

A STUDY OF SELF-HELP GROUPS (SHGS) AS AN INSTRUMENT OF WOMEN ECONOMIC DEVELOPMENT

Monuj Das

Research Scholar, Dibrugarh University

Abstract: *Self-help groups have been playing considerable role in economic development of women specially in rural areas. Efforts for the empowerment of women have been directed to improve the status of women in all spheres of life. For centuries they have been victims of discrimination and injustice. In Paulo Freire's terms they represent the dependent society. In spite of the various programs conducted for the development of women they continue to be in a disadvantaged position.*

The objectives of the paper are to study how women empowerment is possible through self help group and what are the major hurdles of achieving empowerment. Being an explanatory research it is based on secondary data of journals, articles, newspapers, magazines and the official website of the companies. Considering the objective of the study descriptive type research design is adopted to have more accuracy and rigorous analysis of research study. The accessible secondary data is intensively used for research study.

Key Words: *Women, Economic development, SHGs.*

INTRODUCTION:

Economic empowerment of women is one of the most important parameters of the overall empowerment which includes social, psychological and political aspects of empowerment. Economic empowerment in terms of increased income, self-employment and may result in women's ability to influence or make decision, increased self confidence, better status and role in household etc. It emphasises on breaking of vicious circle of poverty, enhancement in resources available for utilisation and diversification towards higher income activities. It is expected that microfinance provided to women SHGs for promoting of productive activities or entrepreneurship will bring out positive impact on asset base owned by women, monthly income, savings, decision making ability related to enterprises, reduction in the vulnerability in case of emergencies and improvement in the monthly consumption level and family welfare (Basargekar, 2009). In this context, Kabeer, (2005), apparently stated that while access to financial services can and does make important contributions to the economic productivity but improvement in income generating activity may not naturally and directly lead to overall economic empowerment of poor women. So, it is equally important that the women have full control over the resources such as income, loan and savings and have decision making ability and power to use them for pursuing their own interests. Thus, it is also equally important that increase in income generating ability should get translated in important goals such as control over income and profits and using them for their own and household's welfare. The present study deals with the link between the microfinance and women's economic empowerment through SHGs in the rural areas with respect to development of livelihood.

OBJECTIVES OF THE STUDY:

The objectives of the present study are to find out the relationship between self help group and women economic empowerment. Whether women's economic condition can really uplift with self help group or not. Secondly, what are the problems women basically have to face in doing SHG's work and uplift their economic condition.

RESEARCH METHODOLOGY:

Being an explanatory research it is based on secondary data of journals, articles, newspapers, magazines and the official website of Assam govts. Considering the objective of the study descriptive type research design is adopted to have more accuracy and rigorous analysis of research study. The accessible secondary data is intensively used for research study.

IMPORTANCE OF STUDY:

In India, women constitute around half of the total population and thus very important human resource for the nation's development.. As per census 2001, the female labour force participation rated in their total population is 25.7 percent and it is comparatively higher at 31 percent in rural area as compared to 11.6 percent in urban areas. They are engaged in different sectors and that the invisible work of housewives contributed by them estimated to be nearly one-third of India's GNP. Over the last few decades, women have come forward to establish their own enterprises. It is well recognised that the status of women is intimately associated with its economic position which depends on opportunities for participation in productive activities. Entrepreneurship development among women is therefore seen as one of the important

tools to remove unemployment and gender discriminations for poverty alleviation in India. The microfinance movement through SHGs across India is to make women manage themselves for social mobilization, to create self confidence, rise their self esteem through participation in socioeconomic and political life. The SHGs programme generally targets the rural poor, particularly the women, who are often discriminated against not only by institutions but also with their own family. The poor are faced with the challenge of acquiring credit to get loans to engage in various productive activities, without necessary collateral required by formal financial institutions. The provision of loans to women may then serve the dual goals of increasing household assets and empowering women. Microfinance institutions have become increasingly popular as a way to mobilize poor communities through the provision of loans through SHGs formed and loans are allocated to members based on group solidarity instead of formal collateral. The SHG-Bank linkage programme in Assam though started quite late compared to other states in India, the programme has taken momentum in recent years. But the distribution of SHGs over Assam is uneven. So, the study about SHGs in the chronically backward district like Tinsukia of Assam assumes significance. Hence, the present study is undertaken. The present study is beneficial to a large number of rural people in Assam. It also helps the government and non-government agencies, SHG members and leaders in identifying the role of SHGs in empowering women and takes policy-measures towards SHGs in Assam and ultimately leads to the holistic development of women vis-à-vis of the society.

REVIEW OF LITERATURE:

The field of women empowerment in modern societies has gained critical significance even more so in developing nations of the world. There have been systematic efforts from various agencies and governments of the world to empower women, however whether such efforts contain be victorious in bringing about a significant alter inside the plight of women across the world cannot be objectively assessed for lack of clarity of domains as well as a systematic process of measurement.

Thus, empowerment of women is not a one-way process; empowerment involves women are being empowered and where women empower others. Women by being agents of change-to-change in their own plight have great significance; it's not only for women but also for societies as a whole and future generation. Economic and Social empowerment have been widely studied and been reported. The role of psychological domain gains much significance as it has a property to influence all other domains as well as affects the comfort and excellence of existence of individual women.

It is a well-established fact that women, particularly in poor families, are more disciplined, realistic, creditworthy and more concerned about family development then their

male counterpart. Hence micro-credit system through SHGs has focused more attention on the financing for women (www.pria.org/downloaded_files/SHGstudy.pdf). The United Nations Development Projects (UNDP) has supported a range of activities to eradicate women's poverty through various projects, focuses on micro credit schemes, technical training, organization of self help group's etc. The UNDP are being implemented in India since 1994. The main focus of the activity of the SHGs is to generate savings for income generating projects, providing confidence to women, thereby releasing the women from the clutches of moneylenders (S.Subramanian, 2010).

The United Nations Commission on Status of Women commented that women constitute half of the world's population, perform two third of the world's work, receive one tenth of its income and own less than hundredth of its property. Women represent three-quarters of heads of households in developing countries and for every one woman in poverty; there are four dependent children (UNICEF, 2001)

Features of SHGs:

1. An SHG is generally an economically homogenous group formed through a process of self-selection based upon the affinity of its members [Tankha, 2002].
2. Most SHGs are women's group which consist of around 10-20 members having homogenous social and economic background.
3. SHGs have rules and by-laws, hold regular meetings and maintain in the financial intermediation of own and borrowed funds.
4. The SHG members decide to make regular saving contributions to generate a common fund. These may be kept by their elected head in cash, or in kind, or they may be banked.
5. The members start to borrow individually from the SHG, for purpose, on terms and at interest rates decided by the group themselves.
6. All transactions must happen only during the group meeting.
7. The banks make a loan to the SHG, in the name of group, which is then used by group to supplement its own funds for non-lending to it members.
8. The purpose of the SHG is to build the functional capacity of the poor and marginalized in the field of employment generating activities.

Role of SHGs in women economic empowerment:

The status of women in Assam compare with the women of other parts of India is high in many aspects. It is because social evils like child marriage, dowry, bride burning, female infanticide and feticide are not prevalent in Assamese society. But patriarchy continues the subjugation of women in Assam. From the ages under male domination most of them do not dare or are hesitate to play leadership roles in society and hesitate to talk freely with people outside the family. It is one of the causes of high gender inequality in Assam. National Human Development Report, 2002, showed higher gender inequality in the state as compared to all India situations.³³ Assam got 29th rank among the 32 states and Union Territories in India. According to Assam Human Development Report, 2003, in the north-eastern region Assam lagged behind Manipur, Meghalaya, Arunachal Pradesh, Mizoram and Nagaland in terms of gender equality. ³⁴ From few decades Self-help Groups is emerging as a major instrument which creates employment opportunities for women. Under the SGSY programme, 40% of the allocated fund is reserved for women with the objectives that if women are benefited, then the whole family is benefited and as result the health, nutrition and education of rural children have better chances of improvement³⁵. In case of Assam, micro finance movement had started lately. It is only 1997-98 that microfinance movement had really begun and has been rapidly picking up since then. Nobel Prize winner Professor Muhammed Yunus agreed to extend his help to government of Assam for introducing a microcredit scheme for uplift of the people of rural areas of Assam.³⁶ After that Assam Government had prepared a draft role on a three years project and an amount of rupees 835 lakhs disbursed as loan in three years.³⁷ The aim of this project was to provide loan approximately 18,000 beneficiaries who are living below poverty line.³⁸ As per the proposal of the State Government, at the initial stage, the project implemented in the district of Sonitpur and the district had been selected to launch the project as according to a study by the RBI. The first phase was opened in the blocks of Sonitpur district, viz. Tezpur, Balipara and Biswanath Chariali. The second phase was opened in another three blocks Rangapara, chaydur and Dhekiajuli.³⁹ The major government programme for promoting Self-help Groups and providing funds to the Micro Finance Institutions for poverty eradication is SGSY programme.

FINDINGS OF THE STUDY:

1. It is found that the income of the women has been increased after joining in the SHGs, as well as after joining various economic activities and gained good knowledge money management.
2. Considerable improvement is found in dairy activities, capacity building and other skill development activates through training.
3. In similarly that the monthly household expenditure also has been raised in considerable level. But the savings is increasing at slow rate, because the incremental expenditure is higher.
4. Most of their incomes are spend for present consumption needs.
5. The repayment of loan is regular in women's self-help group compared to male groups, and within the time frame.
6. That the self-help groups played a significant role, in improving educational status, social status, psychological strength, legal knowledge, health knowledge, community service and economic status domains of empowerment.
7. On the whole of this study confirms that women's status is inferior to men. Women face discrimination within families as well as in society, where society maintains double standards in the case of education, marriage, spousal relationships, domestic violence, property laws, dowry system, sexual harassment as well as discriminatory social stigma and also less recognition and respect for women's work.

Problems of Women empowerment through SHGs;**A. Economic problems:**

1. Lack of Agro-based and rural industries for the income generation and employment.
2. Ownership of family income and finance are generally in male hands.
3. Males often operate the bank accounts of the family only.
4. The women of the family in service are not free to spend their income independently.

B. Social and political problems:

1. Dependable natures of women suppress them in their empowerment.
2. Social taboos, superstitions, unhealthy tradition and customs hinder in women empowerment.
3. The family members unanimously oppose the gender to participate in social activities.
4. Women generally by nature avoid to lead the group organization and the society

5. The male dominated society does not digest the women coming forward to lead.
6. Shyness in women behaviour inhibit their exposure for empowerment.
7. Women are often ignored in taking the decisions for the betterment of society and family itself.
8. The women are emotionally exploited that hinder in the process of their empowerment.

CONCLUSION:

Economic Impact of Self-Help Groups Women have tremendous energies to start their own enterprises given the right opportunities. They have developed abundant self-confidence and self-esteem through self-help group movement not only to overcome economic poverty but also social and gender issues which can be tackled effectively through this process.

The micro-financing of women through self-help groups has helped the groups to achieve a measure of economic and social empowerment. It has developed a sense of leadership, organizational skill, management of various activities of a business, right from acquiring finance, identifying raw material, market and sustainable diversification and modernization.

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