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THE ROLE OF SELF HELP GROUP IN ENHANCING ECONOMIC EMPOWERMENT OF RURAL WOMEN IN ASANSOL, WEST BENGAL

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ABSTRACT

Women represent almost 50% of the world population and receive only 10% of the world income and own even less than 1% of the world's property. They suffer many disadvantages as compared to men in terms of literacy rate, labour participation rates and earnings. The empowerment of women is crucial for the development of the country. Bringing women into the main stream of development is major concern for the governement of India. The ministry of Rural Development has special attention for women in its programmes and funds are 'women components' to ensure flow of adequate resource for the same. Since 1970s, the idea and practice of self help has developed worldwide as a major social phenomena for poverty alleviation and women employment. It has been widely acknowledged in development literature that self help group (SHGs) is one of the means to empower women by providing easy access to credit. This work tries to look at how SHGs contribute to the process of socio-economic empowerment of women. The present study highlights to evaluate the nature of business and its performance credit out by women through SHG in Asansol. A sample of 150 members was collected by simple random method out of 42 SHGs.

The study reveals that the main reason for becoming a group member is to get the eligibility for availing governement schemes and bank loan facility. The study also supports the evidence that in spite of the poor literacy rate, the savings performance are satisfactory. Women members are capable to earn certain income by running successful business activities and thereby supplementing their family income. The study also proved the role of wife in falling business decision is much more significant. The present study highlights the experiences of the members of SHGs and the contribution of these groups in income generation and thereby enhancing women empowerment. It also focus that rural women's economic empowerment can be possible through SHGs.

KEYWORDS: Economic empowerment, women employment, SHGs.

Introduction

In developing countries a large number of women are vulnerable and marginalised due to lack of education, access to resources and employment opportunities. All round development and harmonious growth of a nation is possible only when women are considered as equal partners in the developmental process. The role of women in economic development is most intimately related to the goal of comprehensive socio-economic development and is a strategic question for the development of all societies. Any development strategy which neglects the need for enhancing the role of women can not lead to comprehensive socio-economic development. A series of development programmes have been launched for the development of economy in general ignoring women to constitute almost 50% of the total population.

The role of women and need to empower them are central issues to human development programmes including poverty alleviation. In spite of safeguards provided in many poverty alleviation programme, it was observed that women in rural area specially from poor families could not be benefitted. All provision of the constitution and legislation enacted to empower women in the post-independence India have not been adequate to set women free from their traditional bondages, liabilities and restrictions.

Noteable change was caused by the 74th amendment to the constitution of India, which has guaranteed women a substantial role in the local governance. Women empowerment is multidimentional concept that extend to the psychological, economic, social, cultural, political and institutional spheres of women's lives. In this context Self Help Groups (SHGs) have emerged as the tool that wield power to create socio-economic revolution in the rural area 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 attitute. SHG is a viable organized setup to disburse micro credit to the rural women for the purpose of making them enterprising and encouraging them to entire into entrepreneurial activities. The formation of SHG is not only ultimately a micro credit project but an empowermental process.

SHG is small voluntary association of poor people, preferably from the same socio-economic background. They come together for the purpose of solving their common problems through self help and mutual help. The SHG promotes a small savings among its members. The savings are kept with a bank. This common fund is in the name of the SHG. SHGs are small in size with membership ranging from 10 to 20 and are homogeneous. To handle the common problem, selection of a group leader is an important entity. In SHG, one member who is reasonably educated leads the group . The person called animator or facilitator, helps the group members to develop the habit of thrift and promote small savings among them. The group keep their savings in a common bank account from which the members can take small loans. After a period of 6 months, the SHGs can approach any bank for availing loan facilities to undertake a suitable entrepreneurial activities. The group loan is distributed among the members to run a small business. The loan is repaid out of profits earned. It is estimated that more than 25 million rural women of India have been benefitted by SHGs. The SHGs empower women both socially and economically. They encourage women to participate in decision making in the households, community, local democretic sector and prepare women to take leadership position.

The paper contains the following secions :
section 2 describe review of literature; section 3 explains our motivation of the work; section 4 describes the methodology used in this paper; it is followed by section 5 which contains the analysis and findings. Finally, section 6 completes our paper by drawing conclusion and suggests some policy implications.

2. Review of Literature

In order to analyse the role of SHGs in women empowerment, a brief review of literature has been described below.

Rutherford (2002) [1] pointed out that provision of financial services to the poor people need not only be for increasing income, empowering women or starting business it may simply aim to help them 'manage better what little money they already have'. Puhazendhi (1999) [2] analysed the functioning of SHGs in terms of sustainability, empowerment of women, economic impact on the members' and future potential etc. The study revealed that SHGs in Tamilnadu are performing well towards social change and transformation. Singh (2001) [3] compared the pre-post SHG situation on women in Uttar Pradesh. A positive impact on SHGs in value of assets increased by 46% and annual income per household by 28% pre and post SHG period. Satish et al (2001) [4] highlighted the impact of SHGs in district Hissar and found that the micro financing through SHGs is a better system for calculationg the habit of self help among rural poor. Loan facility is available for all purposes by a simple procedure and the recovery was 100%. Sheel et al (2002) [5] present a case study of 'Thrift and Credit Scheme' developed by NGO Shramik Bharati. This NGO provied poor women as access to formal credit training and technical help through formation of SHGs. It was found that 60% of the women reported an increase in the monthly income and professional efficiency. 42.20% borrowers failed confident in running business without further help from NGOs. United Nations (2006) [6] has reported a survey of bank managers in Madhya Pradesh revealed a perception that women borrowing were more trustworthy and less of a default risk. This can work as a bench mark for launching new schemes for women empowerment. Painoli et al (2011) [7] presented their work on SHGs and women empowerment reveals that formation of SHGs specially among women is one of the most powerful approach to women empowerment and rural entrepreneurship which make them economically independent and would transform them be alive to live with dignity. De et al (2011) [8] work on emperical evidence which suggests that if women participating in the microcredit programme through SHGs sustain for longer period (8 years or more) then such programmes might contribute to a higher level of women empowerment. Women's earnings from savings and credit was found to have positive and significant effect on nutritional status of the children of women members of SHGs and on the Protein intake for the household. Nath (2012) [9] conducted a survey in Lakhimpur district of Assam where in 200 SHGs members were interviewed. It explored various socio-economic and institutional constraints related to women empowerment of differnt social groups under SHGs and suggested measures to overcome these constraints. Soni (2001) [10] define empowerment as an acting multidimentional process, which should enable women to realise their full identity and power in all sphere of life. Soundari and Sudhir (2001) [11] reveals that the SHGs engage not only in productive economic activities but also in social employment and capacity building of rural dalit women. Singh (2013)[12] explained in his work the improvement of women empowerment in Mandi district of Himachal Pradesh. This study was based on primary data collected from 150 beneficiaries which supports the phenomena of overall improvement of occupational structure, income, and different social benefit received by them after joining SHGs.

3. Motivation of the Study

From the above discussion of literature review it is clear that Indian women are no way inferior to men in all walks of life and they can be good enough as similar as men as entrepreneurs. Therfore it is essential to exploit the potentiality of Indian women. But still women are suffering many disadvantages as compare to men in terms of literacy rate, labour participatation rate and earnings. The major strategy of women empowerment include social empowerment, economic empowerment and gender justice. Social empowerment of women is designed to create and enabling environment by adopting various affairmative policies and programmes for developing women, besides providing them easy and equal access to all basic minimum services to enable them to realise their full potential.

In the present context, this work intends to understand outcomes observed on social and economic fronts of women members being involved in SHGs activities in Asansol, West Bengal. The field work designed to understand the following objectives---

I. to evaluate the reasons behind joining SHGs in our survey area

II. to study the profile of respondents pre-post SHG situation in Asansol and

III. to assess the effectiveness of SHGs in the economic empowerment of women in our study area.

Hypothesis

Based on the above objectives, we formulate the following hypothesis –

I. the motivation of earning additional income and to avail bank loan, government subsidy are not relevant factors for joining SHGs.

II. There is no economic empowerment of women through SHGs in our survey area

4. Methodology

The present study is executed covering 6 different villages in Asansol. Our field work is based on primary data collected from 150 respondents out of 42 SHGs by random sampling method. The data collected on the basis of appropriate formation of questionnaire design which may give the answer relevant to our objectives and hypothesis. In order to study the causes of joining to SHGs and the impact of SHGs on respondents, the occupation of respondents in pre-SHG and post-SHG stage, income of the respondents in pre-post SHG stages, social benefits received after joining SHGs are analysed in our work. Different tables, percentage are used as tools to describe our analysis. As it is a fully descriptive type of analysis therefore no complicated statistical and econometric models are used.

5. Analysis and Findings

From the interactions it is revealed that the factors like -- to develop self and mutual help, mobilise available resources, enhance their status in the family and society, promoting savings, enhance investing power to generate more income, to avail loan and govternment subsidy are appeared to be important reasons for joining SHGs.

Table 1 represents the determining factors responsible for joining SHGs.

Table 1: Factors which influence the formation of SHGs

Reasons for involving SHGs	Opinion			
	Agree	Disagree	No comment	Total
Develop self and mutual help	150 (100)	---------	-------	150(100)
Mobilise available resources	130(86.67)	10(6.67)	10(6.67)	150(100)
Enhance status in the family and society	140(93.33)	04(2.67)	06(4)	150(100)
Earn additional income	120(80)	12(8)	18(12)	150(100)
Avail loan and government subsidy	125(83.33)	10(6.67)	15(1)	150(100)

Note: Figures in the bracket denote percentage. **Source:** Primary data

One of the most important reasons for joining SHGs is to avail credit, which is true in this study area. In the survey area, the credit organisations like nationalised banks, co-operative societies etc. follow many formalities to provide loans to rural people. At the same time, money-lenders charge very high interest but they have no option rather than taking loans from the money-lenders. But after joining SHGs, instead approaching individually, they can able to approach collectively to the banks and other institutions to get loans.. This loanable fund is refinanced among the members of the SHGs. The SHGs charge reasonable interest, generally 1%-5% in our field work. All members are responsible to repay the loans to the banks. Therefore, members are repaid loan in time. Moreover, banks instruct the members to save minimum amount, say Rs.100 per month. So repayment is very easy for group members not only to meet their personal requirements, but also some times may invest on any economic activities. Recently many SHGs are starting small business, cottage industries, food processing unit etc. The SHGs in the study area grant loan for various purposes. The maximum loan amount per member is decided by general body meeting. Almost all the members in the study area are availing the loan facilities in their SHGs.

Table 2: Types of loans granted to the members in SHGs

Serial number	Type of loan	Maximum amount granted (in Rupees)
1	Business purpose	20,000-25,000
2	Marriage purpose	Upto 20,000
3	Repayment of old loan	10,000-15,000
4	Medical purpose	10,000-15,000
5	Renovation of house	Upto 10,000
6	Cattle loan	Upto 5,000

Source: Primary data

Now we analyse the effect of SHGs on the respondents in term of their occupational structure in pre-post SHGs situation, income of the respondents in pre-post SHGs situation, benefits gained under SHGs and empowerment through SHGs.

Table 3 represents the occupational structure of the respondents in pre-SHG and post-SHG stages.

Table 3: Occupational structures of the respondents in Pre-Post SHGs stages

Occupation	Pre-SHG stage	Post-SHG stage
No occupation	50(33.33)	10(6.67)
Agricultural labourer	40(26.67)	25(16.67)
Rearing cattle	20(13.33)	04(2.67)
Weaving	10(6.67)	11(7.33)
Handicrafts	12(8)	30(20)
Other income generating activities	18(12)	70(46.67)
Total	150(100)	150(100)

Note: Figures in the bracket denote percentage. **Source:** Primary data

Occupation of the respondents in pre-SHG and post-SHG stage is analysed in the above table 3. It is evident that 33.33% of the respondents have no occupation in pre-SHG stage whereas post-SHG stage, only 6.67% of respondents are without occupation. The occupation chosen by SHG members depend upon the availability of skill, demand for the product in the market and the availability of resources. Income of the respondents in the pre-SHG and post-SHG stage is analysed in table 4.

Table 4: Income of the respondents in the pre-SHG and post_SHG stage

Monthly Income (in Rupees)	Pre-SHG stage	Post-SHG stage
No income	50(33.33)	---
Below 1000	10(6.67)	20(13.33)
1000-2000	25(16.67)	20(13.33)
2000-4000	40(26.67)	10(6.67)
4000-5000	15(1)	80(53.33)
Above 5000	10(6.67)	20(13.33)
Total	150(100)	150(100)

Note: Figures in the bracket denote percentage. **Source:** Primary data

It is evident from the table 4 that before joining in SHG only 6.67% of the respondents had income above Rs. 5000. After joining SHGs 13.33% of the respondents have income above Rs. 5000 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 SHGs, though the returns from income generating activity taken up remain irregular and many cases unstable, they would make a lot of difference in the lives of poor. The incresed income has helped to supplement the income to reduce the level of the poverty to a greate extent in several families

Table 5 represents the benefits gained by the respondents after joining SHGs.

Table 5: Benefits received by the self help group members

Benefits Received	Opinion			
	Agree	Disagree	No comment	Total
Development of saving habit	150 (100)	---------	-------	150(100)
Income generation	120(80)	10(6.67)	20(13.33)	150(100)
Access to large quantum resource	80(53.33)	50(33.33)	20(13.33)	150(100)
Better standard of living	90(60)	30(20)	30(20)	150(100)
Increased decision making power	110(73.33)	22(14.67)	18(12)	150(100)
Easy access to get loan	100(66.67)	26(17.33)	24(16)	150(100)
Organised and collective/joint bargaining	115(76.67)	12(8)	23(15.33)	150(100)

Note: Figures in the bracket denote percentage. **Source:** Primary data

Benefits under self help group

Membership in SHG accure certain benefits to its members. SHGs member's opinion about benefits received by the SHG members, followed by learning to organize and voice grievance collectively, increased income, better status and decision making power, access to large quantum of resources and availability of loans.

Table 6 represents the personal and social empowerment of women after joining SHGs.

Table 6: Empowerment of self help group women to address personal and social issue

Indicators of empowerment	Opinion			
	Agree	Disagree	No comment	Total
Able to contribute towards family income	150 (100)	---------	-------	150(100)
Skill upliftment	70(46.67)	53(35.33)	27(18)	150(100)
Easy of bank loan	140(93.33)	5(3.33)	5(3.33)	150(100)
Better the standard of living	80(53.33)	40(26.67)	30(20)	150(100)
Betterment of leadership and communication skill	100(66.67)	32(21.33)	18(12)	150(100)
Awareness of health and education	95(63.33)	12(8)	43(28.67)	150(100)
Take decision in community, village and in households	78(52)	28(18.67)	44(29.33)	150(100)

Note: Figures in the bracket denote percentage. **Source:** Primary data

Empowerment of self help group women

The SHG programme mainly focusses on empowerment of rural women and making them financially, socially and politically capable. The above table analyse the empowerment of SHG women is the study area. Table 6 reveals the opinion of the respondents regarding the women empowerment through SHGs. The respondents becoming able to contribute towards their family income and also counted other benefits like skill upgradation, betterment of understanding, banking operations, communication skills, leadership. They again first had experience of how to take decision in the community, villages and in households. Most important is that there is notable improvement in the standard of living. So, we can reject the null hypothesis that there is no empowerment of women through SHGs in our survey area.

6. Conclusion and Policy Implications

There is an emerging need to promote women empowerment among the rural women for eradication of rural poverty. Towards this end, delivery of micro-finance to the micro enterprises plays a significant role. Rural women with low income, lack of knowledge of available banking facilities can do little for the growth of banking habits on their own. Poverty alleviation is the ultimate goal of any nation. Studies have shown that the delivery of micro finance to the poor is productive, effective and less costly if they can organised into SHGs. So SHGs is a powerful instrument for poverty eradication in the new economic era. SHG have not only produced tangible assets and improved living condition of members but also helped in changing much of their outlook and attitute.

In the present study, during the field interactions it was reported that government officials do not properly monitor or evaluate the activities of the groups. The absence of voluntary or non-governmental organisations and other promoting institutions in the study locality also act as limiting factor to motivate the members for effective group activities.

Whatever be the short-comings but we may conclude on the basis of our analysis, the null hypothesis that there is no economic empowerment of women through SHG can be rejected. It is evident from our analysis that in Asansol SHGs have served the cause of women empowerment, social-soliditarity and socio-economic betterment of poor rural women. SHG plays a role of democretic 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 to change and serve as a solid platform for women empowerment. Thus, SHGs have been showing the way ahead to alleviate the poverty in Asansol, West Bengal along with women empowerment.

Suggestions:

Based on these findings, it can be suggested that

i. various organisations involved in micro-finance should closely monitor the utilization of credit by the members and motivate them to use for productive purposes for sustained income which may enable them to have their own bank account for savings.

ii. action should be taken to stimulate entrepreneurial spirit among women especially socially weaker section of the society.

iii. agencies related with inputs for capacity building such as the development of forward linkages, e.g. motivating workshops, training activities etc. and backward linkages such as marketing assistance, identification of dealers or sale persons, development of common brands etc. for the growth of microenterprises and are also needed at frequent interval.

iv. SHGs services can be utilized to fight against social evils like child labour, dowry system, to promote small family norms, infrastructural development and other useful social works.

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