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SELF HELP GROUP STRONG WEAPON OF MICROFINANCE ?

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Abstract:

Microfinance is best way for women empowerment, particularly for rural women. As India is country of village. More than 70% population lives in rural area. Development of rural area is must. If rural empowerment is possible then country's development is possible. This paper aims to study of problems faced by Self Help Group and impact of Self Help Group on women. 50 SHG were interviewed. Primary data is collected through schedule. Researcher has analyzed data by using weighted average method. Through this study, researcher has observed that Microfinance such as SHG helps to women empowerment, as their banking knowledge, social relationship, ability to solve problem and decision making power increases.

Introduction:

What is Self Help Group?

Generally 10 to 20 women comes together and form a group. These women might be come from contact of each other. They decide some amount as contribution to group saving. Group leader is decided. Each month one meeting is conducted .All savings are put in bank Account. From these savings, group can starts any business. Profit earned from business is distributed among all members. After some time and by setting of some terms and conditions loan is drawn by bank and allocated in members.

What is Women Empowerment?

According to European Institute of Gender Equality Women Empowerment is Process by

which women gains power and control over their own lives and acquire the ability to make strategic choices. This paper focus on impact of SHG on women empowerment i.e financial, social & Psychological empowerment.

Literature Review:

An empirical study is done based on 100 SHG members in the Hooghly district, West Bengal in 2006. The empirical findings show that the empowerment of women is established in weak form. It is appropriate to emphasize the strategy of financial inclusion in the wider context of economic growth and financial deepening. (Basu, 2006)

Another study is an attempt to study the role of microfinance intervention in promoting women empowerment in rural India. An empirical study has been carried out in the state of Punjab. The objective is to analyze the use of micro financial services by the women clients and access their level of satisfaction with regards to these services. Despite of the prevailing dominant SHG-Bank linkage model, the study found very negligible use of the SHGs services by the respondents (2.1 per cent in case of savings). These SHGs need to be regulated and supervised in order to keep them actively engaged in the microfinance movement. 80.7 per cent of the respondents were unaware of the banks opening of zero minimum balance saving bank account. (Meenu, 2011)

One study puts forward how micro finance has received extensive recognition as a strategy for economic empowerment of women. This paper seeks to examine the impact of Micro finance with respect to poverty alleviation and socioeconomic empowerment of rural women. An effort is also made to suggest the ways to increase women empowerment. (Biswas, 2009,)

Micro finance has received extensive recognition as a strategy for economic empowerment of women. This paper seeks to examine the impact of Micro finance with respect to poverty alleviation and socioeconomic empowerment of rural women. An effort is also made to suggest the ways to increase women empowerment. (Marie Wilson .N, 2008)

Where as one study contributes to this discussion by arguing that women empowerment takes place when women challenge the existing social norms and culture, to effectively improve their well-being. It empirically validates this hypothesis by using quasi-experimental household sample data collected for five states in India for 2000 and 2003. The results strongly demonstrate that on average, there is a significant increase in the empowerment of women in the SHG members group. (Wallentinbc)

Thus various authors focused on microfinance and women empowerment .This paper tries to find out problems in implementation of Microfinance and its impact on women.

Research Problem:

The basic purpose of Self Help Group is women empowerment but most of Self Help

Group's are not working properly and are closed. Sometime it is found that the amount of loan is misused and also there is lack of unity among the members which are results of winding up for most of Self Help Group. Hence implementation of microfinance in rural area is not successful.

Research Methodology:

Present research used descriptive research design .The Objectives behind study to study the problems faced by self help group and study the impact of self help group on women in the group. The study is conducted in some villages of Satara city .Structured close ended Schedule was used as an instrument in order to collect the required data from samples. Total 50 SHG were interviewed using convenient sampling methods .Data is analysed using percentage and weighted average.

Data Analysis and Interpretation:

For the purpose of analysis of data researcher has used simple statistical tools i.e. weighted average and rank.

Table No.1 Different Problems Faced By Self Help Group.

Following table shows the information about different problems faced by Self Help Group.

Sr. No	Parameters	Weighted Average	Rank
A.	Financial Problems		
1.	Problem Of Getting Loan	4.67	I
2.	Problem Of Collecting Subscription	3.67	IV
3.	Security Risk	3.73	III
4.	Risk Of Fraud	3.80	II
B	Business Problems		
1.	Lack of capital	13.93	1
2.	Lack of financial knowledge	12.53	3
3.	Lack of professionalism	12.73	2
4.	Lack of marketing knowledge	7.60	5
5.	Unavailability of required resources	12.47	4
6.	Problems because of dispute among members	3.87	6
C	Social Problems		
1.	Cultural Restrictions	5.27	II
2.	Family Responsibility	4.67	III
3.	Illiteracy	5.47	I
4.	Male Dominance	4.40	IV

(Source- Primary Data)

Among financial problems problem of getting loan and risk of fraud is mostly faced by self help group which are ranked I and II respectively whereas problem of problem of collecting subscription and security risk are less faced by self help group which are ranked III and IV. Then most of Self Help Group face problems in business due to lack of capital and lack of professionalism which rank I and II whereas least faced problems are lack of marketing knowledge and dispute among members of Self Help Group which are ranked V and VI respectively. Whereas illiteracy and cultural restrictions are mostly faced by Self Help Groups in social problems which are ranked I and II family responsibility and male dominance is least faced problems which are ranked III and IV.

Table No 2 Impact of Self Help Group on Women Empowerment

Sr. No	Parameters	Weighted Average	Rank
A	Financial Impact		
1.	Increase in income level	15.53	III
2.	Overall economic development	15.47	IV
3.	Reduction in poverty	15.40	V
4.	Improved standard of living	14.93	VI
5.	Banking knowledge improved	16.47	I
6.	Easy capital creation	16.27	II
B	Social impact		
1.	Improved social status	15.60	II
2.	Awareness about social issues	15.00	III
3.	Evolving social activities	13.40	VI
4.	Bringing out professionalism	13.93	V
5.	Participation with local governing bodies	13.27	VII
6.	Increase education qualification	12.27	VIII
7.	Reduced consumer exploitation	11.87	IX
8.	Increase social relationship	15.93	I
9.	Increase market knowledge	14.93	IV
C	Psychological impact		
1.	Increase in self confidence	15.47	III
2.	Increase in decision making power	15.60	II
3.	Support in overcoming difficulties	15.67	I
4.	Development in modern thought	15.00	IV

5.	Respect in family	14.47	V
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(Source- Primary Data)

Maximum Self Help Group members opine that their banking knowledge has improved due to Self Help Group and Self Help Group is a easy way to create capital which are ranked I and II where as poverty has not reduced neither the standard of living has increased which are ranked V and VI respectively.

Most of Self Help Group members agree that their social relationships are increased and also their social status is improved after joining Self Help Group which are ranked I and II where as there is least impact on educational qualification and consumer exploitation which ranks VIII and IX respectively.

Most of members in Self Help Group has opinion that their support in overcoming difficulties has increased also their decision making power has increased after joining Self Help Group as it secures I and II rank where as some members opine that they are not able to develop the modern thoughts nor their respect in family has increased much after joining Self Help Group as it secures IV and V rank respectively.

Findings:

Major financial problem faced by SHG is of getting loan and risk of fraud. Most of SHG face business problem due to lack of capital and lack of professionalism (Table No 4.2.2) It is observed that among social problems illiteracy is major faced problem. The banking knowledge of members is increased due to Self Help Group. It is observed that due to Self Help Group social relationship of members increases. It is also observed that due to Self Help Group women can support in overcoming difficulties among group members and also their decision making power increases.

SUGGESTIONS:

Our majority of rural area is still unbanked. Government is trying to reach maximum. But still some obstacles are there. Financial inclusion should be done fast so that maximum SHG can take benefit of it. Government should make loan procedure easy for Self Help Group. Literacy programs should be conducted to reduce the illiteracy levels of women in Self Help Group. Government should take more efforts in rural areas for social upliftment of women.

CONCLUSION:

Self Help Group plays vital role in development of nation. Through this study, researcher has observed that Self Help Group helps to women empowerment, as their banking knowledge, social relationship, ability to solve problem and decision making power increases. Though they have some problems, government is trying to solve such problems; government conducts various workshops, seminars for development of Self Help Group. So all Self Help Group's must be aware about such

program and should attend. And this Weapon of SHG will really helpful for our country's development.

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