

ECONOMIC EMPOWERMENT OF WOMEN THROUGH SELF HELP GROUP (SHG)

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ABSTRACT

The present paper is an attempt to know the economic empowerment of women through SHGs. The paper is purely based on primary data which were collected from 150 respondents from Jhajjar district with help of interview schedule and analyzed with the help of cross-tab technique of statistics to draw the results. It was found through the study that the majority of the members of SHG empowered economically through the SHGs. SHGs helps of members in increasing the income, economic status of family, encourage saving habits, banking habits, increases access to microfinance, support in creation of personal assets, helps in borrowing potential, repayment of loan, increases support the family in financial crises, helps the beneficiaries to settle their previous debts, promote avoidance of private money lenders, promotes ability to participate in decision regarding utilization of money, better education to children and improves the overall standard of living of beneficiaries.

KEYWORDS: SHGs, Economic Empowerment, Microfinance, Financial Crises.

Introduction

In India, as per the 2011 census, Women constitute about 48.43 per cent of the population but their participation in economic activity is only 34 percent. Development and growth of a nation would not be possible unless women are brought into the mainstream of national development. For the development of any economy effective utilization of human resources is necessary condition. Women have been identified as potential contributors for fostering the pace of economic development. Involvement of women in productive activities is crucial strategy for poverty alleviation and overall empowerment of women in the society. The specific problems concerning rural poor women were identified as:

- Less attention in the development of rural and agriculture;
- No access of available assistance and services'
- lack of training programme for the development of social awareness and skills;
- Low productivity and narrow occupational choices;
- Low participation of women in decision making;
- Inadequate expert guideline for promoting socio-economic activity of rural women;
- Low contribution of women in different sectors;
- Wage differentiation, and
- Low health and nutrition status. (Planning Commission, 1981, Sixth Five Year Plan).

Concept of SHG

In the recent years, Self Help Groups have emerged as a popular method of working with people. Self Help Group improves economic and social status of women. They will become automatically empowered when they attain economic independence. For the development of women, society facilitates to understand and appreciate their abilities. It enhances their status and leads to integration in nation building and economic development. It provides the psychological satisfaction and imbibes a deep sense of achievement and enhanced their personality in society. To understand self employment ventures with locally available rural material and other resources, the self help groups have been encouraged by the government and non-government organization.

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Self Help Group consists of 10 to 20 women or men who want to improve their living conditions by setting up their own savings and loan fund. The fund is owned by the group and consists of the savings of the members. The fund is used to make short-term loans to members. Interest on loans plus fines is profit of the group which is divided into members of the group at the end of the year. The group comes together every week to collect savings and to get loans if required. The group members support each other and work together to change the disadvantage affecting them.

Each member of SHG selects a leader called Animator. Two to three meeting is conducted in every month by Animator. A Regular amount of Rs. 20 to Rs. 100 every month is saved by group member. The needy members can take loan at a specified interest rate for various purposes. As the repayment is hundred percent and the recycling is very fast, the saving amount increases faster owing to the accumulation of income from interest, saving habit helps the clutches of money lenders. Saving habit pave the way for the improvement of women and builds confidence in their minds that they could stand on their own feet. After the group stabilizes over a period of six months or more in the management of its own funds, it conducts regular meetings, maintain saving and give loans to members on interest. The SHGs are being linked with the banks i.e commercial bank, financial institutions and NGO for the external funding under the projects of rural development. The joint appraisal teams consisting of Bank Managers, Non - Government Organizations, Rural Development Officers, and Projects Implementation Units visit the groups and select the beneficiaries proposed by the women groups for providing financial assistance to the respective entrepreneurial activities. Financial assistance is provided by banks for various entrepreneurial activities.

Definitions of Self-Help Groups

- NABARD; SHGs are “small economical homogenous affinity groups of rural poor, voluntarily formed to save and mutually contribute a common fund to be lent to its members as per group decision.”
- Singh and Jain (1995) have defined SHG as, “voluntary association of people formed to attain goals both social and economical.”
- “Self help group is collection of people who have common problems that cannot be solved individually, and have therefore decided to form a group and take joint action to solve the problem.”
- SHGs are generally defined as, “A homogenous group of the members tend to be similar in terms of socio-economic status and live in close approximation to each other.”

Self Help Groups and Economic Development

Self Help Groups are self managed groups of poor women which primarily came in to existence to mobilize financial resources through their own saving and lend the same amongst themselves to meet the credit needs of their members. The present self-help group's schemes are an alternative to achieve the objectives of rural development and get community participation in all rural development programmes. The SHGs aim at promoting awareness among the poor about the on-going development programmes. The poor should know how best to use existing government programmes, and also the legal provisions meant for the disadvantaged sections of the rural communities. SHGs have an in built mechanism where emphasis has been given over capacity building of women through developing their dialoguing skills. An SHG functions through its regular meetings, where members perform transactional activities and discuss over different related issues. This discussion among the group members is the means through which they give voice to their needs and it proves to be a platform for addressing their social and economic problems and enlightening their inner selves as well.

Social mobilization through Self Help Groups is inevitable for economic empowerment and poverty alleviation. The concept of Self Help Groups exists prior to any intervention. The members are linked by a common bond like caste, blood, community and place of origin or activity in these natural groups of 'affinity groups'. It is imperative that the Self Help Groups should be promoted in the way that facilitates a cooperative, participative and empowerment culture. The Self Help Groups provide economic benefits in certain areas of production process by undertaking common action programmes like cost-effective credit delivery system, generating a forum for collective learning with rural people, promoting democratic culture, fostering and entrepreneurial culture, providing a firm base for dialogue and cooperation in programmes with other institutions, possessing credibility and power to ensure participation and helping to assess an individual member's management capacity. Self Help Groups enhance the equality of status of women as participants, decision makers, and beneficiaries in the democratic, economic, social and cultural spheres of life.

They encourage women to take active part in the socio-economic progress of our nation. The SHGs bring out supremacy of women in molding the community in right perspective and explore the initiative of women in taking up entrepreneurial ventures. The SHGs empower women and train them to take active part in the socio-economic progress of the nation and make them self-disciplined and self-made. They remove social limitations of women such as superstition, and male domination role in decision-making. The SHGs have inculcated a great confidence in the minds of rural women to succeed in their day-to-day life.

Review of Literature

Review of literature is an evaluative report of information found in the literature related to the selected area of the study. The review should describe summaries, evaluate and clarify the literature. It provides a theoretical base for the research and helps the researcher to determine the nature of research.

Agrawal, Harigopal, G. (2018) assessed the empowerment of women through self help group in Baswana district in Rajasthan with the help of 100 samples selected from various social categories. The study analyzed that majority of the member joined SHG to get loans to buy livestock, others members join because their husbands encourage them to join. The study further analyzed that the awareness level on various issues have been increased after joining the SHGs.

Bhanwala, Harsh Kumar (2017) studied microfinance in India including 100 schedule bank, 39 DCCBs, 27 state rural livelihood mission and above 5000 NGOs engaged in promoting SHGs. The study found overall progress under SHG bank linkage programme during 2014-2017. The number of SHG saving linkage, savings outstanding, credit disbursement by banks was increased in 2016-17. Study also showed the region-wise distribution of loans to SHGs 2016-17. Number of SHG and loan disbursed by SHG were highest in southern and eastern region. Amount of NPA was raised nearly 8.6 percent during 2016-17. NABARD play role as a facilitator and mentor of microfinance initiative in India. SHG bank linkage programme is the largest microfinance programmed in the world.

Annupuma, A. Alime Lu (2017) conducted a study on SHG- bank linkage programme in Indian perspective and presented the status of SHG bank linkage programme in India on region-wise, saving, loan disbursement and NPA. Data collected by annual report of NABARD. Study found that total disbursement were 89 percent in which 86 percent share was women in SHG saving linked with bank. Study also revealed that 71 percent of total SHG link to bank in India were of southern region in 2001 and it continued till 2015 when the share reached at 48 percent and a special cell to cater to the needs of SHGs at bank level will help in thorough monitoring of the groups, their activities and also extending financial consultancy to improve their economic status.

Saravanan, M. (2016) measured the impact of self help groups on socio-economic development of rural household women in Tamil Nadu and study examined the role of SHG in development of rural women, to alleviate poverty in rural area, to increase the opportunities for employment. Study collected the data through secondary source. The study exhibited that microfinance play a significant role in reducing poverty, rural development, increasing standard of living and food security. The study was found that participation of women in self-help group (SHGs) made a significant impact on their empowerment both in social and economic aspects.

Listana, Precious (2015) studied the process of forming successful Self help Groups in the SAT village of Dokur. The study was to examine the process of successful SHGs, to evaluate the personal leadership and group dynamics of SHGs. The presence of SHGs in Dokur has positively impact on the mentality of women. Regardless of the results of investment, women are becoming more empowered to have access to money and to decide how it is spent. The study was showed that SHG members spend their loans on income generated activities like agriculture and their family's education. Investing in agriculture is a risky decision because it is not guaranteed to provide any surplus especially in drought-prone areas and investing in family education, women are becoming more empowered to have access to money, and to decide how it is spent.

Patil, Sunil Subhash (2015) conducted a study self help group which promote the rural women empowerment. Empowerment of women involves awareness of one's power, capabilities, potential & competencies, right and opportunities for development. The study collected data from both primary and secondary source. Study was conducted in selected villages of Kolhapur district. The study were to studied demographic environment, socio economic impact and problem faced by the members of SHGs. Study found that due to lack of training facilities coordination and cooperation among member's different problems were faced by SHG.

Das et al. (2015) studied the impact of women self help groups on rural entrepreneurship development. The Study was conducted in three selected districts of west bangal which were Nadia, 24-pargana and Bankura. The study revealed that women entrepreneurship was effective strategy to solve the problem of rural poverty. The study found group-wise difference in terms of income, savings, expenditure and debt reduction. The study concluded that SHGs have failed to cater entrepreneurship among the women in West Bengal. Despite social and economic barriers there are a number of promising women entrepreneurs groomed by SHGs.

Das, Sanjay Kanti (2012) analyzed the self help group bank linkage programme in three development blocks of Nagon district of Assam in 2010-11 by taking a sample of 150 respondents. The study found that SHGs were formed to obtain the financial support from govt. and others financial institutions. Some groups formed to improve the economic and social status, saving habit among members. The study also found the major problems faced by SHG were delay in sanction the loan, no response from authorities, lack of administrative expenses, inadequate loan amount, etc.

Reddy, K.Raja and Reddy, C.S. (2012) studied the quality and sustainability of SHG and understand the factors which influenced the quality and sustainability of SHG by covering a sample of 1942 SHGs from 41 districts of 8 states in India. The Study found that wide disparity has major barrier between the states in the growth of SHG movement. It was also revealed through the study the number of SHG having saving bank account was found to be high in the Andhra Pradesh (14.96 lakh) and low in the Gujarat (2.27 lakh) in 2012. Trend is decreasing regarding number of SHG that have a long outstanding with bank in 2012.

Objective of the Study

The main objective of the present study is to study the impact of self help group in economic empowerment of women in Jhajjar district of Haryana.

Research Methodology

The study was analytical in nature as the researchers analyzed the impact of SHGs on economic empowerment of women. For collecting the data, 150 respondents of women SHGs of NRLM intensive who are residing in jhajjar district of Haryana was considered the sample size of the study. Five blocks comes in the jhajjar district i.e., Bahadurgadh, Beri, jhajjar, Matanhail, Salhawas. Matanhail was selected the sampling framework on the convenience of the researcher. The present study is mainly based on primary data, which was collected from 150 respondents from Jhajjar district with multi stage connivance sampling technique was followed. Crosstab technique of SPSS was used to analyse available data and to reach at the conclusion of the study. Data was also analysed, interpreted and evaluated with required statistical tools like tabulation and percentage.

Profile of Jhajjar District

Jhajjar district is situated in the Middle Eastern part of Haryana with geographical area of 1834 sq. km. It is surrounded by Rohtak and Sonipat in the north, Rewari and Gurgaon in the south, Delhi in the east and Bhiwani in the west. It consists of 3 tehsils, 1 sub - tehsil, 5 blocks, 5 towns, and 247 inhabited villages. The population of Jhajjar district is 958405 and population density of 523 people per km according to the 2011 census. The sex ratio is 862 and child sex ratio is very low at 782 girls per thousand boys.

An analysis of impact of SHGs on economic empowerment of women collected through interview schedule was made with the help of crosstab technique of SPSS under the study and has been expressed through the analytical table 1. The analytical table 1 exhibits the impact of SHGs on economic empowerment of women.

Table 1: Impact of SHGs on Economic Empowerment of Women

Statements	Strongly Agree	Agree	Indifferent	Disagree	Strongly Disagree	Total	Mean score
SHG increases the income of the member	37(24.7)	39(26)	30(20)	28(18.7)	16(10.7)	150 (100)	3.53
SHG promotes the economic status of the family	44(29.3)	38(25.3)	30(20)	28(18.7)	10(6.7)	150 (100)	3.52
SHG promotes the savings habit among SHG members	42(28)	30(20)	31(20.7)	27(18)	20(13.3)	150 (100)	3.31
SHG increases access to microfinance	41(27.2)	40(26.2)	25(16.7)	28(18.7)	16(10.7)	150 (100)	3.41

SHG encourage the banking habits	45(30)	32(21.3)	29(19.3)	31(20.7)	13(8.7)	150 (100)	3.43
SHG support in creation of personal assets	32(21.3)	44(29.3)	32(21.3)	25(16.7)	17(11.3)	150 (100)	3.32
SHG helps in borrowing potential	44(29.3)	38(25.3)	28(18.7)	31(20.7)	9(6)	150 (100)	3.51
SHG increases support the family in financial crises	28(18.7)	47(31.3)	25(16.7)	30(20)	20(13.3)	150 (100)	3.22
SHG supports in repayment of loan	61(40.7)	34(22.7)	27(18)	27(18)	1(.7)	150 (100)	3.84
SHG helps the beneficiaries to settle their previous debts	33(22)	56(37.3)	25(16.7)	28(18.7)	8(5.3)	150 (100)	3.52
SHG promotes avoidance of private money lenders.	41(27.3)	40(26.7)	35(23.3)	22(14.7)	12(8)	150 (100)	3.5
SHG promotes ability to participate in decision regarding utilization of money	50(33.3)	47(31.3)	27(18)	19(12.7)	7(4.7)	150 (100)	3.76
SHG promotes better education to children	35(23.3)	53(35.3)	27(18)	27(18)	8(5.3)	150 (100)	3.53
SHG improves the overall standard of living of beneficiaries	44(29.3)	36(24)	30(20)	33(22)	7(4.7)	150 (100)	3.51

Source: Author calculations

The analytical table shows that out of total selected women SHG members 24.7 per cent were strongly agreed and 26 per cent were agreed that SHGs increases the income of the members. And the high mean score (3.53) also favored this statement. On the other hand some of the respondents (29.4 per cent) were disagreed and 20 per cent were indifferent toward the statement. On the next statement, findings display that 29.3 per cent and 25.3 per cent were strongly agreed and agreed toward the statement that self help groups promotes the economic status of the family. The table also exhibits that a few number of the respondents (total 25.4 per cent) were against the statement by disagreeing and strongly disagreeing to it. The mean score analysis exhibits that respondents favored the statement with the high mean score 3.52 out of 5. On the next statement, SHG promotes the saving habit of the members, responses revealed that majority of respondents (48 per cent) agreed toward the statement and some of them (21.3 per cent) were against on it. The views of women SHGS member were also invited on the statement that SHGs access on microfinance, 53.4 percent of total respondents were agreed on the statement. And mean score 3.41 also showed their acceptance. Majority of members (51.3 per cent) also in the favor that SHG encourages the banking habit of the member with the mean score of 3.47. On the other hand, 29.4 per cent of the total was in against that SHG does not encourage the banking habits among members. On the next statement, the respondents agreed (50.6 per cent) with majority that SHG support in creation of personal assets with the high mean score of 3.32. Few of the respondents were oppose the statement that SHG doesn't support in creation of personal assets. The table also exhibits the responses of members on the statement that SHG helps in borrowing potential with the 29.5 per cent and 24.5 per cent strongly agreed and agreed respectively. The mean score of 3.51 is also displaying their acceptance. On the next statement, findings display that 18.7 per cent and 21.3 per cent were strongly agreed and agreed toward the statement that self help groups increases support to the family in financial crises by providing short term loan to the members with the mean score of 3.22. As per the responses of the women SHG members, it is found that majority of respondents (63.4 per cent) agreed toward the statement that SHG supports in repayment of loan. The mean score analysis reveal that highest mean score 3.84 proved the same. The analytical table 1 also showed that out of total selected women SHG members 22 per cent were strongly agreed and 37.3 per cent were agreed that SHG helps the beneficiaries to settle their previous debts. And the high mean score (3.52) also favored this statement. On the other hand some of the respondents (18.7 per cent) were disagreed and 5.3 per cent were indifferent toward the statement. On the next statement, findings display that 27.3 per cent and 26.7 per cent were strongly agreed and agreed toward the statement that self help groups promotes avoidance of private money lenders. The table also exhibits that a few number of the respondents (total 22.7 per cent) were against the statement by disagreeing and strongly disagreeing to it. The mean score analysis exhibits that respondents favored the statement with the high mean score 3.5.

On the next statement, the respondents agreed (64.3 per cent) with majority that SHG promotes ability to participate in decision regarding utilization of money with the high mean score of 3.76. Few of the respondents (17.4) were oppose the statement that SHG doesn't support in creation of personal assets. The table also exhibits the assertions of members on the statement that SHG promotes better education to children with the 23.3 per cent strongly agreed and 35.3 per cent agreed. The mean score of 3.5 is also displaying their acceptance. And some of the respondents (23.3per cent) were in opposition of the statement. Further, the table indicated that 29.3 per cent and 24 per cent were strongly agreed and agreed toward the statement that self help groups SHG improves the overall standard of living of beneficiaries with the mean score of 3.51.

Conclusion

The study exposed that SHG helps in women economic empowerment checked with the help of 14 statement such as SHG increases the income of members, economic status of family, encourage saving habits, banking habits, increases access to microfinance, support in creation of personal assets, helps in borrowing potential, helps in repayment of loan, increases support the family in financial crises, helps the beneficiaries to settle their previous debts, promote avoidance of private money lenders, promotes ability to participate in decision regarding utilization of money, promote better education to children and improves the overall standard of living of beneficiaries.

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