

Role of Banks in Financing Women Self Help Groups

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Abstract

The concept of self help group has been evolved for the rural and semi urban women to improve their living conditions. In India, this scheme is implemented with the help of NABARD as a main nodal agency in rural development. Commercial Banks, Regional Rural Banks and Co-operative banks play an important role in saving mobilization and financing to various activities of SHGs. The present paper is an attempt to study the growth of women SHGs, savings of women SHGs and loan disbursement to women SHGs. It also analyses the agency wise savings and loan disbursement of women SHGs in India. The study is based on secondary data and the time period of the study is 2007-08 to 2012-13. The data has been tabulated and analysed by using ratio analyses, percentage and compound growth rate (CGR). The study revealed that the woman SHGs forms a major share in the total SHGs in India. The growth rate of women SHGs is also higher than that of total SHGs, as regards number of saving account, saving amount and amount of loan disbursement.

Keywords: *Women Self Help Groups, Banks, Financing*

Introduction

In the early decades, the concept of women development was totally out of mind and their conditions was miserable. But with the changing scenario, the thinking of people has changed due to education, awareness and now, the problems of women are looked upon as the problems of social welfare and are considered more seriously and ultimately solved in the form of other way round particularly in the past more than 15 years. Due to the development of new policies, programmes and even projects, the status of women has totally been changed as they provide assistance to the low income women. This concern for low income women's needs has coincided historically with recognition of their important role in development. Various intervention approaches have been developed in order to address the needs of the women which ultimately reveal modification not only in social policy approaches to third world development, state policies relating to women but also in the overall economic policy of the country as a whole. The empowerment approach is the most recent and is aimed at empowering women through greater self-reliance and internal strength.

Self Help Group

Self-help group is a small voluntary association grouping of 10-20 women to form a group which is a home grown model for poverty reduction which simultaneously works to empower and improve the lives of its members.

SHG's originated in the year 1975 at Bangladesh by Mohammed Yunus. The government of India contemplated in the early eighties to promote apex bank to take care of the financial needs of the poor, informal sector and rural areas. During this time, NABARD initiated a search for alternative methods to fulfill the financial needs of the rural poor and informal sector.

NABARD initiated in 1986-87, but the real effort was taken after 1991-92 from the linkage of SHGS with the banks.

Review of Literature

Narang (2012) in her research paper evaluated the growth of Self Help Groups and current position of women empowerment of women after joining the Self Help Groups in India. The time period of study was 2005-06 to 2009-10. The study was based on secondary data. The study revealed that the highest growth of number of women Self Help Groups was 71.28 per cent for the period 2007-08. It was found that majority of Self Help Groups were women group and their participation in saving and credit was increased out of total number of Self Help Group. The problem of unemployment was reduced and poverty was removed in women Self Help Groups after joining the Self Help Groups. The author concluded that Self Help Groups had shown the way ahead to alleviate the poverty in India along with women empowerment.

Anila (2012) in his research paper examined the role of Self Help Group in developing socio economic status of rural women. The objective of the study was to identify the satisfaction level of Self Help Groups members in Self Help Groups activities during the period of 1999-2010. The primary data was collected through questionnaire from 120 members of Self Help Groups in Tirunelveli district, block was selected for the study. The study revealed that maximum Self Help Groups members were living in rural area. The income of Self Help Groups increased after joining the Self Help Groups. Most of the women were highly satisfied with the activities of Self Help Groups. The author concluded that Self Help Groups was an important tool which helped the rural women to acquire power for their self- supportive life and nation building efforts.

Bidnur (2012) in his paper analyzed the demographic factor of sample respondents and women power empowerment through Self Help Groups of Sangli Miraj and Kupward corporation area of North Karnataka. The sample for study was comprised of 125 Self Help Groups members. The study revealed that majority of respondents had joined Self Help Groups mainly to get loan and utilized for business purpose. The women respondents were more prompt for repayment of loan they borrowed from Self Help Groups. The saving of Self Help Groups member rose with their income. The author concluded that the economic progress of India depends on the productivity of both male and female workforce.

Rani and Dhiman (2012) in their research paper analyzed the socio economic impact of SHGs member and to study the income satisfaction level of SHGs members in Haryana. The data had been collected from 100 respondents of seven villages of Jakhhal of Fatehabad district and secondary data had been collected from DRDA Fatehabad. The study revealed that 59 per cent members were engaged in agriculture activities, 14 per cent in business activities and 2 per cent industrial activities. It was found that 6 per cent members earned income more than Rs. 20000 per annum and 55 per cent member earned income between Rs. 10000 to Rs. 20000 per annum.

It was observed that majority of group members were satisfied with the government policy of maintaining accounts and proper records of income expenditure and to save money for future. It was suggested that majority of SHGs were illiterate therefore training must be given to every SHGs members and government should provide assistance to SHGs members.

Objectives of the Study

The present paper aims to study the following aspects of SHGs.

1. To study the growth of women SHGs in India
2. To examine the agency wise savings of women SHGs in India.
3. To analyse the agency wise loan disbursement to women SHGs.

Research Methodology

The present study is based on the secondary data and time period of the study is 2007-08 to 2012-13. The secondary data has been collected from various reports of NABARD, various books, Journals, newspapers, published literature, websites and annuals reports. The data has been tabulated and analysed by using ratio analysis, percentages, and compound growth rate (C.G.R.).

Data Analysis and Results Discussion

A. Growth of Women SHGs

Table 1:- Number of SHGs and Women SHGs in India

Year	Number of SHGs	Number of Women SHGs	%age Share of Women SHGs to Number of SHGs
2007-08	9863705	7944348	80.54
2008-09	11955071	9515855	79.59
2009-10	13391428	10502709	78.43
2010-11	13444843	11098849	82.55
2011-12	13462669	10871326	80.75
2012-13	12988806	10733161	82.63
C.G.R	5.66%	6.20%	

Source:- Annual reports of NABARD 2007-08 to 2012-13

The growth rates of Self Help Group in the study area presented in table no. 1. The table indicates that Number of SHGs in India increased from 9863705 in the year 2007-08 to 12988806 in the year 2012-13 and registered growth rate 5.66 per cent during the year. The number of women SHGs is increased from 7944348 in the year 2007-08 to 10733161 in the year 2012-13 and recorded the growth rate is 6.20 per cent during the same period. The rate of growth number of women SHGs is higher than that of total number of SHGs in India during the same period.

Further the table shows that the percentage share of women SHGs to number of SHGs was 80.54 percent in the year 2007-08 and increased to 82.63 per cent in the year 2012-13.

B. Agency wise Savings of Women SHGs.

As a result, the numbers of SHGs and amount of savings have increased day by day. The table 2 and 3 given below shows the number of SHGs and amount of savings during 2007-08 to 2012-2013. The table given above shows that number of saving accounts of SHGs in India

increased from 5009994 in the year 2007-08 to 7317551 in the year 2012-13 and registered growth rate 7.87 per cent during the year

Table 2:- Number of Saving Accounts of Women SHGs in India

Year	Number of Saving Accounts SHGs	Number of Saving Accounts of Women SHGs	%age Share of Women SHGs to Number of Saving Accounts SHGs
2007-08	5009994	3946093	78.76
2008-09	6121147	4863921	79.46
2009-10	6953250	5310436	76.37
2010-11	7461946	6098034	81.72
2011-12	7960349	6298686	79.13
2012-13	7317551	5938519	81.15
C.G.R	7.87%	8.52%	

Source: Annual reports of NABARD 2007-08 to 2012-13

The savings of number of women SHGs is increased from 3946093 in the year 2007-08 to 5938519 in the year 2012-13 and recorded the growth rate is 8.52 per cent during the same period. The rate of growth of savings of number of women SHGs is higher than that of total number of SHGs in India during the same period. Further, the table shows that the percentage share of number of saving accounts women SHGs to number of saving accounts of SHGs was 78.76 percent in the year 2007-08 and the highest percentage recorded in the year 2010-11 is 81.72 and further it is declined to 81.15 per cent in the year 2012-13.

The table 3 indicates that the amount of saving to women SHGs in India. It revealed that total amount of saving to SHGs in India increased from Rs. 3785.37 crore to Rs. 8217.24 crore for the period 2007-08 to 2012-13 and registered a growth rate 16.77 percent during the period. The amount of saving of women SHGs is increased from Rs.3108.63 crore in the year 2007-08 to Rs.6514.86 crore in the year 2012-13 recorded the growth rate is 15.95 percent during the same period. Further, the table shows that the percentage share of saving of women SHGs to total saving of SHGs was 82.12 percent in the year 2007-08 and it was decreased to 79.28 percent in the year 2012-13.

Table 3 - Amount of savings of Women SHGs in India (Rs. in Cr.)

Year	Total saving of SHGs	Saving of Women SHGs	%age share of women SHGs to saving SHGs
2007-08	3785.37	3108.63	82.12
2008-09	5545.6	4434.02	79.96
2009-10	6198.7	4498.64	72.57
2010-11	7016.29	5298.62	75.52
2011-12	6551.39	5104.31	77.91
2012-13	8217.24	6514.86	79.28
C.G.R	16.77%	15.95%	

Source: Annual reports of NABARD 2007-08 to 2012-13

Further, the table shows that the percentage share of saving of women SHGs to total saving of SHGs was 82.12 percent in the year 2007-08 and it was decreased to 79.28 percent in the year 2012-13.

C. Loan Disbursed to Women SHGs in India

Table 4: Loan Disbursed to Number of Women SHGs in India

Year	Total Loan Disbursed to No. of SHGs	Loan Disbursed to No. of Women SHGs	%age Share of Women SHGs to Total Loan Disbursed to No. of SHGs
2007-08	1227770	1040996	84.79
2008-09	1609586	1374579	85.40
2009-10	1586822	1294476	81.58
2010-11	1196134	1017218	85.04
2011-12	1147878	923232	80.43
2012-13	1219821	1037402	85.05
C.G.R	-0.13%	-0.07%	

Source: Annual reports of NABARD 2007-08 to 2012-13

The Loan disbursed to No. of Women SHGs in the study area presented in table 4. The table indicate that total loan disbursed to No. of SHGs in India decreased from 1227770 in the year 2007-08 to 1219821 in the year 2012-13 and registered a negative growth rate - .013 per cent during the year. The savings of number of women SHGs is increased from 3946093 in the year 2007-08 to 5938519 in the year 2012-13 and recorded the growth rate of 8.52 per cent during the same period. The number of women SHGs is decreased from 1040996 in the year 2007-08 to 1037402 in the year 2012-13 and recorded the negative growth rate -0.07 percent during the same period. In the above table it has been seen that the percentage share of women SHGs to total number of loan disbursed accounts of SHGs was 84.79 percent in the year 2007-08 and it was increased to 85.05 percent in the year 2012-13.

Table 5: Amount of Loan Disbursed to Women SHGs in India (Rs. in cr.)

Year	Total Loan Disbursed to SHGs	Loan Disbursed to Women SHGs	%age Share of Women SHGs to Total Loan Disbursed to SHGs
2007-08	884926.24	747425.59	84.46
2008-09	1225351.39	1052737.58	85.91
2009-10	1445330.36	1242936.8	86.00
2010-11	1454773.19	1262233.39	86.76
2011-12	1653476.87	1413202.32	85.47
2012-13	2058536.44	1785431.03	86.73
C.G.R	18.39%	19.02%	

Source: Annual reports of NABARD 2007-08 to 2012-13

The table 5 indicates that the amount of loan disbursed to women SHGs in India. It revealed that total loan disbursed to SHGs in India increased from Rs. 884926.24 crore to Rs. 2058536.44 crore for the period 2007-08 to 2012-13 and registered a growth rate 18.39 percent during the period. The loan disbursed to women SHGs is increased from Rs. 747425.9 crore in the year 2007-08 to Rs. 1785431.03 crore in the year 2012-13 recorded the growth rate of 19.02 percent during the same period.

Further, the table shows that the percentage share of loan disbursed to women SHGs to total loan disbursed to SHGs was 84.46 percent in the year 2007-08 and it was continuously increased to in the next no. of year recorded 86.73 percent in the year 2012-13.

Findings

1. The rate of growth number of women SHGs is higher 6.20 percent to total number of SHGs in India 5.66 percent during the period 2007-08 to 2012-13. The percentage share of women SHGs to total SHGs was increased from 80.54 percent to 82.63 percent during the same period.
2. The rate of growth number of saving account of women SHGs is higher than 8.52 percent to total number of account of SHGs 7.87 percent during the period 2007-08 to 2012-13. The percentage share of number of saving account of women SHGs to total number of saving account is increased from 78.76 percent to 81.15 percent during the same period.
3. The amount of saving of women SHGs is increased from Rs. 3108.63 crore in 2007-08 to Rs. 6514.86 crore in 2012-13 with compound growth rate 8.52 percent.
4. The number of loan account of women SHGs has been decreased from 10408 in 2007-08 to 10373 in 2012-13 with a negative compound growth rate -0.07 percent.
5. The amount of loan disbursed to women SHGs is increased from 7474.23 in 2007-08 to 17854.3 in 2012-13 with compound growth rate 19.02 percent.

Conclusion

Self help group is an important tool which helps the women to acquire their self-supportive life and contribute to objective of inclusive growth in saving mobilizing and loan disbursement through the SHGs in general and women SHGs in particular. The study revealed that the women SHGs form a major share in the total SHGs in India. The growth rate of women SHGs is also higher than that of total SHGs, as regards number of savings account and amount and amount of loan disbursement.

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