OF LITERATURE

**Shiva Chittappa, M Chowde Goda, 2005, Mahile Mattu Abhivruddi, Chinmay Publications, Gupta Printers, Vidyananaya Puram, Mysore:** NABARD has been giving special attention to SHGs and they are rightly supported by NGOs. Microfinance in Bangladesh, Malaysia, Korea, Phillipines, Indonesia, and other nations has been instrumental in mobilising rural women to gain economic independence.

**Anita and Revankar (2007)** have made an attempt to study the rural development from 1992-93 to 2003-04. The authors have analysed the growth of SGHGs till March 31st 2004.

**Somashekhar Rao, 2007, Mahila Sabalikarana:** The Stree Shakti Proigram has taken a giant step by establishing anganwadi centres in 1975. There are 51, 614 anganwadi centres in 27 districts and all these centers have set up SHGs. In 2006-07, the SHGs have built shopping complexes for SHGs to market their products. This has become a force to reckon with in empowering rural women.

**Jayachandra Pillai, V Harikumar (2006):** Over the last two decades India has undergone a drastic change due to phenomenal growth in the non-governmental sector. However, the gains from rapid economic growth have not been evenly distributed. One of the main reasons why poverty perpetuates is lack of easy access to credit. Sudden illness, accident, or marriages are the major sources of credit constraint faced by the poor. Additionally, bad harvest and economic shocks, respectively, contribute to impoverishment in rural and urban India. In effect the poor people are left with little, if any, resources to participate meaningfully in economic activities.

**Geetha Krishnamurthy- Mahila kanoonu Mattu rajakarana (2001):** During the British period, many laws were enacted. The author has discussed anti System, Widow marriage, anti-childmarriage and anti-female foeticide.

**Bhagyalakshmi (2000):** Rural poor women work to earn livelihood rather than for entrepreneurial activity. They are motivated by the requirement and not the reward of their hard work. They work at very low wages because they have few if any alternate options. Because of poverty men migrate in search of employment leading to high resentment and divorce, rural women engage in production, reproduction and family management simultaneously. Thus women are affected in three ways: as poor people they are like poor men, as women they face cultural and social problems, and as a homemaker they face economic constraints. Because of the above reasons, most of the SHGs are increasingly working towards empowerment of women which will lead to overall economic development of the society.

### Objectives of the Study

- To study the role of self help groups in the social and economic empowerment of women.
- To study the participation of women SGHs in self employment.
- To study the differences between the functions of women SHGs and SKDRDP.

### Study Area

The present study has selected Chitradurga district for the purpose of this study. This district has Ballari to its North, Ananthpur district to East and Davanagere to the West. The district has six taluks and the author has selected two taluks for this study. 40 villages from 30 gram panchayats in Chitradurga and Holalkere taluk limits have been chosen under the study area.

## III. METHODOLOGY

The present study involves extensive study visits. Both primary and secondary sources were used to collect data. To collect primary data through field survey, a structured questionnaire was designed and was used in vernacular. The questionnaire was administered to women SHG members who are running enterprises.

### Hypothesis

- Women members of SHGs have the ability to take independent economic decisions and they have the attitude to repay the loan taken by
- SHGs functioning in Chitradurga district can set an example for rural economic development.

#### **IV. FINDINGS**

- The membership to the SHGs of SKDRDP is monitored by the authorities of SKDRDP.
- Anganwadi workers form the members for the Stree Shakti groups.
- The accounts, savings, ledgers and transactions are managed by the authorities of SKDRDP.
- The president of Stree Shakti Groups looks after the transactions, savings and other financial business. Sometimes, literate members of the group look after the transactions. However, the Anganwadi worker looks after the transaction in case all the members are illiterate.
- The members of Sri Kshetra Group get loans from Canara bank and the formalities are completed by the authorities of Sri Kshetra Group. The Group authorities recommend the bank to issue loans to its members.
- The members of Stree Shakti group complete the formalities while applying for loan and banks refuse to release loan upon the incomplete information.
- The members of Sri Kshetra groups get their loan released after one to two months from the date of submission of the application.
- The members of Stree Shakti Groups get loan for a minimum period of four months.
- Sri Kshetra Group conducts training for its members once in two months and promotes self employment by giving loans.
- The RUDSETI conducts training programs for the members of the Stree Shakti Groups. For instance; tailoring, beautician course, agarbatti making and others. Those who complete training successfully are given loan to start self employment.
- Sri Kshetra Groups conducts cultural events for its members once in a month.
- The Stree Shakti Groups do not conduct cultural events and competitions.
- The members of Sri Kshetra Group do not take part in political activities and it is one of the standard rules of the Sri Kshetra Group. However, if a member desires to be part of a political organization, it is done at the individual discretion.
- The members of Stree Shakti groups do not have such bindings and they can take part in political activities at their will.
- A member of Sri Kshetra can avail loan up to four lakhs after completing two to three years of membership. The meritorious students of from the family member Sri Shakti group is given loan upon scoring highest marks. Loans are given to students who pursue professional courses.
- The members of Stree Shakti Groups get loans only up to two lakhs and it has to be distributed among all the members of the group. The educational loan for the family members should be introduced.
- The membership in Sri Kshetra Group is limited to 9-15 only.
- In Stree Shakti group, the strength of the members is 9-20.
- The Sri Kshetra Group offers loan at 0.75% and no subsidies are offered.
- The members of the Stree Shakti Group get loan for different interest rates and members get subsidy as per the norms of the government. Majority of women prefer to become members of stree Shakti Group because of the subsidy.

#### **V. SUGGESTIONS**

- School curriculum should prescribe lessons on SHGs and their importance in rural development.
- SHGs are instrumental in small scale savings and it can address poverty to a larger extent. The SHGs can empower rural women to get economically self reliant.
- The government can introduce many programs and can advertise the schemes in newspapers and journals. NGOs and SHGs should build a good rapport with each others to share their experiences and ideas.
- Educated and affluent members get reselected to the top positions in SHGS. This should be stopped and other educated members should also be given opportunity to assume higher positions.
- Education among women should be supported and promoted to achieve women empowerment.
- Women empowerment becomes smooth when the responsibility is shared equally.
- The group leaders inform the other members about accounts maintenance and other transactions. However, this would not help empowerment of women.
- There is a need to conduct legal awareness programs to women members.
- In majority of SHGs, a single person looks after the transactions of the group. This work should be shared by other members in order to know the banking system.
- Some of the political parties lure SHG members in the guise of offering money. This should be stopped immediately.

## VI. CONCLUSION

The present study has surveyed the SHGs run by SKDRDP and SHGs of Stree Shakti Groups in Holalkere and Chitradurga taluks. SHG is an important tool which helps the women to acquire power for their self-supportive life and nation-building efforts. The conclusion is that participating in SHG is an increased self-economic empowerment in terms of savings, access to loans and training etc. Participating in SHG is not only empowering the women but also for the family and community. Hence the government should work closely with these structures to reduce the unequal income gap among the citizens. The financial assistance provided the SHGs for the development of social-economic status are found to have reached the economically marginalized and socially backward, in the study area. These SGHs have been working in right direction in eradicating the poverty of the rural poor and in the empowerment of the women. Still there is a vast scope for micro entrepreneurial activities in the rural as well as urban areas. Women's share in rural employment in the study areas has increased significantly; it is still much lower as compared to other areas. Therefore, more and more SHGs should be encouraged so that they provide development funds to the neglected target groups which in turn lead to socioeconomic development of the region.

The actual leader of the group seems to work well with the other members without oppressing them, being a good listener, and giving good advice when needed, some reasons why she has been in that position since the creation of the group. However, in order to move forward for a tangible change in improving women conditions, more efforts are needed for discovering new leadership qualities, ideas and projects to lead the group in a different direction connected with innovation, otherwise the monotony will not allow the members to build a way out of poverty. In the village without a SHG some women can be considered leaders, but unfortunately they do not feel committed with each other and the perception that women are better being at home is in their minds the whole time. At the end there are a lot of ideas, dreams, and needs to tackle but no one have started with actions. In both places, the characteristics of leadership that are really important for keeping the vision of progress have not been developed.

If a woman does not consider she can move without restrictions, then no changes will be done. Indeed, visiting friends and family is important for the social life, but the freedom of mobility needs to have a relation with the public spaces so women could be aware of other realities, other behaviors, and other opportunities. This "going out" could break the image they have about the perfect woman because they can realize females can also be good working outside home and interact with other people. In this way, they could visit the local governmental organizations to know what they can do in favor of the community and how they can contribute for their development knowing what is going on in India and what projects, programs, organizations, and so on can help them to go out of poverty and improve their lives.

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