

Economic Security among Rural Women through Self Help Groups: An Analytical Study

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ABSTRACT

The World Bank had given emphasis on gender equality for both women and men with a distribution of power and resources. In order to improve economic access among women, the empowerment is one of the key constituent element for poverty alleviation. The process of economic empowerment among women can be institutionalized through self help groups. The role played by self help groups in the field of women empowerment is being recognized these days. The SHGs are voluntary association of people formed to attain a collective goal. The members of SHGs are common in respect to social background, heritage, caste or traditional occupation come together for a common cause to raise and manage resources for the benefit of the group members. The SHGs have emerged during the 70's in Bangladesh and during 90's in India. Since women throughout the world have been subject to gender discrimination in varying forms and have lesser access to land, property and business. Their mobility is also restricted than men as well as they have limited access to labour markets and are also subjected to discrimination in the matter of wages and compensation for their labour. They also remain under-represented in decision-making and hold less than 10 percent of seats in parliament in most region of the world. Today the SHGs had covered more than 5800 crores poor making it the largest Micro-Finance (MF) programme in the world. The loans reimbursed to the SHGs were usually by the cooperative banks, regional rural banks and commercial (public and private sector) banks. This study was conducted to study the income generating activities taken by SHG members as well as to identify the factors responsible for effective functioning of the SHGs.

Keywords: Empowerment; Economic Security; Self Help Groups; Micro-Finance.

Women occupy an important position in any society. The development of status of women is considered as an important condition of social development. This condition varies from country to country, state to state and region to region depending upon their culture, power of adoption of modern changes and education. In India, women produce 30 per cent of food commodities consumed by the country but earn only 10 per cent of income and own just 10 per cent of the property or wealth of the country (Khan, 1996). The process of nation's economic development would be incomplete and lopsided unless women are fully involved in it. Hence, emancipation of women is an essential pre-requisite for economic development and social progress of the nation. The World Bank had given emphasis on necessity of *Gender Equality*, i.e., equality of opportunity, equality of rewards for work, equality in

access to human capital, equality under law and equality of voice (the ability to influence and contribute to the development process). Gender equality implies 'equivalence in life outcomes for women and men, recognizing their different needs and interests, and requiring a redistribution of power and resources.' (World Bank, 2001a).

In order to provide gender equality and to improve economic access among women, the World Bank has identified empowerment as one of the key constituent element for poverty reduction. The promotion of women's empowerment is based on dual argument, i.e., social justice and human welfare (World Bank, 2001b). Women empowerment is a global issue which has gained momentum in recent decades. Women have not been treated on par with men in any aspect of life though their role is crucial for the sustenance for

family and society as well as for the development of economy as a whole. (*Sardagi, 2012*).

Empowerment is an active process of enabling women to realize their full identity and power in all spheres of life. The empowerment process encompasses several mutually reinforcing components but begins with and is supported by economic independence which implies access to and control over production resources (*Singh, 2005*). Empowerment of women refers to the spiritual, political, social and economic strength in communities. It includes decision making power of their own, access to information and resources for taking proper decision, to exercise assertiveness in collective decision-making and involvement in the growth process. Empowerment of women could be achieved if five important dimensions are fulfilled, viz., economic participation, economic opportunity, health and well being, political empowerment and educational empowerment. The economic participation is highly important because presence of women in the workforce in quantitative terms is important not only for lowering the disproportionate levels of poverty among women but also as an important step forward raising household income and encouraging economic development of the country.

The process of economic empowerment among women can be institutionalized through self help groups. The role played by self help groups in the field of women empowerment is being recognized these days. The SHGs are characterized by a focused attention on providing employment opportunities by imparting training in order to generate both income as well as employment (*Husain and Nair, 2006*). The self help groups are voluntary association of people formed to attain a collective goal. The members of SHGs are common in respect to social background, heritage, caste or traditional occupation come together for a common cause to raise and manage resources for the benefit of the group members (*Kumar, 2011*). These self help group is a registered or unregistered group of micro entrepreneurs having homogeneous social and economic backgrounds; voluntarily coming together to save regular small sums of money, mutually agreeing to contribute to a common fund and meet their emergency needs on the basis of mutual help. (*Jagtap and Goyal, 2012*).

The formation of women's Self Help Groups has emerged since the seventies in Bangladesh and during nineties in India. Since women throughout the world

have been subject to gender discrimination in varying forms and have lesser access to land, property and business. Their mobility is also restricted than men as well as they have limited access to labour markets and are also subjected to discrimination in the matter of wages and compensation for their labour. They also remain under-represented in decision –making and hold less than 10 percent of seats in parliament in most region of the world. The SHG-Bank Linkage Programme of NABARD has emerged as the primary model for providing Micro-Finance (MF) services in the country. It is a proven tool of extending credit to the unbanked rural clientele for formal financial services. The Social processes of Micro financing programmes strengthens women's self esteem and self worth, instill a greater sense of awareness of social and political issues leading to increased mobility and reduced traditional seclusion of women. Most importantly micro-finance programmes enable women to contribute to the household economy, increasing their intra-household bargaining power. Thus, micro-financing through Self-help groups has transferred the real economic power in the hands of women and has considerably reduced their dependence on men.

During 1992-93, just 255 SHGs were linked to banks and just Rs.2.89 million were financed from NABARD, which today has rise to 48,51,356 SHGs with a 14.8 per cent growth rate in the SHGs who have been sanctioned a loan amount of Rs 28038.28 crores with a rise of 23.6 per cent by March 2010. However, the number of women SHGs was 38, 97,797 with a growth rate of 77.6 per cent who have been disbursed a loan amount of Rs 23030.36 crores, i.e., a rise of 82.1 per cent by March 2010. Today this programme has covered more than 5800 crores poor making it the largest Micro– Finance (MF) programme in the world. The loans reimbursed to the SHGs were usually by the cooperative banks, regional rural banks and commercial (public and private sector) banks. Keeping these facts in mind, the present study was conducted to study the income generating activities taken by SHG members as well as to identify the factors responsible for effective functioning of the Self Help Groups.

METHODOLOGY

The study was purposively conducted in Sangaria, Hanumangarh, Nohar and Pilibanga tehsils of Hanumangarh district of Rajasthan state, where SHGs formed by various implementing agencies, viz., Krishi

Vigyan Kendras of ICAR, Zila Sakshrata Samiti (ZSS) and Department of Women & Child development (ICDS) were in existence. Twenty SHGs from each implementing agency department were selected, but preference was provided to those SHGs engaged in various income generating activities. The present study is based on collection of both primary data as well as secondary data. In order to get a first hand information about various SHGs, the records maintained at the offices of various implementing agencies were analyzed, besides referring to their personal records, books and registers. Several office bearers were also interviewed to determine the conduction of training programmes on group record writing, functioning of SHG etc. After collection of the primary data from the available records from office bearers, the data as specified in objectives was collected with the help of an interview schedule.

The selections of the respondents were performed by means of stratified random sampling and in total 390 respondents were selected from 60 SHGs functioning under various implementing agencies. Data was analyzed by means of various statistical tests, viz., percentage, averages, standard deviation, chi-square tests etc.

RESULTS AND DISCUSSION

Various income generating activities undertaken by the SHGs include agricultural activities (paddy cultivation or fishery on oral lease of land or water-area, backyard poultry, duckery, piggery, goatery), agricultural processing and marketing (marketing of packaged indigenous rice, cashew nuts, spice powders, jam, jelly, pickles, lentil cakes or badi/ naksha-badi, paddy-to-rice, paddy-to-perched rice / muri etc.), cottage industries (cane and bamboo works, sewing and tailoring, embroidery, jari-work, dokra/ brass metal art-work, door mat making, jute bag and soft toy making etc.), agricultural input production (vermicompost and bio-fertilisers, nursery), hawking / vending of agricultural produces, garments, grocery etc. Besides this the women members of SHGs are also engaged in various social activities to fight against the social evils, viz., torture on wives by their husbands, wastage of hard-earned money in liquor shop, unhygienic sanitary system leading to diseases, illiteracy, dowry system etc., as well as hospitalization of the ailing member, participation in immunization and social forestry programmes. This study also reveals the participation of women SHGs in

income generating economic activities and its correlation with the socio-personal variables of the respondents.

Participation of women in income generating activities according to age : Age of women was the most frequently reached personal characteristics whose influence their behaviour for participation in the income generating activities. The finding in Table 1 reveals the relationship between the age of women and their activities was found to be somewhat inconsistent. Nearly 55.89 per cent of the respondents mainly fall under the age group of 41-50 followed by 25.39 per cent of the respondents under the age group of 31-40 years. It was further revealed that 18.72 per cent of the respondents fall under the age group of 51-60 years. Hence this study reveals that because most of the earning members in a family are in the age group of 41-50.

Table 1. Participation of women in income generating activities according to age

S. No.	Age Group	No.	%
1.	31-40	99	25.39
2.	41-50	218	55.89
3.	51-60	73	18.72
	Total	390	100.0

Table 2. Community-wise Classification of the respondents

Particulars	No.	%
General	72	18.46
OBC	135	34.62
SC/ST	183	46.92
Total	390	100.0

OBC – Other Backward Class, SC – Schedule Caste, ST – Schedule Tribe

Participation of women in income generating activities according to community : The results presented in Table 2 reveals that nearly half, i.e., 46.92 per cent respondents engaged in various income generating activities belongs to SC/ST community followed by 34.62 per cent respondents belonging to other backward class community and just 18.46 per cent respondents belongs to General caste. The involvement of SC/ST and of the OBC communities was more pronounced due to supplementary flexible financing (grant and/or loan) to fulfil-in the critical gaps as well as supporting (on grant and/or loan basis) various promotional activities for their micro-credit with the banking institutions.

Participation of women in income generating

activities according to occupation : The results presented in Table 3 pointed out that nearly 56.67 per cent of the respondents were engaged in agriculture activities for their livelihood, besides fulfilling their household activities, whereas nearly 17.18 per cent, 15.13 per cent and 11.02 per cent of the respondents engaged in various income generating activities are either industry workers, unemployed personnel's and agricultural laborers.

Table 3. Occupation-wise Classification of the respondents

Particulars	No.	%
Unemployed	59	15.13
Agriculture	221	56.67
Industry	67	17.18
Laborers	43	11.02
Total	390	100.0

Reasons of women behind joining SHGs : The results presented in Table 4 reveals various factors responsible to engage the women as member of SHGs points out that nearly 64.87 per cent of respondents stated that supplementing the family income as most important factor behind joining SHGs, which reveals that in modern society there is awareness among women in particular that if the family has to maintain a reasonable standard of living, women should supplement family income in respect to their skills. However only 18.20 per cent and 16.93 per cent women have stated that boredom at home and good living facilities for their children as the important reason behind joining SHGs. The participation of women in various economic activities is highly important because it not only lowers the disproportionate levels of poverty among women but also as an important step in raising their household incomes.

Table 4. Reasons for joining SHGs

Reasons	No.	%
Family Income supplementation	253	64.87
Boredom at Home	71	18.20
Good Life for Children	66	16.93
Total	390	100.0

Income generating activities of Women SHGs : The results presented in Table 5 shows varied income generating activities carried out by women SHGs. It was found that a diversified range of activities were carried out by the different women members SHGs belonging to different villages of the study area according to the availability of opportunities provided by the

implementing agencies as well as availability of resources in the local area. The results reveal that women SHGs of KVK were mostly involved in various farm and non-farm activities like poultry, dairy, bee keeping, nursery, fertilizer shop, masala packing, tailoring, soft toys making, soap and detergent making while those of ZSS and ICDS were involved in activities like beauty therapy, fancy shop, fair price shop, food processing and readymade garments sales.

Table 5. Income generating activities of SHGs

Activity	No.	%
Poultry	69	17.68
Dairy	121	31.02
Bee keeping	25	6.48
Nursery	14	3.58
Fertilizer Shop	41	10.51
Masala Packing	37	9.48
Tailoring	18	4.62
Soft Toys Making	9	2.31
Soap & Detergent Making	11	2.82
Beauty Therapy	8	2.04
Fancy Shop	7	1.77
Fair Price Shop	12	3.09
Food Processing	6	1.54
Readymade Garment Sales	2	0.51
Weaving	10	2.55
Total	390	100.0

Role of SHGs in respect to recognition of women: Women are an integral part of every economy and overall development and harmonious growth of a nation is possible only when women are considered as equal partners in progress with men. However, in most developing countries, women have a low social and economic status, hence empowerment of women is essential to harness the women labour in the mainstream of economic development (Carr, et al, 1996). The Table 6 reveals the recognition of women after joining SHGs in the rural areas. The significant role of SHGs was studied in respect to their personal recognition in the society as well as in respect of development of their inner strength to raise the voice in various decisions and enables them to speak freely in front of large gatherings. The chi-square analysis result ($\chi^2 = 7.58$) shows a significant relationship at 1 per cent probability level shows that SHGs have played an important role in providing recognition to the women of the study area. The results further reveal that 68.20 per cent women

had received recognition in the society, whereas 31.80 per cent women pointed out that the SHGs have developed an inner strength in them to raise voice against various aspects.

Table 6 Significance of SHGs with recognition of farm women

Recognition	KVK	ICDS	ZSS	Total
Recognition in society	72 (60.00)	104 (80.00)	90 (64.28)	266 (68.20)
Added strength to raise the voice	48 (40.00)	26 (20.00)	50 (35.71)	124 (31.80)
Total	120 (100.0)	130 (100.0)	140 (100.0)	390 (100.0)

($\chi^2 = 7.58$, Significant at 1% probability level)

Role of SHGs in respect to savings and borrowing: One of the basic principles of SHGs is that even the very poor may save small amounts, and that the additional incentives of getting bank loans at lower rates of interest, particularly among those who are otherwise ineligible for getting bank loans, would inculcate and strengthen the habit of saving. The members of SHGs save a fixed amount periodically, depending upon the convenience of the members of the SHG, and the savings of all the members is kept together in the bank in the name of the SHG and forms the SHG fund, which shall be used by the women members for borrowing in times of emergencies. The results in Table 7 concludes that 77.2 per cent women of the SHGs have inculcated a habit of saving more and more (77.2%) followed by just 22.8 per cent women who still have the borrowings from the moneylenders. However there is a significant relationship between the women SHGs and their habit of saving.

Table 7 Significance of SHGs with savings and borrowing

Saving/borrowing	KVK	ICDS	ZSS	Total
Inculcating habit of saving	65 (54.2)	115 (88.7)	121 (86.4)	301 (77.20)
Less borrowing from money lenders	55 (45.8)	15 (11.3)	19 (13.5)	89 (22.80)
Total	120 (100.0)	130 (100.0)	140 (100.0)	390 (100.0)

($\chi^2 = 15.05$, Significant at 1% probability level)

Significant role of training programmes among the SHGs : The term training refers to the acquisition of knowledge, skills, and competencies as a result of the

teaching of vocational or practical skills and knowledge that relate to specific useful competencies. Training has specific goals of improving one's capability, capacity, and performance. The results presented in Table 8 revealed that there was an improvement in the development of professional and entrepreneurial skills (65.9%) in the study area followed by development of functional literacy and educational skills (34.1%) among the respondents. However the chi-square analysis revealed that there is a significant relationship between the SHGs and their exposure to training at 5 per cent probability level.

Table 8. Significance of SHGs with relation to training

Exposure to training	KVK	ICDS	ZSS	Total
Professional & entrepreneurial skills	65 (54.2)	109 (83.8)	83 (59.2)	257 (65.9)
Functional literacy & education	55 (45.8)	21 (16.2)	57 (40.8)	133 (34.1)
Total	120 (100.0)	130 (100.0)	140 (100.0)	390 (100.0)

($\chi^2 = 19.12$, Significant at 5% probability level)

CONCLUSION

India's future success in sustaining growth and expanding opportunities is closely linked to progress in the policy areas to combat poverty so that fruits of development percolate downwards toward establishing a more egalitarian society. The data analysis presented in this paper portrays the experience of micro finance as SHG being very influential in the continual reshaping of formal credit extension to the women in the rural areas. The growth of SHG-Bank Linkage scheme over the past two decades proved that there need not always be a trade-off between an outreach scheme and its sustainability. Even the economic crisis has not have an impact on their performance leading to a conclusion that low income group are insulated from business fluctuations.

However there is a need for a more in-depth analysis of the SHGs in India in order to ascertain whether the increase in women's access to credit has had similar negative impacts in increasing their susceptibility to violence within the family. In-depth gender studies need to be conducted in order to ascertain whether there is an undercurrent of resentment among men as a result of the great importance being given to

women in the formation of SHGs and their better access to credit. To conclude collective strategies beyond micro-credit to increase the endowments of the poor women is required to enhance their exchange outcomes vis-à-vis the family, markets, state and community, and socio-cultural and political spaces are required for both poverty reduction and women empowerment. Even though there were many benefits due to micro-finance towards women empowerment and poverty alleviation, there are some concerns. First, these are dependent on

the programmatic and institutional strategies adopted by the intermediaries, second, there are limits to how far micro-credit interventions can alone reach the ultra poor, third the extent of positive results varies across household headship, caste and religion, fourth the regulation of both public and private infrastructure to sustain the benefits of social service providers and finally the geographical spread of micro-finance.

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