CHAPTER 1

INTRODUCTION

1.1. The Background

Women are one of the important basic necessary constituents of our society. They should be given the same status as like men in all fields such as education, business, home life, production and consumption. Then only we can achieve gender equality in the society. Once we achieve this all in favour of women that will lead to an effective means of bringing up future generations and thus have direct and indirect effects in national economy which will lead to increase in productivity, fair distribution of income amongst all Regional development and finding permanent solutions, increase in employment, and development of agriculture, industry and services sectors too. Overall developing countries have more limited resources that lead to lagging behind in the economic development race. Hence, we should give more importance and priority to the achievement of gender equality for women, in all the fields particularly in the education.

There is a direct link between economic growth and poverty, and gender inequality. Inequalities between girls and boys in access to schooling or adequate health care were more acute among poor people among those of with higher or rich income group people. Similarly, girls and women’s health and schooling were more vulnerable to economic downturns than those of boys and men. On another hand, gender inequality undermined the prospects for poverty reduction in fundamental ways. While disparities in basic rights, access to schooling, credit and jobs, and the ability to participate in public life took place with respect to women and girls, this evidence showed that gender inequality ultimately hindered economic growth. The rationale for economically empowering women is compelling for both for its own sake (intrinsic) and for other spillover benefits (instrumental).
Research indicates that economic participation of women and their presence in the workforce is important not only for lowering the disproportionate levels of poverty among women, but also as an important step towards raising household income and encouraging economic development in broad sense. Amartya Sen rightly pointed out that societies need to see women as passive recipients of help, and more as dynamic promoters of social transformation, a view strongly buttressed by a body of evidence suggesting that the education, employment and ownership rights of women have a powerful influence on their ability to control their environment and contribute to economic development.

Women empowerment is a multi-dimensional process, which will become a reality only through a combined effort of various factors that contribute to it. Among them the most important factor is the GO sector. However, the people’s participation in developmental efforts is equally important and required along with GO initiatives.

1.2. Women Empowerment – Meaning and Concept

The empowerment of women is one of the central issues in the process of development of countries all over the world. Empowerment is concerned with changing the power relations between individuals and groups in society. This power is dynamic and relational rather than absolute. It is exercised in socio-economic and political relations between individuals and groups.

Women empowerment is a process as well as the outcome of the process by which women gain greater control over resources (physical, human, financial and intellectual) and challenge the ideology of patriarchy and the gender based discrimination against women in all institutions and structure of society.

Women empowerment must begin in the mind by changing women’s consciousness. It means changing women’s beliefs about
herself and her rights, capacities and potential; enabling her to acknowledge and rejoice in her strengths, knowledge, intelligence and skills.

Women empowerment is one of the key factors in determining the success of development is the status and position of the women in the society. This means that the neglect of women in the employment or developmental process of any country constitutes a human resource waste. In this principle, it will be a disservice for any country to ignore its women population in its development efforts. The task before any GO should be moving steadily and firmly in the direction of economic development by involving women. True developments of women’s means the development in the three categories with respect to woman are individual, social, and economic development. Individual development means increased skills and capability, greater freedom, creativity, self-discipline, responsibility and material well being. Increasing capacity connotes social development, while economic development is determined by the increased capacity of members of a society in dealing with their environment. This means that development at the individual stage presumes both social and economic development.

1.3. Brief Review of Literature

Several studies have mainly focused to examine the impact of micro credit programme on savings, employment generation, income and household assets of the SHG member formed by the NGOs only. Hence, there are not many studies comparing the impact of micro credit programme of SHGs formed by the NGOs with that of GOs therefore, the present study attempt to fill this research gap.

Micro credit as an alternative source of credit for the poor has received wide attention in recent years. In this regard, a World Bank Study (1997) has defined it as programs that provide credit for self-employment and business service to very poor persons.
Therefore, in view of the limited success of minimalist approach, and to some extent credit-plus-approach, in sustaining the income levels of the poor and women’s empowerment, Narasimhan (1999) argues that sustainability in generating income and women’s empowerment can be achieved through provision of awareness, motivation, conscientisation, psychological empowerment, education and training before provision of the credit.

Manimekalai and Rajeswari (2001) examined that the provision of micro finance by NGOs to women SHGs has helped the groups to achieve a measure of economic and social empowerment.

Micro credit and empowerment have been examined by Sudharani, Umadevi and Surendra (2002) in their study on they conclude that participation of women in self-help groups has enriched the empowerment of women.

Pitt (2003) has mentioned that 90 per cent SHG clients are women in the Grameena Bank of Bangladesh and their consumption expenditure increases 18 taka for every 100 taka borrowed by women. Credit provided to women improves measurement of health and nutrition and educational status of their children. The Grameena Bank of Bangladesh earned name and fame as the pioneer of credit services for rural people. Throughout the country ‘slowly but’ surely more and more people come out of poverty. The Grameena Bank achieved repayment rate of 98 percent from its borrowers, 94 percent of whom were successful.

Rao (2004), in his research paper made an attempt to examine the working of SHGs. The study revealed that about two thirds of the respondents availed the loans after joining the SHGs. Further, it was revealed that nearly two thirds of the borrowings were used for productive purposes. The study results show positive results in Girijan areas where exploitation and backwardness of the people are
more. The efforts of NGOs, GO departments and social workers have facilitated the effective functioning of SHGs in the study area.

It is evident that the outcome of micro-credit impact on poverty and women’s empowerment is conflicting, and depending on the institutions mechanism within which NGOs have to operate, different approaches have been advanced by them to address the problem of poverty and ensure the sustainability of the programme. The NGOs adopting different approaches seem to have yielded divergent results.

Micro-credit model in reduction of poverty and women’s empowerment is becoming important issue for research. NGOs and GO have been formed the SHGs and providing micro-credit. To achieve financial sustainability, resource mobilization in the form of regular savings from SHG members is essential, and initial resources from banks, GO or other sources are needed. The micro-credit programme should also ensure a greater increase in income levels of SHG members so that increased contribution towards savings and operating costs of the programme is possible.

1.4. Research Issues

Women and Self Help Groups (SHGs) are the focus of various developmental interventions in India. Credit and its delivery through SHGs have been taken as the means for empowerment of women. This integrated approach whereby credit is an instrument to operationalize other aspects of group dynamics and management that caters to the need for social intermediation of these groups. Self Help Group is a sustainable people’s institution that supports poor rural women and provides space and necessary help for them to take up effective steps towards achieving greater control of their lives. The socio-economic empowerment of women through SHGs has been widely acknowledged in most of the developing countries including India. However, detailed/specific study of the impact of the SHG membership on socio-economic empowerment of women needs to provide reliable and
required empirical evidences. The effort is an empirical study of NGO SHG member as well as the GO SHG member on several aspects of their life. The impact of SHG membership of women respondents has been studied in relation to income employment generation, economic independence and social empowerment in terms of family decision making and participation in social and political activities.

The research issues are focused on the study of:

- The extent of SHG’s contribution to women empowerment of NGO SHGs and GO SHGs.
- The relative impact of NGO and GO sponsored SHGs on creating economic and social empowerment of women.
- The impact of micro credit by NGO SHGs and GO SHGs improving the women’s capability to participation in household decision making process.

Hence, the present research problem is stated as; “Empowerment of Women through Self Help Groups in Karnataka – A Comparative Study of NGO and GO Self Help Groups”

1.5. Objectives of the Study

The objectives of the study are to:

- Analyze livelihood strategies of members belonged to the NGO as well as the GO SHGs;
- Explore the factors contributing to women’s empowerment of SHG members belonged to the NGO and the GO SHGs;
- Study the extent of savings and investment made by the sample NGO and the GO SHGs members;
- Examine the impact of micro-credit on employment, income generation and socio-economic status of the NGO and the GO SHG members; and
• Suggest policy measures to ensure sustainable women’s empowerment and provide feedback to the NGO and GO SHGs.

1.6. Hypotheses

The following hypotheses are framed for the present study.

❖ Average amount of savings is higher in the case of NGO SHGs as compared to GO SHGs.

❖ Average investment of NGO SHGs is higher than that of GO SHGs.

❖ Income per capita is higher in respect of NGO SHGs as compared to that of GO SHGs.

❖ There is no difference in women’s empowerment between NGO SHGs and GO SHGs.

1.7. Research Methodology

There is a consensus among all social science researchers that the use of proper methodology and techniques in research plays a crucial role in any primary survey. The precision of the study is exceedingly affected by methods and techniques implemented in the research. Such techniques, when guided by the objectives of the study will yield accurate results. By keeping these observations in the background, the present study discusses in detail about the data base and the methodology adopted in conducting this study.

1.7.1. Nature and Types of Data

The present study is based on both the primary and secondary data collected from different sources.

1.7.1.1. Secondary data

The secondary data was collected from published and unpublished documents from different officials and offices at district,
taluk and village levels. Personal interactions have been made with the officials along with the collection and verification of required records. Besides this certain specific documents, such as NABARD Annual Reports, Census Report, NGOs Published Annual Reports, Women and Child Development Department Annual progress Reports and SHGs Records, etc., have also been collected.

1.7.1.2. Primary Data

The primary data was collected from selected respondents (300) through interactions with structured schedules. These schedules are validated and pretested through a pilot survey. The primary data collected is related to the influence of both NGO SHGs and GO SHGs on their socio-economic status.

1.7.2. Study Area

At present, Karnataka state has 30 districts with four administrative divisions namely Bangalore, Mysore, Gulbarga and Belagavi, which are broadly divided into North Karnataka and South Karnataka. Bangalore and Mysore divisions are in South Karnataka whereas Belagavi and Gulbarga divisions belong to North Karnataka. In the present study, specifically North Karnataka chosen as the broad study area based on certain factor.

According of the “High Power Committee for Redressal of Regional Imbalances” chaired by Dr. D. M. Nanjundappa, which was submitted to the GO of Karnataka in 2002 as per the report of this committees North Karnataka is very much backward in all respect as compared to South Karnataka. Therefore, Bijapur and Gulbarga districts were specifically chosen for the present study and were belong to less developed North Karnataka.

The selection of these two districts was made based on the Comprehensive Developmental Index (CDI) as given by the High Power
Committee. The CDI includes the SC/ST population, literacy rate, the proportion of agricultural labourers, cultivators and small and marginal farmers along with their poverty level.

1.7.2.1. Selection of the Taluk

On the basis of performance of working of SABALA and MYRADA the two taluk’s were selected for study from each district namely Bijapur and Basavan Bagewadi taluk’s from Bijapur district and Gulbarga and Chincholli taluk’s from Gulbarga district. In Bijapur district the NGO SABALA is more active in both Bijapur and Basavan Bagewadi taluk’s compared to other taluks. This is the reason for taking into consideration in selecting these two taluks from Bijapur district.

However one more NGO called MYRADA is working in Gulbarga district active in both Gulbarga and Chincholli taluks. Hence, these two taluks were selected for the present study.

1.7.2.2. Selection of NGOs

There are totally 273 NGOs have been working in Bijapur and Gulbarga district. Among them 32 NGOs are working in Bijapur district, out of them 10 NGOs are operating in rural area for the development and formation of SHG. While 41 NGOs have been working in Gulbarga district out of them 15 NGOs were operating for rural development and formation SHGs.

The information related to these NGO’s were collected such as year of establishment, registration of NGO, resources allocation, technical staff, involvement, collaboration with other agencies, number of rural development programmes carried out, extenuations of coverage in terms of villages and beneficiaries etc.,. Analyses of the NGOs have been made on the basis of the above mentioned criteria’s. Accordingly, one NGO called SABALA from Bijapur district and
MYRADA from Gulbarga district were selected for the purpose of research study.

1.7.3. Selection of Households/Sampling Procedure

The intensive of study which cover eight villages out of four taluks, where the concentrations of SHGs household members are very high. The Table 1.1 provides the details of about selection procedure of the respondents from different villages of two districts.

The study covers a total of 300 respondent women members of the Self Help Groups in Bijapur and Gulbarga districts. The 150 women respondents SHGs sponsored by NGOs and another 150 women respondents SHGs sponsored by GO agencies. The women respondents were selected from four villages of Bijapur district – Mahal and Minchanal from Bijapur taluk and Kolhar and Ronihal from B. Bagewadi taluk. Further, 20 respondents of both NGOs and GO SHGs were selected from Mahal village and 15 respondents from each of NGO and GO SHGs from Minchanal village were selected for personal interactions. Similarly, 25 respondents each from SHGs from Kolhar (NGO and GO) and 15 from Ronihal were selected from Basavana Bagewadi taluk. Likewise 50 respondents from Kamalapur 25 each from NGO and GO SHGs and 30 from Navadagi 15 each of NGO and GO SHGs were selected from Gulbarga taluk. Further, 40 respondents from Ratkal 20 each from NGO and GO SHGs and 30 respondents from Kodle village 15 each from NGO and GO SHGs were selected from Chincholli taluk. The selection of respondent women member of SHGs was made on random sampling basis.
### Table 1.1
Selection Procedure for the Respondents

<table>
<thead>
<tr>
<th>Type of SHGs</th>
<th>Bijapur District</th>
<th>Gulbarga District</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td>NGOs SHGs</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Mahal</td>
<td>20</td>
<td>25</td>
<td>40</td>
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<tr>
<td>Minchanal</td>
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<td>15</td>
<td>30</td>
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<td>Kolhar</td>
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<td>50</td>
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<tr>
<td>Ronihal</td>
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<td>15</td>
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<td>Kamalapur</td>
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<td>50</td>
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<tr>
<td>Navadagi</td>
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<td>15</td>
<td>30</td>
</tr>
<tr>
<td>Ratkal</td>
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<td>40</td>
</tr>
<tr>
<td>Kodle</td>
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<td>15</td>
<td>30</td>
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<tr>
<td>GO SHGs</td>
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</tr>
<tr>
<td>Mahal</td>
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<tr>
<td>Minchanal</td>
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<tr>
<td>Kodle</td>
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<td>15</td>
<td>30</td>
</tr>
<tr>
<td>Total</td>
<td>40</td>
<td>50</td>
<td>90</td>
</tr>
</tbody>
</table>

Source: Field Survey

### 1.7.4. Tools of Data Analysis

The data collected were analyzed with through simple percentage and average basis. The simple percentage has been adopted to test the hypothesis in order to examine the impact of micro credit on occupational shift and income, saving were estimated.

### 1.8. Importance of the Study

The issues of women’s empowerment rights have been brought to the forefront during the last few decades. One of the issues that have emerged from the debates on these issues is the access of women to productive resources such as needs of credit for the poor rural women. They require small intermittent loans at their doorstep with minimum formalities for both consumption and income generation. It is found that in conventional economics credit delivery, the institutions have mostly catered to the requirement of land owners and the privileged. It is based on security, collateral and property rights to which women do not have access.

Self help groups of women have been found effective at two broad levels; one to ensure delivery of credit to poor rural women as and when they require and two, to use credit as an entry point and an instrument to operationalise other aspects of group solidarity and management leading to empowerment of women. Self help groups
have now been viewed as dependable vehicles for the delivery of rural credit. This is mainly from the perspective of cost effectiveness and higher repayments. Low transaction costs, transparency and flexibility of the delivery system appear to be decisive factors for financial institutions to work in partnership with the hither to “untouchable poor-credit-risks”- the poor women. SHGs are obviously the means for empowerment of women. SHGs have been promoted both by NGOs and GO. These groups initially draw on their own accumulated savings to provide loans to their members and later link with formal credit system to access funds overcoming the limitations of their own resources. SHGs provide a forum as basis and to discuss various issues or concerns that the members face in their day-today life. Thus gradually the groups (SHGs) tend to take on a much wider social role.

Women-led SHGs in many parts of the country have achieved success in bringing women to the mainstream of decision making. SHGs have also a viable set up to disburse micro-credit to the rural women and encourage them to enter into entrepreneurial activities. Various studies have found on increased awareness among SHG women on literacy and continuing education, sanitation and healthcare, more freedom in mobility inside and outside the village, financial and service support for self employment etc.

The present study assumes importance in view of the important role played by women SHGs in socio-economic empowerment of women. The role played by both NGOs and the GO agencies in promoting SHGs is also significant for women empowerment. They have been successful in mobilizing the less privileged and disadvantaged sections of the society especially the poor women by forming the Self Help Groups.

1.9. Scope and Limitations of the Study

The present study is limited to some areas of Bijapur and Gulbarga Districts. These districts have been purposefully selected
based on its rural nature and the spread of SHGs of women. Further, capacity and skill development programmes for women have been conducted in these districts to a considerable extent. Moreover, these two districts are inhabited by different socially and economically backward categories of people like rural, urban, SC., ST., and OBC.’s. Hence, these two districts were selected for the study.

Much concentration has been kept on understanding the basic issues of the study to obtain awareness comprehensively and has designed the study to fulfill the objectives and effort has been made to analyze elaborately but if, it is found beyond the capacity of the researcher to acquire certain requirements. Hence, the present study has been made within the following limitations.

(1) The study is limited to women members of the self-help groups.

(2) The study is confined to only 8 villages of four taluks from two districts.

(3) The data/samples are very specific and related to women members and their activities only. For this, schedule has been framed to obtain data.

(4) The SHGs established minimum three years back were only interviewed for the purpose of data collection.

1.10. Organization of the Study

To present the research problem in an elaborated manner and with comprehensive outlook, besides taking into consideration, the nature of the study, the volume of review of literature and the data collected from primary as well as secondary sources, the study has been organized into eight chapters.

First chapter introduces the problem and explains about the methodology employed in the study includes objectives, need for the
study, its significance, scope and limitations of the study as well of the organization of the study. Second chapter gives a brief review of literature on Self Help Groups and Empowerment of women in India in general and Karnataka in particular. Third chapter deals with theoretical background of women empowerment, growth rate of women population and non-GO organizations (NGOs), micro credit models and the performance of bank-linkage programme were analyzed. Chapter fourth illustrates about the profile of the study area and also the background of the selected NGOs such as SABALA and MYRADA in Bijapur and Gulbarga districts respectively.

Chapters 5 describe the patterns of savings and micro-credit investment by different NGO SHGs and GO SHGs, social groups and their activities were analyzed. Poverty alleviation through micro-credit programme focusing on livelihood, income and incidence of poverty (direct benefits) was discussed in chapter 6. The indirect benefits of micro credit programme of SHGs focusing on living standard (housing security and household assets), social mobility, involving SHG members in major decision makings, and empowerment or capacity to protest injustice and discriminations were presented in the 7th Chapter. This final chapter represents the summary of the important findings and a policy implication was provided.