Microfinance: A Research Study Of The Economic And Social Empowerment Of Rural Women In Goa

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ABSTRACT

Women in rural areas are often marginalized and are left out of the gamut of the formalized credit system. Microfinance has emerged to bring women in rural areas under the formal credit system. The microfinance sector has witnessed strong links with self-help groups. Women Self -Help Groups (SHGs) in rural areas have emerged as an effective means to promote the socio- economic empowerment of women through the bank-linkage programme. The present study is set against the backdrop of SHGs in the rural areas of Marcela, Bicholim, and Verem situated in the district of North Goa. The paper examines the economic and social profile of these SHGs, and investigates the economic and social empowerment of women in these SHGs. The study highlights the challenges faced by the members in these SHGs and offers suitable suggestions. The sample of the study comprised of 100 members of ten randomly selected SHGs in the villages of Marcela, Bicholim, and Verem situated in the district of North Goa. The researchers collected the data through the interview method using a structured questionnaire designed by Dr. Murlidhar A. Lokhande (2010). The study is descriptive and exploratory in nature. The findings of the study revealed that a majority of the members were literate, middle-aged and married. Majority of the respondents were economically empowered as their incomes, consumption levels, savings increased and savings were invested in the formal sector of the money market. Microfinance played a crucial role in facilitating the economic empowerment of the respondents. The results of the study disclosed that a majority of the respondents were empowered on some social facets such as improved relations with family members, increase in self-confidence, decisions on savings, and expenditure. This indicates that in certain social factors, the respondents of the SHGs were empowered. There are various challenges that the members of these SHGs have to encounter. The crucial ones are political interference, low incomes, inadequate marketing facilities, and group conflicts. The others are lack of planning and management, inadequate training in entrepreneurship skills, conflict between members and group leaders, inadequacy of funds, migration for employment, weak numerical skills and indifferent attitude of SHPIs. Furthermore, the SHGs felt that the bank staff had a positive attitude and were helpful in the credit dealing with the group. This indicates that there are cordial relations between the banks and the SHGs, making the SHG bank-linkage considerably important. The study concludes with a couple of suggestions made by the researchers that could help the SHGs face these challenges.
Keywords : Women Empowerment, North Goa, SHGs, Economic Empowerment, Social Empowerment, Microfinance

INTRODUCTION

The motto of microfinance is to improve the income of the poor and to empower them economically and socially. The importance of microfinance led the world to announce the year 2005 as the *'International Year of Microfinance'*. Microfinance is ,therefore, an emerging discipline in today's financial world (Babu, Reddy and Reddy, 2010). Microfinance can be traced to 1700, when Jonathan Swift in Ireland developed the concept with a view to bring out financial services to the door steps of the neglected rural poor by banks, by establishing the *'Irish Loan Fund System'*, which provided short-term loans without collateral security. In 1800s, People's Bank, Credit Unions, and Savings and Credit Cooperatives began to emerge in Europe to assist the rural populace break out from their dependence on moneylenders and improve their financial conditions. In the 1900s, microfinance companies came into being with the specific motive of increasing commercialization of the rural sector as well as the weaker sections by mobilizing 'idle' savings and increasing investment through credit and thereon, zeroing rural indebtedness. The beginning of the micro-credit movement in India can be traced to the self- help group- bank linkage programme, a pilot project started by NABARD in 1992. This venture emerged as a successful model of microfinance in India. Presently, microfinance institutions, non-government organizations, self-help groups, banks and so on have been serving millions of borrowers successfully. Many countries like Indonesia (1895), Pakistan (1957), Bangladesh (1976) and Bolivia (1980) started microfinance facilities by establishing various institutions (Babu, Reddy and Reddy, 2010).

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THE CONCEPT OF MICROFINANCE AND SELF HELP GROUPS

Microfinance is a set of financial activities provided to the poor masses basically by incorporating loans, savings, and deposits, insurance transfer services and so on to enable them to utilize their meager resources and entrepreneurial skills, including abilities to the maximum extent so as to improve the economic conditions and shield themselves against risks. The Micro-credit Summit (1977) defined microfinance as extending small loans to poor people for self-employment projects that generate income, allowing them to care for themselves and their families. Microfinance is the provision of thrift and other financial services and products of a very small amount to the poor in the rural, semi-urban and urban areas for enabling them to raise their income levels and improve their living standards (Babu, Reddy and Reddy, 2010). Thus, microfinance is the provision of thrift, credit and other financial services and products of very small amounts to the poor for enabling them to raise their income levels and improve their living standards. It has been recognized that microfinance helps the poor people meet their needs for small credit and other financial services. The informal and flexible services offered to low-income borrowers for meeting their modest consumption and livelihood needs have not only made the microfinance movement grow at a rapid pace across the world, but in turn, has also impacted the lives of millions of poor positively.

The Indian microfinance sector has witnessed strong links with self-help groups. Self-help groups are a small homogenous group of about 15-20 members who join together to address common issues. The members undertake voluntary thrift on a regular basis, and these pooled savings are used to make interest-earning loans to the group members. Once the group is stabilized, it gets linked to banks and avails financial services from them (Babu, Reddy and Reddy, 2010).

EMPOWERMENT OF RURAL WOMEN

There has been a shift in the policy approaches from the concept of 'welfare' in the seventies to 'development' in the eighties to 'empowerment' in the nineties (Chandramohan and Raja, 2010). Empowerment of rural women has a significant place in the socio- economic development programmes of the Government. Women in rural areas are often ignored, marginalized and exploited. Unless these women are economically and socially empowered, the nation will still struggle to bridge the urban-rural divide. The World Bank Report (2001) defines women empowerment as the process of increasing the capacity of individual women or groups of women to make choices and to transform choices into desired actions and outcomes. It indicates a change from powerlessness to powerfulness, underprivileged to privileged and enabling women to have control over the resources - social, economic, political, intellectual and cultural. According to Kabeer (1999), women's empowerment refers to the process by which those women who have been denied the ability to make strategic life choices, acquire such an ability. The term women empowerment refers to a range of socio-economic activities, which focus on strengthening the economic position of poor women, creating confidence among them and extending full support for their all-round development (Lokhande, 2010). One of the commitments of the Ninth plan is to empower women as the agents of social change and development. Women Self-Help Groups (SHGs) (through microfinance) have emerged as an effective means to promote the socio- economic empowerment of women. In the new world order, no country can march ahead without the inclusion of women in the development process.

GOVERNMENT SUPPORT IN ENHANCING THE ECONOMIC AND SOCIAL EMPOWERMENT OF RURAL WOMEN IN GOA

Women's entrepreneurship can make a particularly strong contribution to the economic well-being of the family and communities, poverty reduction and women's empowerment, thus contributing to the Millennium Development Goals (MDGs). Women entrepreneurship has been recognized as an important source of economic growth. Thus, governments across the world as well as various developmental organizations are actively undertaking promotion of women entrepreneurs through various schemes, incentives and promotional measures (http://msmestartupkit.com/node/39).

The Government of Goa is making an effort to empower rural women in Goa through various schemes and initiatives. The *grant-in-aid scheme* by the Directorate of Women and Child Department, Government of Goa provides financial assistance to the registered Mahila Mandals for training /orientation for members for generating their activity listed in the scheme for self-employment. ₹ 5000/- as annual grant-in-aid for registered Mahila Mandal/Self Help Group and ₹ 2000/- is provided to conduct orientation/training activities. The Directorate provides technical instructor or any other Government training agency based on identification of the activity listed in the scheme (http://www.goa.gov.in/pdf/WomenNChildDeptCharter.pdf). This enables the rural women to get trained and start an enterprise, with the motive of empowering them.

The *Incentives to Women Entrepreneurs Scheme, 2008* was started for the benefit of those units, which are set up by women entrepreneurs, to give them additional incentives. The objective of this scheme is to encourage women entrepreneurship and encourage women to start industries for self-employment. Only partnership and proprietary concern are eligible, provided the ownership is with women, to the extent of 100 percent in case of proprietary concerns and 51 percent in case of partnership firm (http://www.goaditc.gov.in/women.html).

The *Yashasvini* scheme gives women the choice of becoming self reliant and economically independent. The initiative includes telephone-counseling service to offer support and guidance to women, shelter homes and linkages with support groups to help women decide about their future. Financial assistance is provided to self-help groups - ₹ 1 lakh to each group and ₹ 50,000/- is provided to widows to enable them undertake income-generating activities. Self-defense training programmes for women and adolescent girls at the Taluka level is also a part of the initiative. Empowered women are encouraged to mentor other women (Tenth Five Year Plan, 2002-2007).

The *Swarnajayanti Gram Swarozgar Yojana* (SGSY) was launched in April, 1999. This is a holistic programme covering all aspects of self-employment such as organization of the poor into self-help groups, training, credit, technology, infrastructure and marketing. This programme covers families below poverty line in rural areas. Within this target group, special safeguards have been provided by reserving 50 percent of the benefits for SCs/STs, 40 percent for women and 3 percent for physically handicapped persons. SGSY is a credit-cum-subsidy programme. It covers all aspects of self-employment, such as organization of the poor into self-help groups, training, credit, technology, infrastructure and marketing. Efforts are made to involve women members in each self-help group. Closer attention is paid on skill development of the beneficiaries, known as *swarozgaris*, and their technology and marketing needs. SGSY is a centrally sponsored scheme, and the Central and State Governments share funding in the ratio of 75:25 respectively.

REVIEW OF LITERATURE

Researchers have conducted studies on the socio-economic impact of self-help groups. Puhazhendi and Satyasai, Puhazhendi and Badatya from NABARD, Mumbai including Murthy et al. disclosed that SHGs have enabled the poor to increase their household income, assets and their ability to face day to day risks. It not only led to diversification of employment and a reduction in the dependency of the poor on moneylenders, but also contributed in improving the quality of lives of the poor through improved housing, health and education. The involvement of women in the SHGs has also led to improvement in the status and position of women in their households as well as their self-confidence (Babu, Reddy and Reddy, 2010). A study conducted by Moyale, Dollar, and Biswas (2006) in two villages in Rajasthan observed that after joining SHGs, the women members had achieved social and economic empowerment in terms of collective efficiency, proactive attitudes, self-esteem and self-sufficiency. Holvet (2005) observed that microfinance to poor women through SHGs resulted in active participation of women in decision making. According to Hashemi (1996), women's access to credit helps them significantly to make an economic contribution, it makes it possible to increase the asset holding of women in their name, their purchasing power is increased, so does their decision-making power and political participation. A study by Lokhande (2010) revealed that SHGs empowered women economically, socially and politically. The study found that the economic, social, political and personality development indicated positive changes, albeit slow among the group members. Problems were also observed in the study in training and skill development, marketing assistance and adequate and regular credit supply of SHGs.

A micro study by Shanmugam (2010) on SHGs in Tamil Nadu revealed that a majority of the respondents were empowered. Most of the respondents took financial decisions in family matters. They also started their own business/profession after joining the SHGs, which increased their earnings. Most of the respondents felt that after joining the SHGs, their earnings increased. Majority of them developed the art of interaction and could influence the behaviour of their family members, society members and members of their self - help group. Most of the respondents were empowered to take financial decisions in their families. The findings of the study also disclosed that the groups faced problems like political affiliation, financial constraints, and inadequate financial assistance of SHGs.

In contrast to these studies, Mayox (2001) pointed out that microfinance had a negative impact on poor women. With the review of literature in the background, the present study is an investigation into the economic and social empowerment of rural women through SHGs in the villages of Marcela, Bicholim and Verem in the state of Goa. The research study was conducted in May, 2011.

OBJECTIVES OF THE STUDY

The present study is based on the following objectives:

1) To investigate the social profile of SHGs in the rural areas of Marcela, Bicholim, and Verem in Goa.

2) To highlight the economic profile of members of SHGs in the rural areas of Marcela, Bicholim, and Verem in Goa.

3) To study the economic empowerment of women members of self-help groups in the rural areas of Marcela, Bicholim, and Verem in Goa.

4) To study the social empowerment of women members of self-help groups (SHGs) in the rural areas of Marcela, Bicholim, and Verem in Goa.

5) To study the problems faced by members of self-help groups in the rural areas of Marcela, Bicholim, and Verem in Goa.

RESEARCH METHODOLOGY

❖ **Data Collection :** The data was collected from primary and secondary sources. The primary data was collected through the interview method, whereby a structured questionnaire by Dr. Murlidhar A. Lokhande (2010), was distributed to the members of the selected SHGs. The researchers explained the questions to the women members of the SHGs and noted their responses. The secondary data was collected from articles published in reputed journals.

❖ **Sample of the Study :** The study included 10 women SHGs from the rural areas of Marcela, Bicholim, and Verem situated in the district of North Goa. The 10 SHGs were randomly selected from these villages. Through the interview

Table 1: Social Profile Of The Women Respondents Of The SHGs In The Rural Areas Of Marcela, Bicholim, And Verem In Goa

Education Level	Number of Respondents
Illiterate	1
Upto Std. IV	10
Std. V to Std. X	43
Std. IX to Std. XII	30
Graduation	16
Age Composition	
Less than 20 years	4
21-30 years	12
31-40 years	48
41-50 years	28
51-60 years	6
60 years and above	2
Marital Status	
Married	86
Unmarried	14
Source: Primary data	

method, a structured questionnaire was distributed to 200 members of the 10 selected SHGs. Out of these, 100 completed questionnaires were usable. This constituted 50 percent of the response rate.

❖ **Techniques Used to Analyze The Collected Data :** The data collected was analyzed using percentages and was more descriptive. The study is exploratory in nature.

DATA ANALYSIS

PROFILE OF THE SELF HELP GROUPS (SHGs)

❖ **Social Profile Of The SHGs In The Rural Areas of Marcela, Bicholim, And Verem In Goa :** From the Table 1, the social profile of the 10 SHGs studied reveals the literacy level, the age composition, and the marital status of the members. The education levels of the respondents indicate that the majority were literate. 10 percent of them were educated upto Std. IV, while 43 percent of the members had passed their SSC. 30 percent had passed their higher secondary education, and 16 percent were graduates. Only 1 percent were illiterate. Thus, it can be concluded that 99 percent of the respondents of the SHGs were literate and had some level of formal education. The age composition of the respondents revealed that many of them belonged to the age group of 31-40 years (48 percent). 28 percent were in the age group of 41-50 years, and some of them were in the age group of 21-30 years (12 percent). Few of the respondents belonged to the senior age groups of 51-60 years (6 percent) and over 60 years (2 percent), as well as the younger age group of less than 20 years (4 percent). Thus, a majority of the respondents belonged to the middle age group.

The marital status of the respondents in the SHGs showed that the majority of them were married (86 percent), while few of them were unmarried (14 percent). The Table 1 discloses the social profile of the women respondents of the SHGs in the rural areas of Marcela, Bicholim, and Verem in Goa. The overall social profile of the respondents of the 10 SHGs presented in Table 1 indicates that the majority of them were literate, middle-aged and married.

❖ **Economic Profile of The Self Help Groups In The Rural Areas of Marcela, Bicholim, And Verem In Goa :** The 10 SHGs selected for the study were between three years to more than five years old. 6 of them were five years old, 2 had been in operation for more than five years, and the remaining 2 were three years old. From the Table 2, it can be inferred that the items prepared by the members of the SHGs included sweets, tailoring, pickles, papads, soft toys and others like crochet items, towels, incense sticks, towels, bags, candles and catering. Majority of them undertook tailoring (64 percent), followed by making of sweets (48 percent), papads (27 percent), pickles and soft toys (26 percent), and others (24 percent). The monthly income earned from the sale of these items prepared by the

Table 2: Economic Profile of The SHGs In Marcela, Bicholim, And Verem

Items prepared by SHGs	Percentage of Respondents in SHGs
Sweets	48
Tailoring	64
Pickles	26
Papads	27
Soft Toys	26
Others (crochet items, towels, incense sticks, towels, bags, candles and catering)	24
Monthly Income Earned By The Members of The SHGs	
Upto ₹ 1000	42
₹ 1001- ₹ 1500	31
₹ 1501- ₹ 2000	4
₹ 2001- ₹ 3000	7
₹ 3001- ₹ 4000	4
₹ 4001 and above	9
Source: Primary data	

Table 3: Economic Empowerment of Women By SHGs In The Villages of Marcela, Bicholim, And Verem		
Economic Empowerment	**Percentage of Respondents**	**Rank Order**
Increase in Consumption	**73**	
Fridge	63	1
TV	61	2
Computer	33	6
Laptop	6	10
Scooter	42	5
Car	16	9
Mobile	58	3
House/Flat	43	4
Education of children	32	7
Food consumption	32	7
Others (A.C., Sewing, Washing machine)	3	11
Increase in Saving	**74**	
Upto ₹ 1000	28	1
₹ 1001- ₹ 2000	20	2
₹ 2001- ₹ 3000	20	2
₹ 3001- ₹ 4000	4	3
₹ 4001- ₹ 5000	2	4
₹ 5001 and above	0	5
Institutions of Investment		
Banks	64	1
LIC	5	2
PPF	5	3
Others	0	4
Source: Primary data		

respondents of the SHGs ranged between less ₹1000 to ₹ 4000 and above. The majority of them earned an income of upto ₹ 1000/- (42 percent), while 31 percent earned an income of ₹ 1001 to ₹ 1500/-. Only 9 percent of the respondents earned an income of ₹ 4001 and above. The Table 2 highlights the economic profile of the SHGs in the rural areas of Marcela, Bicholim, and Verem in Goa. It reveals that majority of the respondents earned low monthly incomes (upto ₹ 1000/- to ₹ 1500/-) per month from the type of items prepared by them. Only a few of them relatively earned high monthly incomes (₹ 3000 - ₹ 4000 and above).

ECONOMIC EMPOWERMENT OF RURAL WOMEN IN THE SELF HELP GROUPS AT MARCELA, BICHOLIM, AND VEREM

Women's Self-Help Groups (SHGs) in rural areas are playing a major role in poverty reduction and women's empowerment through financial inclusion. Although SHGs emerged initially as a result of the failure of mainstream institutions to reach out to the poor women, who form a significant percentage of the population, they are now seen as partners by mainstream institutions.

The present section investigates the SHGs through microfinance, facilitating the economic empowerment of women in Marcela, Bicholim and, Verem villages. The structured questionnaire given to the respondents of the 10 SHGs included items of economic empowerment such as an increase in consumption and ability to purchase other household goods, increase in savings and information about the institutions the savings are invested in. The Table 3

Table 4: Microfinance Obtained By The Respondents of SHGs And The Purpose of Availing The Loans		
Micro-Finance	**Percentage of Respondents**	**Rank Order**
Upto ₹ 1000	5	5
₹ 1000 - ₹ 2000	6	4
₹ 2001- ₹ 3000	7	3
₹ 3001- ₹ 4000	4	6
₹ 4001- ₹ 5000	17	2
₹ 5001 and above	29	1
Total	**68**	
Purpose of the Loan	**Percentage of Respondents**	**Rank Order**
Business activity	14	4
Household needs	23	1
Festivals	15	3
Medical care	12	5
House construction/ repair	17	2
Education of children	11	6
Repayment of loan	2	7
Others	0	8
Source: Primary data		

illustrates the economic empowerment of women in Marcela, Bicholim and, Verem villages by the SHGs.

The results of the Table 3 reveal that there was an increase in the consumption (73 percent) and saving (74 percent) levels of the respondents. Similar findings were highlighted by Puhazhendi and Satyasai, Puhazhendi and Badatya of NABARD and Hashemi (1996). The respondents invested their savings in the organized sector of the financial market. 73 percent of them perceived their consumption levels to have increased. Moreover, a large number of respondents were able to purchase high end goods like refrigerators and televisions, beside other goods like mobiles, house/flat, and scooter; a few of them invested in the education of their children and food consumption. A small number of them were even able to purchase cars and laptops. This signifies that the respondents were able to improve their economic situation considerably. Moreover, a majority of the respondents (74 percent) admitted that their savings had increased. Savings increased mostly in the range of below ₹ 1000/- to ₹ 3000/-. Few of them saved between ₹ 3001/- to ₹ 5000/- and none of them saved beyond ₹ 5000/-. When it came to investing their savings, a majority of them (64 percent) invested their savings in banks, and few of them invested in LIC and Public Provident Fund (2 percent). Thus, a majority of the respondents perceived it safe to invest in banks, which may be because their savings are small. The members of the SHGs obtained microfinance from SHGs and used it for various purposes. 67 percent of the respondents acquired credit from their SHGs. The loan amounts ranged between below ₹ 1000/- to ₹ 5000/- and above. Thus, the SHGs provided microfinance to their members and a majority of the respondents were beneficiaries of microfinance. The Table 4 reveals the amount of loans obtained by the respondents of the SHGs and the purpose for which the respondents used the loans.

It is obvious from the Table 4 that a majority of the respondents (68 percent) acquired microfinance from the SHGs for various purposes. The loan amount obtained by majority of the respondents ranged from ₹ 4001 to ₹ 5000 and above. This shows that microfinance is an important function of the SHGs. The purpose of these loans range from business activity to household consumption, to other needs. Most of the respondents used microfinance for household consumption (23 percent), followed by construction or repair of their homes (17 percent). Some of them (15 percent) used the loan amount to celebrate festivals, while others used it for setting up a business enterprise (14 percent). Medical care and education of children were also some of the reasons for which micro-credit was used by the respondents. However, a very few of the respondents used it to repay loans. Thus, micro-credit from SHGs was most important for household consumption, followed by house construction/repair, celebration of festivals, business activity, and medical care. The education of children, repayment of loans, and others were given less importance by

Table 5: Social Empowerment of The Respondents After Their Association With SHGs		
Social Empowerment	**Percentage of Respondents**	**Rank Order**
Financial decisions	47	5
Saving decisions	52	4
Expenditure decisions	60	2
Education of children	44	7
Better family relations	64	1
Holiday decisions	21	9
Movie decisions	10	11
Dramas	16	10
Increase in self-confidence	57	3
Organize social activities	46	6
Participate in social awareness campaigns	31	8
Source: Primary data		

the respondents. Thus, it can be concluded from the above results that a majority of the respondents were economically empowered since they experienced an increase in their consumption levels, their savings and invested savings in the formal organized institutions of the financial market. They were able to improve their standard of living and gain economic security. Thus, SHGs in these villages of the study played a significant role in bringing about the economic empowerment of women and perhaps, enhanced their economic independence. Similar results were observed by Shanmugam (2010), Moyale et al.(2006) and Lokhande (2010).

Having observed the economic empowerment of women respondents in Marcela, Bicholim, and Verem villages, the study progresses to investigate the social empowerment of women in the SHGs in these villages.

SOCIAL EMPOWERMENT OF WOMEN IN THE SELF HELP GROUPS IN MARCELA, BICHOLIM, AND VEREM VILLAGES IN GOA

Women's equality in power sharing and active participation in decision-making at all levels must be ensured. It is only

Table 6: Problems Encountered By The Respondents Due To Their Association With The SHGs		
Problems	**Percentage of Respondents**	**Rank Order**
Lack of numerical skills	32	11
Lower Income	70	2
Indifferent Attitude of SHPIs	25	12
Group Conflict	51	4
Migration for Employment	33	10
Lack of proper planning & management	42	5
High incidence of defunct groups	7	14
Political interference	72	1
Unhealthy competition among the groups	35	8
Indifferent attitude of banks	9	13
Lack of good relations between members & group leaders	37	7
Multi-borrowing due to inadequacy of funds	34	9
Lack of marketing of products	61	3
Lack of proper entrepreneurial skills	38	6
Source: Primary data		

when women are socially empowered that the society will progress, and the country will be more progressive. The present study investigates the extent of social empowerment of rural women in the SHGs in Marcela and the villages of Bicholim and Verem. The Table 5 highlights the social empowerment of the respondents in the SHGs.
From the Table 5, it can be realized that a majority of the respondents (64 percent) had better relationships with their family members, wherein the respect from family members perhaps increased. 60 percent of them were able to take decisions on the expenditure to be incurred at home. 57 percent of the respondents showed an increase in their self-confidence. Moreover, 52 percent of them started taking independent decisions on matters of savings and many of them (47 percent) were able to make financial decisions. Some of them (46 percent) also organized social activities. 44 percent of the respondents made decisions on the education of their wards. 31 percent of the respondents participated in awareness campaigns. Few of them made decisions on entertainment like going on holidays, dramas, and movies. From the Table 5, it can be observed that a majority of the respondents were empowered on certain social facets such as experiencing better family relations, making independent decisions related to expenditure, becoming more self confident, and taking financial decisions. Many of them made financial decisions, organized social activities, and took decisions regarding the education of their children. This indicates that the SHGs influenced the social empowerment of women respondents. Similar results were found by the researchers Moyale et al., (2006); Hashemi, (1996); Lokhande (2010); and Shanmugam, (2010).

PROBLEMS FACED BY SELF HELP GROUPS IN NORTH GOA

SHGs also face a number of problems. Studies by Lokhande (2010) and Shanmugan (2010) have shown that problems are encountered by SHGs. The present study attempts to find out the problems faced by the respondents of the SHGs in these villages. These problems are revealed in the Table 6. According to the Table 6, the respondents of the SHGs faced a number of problems. The major problem perceived by the respondents was political interference in the functioning of the SHGs. 72 percent perceived political interference to be a major problem. This was followed by low incomes earned by the respondents (70 percent). Lack of marketing facilities was another complaint by 61 percent of the respondents. 51 percent of them also faced group conflicts. There was lack of proper planning and management in the SHGs, as revealed by 42 percent of the respondents. Around 38 percent of the respondents lacked entrepreneurial skills for undertaking any economic activity. Lack of good relationship between members and group leaders was another adversity that was faced by 37 percent of the respondents. Some of the respondents (35 percent) felt that unhealthy competition between the SHGs existed. Inadequacy of funds led to multi-borrowing by the SHGs as identified by 34 percent of the respondents. Migration for employment (33 percent), lack of numerical skills (32 percent), and indifferent attitudes of self-help promoting institutions (25 percent) was also perceived by the respondents as setbacks in the progress of SHGs. However, very few respondents (9 percent) found the bank staff to have an indifferent attitude while dealing with the SHGs. Only 7 percent of the respondents complained of high incidence of defunct SHGs.
From the above data analysis, it can be assumed that the major problems faced by the respondents of the SHGs were related to political interference, low incomes to members, poor marketing facilities, and group conflicts. This was followed by lack of planning and management, inadequate training in entrepreneurship skills, conflict between members and group leaders, inadequacy of funds, migration for employment, and weak numerical skills. The other problems faced by few of the respondents dealt with indifferent attitude of SHPIs, indifferent attitude of banks and defunct groups. Thus, the major problems encountered by the SHGs were political and economic. Findings by the researchers also reveal similar results [Shanmugan, (2010) and Lokhande, (2010)].

MAJOR FINDINGS OF THE STUDY

1) The member respondents of the SHGs were literate and had some level of formal education. Most of them were middle aged and were married.

2) Microfinance is an important function of SHGs as majority of the respondents had acquired loans from their SHGs. These loans were used to improve the quality of life and for business activity.

3) Majority of the respondents were economically empowered since they experienced an increase in their consumption levels, their savings, and invested savings in organized financial institutions. The findings indicate that

SHGs in Marcela, Bicholim, and Verem villages play a significant role in bringing about the economic empowerment of women and perhaps, enhancing their economic independence.

4) On many social indicators, a large number of respondents were empowered. The respondents showed their ability to take their own financial decisions, decide the pattern of consumption. They developed greater self-confidence and their status in the family increased. They also became capable of organizing social events. This signifies that the SHGs facilitated the social empowerment of women. However, on decisions regarding entertainment, their empowerment was rather low.

5) The major problems faced by the SHGs were political interference, low incomes, poor marketing facilities, and group conflicts. Other problems encountered were lack of planning and management, inadequate training in entrepreneurship skills, conflict between members and group leaders, inadequacy of funds, migration for employment, and weak numerical skills. The minor problems included indifferent attitude of SHPIs, indifferent attitude of banks and defunct groups.

6)The findings of the study thus reveal that microfinance through the SHGs has brought about the economic and social empowerment of women in these villages. They do encounter certain problems, which if effectively handled, will enhance the progress of these groups.

SUGGESTIONS FOR THE IMPROVEMENT OF THE SELF HELP GROUPS (SHGs)

1) The members of the SHGs could be trained to produce high valued goods, which will enable them to increase their income.

2) They should be encouraged to undertake business activities, for which providing training in skill development assumes importance.

3) Moreover, avenues to market their products within the State, beyond the State boundaries, and globally should be given top priority by the Government. Only then will the members of these groups earn better incomes and be able to enjoy a higher standard of living.

4) The SHGs need to be kept away from political influences as this disturbs the functioning of the groups.

5) Interactions between various SHGs through training programmes, workshops and exhibitions will enable the members of various groups to interact with each other on a pleasant note, which in turn will reduce unhealthy competition between the groups. They should be encouraged to work in cooperation rather than compete with each other.

6) Enabling members of SHGs to work as a team in coordination with each other could reduce group conflicts and bring about cordial relations between group leaders and members.

7) Microfinance should also be strengthened so that the SHGs become economically self-sufficient and promote the growth of their members and the group at large.

CONCLUSION

Microfinance through SHGs is the pathway for those women who are exploited and are excluded from the development process to be economically and socially independent. SHGs provide a platform for rural women who are economically and socially backward to improve their socio - economic status. SHGs facilitate the economic and social empowerment of these women. They are empowered to make their own decisions and contribute to the growth of the economy. Empowerment of women leads to their self-development, independence, and confidence building. In the process, they also become contributors to the growth of the State. In the words of the late Pandit Jawaharlal Nehru *'You can tell the condition of the nation by looking at the status of its women'*.

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