



Research Article

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Effect of Self Help Group in Economic Empowerment of Rural Women in Himachal Pradesh

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Abstract: Women constitute fifty percent of the world population and receives hardly ten percent of the world income and owner of even less than one percent of world's property. They suffer many disadvantages as compared to men in terms of literacy rate, labour participation rates and earnings. The major strategies for women empowerment include social empowerment, political empowerment and gender justice along with demographical justice (rural and urban). For the rural women, economic empowerment can be harvested through the concept of Self-Help Groups (SHGs) based on group approach to rural development. SHGs are indeed a boon to the rural poor women who undertake viable economic activities on their own. SHGs are voluntary association of people formed to attain some common goals. In this paper, an attempt has been made to evaluate the nature of business and its performance carried out by women through SHGs and its impact on economic empowerment in rural areas.

Keywords: Constitution, empowerment, Panchayati Raj, Self -Help Groups (SHGs).

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INTRODUCTION

Women constitute around fifty percent of the total human resources in our economy. Yet women are the more poor and under privileged than men as they are subject to many socio- economic and cultural constraints. The situation is more severe in the rural and backward areas. Women development activities must be given importance to eradicate poverty, increase the economic growth and for better standard of living. Self Help Group (SHGs)- Bank Linkage Programme is emerging as a cost effective mechanism for providing financial services to the "Unreached Poor" which has been successful not only in meeting financial needs of the rural poor women but also strengthen collective self-help capacities of the poor ,leading to their empowerment. Rapid progress in SHG formation has now turned into an empowerment movement among women across the country (Biswas, 2007). Investing in women brings about a multiplier effect. Stories of women who not only are better off economically as a result of access to financial services, but who are empowered as well. Simply getting cash into the hands of women (by way of working capital) can lead to increased self - esteem, control and empowerment by helping them achieve greater economic independence and security, which in turn gives them the chance to contribute financially to their households and communities because women "tend to keep nothing back for themselves they contribute decisively to the well - being of their families"(Cheston & Lisa, 2002).SHG by mobilizing women around thrift and

credit activities have resulted in economic self reliance there by changing their social attitude and status in the family and society SHG has emerged as a key programming strategy for most of the women development activities.

LITERATURE SURVEY

During the course of the study, the study of several authors was referred and it is imperative that an outline of the literature survey is put to note and the following references are worth mentioning. According to Mohanan (1998), the Self-Help scheme to bene the new strategy to combat poverty. To him, the SHG route is one of the cost effective methods of delivery of credit to the poor for whom modern capital is inaccessible. Manimekali & Rajeshwari (2000) have explained the role of SHGs in empowering women. The encouragement given by the SHGs help the organizers to form a group namely SEVAI. They have suggested giving training, which is linked with some kind of credit delivery mechanism whether formal or informal. Soni (2001) de process, which should enable women to realize their full identity and power in all spheres of life." Soundari & Sudhir (2001) reveals that the SHGs engage not only in productive economic activities but also in social empowerment and capacity building of rural dalit women. Goankar (2001) in her study concluded that the movement of SHGs can significantly contribute towards the reduction of poverty and unemployment in the rural sector of the economy and the SHGs can lead to social transformation in terms of

economic development and the social change. Reddy (2002) has pointed out that for bridging gaps in gender inequality, women should be empowered by making them as active partners in decision-making, implementation and evaluation of all interventions initiated for energizing, organizing and sustaining their livelihood. According to him, empowerment is an ongoing process and not an end by itself. The processes involved in empowering are (i) growth in people's awareness and (ii) Gaining access to resources and public facilities; (iii) Negotiating over relations between different social groups. Dave & Seibel (2002) revealed that SHGs in Karnataka paved the way for empowerment of women who are increasingly involved in community development programs and local politics. Dwarakanath (2003) highlighted the pioneering steps taken by the Andhra Pradesh government to involve rural women in the organization and monitoring the SHG action plan. These steps helped in bringing other institutions like commercial banks, NGOs and other microfinance organization for the uplift of rural women. Pazhani (2004) has analyzed the socio-economic conditions of women participating in Panchayati Raj Institutions (PRIs) and the factors responsible for active participation of women in PRIs. He suggested that the NGOs may be used in a better way to create social awareness among the rural population, especially women regarding PRIs and also other things relating to their environment. Naila (2005) in a study apparently concludes that while access to financial services can and does make important contributions to the economic productivity and social well-being of poor women and their households, it does not "automatically" empower women – any more than do education, political quotas, access to waged work or any of the other interventions. Perumal (2005) observed that women who join SHGs are strengthened in many ways apart from becoming economically empowered. They gain a say in family matters and their social status is enhanced. It has been observed by Anjugam (2007) that socially backward, landless and marginal farm house holds participate more in the self help group programme. Possession of livestock and consumer goods by the member households has been found to deter the joining of group. John (2008) found that membership in SHG inculcated a great confidence in the mind of majority of women to succeed in day to day life. Positive change was found in the attitude of relatives and friends towards the women in self help groups. Kour (2008) suggested that the state agencies should formulate SHGs and development. Sivachithappa (2008) pin-pointed that SHG-based micro has better outreach and positive impact on poverty. Olekar (2011) observed that SHG has attracted tremendous attention in recent years. Microcredit is an alternative source of credit for the poor. This system provides credits for the development of the poor sections of the society. SHG programme is the right participatory approach for eradication of rural poverty and paradigm of rural development. From the aforementioned discussion, it is evident that SHGs are

playing a vital role in the process of women empowerment..

Statement of Problem

Several studies indicate that self-help group programmes often in the form of credit or micro credit schemes and savings have succeeded in changing the lives of poor women by making way for enhanced income and increased self-esteem. This is evident from the mushrooming growth of self-help groups in the state. This study is undertaken to analyse the structure, conduct and performance of self-help groups and their impact on the women in Sadar block of district, Mandi.

Objectives

The objectives of this study are:

- To study the socio-economic profile of SHG women
- To analyse the reasons for joining SHG
- To study the structure conduct and performance of self-help groups
- To find the impact of SHGs in women

METHODOLOGY

The study is analytical based on collection of data from both primary and secondary sources. Primary data is collected from well-structured questionnaire, Secondary data is obtained from various published and unpublished records, books, journals and information given by the NGO Himachal Gyan Vighan Samiti, Mandi.

Origin and Concept of SHGs

The origin of Self Help Groups (SHGs) is the brain child of Grameen Bank of Bangladesh, founded by Prof. Mohammed Yunus in 1975, who tried out a new approach to rural credit in Bangladesh. Grameen gave loans without asking borrowers either to provide collateral or engage in paper work. In India NABARD initiated SHGs in the year 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 forward to save a small amount of money regularly, which is deposited in a common fund to meet the members' emergency needs and to provide collateral free loans decided by the group. The SHGs have been recognised as useful tool to help the poor and as an alternative mechanism to meet the urgent credit needs of poor through thrift (Thalavaipillai & Nadarajan, 2010).

Working of SHGs

The SHGs in India are small, informal and homogenous groups of not more than twenty members each. Among them a member is selected as an "animator" and two members are selected as representatives. The animator is selected for a period of two years. Members of the group meet every week.

They discuss social and community programmes, group savings, rotation of funds, bank loan and repayment of loan. The group members are encouraged to make voluntary thrift on a regular basis. These pooled resources are used to make small interest bearing loans to their members. The process helps them imbibe the essentials of financial intermediation including prioritization of needs, setting terms and condition, and accounts keeping. This gradually builds financial discipline in all of them. Once the groups show this mature financial behaviour, banks are encouraged to make loans to the SHG in certain multiples of the accumulated savings of the SHG. The bank loans are given without any collateral and at market interest rates. (Progress of SHG-- Bank linkage in India 2003- 2004, NABARAD).

The Concept of SHG is based on the Following Principles:

- Self-help supplemented with mutual help can be a powerful vehicle for the poor in their socio economic development;
- Participative financial services management is more responsive and efficient;
- Poor need not only credit support, but also savings and other services;
- Poor can save and are bankable and SHGs as clients, result in wider outreach, lower transaction cost and much lower risk costs for the banks;
- Creation of a common fund by contributing small savings on a regular basis;
- Flexible democratic system of working;
- Loaning is done mainly on trust with a bare documentation and without any security;
- Amounts loaned are small, frequent and for short duration;
- Defaults are rare mainly due to group pressure; and
- Periodic meetings non-traditional savings.

Women Empowerment

Women empowerment is the most important instrument for the socio-economic development of a nation. Bringing women into the mainstream is one of the major challenges for every government. Women empowerment has become a meme in the global governance network. In this context, Self-Help Groups (SHGs) have emerged as the tool that wield power to create a socio- economic revolution in the rural areas 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 attitude. Women in India are the victims of multiple socio-economic and cultural factors. Emancipation of women is a pre-requisite for nation’s economic development and social upliftment. A series of development programmes have been implemented for the development of economy in general ignoring women who constitute 50 percent of the total population. Role of women in development is an indispensable factor. Development programmes no

longer can achieve their target without the participation and contribution of women. The role of women and need to empower them are central to human development programmes including poverty alleviation. In spite of safeguards provided in many of poverty alleviation programmes, it was observed that women in rural areas especially from poor families could not be benefited All provisions of the Constitutions and the spate of legislation enacted to empower women in the post independence India have not been adequate to set women free from their traditional bondages, liabilities and Till recent times, women’s participation in the decision making processes especially in rural areas have remained very marginal .A whiff of 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 multifaceted concept that extend to the psychological, economic, social, cultural, political and institutional spheres of women’s lives. SHGs are the tool for achieving social and economic empowerment through collective actions. It has led the women to understand their potentials ,rights, entitlements and their responsibilities as mother at home , as labourer in different activities they engage with and as a citizen in the country .The SHG is a viable organized set- up to disburse microcredit to the rural women for the purpose of making them enterprising and encouraging them to enter into entrepreneurial activities. The formation of SHGs is not ultimately a micro credit project but an empowerment process. Women empowerment is comprehensive and much debated issues, it’s a dynamic and multidimensional process. Women in general are the most disadvantaged people in the rural regions of India. Even though the women largely participate in economic activities, mainly agriculture sector, and other sectors in the economy.

Sampling

For the purpose of present study, 100 women samples of the women self-help groups are selected Majward Panchyat from the Sadar block of Mandi District in Himachal Pradesh through random sampling. In this study primary data were collected from directly respondents by pre-designed questionnaire, Simple percentage, and other relevant statistical techniques were adopted.

RESULTS AND DISCUSSION

Table 1. Age of Respondents

Age	No of Respondents	Percentage
Less than 20	15	15
20 to 40	50	50
40-60	25	25
60 above	10	10
Total	100	100

Source: Primary data

Table 1, shows the distribution of sample respondents by age. It is found that the majority of the respondents 50 percent are in the age of 20 to 40 years followed by 25 percent respondents are in the age of 40 to 60 years, 15 percent respondents are in the age of less than 20 years and 10 percent in the above 60 years. The majority of women in SHG are found to be relatively young.

Table 2. Educational Status of Respondents

Education level	No of Respondents	Percentage
Illiterate	5	5
Primary level	7	7
Secondary level	18	18
High School level	52	52
Inter	10	10
Above Inter	8	8
Total	100	100

Source: Primary data

Table 2, refers to the distribution of sample respondents by their education. It is observed that 52% of respondents are high school level education. 18% with secondary level education, 10% with above inter education, 7% with primary education, 8 percent respondents are above inter education and 5% respondents are illiterates.

Table 3. Social Status of the Respondents

Social Status	No of Respondents	Percentage
OC	25	25
BC	44	44
SC	20	20
ST	11	11
Total	100	100

Source: Primary data

Table 3, refers to the distribution of sample respondents their social status. It is revealed that 44% of the respondents are drawn from backward caste followed by 25% socially advanced castes, 20% scheduled caste, and 11% from scheduled tribes. Thus, most of the respondents are drawn from socially downtrodden communities.

Table 4. Occupation of the Respondents

Occupation	No of Respondents	Percentage
Agriculture	57	57
Caste Based Service	32	32
Others	11	11
Total	100	100

Source: Primary data

Table 4, refers to the distribution of sample respondents by their occupation. It is observed that 57% of respondents are involved in agriculture followed by 32% are involved in caste based services and 11% are

involved in other sources. Thus, the occupations of the most of the respondents are agriculture.

Table 5. Income of the Respondents

Before Joining Monthly Income	Percentage	After Joining Monthly Income	Percentage
Less than 2000	54	14	
2001-4000	29	19	
4000-6000	11	26	
6001 above	6	41	
	100	100	

Source: Primary data

Table 5, refers to the distribution of sample respondents by monthly income. It is observed that before joining in SHGs, 54% of respondents were got less than Rs.2000 followed by 29% of respondents got between 2001 to 4000 Rs, 11% of respondents got between 4001 to 6000 Rs and 6% of respondents got above Rs 6000. After joining in SHGs, 41% of respondents are getting monthly income above Rs.6000, followed by 26% of respondents are getting between Rs 4000 to 6000, 19% of respondents are getting between Rs 4001 to 6000 and 14% of respondents are getting less than Rs 2000. Thus the majority of the respondents increased their income for month.

Table 6. Reasons for Joining in Self Help Groups

Reasons for joining Self Help Groups	No of Respondents	Percentage
For Family Support	34	34
For increase Saving	15	15
For getting loan	19	19
For business	18	18
For other purpose	14	14
Total	100	100

Source: Primary data

Table 6, refers to the distribution of sample respondents by reason for joining in self-help groups. It is observed that 34% of respondents for family support followed by 19% of respondents are for getting loans, 18% of respondents are for business purpose, 15% of respondents are for increasing savings and 14% of respondents are for other purpose. Thus, the most of the respondents said that for family support.

Table 7. Investment for Growing Money

Investment Purpose	No of Respondents	Percentage
Yes	63	63
No	37	37
Total	100	100

Source: Primary data

Table 7, refers to the distribution of sample respondents by investment for growing money in future. It is observed that 63% of respondents are investing for growing money and 37% of respondents are not do investment for growing their money. Most of the respondents are investment after getting their loan in various fields.

Table 8. Awareness about Society and Community of the Respondents

Awareness	No of Respondents	Percentage
Yes	77	77
No	23	23
Total	100	100

Source: Primary data

Table 8, refers to the distribution of sample respondents by awareness of about the society and community. It is observed that 77% of respondents are aware of society and community and 23% of respondents are not aware of society and community. Most of the Self Help Group members are aware about society and community.

Table 9. Communication Skill of Respondents

Communication Skills	No of Respondents	Percentage
Yes	59	59
No	41	41
Total	100	100

Source: Primary data

Table 9, refers to the distribution of sample respondents by Communication skills. It is observed that 59% of respondents are increased their communication skill with the others, they will communicate with their mandal level officers and 41% of respondents are not increased their communication skill with their officers.

Table 10. Decision Making of Respondents

Decision making	Agriculture	Other Activities
Increase	52	57
Constant	48	43
Total	100	100

Source: Primary data

Table 10, refers to the distribution of sample respondents by decision making. It is observed that 52% of respondents are increased decision making in agriculture sector and 48% of respondents are not taking any decision in agriculture. 57% of respondents are increased their decision making in other activities in their family and 43% of respondents are not take decision in the other activities in their family.

MAJOR FINDINGS OF THE STUDY

i. The majority of women in Self Help Groups are found to be relatively young. **ii.** 52% of respondents are high school level education. 18% with secondary level education, 10% with above inter education, 7% with primary education, 8 percent respondents are above inter education and 5% respondents are illiterates. **iii.** Most of the respondents are drawn from socially downtrodden communities. **iv.** The occupations of the most of the respondents are agriculture. **v.** before joining in SHGs, 54% of respondents were got less than Rs.2000 and After joining in SHGs, 41% of respondents are getting monthly income above Rs.6000. **vi.** The most of the respondents said that they were joined in SHGs for Family support. **vii.** Most of the respondents are investment their money after getting their loan in various fields. **viii.** 77% of the respondents are aware about society and community. **ix.** 59% of respondents are increased their communication skill. **x.** 52% of respondents are increased decision making in agriculture sector and 57% of respondents are increased their decision making in other activities in their family.

CONCLUSION

SHG is a powerful instrument for poverty eradication 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 produced tangible assets and improved living condition of members but also helped in changing much of their outlook and attitude. The women empowerment through SHGs in the sadar block of District Mandi in Himachal Pradesh. The major findings in the study justify the greater role played by the SHGs in increasing empowerment of women, by making them financially strong, as well as it helped them to save amount of money and invest it further development. It is also found that the SHGs created confidence for social, economic self-reliance among the members in the Sadar block. It develops the awareness programmes and schemes, loan policies etc. However there is a positive impact of Self Help Groups on Women empowerment in Himachal Pradesh.

SUGGESTIONS

On the basis of the study, following suggestions are offered:

1. Periodical training at regular interval to group members on self management aspect may be imparted with the help of experienced resource persons.
2. SHG services can be utilized to labour, dowry system, to promote small family norms, infrastructure development and in other useful social works.
3. Instead of of , people should come together on their own volition.

4. Attendance at meeting should be made mandatory to inculcate the group cohesiveness among all the members.
5. NGOs and Government should take necessary steps for marketing the goods produced by SHGs.

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