

Review Of Research

Abstract:-

Even after 60 years of independence, we have not been able to solve all those problems which constantly have been posing themselves as obstacles to our economic development. Due to these problems all of our development efforts fall short of our vision of a developed country. The problems like poverty, unemployment, inequality and social injustice forms the core of developmental issues in India. Poverty in India is the cardinal problem which requires immediate anti-poverty interventions. Among several others anti poverty intervention measures, the provision of easy access to institutionalized credit facility is directly related to the economic empowerment of the poor in general and rural poor in particular. To speed up the process of economic development in rural areas, government of India has been supplying credit through various institutions such as cooperative banks, commercial banks, regional rural banks etc., but still today there are no sufficient credit facilities to the rural poor to meet their emergency credit needs. To overcome this difficulty government as well as banks and non-governmental organizations have made several innovative strategies to improve the efficiency of credit delivery to rural poor and micro financing through self help groups is one of them. The paper analysis problems and prospects of self help groups.

SELF HELP GROUPS IN GULBARGA DISTRICT

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INTRODUCTION

Self-help groups, especially linked to micro credit schemes, have not been without their critics, nor are they a panacea for meeting challenges in economic and social development. It is widely recognized that such schemes are not universally successful. For example, some studies have shown that micro credit will not work in locations that do not have sufficient cash-based market activity, are isolated and with low population densities, or are largely self-contained with few outside ties, such as in some Pacific island countries (UNDP 1997). Some critics have pointed out that while micro credit schemes can reduce vulnerability, they have not lifted women out of abject poverty or have taken a long time to demonstrate any significant impact. On their own, micro credit schemes have limitations as they cannot transform social relations and the structural causes of poverty.

In the analysis, more than the quantitative information, lot of qualitative information has been collected to assess the impact of various forms of micro financing on women. The qualitative information has to be brought to the limelight to understand the main contribution of the micro financing and SHGs towards the empowerment of women and the other impact created. In this context on qualitative analysis applied is the SWOT Analysis bringing the Strengths, Weaknesses, Opportunities and Threats would be suitable in order to suggest the sustainability on the basis of this analysis.

STRENGTHS OF SHGS IN GULBARGA DISTRICT:

- 1.Regular savings and thrift enabling the women to even cut the necessary expenditure to save, and it does not stop with the saving, it is also managed by their own with the guidance of peers, NGO, banks etc.
- 2.Regular meetings in short intervals, either weekly or fortnightly or monthly which did not exist before is another strength which enables the members to discuss their problems and also help to strengthen their relationship.
- 3.In their involvement, they are able to operate bank account, which was hitherto a remote possibility. This helps them to acquire knowledge on accounting principles and enhances the administrative capabilities.
- 4.The SHGs and the micro financing enabled the women to engage in decision-making affairs of the group and accordingly they become better decision makers.
- 5.The selection of the representative of the group, conduct of group meetings, involve in the administration of various aspects, maintaining transparency in the accounts etc impart a sense of responsibility to each member.
- 6.The group members with homogeneity of interest from various class and caste together participate thereby eliminating the differences among caste, class etc.
- 7.Responsibility of the members to attend the problems of each member in their family brings a security to the deprived women and the deprivation of women slowly removed.
- 8.The available credit makes the women to become entrepreneur and involve in decision making outside family and business activities.
- 9.The micro financing done both for consumption and investment loan increases the nutritional level of the participants, and thereby contribute to increase the productivity, income and have better standard of living.
- 10.The group approach and mutual peer members guarantee loan without collateral and hence the hurdle of collateral is removed.
- 11.The transaction cost is minimized, with less paper work and simplified sanctioning/process and hence the unnecessary waiting, loss of person days and other associated leakages are done away with.
- 12.It is free from target and hence not pressure from bank officials, promotional agencies to identify non-deserving members for micro finance.²
- 13.Recovery performance with more than 85% encourages banks to recognize that the poor are bankable and accordingly bank with them.
- 14.Financial widening is taking place as every now and then, new members are being injected and financial performance grows horizontally and vertically.
- 15.There is a better recognition of the SHG members by the community and they are brought to participate in village development council and overall administration.
- 16.The SHG women have disproved that the poor are not bankable. In fact they have grown to bank their savings with bank. On the bank side the SHGs help in externalization of the operational cost such as resource mobilization, credit management, recovery performance which may encourage the banks to expand their operations and keep the formal credit available to the hitherto neglected.
- 17.Social collaterals and it is social capital to be a member of SHG as the group stands as the guarantor both for availing credit and for maintaining recovery performance. This social collateral in due course of the time helps in improving and bringing social, cultural and political changes.
- 18.The foremost strength of SHGs is that it addresses the gender imbalances, combat unjust social relationship and therefore any attempt to address and eliminate the unjust relationship between caste and class can be done through SHGs.

WEAKNESSES OF SHGS IN GULBARGA DISTRICT:

- 1.In spite of more than two decades of its initiation in various parts of the country, SHGs remain in a small scale, operating with micro enterprises. This expansion has been curtailed. What is the political economy behind it? It is again the dual responsibilities, which constrain women to move to higher scale or it is being

deliberately kept at lower level. One of the sample groups has shown interest in doing export business but the NGOs or the banks give no guidelines. So in the policy level, what measures must be probed into.

2. Maximum loan is given to consumption purpose, which may contribute to improve the nutritional status but cannot immediately result in income generation activities.

3. Another major weakness is that these women grown in big scale may be converted into vote banks which needs caution to not to have political intervention.

4. Another major aspects is hat they have not accountability nor subject to auditing by the community or state. Hence, there may be chances of ignorant members getting cheated by others who are better educated and well aware of the rules and reputation.

5. They are not registered institution and the drawbacks associated with non registration may recur.

6. The compulsory savings may sometimes force the women to cut necessary expenditure which may check the nutritional status on the one hand and may lead to borrowing to save in come inevitable situation. Such tendency may bring negative effects on the standard of living of women.

7. In many cases the criteria followed to form groups was not based on the BPL criteria and as such the very objective of micro finance for poverty alleviation is nullified.

8. The impact of SHGs to a larger extent depends on the ideology, popularity, coverage and implementation, contact and other similar features of NGO. Hence the impact generated among the clients of SHG to certain extend or to a longer extend influenced by the NGOs but this tendency should not be continued as it may affect the independent functioning and decision making of the SHG participants. It is sufficient the initial facilitation is done by the NGOs.³

Opportunities of SHGs in Gulbarga District

1. SHG women by virtue of becoming member of SHGs are extended with several opportunities of participants in seminars, conferences, and important events and thereby the organizational ability gets strengthened.

2. The SHGs through their group performance is able to avail credit which will be used for initiating micro enterprises and thereby the women who remained within four walls as housekeepers or wage labourers turn into micro entrepreneurs and thereby mainstreaming women's work and also make the women's work visible.

3. The activities initiated also extend an off farm opportunity in the absence of which they had to remain idle without any earning opportunities.

4. The increase in income facilitates the women to improve the consumption and investment patter of the household, improve the educational levels of their children, modernizing the kitchen activities, save time and invest it in productive activities.

5. Opportunity to increase the effective demand. The compulsory saving is said to increase investment in productive activities, which may in turn bring out an increase in income, employment and resultant increase in demand. Hence the Keynesian theory of increasing the effective demand to take care of the problem of unemployment would be realized in the long run. The increase in income among the rural and urban may facilitate urban markets to expand and resource flows from urban and rural and vice versa.

6. The rural poor have continuously been suffering from unexpected expenditure be it festival or funeral expenditure. The family resistance to such expenditures is better managed by the SHGs either with interest free loan or loan with interest or gift from the members of the SHGs. A case was met where the husband of a SHG member was dead and she did not have any saving, as she is a wage earner. Even if she is lent a loan she may not find it easy to repay. So the SHG members decided to contribute a certain amount each and donated a sum of Rs. 1000 to meet the funeral expenses. Hence this is an opportunity to meet such emergency needs.⁴

Threats to SHGs in Gulbarga District

1. The banks are lending to individuals taking group as a risk reducing mechanism. Sustaining of its growth may emerge as a parallel to informal institutions next to moneylender. Such growth if encouraged at one time or the other, the SHGs may feel to handle their deposits on their own without depositing with banks. This may dismantle the relationship between banks and poor. The cycle may reappear and the poor may suffer again with lack of access to credit. Such withdrawal of formal sector in the present policy environment may be conducive for the government but in the long run the external finance capital may flow in due to privatisation and emerge as competitive financier replacing the formal sector on the one hand subsequently the SHGs and it associated micro finance on the other.

2. The state regulations to control such growth of external sector would be absent and again the poor would be in the clutches of the informal sector of other kind. Hence, SHG formation, regular saving, depositing the balance with bank after internal lending, approaching the bank for micro credit to initiate micro enterprises regular repayment to go for subsequent loan for expansion etc., would be sustainable. Growth of SHG to any scale should not give up the basic principle and objectives for which they were introduced so that long run stability and growth and sustainability would be ensured.

3. Lack of accountability, mushrooming of growth of NGOs, increasingly everyone taking up the SHG principle, continuous support from abroad but without any commitment on accountability may give way for petty capitalists in the form of NGOs to grow and ultimate exploitation as done by land lords may repeat the history and make the poor ever sufferers.⁵

CONCLUSION:

In a nutshell, it must be stated that this study while analyzing the impact of various models of SHGs on women arrived that SHGs have created a positive impact in both social and economic spheres. Hence, SHGs with people's participation without the dependence on external agencies must be encouraged in future years to come. However, given the poverty and backwardness of the households, the directly bank linked groups wherein banks themselves directly reach the poor may be encouraged to bring empowerment and create other impact in the lives of women.

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