



A STUDY OF IMPACT OF MICRO - CREDIT TO WOMEN SHGS WITH REFERENCE TO JALGAON DISTRICT

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ABSTRACT

The rise of Micro-Credit in India in the 1980 of the large population which could reduce the financial divide created by the formal financial system as large numbers of rural population could be financed. Micro finance is an innovative credit distribution scheme, which facilitates viable financial services for the rural poor. The major forms of micro finance in India are obtained through women's savings groups. Micro financial institutions and savings groups are two of the most powerful forms of micro finance in this area. This study was conducted to analyze the impact of micro finance on women's savings groups in Jalgaon district. The study concluded that savings groups had a positive effect on income generation and purchase of savings groups. The purpose of this paper is to examine the question - 'Does the income of members of SHGs empower them through micro-credit programs?' The nature of the subject calls for the use of cross-sectional survey techniques and comparative analysis to determine the level of female empowerment before and after joining groups.

INTRODUCTION

Helping the poor in rural areas and meeting their basic needs in developing countries are additional objectives of rural development. The low economic growth of these countries was mainly due to the lack of capital resources in rural areas. Low capital, low productivity, low

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income, low savings, and consequently weak capital make it an enduring poverty syndrome. Improving the access of the poor to financial services is a broad base of poverty prevention and economic development. This means increasing the wealth of the poor, providing them with opportunities to work efficiently and increasing their contribution to the development of the country. Most women in rural India have very limited access to basic services even in the most secluded environment. But, they have made significant contributions to the development of rural and agricultural domains, crops, food security, breeding, livestock, nutrition, fisheries, energy and families. Although they contribute financially, they have partial access to markets, financial services, education and health services. Oxfam reports shows that more than 40% of the 400 million women living in rural India are engaged in agriculture and related activities.

Objectives of the study

1. To study the role of Micro-Finance Credit in Women Empowerment.
2. To evaluate the impact of micro finance on income, expenditure and savings of SHGs members.
3. To study the individual development through their personal factors of SHGs respondents.

Research Methodology

The present study has been based on both primary and secondary data also. A Pre-tested schedule was employed for gathering primary information from the 73 members of SHGs from Jalgaon district. The secondary data were collected from various magazines, newspapers, journals and books.

Scope of the Study

Emerging changes in the values and attitudes of members of savings groups are a clear manifestation of the relatively rapid impact of socio-economic empowerment interventions. Socio-economic programs strengthen one another and encourage the overall development of children, women in the home and society at large. It is a process that will eventually lead to the self-sufficiency of every member of the community. It is in this direction that the SHGs are moving towards a meaningful strategic direction with their objective. SHGs have a greater vision of empowering rural women for holistic human development. These groups are involved in poverty alleviation programs. This movement has developed into a habit among rural poor women and the way for decision-making power has been opened for women in the family. This will increase the names of their children and reduce the dropout rate in their

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village schools. These groups have registered 100 per cent of the total number of children vaccinated in the village to the pulse polio program launched by the health department. Most of the women beneficiaries of the savings groups have also undergone family planning. This movement has created awareness of the socio-economic and political conditions of women and society and the surrounding. Savings groups around the world have a positive impact.

Women Empowerment through Micro Finance

Economic development of a nation can only be achieved through gender equality. Women's participation is essential to eliminate poverty and the development of the economy. The importance of women in the economic development of India was first acknowledged during the country's independence movement. The importance of women in the economic development of India was first acknowledged during the country's independence movement. Empowerment is a social action process that enhances participation in people, organizations and communities seeking control of their lives. There is an urgent need to empower women, especially in rural areas. The establishment of savings groups and micro-financing will increase their socio-economic status in the society.

Data Analysis

The collected data has been analyzed with the help of SPSS (Statistical Package for Social Science) computer packages which is one of the powerful packages in social science research.

Table 1: Purpose of Loan

Purposes	Frequency	Percentage	Cumulative percentage
Family and personal exp.	43	58.90	58.90
Agri. & live stock exp.	14	19.18	78.08
Business exp.	12	16.44	94.52
Others exp.	4	5.48	100.00
Total	73	100.00	

The Table 1 indicates that the sample respondents utilized their micro credit for meeting various needs. Out of 73 women of SHGS' members only 16.44% of them used it for their received credit for business purposes; where as 58.90% of they used this sanctioned loan for meeting their family and personal expenditure. Expenditure on Agricultural and live stock by SHGs has been 19.18% which is proportionately second position in this rank. Because of this, more than half of them spend their non-financial work in the field of microfinance.

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Table 2: Loan Amount Sanctioned and Disbursed to SHGs

Amount in Rs.	Frequency	Percentage	Cumulative percentage
Up to 20,000	26	35.62	35.62
20,001 to 50,000	23	31.51	67.12
50,001 to 80,000	9	12.33	79.45
Above 80,000	15	20.55	100.00
Total	73	100.00	

Above Table 2 shows that the amount of loan availed to SHGs respondents. Near about 35.62% of the selected sample has sanctioned Loan upto Rs. 20000. 23 SHGs respondents has received finance from Rs. 20001 to 50000 which is 31.51% of total population. Out of total SHGs respondents least number viz. 9 has availed Rs. 50001 to 80000 amount which is only 12.53% in aggregate. Above Rs. 80000 amount has been availed to 20.55% of total population of SHGs. It reveals that the percentage of sanctioned and disbursed of loan to SHGs has some extended which has not enough for productive economic activities.

Table 3: Monthly Incomes before and after Getting Loan

Income in Rs.	Before loan availed		After loan availed	
	Frequency	Percentage	Frequency	Percentage
Up to 5,000	47	64.38	21	28.77
5,001 to 10,000	19	26.03	32	43.84
10,001 to 15,000	5	6.85	8	10.96
Above 15,000	2	2.74	12	16.44
Total	73	100.00	73	100.00

As per the Table no. 3, it displays that the income earning capacity at all levels has been increased by comparing before and after getting loan situation, with the expectation of the category of income up to Rs. 5,000 (64.38% before getting loan and 28.77% after getting loan). But the decreasing trend in this category of earning income has a positive impact, as most of the SHGs beneficiaries have shifted to the categories of above Rs. 5,000.

TABLE 4: Monthly Expenditures before and after getting Loan

Expenditure in Rs.	Before loan availed		After loan availed	
	Frequency	Percentage	Frequency	Percentage

Up to 5,000	36	49.32	18	24.66
5,001 to 10,000	21	28.77	30	41.10
10,001 to 15,000	9	12.33	17	23.29
Above 15,000	7	9.59	8	10.96
Total 82 100	73	100.00	73	100.00

Above table no. 4 shows the monthly expenditure made by the family members of SHGs before and after availing loan. Monthly expenditure of the SHGs beneficiary upto Rs. 5000 has been 36 (49.32%) which is near about 50 percent in entire data population before availing the loan but after availing loan this percentage has been change by 24.6%. If comparing before and after availing the loan there had drastic change that is from 49.32% to 24.66%. Expenditure from Rs. 5001 to Rs. 10000 has been 21 (28.77%) before availing the loan but after availing loan it has been change by 30 (41.10%). It revealed that after availing loan the expenditure has been increased by the SHGs beneficiaries. There has been also growth in percentage of Rs. 10001 to Rs. 15000 and above Rs. 15000 if comparing pre and post availing loan.

Table 5: Monthly Savings before and after Getting Loan

Saving in Rs.	Before loan availed		After loan availed	
	Frequency	Percentage	Frequency	Percentage
Up to 2,000	39	53.42	18	24.66
2,001 to 4,000	13	17.81	36	49.32
4,001 to 6,000	13	17.81	10	13.70
Above 6,000	8	10.96	9	12.33
Total	73	100.00	73	100.00

Above table no. 5 shows that out of 73 SHGs beneficiaries 53.42% i.e. 39 beneficiaries had savings upto Rs. 2000 before availing loan but after getting loan 18 (24.66%) beneficiaries has savings upto the same proportions. The saving in this slab has been decline but it there has been drastic increase in proportion lies between Rs. 2001 to 4000. While comparison between before and after availing loan lies between Rs. 4001 to 6000 and above Rs. 6000 had not changed. It has been seen from the above analysis that the SHGs beneficiaries incremental income level also leads to at a greater amount of saving for them in the study area. For the fulfillment of the objectives of the study, to assess the individual development through their personal factors of SHGs beneficiaries after getting micro- credit, opinion on individual development gathered and tabulated with various personal factors as above.



CONCLUSION

The rural SHGs consist of members who were poor, who have poor ability to save and who rely on lenders to meet their needs and social responsibilities. Micro finance has been recognized as a key strategy to address women's poverty alleviation and women's empowerment issues. Women become financially independent, contribute directly to the well-being of their families by taking a more active role in decision making, and were able to control systemic gender disparities. SHGs were known as a useful tool to help the poor, access financial resources they don't have, and use them to lend money to the poor.

Above studies show that the income and expenditure ratio of women has increased since joining the SHGs. Savings groups have seen tremendous growth in recent years. Micro-credit has been one of the most important sources of credit for poverty alleviation in rural areas. However, the size of micro-credit can be greatly increased by the government and the bank to invest in their financial activities. The study revealed that there has been significant contribution of Micro-Finance for women's empowerment through SHGs.

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