

## KNOWLEDGE AND ATTITUDE OF SELF HELP GROUP MEMBERS TOWARDS MICRO FINANCE

J. B. Dobariya<sup>1</sup>, M. D. LAD<sup>2</sup> and S. D. Kavad<sup>3</sup>

1 Scientist (Ext. Edu.), KVK, Waghai - 394730

2 Assistant Extension Educationist, Office of DEE, NAU, Navsai - 396450

3 Associate Professor, Office of DEE, NAU, Navsai - 396450

Email : dobariyajignesh@yahoo.com

### ABSTRACT

*The present study was conducted in Dangs district of Gujarat. 15 Villages of which 150 respondents, 10 from each village were purposively selected from Waghai, Ahwa and Subir taluka by random sampling methods. From each taluka, five SHGs were selected which were functioning for the last 3 years and which were linked to different commercial banks and NGOs. The result indicates that 83.33 per cent of the members had created medium to high level of understanding and 70.00 per cent of the members had neutral attitude towards micro finance. The result is due to good awareness about micro finance and regularly visit to bank for savings of group money. The other reason is that Governments and Non Governmental Organizations are taking lead in the spread of literature of micro finance. Education and training should be provided for the microfinance beneficiaries on how to efficiently utilize the funds. Government has to monitor that loans are properly used for income generation activity purpose.*

**Keywords:** knowledge, attitude, members of SHGs

### INTRODUCTION

KVK is the Farm Science Center with multidisciplinary aims to transfer the latest technology to farmers in the district. Recently, empowerment of women has been central issue in determining the status of women. Recognizing importance of women as a new approach to the whole concept of women empowerment and over the country SHGs sprang up. The basic objective of SHG is to develop the saving capacity among the poorest sections of the society which in turn reduces dependence on financial institutions and develop self reliance, self confidence, social and economic empowerment among women member. The seeds of empowerment have been sown in the name of Self Help Groups (SHGs) and it is required to irrigate and nourish with favorable laws, policies and tools so that empowerment can be achieved in real sense and at a rapid pace. Microfinance refers to small savings, credit and insurance services extended to socially and economically poor segments of society. NABARD has planned to upscale and consolidate the SHG-Bank Linkage Programme and micro-finance interventions (Kumbhare and Darad, 2010). At present a large part of micro finance activity is confined to credit only. Women constitute a large number of users of micro credit savings and services. Micro-credit is today the biggest poverty alleviation and women's empowerment

strategy that is accepted and adopted across nations of varied sociopolitical and geographical contexts (Sharma, 2008). Member of the SHG are frequently contact to bank for his saving and credit purpose. The programme's main aim was to improve access of the rural poor to the formal credit system in a cost effective and sustainable manner by making use of SHGs (Shylendra, 2008). It is necessary that member of SHGs having knowledge of Agricultural credit given by the various bank. It is felt to determine the extent of knowledge of micro finances, also studying their profile and its correlation with their knowledge level.

### OBJECTIVE

To know the knowledge and attitude of self help group members towards micro finance

### METHODOLOGY

The present study was conducted in Dangs district of Gujarat. For the purpose of this study, 15 Villages of Waghai, Ahwa and Subir taluka were selected purposively from Dangs district to conduct the study by following the random sampling methods. A total sample of 150 respondents, 10 respondents from each village were selected at randomly for the study with the help of random sampling methods. The information of each respondents was collected with the help of pre tested, structured interview schedule by personal

interview. The collected data were analyzed and interpreted in the light of the objectives with appropriate statistical tools like percentage, rank, mean and standard deviation. From

each taluka, five SHGs selected which were functioning for the last three years and which were linked to different commercial banks and NGOs.

**RESULTS AND DISCUSSION**

**Table1 : Profile of the self help group members**

(n=150)

Sr. No.	Variable	Categorization	Frequency	Percentage
1	<b>Age</b>			
	1	Up to 35 years	81	54.00
	2	36 to 50 years	65	43.33
	3	Above 50 years	04	02.67
2	<b>Education</b>			
	1	Illiterate	39	26.00
	2	Primary level of education	63	42.00
	3	Secondary and Higher secondary level of education	46	30.67
3	<b>Annual Income</b>			
	1	Low (below ₹ 25000/-)	133	88.67
	2	Middle (₹ 25000-50000/-)	14	09.33
	3	High (₹ Above 50000/-)	03	02.00
4	<b>Social participation</b>			
	1	< 1.83	23	15.33
	2	1.83 – 3.81	100	66.67
	3	>3.81	27	18.00
5	<b>Achievement Motivation</b>			
	1	< 15.82 Score	22	14.67
	2	15.82 – 19.76 Score	108	72.00
	3	>19.76 Score	20	13.33
6	<b>Risk orientation</b>			
	1	Low level of risk orientation (6 to 9 Score)	01	00.67
	2	Medium level of risk orientation (10-13 Score)	21	14.00
	3	High level of risk orientation (14-18 Score)	128	85.33
7	<b>Market orientation</b>			
	1	Low level of market orientation (6-18 Score)	149	99.33
	2	Medium level of market orientation (19-30 Score)	01	00.67
	3	High level of market orientation (31-42 Score)	00	00.00
8	<b>Saving</b>			
	1	<452 Score	10	6.67
	2	452 - 1274 Score	130	86.66
	3	>1274 Score	10	6.67
9	<b>Group leadership</b>			
	1	< 32 Score	15	10.00
	2	32 - 38 Score	118	78.67
	3	>38 Score	17	11.33
10	<b>Awareness about micro finances</b>			
	1	< 20 Score	29	19.33
	2	20 -31 Score	107	71.34
	3	>31 Score	14	09.33

An analysis of the back ground profile of the SHG members selected for the study showed that most of the members were young aged and slightly less than half (42.00 percent) of the respondents were found to have primary level education. Analysis of social status of the members revealed that majority (88.67 percent) of respondents had low level of income below ₹ 25,000/- and 66.67 per cent respondents had medium level of social participation. The result present in the Table. 1 indicated that majority of respondents had medium level of achievement motivation and had higher level of risk orientation. It showed that out of total respondents, 99.33 per cent respondents had low level of market orientation and 86.66 per cent respondents had medium level of savings habits. The data of the table also showed that majority of the

respondent of the group (78.67 percent) had higher level of leadership. Finally, the data indicated that majority (90.34 percent) of the members of self help groups had medium to high level of awareness about microfinance. These findings were in agreement with the study reported by Sajesh and Singh (2009), Preeti,et al. (2015) and Poshiya et al. (2019).

The attitude of the members towards micro finance was purposively studied to understand its relationship with possession of knowledge about micro finance. The respondents were classified in to three groups: viz low (below mean score-0.5 SD), Medium (mean ± 0.5 SD) and high (above mean + 0.5 SD).

**Table 2 : Distribution of respondents according to attitude towards micro finance**

(n= 150)

Sr. No.	Level of awareness about micro finance	Number	Per cent
1	Unfavorable (Below 26 Score)	20	13.33
2	Neutral (Between 26 to 35 Score)	105	70.00
3	Favourable (Above 35 Score)	25	16.67

Mean=30.75

SD=4.43

In the present study majority (70.00 per cent) of the member had neutral attitude towards micro finance, whereas 16.67 per cent of them were with favourable attitude and 13.33 per cent of them were with unfavorable attitude towards micro finance.

To know the understood information possessed by the members of SHGs about micro financé was the major objective of this study, hence interview schedule on micro finance was prepared and responses were collected in terms of correct and incorrect answers. They were classified in to three categories on the basis of mean and standard deviation.

Knowledge refers to the degree of understood information possessed by the members of SHGs about micro

**Table 3 : Distribution of respondents according to knowledge about micro finance:**

(n= 150)

Sr. No.	Level of knowledge about micro finance	Number	Per cent
1	Low knowledge, (Below 2)	25	16.67
2	Medium knowledge (Between 12 to 23)	96	64.00
3	High knowledge (above 23)	29	19.33

Mean=17.33

SD=5.81

In the present study more than half (64.00 %) of the members had medium level of knowledge about micro finance, followed by 19.33 and 16.67 per cent with high and low level of knowledge about micro finance, respectively. The result indicated that majority (83.33 per cent) of the members had created medium to high level of understanding about micro finance. The present findings might be due to good awareness and neutral to favourable attitude towards microfinance.

age group, had primary level of education, annual income below ₹ 25000/- and belonged to medium level of social participation. Among 150 respondents, 72.00 per cent of them had medium achievement motivation, had higher level of risk orientation and low level of market orientation. Majority of the respondents had medium level of saving between ₹ 451 to ₹ 1274. Majority of the members of the group (78.67 per cent) had higher level of leadership. More than two third (71.34%) of the member had medium level of awareness about microfinance. Majority (86.67 %) members showed neutral to favourable attitude towards micro finance and more than half (64.00 %) of the members had medium

**CONCLUSION**

Majority of the beneficiary farmers were in young

level of knowledge about micro finance.

From the above finding an inference could be drawn that most of the members showed neutral to favourable attitude and medium to high level of understanding towards microfinance. It might be due to continuous participation in various meetings organized by the head of DRDA, KVK and regularly visit to bank for saving of group money. From the present study, it can be concluded that SHGs and micro finance were successful in promoting empowerment of women leading to holistic development. One of the reasons of medium to high level of knowledge among members of SHGs is that Governments and Non-Governmental organizations are taking lead in the spread of knowledge of micro finance. Education and training should be provided for the microfinance beneficiaries on how to efficiently utilize the resources apart from monitoring the financing system for income generation. However the government should be monitor that loans were properly used for income generation activity.

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