

A Study of Self Help Groups in Empowering the Rural Women

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ABSTRACT

A Self-Help Group (SHG) is a registered or unregistered group of people having homogenous socio-economic background, voluntarily coming together to save small amounts regularly, mutually agree for the contribution of a common fund and to meet their emergency needs. It aims engaging rural women with new activities to increase their income, development of better networks and linkages and improved the existing conditions of the SHGs members. The study was conducted to analyse the income generating activities being taken up and the level of empowerment of SHG members.. Result pertaining to income generating activities indicated that majority of the respondents were involved with small micro enterprises. The need to develop SHGs and motivate rural women to systematically manage and choose their activities in order to generate income can be advocated. Certain essential activities like choosing the more appropriate activity, market intelligence, establishing marketing linkages etc. are an indication of the capability of the groups as SHGs becoming a tool for social empowerment.

Introduction

Various experts on developmental issues (poverty, inequality, hunger) have argued that employment opportunities and enhanced income from both farming and non-farming activities in rural areas are essential for poverty eradication and economic development (Narayanasamy *et al.* 2003; Kay 2009). The SHGs provide a forum for rural women to interact with each other, understand their common problems on agricultural activities, developing their entrepreneurial skills, channels their savings and encourage education of their children (Kumari *et al.* 2019). The SHGs are small, informal and homogenous groups of 10 to 20 members. Members of the groups meet on certain interval to discuss about social and community programmes, groups savings, operational activities, bank loans taken by the groups and repayment period of

the loans. In India, SHGs as an organised group for poverty eradication emerged during the 7th Five Year Plan (1985-90). The plan emphasized the need to closely associate NGOs with rural development programmes, particularly for poverty alleviation. *Aajeevika* Mission NRLM was launched by the Ministry of Rural Development (MoRD), Government of India (June 2011) and supported by the World Bank to create efficient and effective institutional platforms for the rural poor people, so as to enable rural women to increase their household income through sustainable livelihood enhancements and improved access to financial services. In November 2015, the program was renamed as Deendayal Antayodaya Yojana (DAY-NRLM).

The SHGs have helped in creating group dynamics and provide essential facilities for rural poor to involve in income

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generating activities. Sharma (1995) reported that involvement of women in decision making was absolutely essential in order to harness their strength, creativity, energy along with their knowledge, skills and their own path of development. To carry out income generating activities, members of SHGs must possess good entrepreneurial skills, (Jerinabi 2006) rightly pointed out that SHGs had been crucial elements in increasing economic opportunities and empowerment. Credit in right quantity, at right place and at right time immensely contributes to economic growth. Therefore, rural credit has to play a critical role in the socio-economic development of our country (Kumar *et al.* 2007). The working efficiency of the self-help groups can be enhanced effectively if the objectives of joining SHGs are well understood. Singh (2011) reported that the main objective of joining the SHGs was to enhance the livelihood option but members faced constraints that should be minimized by policy makers through the proper training on quality products and educate the illiterate members. Pratap, *et al.* (2000) reported that 67.08 per cent of the members were having sincere efforts for maintenance of unity among them. More than half of the respondents suggested more financial assistance, while 50 per cent of the members suggested for taking up community action programmes, while 19 per cent demanded for more benefits, 16/60 per cent of the respondents were suggested timely loan repayment and lastly, 05.20 per cent of them were asked for the linkages with banks and government agencies. Das (2012) found that the bank credits should be increased by taking various simple operational decisions and steps like standardizing the set of documents to be furnished by an SHG for opening its bank account or for accessing credit. SHGs are promoted by the Ministry of Rural Development and the Ministry of Cooperation. These SHGs made a long lasting impact on the poor people families, particularly on women's by increasing their incomes (Kumari and Malik 2020) and providing loans at the lower rate of interest than the banks. Hence, an attempt is made to study the role of self-help groups in empowering the rural women in developing decision making power of rural women and study their income generating activities

Methodology

The present study was conducted in the district Bhiwani of Haryana state, purposively as it has the history of SHGs work and has the second highest number of working women SHGs. Further, two blocks were selected randomly from Bhiwani district and from each block two villages were selected randomly and thereby a total number of four villages were selected for data collection. Purposive sampling and random sampling techniques in combination were followed for the present study. From the selected blocks the 30 SHGs members were selected randomly from each village. Thus, a total of 120 respondents were finalized from the four randomly selected villages for the present study. Further, variables were selected in accordance with the objectives of study; while selecting the variables adequate attention was paid to review of literature collected for the purpose of the study.

Result and discussion

From, Table 1 it can be conceptualized that training is one of the determinants of income improvement. As it is expected that training has positive relation with income improvement, the findings revealed that income generation training type was adopted by the respondent indicated with weighted mean score 2.00. It can be seen from Table 2 that majority of the respondents were found gaining 1-2 number of trainings (weighted mean score 1.72) at their villages (weighted mean score 2.00) for 2-4 days (weighted mean score 2.00) in a month. Increase in number of trainings by one unit (one more training), leads to increase in net income and confidence of SHG members. The possible explanation for this result is training enhance the capacity to capture technology, it may help to use improved skills and decision making power, it can give awareness, creation to save, to educate their children's, and to engage in different income generation activates. These findings were in line with the study of (Vida, 2011) on empowerment of women through participation in women self help groups. Bhagat and Singh (2005) concluded that training intervention had certainly played an overwhelming effect to make the trainees to learn and acquire necessary knowledge/skill required for successful business. Nair (2005) suggested that monitoring is central to improving the performance of SHGs, especially training for SHG members, leaders and staff includes both formal classroom training and exposure visits to other well-functioning SHGs. He also said that reduction in promotional cost also contributes to sustainability of SHG-based microfinance on a macro level as it reduces the overall promotional investment needed. Mishra (2016) concluded that training in entrepreneurship provided an impetus to the potential and budding entrepreneurs to acquire a new identity about himself. This was perceived as an approach towards transforming people who served the purpose of making people aware about their own identity, helping them accept new identify and finally establishing such identify for entrepreneurial pursuit. In order to take up such task of transformation it could find entrepreneurship training serving the purpose of stimulation, orientation, participation, and implantation in a sequential order.

Table 2 indicates that majority of the members now capable of making decision regarding their children's education with 1.65 mean weighted score, followed by their participation in decisions regarding marriage of their children's (1.59), taking decisions independently about health of their family (1.32), freedom for outside the home like markets etc. (1.28), decisions taken on social customs and taking independent decisions about family planning (1.24), participating in decision related to business or other activities in family (1.20) and participating in decisions on purchasing of household materials (1.15) respectively. This indicates relatively positive impacts of self help group development in rural areas which will empower women and they are now becoming capable for taking important decisions on family aspects. The study was found in similar lines with the results of Slathia *et al* (2006), Parihar *et. al.* (2013) The respondents as SHGs members were able to take more decisions as compared to those who were not members of SHGs because SHGs mem-

Table 1 Trainings received by the rural women

| Sl. No. | Category | Frequency | | Weighted mean score |
|--------------------------------------|-----------------------|--------------|--------------|---------------------|
| | | Yes | No | |
| A. Training type: | | | | |
| 1 | Income generating | 120 (100.00) | 00 (00.00) | 2.00 |
| 2 | Dairy and Agriculture | 40 (33.3) | 80 (66.7) | 1.34 |
| 3 | Loaning | 63 (52.5) | 57 (47.5) | 1.52 |
| B. No. of Trainings Received: | | | | |
| 1 | 1-2 | 87 (72.5) | 33 (27.5) | 1.72 |
| 2 | 2-4 | 59 (49.2) | 61 (50.8) | 1.49 |
| 3 | More than 4 | 00(00.00) | 120 (100) | 1.00 |
| C. Place of Training | | | | |
| 1 | Village | 120 (100.00) | 00 (00.00) | 2.00 |
| 2 | District Head Quarter | 62 (51.7) | 58 (48.3) | 1.51 |
| 3 | Neighbouring Village | 43 (35.8) | 77 (64.2) | 1.35 |
| D. Duration of Training: | | | | |
| 1 | 2-4 days | 120 (100.00) | 00 (00.00) | 2.00 |
| 2 | One week | 00 (00.00) | 120 (100.00) | 1.00 |
| 3 | One month | 00 (00.00) | 120 (100.00) | 1.00 |

**Multiple responses

bers could acquire more knowledge and more scientific information by mutual interactions, social gatherings and trainings conducted by different departments/agencies engaged in women empowerment. Similarly, Srinivasan, (2012) opined that the SHGs had beneficial impacts on the members involved with them. The positive impact of the SHGs were observed on the poor by providing them access to resources, economic choices, social strength, control over their own lives, functional literacy and also empowering women in all activities.

Table 3 indicated that these are the activities which imparts vocational skills or provides capital or commodities that enhance the capacity of individuals or groups to generate income. It is quite clear from the data that majority of the respondents were engaged in individual enterprises i.e. with general stores/kiryana shops indicated with weighted mean 1.64 apart from their group based activities. The respondents were found to be involved in home making food stuffs (weighted mean 1.59), tailoring (weighted mean 1.32), dal/masala grinding (weighted mean 1.28), embroidery and baskets making (weighted mean 1.27), decorating items making (weighted mean 1.25), knitting and beauty parlour (weighted mean 1.24) and weaving (weighted mean 1.20) were the major income generating activities found in the study area. Most of the SHGs women's were engaged in traditional occupations, which are suitable to the local conditions and for which raw materials are available

Table 2 Decision making power of SHG rural women members

| Sl. No. | Items | Frequency | | Mean Weighted Score |
|---------|-----------------------------------------------------------------------------|------------|-------------|---------------------|
| | | Yes (2) | No (1) | |
| 1. | Decisions for children's education | 78 (65.00) | 42 (35.00) | 1.65 |
| 2. | Independently taking decisions for nutrition of the family | 38 (31.70) | 82 (68.30) | 1.32 |
| 3. | Participating in decisions on purchasing of household materials | 18 (15.00) | 102 (85.00) | 1.15 |
| 4. | Decisions taken on any social customs | 29 (24.20) | 91 (75.80) | 1.24 |
| 5. | Freedom for enjoying outside the home like market etc. | 34 (28.30) | 86 (71.70) | 1.28 |
| 6. | Taking independent decisions about family planning | 28 (23.34) | 92 (76.66) | 1.24 |
| 7. | Participating in decisions of marriage of children's | 71 (59.20) | 49 (40.80) | 1.59 |
| 8. | Participating in decision related to business or other activities in family | 24 (20.00) | 96 (80.00) | 1.20 |

**Multiple responses, *Figures in parenthesis represents respective percentages

within the village itself. Some women had taken up non-conventional activities like pickles making, toys making and others they like due to the training and exposure provided by the NGOs as well as the encouragement from the family members.

It is optional to the members to either engage in group based or individual based activities. However, synergy of the group provided the sustainability of the activities, depends on the resource availability and management skills of the partners rather than group or individual based. The above findings are also in tune with the observations of Asokhan (2006). The members of SHGs could take up a number of income generating activities due to the credit availability and support services provided by their respective SHGs. Activities undertaken by SHGs had a remarkable influence on the income generated by the group members. Further, Keshava, *et al.* (2010) in his study on the SHGs in Punjab revealed that majority of the SHG members started Income Generating Activities (IGAs) relating to agriculture and allied sectors. Shobana, and Somasundaram (2017) focused on evaluating the income generation and expenditures pattern of SHG women members and found more earnings after joining

Table 3 Income generating activities of Self Help Groups

| Sl. No. | Activities | Frequency | | Total weighted score | Weighted mean score | Rank |
|---------|-------------------------|------------|------------|----------------------|---------------------|------|
| | | Yes (2) | No (1) | | | |
| 1. | General store/kirana | 76 (63.30) | 44 (36.70) | 196 | 1.64 | I |
| 2. | Home making food-stuffs | 71 (59.20) | 49 (40.80) | 191 | 1.59 | II |
| 3. | Tailoring | 38 (31.70) | 82 (68.30) | 158 | 1.32 | III |
| 4. | Dal / Masala grinding | 34 (28.30) | 86 (71.70) | 154 | 1.28 | IV |
| 5. | Embroidery | 33 (27.50) | 87 (72.50) | 153 | 1.27 | V |
| 6. | Basket making | 33 (27.50) | 87 (72.50) | 153 | 1.27 | V |
| 7. | Decorating items making | 30 (25.00) | 90 (75.00) | 150 | 1.25 | VI |
| 8. | Knitting | 29 (24.20) | 91 (75.80) | 149 | 1.24 | VII |
| 9. | Beauty parlour | 29 (24.20) | 91 (75.80) | 149 | 1.24 | VII |
| 10. | Garments shop | 26 (21.70) | 94 (78.30) | 148 | 1.23 | VIII |
| 11. | Weaving | 24 (20.00) | 96 (80.00) | 144 | 1.20 | IX |

**Multiple responses

SHGs are purely due to assistance from SHGs. Kalaimathai, *et al.* (2010) reported that the inequalities in income were reduced in the post- SHG situation due to the reasons that the SHGs benefited their members economically. They also found that the average annual income of the SHGs members increase from 6.00 to 35.00 per cent. Nagaraj, *et al.* (2009) confirmed that the SHGs had a significant impact on the income of the members as the SHGs in the study area were earning net returns of at least Rs. one for every rupee they lent to the members. Mishra, *et al.* (2011) examined the impact of rural SHGs on generation of income and employment among the beneficiaries and suggested measures for overcoming the problems faced by members. Their study showed that SHGs helped the respondents to increase their income by 10-15 per cent.

Conclusion

The study brought out that location specific and need based vocational training programme should be imparted to the members of the SHGs to develop knowledge and skills so that they can do more activities and can earn more money. It was concluded in the study that majority of the members now capable of making decision regarding their children's education and received 1-2 training regarding income generation at their villages for 2-4 days in a month. The the majority of the respondents were found running their own general/Kiryana and also involved making food stuffs and other products at home. The income generated by the members of SHGs was used in different activities by the members such as to expand their microenterprise, improved housing, education for their children's, savings in banks, repayment of previous loans, better nutrition/food, better medical treatments/health care and purchase of households and others. Thus, we can say that SHGs increased mobility and participation in the social activities of the persons especially for the members. Self help groups have high impact on economic development of

the respondents, followed by socio-cultural, legal/political, infrastructure/ educational, family/interpersonal and psychological development. With development of the SHGs the development of the certain personality traits results in personality or overall development of the members these traits include awareness, attitudes, skills, decision making power and also raise the living standards of rural women.

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