



MICRO FINANCE THROUGH SELF HELP GROUPS: A STUDY WITH SPECIAL REFERENCE TO THE RURAL AREAS OF MANGALURU TALUK

¹Thilak Gowda, ²Stephigraph

¹Assistant Professor, ²Lecturer

¹Department of P G Studies in Commerce, ²Department of P G Studies in Commerce

¹University Evening College, Mangaluru, India, ²University Evening College, Mangaluru, India,

Abstract : The vision of Prime Minister of India is to create a new destiny with the promise of “Sabke saath, sabka vikas” with new hopes and ambitions. The government of India took the innovative initiatives like ‘Digital India’, ‘Jan- dhan Yojana’, ‘Swachh Barath’, and ‘Skill India’ is an establishment for the same is being set for getting multiplier impact on economic development of the country. The Prime Minister’s clarion choice to “Make in India” holds tremendous promise to modify the Indian economy. Today the Micro Finance and Self -Help Groups are also becomes the tool of ‘Make in India’ initiative for the economic development of the country. Self Help Groups (SHGs) have become a significant movement in rural India. SHGs have been working in the right direction in helping poor people and empowering women in the rural and urban areas. Many women in India firmly trust in this development and consider it responsible for improving their livelihoods. This paper mainly studies the role of Micro Finance and Self Help Groups (SHGs) for the socio-economic development of poor people and women empowerment in the selected rural areas of the Mangaluru taluk. The primary data was collected for the present study by using a structured questionnaire, in addition to the secondary data.

IndexTerms –Make in India, Micro finance, Self-Help Groups (SHGs), women empowerment, savings mobilization.

INTRODUCTION

The general advancement of a country is nearly relies on upon the improvement of the country economy. In last few decades it has been seen that problem of poverty these overall development is not possible to achieve. In India most of the people lives in rural areas and that is also below poverty line and finance to these people is considered as important issues for the Indian government. There are around 200 million people who lives in rural areas are too poor peoples and for whom banking access is still not a reality. The finance is one of the basic needs of poor people for the economic development. Self help groups may be considered as a best option for meeting the financial requirements of these poorer sections of the society. The present research paper is an attempt to study the role of Micro finance and self help groups for the socio economic development of poor people living the rural areas of Mangaluru taluk.

Micro Finance

Micro finance includes deposits, loans, and insurance and payment services to the poor people of the society. It is a participative model that can address the needs of the poor especially the women. Micro finance is not a new development and its origin can be traced back to 1976. It has gained lot of significance and now India occupies a significant place in global micro finance through promotion of self help groups (SHGs). Micro finance through self help groups is the vital tool for reducing the poverty level. The NABARD has taken the initiative of SHG movement since 1986-87. Today both central and state governments, nationalized commercial banks , cooperative banks, regional rural banks, etc has become the promoters of Self Help Groups.

Self Help Groups (SHGs)

The self help group is an informal organization of persons from the poor section of the society and it is managed and controlled by members itself. Usually it is an association of 15 to 20 persons who are financially weak and from the same socio economic environment. These groups are start with savings and these savings are used to give loans to members to meet their urgent financial needs. The members decide on savings per members, maximum amount of loans, and guarantee mechanism in sanction of loan.

The self help group is viable organized set up to distribute micro credit to rural women for the purpose of involving them in entrepreneurial activities.

OBJECTIVES OF THE STUDY

- To study the socio-economic background of the respondents.
- To study the impact of Self Help Groups on the respondents.
- To examine the Pre-SHG and Post-SHG status of Self Help Group members.
- To study the benefits received by the respondents through the income generating activities.
- To study the various problems faced by the Self Help Group members in the study area.

STUDY DESIGN AND METHODOLOGY

The universe of the study is the selected rural areas of Mangaluru taluk. The sampling size of the respondents is 100. The respondents were randomly selected from many Self Help Groups of rural areas. The study has been conducted using the primary data. To get broad knowledge about the study the survey method has been adopted. Information has been gathered by interview schedule specially designed for the purpose. Accordingly, the spot observations and discussions were also used for verifying the information. The primary data collected on various aspects has been organized in the tabular form. Such organized data has been analyzed with the help of different statistical tools like percentage, average, etc. for drawing meaningful conclusion. Along with the primary data, secondary data has been collected from newspapers, books, and internet. Areas covered: Kateel, Bajpe, Mupduperar, Kathalsar, Aikala, Permude and Yekkar.

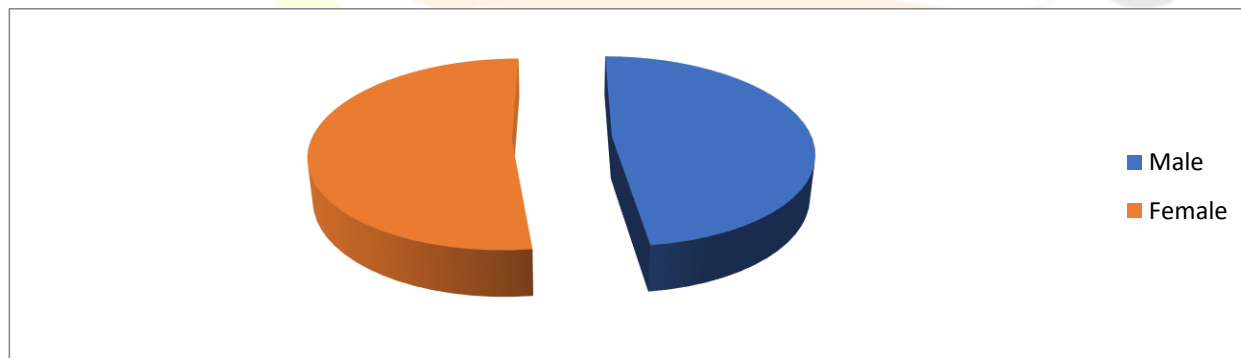
DATA ANALYSIS AND INTERPRETATION

Table 1: Showing Gender of Respondents

Gender	Frequency	Percentage
Male	48	48.0
Female	52	52.0
Total	100	100

N= 100

Source of data: Survey



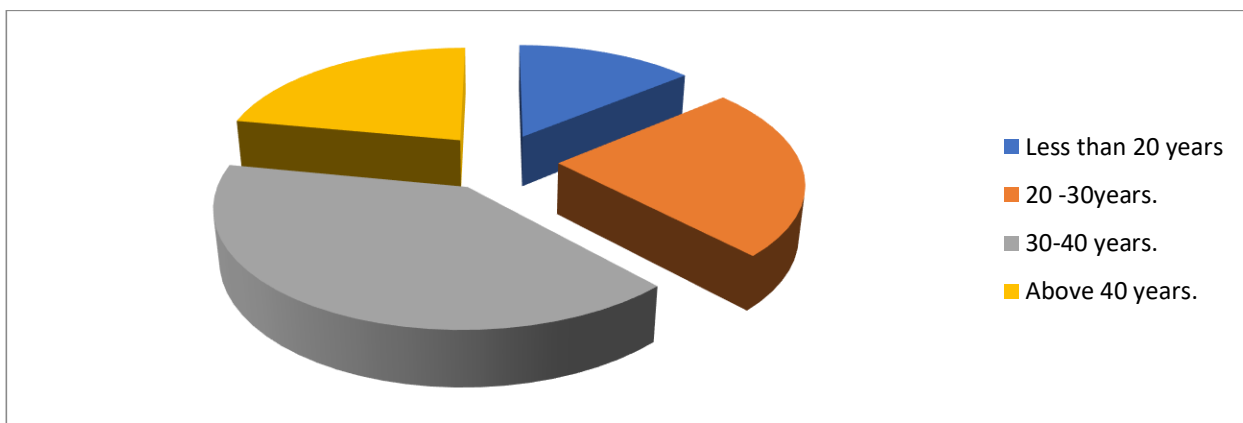
Interpretation: In the above Table and graph majority of the respondents are female i.e.; 52%.

Table 2: Showing the Age of Respondents

Age	Frequency	Percentage
Less than 20 years	14	14.0
20 -30years.	24	24.0
30-40 years.	40	40.0
Above 40 years.	22	22.0
Total	100	100

N= 100

Source of data: Survey



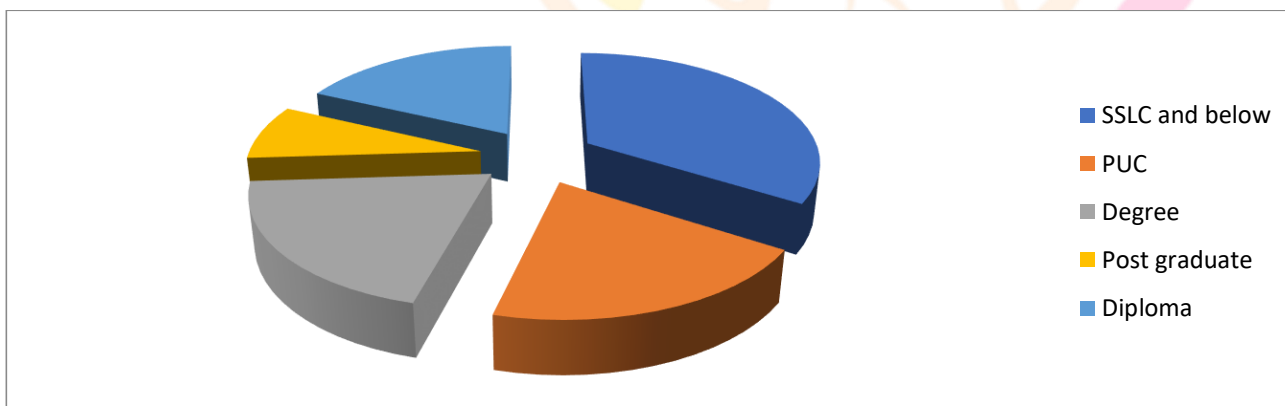
Interpretation: In the above table majority of the respondents are in the age group of 30-40 years (40%). Second largest number of respondents is in the age group of 20-30(24%). Whereas 22% in the age group of Above 40 years (22%) and remaining 14% are in the age group above 20years.

Table 3: Showing the Educational Qualification of the respondents

Educational qualification	Frequency	Percentage
SSLC and below	34	34.0
PUC	20	20.0
Degree	20	20.0
Post graduate	8	8.0
Diploma	18	18.0
Total	100	100

N= 100

Source of data: Survey



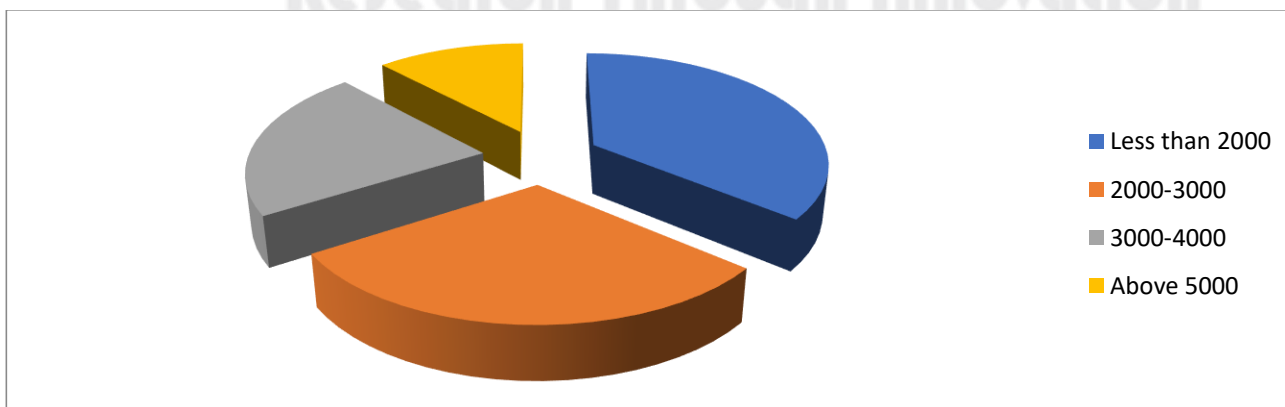
Interpretation: In the above Table shows that out of total respondents, majority of respondents are SSLC and below i.e.34%, 20% and 20% PUC and Degree.8% of them completed their Post Graduate and remaining 18% of them have completed their Diploma.

Table 4: Showing the Monthly Income of respondents before joining Self- Help group

Income	Frequency	Percentage
Less than 2000	36	36.0
2000-3000	30	30.0
3000-4000	22	22.0
Above 5000	12	12.0
Total	100	100

N= 100

Source of data: Survey



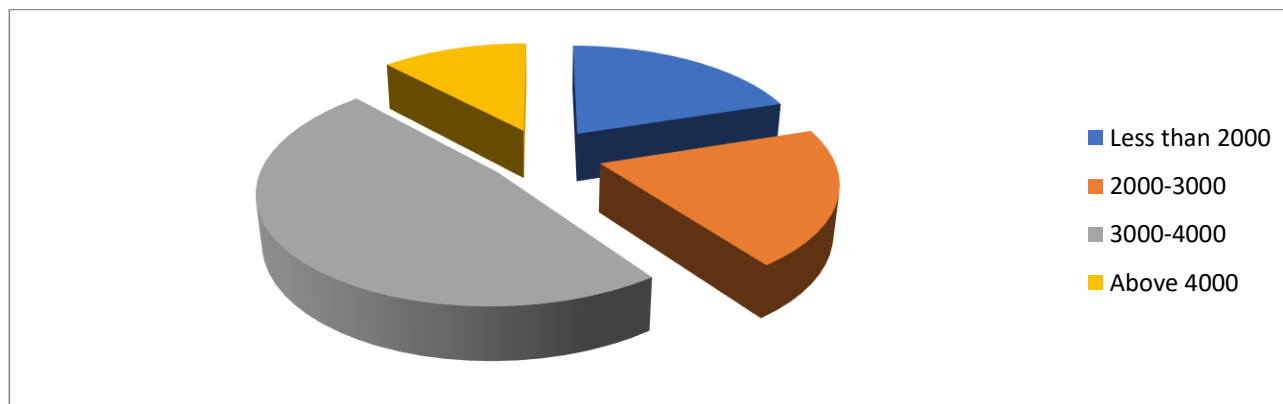
Interpretation: Above Table shows that out of total respondent, 36% of less than 2000, 30% of them are 2000-3000 and 22 % of them are 3000-4000 and remaining 12% of them are above 5000. Therefore it is clear that majority of the respondents are less than 2000.

Table 5: Table showing the Monthly Income of respondents after joining Self- Help group

Income	Frequency	Percentage
Less than 2000	20	20.0
2000-3000	20	20.0
3000-4000	48	48.0
Above 4000	12	12.0
Total	100	100

N= 100

Source of data: Survey



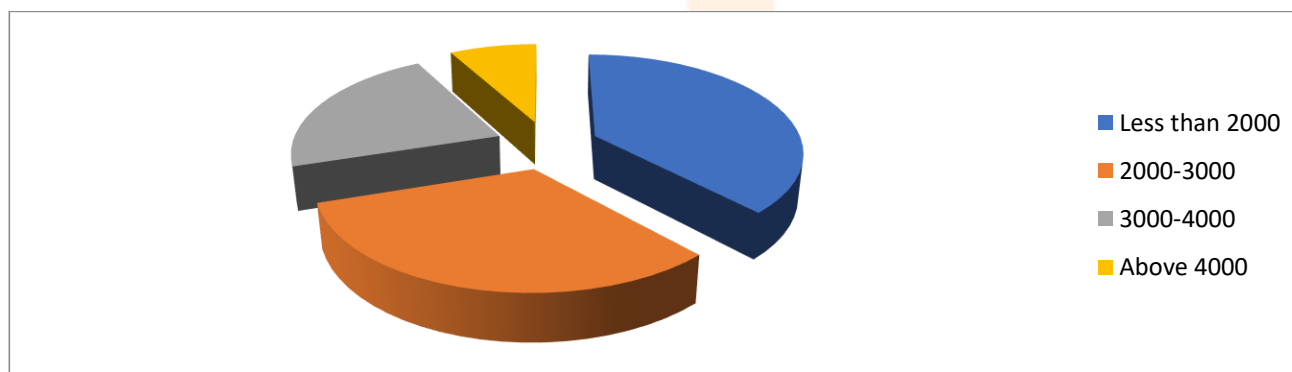
Interpretation: In the above Table 20% of the respondents income is less than Rs.2000 and Rs.2000-3000. 48% of the respondents are Rs.3000-4000. And remaining 12% of the respondents are above Rs.4000. Therefore, it is clear that majority of the respondent's monthly income is 3000 to 4000.

Table 6: Monthly expenditure of respondents before joining Self- Help group

Expenditure	Frequency	Percentage
Less than 2000	38	38.0
2000-3000	32	32.0
3000-4000	22	22.0
Above 4000	8	8.0
Total	100	100

N= 100

Source of data: Survey



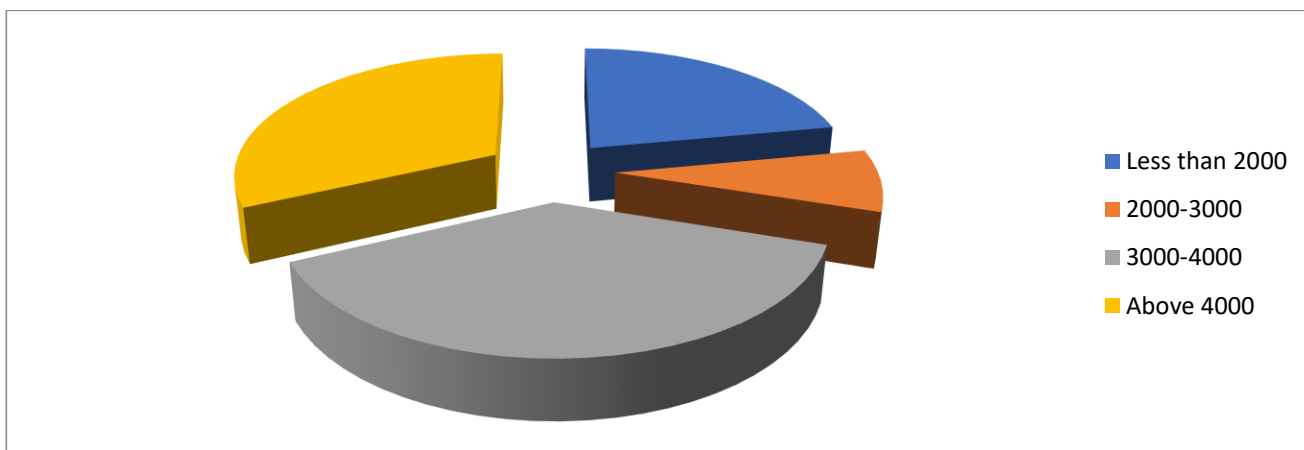
Interpretation: The above Table shows that 38% of the respondents are less than 2000. 32% of the respondents are 2000-3000, 22% of the respondents are 3000-4000 and the remaining 8% of the respondents are above 4000. Therefore, it is clear that majority of the respondents are less than 2000.

Table 7: Showing the Monthly expenditure of respondents after joining Self- Help group

Expenditure	Frequency	Percentage
Less than 2000	22	22.0
2000-3000	8	8.0
3000-4000	38	38.0
Above 4000	32	32.0
Total	100	100

N= 100

Source of data: Survey



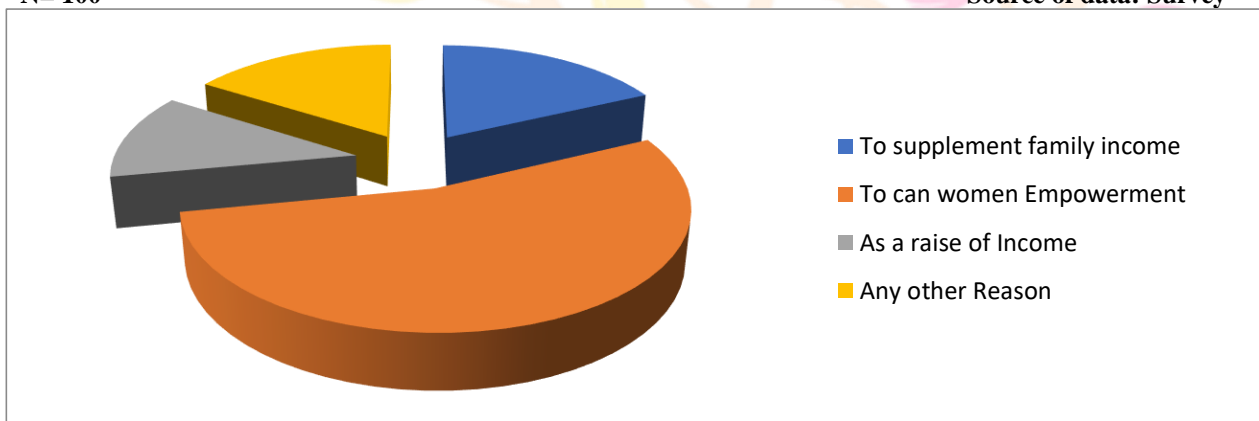
Interpretation: The above Table shows that 22% of the respondents are less than 2000. 8% of the respondents are 2000-3000, 38% of the respondents are 3000-4000 and the remaining 32% of the respondents are above 4000. Therefore, it is clear that majority of the respondents are 3000-4000.

Table 8: Showing Reason for joining Self Help group

Reasons	Frequency	Percentage
To supplement family income	18	18.0
To can women Empowerment	54	54.0
As a raise of Income	12	12.0
Any other Reason	16	16.0
Total	100	100

N= 100

Source of data: Survey



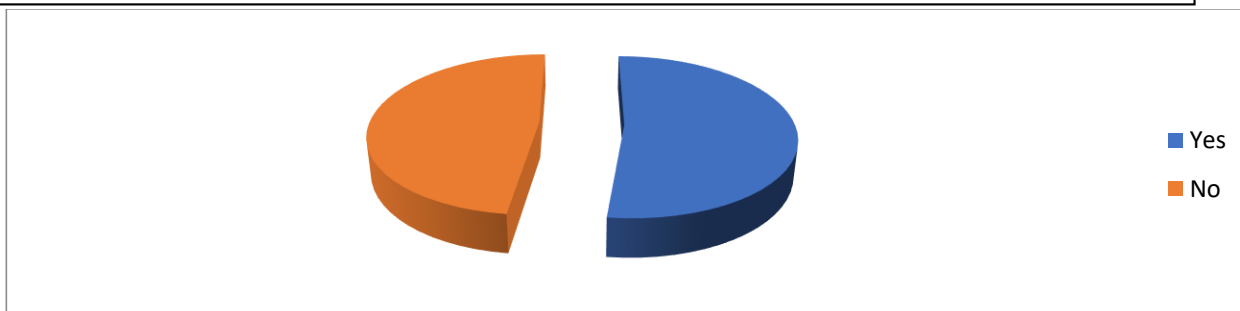
Interpretation: Above Table shows that joining self-help group 54% of the respondents used for the purpose of women empowerment. 18% of the respondents have used for supplement family income. 16 % of the respondents are having using for any other reason. 12 % of the respondents are using for the purpose of raising their income. Therefore, it is clear that majority of the respondents used for the purposes of women empowerment.

Table 9: Showing the respondent’s opinion about benefited from Self-help group

Benefit	Frequency	Percentage
Yes	52	52.0
No	48	48.0
Total	100	100

N= 100

Source of data: Survey



Interpretation: Above Table shows that 52% of the respondents saying that their village benefited from self-help group. And 48% of the respondents are saying that no benefited from self-help group. Therefore, it is clear that majority of the respondent have benefited from self-help group.

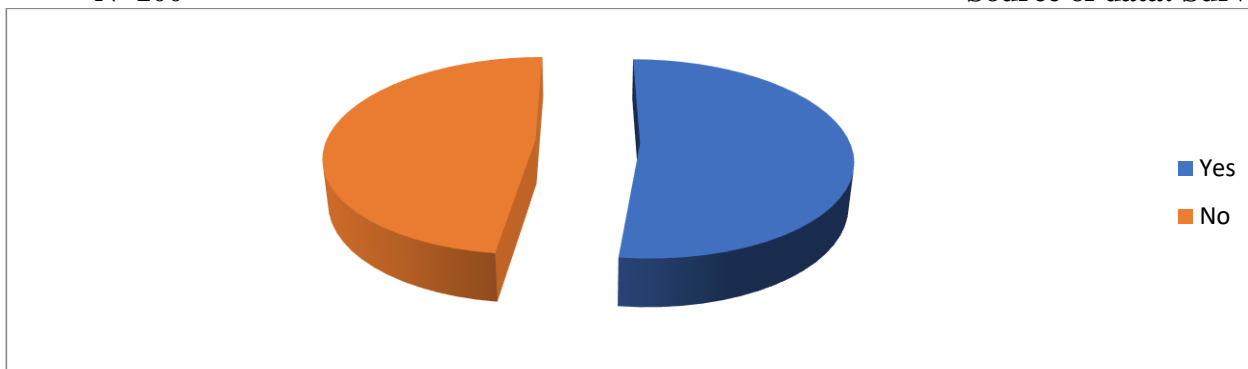
Table 10: Showing that opinion of respondents about self-help groups fulfills the Member’s needs.

Fulfill	Frequency	Percentage
Yes	52	52.0

No	48	48.0
Total	100	100

N=100

Source of data: Survey



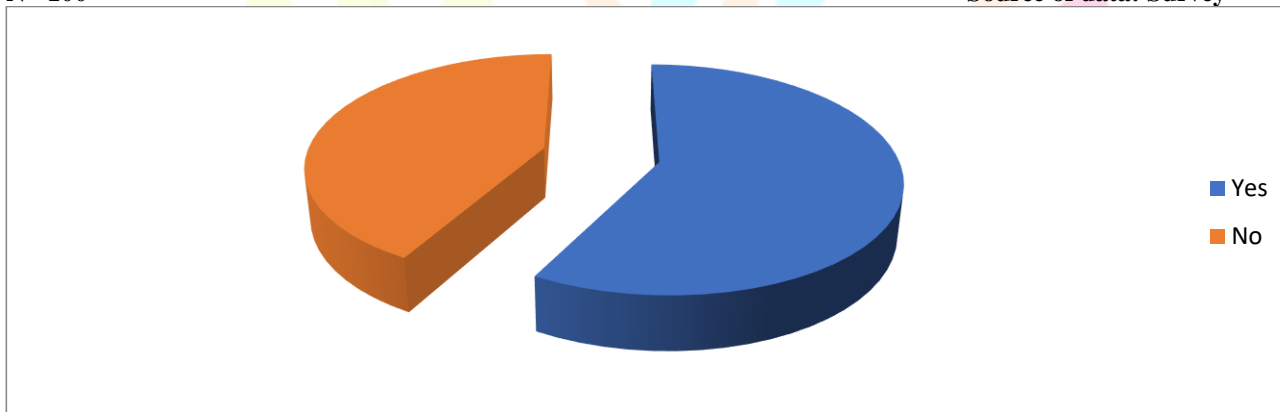
Interpretation: In the above Table shows that 48% of the respondents are saying not fulfill member’s needs. And remaining 52% of the respondents are fulfilling member’s needs. Therefore, it is clear that majority of the respondents are saying SHGs fulfill their member’s needs.

Table 11: Showing the opinion about much loan requirements at the time of urgent needs

Much loan	Frequency	Percentage
Yes	58	58
No	42	42
Total	100	100

N= 100

Source of data: Survey



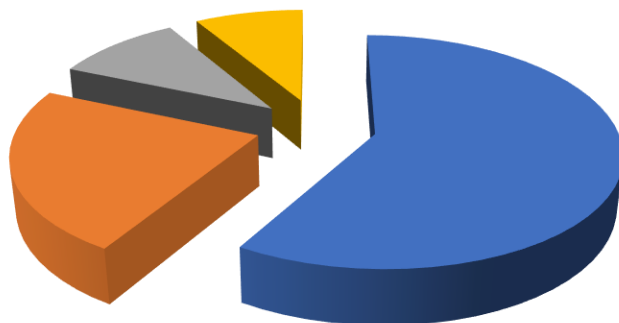
Interpretation: Above Table shows that 58% of the respondents say’s that they get as much loan required at the time of their needs.42% of the respondents says that they will not get as much loan required at the time of their needs. Therefore, it is clear that majority of the respondents are get as much loan required at the time of their needs.

Table 12: Showing the Opinion about the performance & functions of Self Help Groups.

Opinion	Frequency	Percentage
Excellent	16	16.0
Good	34	34.0
Average	30	30.0
Poor	20	20.0
Total	100	100

N=
100

Source of data: Survey



Interpretation: Above Table shows that 34% of the respondents says that opinion about the performance & functions of self-help group is good. 30% of the respondents says that opinion about the performance & functions of self-help group is average and 20% of the respondents says that opinion about the performance & functions of self-help group is poor and remaining 16% of the respondents says that opinion about the performance & functions of self-help group is excellent. Therefore, it is clear that majority of the respondents says that opinion about the performance & a function of self-help group is good.

Table 13: Showing the Opinion about Control over Income

Opinion	Frequency	Percentage
Absolute control	42	42.0
Fairly good control	40	40.0
No control	18	18.0
Total	100	100

N= 100

Source of data: Survey

Interpretation: Above Table shows that 42% of the respondents says that opinion about control over income is absolute control. 40% of the respondents says that opinion about control over income is fairly good control and remaining 18% of the respondents says that opinion about control over income is no control. Therefore, it is clear that majority of the respondents says that opinion about control over income is absolute control.

Table 14: Showing the opinion about the Communication Skill Development after joining Self-help group

Communication Skills	Frequency	Percentage
Freely talk	56	56.0
Sometimes talk	34	34.0
Do not talk at all	10	10.0
Speak only if there is need	Nil	Nil
Total	100	100

N= 100

Source of data: Survey

Interpretation: The above table shows that 56% of the respondents opinioned that they have improved their communication skill much. And 10% of the respondents opinioned that they have not improved their communication skill and 34% of the respondents improved their communication skill on an average after joining Self help groups.

FINDINGS:

- The study shows that majority of the respondents are female.
- The study reveals that majority of the respondents are in the age group of 30-40 years.
- The majority of the respondents are SSLC & below.
- The majority of the respondent's monthly income is less than Rs.2000 before joining SHGs.
- The majority of the respondent's monthly income is to Rs.3000 to Rs.4000.
- The majority of the respondents say's that there is absolute control over income.
- The majority of the respondents say's that the performance & functions of self-help group is good.
- The majority of the respondents are getting as much loan facility at the time of their needs.
- The majority of the respondents are not fulfilling their member's needs.
- The majority of the respondent have benefited from self-help group.
- The majority of the respondents joined SHGs for the purposes of women empowerment.
- The majority of the respondents are improved their communication skill after joining SHGs.

SUGGESTIONS

- For better functioning of the groups women should be properly educated and periodically training programs at regular intervals may be made and also a study on the respective field may be conducted.
- Special training programs should be provided regarding the proper account keeping and accounting experts should be invited as resource person so that members can enhance their accounting knowledge and maintain their cash book and other necessary books of accounts accurately.
- The study was conducted only in the selected rural areas of Mangauru taluk, it is necessary to have studies in other areas also in order to generalize the findings.
- The central and state governments should give more supports to SHGs.

CONCLUSION

Finance is one of the most important elements which everyone needs. This can play an important role for development of socio-economic conditions of the people particularly rural areas. Micro finance is expected to play a significant role in poverty reduction and rural development particularly rural women. From the analysis of data it can be concluded that number of members have started savings only after joining the groups while most of the members have no savings in pre SHGs. After joining Self Help Groups most of the members solved their problems alone.

REFERENCES:

1. K. Sivachithappa, (2008), "Success story of Poverty Alliviation Through Self-Help Groups", Kurukshetra, Journal on Rural Development, Ministry of Rural Development, New Delhi.
2. Arora R.C. (1990), "Integrated Rural Development", S Chand and Company, New Delhi.
3. Bera S.K. (2011), "A study of SHG-Microfinance Initiative in Purbo Midnapore District of West Bengal", Economic Affairs.
4. Bhai L.T, Karuppiah C and Geetha B (2004), "Micro credit and social capitalism in rural Tamil Nadu", Social Welfare, Vol. 50, no. 10, pp.30-35.
5. www.wikipedia.com
6. www.google.com

