

# EFFECT OF SELF HELP GROUP IN ECONOMIC EMPOWERMENT OF RURAL WOMEN IN HIMACHAL PRADESH

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## ABSTRACT

Women constitute fifty percent of the world population and receives hardly ten percent of the world income and owner of even less than one percent of world's property. They suffer many disadvantages as compared to men in terms of literacy rate, labour participation rates and earnings. The major strategies for women empowerment include social empowerment, political empowerment and gender justice along with demographical justice (rural and urban). For the rural women, economic empowerment can be harvested through the concept of Self-Help Groups (SHGs) based on group approach to rural development. SHGs are indeed a boon to the rural poor women who undertake viable economic activities on their own. SHGs are voluntary association of people formed to attain some common goals. In this paper, an attempt has been made to evaluate the nature of business and its performance carried out by women through SHGs and its impact on economic empowerment in rural areas.

Keywords: Constitution, empowerment, Panchayati Raj, Self -Help Groups (SHGs).

## INTRODUCTION

Women empowerment is the most important instrument for the socio-economic development of a nation. Bringing women into the mainstream is one of the major challenges for every government. Women empowerment has become a meme in the global governance network. In this context, Self -Help Groups (SHGs) have emerged as the tool that wield power to create a socio- economic revolution in the rural areas of our country. SHGs have not only produced tangible assets and improved living condition of members but also help in changing much of their outlook, worldview and attitude. Women in India are the victims of multiple socio-economic and cultural factors. Emancipation of women is a pre-requisite for nation's economic development and social upliftment.

A series of development programmes have been implemented for the development of economy in general ignoring women who constitute 50 percent of the total population. Role of women in development is an indispensable factor. Development programmes no longer can achieve their target without the participation and contribution of women. The role of women and need to empower them are central to human development programmes including poverty alleviation. In spite of safeguards provided in many of poverty alleviation programmes, it was observed that women in rural areas especially from poor families could not be benefited. All provisions of the Constitutions and the spate of legislation enacted to empower women in the post-independence India have not been adequate to set women free from their traditional bondages, liabilities and

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restrictions. Till recent times, women's participation in the decision making processes especially in rural areas have remained very marginal.

A whiff of change was caused by the 74<sup>th</sup> amendment to the Constitution of India, which has guaranteed women a substantial role in the local governance. Women empowerment is multifaceted concept that extend to the psychological, economic, social, cultural, political and institutional spheres of women's lives. SHGs are the tool for achieving social and economic empowerment through collective actions. It has led the women to understand their potentials ,rights, entitlements and their responsibilities as mother at home , as labourer in different activities they engage with and as a citizen in the country .The SHG is a viable organized set- up to disburse microcredit to the rural women for the purpose of making them enterprising and encouraging them to enter into entrepreneurial activities. The formation of SHGs is not ultimately a micro credit project but an empowerment process.

Self-Help Groups are a small group of individual members who voluntarily come together and form an association for achieving a common objective. In most cases, SHGs are constituted by persons known to one another and coming from the same village community or neighborhood,. SHGs are small in size with membership ranging from 10 to 20 and are homogeneous. SHGs have certain pre- groups binding factor . These groups start with saving and not with seeking credit from the group, then uses its savings to extend loans to SHG members to meet their emergency and other attendant needs. The members factor in many parameters to prioritize loans like savings per member, maximum size of loans, guarantee mechanisms in loan sanctions. The empowerment of women through SHGs would gives benefits not only to individual woman but also for the family and community as a whole through collective action for the development.

The SHGs have the common perception of need and impulse towards collective action. Empowering women not for economic need alone, but also for more holistic social development. The SHGs empower women both socially and economically. They encourage women to participate in the decision making in the household, community local democratic sectors and prepare women to take leadership position.

## REVIEW OF LITERATURE

In order to analyze the role of SHGs in women empowerment, a brief review of literature has been made .According to Mohanan (1998), the Self-Help scheme to benefit the poorest of the poor must be at the heart of the new strategy to combat poverty. To him, the SHG route is one of the cost effective methods of delivery of credit to the poor for whom modern capital is inaccessible. Manimekali and Rajeshwari(2000) have explained the role of SHGs in empowering women. The encouragement given by the SHGs help the organizers to form a group namely SEVAI. They have suggested giving training, which is linked with some kind of credit delivery mechanism whether formal or informal. Soni (2001) defines "empowerment as an active multidimensional process, which should enable women to realize their full identity and power in all spheres of life." Soundari and Sudhir (2001) reveals that the SHGs engage not only in productive economic activities but also in social empowerment and capacity building of rural dalit women. Reddy (2002) has pointed out that for bridging gaps in gender inequality, women should be empowered by making them as active partners in decision-making, implementation and evaluation of all interventions initiated for energizing, organizing and sustaining their livelihood. According to him, empowerment is an ongoing process and not an end by itself. The processes involved in empowering are (i) growth in people's awareness and confidence; (ii) Ability to articulate problems; (iii) Gaining access to resources and public facilities; (iv) Negotiating over relations between different social groups. Seibel and Kumar (2002) revealed that SHGs in Karnataka paved the way for empowerment of women who are increasingly involved in community development programs and local politics. SHGs have potential to prevent social evils such as child marriage, child labour, and dowry and prevent harassment of

women. Dwarakanath (2003) highlighted the pioneering steps taken by the Andhra Pradesh government to involve rural women in the organization and monitoring the SHG action plan. These steps helped in bringing others institutions like commercial banks, NGOs and other microfinance organization for the uplift of rural women. Pazhani (2004) has analyzed the socio-economic conditions of women participating in Panchayati Raj Institutions (PRIs) and the factors responsible for active participation of women in PRIs. He suggested that the NGOs may be used in a better way to create social awareness among the rural population, especially women regarding PRIs and also other things relating to their environment. Perumal (2005) observed that women who join SHGs are strengthened in many ways apart from becoming economically empowered. They gain a say in family matters and their social status is enhanced. Kour (2008) suggested that the state agencies should formulate SHGs and finance them on strict criteria of income generation and poverty alleviation and overall rural development. Sivachithappa (2008) pin-pointed that SHG-based micro-finance and bank linkage programme has better outreach and positive impact on poverty. Olekar (2011) observed that SHG has attracted tremendous attention in recent years. Microcredit is an alternative source of credit for the poor. This system provides credits for the development of the poor sections of the society. SHG programme is the right participatory approach for eradication of rural poverty and paradigm of rural development. From the aforementioned discussion, it is evident that SHGs are playing a vital role in the process of women empowerment.

#### OBJECTIVES AND METHODOLOGY

The objectives of the present study is to study the pre- and post- SHGs status of SHGs members and to evaluate the impact of SHGs in empowering women. The present study is undertaken in Mandi district of Himachal Pradesh. Primary and secondary data have been used for the present study. Stratified random sampling method has been used for the selection of 150 beneficiaries from the SHGs of Mandi districts. In order to study the impact of SHG on the beneficiaries, the occupation of the respondents in pre- and post- SHG stage has been analyzed. Similarly the income of the respondents in pre and post SHGs stage has been taken for analysis and others socio-economic parameters have been assessed to study the impact on beneficiaries.

#### IMPACT OF SELF-HELP GROUPS

One of the major objectives in initiating SHGs for women, especially the poor women is to help them take up and manage their own productive activities. This could supplement their household income leading to improved living standards. Such income generating activities are also expected to serve as instruments which could bring about economic awareness and empowerment among the women members. The impact of SHGs are analyzed on the basis of occupation of the respondents in Pre-SHG and Post-SHG stage, income of the respondents in Pre-SHG and Post-SHG stage, benefits under SHGs and empowerment through SHGs.

Table 1 : Occupation of the Respondents in Pre-SHG and Post-SHG Stage

Occupation	Pre-SHG Stage	Post-SHG stage
No occupation	48 (32)	12 (08)
Rearing Cattle	24 (16)	09 (06)
Weaving	18 (12)	06 (04)
Handicrafts	09 (06)	33 (22)
Agricultural- labourer	39 (26)	27 (18)
Other income generating activities	12 (08)	63 (42)
Total	150 (100)	150 (100)

Source: Primary Data, Note: Figures in the brackets denote percentage

## OCCUPATION OF THE RESPONDENTS IN PRE-SHG AND POST SHG STAGE

The occupation of the respondents in Pre-SHG and Post-SHG stage is analyzed in the above Table 1. It is evident that 32% of the respondents have no occupation in Pre-SHG stage whereas in Post- SHG stage, only 8% of the respondents are without occupation. The occupation chosen by SHG members depends upon the availability of skill, demand for the product in the market and the availability of resources.

Table 2 : Income of the Respondents in Pre-SHG and Post SHG Stage

Monthly income (Rs)	Pre-SHG Stage	Post- SHG stage
No income	48(32)	-----
Up to Rs.1000	18(12)	27(18)
Rs1000-2000	66(44)	39(26)
RS 2000-4000	18(12)	81(54)
Above Rs4000	-----	03(02)
Total	150(100)	150(100)

Source: Primary Data, Note : Figures in the brackets denote percentage.

## INCOME OF THE RESPONDENTS IN PRE -SHGS AND POST- SHGS STAGE:

The SHG members get involved in activities which yield better income to them. The income of the respondents in Pre-SHG and Post SHG stage is analyzed in the Table 2. It is evident that before joining in Self-Help Groups, 32 percent of the respondents had no income and none of the respondents had income above Rs.4,000. After joining SHG, three percent of the respondents have income above Rs.4,000 per month. In post- SHG, none of the single beneficiary is coming under no income group. Before joining SHG, majority of the women were not able to contribute towards their family income as they do not have the skills or opportunities for employment. After joining SHG, though the returns from income generating activity taken up remain irregular and many cases unstable, they would make a lot of difference to the lives of poor. The increased income has helped to supplement the incomes to reduce the level of the poverty to a great extent in several families.

Table 3 : Benefits Received by the Self-Help Group Members

Benefits Received	Opinion			Total
	Agree	No opinion	Disagree	
Development of saving habit	126(84)	24(16)	----	150(100)
Increased income	114(76)	27(18)	9(6)	150(100)
Access to large quantum of resources	81(54)	24(16)	45(30)	150(100)
Window for better technology	96(64)	18(12)	36(24)	150(100)
Better status and decision making power	120(80)	12(8)	18(12)	150(100)
Access to various promotional assistance	105(70)	15(10)	30(12)	150(100)
Organized and collective voicing of grievance	120(80)	9(6)	21(14)	150(100)

Source: Primary Data, Note: Figures in the brackets denote percentage.

## BENEFITS UNDER SELF- HELP GROUPS

Membership in Self-Help Group accrue certain benefits to its members. SHG member's opinion about benefits received by them is analyzed with the help of Table 3. The data shows how development of the savings habit is the major benefit received by the SHG members, followed by learning to organize and voice grievance collectively, increased income, better status and decision making power, accesses to various promotional assistance, access to larger quantum of recourses and window for better technology.

Table 4 : Empowerment of Self -Help Group Women

Indicators of empowerment	Opinion			Total
	Agree	Disagree	No opinion	
Able to contribute towards family income	144(96)	-	6(4)	150(100)
Skill upgradation	69(46)	54(36)	27(18)	150(100)
Understand the banking operation	108(72)	24(16)	18(12)	150(100)
Improve the standard of living	78(52)	42(28)	45(30)	150(100)
Better leadership and communication skill	90(60)	24(16)	21(40)	150(100)
Awareness in health education	93(62)	12(8)	45(30)	150(100)
Take decision in community, village and in household	78(52)	30(20)	42(28)	150(100)

Source: Primary Data

Note: Figures in the brackets denote percentage.

## EMPOWERMENT OF SELF -HELP GROUP WOMEN

The SHG program mainly focuses on empowerment of rural women and making them financially socially and politically capable. The above table analyses the empowerment of SHG women in the study area. Table 4 reveals the opinion of the respondents regarding the women empowerment through SHGs. The respondents were able to contribute towards their family income and also counted other benefits like skill upgradation, better understanding, banking operations, better leadership and communication skills. They gain first hand experience of how to take decisions in community, village, and in households. Most important is that there is palpable improvement in standard of living.

## SUMMARY OF FINDINGS, CONCLUSION AND SUGGESTIONS

On the basis of the study the following findings have been drawn.

1. 32% of the respondents have no occupation in Pre-SHG stage where as in Post -SHG stage, only 8% of the respondents are without occupation.
2. In Pre -SHGs stage, 26 percent of the respondents were engaged as agricultural labourer, but in post -SHGs stage, the figure declined to 18 percent.
3. In Pre-SHG's stage, 8 percent of the respondents are engaged in other income generating activities which increased to 42 percent in post-SHG's stage.
4. Before joining in Self-Help Groups, 32 percent of the respondents had no income and none of the

respondents had income above Rs.4,000 per month. After joining SHG, 3 percent of the respondents have income above Rs.4,000 per month. In post -SHG stage, not a single beneficiary is coming under no income group.

5. In pre-SHG stage, majority of respondents i.e. 44 percent are having income ranging between Rs.1,000-2,000 per month but after joining SHGs, 54 percent of respondents mentioned that their income have increased to Rs.2,000-4,000 per month.
6. 84 percent of respondents are of the opinion that they have developed the saving habit after joining SHGs. Whereas 76 percent of respondents revealed that their income level had increased significantly after joining SHGs.
7. 54 percent of respondents reveal that after joining SHGs, they are able to access large quantum of the resource where as 30 percent of respondents have expressed their dissatisfaction.
8. 64 percent of respondents have opined that SHGs proved useful window for better technology whereas majority of respondents i.e. 80 percent of respondents have expressed their satisfaction that SHG have helped them to live better life and their involvement in decisions making power.
9. 70 percent of respondents reveal that SHGs have provided them access to various promotional assistance and 80 percent of the respondents expressed that SHGs have been able to organize voice their grievance together.
10. 96 percent of respondents have opined that through SHGs, they are able contribute towards their family income, 46 percent of respondents have expressed that SHGs have helped them for skills upgradation, 72 percent of respondents are able to understand banking operation after joining SHGs, 52 percent of respondents have opined that their standard of living have improved after joining SHGs, whereas 60 percent of the respondents have opined that SHGs have improved their better leadership and communication skill and 52 percent of respondents stated that after joining SHGs ,they are able to take decision in community, village and household activities. SHGs have a power to create a socio economic revolution in the rural areas of our country.

## CONCLUSION

SHG is a powerful instrument for poverty eradication in the new economic era. As women are the most vulnerable section of the society the quick progress of SHG is an upward vehicle for women empowerment. SHGs have not only produced tangible assets and improved living condition of members but also helped in changing much of their outlook and attitude. In the present study, it has been found that SHGs have served the cause of women empowerment, social-solidarity and socio-economic betterment of poor rural women. SHG serves as a democratic tool for grassroot development for women. SHG promotes self reliance by generating its own funds. It breaks the vicious cycle of debts. It is an effective agent for change and serves as a solid platform for women empowerment.

## SUGGESTIONS

On the basis of the study, following suggestions are offered:

1. Periodical training at regular interval to group members on self management aspect may be imparted with the help of experienced resource persons.
2. SHG services can be utilized to fight against social evils like child labour, dowry system, to promote

small family norms, infrastructure development and in other useful social works.

3. Instead of officials or village leaders, motivating the women to form into group to serve its members, people should come together on their own volition.
4. Attendance at meeting should be made mandatory to inculcate the group cohesiveness among all the members.
5. NGOs and Government should take necessary steps for marketing the goods produced by SHGs.

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