

## Womens – Initiative empowering rural women through self-help groups

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### Abstract

Empowerment of women is crucial for the development of any developing nation. Evidence across nations suggests that the empowerment of rural women can be achieved through the provision of micro-credit to Self-Help Group (SHG) members. A number of research studies show that the empowerment of women can be achieved through Self Help Groups. Rural women are key agents for achieving the transformational economic, environmental and social changes required for sustainable development. The study was based on primary data collected from Barabanki district of Uttar Pradesh through interview of SHG member beneficiaries. A total of 100 members from 50 groups of two blocks (25 SHGs from each block) formed the sample size of the study. The study revealed that majority of the respondents belongs to the age group of 25 to 45 and have educational qualification of primary education and most of them are married and major portion of the respondents have 4 to 6 dependents. A number of income generating activities were undertaken by the members after joining SHGs. The result showed positive change in indicators of economic empowerment, viz., income, employment and savings after joining the SHG. Empowering them is key not only to the well-being of individuals, families and rural communities, but also to overall economic productivity. Thus the study concluded that SHGs have been playing a vital role in the empowerment of rural women in the study area.

**Keywords:** Women Empowerment, Self Help Groups, Income, Employment

### Introduction

#### Women and Empowerment

Empowerment of women has been a burning issue and has been discussed and debated by many policy makers, sociologists, socio-economic reformists, feminists and philanthropists. Empowerment of women is crucial for the development of any developing nation. There have been debates on the issues relating to gender discriminations in socio-economic, political and cultural aspects and how the fair sex has been kept under oppression under the mosque of traditions and customs. This research paper aims at analysing the empowerment of women through SHGs, hence in the light of this conceptual view many reviews on "Empowerment of women through SHGs" have been surveyed to examine the impact of Self Help Groups on empowerment of women.

Even though, the last half of the 20th century has witnessed some improvements in gender equality, gender disparities still persist in most of developing countries. In almost all developing countries, women do not possess the same legal, social and economic rights as do men. Similarly, gender gaps are widespread in access to and control over resources, in economic opportunities, in power and political voice (World Bank, 2001). Despite considerable efforts, many countries in the world have not been able to eliminate the gender gaps. In fact, with the background of the patriarchal system of society, women need special attention to ensure their development and participation in the decision making process at home, in the community and governance. For this some efforts was made to bring economic and social development of women and improving their status in the community development activities. Formation and Training of Self Help Groups

- Group Development
- Capacity Building
- Income Generation Activities
- Credit and Savings Mobilisation
- Establishment of linkages

These activities had made impressive impacts in empowering women and improving their economic and social status in their families and communities. Due to the entrepreneur development skills promoted, women took up various income generating activities as individuals and as a group such as mat weaving, dairy farms, palm crystal candy making, flour rice, fancy shops, petty shops, soap manufacturing, textile business and paper cup.

The idea of women empowerment was introduced at the World women's conference in 1985. In India, the empowering women was focused in the eight five year plan (1992-1997) at the grassroots level and empowering women through translating the recently adopted National Policy for Empowerment of Women (2001) into action and ensuring survival, protection and development of women and children through right based approach was taken care in tenth five year plan (2002-2007). The Government of India has launched and implemented a number of schemes towards poverty alleviation and women empowerment but it was observed that women in rural areas especially from the poor families could not be benefitted. This led to the country to launch a mother programme called Swarna-Jayanti Gram Swarozgar Yojana (SGSY) which was based on a group approach. Here, the rural poor especially women were organized into Self- Help Groups (SHGs) to enable them to take up viable economic activities on their own on a sustained basis with the support from bank loans and government subsidy.

SHGs are either registered or unregistered „affinity group“ of about ten to twenty people from a homogenous class, who come together for addressing their socio economic problems. The vision of the formation of SHG is to empower rural poor women for overall development of the country. The main object of the SHG approach is providing access to credit in the context of poverty reduction and women empowerment. The SHGs are meant for empowerment of women through focusing on women of below the poverty line to improve their status in the family as well as in the society and to create better awareness in social issues among rural people. They are conceived as a right kind of strategy aiming at creating awareness among rural women about their inner strengths, increasing the feeling of self and collective efficacy, developing skills for personal and interpersonal relations, social change and transformation. The empowering women through SHGs would confer benefit not only to the individual women but also for the family and community as a whole through collective action for development.

### Women Empowerment in Uttar Pradesh

Specific instances of initiatives and successes scored by women shows that how women in power can bring sharp focus on gender bias, poor sanitation, alcoholism, wasteful expenditure and corruption. "Women are known to use money very carefully at home and somehow manage the family budget even when income is low. Women show the same abilities when they manage the village funds." "Women are generally known to have a greater capacity for resolving disputes. When Suraiya Begum was the chairperson her door always remained open for many victims of domestic violence. She helped in resolving many disputes". Veteran journalist Bharat Dogra mentioned that "Chandravati Singh made a detailed survey of where exactly hand pumps were needed in her panchayat, Garchapa in Chitrakut district, UP which is spread over a wide area. This led to maximizing benefits from the limited budget at her disposal for drinking water schemes." Several initiatives have been taken by the government of Uttar Pradesh and voluntary organizations for empowering the women both economically and socially. i-Shakti- a voluntary organization of women working for the women in several states has been able to develop a large number of women entrepreneurs in Uttar Pradesh. Out of a total of 20,374 Shakti Entrepreneurs across India, Uttar Pradesh account for about one-fourth (over 5,174 Shakti Entrepreneurs) spread across 70 districts. i-Shakti –as a brand name of the organization for women improvement, is spreading its wings wide to soar the skies. It has certainly been a long way, a long but speedy journey for i-Shakti. i-Shakti has unquestionably highlighted the potential of rural India. Some of the major constraints in the implementation of this project have been the shortage of electricity, poor Internet connections, along with hardware and software related problems. The most remarkable aspect of i-Shakti is that the consumers and the owners both are highly excited in equal measures about the benefits and features of i-Shakti.

### The Profile of Study Area

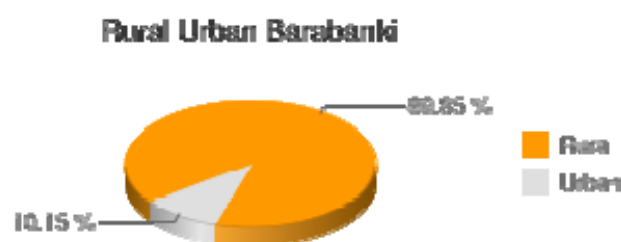
Uttar Pradesh is the most populous state in the country accounting for 16.4 per cent of the country’s population. It is also the fourth largest state in geographical area covering 9.0 per cent of the country’s geographical area, encompassing 2

94,411 square kilometers and comprising of 83 districts, 901 development blocks and 112,804 inhabited villages. Barabanki, one of the largest districts of Uttar Pradesh had a population of 3,260,699 of which male and female were 1,707,073 and 1,553,626 respectively. In 2001 census, Barabanki had a population of 2,673,581 of which males were 1,416,921 and remaining 1,256,660 were females. Barabanki District population constituted 1.63 percent of total Maharashtra population. In 2001 census, this figure for Barabanki District was at 1.61 percent of Maharashtra population. There was change of 21.96 percent in the population compared to population as per 2001. In the previous census of India 2001, Barabanki District recorded increase of 26.54 percent to its population compared to 1991.

Barabanki Table Data

Actual Population	3,260,699	2,673,581
Male	1,707,073	1,416,921
Female	1,553,626	1,256,660
Population Growth	21.96%	26.54%
Area Sq. Km	4,402	4,402
Density/km2	741	607
Proportion to Uttar Pradesh Population	1.63%	1.61%
Sex Ratio (Per 1000)	910	887
Child Sex Ratio (0-6 Age)	932	941
Average Literacy	61.75	47.39
Male Literacy	70.27	58.85
Female Literacy	52.34	34.29
Total Child Population (0-6 Age)	519,867	514,820
Male Population (0-6 Age)	269,084	265,225
Female Population (0-6 Age)	250,783	249,595
Literates	1,692,458	1,023,004
Male Literates	1,010,518	677,728
Female Literates	681,940	345,276
Child Proportion (0-6 Age)	15.94%	19.26%
Boys Proportion (0-6 Age)	15.76%	18.72%
Girls Proportion (0-6 Age)	16.14%	19.86%

### Population Chart



### Importance of the Study

In India, women constitute around half of the total population and thus very important human resource for the nation’s development. The participation of women in the country’s GDP is as low as 8 percent though their work participation was 19.7 percent in 1981. As per census 2001, the female labour force participation rated in their total population is 25.7 percent and it is comparatively higher at 31 percent in rural area as compared to 11.6 percent in urban areas. They are engaged in different sectors and that the invisible work of housewives contributed by them estimated to be nearly one-third of India’s GNP. Over the last few decades, women have come forward to establish their own enterprises. It is well

recognised that the status of women is intimately associated with its economic position which depends on opportunities for participation in productive activities. Entrepreneurship development of among women is therefore seen as one of the important tools to remove unemployment and gender discriminations for poverty alleviation in India.

The microfinance movement through SHGs across India is to make women manage themselves for social mobilization, to create self-confidence, rise their self-esteem through participation in socio-economic and political life. The SHGs programme generally targets the rural poor, particularly the women, who are often discriminated against not only by institutions but also with their own family. The poor are faced with the challenge of acquiring credit to get loans to engage in various productive activities, without necessary collateral required by formal financial institutions. The provision of loans to women may then serve the dual goals of increasing household assets and empowering women. Microfinance institutions have become increasingly popular as a way to mobilize poor communities through the provision of loans through SHGs formed and loans are allocated to members based on group solidarity instead of formal collateral.

The present study is beneficial to a large number of rural people in Barabanki. It also helps the government and non-government agencies, SHG members and leaders in identifying the role of SHGs in empowering women and takes policy-measures towards SHGs in ultimately leads to the holistic development of women vis-à-vis of the society.

**Review of Literature:** A number of studies have been conducted to perceive the relationship between microfinance and economic empowerment by various authors. Mayoux (1996) explained that microfinance programmes are assumed to bring out virtuous spirals by assisting poor women in giving access to credit (Mayoux, 2002) <sup>[12]</sup>. Women's access to credit and savings will help them improve economic status which will further help them to take a bigger role in decision making and help them to optimize their own and family level welfare. Access to credit and savings will result into improved skills, mobility, and knowledge and support network. Collective action will lead to wider social and political movement. At the same time, it also stated that empowerment may not be a natural outcome of any microfinance programme. One has to positively design a programme which leads to empowerment of women. It is stated that merely access to credit may not empower women, if they do not have control over it. A few empirical studies also reveal the role and importance of microfinance on women's economic empowerment. Based on the empirical study of microfinance projects of seven countries, Hulme and Mosey (1996) <sup>[6]</sup> conclude that the programmes have been successful in reducing the poverty level of upper and middle segment of poor class. While assessing the impact of microfinance programme on SHG members pre- and post-SHG situation, Puhazhendhi & Satya Sai, (2000) <sup>[15]</sup> found positive impact of the programme on economic and social empowerment of the rural poor. A study by Cheston and Kuhn (2002) <sup>[3]</sup> states that though microfinance does not address all the barriers to women empowerment; it has shown a positive impact on some of the indicators such as increased self-confidence and self-esteem and participation in decision making in girl's education, family planning, improved status

and gender relations in their houses, etc. The impact assessment studies of about seven microfinance programme in India conducted by ICICI Bank, (2002), in collaboration with UNDP concluded that though these projects could not reach to the poorest of the poor, they have become successful in building savings, reducing migration in search of employment, bringing gender issues on the common platform and reducing economic vulnerability and dependence on moneylenders (ICICI and UNDP, 2002). In another study of microfinance projects in India by Sharma, (2005), have demonstrated positive changes in asset position, increase in savings, increase in employment and increase in consumption expenditure and reduction in feminization of poverty. The study by Swain, (2007) <sup>[23]</sup>, observed that a lot needs to change to make women really empowered and concluded that the sustainable impact on empowerment of women by minimalist microfinance programme could be difficult to achieve. Basargekar, (2009) <sup>[2]</sup>, concluded that utilisation of loan provided through the microfinance programme for micro entrepreneurship or productive purposes is positively associated with the duration of association with SHGs and has a strong bearing on the economic as well as overall empowerment of women. Savita and Jyothi, (2012) <sup>[21]</sup>, have found a significant difference in economic position before and after joining as a member of SHG and the programme benefitted greatly to the highly educated women. A study carried out by Bansal, (2011), in Punjab, India showed that microfinance programmes were successful to diversify the economic activities in rural areas and made participants engaged there which increased income of the individual as well as household and also empowered women economically, socially, psychologically and politically. Malathi and Vijayarani, (2012) <sup>[10]</sup>, have found a significant difference in economic empowerment of the SHG members in post-SHG situation when compared with pre-SHG situation. The study also suggested a positive association between the level of education and empowerment. Savita and Polepeddi, (2012) <sup>[21]</sup>, observed a significant role of micro-credit in socio-economic empowerment of SHG members and that microcredit utilized for productive purposes improves socio-economic empowerment of the members. In his study, Singh, (2013) <sup>[22]</sup>, have shown that SHG members were able to contribute towards their family income and also gained other benefits like skill upgradation, better understanding, banking operations, and better leadership and communication skills. Reji, (2013) <sup>[4]</sup>, have found the significant differences of empowerment in terms of income as well as number of employment days after joining SHG when compared with the before joining the group and that income and employment were higher in post-SHG situation. Thus, it is apparent from the review of literature that SHGs are playing vital role in the progress of women empowerment.

### **Economic Empowerment of women**

Economic empowerment increases women's access to economic resources and opportunities including jobs, financial services, property and other productive assets, skills development and market information. Women's economic participation and empowerment are fundamental to strengthening women's rights and enabling women to have control over their lives and exert influence in society. 2 It is about creating just and equitable societies. Women often face discrimination and persistent gender inequalities, with some

women experiencing multiple discrimination and exclusion because of factors such as ethnicity or caste. The economic empowerment of women is a prerequisite for sustainable development, pro-poor growth and the achievement of all the Millennium Development Goals

Taking a holistic approach to women's economic empowerment social and political factors have a significant influence on women's ability to participate in the economy. These include: access to family planning and other healthcare services; social protection coverage; girls' completion of a quality post-primary education; improving literacy rates of adult women; and, increasing women's influence in governance structures and political decision-making. Many of these dimensions are mutually dependent and reinforcing. Cultural barriers, including discriminatory practices and attitudes, also need to be actively identified and tackled.

**Culture and tradition:** In all countries, expectations about attributes and behaviours appropriate to women or men are shaped by culture, tradition and history. The general pattern is that women have less personal autonomy, fewer resources at their disposal, and limited influence over the decision-making processes that shape their societies and their own lives. Donor strategies can strengthen women's ability to formulate and advocate their own visions for their societies - including interpretations and changes to cultural and gender norms.

**Education and training:** Educating girls is one of the most powerful tools for women's empowerment. Education provides women with the knowledge, skills and self-confidence they need to seek out economic opportunities. Removing school fees and providing financial incentives for girls to attend school have proven to be effective for increasing girls' enrolment and completion rates. Key measures include building schools close to remote communities, ensuring that schools have quality teachers - both female and male - and adequate sanitary facilities, and that they are safe places for girls. Well-designed vocational training leads to better paid work, and does not concentrate women in low-wage and low-skill work or reinforce occupational segregation between women and men.

**Reproductive and sexual health:** Improving women's health strengthens their economic empowerment. Access to sexual and reproductive information and services and reduced rates of early marriages, increase women's chances of finishing education and breaking out of poverty. Access to health services can be improved by reducing user costs, providing transport and strengthening the accountability of service providers. Donors can also support maternal and obstetric services and help improve the availability of skilled attendants at births.

**Sharing the care:** Balancing both maternity and family responsibilities along with work is a daunting challenge. Unpaid care contributes to economic growth through a labour force that is fit, productive and capable of learning and creativity but it also drains the market of its (female) work force. It has been estimated that if care work were assigned a monetary value it would constitute between 10% and 39% of GDP. The care economy and its economic value need to

become much more important elements in debates within the international development community.

**Objectives of the Study:** The general objective of the study is to assess whether women have become economically better off after joining the SHGs in the study area or not. The specific objectives of the study are as follows:

- (i) To identify the socio-economic profile of the sample SHG members.
- (ii) To assess the effectiveness of SHGs in the economic empowerment of women.

The Null Hypothesis formulated for this study is: "There is no economic empowerment of women through SHGs".

**Research Methodology:** The study made a comparison between pre-and post-SHG status of the SHG members in order to evaluate the impact of SHGs in empowering women.

**Data and Data Source:** The study is mainly based on primary data. Primary data were collected through face to face interview of sample SHG members using interview schedule. The required secondary data for the study were collected from books, journals, DRDA, Block offices and from various publications and reports of the Government and other agencies.

**Analytical Techniques:** The study is descriptive and analytical in nature. Data were analysed and interpreted by using tabular method of statistical analysis where frequencies and percentages were used.

**Variables used in the Study:** The socio-economic profile is studied in terms of five variables: the age of SHG members, educational attainment, marital status, number of household members and main occupation of the SHG members. In order to find the impact of microfinance on SHG member's economic empowerment the main variables are annual income, employment days and amount of savings.

**Annual Income:** The annual income of the respondents is worked out by taking into account income from income generating activities of SHGs and other subsidiary occupation per year.

**Generation of Employment:** It refers to the days of employment generated through the various sources, like agricultural crops, goat farming, piggery, group activity and other self-employment activities.

**Savings:** It includes savings of the members in SHGs, banks, post offices, friends and relatives have been considered.

**Conclusion and Recommendations:** The empowerment of women has emerged as an important issue in India which constitutes nearly half of the population. The role of women in the development of the nation is equally important as man and to increase the status of women, they must be empowered economically for overall empowerment which includes social, psychological and political empowerment. There are several constraints that check the process of women empowerment in India, e.g., social norms and family structures in developing

countries like India, manifests and perpetuate the subordinate status of women (Baro and Sarania, 2014) [1]. SHG emerged as powerful instrument for poverty eradication and empowerment of the poor in the new economic era. As women are the most vulnerable section of the society the quick progress of SHG is an upward vehicle for women empowerment. SHGs have not only improved living condition of members but also helped in changing much of their outlook and attitudes. In the present study, the effectiveness of SHGs on the economic empowerment of women have been examined in terms of increase in income, number of employment and access to saving in the after-SHG situation as compared to before-SHG situation. The study has found that SHGs have served the cause of women empowerment and socio-economic betterment of rural poor women. Wilcoxon signed ranks test was conducted to find out the significance of difference which shows that majority of the respondent's income, employment days and amount of savings increased in the post-SHG situation as compared to pre-SHG situation in the study area. Thus, the null hypothesis was rejected and concludes that microfinance through SHGs have been playing a vital role in the empowerment of women in the study area. This is an important institution for improving the life of women on various social, political and economic components. The number of women inclined towards SHG is increasing which implies that women are aspiring for empowerment. It was found that the SHGs are helping for the economic empowerment of its members. Since majority of the SHG members are women we can conclude that the SHGs are helpful for the empowerment of women and eradication of poverty in the study area.

Based on these findings, it can be suggested that various organizations involved in microfinance should closely monitor the utilisation 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. Secondly, action should be taken to stimulate entrepreneurial spirit among women especially socially weaker sections of the society. Thirdly, agency related 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 sales persons, development of common brands etc. for development of micro enterprises are needed at frequent interval. Therefore, efforts should be made for the stabilisation and sustainability of the group members. The problems faced by the members must be listened and resolved for sustainable development.

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