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INTENSIFICATION OF SHG MEMBER'S THROUGH REGIONAL RURAL BANK - A CASE STUDY OF HASSAN DISTRICT, KARNATAKA.

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ABSTRACT

Rural natives, especially women who ensue below poverty line, are facing several constraints such as infirmity and nescience, savings, unavailability of loan at precise time, financial crisis, unfaithful financial liaison, draught and inadequate accessibility on funds to undertake entrepreneurial activities. The above circumstance has led the dependents curve their attention towards informal financial agencies. As a remedy for the breach of contract, Self Help Group (SHG) movement has brought couple of changes in unorganized women community to access convinced and flexible formal financial services of microfinance movement. The purpose of this study is to determine the changes experienced by women after joining SHG and to explore the degree of successful operation of SHGs in Hassan District. The present study is a quantitative study, based on Primary and Secondary sources of data. The Primary Data has been obtained by using of questionnaire and informal interview, followed by the Secondary data which is compiled through published Sources. The software 'SPSS' is used for the analysis of data. The study reveals that there is unwillingness on woeful habits, decline in the percentage of migration to urban area, reduction in transaction with money lenders, improvements in leadership skills, writing and speaking abilities, awareness on social welfare and improvement in lifestyle are the positive changes resulted in the rural women and these are positively correlated to SHG functioning. Decision making skills, unable to maintain the accounts, banking relations, lack of confidence to look after government communications is inexperienced among SHG members. Good leadership, collective bargain, meetings and involvement of members are the main reasons for successful operation of SHG.

KEYWORDS: *Microfinance, Self Help Groups, Women Empowerment, Role of RRB in Promotion of SHGs.*

INTRODUCTION

Relatively poor literacy and fragile health tend to keep women unaware of their entitlements in the provision of various Govt. Policies, deter their interaction with bank officials and get loan and render them unable to take part in better paid activities requiring physical strength (Soumyendra Kishor Datta and Tanushree De, 2017). The restructuring,

decentralization of administration, financial power, people participation in planning and implementing of programs is possible through Self Help Groups (Devi, D. D. 2016).

One of the overriding approaches to women development and rural entrepreneurship is configuration of women SHG predominantly in rural areas. This tactic is functioning not only in India but

also transversely through the globe with the establishment of SHGs for financially annulled subdivision of the society competent enough to contact the recognized financial facility. SHG are the groups originated by the rural or sub-urban economically feeble citizens to empower them in their social and financial needs. SHGs persists the members to make a tiny savings out of their day by day income to meet the abrupt financial requirements of group members by contribution to internal savings and offer loan at a fixed percentage of interest for definite interval. Every Group formed by 15 to 20 voluntary and democratic people from common socio economic background.

The SHG and Bank linkage program seems to provide various positive impacts on the lives of rural women in the form of additional savings, improved confidence and personality, improved status in household and community among others (Ruchika Bammi 2014). When Government is more involved in the economy and specifically the banking sector, MFIs are likely to be able to reach sustainable levels (Peter Carbb 2008). Many agencies such as NGOs, Commercial Banks, Cooperative Banks, Regional Rural Banks and Non-Banking financial companies etc have been accredited to encourage SHGs in India. In the year 1991-92 NABARD took an appreciative movement of SHG linkage to banks with the intent to offer prescribed banking service to SHGs to act beside poverty. RRBs are supporting SHGs as per the NABARD guidelines with the intention of make group member Self reliant, Social-economical, Political and legal empowerment. RRBs are influential in Hassan District to encourage women in the creation and sustainability of SHGs, RRBs incorporating rural people into official banking system since 1976 Almost 70% of people are residing in rural areas. RRBs have turned out to be a conventional banking structure to amalgamate women and agricultural sector with banking sector with the help of branch expansion, Mergers, Credit, loans and advances, Recovery system.

REVIEW OF LITERATURE

Microfinance can facilitate to reduce the inequality and lead to a more equitable growth of the country it is feasible to rural as well as urban areas (Dr. Anoop Kumar Sing, 2015).The credit disbursed by RRBs is remarkable to rural areas through huge network and play vital role in the agricultural and rural development of India. RRBs playing crucial role in SHGs- Bank linkage programme (Sunil Kumar Das, Dr. Subhransubala Mohanty, Dr. Subhashree Panda, 2015).The track record of commercial MFIs is not good but also they have role to play they should not be banned or over regulated but should be properly regulated (Sharukh Tara, D. S. 2016). SHGs have developed banking habit among its members. Women are conducting regular meetings so it offers a platform

to resolve their problem. Leadership and capacity building programs brought confidence among group members (Dr. Joana William Tuscano 2015). There is increase in social awareness and participation, savings habits, income level, self-employment, asset creation, repayment of other debts,improvement in decision making skills and improved nutrition level at their household (Prof. Nandini R & Prof. Sudha N 2014).

STATEMENT OF THE PROBLEM

Financial Literacy is seen as one of the remedies that alleviate the poor by helping those understanding finances better. Microfinance training itself is an amorphous concept whose meaning varies depending upon the context and the level of development of countries so is this the magic wand which governments are searching for? (N.V. Vijaykumar & Gajendra J. Naidu, 2018). The present study entitled on Intensification of SHG Members through Regional Rural Bank - A Case Study of Hassan District, Karnataka is undertaken to identify the major changes experienced by SHG women after the RRB linkage, and to excavate the hidden reasons of the successful operation on SHG in Hassan district, made to carry out research because still women in rural area of Malnad and Semi Malnad region is financially vulnerable section of the humanity. Analysis of service presented by micro finance institution i.e. RRBs has become significant for Academicians, beneficiaries and Researchers for women empowerment and to examine members who are clever to identify changes after the linkage to RRBs and to understand what are the reasons for successful functioning of SHGs is prerequisite for policy makers. The present work carried out with convenience sampling of 50 SHG members in Hassan district, survey was conducted during May- August 2018.

OBJECTIVES OF THE STUDY

In order to accomplish the solution to the problem subsequent research objectives are advanced:

1. To determine the changes experienced by women after joining SHG in Hassan district, Karnataka.
2. To explore the degree of successful operation of SHGs in Hassan District.

RESEARCH METHODOLOGY

The present study is a quantitative study, based on Primary and Secondary sources of data. The Primary Data have been obtained by using of questionnaire and informal interview. To generate the analysis of the data, on a trail, the response of a leader and a member of all the chosen groups were considered. The group members were selected as per the convenience of the researcher from each taluk of Hassan district. The size of sampling is restricted to 50 SHG members. Secondary data was collected through published sources. SPSS software is used for the

analysis of data. The survey was conducted during April- July 2018 for collection of original data.

LIMITATIONS OF THE STUDY

The study was conducted considering the fact that the responses were given by the respondents are considered to be true to the best of their knowledge. In Malenadu, Semi Malenadu region, the standards in women education is not satisfactory; they failed to interpret some questions to the right context of the existing study. Study is restricted to data collected in Hassan district of Karnataka state.

RESULTS AND DISCUSSION

Demographic Profile of Respondents: The demographic profile of respondents, in terms of gender all respondents were female further 78% of respondents belong to nuclear family, 96% of respondents were married only 04% were single, in terms of occupation 54% of SHG members are homemakers 28% of respondents were agricultural labors. In terms of education 32% of group members have completed primary education and 22% of respondents were not having professional education and attained secondary education respectively. In terms of monthly savings 72% of respondent’s savings is less than 4,000 and 22% of respondents savings is in between 4,001 to 8,000 per month.

Table 1: Correlation matrix of Dependent and Independent

*. Correlation is significant at the 0.05 level (2-tailed).

**. Correlation is significant at the 0.01 level (2-tailed)

Variables	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1. Knowledge and Skill	1													
2. Savings	-.138	1												
3. Poverty	-.280*	-.280*	1											
4. Decision making skills	-.017	-.024	-.069	1										
5. Living standard	.013	.430**	-.515**	.293*	1									
6. Undesirable Habits	.028	.029	.071	-.070	.007	1								
7. Migration to Urban Areas	-.174	.137	.138	-.062	-.326*	.252	1							
8. Awareness on Social Welfare	.148	.129	.000	-.071	.299*	.141	.155	1						
9. Transaction with Money Lenders	-.271	-.143	.200	.103	.006	.139	.202	.162	1					
10. Can Maintain Accounts	.319*	-.027	-.352*	-.060	.016	.172	-.122	.203	-.155	1				
11. Doing banking transaction	.063	.694**	-.260	-.052	.226	.155	.220	-.132	-.362**	-.032	1			
12. Leadership Skills	-.096	.692**	-.194	-.044	.298*	-.052	.235	-.134	-.271	-.114	.811**	1		
13. Have confidence to go any Govt. Offices	.080	.072	-.414**	.024	-.065	-.034	-.096	-.167	-.027	.162	.203	-.089	1	
14. Changes in Writing and speaking skills	.187	.246	-.115	-.073	.013	-.118	-.031	-.307*	-.154	-.068	.513**	.436**	.364**	1

Dependent and Independent variables were measured by using three points scaling from Increased, No changes and Decreased. The variables have got the **Cranach’s alpha value of .086** and proved that the variables are reliable.

Table 01 reveals the outcome of Karl Pearson coefficient of correlation between the variables. The highest correlation is 0.811 at the significance level of 0.01 in between leadership skills and banking transaction, followed by 0.694 is between banking transaction and savings among the considered variables and the negative correlation of coefficient -.515 with Poverty and standard of leaving followed by Poverty and confidence to visit any government offices. The study reviles that improvement in Standard of living, decrease in Undesirable habits, decrease in the

percentage of migration to urban area, awareness on social welfare, decrease in transaction with money lenders, improvements in leadership skills, improvement in writing and speaking abilities are the positive changes examined by the women and these are positively correlated to SHG functioning. Savings, poverty, Decision making skills, still they are not able to maintain the accounts, banking, and lack of confidence to step into government offices are not experienced among SHG members.

Table: 02, KMO and Bartlett's Test^a

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.732
Approx. Chi-Square	311.308
Bartlett's Test of Sphericity Df	45
Sig.	.000

a. Based on correlations

Table No. 02, KMO test measures adequacy of sampling and calculate if sampling size is enough to do factor analysis or not. The output value of KMO and Bartlett’s test is 0.732 sample is acceptable to precede

and given the support for validity for factor analysis of data set and KMO and Bartlett's Test of significant is .000 so there is a significant difference between considered ten variables.

Table: 03, Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1. Good leadership	4.640	46.401	46.401	4.640	46.401	46.401
2. Meetings and collective decisions	1.858	18.579	64.980	1.858	18.579	64.980
3. Active involvement of members	.846	8.463	73.442			
4. Assistance and Promotion of KGB	.794	7.937	81.379			
5. Timely lending and borrowing	.683	6.834	88.213			
6. Proper maintenance of Accounts	.506	5.058	93.271			
7. Training and Development	.297	2.967	96.238			
8. Income generation activities	.167	1.666	97.904			
9. Availability of loan	.140	1.399	99.303			
10. Support of KGB	.070	.697	100.000			

Extraction Method: Principal Component Analysis.

Table No. 03, Total variance test suggested to reduce the variables from 10 to 02 components, there were 10 factors identified only 02 variables are having Eigenvalue more than one so we appeal to be retain only 02 components, the highest loading value for two variables is 64.98 and 46.4 respectively for meetings, collective bargaining and good leadership these are factor influencing more on the successful operation of SHG. Other variables having the value less than 01 in the components considered according to screen plot graphs from the second factor the line is going almost flat so the first two components have more significance for the successful operation of SHGs in the study area.

CONCLUSION

In Malenadu, Semi Malenadu region of Hassan district rural natives, especially women who ensue below poverty line, are facing several constraints such as infirmity and nescience, savings, unavailability of loan at precise time, financial crisis, unfaithful financial liaison, draught and inadequate accessibility on funds to undertake entrepreneurial activities. The above circumstance has led the dependents curve their attention towards informal financial agencies. SHG movement has brought some remarkable changes in unorganized women community by providing access to the various flexible financial services of microfinance. RRB is promoting SHGs exceptionally well in Hassan

district and SHGs notably improved debt repayment capacity every year. SHG members have experienced certain positive changes after joining SHGs. It emphasized member’s awareness, Knowledge, savings, soft skills, Decision making ability, etc. It is found that RRB is not paying attention towards training and development programs, income generation activities for SHGs. Therefore there is a strong need to give extra attention for the development of these elements. The study also recognized that the overall steps taken by the NABARD and RRB are really appreciative SHG members can expect a positive growth among them in near future.

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