

# SOCIAL AND ECONOMICAL EMPOWERMENT OF WOMEN THROUGH SHGs- A STUDY

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## Abstract

*Empowerment in the context of women's development is a way of defining, challenging and overcoming barriers in a woman's life through which she increases her ability to shape her life and environment. It is an active, multidimensional process which should enable women to realize their full identity and power in all spheres of life. The rural poor with the assistance from NGOs and various microfinance institutions have demonstrated their potential for self-help group to secure economic and financial strength. Various case studies prove that the credit availability has impact on women's empowerment. Thrift is a very important indicator of a group's success because consistent growth in thrift is a clear indication of the growing confidence of the members in the group. Collection of thrift is a major activity of the SHGs. The poor who need money for purchase of various consumption goods quite often meet their contingencies by borrowing from professional money-lenders and others at high rates of interest. SHGs have been extremely effective in creating the habit of savings among the rural poor and mobilizing it for common good. Government and NGOs should look beyond credit and follow the 'credit with social development' approach. Policy implications and programme attributes are to be framed to achieve better results in reducing poverty and empowering women.*

*Keywords: Economic Empowerment, Social empowerment, SHG's, Impact, Rural Women.*

## Introduction

Over the past decade, gender equality has been recognized as crucial not only to the health of nations but also to their social and economic development. The promotion of gender equality and empowering of women is a key aspect of UNDP's Sustainable Development Goals. While showing improvement from previous years, India still ranks 136 in 145 countries as per the Global Gender Gap Index Report 2022. A community, society, and country prosper when its women and girls are empowered. Giving women and girls the liberty and opportunity to have an education, be self-sufficient and

financially independent, get the right healthcare, and have a say in decision-making at home and outside the home is beneficial for society. Even as we are witnessing women rising to the topmost political, bureaucratic, banking, and corporate positions, gender bias still prevents girls and women from rising to their highest potential the concept of women empowerment has changed from welfare to equity approach by which the powerless gain control over their lives and resources to overcome external barriers (lack of health, mobility, education and awareness, status in the family, participation in decision making) and gain

internal qualities such as self-awareness and self-confidence (Mathew, 2003, p. 24). In this way, women's empowerment has become a pre requisite for the socio-economic development of any community in the process of change. In all the developing countries including India, poor rural people face with illiteracy, lack of skills, health care, etc. These are problems that cannot be tackled individually and can be solved through group efforts. Today, this collective action is known as Self-Help Groups, considered the vehicle of change for the poor, mostly for marginalized women.

The SHG is a method of organizing the poor rural women to come together to solve their problems as a group. Here, women collect their savings and put it in a bank. In return, they can access to loans with a small rate of interest with the main objective to start a micro-enterprise. It is formed with 15-20 members living in a particular locality. Thousands of poor and marginalized women in India are building their lives and societies through these groups. Indeed, this movement has become important for the financial services delivery but also for the livelihoods' promotion, community development and women's empowerment. In India, the massive movement of these groups started during 1991-1992 when NABARD piloted the SHG-bank linkage program providing access to banking services to poor rural households, especially women. This is the indigenous model of micro-credit evolved in this country and has been widely acclaimed as a successful one. Some NGOs are the leaders in forming the groups, but also the financial service promoters are currently associated with the program as well as the government that has launched projects and schemes of

savings and credit to alleviate poverty in the country. The 12th five year plan of the Indian government recognizes the importance and relevance of such groups that are useful to implement developmental schemes at the grassroots level for reaching the poor and strengthen their collective capacities. At the national level, the growth of this movement is impressive in terms of quantity as well as loans disbursed. Notwithstanding this remarkable progress, there is a wide regional disparity. In March 2014, 64% of the total number of the SHGs was in the Southern Region while the share of North-Eastern Region was just 3%, which can be an indicator that the program has not taken the adequate roads for achieving those women where the poverty rate is higher. The initial idea with the creation of the SHGs was to empower women economically and socially, so they can become more confident, more assertive, and more likely to participate in family and community decisions. However, some of these groups have behaved just as "loans' providers" without paying attention to the self-development of the members. Poor women suffer from malnutrition, illiteracy, unemployment, lack of awareness and healthcare, so how can they be empowered if they have no education, if they are not ready to take decisions, if they have no secure income and if they suffer from violence? Are the group benefits significant enough to continue with it? Why these kind of programs target women, because they are the motor of growth or because they are more financially responsible than men? With all these doubts it looks like the success of this group approach in rural women's development sounds "too good to be true", so there is the necessity to

clarify if these groups are sustainable and if they are meeting their objectives. There is the need to explore the impact that SHGs have in poor rural women what can lead to some amendments of the different existing policies.

#### **Objectives**

- To identify the status of economic development of Women empowerment
- To identify the status of social status of Women empowerment

#### **THE PROGRESS OF SHG IN TELANGANA**

In all the states including TELANGANA, the administrative body, District Rural Development Agency (DRDA) or TELANGANA Rural Development Agency (SRDA) in case of TELANGANA, is responsible for implementing National Programmes like Indira Awas Yojana, Swarnajayanti Gram Swarozgar Yojana (SGSY), and Employment Guarantee Schemes etc. Throughout the states of India including TELANGANA the SGSY scheme was launched in 1999 which aimed for the formation of SHGs covering all aspects of self-employment. SGSY is centrally sponsored scheme and the financing of the programme is shared between the Centre and State in the ratio of 75:25 respectively, but the Funding Pattern has been changed with effect from 15<sup>th</sup> September, 2008 i.e. 90:10 vide GOI Letter No.G.20011/02/2008-SGSY-I Dated 18th November, 2008 (Annual Report, RM&DD, Government of TELANGANA, 2008-2009: 24). Assistance under this programme for the Swarozgaris (SHG members) is made after selecting them through holding Gram Sabhas and identification of BPL households by the

SRDA officials. The SHGs constituted under SGSY in TELANGANA has assisted many poor families to rise above the poverty line and paved way for their social development. In TELANGANA, the SHG approach has supported many farmers and poor households in the rural areas by mobilizing them to rise above poverty line.

In TELANGANA the funds under SGSY has to be incurred under the following categories i.e., i) Subsidy for Economic Activities, ii) Revolving Fund to SHGs, iii) Training and iv) Infrastructure development. Credit-cum-subsidy – “though assistance under SGSY can be extended both to the individual and SHGs, more emphasis is laid on financing of SHGs rather than the individual. Subsidy is given at the rate of 50% of the project cost subject to a maximum of Rs.10000/- for SC/ST category and physically handicapped, 30% for others subject to a maximum of Rs.1.25 lakhs or Rs.10000/- per member whichever is less” (Annual report, 2008-09: 25). Revolving fund- in TELANGANA 10% of the fund under SGSY is allocated for Revolving fund. After the completion of six months (grade I) of group formation and taking up of thrift and credit activity SHG becomes eligible for receiving revolving fund. The SRDA provides revolving fund of Rs.5000- or maximum of 10,000 to each member of SHG, linked with bank and those having corpus fund of 1000 or more. The bank credit is given in the ratio of 1:1 to 1:4 of the group corpus fund. If the SHGs do not graduate into grade II then an additional dose of revolving fund subject to maximum of Rs.20000 inclusive of the 1st instalment is extended to SHG. Training of SHG members - the training to SHG members include twofold approach

i.e. Basic orientation programme and Skill development programme. Out of the total fund allocated for SGSY 10% of the fund is provided to meet up the training expenses. The first phase of training involves Basic orientation programme (BOP) - The SHG members receive a BOP after the credit cum subsidy assistance is sanctioned and includes knowledge of marketing, identifications appraisal, acquaintance with project costing, product pricing, familiarizing project financing by banks as well identifying schemes in the key activities identified. This programme is usually conducted by selected line departments, banks depending on the activity taken up by the swarozgaris. Skill development programme (SDP) - in order to strengthen and boost the SHG and its activities. A SDP is organised, so that the SHG members acquire minimum skills required for self-employment. The expenditure for BOP and SDP is fixed at Rs.5000/- per swarozgari. In SDP the training programmes are designed to suit the local people and improve the traditional skills so that they can easily adapt to the market. Prior to this an assessment of the existing capacity of the Swarozgaris is done so that the training needs of the SHGs can be identified better. The TELANGANA government also initiated the proposal for setting up of Rural self-Employment Training Institute (RSETI) for training of the SHG members and presently a temporary RSETI on rental basis, has been set up at Development Area, Gangtok for imparting skill development training on different trades. So far under it, 1098 trainees have received training on various Entrepreneurship Development Programmes (EDP) that includes, 922 trainees in agricultural sector, 98 trainees

in handloom and handicrafts sector and 78 trainees on other miscellaneous sector (Annual report, 2013- 14: 89).

Infrastructure Development- the 25% of the allocated fund under SGSY is reserved for infrastructure development. It includes marketing support and provision for Small Marketing Centres in the villages so that the SHG members could store and market their product through these centres. During the year 2008-2009 as many as 10 Rural Product Marketing Centres (RPMC) has been constructed in TELANGANA.

The evaluation of SGSY programme showed inadequate infrastructure, insufficient capacity building and poor delivery system and as a result the reformation and strengthening of SGSY programme as National Rural Livelihood Mission (NRLM) took place (Annual report, 2013-14: 89). The NRLM is targeted towards reduction of poverty among rural Below Poverty Line (BPL) through the promotion of diversified and gainful self-employment opportunities (ibid). There are approximately 2,407 SHGs in TELANGANA constituted under SGSY (till 2009) out of which 737 SHGs in South district, 537 in West, 594 in East and 248 in North (derived from the register of SHG 1999-2009, (SRDA) RM&DD, Government of TELANGANA). The members of SHGs make an average monthly savings of Rs.50 to 200 per swarozgari, and practice inter-group loaning at rates of interest ranging from Rs.2/100 per month for SHG members and 5/100 for others. In TELANGANA the members take loans from SHG funds mostly for The evaluation of SGSY programme showed inadequate infrastructure, insufficient capacity building and poor delivery system and as a result the reformation and strengthening of

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The expenditures of SGSY in TELANGANA, according to annual report of 2008-2009 is 1.72 lakh for basic orientation Programme, 33.50 lakh for skill development, 99.62 for infrastructure development, 3.83 lakh for marketing, 18.54 lakh for revolving fund, 159.46 for subsidy to SHGs and 0.10 lakh for formation of federations.

**Table - Formation of Self-Help groups, Grading and economic activities(2008- 2009)**

Sl. No	Self-Help Groups in TELANGANA	Total since 1.4.99	During the current year upto the month
1	No. of SHGs that have been formed	2116	287
2	No. of defunct SHGs since inception	22	22
3	No. of SHGs that have passed grade I	1410	212
	No. of SHGs that have passed grade II	563	116
4	No. of SHGs that have taken up economic activities after passing grade I	1410	212
5	No. of SHGs that have taken up economic activities after passing grade II	563	116
6	No. of women SHGs formed	1477	219
	No. of women SHGs that have taken up economic activities during the year		92
7	No. of BPL families that have crossed poverty line		903

Source: Annual Report 2008-09, Government of TELANGANA

The table 2.1 displays that through SGSY scheme in TELANGANA a total of 2116 SHGs were formed from 1999-2009 and 287 SHGs were formed in the year 2009. A total of 22 SHGs have become defunct from 1999-2009. Total of 1410 SHGs (from 1999- 2009) have passed grade I and 212 SHGs passed grade I in the year 2009. Total of 563 SHGs (from 1999-2009) have

passed grade II and 116 SHGs passed grade II in 2009. Total of 1410 SHGs (from 1999-2009) have taken up economic activities after passing grade I, and 212 SHGs in year 2009. 563 SHGs have taken up economic activities after passing grade II and 116 SHGs in 2009. The total of 1477 women SHGs were formed from 1999-2009 and it 219 women SHGs were formed in 2009. During the year 2009 a total of 92 women SHGs have taken up

economic activities and a total of 903 BPL families have crossed the poverty line.

**Table - Details of Training provided to SHGs & Individual Swarozgaris (2008- 2009)**

Sl. No	No. of Members of the SHGs Trained	
1	Total	2720
2	SC	89
3	ST	1125
4	Minorities	795
5	Women	2101
6	Disabled	0

Source: Annual Report 2008-09, Government of TELANGANA

The table 2.2 depicts the training of SHGs 89 SC received training, 1125 ST were formed under SGSY. A total of 2720 SHG trained, 795 minorities received training members have received training till 2009, and as much as 2101 women were trained.

**Table - Subsidy & Credit Disbursed to Self- Help Groups & Individual Swarozgaris (2008-2009)**

Sl.No	Credit disbursed to	Rs.in lakhs	Subsidy disbursed to	Rs.in lakhs
1	SHGs	170.56	SHGs	112.01
2	Individual Swarozgari	73.19	Individual Swarozgari	47.45
3	Total	243.75	Tota	159.46

Source: Annual Report 2008-09, Government of TELANGANA

The table 2.3 outlines the credit and subsidy disbursed to SHGs and individual swarozgaris under SGSY till March 2009. The credit disbursed to SHGs was Rs.170.56 lakh, and Rs.73.19 lakh was disbursed to individual swarozgaris. The total credit disbursed was Rs.243.75 lakh. A total of Rs.159.45 lakh subsidy was disbursed under the SGSY scheme. Rs.112.01 lakh subsidy was disbursed to SHGs and Rs.47.45 lakh subsidy to individual swarozgaris.

**Social & Economic Empowerment**

Social and Economic Empowerment		District											
		KHAMMAM						JANGAON					
		S DA	DA	N	A	SA	Tota l	SD A	DA	N	A	SA	Tota l
Unemplo yment to self employ ment	N	25	31	34	162	248	500	33	42	45	145	235	500
	%	5.0	6.2	6.8	32.4	49.6	100	6.6	8.4	9.0	29.0	47.0	100
Wage employ ment	N	28	68	39	134	231	500	38	57	41	127	237	500
	%	5.0	13.0	7.8	26.0	46.0	100	7.6	11.0	8.2	25.0	47.0	100

ent to self employment		6	6		8	2			4		4	4	
Expansion in employment	N	59	65	41	138	197	500	58	60	53	124	205	500
	%	11.8	13.0	8.2	27.6	39.4	100	11.6	12.0	10.6	24.8	41.0	100
No change in employment position	N	349	89	22	28	12	500	265	143	46	31	15	500
	%	69.8	17.8	4.4	5.6	2.4	100	53.0	28.6	9.2	6.2	3.0	100.0

**Source Primary data**

The above table reveals the Social & Economic Empowerment of the respondent’s opinion who joins in Self Help Group. Khammam Unemployment to self employment 5.0 percent strongly disagree, 6.2 percent disagree, 6.8 percent neutral, 32.4 percent agree, 49.6 percent strongly agree, Wage employment to self employment 5.6 percent strongly disagree, 13.6 percent disagree, 7.8 percent neutral, 26.8 percent agree, 46.2 percent strongly agree, Expansion in employment 11.8 percent strongly disagree, 13.0 percent disagree, 8.2 percent neutral, 27.6 percent agree, 39.6 percent strongly agree, No change in employment position 69.8 percent strongly disagree, 17.8 percent disagree, 4.4 percent neutral, 5.6 percent

agree, 2.4 percent strongly agree. Jangaon Unemployment to self employment 6.6 percent strongly disagree, 8.4 percent disagree, 9.0 percent neutral, 29.0 percent agree, 47.0 percent strongly agree, Wage employment to self employment 7.6 percent strongly disagree, 11.4 percent disagree, 8.2 percent neutral, 25.4 percent agree, 47.4 percent strongly agree, Expansion in employment 11.6 percent strongly disagree, 12.0 percent disagree, 10.6 percent neutral, 24.8 percent agree, 41.0 percent strongly agree, No change in employment position 53.0 percent strongly disagree, 28.6 percent disagree, 9.2percent neutral, 6.2 percent agree, 3.0 percent strongly agree.

**Mean**

	DISTRICT					
	KHAMMAM			JANGAON		
	Mean	N	SD	Mean	N	SD
Unemployment to self employment	4.15	500	1.114	4.01	500	1.222
Wage employment to self employment	3.94	500	1.260	3.94	500	1.302
Expansion in employment	3.70	500	1.404	3.72	500	1.401
No change in employment position	1.53	500	.981	1.78	500	1.045

**Source Primary data**

Mean of the Social & Economic Empowerment of the respondent’s opinion who joins in Self Help Group, Khammam Unemployment to self employment Mean 4.15, S.D. 1.114, Wage employment to self employment Mean 3.94, S.D.1.260, Expansion in employment Mean 3.70, S.D.1.404, No change in employment

position Mean 1.53, S.D.0.981, Jangaon Unemployment to self employment Mean 4.01, S.D. 1.222, Wage employment to self employment Mean 3.94, S.D.1.302, Expansion in employment Mean 3.72, S.D.1.401, No change in employment position Mean 1.78, S.D.1.045

**ANOVA**

		Sum of Squares	df	Mean Square	F	Sig.
Unemployment to self employment * District	Between Groups	4.900	1	4.900	3.585	.059
	Within Groups	1364.044	998	1.367		
	Total	1368.944	999			
Wage employment to self employment * District	Between Groups	.016	1	.016	.010	.921
	Within Groups	1638.384	998	1.642		
	Total	1638.400	999			
Expansion in employment * District	Between Groups	.081	1	.081	.041	.839
	Within Groups	1963.070	998	1.967		
	Total	1963.151	999			
No change in employment position * District	Between Groups	15.129	1	15.129	14.724	.000
	Within Groups	1025.462	998	1.028		
	Total	1040.591	999			

**Source Primary data**

**Recommendations**

1. To inculcate the savings and banking habits among members. 2. To secure them from financial, technical and moral strengths. 3. To enable availing of loan for productive purposes. 4. To gain economic prosperity through loan/credit. 5. To gain from collective wisdom in organising and managing their own finance and distributing the benefits among themselves. 6. To sensitize women of target area for the need of SHG and its relevance in their empowerment. 7. To create group feeling among women. 8. To

enhance the confidence and capabilities of women. 9. To develop collective decision making among women. 10. To encourage habit of saving among women and facilitate the accumulation of their own capital resource base. 11. To motivate women taking up social responsibilities particularly related to women development. 12. It acts as the forum for members to provide space and support to each other. SHGs are considered as one of the most significant tools to adopt participatory approach for the economic empowerment of women, SHG is a group



of people that meets regularly to discuss issues of interest to them and to look at solutions of commonly experienced problems. The group may or may not be promoted by Government or non-Government institutions.

### Conclusion

Empowerment of women is unavoidable process to seek the holistic empowerment of nation. Empowerment includes the social, political and economic aspects. Government of India has been framing up different schemes for the upliftment of poor with special reference to women and the program of SHG's formation is one of the potent initiate to seek sustainable development of nation. After attaining the membership of any SHG, members show a significant improvement in their social, economic, political and health status and also upgrade their confidence level. It is an effective tool to create employment opportunities for women through micro-credit with concerned banks in their respective areas. SHG's provide support to its members to control their personal and public life. Various programs have been launched by Government for development of women but due to lack of awareness they have failed to seek the full advantage of such services. In this situation, mobilization and formalization of SHG's of women will prove a better option to take benefit by utilizing group efforts. Mobilization of females into SHG's acts as a solution for various local problems through group and collective approach by getting awareness about different schemes and services provided by the Government and Non Governmental Organizations. In short, it is a vehicle of change for the society as a whole.

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