



# **SELF-HELP GROUPS AND MICROFINANCE: ACTIVATORS FOR WOMEN'S EMPOWERMENT IN UTTARA KANNADA DISTRICT, KARNATAKA**

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## **ABSTRACT**

*This study examines the reasons behind, duration of operation, and effects of women joining Self Help Groups (SHGs) in India. It focuses on SHGs supported by the non-governmental organisation Canara Organisation for Development and Peace (CODP) in the district of Uttara Kannada. Purposive sampling was used to choose 80 SHG members, and a structured questionnaire was used in a descriptive survey methodology to gather data from them. According to the research, obtaining economic self-reliance, acquiring credit facilities, forming saving habits, and gaining socio-political empowerment are the main reasons people join Self-Help Groups (SHGs). The research also looks at SHGs' operational lifespans and important effects, such as higher incomes, better household nutrition, education for dependents, self-employment, and enhanced social and political consciousness, among other advantages. According to the research, microfinance positively impacts women's empowerment through the SHG-Bank Linkage Programme, which raises their social and economic standing, encourages savings, and makes financial services accessible. Recommendations for raising awareness, educating, and training SHG members are included in the study's conclusion.*

**Keywords:** Self Help Groups (SHGs), Microfinance, Ngo, Canara Organisation for Development and Peace (CODP), Women's Empowerment, Economic Self-Reliance, Socio-Political Empowerment, Self-Employment, Social and Political Awareness.

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## 1. INTRODUCTION

India has been striving toward the empowerment of women and socially impoverished parts of society by adopting a range of welfare activities and by promoting the participation of non-governmental organizations (NGOs) and other voluntary groups to carry out such programs. At the municipal, state, and national levels, women's empowerment may be secured via the establishment of Self-Help Groups (SHGs), which is one of the programs that has been begun. Small and medium-sized enterprises (SHGs) are the fundamental and informal organizations that provide access to microfinance for underprivileged and neglected segments of society in order to enhance their socio-economic situations and capacities. Microfinance is a form of financial assistance that aims to fulfil the unfulfilled needs of the underprivileged, particularly women, and to contribute to the ultimate goal of eliminating poverty (1). Due to the availability of free microfinance, those who are economically disadvantaged and women can carry out their daily activities without any difficulty. Additionally, there will be no instances in which they do not have access to food, clothes, housing, or education. Microfinance makes it possible to deal with unanticipated occurrences like illness, theft, or natural calamities without experiencing a great deal of shock. Through the use of microfinance, Indian women have been provided with the chance to become agents of change and have gained the courage to explore new horizons and create new ambitions. In addition, microfinance makes it possible for women and individuals living in poverty to escape the abuse of money lenders and to gain the social and economic power necessary to lead a life that is characterized by dignity and pride. The poverty ratio is 25.01%. Concurrently, the disparity in expenditure that exists between the wealthy and the impoverished in India has nearly quadrupled over the course of the past five years. In addition, India was rated 131st in the world on the Human Development Index (HDI) with a score of 0.645 out of 189 nations available. As can be seen from the facts shown above, poverty is a significant problem in India. It is evident, in light of the assessments that have been conducted on the issues that rural women face, that rural women are confronted with a variety of personal, social, and economic issues that bring them to the lowest levels of poverty and impede their development. The impoverished women are able to have access to credit through the medium of microfinance that is channelled through SHGs. This provides them with the chance to engage in economic and income-generating activities, therefore allowing them to break free from the prison of poverty (2). In request to have a superior understanding of the compass and proficiency of microfinance in terms of achieving formative goals, directing an effect assessment is required. A survey of the important writing reveals that various research studies have been led in India as well as in different countries in request to assess the socio-monetary effect of microfinance and to dissect the performance of the organizations that give microfinance. Although there have been a few studies conducted in this field in India, none of these studies have focused on the self-help groups (SHGs) that have been supported by the non-governmental organisation (NGO) known as the "Canara Organization for Development and Peace (CODP)" in the Uttara Kannada District. Therefore, to fill the void, the current study has been launched (3-6).

## 2. RESEARCH METHODOLOGY

The purpose of this study is to investigate the reasons people belong to Self-Help Groups (SHGs), as well as the duration of their operations and the effects that participation has on individuals. The collection and examination of quantitative data from SHG members is accomplished through the use of a descriptive survey design.

## 2.1. Sample Size

For the purpose of selecting eighty respondents who are members of a variety of SHGs, a method known as purposive sampling was utilized. Taking this method guarantees that a wide range of experiences and points of view pertaining to SHG membership are properly represented.

## 2.2. Data Collection Instrument

The information was accumulated using a structured questionnaire that included both unassuming and closed-ended requests for responses. To guarantee the questionnaire's reliability and clarity, it was subjected to preliminary testing.

## 2.3. Data Collection Process

The respondents were questioned using a combination of in-person interviews and questionnaires that they filled out on their own. Prior to their involvement, they were provided with information on the objectives of the study, and their consent was acquired (7,8).

## Data Analysis

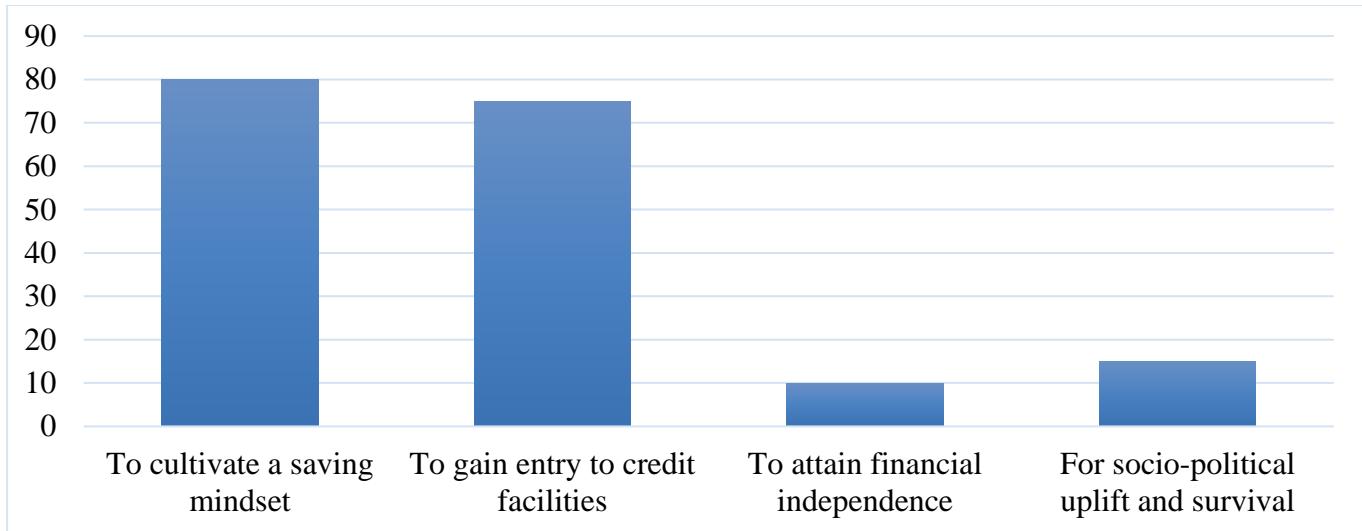
As part of the analysis of the data, descriptive statistics were utilized. Calculations of frequency distributions and percentages were performed in order to gain an understanding of the primary reasons for joining SHGs, the length of time that SHGs have been operational, and the effects that participation has. For the sake of clarity, the results were presented in the form of tables and figures (9).

## 3. DATA ANALYSIS

**Table 1.** The main reason for joining a SHG

Prime Motive	Frequency
To cultivate a saving mindset	80
To gain entry to credit facilities	75
To attain financial independence	10
For socio-political uplift and survival	15

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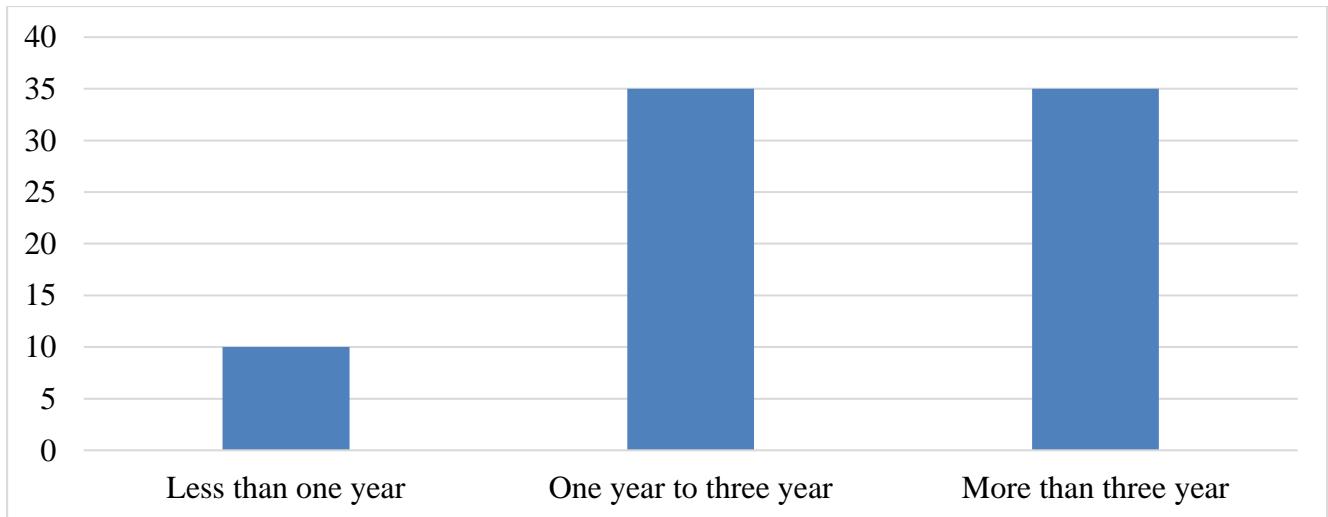


**Figure 1:** The main reason for joining a SHG

80 of the respondents stated that they joined SHGs in order to acquire a habit of saving money, 75 of them joined in order to gain access to credit facilities, 10 of them joined in order to achieve economic self-sufficiency, and 15 of them joined in order to attain socio-political empowerment and sustainability (10).

**Table 2.** Duration of SHG Operations

Category	Frequency
Less than one year	10
One year to three years	35
More than three years	35

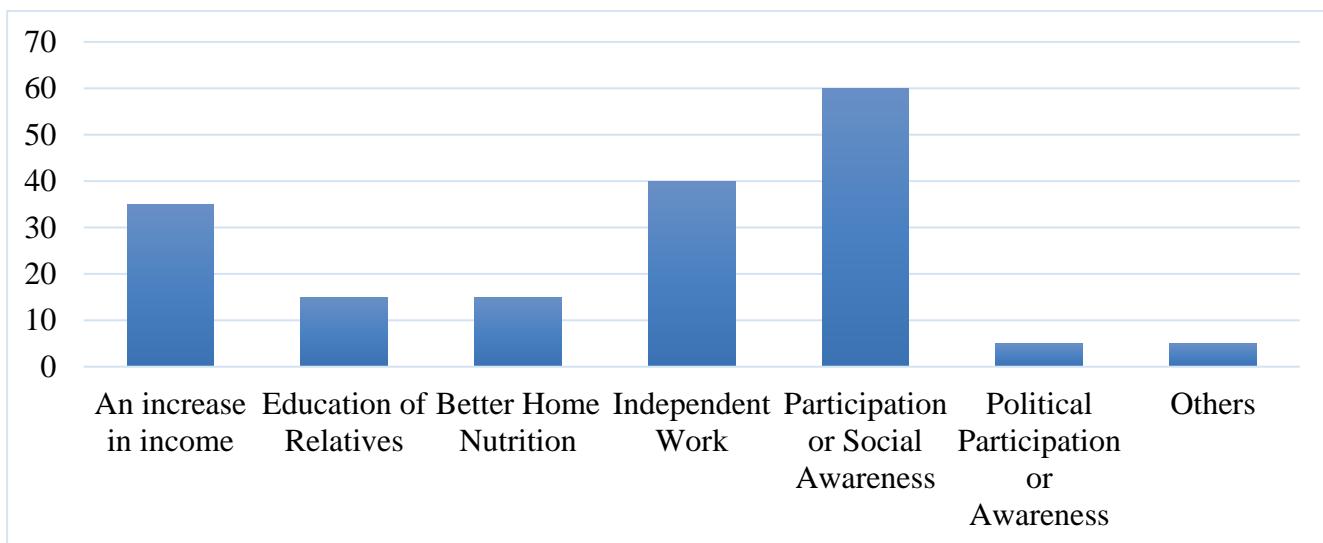


**Figure 2:** Duration of SHG Operations

It can be deduced from Table 2 that ten out of eighty respondents have stated that their self-help group (SHG) has been operational for less than one year, thirty-five have stated that their SHG has been operational for between one and three years, and thirty-five have stated that their SHG has been operational for more than three years (11-13).

**Table 3.** The Effects of Self-Help Group Membership

Impact	Frequency
An increase in income	35
Education of Relatives	15
Better Home Nutrition	15
Independent Work	40
Participation or Social Awareness	60
Political Participation or Awareness	5
Others	5



**Figure 3:** The Effects of Self-Help Group Membership

In the following table, Table 3, you will find information on the influence that joining Self-Help Groups had on the respondents. It is obvious from the table that 35% of the respondents have seen an increase in their income, fifteen per cent of the respondents have had the option to teach their dependents, fifteen per cent of the respondents have worked on the nourishment in their household, 40% of the respondents have participated in activities connected with self-business, 60% of the respondents have accomplished social awareness, five per cent of the respondents have accomplished political awareness, and the remaining five per cent of the respondents have gotten different benefits (14,15).

#### 4. CONCLUSION

The results of the study demonstrated that the intervention of microfinance through the SHG-Bank Linkage Program has a positive effect on the empowerment of women. This is demonstrated by an increase in social awareness and cooperation, savings habits, income level, self-work, asset creation, reimbursement of different debts, improvement in decision-making skills, and an improvement in the degree of nourishment in their household. The SHG-Bank Linkage Program has made it possible for low-income women to gain admittance to a large number of financial goods and services through the program of microfinance. An incredible number of women had the option to obtain social acknowledgement through the thought of self-help groups. A more prominent focus genuinely must be put on the provision of schooling, training, and awareness among the members of the gathering.

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