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**IMPACT OF SELF HELP GROUPS ON WOMEN EMPOWERMENT IN  
KARNATAKA: A DISTRICT LEVEL STUDY IN KODAGU**

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**Abstract**

Microfinance has to play a critical role in poverty removal and rural development in the country. It is possible through providing financial services such as micro credit, small savings and small insurance to rural poor. Therefore, in this study made an attempt to examine the impact of SHGs on women empowerment in Kodagu district and the study was based on primary and secondary data. Primary data were collected through field survey conducted during 2019-2020. Simple Random sampling technique was adopted to select the respondents and personally visited for collecting the information. The results the study indicated that the majority of the members in SHGs are from landless and small farm households however there are few respondents from the large farm size category. The ownership of assets has increased with the membership in the SHGs among the SSPs than the among Non-members of SSPs groups. In fact, the membership in the SHGs has increased the liberty to make spending among the respondents of SSP than the non-members groups. Further, it was also observed from the study that the percentage of women belonged to Schedule Caste and Schedule Tribe in self help groups was not satisfactory. Therefore, training and motivational programmes are being conducted for educating them regarding the benefits of SHGs which significantly contributes to increase the membership of SC and ST community women. Finally, it helps to empowerment of socially economically weaker section of the society in general and SC and ST women in particular.

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**Key Words: Micro, Inclusion, Informal, Empowerment and Exclusion**

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## **Introduction**

Microfinance has to play a critical role in poverty removal and rural development in the country. It is possible through providing financial services such as micro credit, small savings and small insurance to rural poor. Therefore, the microfinance has been emerged as one of the significant strategy in response to the failure of market and formal credit institutions to ensure sustained access to credit and other financial services. More recently, the microfinance is considered as a noble substitute for informal credit and an effective and powerful tool for poverty reduction among people who are economically active but financially constrained and vulnerable in various countries (Mordoch and Haley, 2002). Since women constitute bulk of the microfinance participants, there is an added gender dimension to this poverty alleviation. Microfinance can improve the women's access to financial and even physical resources. Besides leading to reduction of poverty among women, the increased access and control over financial resources can itself become powerful instrument for women empowerment. Considering the significance of microfinance, Non Governmental Organizations, Governmental Agencies and Financial institutions actively involved in promoting the microfinance. Therefore, the Government of Karnataka has also launched Stree Shakthi Programme with the twin objectives such as Poverty Alleviation and Women Empowerment through microfinance. In this context, this study has undertaken to examine the Impact of Self Help Groups on women empowerment in Karnataka with special reference to Kodagu.

## **2. Stree Shakthi Programme in Karnataka**

Department of Women and Child Development, Government of Karnataka has launched Stree Shakthi programme during 2001-02. The main objectives of the programme are; i) to strengthen the process of economic development of rural women, ii) to create a conducive environment for social change, iii) to enable women to have greater access to and control over resources iv) to create self confidence in rural women by involving them in income generating activities. Thus, it is a poverty alleviation programme intended to empower the women through micro financing support.

The department has large number of Anganwadi workers and supervisors who have close contact with poor women at the grass root level. For the last three decade the department has been working very sincerely for the women empowerment and also the

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officials in the department have good experience in working for the betterment of the women. Moreover, the department has been using the services of such experienced Anganwadi workers, supervisors other officials at its disposal for encouraging rural women to participate in self-help groups and linking them with the banks. The department has been providing revolving fund and other kind of financial assistance to the groups. The department, in collaboration with other departments, has been motivating the members to undertake various income generating activities.

### **3. Statement of the Problem**

Microfinance has been emerged to strengthen the financial system and serve the poor. It has adopted a strategy for reducing the poverty by providing small loans and savings facilities to those who have been excluded from the financial services. Therefore, Micro Financing is gaining popularity as poverty alleviation programmes and also inclusion of excluded one. In this circumstance, the Government of Karnataka has launched Stree Shakthi Programme to alleviate the poverty and empower the women through micro financing. Moreover, the department of Women and Child Development, Government of Karnataka has required human resource with suitable skills to empower the women in general and rural women in particular. Though there are several research studies which have been conducted all over the world, no comprehensive study has been done on the performance of Stree Shakti Programme in empowering rural women through the support of microfinance. Since 2001, the Government of Karnataka has been being providing huge budgetary support to achieve the objectives. The socio economic environment of Kodagu district particularly with respect to microfinance provides strong justification for its selection to analyze microfinance through Stree Shakthi Programme. Work participation rate among women in the district was found to be very less compared to their male counter parts however it was higher than the state. Government agencies have been promoting SHGs to face this challenge. In this background, this study has been undertaken in Kodagu district with the following specific objectives.



#### **4. Objectives of the study**

The study is based on the following specific objectives

- To examine the socio-economic conditions of the members and non-members of Stree Shakthi programme in the Kodagu district.
- To analyze the impact of Stree Shakthi programme on women empowerment in the Kodagu district.
- To suggest the measures to strengthen the programme

#### **5. Methodology of the study**

The study is based on both secondary and primary data. Secondary data have been collected from the reports of the government departments. Articles related to the micro finance collected from published and unpublished research reports as well as from peer reviewed national and international journals. Primary data have been collected from the respondents through field survey conducted during 2019-2020 in Kodagu district. The study has purposely chosen Kodagu district in Karnataka that consists of three taluks viz, Madikeri, Virajpet, and Somwarpet for the present study. From the district, a random sample of 60 members of Stree Shakthi Programme and 60 Non-members of Stree Shakthi Programme have been selected from all the three taluks. Thus in this process total 120 respondents have been selected for the review.

#### **6. Results and Discussions:**

In this section, the results of study were discussed and presented on the basis of specific objectives set for the study. Simple averages used for analyzing the primary data collected from the respondents in the district and hence the results were summarized as follows,

##### **6.1: Socio-Economic Characteristics of Sample Respondents**

The respondents interviewed were female and were the household heads. Socio-economic features of the farm families in general and heads of the families in particular influence their participation in political, economic and social activities. Hence, socio-economic features those are relevant to participation in Stree Shakthi Programme and Decision Making in the family. The socio-economic variables considered for this purpose includes age composition,

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literacy, level of education, caste-wise distribution of the respondents, marital status, occupation and size of land holdings. The data pertaining to these variables collected for the respondent's family with special emphasis on the heads of the family. The head of the family here is need not necessarily be the senior member of the family however the person who plays a vital role in decision making process.

Data related to the socio economic characteristics of the sample respondents has been collected and presented in table 1. In age composition, the sample respondents were classified into relatively young, middle and old age groups. Highest number of respondents in both groups were found in the middle age (35-50) followed by young age (20-35) group. The old age members of SSP and Non-member groups accounts for 16.7 and 25.0 percent of their respective total members. The literacy rate among members of SSP and non-member group was found to be 75 and 46.7 percent respectively whereas illiteracy rate is slightly higher among non-members (53.3%) than the members of SSP (25.0%) groups. It was revealed the fact that literate respondents have been showing interest to become the members of Self-Help Groups (SHGs). The significant observation of the study was 15.6 and 10 percent of SSP and Non-members of SSP respondents reported to be functional literate. It means they know only signing and that too majority of them learnt to sign only after they became the members of the groups.

Majority of the uneducated respondents are found to be belonged to the non-member groups (28.3%) compared to the members of SSP (16.7%). The respondents who have got education merely primary education and it accounts 38.3 and 41.7 percent of the SSP and Non-member groups' to the total respondents respectively. Only 20.0 percent of SSP groups' respondents and 13.3 percent of Non-member groups' respondents have the college level education. Majority of the SSP groups' respondents (66.7%) and Non-member groups' respondents (58.3%) were married. Widows accounts for 11.6 and 1.1 percent of SSP and Non-member groups' total respondent respectively. A few numbers of respondents were unmarried however; the divorced or separated members whose number was negligible.

SC and STs together constitute 66.7 percent of the total respondents of the SSP groups whereas it was 61.7 percent in Non-members of Stree Shakthi group. Thus, it was clear that

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SSP programme has given more priority to SC and STs in forming the groups. Therefore, it could be inferred that there was a significant association between caste wise distribution of the respondents and the type of the groups. The majority of respondents of SSP (50%) and Non-members of Stree Shakthi Group (63.3%) were from small farm size households and land less household accounts for the 41.7 and 33.4 percent with respect to SSP and Non-members of Stree Shakthi Groups. However, the majority of the members in SHGs are from landless and small farm households still they have some respondents from the large farm size category. Five respondent of SSP groups and two respondents of Non-members of Stree Shakthi Group are from the households which have more than 10 acres of land.

**Table-5.3: Socio-Economic Profile of Sample Respondents**

Socio-Economic Characters		Members of SSP	Non-Members of SSP
<b>Age Composition</b>	20-35	20 (33.3)	17(28.3)
	35-50	30 (50.0)	28 (47.7)
	50-65	10 (16.7)	15(25.0)
	Total	60 (100.0)	60 (100.0)
<b>Literacy Rate</b>	Illiterate	15 (25.0)	32 (53.3)
	Literate	45 (75.0)	28(46.7)
	Total	60(100.0)	60(100.0)
<b>Education</b>	Uneducated	10 (16.7)	17 (28.3)
	Primary	23 (38.3)	25(41.7)
	Secondary	15 (25.0)	10(16.7)
	College	12(20.0)	08 (13.3)
	Total	60 (100.0)	60 (100.0)
<b>Caste</b>	SC	30(50.0)	25 (41.7)
	ST	10 (16.7)	12 (20.0)
	Others	20 (33.3)	23 (38.3)
	Total	60 (100.0)	60 (100.0)
<b>Marital Status</b>	Unmarried	12 (20.0)	17(28.3)
	Married	40(66.7)	35 (58.3)
	Widow	07(11.6)	04(6.7)



	Divorced/separated	01 (1.7)	03 (5.0)
	Total	60 (100.0)	60 (100.0)
<b>Occupation</b>	Agriculture	10 (16.7)	08(13.3)
	Agriculture Labour	30 (50.0)	15(25.0)
	House wife	08 (13.3)	27 (45.0)
	Others	12 (20.0)	10 (16.7)
	Total	60 (100.0)	60 (100.0)
<b>Size of Holding</b>	Land Less	25 (41.7)	20 (33.4)
	Small farmers	30 (50.0)	38 (63.3)
	Large farmers	05 (8.3)	02(3.3)
	Total	60 (100.0)	60 (100.0)

**Source: Field Survey**

**Note: Figures in parenthesis are percentage to total**

The main occupation of the respondents of SSP was observed to be agriculture labour (50%) and whereas it was found to be low in Non-member groups (25%). Agriculture is another important occupation in which many of the respondent of both the groups are working. The other occupation category includes the tailoring, petty business, D group jobs in public and private companies etc. It accounts for 20.0 and 16.7 percent of total respondents of SSP and Non-member groups respectively. Still 13.5 and 45 percent of SSP and Non-member groups' respondents' main occupation is reported to the household activities i.e. housewife category.

### **5.7: Impact of SHGs on Women Empowerment**

Empowerment of women is a fundamental objective of any socio economic development programmes and hence self help groups have no exception. The Government of Karnataka has also launched Stree Shakthi Programme to empower the women. The Kannada word Stree Shakthi indicates 'Empower women'. In broad sense, Empowerment refers to the "expansion of freedom of choice and action." Women' ability to make choice depend on the socio-economic variables like; 1) economic status of women, 2) financial status of women, 3) literacy level, 4) exposure to the media, 5) protesting nature of women, 6) mobility of women outside the home, 7) participation in the decision making and so on. In this section an attempt has been made to analyze the impact of SHGs on their with respect to paid economic activity,



ownership of asset, liberty to spend, operation of own savings bank account and ability to face the financial difficulties.

Better economic status enlarges women's freedom to make their choice. Impact of SHGs' on the economic status of women has been analyzed by using economic indicators like involvement of women in the paid economic activities, ownership of assets among the members, liberty enjoyed, the members in spending money, operation of savings bank account and ability to face financial difficulties. The work participation rate among women is very less in the country as whole. Total women workers in Kodag district constitute only 30.1 percent of total women population. The occupational status of remaining women population of working age group is said to be 'Housewife'. Housewife is a woman who does not work outside the home and whose main job is looking after her children, cooking, cleaning etc and for which she does not receive anything. In this study a woman is considered to be involved in paid economic activity; if she is doing agriculture works or doing agriculture labour work or involved in self employment like tailoring, dairy farming, petty business or any other activity through which she could earn the money.

Respondents were asked about their involvement in the paid economic activity after they become the members in the SHGs and compared them with the non-members of the Stree Shakthi Programme. They have been classified into different categories based on their response and results are summarized in table 5.2. Among SSP group 75 percent of members were involved in paid economic activities after they became members in SHGs and only 25 percent of them are not involved in any paid economic activities. The higher percentage of non-members of the Stree Shakthi Programme (76.7%) were found to be not involved in any paid economic activity though, the only 23.3 percent of them were found to be involved in the paid economic activities. Thus, membership in the SHGs has increased the involvement of women in paid economic activities among SSP groups' respondents. Hence, it is necessary to encourage the non-members to become the members of SHGs.

Women's asset ownership has been found to enhance women's social status and decision-making role within the household and community. A woman is considered to be owned asset if any land, site, house properties are registered in her name or if she has

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financial assets like time deposit receipts, Insurance policies in her name and worth more than Rs.10000 and if she individually owned gold ornament of more than 10 gram. Among SSP groups 66.3 percent of the members found to be owned assets after becoming members in the group whereas only 16.7 percent of the respondents belonged to non-members of SSP group were found to be owned different types of assets. Therefore, membership of the SHGs enhances the asset position of the members. It could be inferred that the ownership of assets has increased with the membership in the SHGs among the SSPs than the among Non-members of SSPs groups. The results also revealed the fact that the membership in the SHGs has increased the liberty to make spending among the respondents of SSP than the non-members groups. It means percentage of respondent enjoying the liberty to spend money has increased with membership in the SHGs than the non-members groups.

**Table .2: Comparing the Economic Status of the Respondents**

Economic Indicator	Members of SSP groups	Non-Members of SSP groups
<b>Involvement in Paid Economic Activity</b>		
Involved	45(75.0)	14(23.3)
Not-Involved	15(25.0)	46(76.7)
Total	60(100.0)	60(100.0)
<b>Ownership of Assets</b>		
Owned	38(66.3)	10(16.7)
Not Owned	22(33.4)	50(83.3)
Total	60(100.0)	60(100.0)
<b>Liberty to Spend</b>		
Having Liberty	46(76.7)	13(21.7)
Not-Having Liberty	14(23.3)	47(78.3)
Total	60(100.0)	60(100.0)
<b>Savings Account</b>		
Having	40(66.7)	12(20.0)



Not-Having	20(33.3)	48(80.0)
Total	60(100.0)	60(100.0)
<b>Ability to Face Financial Difficulties</b>		
Confidence to Face	47(78.3)	18(30.0)
Not-Confidence to Face	13(21.7)	42(70.0)
Total	60(100.0)	60(100.0)

**Source: Field Survey**

**Note: Figures in parenthesis are percentages to respective sub total**

Saving depends upon the income of an individual. Therefore, impact of SHGs on the saving habit of their members is analyzed and results are given in the above table. A member who is having any type of saving accounts in banks, post office and other financial institutions are considered to be having saving accounts and others considered to be not having saving account. The percentage of women who were having saving account among SSP group respondents was 66.7 percent and it was only 20 percent with respect to the non-membership in SHGs. Finance is one of the critical inputs which can provide poor and the needy with the required 'push' to overcome food insecurity, social backwardness, livelihood vulnerabilities, seasonality, and debilitating shocks and to cross over to the other side of the poverty line. Finance requires in varying amounts to meet diverse production and consumption needs that can be categorized into life cycle, emergency, and investment needs. In this background, SHGs emerged to provide microfinance services to the poor women. Membership in SSP groups has increased the confidence of the members in facing the financial emergencies in the family than the non-members. Among SSP groups 78.3 percent of members were confident in facing the financial emergencies in the family after they become members in SHGs. The percentage of non-member group who were confident to face financial emergency in their family has only 30 percent. It has been said that SHGs inculcated saving habits among the members.



## **7. Suggestion**

Micro finance is an important instrument from which women empowerment can be enhanced and encouraged them to participate in development programmes. Therefore, the following measures can be suggested for strengthening the SHGs and ensure the more number of women participation;

It is evident from the study that the literate and educated women have participated in self help groups and utilize the benefits for their development and hence it is necessary to encourage as well as motivate the illiterate women to become the member of the self help groups. Thus the purpose of micro finance would be realized and inclusion of excluded one in the society.

The objective of Micro finance is to upliftment of weaker section of the society and release the people those who are living in destitute conditions. It was observed from the study that the percentage of women belonged to Schedule Caste and Schedule Tribe in self help groups was not satisfactory. Therefore, training and motivational programmes are being conducted for educating them regarding the benefits of SHGs which significantly contributes to increase the membership of SC and ST community women. Further it also helps to empowerment of socially economically weaker section of the society in general and SC and ST women in particular.

The success of Micro Finance lies in membership and their active participation in SHGs and hence the Self Help Groups would be strengthen through providing adequate credit at reasonable interest rate or zero interest rate which in turn lend the members at lower interest rate on the one hand and increases the membership in SHGs on the other.

## **8. Conclusion**

Empowerment of women should be a key aspect of social development programmes. Microfinance has been emerged in response to the failure of market and formal credit institutions to ensure sustained access to credit by the poor. The study reveals the fact that the respondents who have become the members of the SSP have improved their social and economic status. No doubt, SSPs immensely contribute to bring up the women mainstream and empowerment of them. Membership in the SHGs has increased the involvement of

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women in paid economic activities among SSP groups' respondents. Further, the membership in SSP groups has increased the confidence of the members in facing the financial emergencies in the family than the non-members. However, the Stree Shakthi Programme has reached only those respondents who are literate; more educated, and covered the middle-aged members. The majority of housewives are not members of the SSPs in rural areas and they are willing to become the members of the SHGs. Hence, it is necessary to cover more and more housewives to participate productive activities and in the development process.

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