



Role of Shgs in Women Empowerment: Prospectus in Hyderabad-Karnataka Region

KEYWORDS

Self Help Groups(SHGs), Microfinance, Women Empowerment.

Dr SANGAPPA S RAMPURE

HOD & RESEARCH Goid , dept. OF commerce
Govt. First Grade College Shorapur

ABSTRACT *Self-help groups play an important role in rural areas in reducing poverty. Microfinance and self-help groups assist the rural area people in their financial needs it is a type of banking service that ensure that unemployed a low-income level people get the better opportunity and they start to earn their livelihoods by themselves. An attempt has been made in this paper to identify some entrepreneurial activities that women can take up in the Hyderabad-Karnataka Region. This paper is divided into eight sections. First section gives the introduction. Second section deals with rural women entrepreneurship through Women SHGs. Income generating activities for Women SHGs are listed in the third section. Issues and problems of Women SHGs are discussed in the fourth section. Special Initiatives of NABARD for Women SHGs are dealt in the fifth section. A programme known as Stree Shakthi to empower women economically and socially - An initiative of Department of Women and Child Development, Government of Karnataka is described in sixth section. The crux of the paper - Prospects for Micro Women Enterprises in Hyderabad-Karnataka Region is dealt in the seventh section. The paper is concluded in section eight.*

Introduction

Basically, Women's empowerment is the process in which women individually and collectively become active, knowledgeable and goal oriented actors who take/or support initiatives to overcoming gender inequalities. Hence, Women's empowerment refers to a strategy to achieve gender equality as well as to the inherent capacity building processes and various other factors. SHGs have, in fact, emerged as one of the major strategies for the convergence of services and activities. The SHGs across states have focused on skill development, facilitating generation, gaining access to credit from financial institutions for micro enterprises/ projects, inculcating of thrift: and management of credit for the economically deprived sections of women. The SHG is a homogenous group of rural people including women who decide to form voluntary organization for small saving amounts, known as "corpus" of the group out of which productive and contingent credit requirement of the members of the group could be met with. Therefore, MFIs are willing to lend to women enterprises and women SHGs. Women's access to microfinance will lead to social and political empowerment. Poverty alleviation and women empowerment are the two sides of the same coin. Women empowerment plays a vital role in reducing the gender inequality. Therefore, it is suggested to take up rural micro enterprises with the support of Micro Finance to the rural women of Hyderabad-Karnataka region¹. It will be more beneficial if they take up agro based women enterprises such as papad making.

Concept of Self-Help Groups (SHGs)

A Self Help Group is a registered or unregistered voluntary association of poor people of 10 to 20, from the same socio-economic backgrounds and it involves primarily in saving and credit activities. A SHG is formed independently without any political influences. It can be all-women group, all men-group or even a mixed group. However, it can be seen that over 90 per cent of these groups have only women members. The SHG provides not only savings mechanism, which suits the needs of the members but also provides a cost effective delivery mechanism for small credit to its members. These groups start with saving and not with credit; the group then uses its savings to give loans to members to meet their emergency and other needs. The members decide on savings per members, maximum size of loans, guarantee mecha-

nisms in loan sanction.

1 Hyderabad-Karnataka region consists of five districts of Karnataka, viz: Bidar, Gulbarga, Raichur, Bellary and Koppal. It is considered as a backward region.

Meaning of Empowerment

Empowerment is not essentially political alone; it is a process having personal, economic, social and political dimensions with personal empowerment being the core of the empowerment process. In fact political empowerment will not succeed in the absence of economic empowerment. The Scheme of Micro-financing through SHGs create empowerment promoting conditions for women to move from positions of marginalisation within household decision making process and exclusion within community, to one of greater centrality, inclusion of voice.

Objectives of the study

The study aims to achieve the following objectives:

- To study the role of SHGs in the rural development.
- To find out the change in economic condition of SHG members.
- To study the role of self-help groups in women empowerment.

Methodology

Type of Study: The study employs descriptive Study.

Sources of Data: The study is based on both primary and secondary data. This data has been collected from the interview, books, journals, annual reports and relevant websites.

Sample: Selected Districts that are consisting Karnataka are selected from the population.

Sampling Method: Convince sampling method is employed.

Rural Women Entrepreneurship through Women SHGs

The limitations of formal financial sector in extending credit to the beneficiaries for assuring employment opportunities led to the evolution of the programme of micro credit with the objective of providing poor timely and hassle free credit without demanding any collateral. Empowering women particularly rural women is a very big challenge. Micro enterprises in rural areas can be considered as one of the impor-

tant tool to face this challenge. Micro enterprises generate employment and help to develop economic independence, personal and social capabilities among rural women. There are many challenges for women enterprises, to some extent the challenges can overcome by formation of women SHGs. Following benefits can be expected as result of taking up enterprise among rural women through SHGs.

- Economic empowerment
- Enhances awareness
- Proud of achievement
- Improved standard of living
- Increases self confidence
- Increased social interaction and network
- Leadership qualities
- Participation in solving problems related to women and community
- Participation in decision making related to the issues of family and community

Economic empowerment of women by micro entrepreneurship leads to the empowerment of women in many ways such as socio-economic opportunity, property rights, political representation, social equality, personal right, family development, market development, community development and at last the nation development.

Income Generating Activities for Women SHGs

Considering the entrepreneurial environment, women's activities are very interesting as they offer a great source of knowledge and innovation. Strong social coherence allows them to maintain strong communication channels at all levels. Female led microenterprises tend to be associated with activities that provide part-time employment. They are small in size and have loose informal structure, require very little set up capital, and little or no formal education. Women SHGs should take up different income generating activities for socio-economic empowerment. Many of the business enterprises that women enterprises take up to generate income can be listed as under:

- Pickles
- Agarbatti making
- Candle making
- Cane items
- Carpets
- Animal Husbandry
- Mess
- Midday meals
- Embroidery works
- Stitching and supply School uniforms
- Hosiery
- Brick making
- Fancy leather items
- Basket weaving
- Woolen blanket weaving
- Handlooms
- Papad making

Issues and Problems of Women SHGs

Although, men as well as women face difficulties in establishing an additional enterprise, women have barriers to overcome. Among them are negative socio-cultural attitudes, legal barriers, practical external barriers, lack of education and personal difficulties. In spite of this, for women and especially for poor women, microenterprises ownership has emerged as a strategy for economical survival. One of the most essential factors contributing to success in micro entrepreneurship is access to capital and financial services. For various reasons women have had less access to those services than men.

Even though the rural people apply entrepreneurial skills in all the rural development activities their economic status has not improved up to the mark. They have much potential but due to various reasons they are finding lot of difficulties in converting their skills into reality. Some important issues and problems are:

- Lack of knowledge about the microfinance and its institutions
- Lack of NGOs' support for promoting SHGs
- Lack of knowledge of the market and potential profitability, thus making the choice of business difficult.
- Unscientific or inadequate accounting.
- Absence of administration and management skills among SHG members
- Most members are illiterate
- Employment of too many relatives which increases social pressure to share the benefits
- Employment of too many relatives which increases social pressure to share the benefits
- Setting prices arbitrarily.
- Lack of regular evaluation and monitoring of SHG activities
- Employment of too many relatives which increases social pressure to share the benefits

It is very important responsibility on the part of Central Government, Government of Karnataka, Microfinance Institutions and NGOs is essential to address these issues.

Special Initiatives of NABARD for Women SHGs:

NABARD is playing a vital role in the financing and assisting SHGs. The special initiatives undertaken by NABARD for women SHGs are as under:

- **Priyadarshini Project:** A programme for 'Rural Women Empowerment and Livelihood in Mid Gangetic Plains' called "Priyadarshini" envisaging holistic empowerment of 1,08,000 poor women and adolescent girls through formation of 7,200 SHGs, was launched with effect from 4 December 2009. It covers four districts (Sultanpur, Bahraich, Shravasti and Rae Bareilly) of Uttar Pradesh and two districts (Madhubani and Sitamarhi) of Bihar. The eight-year programme envisages a project outlay of US \$ 32.73 million and is funded by International Fund for Agriculture Development (IFAD) through an assistance of US \$ 30 million, with the balance contribution to be met by the Government of India. The Programme Loan Agreement (PLA) has been executed with NABARD designated as the Lead Programme Agency. NABARD has initiated work on the project at Head Office, Regional Office and district levels, as mandated in the PLA.
- **Rajiv Gandhi Mahila Vikas Pariyojana (RGMVP) - Special SHG Initiative in Various Districts of Uttar Pradesh:** NABARD continued to support the RGMVP, a special initiative of Rajiv Gandhi Charitable Trust (RGCT), for promotion, credit linkage and federating of SHGs in select districts of UP, in association with participating banks and implementing NGOs. With an implementation period of eight years (2007 to 2014), the project covers 15 blocks in Phase I and 29 blocks in Phase II. An amount of Rs.5.92 crore and Rs.11.33 crore has been sanctioned for Phase I and Phase II, respectively. Demonstration effect is given through external Community Resource Persons (CRPs) from Andhra Pradesh, who are SHG members coming out of poverty and willing to share their experiences with rural women of Uttar Pradesh, for forming SHGs. As on 31 March 2010, 21,868 SHGs have been promoted under RGMVP, of which 12,749 have been credit linked. In addition, 676 Cluster Level Federations and 15 Block Level Federations have been formed.

Stree Shakthi: A programme to Empower Women Economically and Socially - A initiative of Department of Women and Child Development, Government of Karnataka

This programme to empower women economically and socially by organizing them in Self Help Groups was launched throughout the State of Karnataka in the year 2000. At present 1,30,000 rural Stree Shakthi Groups have been formed in the state and 19 lakh women members have been organized in these groups. The members have saved Rs. 971.84 crores since inception. 121347 groups have availed bank

loans to the extent of Rs.1195.98 crores and have done internal lending of Rs. 2835.94 crores to take up various income generating activities. During 2011-12 Rs. 7.50 lakhs is paid as incentive to Anganawadi workers for monitoring Stree Shakthi groups. Various activities undertaken under this programme are as under:

- **Taluk Marketing Complex:** To encourage Stree Shakthi groups to take up income generating activities and also to provide marketing facilities for the products prepared by these groups, financial assistance of Rs 166.50 lakhs is released to construct 17 Taluk Bhavans.
- **Special Development programme:** During 2012-13 sanction has been given for the construction of Two Divisional Level Training Centers and Marketing Complexes at Bangalore and Gulbarga to facilitate training of the Stree Shakthi Groups and marketing of the products prepared by them. For which an amount of Rs.300 lakhs is released.
- **Strengthening of cluster/Taluk level societies:** During 2012-13 for strengthening of Clusters and Taluk Level Societies TOT training was conducted with the co-ordination of Nabard and Myrada, to train 1750 core team members for 5 days in 58 batches who were identified from 175 taluks. During 2012-13 the training programme for strengthening of cluster/Taluk Level Societies is Rs.33.50 lakhs is released to conduct training for 262 batches.
- **Taluk/Block Level Societies:** In order to strengthen Stree Shakthi groups, Taluk/Block Level Societies are registered in 175 taluks under the Karnataka Societies Registration Act, 1960. Financial assistance of Rs.30,000 is provided to each society for strengthening purposes. By the end of August 2013, Rs 52.50 lakhs is released to 175 taluk/Block Level societies.
- **Income Generating Activities:** Stree Shakthi groups who take up Income Generating Activities are encouraged by giving an incentive of Rs.5000 to each group. By the end of August-2013, Rs.17.90 lakhs is released to 358 groups.
- **Incentives for Excess Savings:** Stree Shakthi groups are encouraged to save for which an incentive of Rs. 15000 to groups who have saved above Rs. 75000 and Rs.20000 is given to those groups who have savings above Rs.1.00 lakh. During 2011-12, 200 groups have received a total incentive of Rs. 40 lakhs.
- **Exhibition and Marketing Melas:** Rs.75000 is released to each district to organize exhibition and marketing melas at the taluk and district level. During 2012-13, an amount of Rs.22.50 lakhs is provided to 30 districts.
- **Interest Subsidy:** 6 per cent interest subsidy is given to the Stree Shakthi groups which avail loans up to Rs. 1.00 lakh. In addition to the groups formed by the Department of Women and Child Development, self help groups formed by the Departments of Social Welfare, Co-operation and Rural Development and Panchayath Raj are also eligible for interest subsidy at the rate of 6 per cent for the loan availed from banks. By the end of August 2013, Rs 95.46 lakhs has been released to 4370 groups as subsidy for loans availed ranging from Rs.25, 000 to Rs.1.00 lakh.
- **Awards to Best groups:** State Level Awards are given to 3 best Stree Shakthi groups selected from all over the state. Further, one group at the district level and one group at the taluk level are given awards. Apart from this award in the name of Smt. Yashodharamma Dasappa, is given to one best group from each revenue division. In addition, State Level Awards are given to 3 Block Level Societies which have shown consistent good performance. One Block Level Society is identified in every district and

also given an award. During 2012-13Rs.12.10 lakhs is allocated for these awards.

Shree Shakti Programme at Glance

Number of Self Help Groups (SHGs)	1.40 lakh
Women members	20.73 lakh
Savings	Rs. 684.54 crores
Loan availed	113696 groups
Amount availed	Rs. 767.75 crores

Source: Web site of the Department of Women and Child Development, Government of Karnataka

Prospects for Micro Women Enterprises in Hyderabad-Karnataka Region

There is a wide opportunity for rural women to take up micro enterprises. Various aspects of the hypothetical business model that I suggest are as under:

- **Salient features of the suggested business model**
 - o Formulation of Women Enterprises in the form SHGs
 - o Market: As the output is limited because of micro enterprises, marketing may not be a big problem. Members may buy some output, network and word of mouth advertising is enough to sell the entire output.
 - o Forward Integration for value addition to farm output, wherever it is possible.
 - o Assisted by MFIs
 - o Forward Integration for value addition to farm output, wherever it is possible.
 - o Employment during slack season. It provides employment during post harvest period.
- **Business enterprises that women can take up in various districts of Hyderabad-Karnataka region:**
 - o Bidar District is well known for Handicrafts (Bidri works), even exports are possible for the beautiful and unique handicrafts. Women can design the handicrafts and they can sell it to exporters to fetch a better price.
 - o In Gulbarga District good quality of jawari and black gram are grown. So women can think of papad making and even jawari roti can be exported.
 - o In Raichur District, good quality jawari, cotton, paddy and black gram are grown. So, weaving, ready made garments, jawari roti with export orientation, etc. are advisable for women of Raichur District.
 - o In Bellary District, women can think of business activities like jeans garments, rice preparations (like Idly Sooji) and the like.
 - o Rice preparations, papad making and the like agro based business activities can be considered for Koppal District.

SWOT Analysis:

An analysis of strengths, weaknesses, opportunities and threats for the suggested business model can be dealt as under:

Strengths: <ul style="list-style-type: none"> o Committed members o Word of mouth advertising 	Weaknesses: <ul style="list-style-type: none"> o Lack of initiative o Lack of cooperation
Opportunities: <ul style="list-style-type: none"> o Forward integration o Exports 	Threats: <ul style="list-style-type: none"> o Competition from reputed brands o Threat of new entrants

Conclusion

Economic empowerment of women will enhance their social status. Traditionally women have been marginalized. A high percentage of women are among the poorest of the poor. Microfinance activities can give them a means to overcome poverty. Through microfinance, women have been able to run small businesses which constitute a significant share of economic activity of the developed economies. Suggested

business model will boost the women's socio-economic status in the Hyderabad-Karnataka region. Empowered women, lead to family empowerment, rural areas with good socio-economic conditions and thereby overall economic development and inclusive growth. Hence, a business model is suggested the rural women of Hyderabad-Karnataka region to take up agro based, micro enterprises in the rural areas with the aid of micro finance as lot of Micro Finance Institutions are willing to lend women SHGs.

REFERENCE

1. Mayoux, L, 2002. 'Microfinance and women's empowerment: Rethinking "best practice"', Development Bulletin, no. 57, pp. 76-81. | 2. Dr. B.B. Mansuri, Microfinancing Through Self Help Groups- A Case Study of Bank Linkage Programme of NABARD, APJRB Volume 1, Issue 3 (December, 2010) | 3. B. Narayanaswamy, K. Narayana Gowda and G. N. Nagaraj, Performance of Self Help Groups of Karnataka in Farm Activities, Karnataka J. Agric. Sci., 20(1): (85 - 88) 2007 | 4. Annual Report of NABAARD for the year 2011-12. | 5. Web site of Women and Child Welfare, Government of Karnataka | 6. Microfinance can economically empower women in rural areas, says expert, The Hindu, Jan 30, 2013 | 7. Rita Variyani, Micro Finance and Poverty Reduction, published in an Edited book - Micro Finance and Rural Development: A Critical Review by Kanak Kanti Bagchi. Abhijeet Publications, Delhi, 2009. | 8. Patel M Ramesh, Women's Empowerment and SHGs, published in an Edited book - Micro Finance and Rural Development: A Critical Review by Kanak Kanti Bagchi. Abhijeet Publications, Delhi, 2012. |