

## SELF HELP GROUPS AND EMPOWERMENT- A FIGHTER AGAINST SOCIAL CAUSE

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### ABSTRACT

*Women constitute half of our population and play a vital role in the development of the family, the community and the nation. It has been widely recognized that unless women's potential is properly developed, no transformation and economic development is possible. Therefore, to accelerate the growth and prosperity of the nation, it is very important to create opportunities for socio-economic development of women in rural India. In fact, since independence, it has been felt that women experience poverty to a great extent than men do. The benefits of poverty eradication programmes targeted towards the head of household have failed to trickle down and reached the women. Since then, the Government of India has been emphasizing the need for designing separate development programmes for women and to earmark a specific percentage for women beneficiaries in other rural development programmes.*

*The access to credit for the poor from conventional banking is often constrained by lack of collateral and high transaction costs associated with small borrower accounts. Hence, micro finance has emerged as a viable alternative to reach the under privileged sections of the society for their social and economic empowerment through financial intermediation. Micro finance involves provision of thrift, credit and other financial services and products of very small accounts to the poor for enabling them to raise their income levels and thereby improve living standards. In this regard, a number of initiatives have been taken to augment the flow of bank credit to the micro enterprises in rural and semi urban areas set up by vulnerable sections of society including women. Banks have been advised to provide maximum support to SHGs.*

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**Keywords:** SHGs, Empowerment, Micro finance.

### Introduction:

In India tradition, woman has occupied a prominent position in the society. Even Manu said in Manusmriti "Where the women are respected, the divine grace adores that place, but where that is not so,

all other forms of worship are fruitless". The United Nation Organization has designated March 8<sup>th</sup> of every year as 'International Women Day'. But still there are large number of atrocities against women particularly Indian women. There are large numbers of awareness programmes about awareness of women

rights in the Medias but still the condition is very worse.

Women constitute half of our population and play a vital role in the development of the family, the community and the nation. It has been widely recognized that unless women’s potential is properly developed, no transformation and economic development is possible. Therefore, to accelerate the growth and prosperity of the nation, it is very important to create opportunities for socio-economic development of women in rural India. In fact, since independence, it has been felt that women experience poverty to a great extent than men do. The benefits of poverty eradication programmes targeted towards the head of household have failed to trickle down and reached the women. Since then, the Government of India has been emphasizing the need for designing separate development programmes for women and to earmark a specific percentage for women beneficiaries in other rural development programmes.

The Government of India’s policy on women development has undertaken various shifts of emphasis since independence. The most significant changes occurred in the mid-1980s with the Seventh five year plan which started a move towards equality and empowerment rather than development. This included the evolution of Department of Women and Child Development under the ministry of Human Resource Development and its counter parts in the states. Further, corporations were set up to implement training, entrepreneurship development, credit, technical consultancy services and marketing facilities. The Eighth Five year plan marks a further shift towards empowerment of women, emphasizing women as equal partners in the development process. The Government continued advocacy for sustained equitable growth opportunities for women through increased participation by women in local governments, poverty alleviation programmes through the elimination of discrimination against girl children and reservation in education and job. Even the government imposed punishment for foetus recognition. It made to promote income generation activities and thrift and credit through Self Help Groups (herein after referred as SHGs) for women.

**Empowerment of Women:**

Empowerment is a social action process that promotes participation of people, organization and communities in gaining control over their lives in their community and larger society. Empowerment in simple terms means freedom or independence to women economically, politically and socially. The various initiatives of Government made women to come out of four walls. The intension of Government is to make empower women economically. This can be out rightly predicted through the participation of female in

work force. The following table provides participation of female work force rate in India.

**Table 1- Rate of Female participation in India**

Year	% of female workers
1901	31.7
1911	33.9
1921	32.89
1931	28.40
1951	23.30
1961	27.93
1971	14.22
1981	19.67
1991	22.26
2001	29.40

Source: Census Report 2001

Karnataka is the hub of Information Technology (IT). It is growing like full moon in the field of foreign investment especially in IT sector. The following table provides the scenario of Karnataka.

**Table 2- Female literacy rate and Work force participation rate in Karnataka**

Year	Literacy rate		Work force rate	
	Men	Women	Men	Women
2001	76.1	56.9	44.5	56.7
2011	82.5	68.1 (19)	45.6	59.0 (4)

Source: Prajavani Kannada daily dt 24<sup>th</sup> May 2013

Figures in table represents with percentages.

The table depicts that man folk is ahead to women with respect to literacy rate. The increase of 19% of female literacy rate of two census resulted into only 4% increase in work force.

Empowerment of women has emerged as an important issue in India. Women play pivotal role in development of nation. Women should be respected both in the society and in the family. The status of women can be increased by providing economic, social, political and cultural freedom which leads to empowerment. The Government has introduced various schemes such as DWCRA, TRYSEM and SGSY to empower women. Self-help Group is one among them. It is meant for who are suffering from poverty and cannot fulfil their needs. It is for poor women and for marginalized women.

**Self Help Groups (SHGs):**

The access to credit for the poor from conventional banking is often constrained by lack of collateral and high transaction costs associated with small borrower accounts. Hence, micro finance has emerged as a viable alternative to reach the under privileged

sections of the society for their social and economic empowerment through financial intermediation. Micro finance involves provision of thrift, credit and other financial services and products of very small accounts to the poor for enabling them to raise their income levels and thereby improve living standards. In this regard, a number of initiatives have been taken to augment the flow of bank credit to the micro enterprises in rural and semi urban areas set up by vulnerable sections of society including women. Banks have been advised to provide maximum support to SHGs. A SHG is voluntary association may be registered or unregistered entrepreneurs with a homogeneous social and economic background, voluntarily associated together to save small amounts regularly and mutually agreeing to contribute to a common fund to meet their emergency needs on mutual help basis. The wisdom and peer pressure are used by group members to ensure proper end-use and timely repayment of credit. The peer pressure is the recognized as an effective replacement for collaterals. The transaction cost for both lender and borrowers can be reduced by financing through SHGs. Since 1996, as per the Reserve Bank of India (RBI) directions, financing of SHGs is a part of priority sector lending.

#### Features of SHGs:

- A voluntary association of the women, by the women and for the women.
- Homogeneous in nature in terms of occupation, caste, class and marital status.
- Based on the principle of equity, equality and democracy.
- A group for bringing out women development in a holistic manner.
- Having common desire to work as an action group.
- A group for mobilizing other women to introduce small savings and credit activities for self-reliance and economic emancipation.

#### Significance of Study:

The access to credit for the poor from conventional banking is often constrained by lack of collateral and high transaction costs associated with small borrower accounts. Hence, micro finance has emerged as a viable alternative to reach the under privileged sections of the society for their social and economic empowerment through financial intermediation. Micro finance involves provision of thrift, credit and other financial services and products of very small accounts to the poor for enabling them to raise their income levels and thereby improve living standards. In this regard, a number of initiatives have been taken to augment the flow of bank credit to the micro enterprises in rural and semi urban areas set up by vulnerable sections of society including women.

Banks have been advised to provide maximum support to SHGs. .

#### Objective of the study:

The objectives of study were:

- To understand the socio-economic impact of SHGs on group members.
- To understand the problems of women SHG members.
- To understand the concept of SHG.

#### Review of Earlier Studies:

H.S.Shylendra (2008) in his article "Role of SHGs" highlighted the challenges face by the SHGs in effective poverty alleviation and empowerment. The author conclude that major investment in capacity building of SHGs and proactive policies to help overcome the constraints faced by SHGs to integrate them fully into the developmental programmes aimed at women's empowerment.

P. Dinakara (2008) studied the performance of Micro Finance Institution through the live case studies in Hyderabad and Secunderabad. He expressed that migration is relatively less in villages and women are trustworthy to lend. The improvement of lifestyle of women folk ignited the mend folk to work who were lethargy and carefree. He elucidated that the innocence women can better used by Micro Finance Institution in their empowerment.

Virender Kumar & others (2008) in their research paper entitled 'Impact of Micro financing on Employment Income and Empowerment' revealed that the micro finance did make a significant impact on income, employment and poverty of the member households. They concluded that credit alone is not enough to graduate rural households successfully from 'Survival activities' yielding moderate returns more productive enterprise and realize larger 'second round impacts' on income, employment and poverty. The structural constraints such as low skills and human capital, lack of training and technical knowhow and lack of market infrastructure have started emerging as binding constraints that need to be addressed on priority to make micro finance as an effective instrument of creating and enhancing production skills and securing appreciable and sustained increases in income and employment.

Gladis Mary John (2008) in her research paper 'Women empowerment through SHG' concluded Self-employment through SHGs have increased the earning capacity and economic independence and gave an important place in the decision making process within the families. They got more courage to go out and interact with others. The study on Jasmine cultivators in Kerala revealed that more awareness should be given to women about their role in family and society by conducting meeting and training programme.

Debotosh Sinha (2008) in his research paper 'SHG-Vehicle for Women Empowerment' revealed that the vast majority of the women of SHGs have been able to achieve consciousness about the function of local self-government, politics, health awareness and child healthcare based on empirical study. Further, it was noticed that women are not only participating in capacity building process but also utilizing their acquired capabilities to improve their quality of life in a holistic manner.

P. Balamithram & others (2009) in their research paper 'Women SHGs in the Upliftment of Tsunami Victims' revealed that the formation of women SHGs in Kanyakumari have brought positive transformation among the Tsunami victims, Societal change can be achieved only when the government backs the SHGs.

Yamuna & Kumar (2010) in their research paper 'Panchayat Raj Institutions as an Instrument for Women Empowerment' stated the political empowerment of women. The study carried on by them in Haveri district showed that women's empowerment depends upon the extent to which basic infrastructure such as schools, public health, anganwadies and water and sanitation are provided to rural women. They concluded that Panchayat Raj Institutions have played relatively positive role in providing infrastructure, employment opportunities and promoting SHGs. But income generating schemes have not been implemented to the satisfaction of the beneficiaries.

Somesh Yattin and L.D. Vaikunthe (2010) in their research paper 'Women Empowerment: Role of SHGs and NGOs elucidated that the formation of SHGs by the NGOs helps in the upliftment of weaker sections of the society. The SHGs are predominantly consists of SC, ST and OBC member who are economically backward.

N.K.Shanmugam (2010) in his empirical study on 'Empowerment of Women through Women SHGs carried on at Tamil Nadu revealed that forming SHGs is beneficial to its members. Women will be empowered economically, socially and politically. The conclusion of the research was that WSHGs affiliation with political parties is not welcomed.

R. Laxmi (2010) in her research paper 'Influence of SHGs schemes on Rural Women Empowerment' focused that SHG Bank linkage programme has made enormous contribution to empowerment in rural areas of Tamil Nadu through SHGs. The strong social ties among the members, increased business loan per member and lower SHG's expenditure will contribute to the higher average income of the group members.

Komala & others (2010) in their paper 'SHGs as an Instrument for Women Empowerment highlighted that the growth of SHGs in Mysore district have been playing a vital role in the empowerment of women. The increase in the number of SHGs implied that

women are aspiring for equality, self-confidence and self-respect.

M.A. Lokhande (2010) in his empirical study on 'Women SHGs and Women Empowerment- A Cast study of Mahila Arthik Vikas Mahamandal at Aurangabad district in Maharashtra observed that women members are empowered economically, politically and socially by forming SHGs. Author expressed that though women are politically empowered but they are influenced by their counterparts. He concluded that the SHGs can create awareness of social evils among the members.

Shashikala & Uma H.R. (2011) in their empirical study on 'Women empowerment through SHGs' at Hunsur taluk of Mysore district opined that the potentialities of SHGs can be used against social causes. Formation of SHGs not only brings a radical change in an individual life but also in societal change through the activities of SHGs.

#### Research Hypothesis:

**Ho:** Female Education pattern is dependent on age group

**H1:** Female education pattern is not dependent on age group.

**Ho:** Age group and joining to SHG are independent to each other.

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#### Methodology:

The study was conducted in the Undivided Dharwad district Karnataka during 2011. It comes in Malnad region. Gadag a newly formed district comes in tropical are and its climate is always dry. Haveri is backward which another newly formed district in it is. It is not so agriculturally developed because lack of adequate irrigation facilities, low rainfall and therefore employment opportunities for the women population other the rainy season are very little. So the district was purposively selected in the very spirit of the study.

A sample of 250 members in SHGs was randomly selected from three taluks in the undivided Dharwad consisting Dharwad, Gadag and Haveri. Statistical survey method of research was followed. The sample size is decided at the convenience of the researcher as the population size is larger. The data was collected through a structured questionnaire. The researcher has used the statistical tools such as percentages and chi square test to the hypotheses. The data are processed with the help of SPSS 17.0.

#### Limitations of the Study:

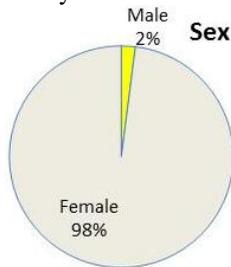
- As the study was conducted in the vicinity of Undivided Dharwad district, Karnataka, hence, the findings cannot be generalized for other territories.

- Due to the language barrier, some respondents were hesitant to furnish the required information although they were made comfortable by translating the questions in their native language but this may have resulted in a semantic barrier affecting the quality of the research.
- Respondents became extra cautious when they were asked to provide their personal information in relation to their occupation; income etc and they may have provided misleading information affecting the quality of the research.
- As the designed questionnaire was lengthy, it has affected the quality of the research but it was inevitable for the researcher.

**Data Analysis and Interpretation:**

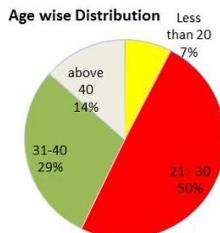
Sex	Frequency	Valid Percent
Male	5	2.0
Female	245	98.0
<b>Total</b>	<b>250</b>	<b>100.0</b>

The gender ratio of respondents: female respondents is 98% against male only 2%.



Age	Frequency	Valid Percent
Less than 20	19	7.6
21 - 30	124	49.6
31-40	73	29.2
above 40	34	13.6
<b>Total</b>	<b>250</b>	<b>100.0</b>

Age wise distribution of respondents ; 49.6% are 21-30 years of age, 29.2% are from 31-40 year age group above 40 years is 13.6% and Less than 20 age group is 7.6%

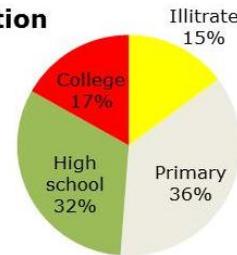


Education	Frequency	Valid Percent
Illiterate	37	14.8
Primary	91	36.4
High school	80	32.0
College	42	16.8

Total	250	100.0
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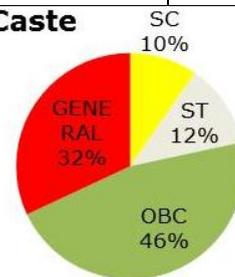
Education level of the respondents is; 68.4% are learned Primary and High school, where only 16.8% of them are education up to college and 14.8% of respondents are illiterate.

**Education**



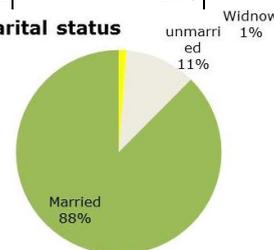
Caste	Frequency	Valid Percent
SC	24	9.6
ST	30	12.0
OBC	116	46.4
GENERAL	80	32.0
<b>Total</b>	<b>250</b>	<b>100.0</b>

**Caste**



Marital status	Frequency	Valid Percent
Married	219	87.6
unmarried	28	11.2
Widow	3	1.2
<b>Total</b>	<b>250</b>	<b>100.0</b>

**Marital status**



Family type	Frequency	Valid Percent
Nuclear	192	76.8
Joint family	58	23.2
<b>Total</b>	<b>250</b>	<b>100</b>

**Ho : Female Education pattern is dependent on age group**

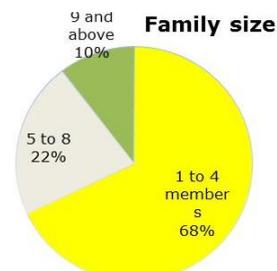
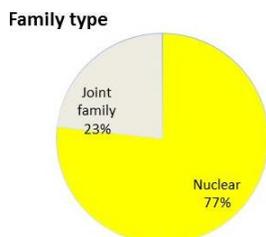
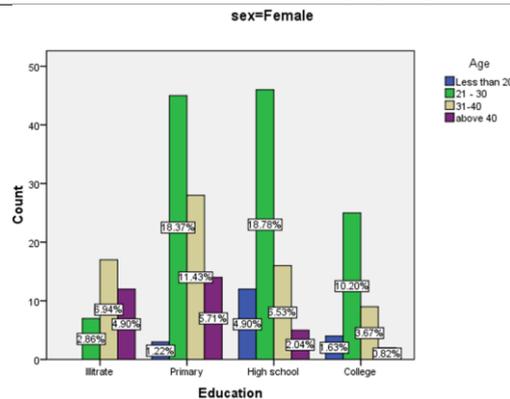
**Education \* Age \* sex Cross tabulation**

Sex		Education	Age				Total
			Less than 20	21 – 30	31-40	above 40	
Male	Education	Illiterate		0	0	1	1
		Primary		0	1	0	1
		High school		0	1	0	1
		College		1	1	0	2
	<b>Total</b>		<b>1</b>	<b>3</b>	<b>1</b>	<b>5</b>	
Female	Education	Illiterate	0	7	17	12	36
		Primary	3	45	28	14	90
		High school	12	46	16	5	79
		College	4	25	9	2	40
	<b>Total</b>		<b>19</b>	<b>123</b>	<b>70</b>	<b>33</b>	<b>245</b>

**Chi-Square Tests**

Sex		Value	df	Asymp. Sig. (2-sided)
Female	Pearson Chi-Square	42.927 <sup>b</sup>	9	.000
	Likelihood Ratio	44.854	9	.000
	Linear-by-Linear Association	31.795	1	.000
	N of Valid Cases	245		

b. 3 cells (18.8%) have expected count less than 5. The minimum expected count is 2.79.  
Hence Ho rejected  
therefore H1 is accepted , i.e females Education and age group are mutually exclusive



Family size	Frequency
1 to 4 members	170
5 to 8	54
9 and above	26
<b>Total</b>	<b>250</b>

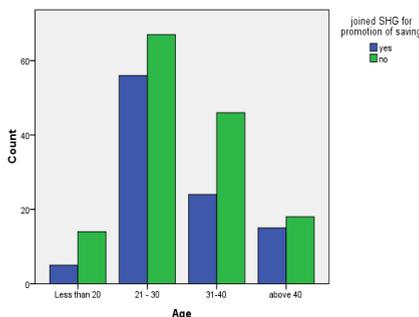
**Ho:** Age group and joining to SHG are independent to each other.

Cross Tab					
Sex			Joined SHG for promotion of saving		Total
			Yes	No	
Male	Age	21 – 30	0	1	1
		31-40	1	2	3
		above 40	0	1	1
	Total		1	4	5
Female	Age	Less than 20	5	14	19
		21 – 30	56	67	123
		31-40	24	46	70
		above 40	15	18	33
	Total		100	145	245

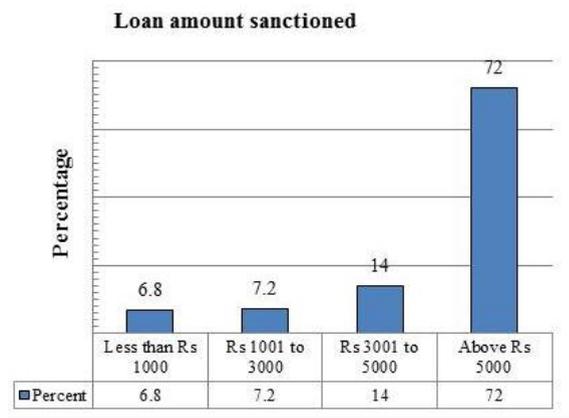
Chi-Square Tests				
Sex		Value	df	Asymp. Sig. (2-sided)
Male	Pearson Chi-Square	.833 <sup>a</sup>	2	.659
	Likelihood Ratio	1.185	2	.553
	Linear-by-Linear Association	.000	1	1.000
	N of Valid Cases	5		
Female	Pearson Chi-Square	4.314 <sup>b</sup>	3	.229
	Likelihood Ratio	4.418	3	.220
	Linear-by-Linear Association	.039	1	.844
	N of Valid Cases	245		
a. 6 cells (100.0%) have expected count less than 5. The minimum expected count is 20.				
b. 0 cells (.0%) have expected count less than 5. The minimum expected count is 7.76.				

Hence Ho is accepted and hence, it is inferred that age and joining to SHG are independent to each other.

Meeting frequency	Frequency	Valid Percent
Weekly	160	64
Fortnightly	5	2
Monthly	85	34
<b>Total</b>	<b>250</b>	<b>100</b>



Loan amount sanctioned		
	Frequency	Percent
Less than Rs 1000	17	6.8
Rs 1001 to 3000	18	7.2
Rs 3001 to 5000	35	14
Above Rs 5000	180	72
<b>Total</b>	<b>250</b>	<b>100</b>



**Findings:**

The following are findings of the study

- Majority of the respondents are women (98%). SHGs are mainly concentrating the women folk. Empowerment of women will be possible.
- The sample consists of 49% of members in the age group of 21- 30 years.
- The level of education is primary which the highest (36.4%).
- Females’ education and age group are mutually exclusive.
- Age group and joining to SHGs are independent to each other.
- Meeting the SHGs held weekly.
- Large number of groups elects heir leader only by voting.
- Rotation of leader is made on yearly basis.
- Recording of the proceedings of meetings is common feature among the groups.
- 72% of the members have borrowed more than Rs 5,000.

**Suggestions:**

After a thorough study, the following suggestions are made:

- Members are advised to improve their education level. People who have higher qualification can motivate remaining members to improve their qualification.
- Though the data proved that majority of the members have borrowed money for productive purpose, in actual practice it is used for household emergencies and non productive activities.

- Banks have to specify a benchmark in sanctioning loans to these SHGs instead of blindly following the policies of Government.
- Rotation of a leader should be made on quarterly so that every member is enabled to acquire leadership qualities. Whether the member is literate or not, he/she should be encouraged and motivated to lead the group.
- Members have to concentrate on income generation activities instead of only agriculture.
- Members need training in order to undertake entrepreneurial activities.
- NGOs and GOs should be the part of this moment then only there can be upliftment of the society.

#### Conclusion:

Women are considered as a great power of India. They need platform to improve themselves. The Government has to think in improvising formation of SHGs through its own department and provide seed money. Women are working on par with men. Empowering women is a prerequisite for creating a good nation, when women are empowered, society with stability is assured. Empowerment of women is essential as their thoughts and their value systems lead to development of a good family, good society and ultimately a good nation. If India to be the super power of 2020, it has to give prime importance to women which has neglected earlier. Nobel Laureate Amartya Sen emphasized that unless women are empowered, issues like health, literacy, and population will remain unsolved problems of the developing countries in this part of the subcontinent.

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