

Socio-Economic Security of Women Through Micro Finance – A Case Study of Mysore District

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Introduction

The poverty in India has a strong gender dimension. In order to develop and empower women, the government has been formulating policies and programmes, which have been operationalised through five year plans since independence. A review of the policies and programmes is undertaken during and at the end of each plan period while preparing plan documents. Such a constant review, based on evaluation and studies conducted on government initiated women development and empowerment programmes, and the successful programmes of civil society organisations within and outside the country, together with politico mobilization of women.

Micro finance programmes are expected to make a significant contribution to poverty alleviation and empower the members in economic, social and political spheres. These programmes are also expected to become increasingly self-reliant and independent of donor funds.

Recent studies, however, question this enthusiasm. While one group of studies argues that micro-finance has very beneficial social and economic impact, others caution against such optimism. Other studies suggest that beneficial impact of micro-finance programmes; but argue that micro-finance does not assist the poorest thus questioning the ability of the programmes in targeting the poor, the sustaining of the services provided and the ability of the programmes to reduce poverty. The studies also note that there are only limited data on the impact of NGO programmes on poverty and that NGOs comparative advantage over other service agencies needs to be investigated rather than assumed. Thus, it appears that micro-finance programmes have not always succeeded in their objectives of sustainable poverty alleviation and empowerment.

With this background, the study seeks to examine the functioning of microfinance programmes, and

analyze economic benefits (improvement in livelihoods and access to resources) and social benefits (improvement in knowledge and participation) of the selected micro-finance on members in the specific context of NGO programmes in Mysore district. The study also looks at the lessons from the selected micro finance programmes, and examines the likely pointers on what could be the possible trends in economic and social benefits. The policy suggestions have been provided at the end.

Objectives of the Study

The main focus of the study is to examine the role of micro finance and its impact on socio-economic development of beneficiaries from Self-help Groups and Non Government Organizations. The specific objectives of the study are as follows;

1. To evaluate the extent of influence and support of micro finance institutions in implementing microfinance programmes for upliftment of women.
2. To examine the employment activities of Self-Help Groups under micro credit programmes in the study area.
3. To study the role of Self-Help Groups in socio-economic empowerment of women in Mysore district.
4. To evaluate the problems being faced by the SHGs in imp-

lementing the micro-credit programmes

5. To suggest appropriate policy measures based on the findings, which emerge from the proposed study.

Methodology of the Study

The present study is an empirical investigation based on sample beneficiaries of microfinance institutions in Mysore district of Karnataka. The present study is based on both secondary and primary data and a systematic random sampling method has been adopted for survey. The primary data has been collected from Mysore district. The sample size comprised of 186 beneficiaries from microfinance activities in the Mysore district of Karnataka State. The present study has selected two taluks in the district for the purpose of primary data collection.

Results and Discussion

Here we have made an attempt to analyse the role of NGOs like Jyothi, MRD (MYRADA) and CDS (Community Development Society) in Mysore district of Karnataka State in catering the needs of the women. These three non-governmental institutions actively Participated in improving the livelihood security of women through self help groups in Mysore district

Socio-economic profile of the selected members

In this part the demographic, socio-economic and other characteristics of the selected members are presented. Table - 4 gives the group-wise age composition of the selected members. It is seen that 62 percent of the selected members were in the age group of 30-45 years, which is considered to be the most productive period in a person's life. The proportions of members in the age group of less than 30 years and those than 45 years were 19 each.

Table-1
Agency-wise distribution of members by age group

Age	MRD	CDS	Jyothi	All class
Less than 30 years	6(17)	12(23)	17(17)	35(19)
35-45 years	22(63)	33(62)	61(63)	116(62)
Above 45 years	35(100)	53(100)	98(100)	186(100)
Total	35(100) —a	53(100)	98(100)	186(100)

Source: Field survey Figure it brackets as percentages.

As per the Census Report 2001, the average family size to the district is 6.49. During the field survey we have observed that majority of the Muslim families were having more than three children.

Table – 2
Agency-wise distribution of members by family size

Family size	MRD	CDS	Jyothi	All class
Less than	7(20)	19(19)	18(19)	35(19)
3 to 5	23(66)	32(60)	60(61)	115(62)
Above 5	5(14)	11(21)	20(20)	36(19)
Total	35(100)	53(100)	98(100)	186(100)

Source: Field survey, Figures in brackets is percentage.

However, among the selected members 62 percent were having a family size between 3 and 5 members and 19 percent more than 5 members in the family. Table – 3 shows that all agencies had a fair representation of all the religious groups. It is found that in Jyothi Christians formed more than two-fifths may be due to the fact that SHGs of Jyothi were formed by reorganizing the credit Union, which and existed earlier.

Again, there is a general feeling that though membership is open to all, the members are mostly Christians and that built of the benefits in this agency go to them MRD groups concentrated mainly in Muslim areas have about 43 percent of the selected members belonging to the community.

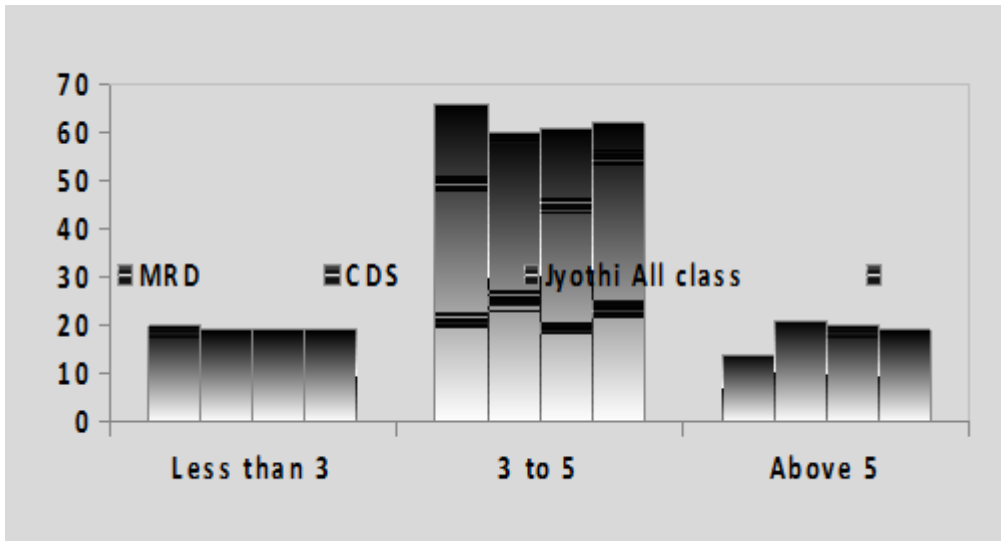


Table - 3
Agency wise distribution of members by religion

Religion	MRD	CDS	Jyothi	All class
Hinduism	12(34)	17(32)	27(28)	56(30)
Christianity	8(23)	17(32)	40(41)	65(35)
Islam	15(43)	19(36)	31(31)	65(35)
Total	35(100)	53(100)	98(100)	186(100)

Source: Field survey Figures in brackets are percentages.

Since SHG is conceptually targeted to weaker sections. It would, be interesting to look at the social status of the selected members. In general, SC/ST families constitute the most variable and economically the most backward among the different communities, SC/ST representation was comparatively high in CDS and

in the selected MRD groups. However in MRD and CDS, the majority (53 percent) belonged to the category of OBCs (Other Backward communities) in Jyothi, 60 percent of the members belonged to the general category belonging to the forward status of the society.

Table – 4 shows that the members of Jyothi groups were more educated than the members of other groups. Forty-four percent of them had qualifications of SSLC or above. In CDS and MRD, the majority of the selected members (47 percent and 35 percent respectively) were found to have only primary education. Illiterates formed time percent of the membership in the CDS groups. Interestingly in almost all the groups, women were found to be better educated than their husbands.

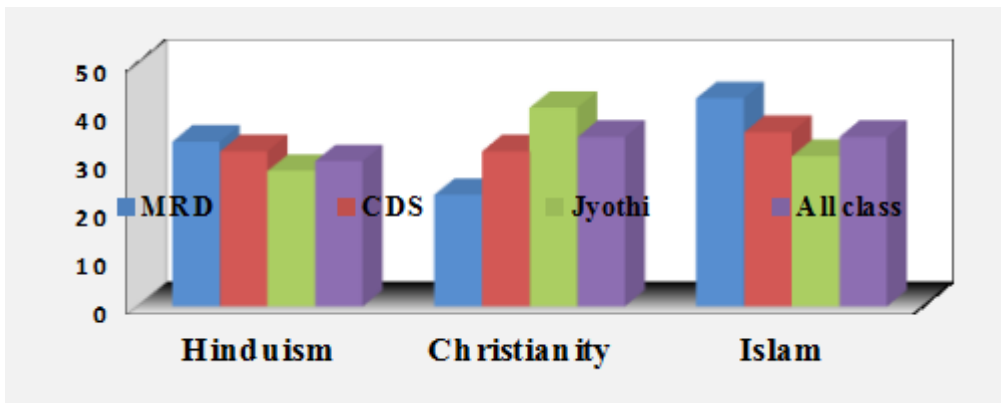


Table - 4
Distribution of members by social status

Caste	MRD	CDS	Jyothi	All class
SC/ST	-	6(11)	2(2)	8(4)
General	16(46)	19(36)	59(60)	94(51)
OBC	19(54)	28(53)	37(38)	84(45)
Total	35(100)	53(100)	98(100)	186(100)

Source: Field survey figures are brackets are percentage.

Most of the members were found to be either agricultural laborers or self-employed workers seventeen percent of the members had their own small-scale units, run on self-employment basis engaged in non-agricultural activities (Table-8)

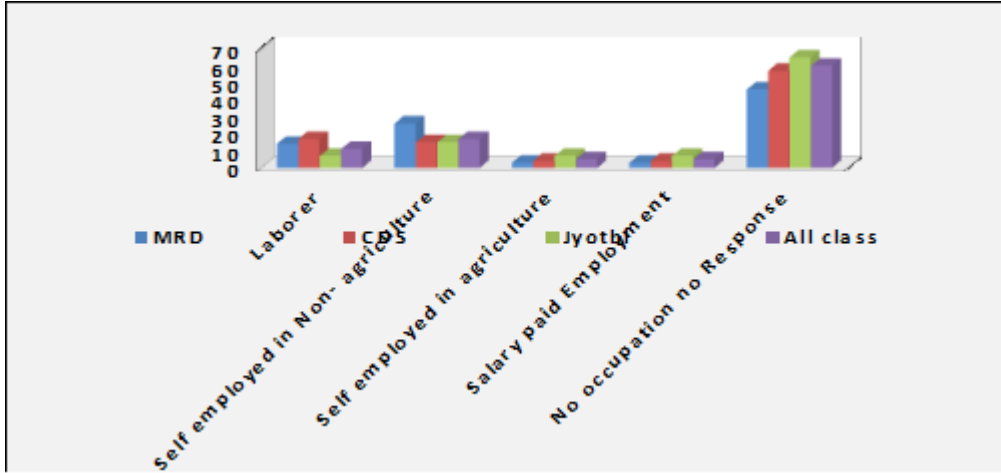
In Jyothi 65 percent of the members remained unemployed, while the corresponding figure in MRD was only 46 percent. Two-fifties of the members in CDS groups had some occupation or other,

through the returns from them were not up to their expectations. It may be noted that despite the fact that ample funds are available for economic activities. It may be noted that despite the fact that sample funds are available for economic activities 60 percent of the total sample was still not having any occupation.

Table - 5
Group-wise activity status of beneficiaries

Activity status	MRD	CDS	Jyothi	All class
Laborer	5(14)	9(17)	7(7)	21(11)
Self employed in Non-agriculture	9(26)	8(15)	15(15)	32(17)
Self employed in agriculture	1(3)	2(4)	7(7)	10(5)
Salary paid Employment	1(3)	1(4)	7(7)	10(5)
No occupation no Response	16(46)	30(57)	64(65)	110(60)
Total	35(100)	53(100)	98(100)	186(100)

Source: Field survey Figures in brackets are percentages.



The major source of income of those households came from the work of the male members, husband, father or others. Table - 6 shown that 62 percent of the members feature of the members of the CDS groups is that for 16 percent among them, spouses had either deceased or were non-working.

Table-6 Activity Status

Activity status	MRD	CDS	Jyothi	All class
Laborer Mason/others	22(63)	16(60)	58(50)	116(62)
Petty shop	3(9)	1(2)	8(8)	12(6)
Gulf employee	1(3)	-	7(7)	8(4)
Self employee, Govt. employee	3(9)	2(4)	15(16)	20(11)
No employment widow	6(17)	14(26)	10(10)	30(16)
Total	35(100)	53(100)	98(100)	186(100)

Source: Field survey Figures in brackets are percentages.

The share of the employment and the employed together in Jyothi formed 23 percent) which shows that these members had not come inevitably from the 'poor' families, as per the accepted definition of poverty.

**Table-7
Distribution of members by
monthly family Income**

Monthly Income	MRD	CDS	Jyothi	All class
Less than Rs.2000	3(9)	14(26)	10(10)	27(15)
Rs.2000- 4000	23(66)	20(38)	46(47)	89(49)
Rs.4000- 6000	8(23)	18(34)	26(27)	52(28)
Above 6000	1(3)	1(2)	16(16)	18(10)
Total	35(100)	53(100)	98(100)	186(100)

Source: Field survey Figures in brackets are percentages.

A family with monthly income of above Rs.1500 is treated as a family belonging in the above poverty line (APL) We could find that only a very few members come under • this category. Table - 10 shows that in CDS 26 percent of the selected sample members reported their monthly family income as below Rs.2000. In the other two, the corresponding proportions were much lower. Thus the CDS groups catered to the seeds of the poor to a larger extent than the other groups.

In Jyothi 43 percent of the members were having more than Rs.4000 as family income of them. 16 percent reported incomes more than Rs.6000. These higher income families had their numbers engaged in several occupations -compactors, auto-drivers, teachers, clerks at tenders in government offices newspaper agents and LIC agents. The sons of a few old members were reportedly working to Gulf countries or were well-employed in India. Only 15 percent of the total members in the sample reported their family Income as less than Rs 2000. Thus it may be inferred that the SHGs have either improved of the economic conditions of a fairly good number of BPL families of that the members of SHGs were drawn also from families belonging to the APL category.

Impact of Self Help Group Movement on Women's Social and Economic Status

The membership to a SHG has contributed to significant changes in the lives of women. This was revealed by focus group interactions and field visits in the six towns undertaken for this study. Most of the groups visited could be assessed as successful in social and economic terms. Less than 5% of the SHGs formed under the program can be said to be defunct. Forty percent of the urban poor were covered by KUIDPS's SHGs in the short period that the project was active. The impacts can be looked at as those bringing in economic changes, impact on the social status and political impacts, and the impact of SHGs on the community.

Impact on Economic Status

Increased Entrepreneurial Skills

KUIDP convened a number of Entrepreneurship Development programs for SHG. Members which facilitated the learning of generic skills such as book keeping. This has allowed women to change from being wage workers to being self employed. Women also have gained the option to pursue two or three petty businesses, change from one type of business to another, combine wage employment with small business.

Increased Access to Credit

The micro credit facility of the SHG has encouraged women to save. They are at ease in their minds as they can avail money when they need, without having to pay any collateral. The most important effect has been the escape from the clutches of the money lenders. Pledging on jewellery has also reduced. The interest on loans has reduced from 120% per annum to 24%. They can request for adjustment in the duration of repayment.

Establishment of Businesses

At least half of the members (15-18-generally) have taken a loan from their SHG to micro-enterprise managed either by the women or by their families. There is an endless list of businesses established in this way, based on small credits of Rs.500 to sell flowers, vegetables and fruits, up to Rs.5,000 to establish petty shops and hotels, food grains, manufacture and sale of processed food products would need investments amounts varying between Rs.5,000 many women see housekeeping and child rearing along with earning for the family.

While vesting SHGs, the study found many examples that showed that the women who invested in businesses through their SHGs are better off. One woman visited, Radha,

a member of Annapurna SHGs at Mysore taluk had a save (traditional fabric worn by Indian women) business. At every purchase, she invested Rs.5,000 which made a profit of Rs. 1,300. The advantage in this is her be up with the traders of Mysore who were willing to take back the unsold fabric if any.

Woman now also have the opportunity to change from one income generating activity to another-suguna of Bogadi SHG began with the sale of flowers but changed to selling of clothes which she found more remunerative. Many women gave benefited from the skill training programs and the entrepreneurship. The increase in income has allowed poor women to be able to prioritize their requirements and fulfill these. The general trend is to Invest in business only after these have been fulfilled. A first priority is to educate the children. Women furthermore spent monies for health purposes, for house repairs and to purchase kitchen utensils. Some also cleared earlier loans that they otherwise would have to take with high interest rates. Many shifted from a rented house to a house on lease. It is only later that women also invest in purchase of consumption goods like televisions, telephones, and house sites.

Changes in Consumption Patterns

Food items were purchased once a week or once a month, as and when wages were received was done. This saved not only the time spent but also saved on amounts as bulk/wholesale purchases are priced, lower than retail purchases and ensure better quality. There is a noticeable change in the consumption pattern and better household nutrition. The financial mobility due to participation in the SHG has led to an improvement in the quality of life, according to some of the successful groups. Overall, many families were able to address their basic needs better than before.

Major Findings

1. SHGs have potentiality to tackle the poverty and they can be an important weapon for poverty alleviation in Mysore district.
2. The study shows that there is an increase in the level of income and assets of the rural women of SHGs and reduction in the level of poverty as a result of intervention of micro finance by SHGs.
3. The net impact of borrowing on income is positive not only in case of all the borrowers but also in case of the poorest borrowers, showing the better outreach of the bank linkage programme. However, certain short comings are observed. Though there is positive impact on poverty, the process of empowerment is poor. Since these SHGs are women groups, the lower empowerment can lead to the failure of the programme in the long run.
4. It was observed that majority of women loaners belonging to economically weaker sections of society, did not know the terms and conditions of bank loan including rate of interest, schedule of repayment and magnitude of instalments. But it is very interesting to note that majority of the women of SHGs know about the opening up of savings bank account.
5. The main finding of the study is that Women Empowerment Programmes have made on outstanding impact on the women beneficiaries to undertake economic activities in Mysore District. The spread of bank offices has been spectacular and Women Empowerment Programmes have shown phenomenal growth during the reference period.
6. Self Help Groups has reached rural and urban areas of Mysore District satisfactorily and they helped them to livelihood security.
7. In Mysore district SHGs are forming in and around the taluks

and mandal head quarters with a radius of 5 km.

8. The study indicates that the women 'who are involving themselves in economic activities and are able to earn independently are taking independent decisions in panchayat raj institutions.

Policy Implications

1. The Governments both at the Centre and the State can think of the possibilities of implementing some of the subsidy / margin oriented schemes through the SHGs so that recovery performance and end utilization can be ensured besides reducing the transaction costs. Need is felt to arrange entrepreneurship development programmes for the members of the SHGs who are graduating themselves beyond consumptive credit to the production / investment credit. It could be specific skill oriented training.
2. In order to cover more and more weaker sections under this useful and effective rural development approach, it is required on the part of the government to implement as many development programmes as possible through the SHGs so that twin objectives like better utilization of the scheme and coverage of weaker sections can be achieved. Also, Government could earmark a part of the funds spent on providing sub-

sidies under government- sponsored programmes for the formation of Self-Help Groups and providing useful incentives to SHG activity.

3. There is a need to introduce incentives for increasing the thrift activity among the poor. While some of the selected few groups among the government promoted groups get incentives in the form of revolving fund assistance, a large number of groups promoted by NGOs and banks need to get incentives. In view of this, incentives to these groups also may be provided through the banks where the accounts of the groups are maintained in order to increase their savings propensity. This also increases the proportionate credit dispensation to the rural poor through these groups.

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