

ROLE OF SHGs IN SOCIO-ECONOMIC EMPOWERMENT OF WOMEN - AN ANALYSIS

Abstract

The movement for the empowerment of women as a part of major civilisational transformation has been one of the significant developments in recent years. Development of individuality, redistribution of social power and control of resources in favour of women are the basic concerns of the empowerment process. Empowering women itself is a multidimensional problem and an issue of global concern. Women are for a new deal today as they are the focus of economic development. Empowerment of women being one of the primary objectives of the 9th plan (1997-2002) where every effort was made to create, an environment where women can freely exercise their rights both within and outside home, as equal partners along with men. The plan suggested to organize women into Self-Help Group (SHGs) and equip them with necessary skills for different trades and business. Women's ability to work in group is emerging as an important economic base for development. SHGs are considered as one of the most significant tools to adopt a participatory approach for social and economic empowerment of women.

Keywords: Civilisational transformation, multidimensional, gender – based paradigm, economic independence.

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I. INTRODUCTION

The movement for the empowerment of women as a part of major civilisational transformation has been one of the significant developments in recent years. Development of individuality, redistribution of social power and control of resources in favour of women are the basic concerns of the empowerment process. Empowering women itself is a multidimensional problem and an issue of global concern. Women are for a new deal today as they are the focus of economic development. Since women constitute almost half of the total population of the country, so all possible steps are being taken to strengthen them to achieve their rights and status. International agencies now focus on women centric gender-based policy initiatives. Even goals are formulated pertaining to gender-based paradigm.

The basic issue that prevents women from full participating role in nation- building is the lack of economic independence. In India, more than 60% of the rural poor are women, who by virtue of the asymmetrical power relations, are accorded a secondary status in our society. As long as the disadvantaged suffer from economic deprivation and, livelihood insecurity, they will not be in a position to mobilise (UNDP 2001). This scenario emphasizes the need for appropriate measures and strategies for the empowerment of women by freeing them from the clutches of poverty. An important means of women's empowerment is economic independence through information, knowledge and necessary skills by forming self-help groups (SHGs). SHGs are now considered as one of the most important tools to adopt a participatory approach for socio-economic empowerment of women.

II. OBJECTIVES

The present study is carried out with the following objectives

1. To evaluate the role played by the SHGs in empowering women socially and economically,
2. To enquire into the changes that are brought about by the SHGs in the socio-economic status of women.
3. To evaluate the various constraints that hinders the functioning of SHGs in empowering women and also to suggest some measures to overcome them.

III.METHODOLOGY

The present study is based on secondary data which are collected from various published sources such as books, journals of Gov. and private organizations Data related to SHGs have been mostly collected from various publications of the Govt. An analytical tool has been used for analyzing the various aspects related with the topic.

IV. REVIEW OF LITERATURE

The present section is devoted to review the existing studies so far available on self help group (SHG) - their role and performance in empowering women. The objective of this section is to know the scope of different studies made so far on SHGs and to examine the relevance of the parent study. We find that most of the studies so far conducted by individual researchers or organizations are specific in nature, dealing with some particular aspect. So, a

humble attempt has been made through this study to assess the role performed by SHGs in empowering women with given emphasis on socio – economic aspects.

The important studies so far made on such topic are discussed below

Gupta M.L. & Gupta N. (2006) in their work “Economic Empowerment of Women through SHGs” indicated that successful working of SHGs in Punjab has given enormous benefits to the women and their families by raising their incomes. SHGs have improved both the economic and social status of women Rao Radhakrishna (2005) in his study “Women’s Groups Herald a wind of change in Rural Uttaranchal”, explained that all women SHGs took upon themselves the tasks of giving a fresh thrust to developmental activities and community empowerment.

Koul D.N. & Mohan G. (2008) in their study “Women’s SHGs and micro finance” shows that the SHGs formed, helped the rural womenfolk in improving their awareness and self dependency.

Dr. Raghubansh Prasad Singh, the former union Rural Development Minister (2008) while addressing his first ad-hoc National Federation of SHG’s meeting in New Delhi, stressed on importance of formation of SHG’s for economic empowerment of rural mass.

Thakuria Nava (2005) in his study “The Growing mission of Self Helping “ indicated that the milizuli SHG in Nalbari has successfully empowered the Hira (Potterty) community women in the society.

Borthakur Purabi and Das Mallika (2004) in their study “Ravi – A modle village of Women” said that in Jorhat district, Ravi Village was an examplanary village where 9 SHGs run solely by women and inspired others to form more and more SHGs .

Mandal Amal (2004) in his book “Rural Development in West Bengal” indicated that SGSY Scheme helped the poor community women to improve their socio economic status in West Bengal.

V. GROUP FORMATION AND THEIR ROLE

The SHG is an imformal organization of 10 to 20 enterprising women who are belonged to BPL familes. It is controlled and managed by the members. The mutual trust is the spirit of the organization. It has its own rules and regulations. There is transperancy and accountability in SHGs transactions . The SHGs are formed by the promoters like Banks, NGOs, Govt. deptts. There are various categories of SHGs some are women SHGs , some are men SHGs and some are both men and women . The present study is mostly concerned with women SHGs.

In recent times, empowerment of women has become a serious area of study because women form a large component of human resource of our country . They are the potential contributors towards development. Therefore, the need of the hour is to provide economic and social security to this vulnerable group. In this regard, SHGs has been considered among other factors, a powerful tool to empower women socially and economically by eradicating

poverty both in the rural and urban areas. The most important benefit from the formation of SHG as perceived by the members is that they can mobilise their own funds at the time of need, by the facility of internal lending in the SHG. They no longer need to depend on the local money lenders who charge exorbitant rates of interests or mortgage their lands and valuable assets as collateral for obtaining even small amounts as loan from the banks.

On the social front, the members of the group perceive that the group activity has contributed to the development of their personalities and improvement in their socialization participation and communication skills. Their economic independence has given them better making power not only in the family but also in the community and prepare them to take up leadership positions SHGs have improved women's control over their lives and thus breaking the gender division of productive labour through their mobility. The opine that apart from the monetary benefits, the group activities has brought in more regularity in their routine, a sense of responsibility and as hope for better life in future. The SHG has instilled them the confidence to start similar self – employment ventures, exploiting the available opportunities. Besides their household works, the women seem to have embarked on the non traditional tasks like marketing and non – traditional enterprises. They have also got the freedom to move and interact with the officials and other women after joining the SHGs. Women's involvement in economic activities has increased substantially. They have become more confident, assertive and independent through SHGs. In certain areas SHGs programme has reduced child mortality, improved maternal health and ability of the women to combat disease through better nutrition, housing and health. Moreover, membership in group gives them a feeling of protection. At the community level, women groups at various levels have changed the attitudes towards the girls child education. Now the women have realized that education helps them to perform their roles effectively and builds themselves up as useful citizens. They reduction of gender inequalities is also recorded to some extent. Regarding improved standard of living 43% of women strongly believe that. They now enjoy better standard of living than earlier after joining SHGs. The recent studies and field level experiments have brought out clearly that women are better credit risk than men. Before joining SHG, majority of women earned zero income and hence they could not make any contribution to their family income. But after joining SHG, about 91% women made contribution to the family and become financially strong as income increases, savings propensity also increases. About 67% of SHG members save regularly. Moreover, conversion of individual savings into group funds not only provides the rational for group formation, but also enables the social utilization of the poor women's resources for their own development and thus helps to prevent the feminization of poverty. Tailoring, embroidery, pickle – making, fruit scanning, book binding, soap, candle, biri making provide ample prospects for illiterate and poor women to make a livelihood. Development of micro enterprises helps to create immediate employment opportunities involving number of women at low investment level.

Thus, SHGs become a forum for the collective voice, of the poor in general and women in particular against common oppression and exploitation, to understand individual and common problems and improve their skills and capacities to manage resources.

Comperative Assessment of the Socio – Economic Conditions of the SHG Women, before and after the Formation of the SHGs: Based on the qualitative assessment of some case studies conducted by some organizations and individuals on various SHGs, following

generalizations are made regarding the changes in the socio – economic conditions of women as a result of the initiation of the group activities.

A. Social Benefits		
Indicators	Before the formation of SHG	After the formation of SHG
1. Communication	Poor communication Skills	Considerable improvement in communication skills
2. Social participation	Low Social participation	More enthusiastic and responsible social participation
3. Functional literacy	Little or no functional literacy	Acquired in relation to the economic activity
4. Technical skill	Little or low technical skills undertaken	Acquired in relation to the economic activity
5. Decision making power	Low decision making power in the family	More decision making power due to an earning member status
6. Self confidence	Low	High
7. Understanding of the institutional thrift and credit mechanism	Little, knowledge of the banking activities & procedures	Practical knowledge on the thrift, credit procedures of banks due to hands on experience
8. Entrepreneurial skill	Low	Higher due to the market orientation and profit motive of the self help unit
9. Understand of the mechanism of group dynamics	Little understanding of the effectiveness of group activities	Fair understanding of and faith in the group mechanism
10. Standard of living income	Low	Improved
11. Nutritional Status	Average to poor	Improved as major share of incomes is spent on food
B. Economic Benefits		
Indicators	Before the formation of SHG	After the formation of SHG
1. Thrift habit	Poor & irregular	Improved with regular savings
2. Regular income	No regular income	Regular income from the economic activity
3. Contribution to family income	No contribution	Useful contribution

4. Economic Independence	Complete dependency on earning members	Economically self dependent to some extent
5. Credit worthiness	Low	Comperatively higher
6. Dependence on money lenders	Very high	Lower due to the provision of internal lending within the group

The overall picture indicates that the group formation and economic activity has resulted in an improvement in the socio – economic status of the SHG members. Their personal incomes have increased though the earnings are stabilized only over a period of time. Their status as an earning member earns them more respect in the family and thus attributes them better decision making power. The SHG movement has contributed to the empowerment and emancipation of poor women to a considerable extent and this in turn is translated to the well being of their children, family and the society. Men have been reported to offer little resistance towards the enhanced economic activity of women because such activities were seen as contributing to household well being. Another relevant aspect is that SHGs have facilitated the formation of social capital, where people learn to work together for a common purpose in a group of organization.

VI. CONSTRAINTS BEFORE SHGs

There are several major region – specific and organization specific problem that hinder the SHGs in their growth and functioning which are mentioned below.

Lack of scientific approach coupled with customs and related gender biases create numerous hurdles in the formulation and functioning of SHGs.

Although in India, some women SHGs have delivered excellent results in developing women, yet there is an extensive geographical area which could not be touched so far under these interventions.

Moreover, some women are not sure about their savings capability and hence do not join the groups and some times they are indifferent to such programme and thus never join the groups.

Govt. involvement in SHG based micro finance is a welcome development ; but it is not free from ills Govt. aid almost brings in its wake political favouritism and corruption which also act as a barrier in the working of the SHGs.

Banks and other FIs still perceive SHGs as high risk bearing and less remunerative business propositions which also stand in the way of getting loans from banks .

There is dearth of professionally equipped, experienced NGOs to take up various credit delivery innovations and promotional projects.

Inadequacy of skill upgradation and technology dissemination are some of the problems faced by the SHGs in performing their functions.

Lack of awareness among women due to poor economic conditions, illiteracy and ignorance also stand in the proper functioning of SHGs.

Overall inadequacy of infrastructure, forward and backward linkages, market information, robust technology erratic power supply, inappropriate pricing of risk, the rampant financial illiteracy, non – association of grass – root level institutions, high cost of production, lack of reliable data, heavy competition, inadequate capital, absence of entrepreneurial aptitudes, shortage of raw – materials, problems of govt. assistance etc. are some of the constraints that hinder the growth and functioning of SHGs.

VII. SUGGESTIONS AND CONCLUSIONS

Required strategies to be adopted for promoting women's SHGs are given below –

1. Awareness generation initiatives amongst women
2. Promoting self employment through credit and training programmes to women.
3. Providing savings habits among women.
4. Providing minimum needs to women such as nutrition, health, sanitation, housing education.
5. Building courage and self confidence and Preparing to accept changes.
6. Women must involve in risk taking activities and take effective decisions appropriately.
7. Building up a good relationship and working atmosphere amongst the participants of the group .
8. Motivating women to form a group and promote entrepreneurs.
9. Providing better infrastructural facilities and technological upgradation of SHGs .

Women in the 21st century are marching forward in various fields. Half of the population of the World are women. Women play a vital role in the socio economic development as producers, providers, managers of natural resources and of the overall well being of the communities, but often they are marginalized and discriminated by the society . Noble prize winning economist Amartya Sen had once said ,” Nothing is more important for development today than the economic, political and social participation of women. Increasingly, women who were long treated as passive recipients of and are now recognized as active promoters of change who can help society at large”. Besides SHGs, NGOs and voluntary organization should play crucial role in fostering attitudes of self employment among all sections of women irrespective of their socio – economic status, level of education and locality. Newspapers, Magazines, radios, TV etc. have also played an important role in creating awareness among women about different facilities offered by the Govt. FIs and SHGs. Real development of a society take place when social justice and gender equity is guaranteed.

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