



SOCIAL IMPACT OF SHG-BANK LINKAGE PROGRAMME ON THE MEMBERS-EMPIRICAL STUDY AT BANGALORE RURAL

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Abstract

The impact of Microfinance through SHG-Bank Linkage Programme on the socio conditions of SHG members. The important variables chosen for the impact study are awareness of banking, children's education and health care and role in decision making in family matters. The study covers 300 sample SHG members equally spread over among four taluks of Bangalore Rural District of Karnataka.

Key Words: *Microfinance or Self Help Group Bank Linkage Programme or Impact Study of SHGs.*

Introduction

The concept of Self Help Group (SHG) is developed from poverty initiatives. The 'Self Help Group' generally refers to the groups that involve people who have similar needs; and are operated on an informal and non-profit basis. Self-help group is a method of organizing the poor and the marginalized people to come together to solve their individual problems. The SHG collects the savings of its members and deposit it in the banks. In return they get easy access to loans with a small rate of interest to start their micro unit enterprise. Though the impetus for forming an SHG is economic, soon the members realize that the social benefits that they derive from the group membership are as important as financial benefits. SHGs by dint of intrinsic dynamics and the money, which accrue to members, offer members a chance to make decisions, gain power over local resources, and ultimately build confidence. This confidence is precisely the catalyst needed to move communities forward on social and economic platforms. Thousands of the poor and the marginalized population in India are building their lives, their families and their society through Self-help groups.

In this article an attempt is made to assess the impact of Microfinance programme i.e., SHG-Bank Linkage on the Social conditions of SHG members. The important variables chosen for the impact study are family financial crises, family internal disputes, awareness in different important aspects like banking knowledge, health & sanitation, family planning, income generating programmes and children's education. These variables have been analyzed taking community, and membership duration as the base, to know whether the SHG Bank linkage programme which is the most popular model of microfinance has really made an impact on improving the social conditions of SHG members.

For the purpose of study 300 SHG members (75 members each from 4 taluks of Bangalore Rural district and only women members) have been selected. A separate schedule has been administered for the collection of primary data from SHG members. The schedule covered the important aspects of social impact like decision making authority on few important household aspects before and after SHG membership, awareness on banking, health and education etc. The main objective of the study is to evaluate the impact of micro finance through SHG linkage programme on the socio conditions of SHG members.

Results and Discussions

Table 1, demographic details of the SHG members are shown in five dimensions- Age, Marital status, Religion, Community and Membership duration in SHG. 100 per cent of the sample SHG members are females since in the study region more than 94 per cent of SHGs have only women as the members. The average age of the SHG members is 36 years. 25 Percent of the study group are scheduled caste and around 39 percent are in the SHG since three to four years.

Table 1: Profile of SHG Members

S. No.	Dimension	Survey results	Percentage
1	Age group (in years)		
	a. Upto 30	78	26
	b. 30 to 40	125	41.7
	c. 40 to 50	79	26.3
	d. Above 50	18	6
	Sub total (a to d)	300	100
2	Marital status		
	a. unmarried	18	6

	b. married	267	89
	c. widowed	15	5
	Sub total (a to c)	300	100
3	Religion		
	a. Hindu	231	77
	b. Muslim	33	11
	c. Christian	36	12
	Sub total (a to c)	300	100
4	Community		
	a. ST	54	18
	b. SC	75	25
	c. OC	66	22
	d. BC	57	19
	e. MINORITY	48	16
	Sub total (a to e)	300	100
5	Membership duration in SHG		
	a. Up to 2 years	45	15
	b. 3 to 4 years	116	38.7
	c. 5 to 6 years	67	22.3
	d. 7 to 8 years	57	19
	e. Above 8 years	15	5
	Subtotal (a to e)	300	100

In table 2, first and second aspect show that there is a significant reduction in the family financial crises and family internal disputes after becoming SHG member. SHGs members opinioned that family financial crises has reduced and brought financial stability in the family and there is a reduction in family internal disputes and brought peace and harmony in the family. The opinion of SHG members on various dimensions of awareness like banking knowledge, health & sanitation, family planning, income generating programmes and common properties management are 3rd to 7th aspects in the table.

Knowledge of banking helps the members in knowing different beneficial schemes introduced by the Government and banking sector like priority sector lending, no frills accounts and thereby take advantage. 85 percent of members felt that their banking knowledge has increased after becoming SHG members irrespective of community category. Healthy body makes a healthy mind which in turn leads to healthy society. Therefore knowledge of health and sanitation is considered to be an important parameter. Knowledge of income generation and wealth management are the significant aspects which enhances the social status of any individual. It is clear from the table that 68 percent of the members expressed their knowledge on various income generating programmes, avenues and schemes has increased. It has also been observed in the study that the membership in SHG especially the extent of duration of membership has a positive impact on accumulation of knowledge on banking, health & sanitation, family planning and income generating programmes.

In a country like India where 49 percent of world's malnourished children live, a moment like SHG Bank Linkage programme is helping the BPL population to get proper nutrition. From the data presented in table 2, 8th aspect it is clear that 85 percent of members expressed that there is an improvement in the nutrition intake. As observed earlier there is a significant improvement in member's awareness and knowledge on various aspects. Consequently the members started showing interest in children's education and health care, the impact of which is clearly seen in table.

Table 2 : Impact of SHG Membership on Specific Social Factors

S. No	Impact Factor	Significantly Reduced	Reduced	No Change	Total
1	Impact of SHG membership on family financial crisis	112(37)	140(47)	48(16)	300(100)
2	Impact of SHG membership on family internal disputes	115(38)	131(44)	54(18)	300(100)
	Impact of SHG Bank loan on awareness	very good	Good	not much	
3	Banking knowledge	154(51)	101(34)	45(15)	300(100)
4	Knowledge on Health and sanitation	132(44)	105(35)	63(21)	300(100)

5	Knowledge on Family planning	126(42)	96(32)	75(25)	300(100)
6	Knowledge on Income generating programmes	117(39)	87(29)	96(32)	300(100)
7	Knowledge on Common properties management	85(28)	87(29)	128(43)	300(100)
		Significantly improved	Improved	No change	
8	Impact of SHG bank loan on nutrition	141(47)	114(38)	45(15)	300(100)
9	Impact of SHG bank loan on children's education	145(48)	77(26)	75(25)	300(100)
10	Impact of SHG bank loan on health care	129(43)	102(34)	69(23)	300(100)

Source: Field data

Note: Figures in the parentheses () is percentage

Table 3 depicts another significant parameter which indicates the social status of SHG members in their participation in decision making regarding the purpose of loan, household infrastructure, purchase of high value household articles, children's education and utilization of money.

Before becoming the member of SHG only 17 percent of the members used to involve in decisions regarding the purpose of loan, which has increased to 41 percent after becoming the member. The role of spouse has decreased from 61 percent to just 19 percent and the decision taken jointly has increased from 22 percent to 40 percent. The percentage of members involved in decision on household infrastructure before becoming the member was eight per cent which has increased to 18 percent after becoming the member. The role of spouse came down from 78 percent to 35 percent.

The percentage of members involvement of members in decisions regarding purchase of high end household articles has increased to 17 percent after becoming member compared to nine percent before membership and the role of spouse in these matters came down to 36 percent from 78 percent. Coming to children's education and control over the use of money the percentage of involvement of members in decision making has increased to 35 percent and 15 percent from 16 percent and 9 percent respectively. The role of spouse decreased to 19 percent and 25 percent in these matters as against 60 percent and 75 percent respectively before. On the whole the importance of women member has increased, their by improving their status in the family and in the society.

Table 3: Impact of SHG Membership on Decision Making

S. No	Impact Factor	Before Joining the SHG			After Joining the SHG			Total
		Women member	Spouse	Jointly	Women member	Spouse	Jointly	
1	Decision on the purpose of loan	51 (17)	184(61)	65(22)	123(41)	57(19)	120(40)	300(100)
2	Decisions regarding household infrastructure	24(8)	235(78)	41(14)	54(18)	105(35)	141(47)	300(100)
3	Decision on purchase of higher value household articles	27(9)	235(78)	38(13)	51(17)	108(36)	141(47)	300(100)
4	Decision on Children's education	49(16)	177(59)	71(24)	103(34)	57(19)	137(46)	300(100)
5	Decision on Control over the use of money	27(9)	226(75)	47(16)	45(15)	75(25)	180(60)	300(100)

Source: Field data

Note: Figures in the parentheses () is percentage

Conclusion

The results of the study show that after SHG membership there is an significant reduction in family financial crisis, family internal disputes and improved awareness in certain banking, education and health aspects. One noticeable observation after SHG membership is that in almost all the matters in the family are decided with the involvement of women. Overall, the study at Bangalore Rural district revealed that Self-help group Bank Linkage has succeeded to a great extent in empowering rural poor socially.

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