

EXECUTIVE SUMMARY

Women are an integral part of every economy. All round development and harmonious growth of a nation would be possible only when women are considered as equal partners in progress with men. Empowerment of women is a holistic concept. It is multi-dimensional in its approach and covers social, political and economic aspects.

In the last five decades, the concept of women empowerment has gone a sea change from welfare oriented approach to equity approach. It is widely recognized that apart from managing household, bearing children, rural women bring income with productive activities ranging from traditional work in the fields to working in factories or running small and petty businesses. They have also proven that they can be better entrepreneurs and development managers in any kind of human development activities.

One of the powerful approaches to women empowerment and rural entrepreneurship is the formation of Self-Help Groups especially among women. Women Self-Help Groups are increasingly being used as tool for various development interventions. The Self-Help Groups approach has proved successful not only in improving the economic conditions through income generation, but in creating awareness about health and hygiene, sanitation and cleanliness, environmental protection, importance of education and better response for development schemes.

In this context the study is undertaken to evaluate the utilization of loan at concessional rates and its impact on employment, income and other related variables. Nine districts are selected as sample districts namely, Bidar, Koppal, Belagavi, Haveri, Tumkur, Bangalore rural, Kolar, South Canara and Chamrajanagara. Total of 1520 SHG sample selected for the study in nine districts. Purposive and strategic random sampling is adopted for the study. The study also reveals case studies and Focus Group Discussions of all nine districts.

There are several constraints that check the process of women empowerment in India. Poverty, the reality of life for the vast majority of women in India, is an important factor that poses challenge in realizing women's empowerment. Lack of awareness about legal and constitutional provisions and failure in realizing it, is another factor that hinders the process of empowerment. Most of the women are not aware of their legal rights.

The Self-Help Groups associated micro financing is targeted to mostly women. The experience has shown that the economic activities have not been crossed beyond the micro scale. The women who have been taken up economic activities, hardly promoted to produce products of global importance.

It was found that overall the SHG members have improved in their economic and financial conditions and slowly moving towards the decision making position in family and business. The Government, Banks and NGO and organizations have to intervene in development and marketing of products produced, so that the rural recognition of products can be established and preserved. It was found that active members were able to achieve their financial goals, had an increased standard of living and felt empowered compared to inactive members. Further, it was found that cloth weavers are the most vulnerable groups, followed by agriculturists and thus require more assistance from the Banks. The members needs to advise to carry on multiple economic activities and needs to be trained on areas like efficient marketing of their products, maintenance of quality.

It was found that 60 – 70% of money taken from SHGs as loan is being misused for personal/family purposes. Hence Government or Bank should establish credit counseling centre in each district so that awareness and utilization of funds can be educated to SHG members.

Further, it was found that cloth weavers are the most vulnerable groups, followed by agriculturists and thus require more assistance from the Banks. The members needs to advised to carry on multiple economic activities and needs to be trained on areas like efficient marketing of their products, maintenance of quality. Currently the loans are given by the DCC bank with the representation of PACs. The loans can be directly sanctioned and dispersed through NRLM. Loan amount for SHG members should be increased from Rs. 50,000 to Rs.1,00,000. Paving way for the diversification of business. For training SHG members by NGO, they select few members, this restriction should be lifted and all SHG members should be trained. Government or Bank should establish credit counseling centre in each district so that awareness and utilization of funds can be educated to SHG members.

SHG linkage programme should be continuously monitored, implement and evaluate the results efficiently, it will definitely eradicate to some extent the gap between rural and urban. This will definitely improve the standard of living, literacy, economic and social conditions.