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### RESEARCH ARTICLE

#### MICRO FINANCE THROUGH WOMEN SELF-HELP GROUPS

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#### Abstract

Self-help groups also known as mutual help, mutual aid, or support groups, or groups of people who provide mutual support for each other. In a self-help group, the members share a common problem, often a common disease or addiction. Their mutual goal is to help each other to deal with, if possible to heal or to recover from, this problem. In traditional society, family and friends provided social support. In modern industrial society, however, family and community ties are often disrupted due to mobility and other social changes. Thus, people often choose to join with others who share mutual interests and concerns.

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#### Introduction:-

Self Help Group is a homogeneous group of micro entrepreneurs with affinity among themselves, voluntarily formed to save whatever amount they can conveniently save out of their earnings and mutually agree to contribute to a common fund of the group from which small loans are given to the members for meeting their productive and emergent credit needs at such rate of interest, period of loan and other terms as the group may decide.

The overall development of a nation is closely depends on the development of the rural economy. During the last few decades it has been seen that due to the vicious cycle of poverty these overall development cannot be achieved. Poverty is a term with which many developing countries are suffering. In India, most of the people lives in the rural areas are below the poverty line and finance to these indigenous peoples is considered as important issues for the Government of India. There are still around 200 million people in rural areas that live below the poverty line and for whom banking access is still not a reality. The financial assistant is one of the basic needs of the poorer section of the society for socioeconomic development. Microfinance to Self Help Groups (SHGs) may be considered as a vital option for meeting the financial needs of those poorer sections of the society. Microfinance is the form of financial development that has its primary aim to alleviate the poverty The SHG is an informal organization of persons from the homogeneous poor section of the society and it is controlled and managed by the members itself. It is an association of 10 to 20 local individual members who are financially weak and from the same socio-economic backgrounds. These groups start with saving and not with credit; the group then uses its savings to give loans to members to meet their emergency and other needs. The members decide on savings per members, maximum size of loans, guarantee mechanisms etc

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### Problem Of The Study

Formation of Self Help Groups is a path breaking initiative that can transform the lives of millions of poor Indians. However, the government should concentrate of regulating the formation process to ensure better financial viability within the group

In our country, usually the poor people in time of their emergency run to the door of the landlords and money lenders to full fill their credit needs and this comes usually at a very high interest. In India, it is too difficult to find a financial institution to meet such requirements.

To meet the emergency need the Self Help Groups (SHG) evolved. Members of the SHGs started savings as the prime work and this savings of the members opened the way for different income generating activities. In no time SHGs flourished in the development sector as a major tool for bringing economic development of the poor people particularly among the women folk.

### Objectives Of The Study:-

The main objectives of the case study are to-

1. To study the socio-economic background of respondents
2. To study the impact of SHGs on the respondents.
3. To study the benefits received by the respondents through various income generating activities.
4. To study the various problems faced by the SHG members in the study area.

### Research Methodology:-

The paper was made an attempt to make a study on the socio-economic development of the rural people through Microfinance and Self-Help-Groups in Mandya and Mysore district of Karnataka . For the purpose of the present study both the primary and secondary data have been used. The primary data were collected from field survey through filled in questionnaire and direct interview method. The secondary data were collected from different journals, books, relevant documents, news papers and magazines, records of Non-Governmental Organizations (NGOs), Institute of Co-operative Management (ICM) etc. After careful examination, it was decided to follow three stage sampling. At the first stage, out of the three development blocks in Mandya District and two development blocks in Mysore district, have been selected. Secondly, ten SHGs were randomly selected from each of the sample development blocks. At the third stage, from each sample SHGs five members were randomly selected. Thus 100(5x5x4=100) respondents were selected for the purpose of the present study. For analyzing the data, tools, like percentages, simple average, have been used.

### Analysis And Interpretations

In this section primary data collected from the field survey was analyzed and necessary interpretations were made keeping in mind the objectives of the paper.

**Table 1:-** Age of Respondents.

Description	Variables & categories	Frequently	Percentage
Age	a. Young age (18 to 30years)	28	28%
	b. Middle age (31 to 5years )	61	61%
	c. Old age ( above 50 years )	11	11%
	Total	100	100%

Source: Field Study

Table-1 shows the basic information regarding the sample respondents. Out of 100 respondents it has been observed that majority of the respondents 61%percent were middle aged, while 34% percent were young and remaining 11% percent were old aged. . The table highlights middle age persons are more interested to have about self help groups the age is one of the important factors. Middle age is the prefer to self groups and social-economics.

**Table 2:-** Education status.

Respondents	Description	No. of Respondents	Percentage
Education	a. Illiterate	9	9%

In %	b. Illiterate Functionally	18	18%
	c. Primary school	10	10%
	d. Middle school	12	12%
	e. High school	15	15%
	f. College education (PUC and above)	36	36%
	<b>Total</b>	<b>100</b>	<b>100%</b>

Source: Field Study

Table-2 shows the basic information regarding the sample respondents 100 respondents. Education level of the respondents showed that 18% of them were functionally literate, 15% had received high school education, 10% of the respondents had education up to primary school, 12% received middle school education, and 9% were illiterate and only 36% of them received college level education.

**Table 3:-** Marital status.

Marital status		No. of Respondents	Percentage %
	Unmarried	19	19%
	Married	68	68%
	Widow	13	13%
	Total	100	100%

Source: Field Study

Table -3 shows the marital status of respondents indicated that majority i.e.68% of the respondents was married, 19 per cent of the respondents were unmarried and 13% were reported as widows.

**Table 4:-** Income levels.

Income of the family		No. of Respondents	Percentage %
	Low income	17	17%
	Semi medium	23	23%
	Medium	31	31%
	High income	29	29%
	Total	100	100%

Source: Field Study

Table-4 shows the respondents indicated 9 that 29% of them belonged to high income category, followed by respondents belonging to semi-medium income category 23%, medium income category 31% and only 17% of them belonged to low income category.

### Findings

Following are the findings of the study:

1. From the study it has been found that after joining the SHGs the poor people particularly the women have not only increase their income but also improve their living standard by performing various economic activities independently.
2. The result of the data analysis revealed that the SHGs have been playing an important role in social-economic development and performing their savings and credit functions with the help of Rural Financial Institutions.
3. Research limitations/implications- Since respondents have been in a tight work and the majority of the respondents' educational background is low creates some negligence in filling the questionnaire. Therefore, these conditions might affect the quality of the paper to some extents

### Suggestions:-

The following recommendations are made based on the study:

1. Based on the present study the following suggestions have been made for future line of work.

2. Special training programme should be provided regarding the proper accounts keeping and accounting experts should be invited as a resource person so that the beneficiaries can enhance their accounting knowledge and maintain their cash book and other necessary books of accounts accurately.
3. For better functioning of the groups women should be properly educated and periodical training at regular intervals may be made and also a study on the respective field may be conducted to outcome the findings.
4. The study was conducted in only two rural district of Karnataka with reference to socioeconomic development through microfinance, it is necessary to have studies in other areas also in order to generalize the findings.

**Conclusion:-**

I conclude about this case study the Finance is an element which everyone needs. Regular and immediate finance can play an important role for development of socio-economic conditions of the people particularly the rural poor. Microfinance is expected to play a significant role in poverty alleviation and rural development particularly the rural women. The potential for growing micro finance institutions in India is very high. Major cross-section can have been benefited if this sector will grow in its fastest pace. From the analysis of data it can be concluded that numbers of members have started savings only after joining the groups while majority of the members have no savings in the pre-SHG era. After joining the groups most of the members solved their problems alone.

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