

SELF-HELP GROUPS – A KEY TO WOMEN EMPOWERMENT IN BARADA, DISTRICT OF DHENKANAL. ODISHA

Sanjukata Jena¹ & Lingaraj Patro² *

1. Department of Economics, Mahima Mahavidyalaya, Joranda, Dhenkanal, Odisha. 759014,
2.*. Department of Zoology & Biotechnology. K. B. D. A. V. College, Nirakarpur, 752019. Odisha,
* Corresponding Author

Abstract

The present research paper is an attempt to analyze the role of Self-Help Groups (SHGs) and of Micro Finance for the Empowerment of women and for their socio economic development through Self-Help Groups (SHGs) in Barada-A, Village of Sadar Block of District Dhenkanal, Odisha. It surveys the benefits and problems experienced by the rural poor women under the schemes in the study area and also highlight the measures and suggestions for the rectification. Interview schedules were used for data collection from a randomly selected sample of 10 SHGs consisting of 50 women members during the year 2014-2015. The study evaluated the various activities under SHG scheme carried in the study area for self-employment, asset creation and generating income, thereby making the rural women economically and socially empowered. The result of the study revealed that SHGs through micro finance and micro enterprises programmes have made a lasting impact on the lives of the poor women particularly in rural economy. Their quality of life has improved a lot as there is significant increase in their income, savings and consumption level making them self-reliant and self-confident. From the field survey it has been observed that the social horizons of the members, their outlooks have been widened. They got high esteem and respect in their family and in society which enhances their skills, abilities and will powers to work in various productive activities. Thus the SHGs through micro enterprises programmes have achieved success in bringing women to the main stream of decision making. From the field survey it has been observed that, the respondents should be encouraged to venture into more diversified and remunerative activities which would raise their income and savings too. They should be strictly made to utilize the SHG credits for productive purposes alone.

Key words : Women empowerment, Self-Help Groups, Micro Finance. Self-employment

Introduction

Since the 1990's women have been identified as key agents of sustainable development and women's equality and empowerment are seen as central to a more holistic approach towards establishing new patterns and processes of development that are sustainable. The World Bank has suggested that empowerment of women should be a key aspect of all social development programmes (World Bank, 2001). Women have a critical role in developmental activities. Without them, it is not possible to achieve the targets of prosperity and progress. There must be both physical and mental involvement of women in developmental activities. As the first Prime Minister of Independent India Pandit Jawharlal Nehru has rightly said that "The women of India play a vital role in building a strong nation" again he said "You can tell the condition of a nation by looking at the status of its women". It is well known fact that the growth of women in turn develops here family, community and the nation in general. Since over half the people in Indian Community are women, it is highly essential to utilize, harness and employ these resources optimally in the interest of our nation building in general and her family, her community in particular. In the past, the position of women was miserable in the society. Women in India had been kept in dark in the name of custom, tradition, religious faith and male dominance in the society. In the early decades, the concept of women development was totally out of mind. But with the changed scenario, the thinking of people has been changed due to education and awareness. Women of today are not like the early days. Now, Indian women are ready to come out of the four walls of the kitchen and have shown their willingness and abilities to take up any social and economic activities. Women of today want more economic independence, greater freedom, their own identity, achievements and equal status in the society.

The year 2001 had been declared by the Government of India as "Women's Empowerment Year" to focus on a vision where women are equal partners like men. Because, the constitution of India grants equality to women in various fields of life, so both men and women should be involved in productivity activity to build a

strong nation to alleviate the problem of rural poverty and to mitigate the problem of unemployment and underemployment.

Women Empowerment :

The word empowerment is defined as the process by which women take control and ownership of their choice. Women empowerment refers to increasing the spiritual, political, social and economic strength of women. Empowerment of women signifies harnessing women power by conscientising their tremendous potential and encouraging them to work towards attending a dignified and satisfying way of life through confidence and competence as person with self – respect, rights and responsibilities. The core elements of empowerment have been defined as agency (The ability to define one's goals and act upon them), awareness of gendered power structures, self-esteem and self-confidence (Kabeer, 2001).

Empowerment as a concept was introduced at the International Women's Conference at Nairobi in 1985. The conference defined empowerment as "A redistribution of social power and control of resources in favour of women. It is "The process of challenging existing power relations and of gaining greater control over the sources of power". Empowerment is a multi-faceted process which encompasses many aspects i.e. , enhancing awareness increasing access to resources of economic, social and political etc." In recent years women empowerment has become a subject of great concern for the nations all over the world especially in poor and developing countries. The concept of empowerment has replaced the old "Integration in development" approach in the promotion of women. And the women's approach (Gender and Development). This calls for the inclusion of men, taking a close look at the gender relationship and changing it into the long run. Thus, women empowerment occurs in real sense when women achieve increased control and participation in decision making that leads to their better assess to resources. It often involves the empowered developing confidence in their own capacities. In other wards , empowering women implies abolition of all kinds of male bias against women or gender discrimination against women or gender inequalities in different walks of life. Empowerment of women is a global issue and it is an active , multidimensional process which enables women to realize their full identity and powers in all spheres of life advocated by International Organizations like United Nations developmental programmes, International Labour Organisations on one hand and world conferences on women at Mexico (1975) , Nairobi (1985) and Beijing (1995) on the other hand during the last two decades.

Empowerment can take place at a hierarchy of different levels- individual, household, community and societal and is facilitated by providing encouraging factors (e.g. , exposure to new activities, which can capacities) and removing inhibiting factors (e.g. , lack of resources and skills) . Two vital processes have been identified as important for empowerment. The first is social mobilization and collective agency, as per women often lack the basic capabilities and self-confidence to counter and change existing disparities and barriers against them. Often, change agents are needed to catalyze social mobilization consciously, second the process of social mobilization needs to be accompanied and complemented by economic security. As long as the disadvantaged suffer from economic deprivation and livelihood insecurity, they will not be in a position to mobilize (UNDP-2001).

Since, the 1980's , the Government of India has shown increasing concern for women's issues through a variety of legislation promoting the education and political participation of women . In many developing countries (especially in South Asia) one strategy which has been found to be promising is participatory institution building in the Self-Help Groups (SHGs), often coupled with savings and micro credit loans. SHGs have been emerged as a powerful instrument to alleviate poverty and for the empowerment of women in the rural economy by giving them economic independence through self-employment, entrepreneurial development and well-being .SHGs through the network of commercial banks, co-operative banks, regional rural bank, NABARD and NGO's has been largely supply driven and a recent approach in the provision of financial services to the poor and future upgrading their status in the society. The SHG in our country has become a source of inspiration for women's welfare. Formation of SHG is a viable alternative to achieve the objectives of rural development and to get community participation in all rural development programmes, thereby alleviating rural poverty and increasing gainful employment. SHG is also a viable organized set up to disburse micro credit to rural women and encouraging them together into entrepreneurial activities. (Abdul, 2007). To alleviate poverty and empower the women, the micro – finance, Self Help Groups (SHGs) and credit management groups have also started in India.

Self Help Group (SHG) :

The origin of SHGs is from the brainchild of Grameen Bank of Bangladesh , which was founded by Mohammed Yunus. SHGs were started and formed in 1975 in Bangladesh. In India NABARD is initiated in 1986-87. But the real effort was taken after 1991-92 from the linkage of SHGs with the banks. A SHG is a small economically, homogeneous affinity group of the rural poor voluntarily coming together to same small amount regularly, which are deposited in a common fund to meet members' emergency needs and to provide collateral free loans decided by the group.(Jha, 2000). They have been recognized as useful tool to help the poor and as an alternative mechanism to meet the urgent credit needs of poor through thrift (Rao, 2002) . SHG is a media for the development of saving habit among the women (Rajamohan, 2003). SHGs enhance the equality of status of women as participants, decision-makers and beneficiaries in the democratic, economic, social and cultural spheres of life (Jain, 2003).

Self-Help Group (SHG) is a 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 small savings among its members and the saving are kept with a bank. This common fund is in the name of the SHG. Usually, the number of members in one SHG does not exceed twenty. The basic principles of the SHGs are group approach, mutual trust, organization of small and manageable groups, group cohesiveness, spirit of thrift, demand based lending, collateral free, women friendly loan, peer group pressure in repayment, skill training, capacity building and empowerment.

In spite of the massive scale of government intervention towards rural development in India, rural India continues to be reeling under poverty and related problems. Notwithstanding the phenomenal progress seen in the rural credit structure in terms of volume of credit extended, concessionality, coverage of weaker sections including scheduled castes and tribes, almost all institutions constituting the formal part of the rural credit system suffer from several shortcomings and fail to achieve cent percent result. This possibly has been due to the absence of the people's participation in the development programmes and also due to the gap in mutual understanding about perspectives of the supply side (the government, planners and the bureaucracy) on the one hand and the demand side (the rural people) on the other. This gap is felt to be filled by the micro finance activity through Self Help Group approach for sustainable rural development. (Rajasekhar, 2002 a). Thus SHG approach has made considerable impact on the development of rural economy in terms of increasing savings of the poor, providing access to credit for the poor at reasonable rates of interest by establishing linkages with the formal financial institutions, improving the production levels and income levels, increasing food security and standard of living, improving asset creation and enhancing income generation activities, augmenting environment stability and contributing for the much needed women empowerment. With enthusiastic role played by the NGOs, the banks, the public and the governments, over a period of one and a half decade, the SHG approach has transformed into a movement in the rural areas (Shrivastava, 1987).

Self Help Groups have been receiving greater attention by all the concerned like the Government, NABARD, RBI, Commercial Banks and RRBs. The experiences of SHGs in many counties have been proving great success as an effective strategy and approach in recent years. Group-oriented efforts of Latin America, Africa and Asia are examples of current self-help efforts. As a group-oriented model, SHGs in India is a mechanism for women's development to bring in individual and collective empowerment through improvement in both "condition and position" of women. Now women in India are mobilized to protest against domestic violence, rising prices, legal discrimination, rape, child marriage, dowry etc. In this way, it aims to empower women with various forms of power.

Position of Women SHGs in India :

The Self Help Group Programme has become a well known instrument for bankers, development agencies and even for corporate houses. Now SHGs are not only limited to providing financial services but also they have turned out to be focal point for purveying various services to the poorest of the poor in many ways. With the help of this SHG programme has become the common vehicle in the development process. Women can start economic activities through SHG movement. Even with the limited monetary help the members of SHGs could expand their horizon of productivity activities which have become their means of living. It is widely felt that, there have been perceptible changes in the living conditions of the rural poor mainly on economic side and relatively on social side.

With the small beginning as a pilot programme launched by NABARD by linking SHGs with banks in 1992, the programme has reached to linking of 69.5 lakh saving linked SHGs and 48.5 lakh credit linked SHGs and thus about 9.7 crore households are covered under the programme as on 2010. This has resulted near about seven increase in the number of credit linked SHGs during the period 2005 to 2010.

Objective of the Study :

The overall objective of the present study is to analyse the economic and empowerment of women through SHG in village of Barada-A of Barada Gram Panchayat, Sadar Block of Dhenkanal District.

1. To study the income, expenditure and savings of the members after joining SHGs .
2. To know the role of SHGs in providing rural credit.

Methodology :

The present study has covered 10 Self Help Groups in village – Barada – A of Dhenkanal District. This village is selected for the study because SHGs are functioning in very successful manner.

This study is compiled with the help of the primary data covered only one year period (2014-15). The primary data were collected with the help of specially prepared interview schedule. The schedule include the questions related to the general information about the SHGs' members, income, expenditure, savings and loan schemes available to SHGs' members. Totally 50 respondents were selected from 10 SHGs (107 total members) by simple random sampling method. This is purely a descriptive study. Therefore, no complicated models and tools were used, only percentage and average were used for the analysis.

Analysis and Interpretation :

The present study is related to the economic empowerment of women Barada –A village of Dhenkanal District. This section deals the economic empowerment of women through SHGs. In the study area totally 10 SHGs are functioning with members (Table -1) from the 107 members, 50 respondents were selected for the study.

Table -1 Membership in SHGs

| Sl.No. | Name of the SHGs | No. of Members |
|--------------|-------------------------|----------------|
| 1 | Shakti Maa Kamena | 10 |
| 2 | Shakti Maa Tarini | 10 |
| 3 | Shakti Maa Parbati | 15 |
| 4 | Shakti Maa Bhabani | 10 |
| 5 | Shakti Maa Sarala | 10 |
| 6 | Shakti Maa Pateleswari | 10 |
| 7 | Shakti Maa Kartikeswari | 10 |
| 8 | Shakti Maa Durgeswari | 10 |
| 9 | Shakti Maa Mangala | 12 |
| 10 | Shakti Maa Santoshi | 10 |
| TOTAL | | 107 |

Source : Primary Data.

Savings of SHGs

SHGs are formed basically for the purpose of encouraging women to save small amount regularly to meet their emergency needs. The table-2 below shows the amount of savings of each group.

Table – 2 Amount of Savings by SHGs

| Sl.No. | Names of the SHGs | No. of Members | Savings per month (Rs.) | Total Amount (Rs.) |
|----------------|-------------------------|----------------|-------------------------|--------------------|
| 1 | Shakti Maa Kamena | 10 | 100/- | 1,000/- |
| 2 | Shakti Maa Tarini | 10 | 100/- | 1,000/- |
| 3 | Shakti Maa Parbati | 15 | 100/- | 1,500/- |
| 4 | Shakti Maa Bhabani | 10 | 100/- | 1,000/- |
| 5 | Shakti Maa Sarala | 10 | 100/- | 1,000/- |
| 6 | Shakti Maa Pateleswari | 10 | 100/- | 1,000/- |
| 7 | Shakti Maa Kartikeswari | 10 | 100/- | 1,000/- |
| 8 | Shakti Maa Durgeswari | 10 | 100/- | 1,000/- |
| 9 | Shakti Maa Mangala | 12 | 100/- | 1,200/- |
| 10 | Shakti Maa Santoshi | 10 | 100/- | 1,000/- |
| TOTAL : | | 107 | | 10,700/- |

Source : Primary Data.

Age Group of Members of SHGs

Age and socio-economic activities are inter-related. The young and middle age group women can actively participate in socio-economic activities which is found true in the activities of SHGs in the study area. In this village , 20 – 30 and 30 – 40 age groups are actively participated in the SHGs activities. (Table – 3) . The aged women (40 – 50) are also in the SHGs , their role is also important for SHGs. They can only control and solve the problems arise in the groups.

Table – 3 Age Group of Members of SHGs

| Sl.No. | Age Group | No. of Respondents | Percentage (%) |
|--------------|--------------|--------------------|----------------|
| 1 | Less than 20 | 04 | 08 |
| 2 | 20 – 30 | 12 | 24 |
| 3 | 30-40 | 12 | 24 |
| 4 | 40-50 | 10 | 20 |
| 5 | 50-60 | 10 | 20 |
| 6 | Above 60 | 02 | 04 |
| TOTAL | | 50 | 100 |

Source : Primary Data.

Reasons for Joining SHGs

The major aim of the SHGs is to promote savings and to credit for the productive and consumption purposes. This is true because many people in the study are joins the SHGs for getting loan and promote their personal savings in addition to get social status. Table – 4 shows that in the study area many people (60%) joins the SHGs for getting financial assistance, 12% of the respondents joins the SHGs for the social status and 20% of the respondents join for improving their savings. For social, cultural and political improvement (other reasons) 08% of the members join in the SHGs

Table-4 of Reasons for joining SHGs

| Sl.No. | Reason | No. of Respondents | Percentage (%) |
|--------|----------------------|--------------------|----------------|
| 1 | For getting loan | 30 | 60 |
| 2 | For promoting saving | 10 | 20 |
| 3 | For social status | 06 | 12 |
| 4 | For other reasons | 04 | 08 |
| | TOTAL | 50 | 100 |

Source : Primary Data.

Income Level of the Members :

Income is the major determinant of the standard of living of the people. The SHGs members' income has been increased after joining the SHGs . Hence women members of the groups are independent to meet their personal expenditure and they contribute more to their household income . Many housewives (8%) did not earn anything before joining SHGs, but after a member of SHGs they are also earning reasonably. This inspires others and increases others willingness to participate in the SHGs' activities. This is shown in Table-5.

Table -5. Monthly Income of the Members Before and After joining SHGs

| Before Joining SHGs | | | | After Joining SHGs | |
|---------------------|---------------------|--------------------|----------------|--------------------|----------------|
| Sl.No | Monthly Income (Rs) | No. of Respondents | Percentage (%) | No. of Respondents | Percentage (%) |
| 1 | Less than 1000 | 06 | 12 | 03 | 03 |
| 2 | 1000-2000 | 12 | 24 | 13 | 26 |
| 3 | 2000-3000 | 20 | 40 | 22 | 44 |
| 4 | Above 3000 | 08 | 16 | 10 | 20 |
| 5 | Non-earning members | 04 | 08 | 02 | 04 |
| | TOTAL | 50 | 100 | 50 | 100 |

Source : Primary Data

Expenditure of the SHG members' family

The family expenditure has been increased due to positive change in the SHGs members' income. The incremental income not only enhance the expenditure of the family , but also promote the savings of the families after they join in the SHGs. The objective of the SHGs is fulfilled. This is a great achievement of women SHGs to the study area as shown in Table – 6. Now a days the women in the SHGs are also respected by others , because their independent in earning income and also contributing to household income, expenditure and savings.

Table – 6. Monthly Family Expenditure of the Members Before and After joining SHGs

| Before Joining SHGs | | | | After Joining SHGs | |
|---------------------|---------------------------|--------------------|----------------|--------------------|----------------|
| Sl.No | Monthly Expenditure (Rs.) | No. of Respondents | Percentage (%) | No. of Respondents | Percentage (%) |
| 1 | Below 100 | 20 | 40 | 18 | 36 |
| 2 | 100 – 200 | 12 | 24 | 11 | 22 |
| 3 | 200 – 300 | 08 | 16 | 09 | 18 |
| 4 | 300 – 400 | 06 | 12 | 10 | 20 |
| 5 | Above 400 | 04 | 08 | 02 | 04 |
| | TOTAL | 50 | 100 | 50 | 100 |

Source : Primary Data

Rural Credit and SHGs

One of the reasons for joining SHGs is to avail credit (V.M. Rao – 2002) which is found true in the present study area. The second objective of the present study is to know the rural credit by SHGs in study area.

The credit organizations like nationalized bank, co-operative societies and so on, followed many formalities to provide credit to the rural people. At the same time, village moneylenders charge very high rate of interest. In this situation SHGs are the boon to the rural women, because instead of approaching banks individually, SHGs can easily approach the banks and other institutions to get loan. The SHGs first get loan from credit institutions, then they refinance (share) to the members in the SHGs. The SHGs charge reasonable interest. In the study area the prevailing interest rate is 2% to 4%. All the members are responsible to repay the loan to the Bank. Therefore, the loans are repaid in time by the SHGs members as shown in Table – 9. The loan can be used by individual group members for their personal, food processing units and for various other purposes. The maximum loan amount per member is decided by the General Body meeting. Almost all the members in the study area are availing the loan facilities in their SHGs as shown in Table-7.

Table-7 Types of Loans in the SHGs

| Sl.No. | Types of the Loan | Maximum Amount (Rs.) |
|--------|--------------------|----------------------|
| 1 | Business Loan | 25000/- to 50000/- |
| 2. | Marriage Loan | Up to 50000/- |
| 3. | Repay the Old loan | 10000 to 15000/- |
| 4. | Cattle Loan | 5000/- to 10000/- |

Source : Primary Data

Table -8. Amount of Loan Availed by the Members through SHGs

| Sl.No. | Availed Loan Amount (Rs) | No. of Respondents | Percentage (%) |
|--------|--------------------------|--------------------|----------------|
| 1. | Less than 5,000 | 03 | 06 |
| 2. | 5,000 to 15,000 | 07 | 14 |
| 3. | 15,000 to 25,000 | 12 | 24 |
| 4. | 25,000 to 35,000 | 08 | 16 |
| 5. | 35,000 to 50,000 | 15 | 30 |
| 6. | Above 50,000 | 05 | 10 |
| | Total | 50 | 100 |

Source : Primary Data

Table – 9 : Repayment of loan by SHGs' Members

| Sl.No. | Particulars | No. of Respondents | Percentage (%) |
|--------|-----------------------|--------------------|----------------|
| 1. | Repayment in time | 40 | 80 |
| 2. | Repayment in advance | 05 | 10 |
| 3. | Repayment not in time | 05 | 10 |
| | Total : | 50 | 100 |

Source : Primary Data

Problems and Suggestions :

The Self-Help Groups (SHGs) through Micro Enterprise Programmes is recognized as an important mechanism for empowering women. However, rural women of the study area have many restrictions and social taboos ; they are not supported much by their family members to participate in Micro Enterprise Programmes. Besides it is found that the empowerment of women is affected adversely by the organisational constraints such as inadequate space, inadequate physical facilities, lack of co-operation among members, lack of marketing facilities etc. But these problems can be solved by increasing educational opportunity among women, giving financial assistance, market facilities, subsidies, new schemes, organizing workshops, training through micro enterprises programmes, conducting research programmes etc.

Conclusion :

The study was undertaken for assessing the women empowerment through SHGs in Barada- A Village in Dhenkanal District. It is found that the income of the women has been increased after joining the SHGs. So that the monthly household expenditure also has been raised considerable level. But the savings is increasing at slow rate, because the incremental expenditure is higher. The members should change it. The good practice of the women SHGs in the study area is repayment of the loan in time. Nearly 80% of the debtors paid their monthly dues within the time, even some members paid their dues in advance. Since, the repayment of loan is regular and within the time, we may conclude that the economic activities of SHGs are quite success. In this way SHGs in Barada – A village are very successful to develop women empowerment and rural areas.

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