WOMEN EMPOWERMENT THROUGH SELF HELP GROUPS IN RURAL PUNE : A REVIEW OF CASE STUDIES

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Abstract : In India, the organization of Self Help Groups especially for micro finance and micro enterprise development programme constitute a widely accepted development strategy for poverty reduction and women empowerment.

Empowerment is possible only when there is increased access to economic resources, more confidence and self-motivation, more strength, more recognition and say in the family matters. Although it is a gradual and consistent process, women should build their mindset for taking additional efforts for their overall development. Cases discussed in this paper are fine examples of empowerment satisfy real motive behind formation of SHGs.

Index Terms : Self Help Group, Micro finance, Micro enterprise, Women empowerment, Self-motivation

1. Introduction

Origin of the concept of Self help groups is in Bangladesh Dr. Mehmud Yunus, professor of economics in Chitgaon University of Bangladesh was an initiator of an action project “Gramin Bank” which is a pioneer in the field of microfinance. In India NABARD started this movement in 1991-92 which is a modified form of Bangladesh model. Aim is to alleviate the poverty and to empower the women. Functioning of SHGs basically revolves around five features:

1. Women as their target group
2. Adoption of group approach to achieve their goals
3. Small savings is the pre condition
4. Weekly meetings, collection of savings, updating passbook, disbursement of loans
5. Follow the systems and procedures of Microfinance Institution

In 1970 Ilaben Bhatt developed concept of “women and microfinance” and became founder member of SEWA in Ahmedabad. After SEWA Annapurna Mahila mandal in Maharashtra, working women’s forum in Tamilnadu and many NABARD sponsored groups have followed the path laid down by SEWA.

1.1 Schematic Approach:

This is the early experiment with Self Affinity Groups by MYRADA with funds from NABARD. This movement spread across various states in the country.

Shrama Shakti report of National Commission on self employed women in informal sector and the National perspective plan (1991-1992) of Government of India suggested that there is a need for mediating body between self employed poor women and financial institutions.

In 1996 RBI included lending to SHGs under priority sector and in 1999 it was included Swarna Jayanti Swarojgar Yojana.
In 2008 restructuring of SGSY was done in National rural livelihood mission. Steering committee was constituted by planning commission for the 11th plan in 2007. It targets poverty elimination through social mobilization, institution building, financial inclusion and portfolio of sustainable livelihood.

2. Research Methodology:

A qualitative study method is adopted to study cases under consideration. These four cases are from rural area of Pune district. They all are successful SHGs and are in the race of Rajmata Jijau Swawlamban puraskar. They are studied in detail and found out certain domains which can be considered as the empowerment measures. They are as follows:

2. Economic stability.
3. Entrepreneurship development.
4. Expanding livelihood options.
5. Improvement in the status of women in male dominated society.
6. Decision making freedom in the family
7. Increasing awareness on personal as well as political issues.
8. Development of leadership qualities.
9. Active participation in various social welfare programs.

3. Cases:

3.1 Case 1:

Name of the group: Muktai
Location: Arvi, Taluka-Haveli
Project: Production of sanitary napkins
Members: 15 (all are BPL)
Loan obtained: Rs. 3,00,000/-
Subsidy obtained: 1,20,000/-
Start: year 2007

Fifteen ladies from BPL background came together and formed Muktai SGH. This group started saving Rs 100/-per member per month which helped them acquire a cumulative loan to meet their economic needs,

District Rural Development Agency, Pune advised and guided these members to start manufacturing sanitary napkins. This product is more helpful for the health of rural ladies. This product is introduced is introduced in the market with a brand name “Mukta”.

They have started five manufacturing units in Pune district. These units are well functioning. all the units satisfy required qualitative standards. Under the guidance of DRDA Pune, they have undergone related training programs in Chennai. Earning of these ladies per head per month is around Rs. 5000/-.  

This group always actively participate in cultural programs organized in the village. They always organize cleanliness rallies, health camps in the village. They are taking hard efforts to eradicate child nutrition in the village.

3.2 Case II:

Name of the group: Savitribai Mahila SHG
Location : Tiko, Taluka-Mawal

Project : Hand pounded rice

Members : 13 (9 are BPL)

Loan obtained : Rs. 2, 50,000/-

Subsidy obtained : Rs 90,000/-

Start : year 2007

The story of this group highlights how illiterate women can bring radical change in their lives through sheer hard work and perseverance. This SHG is nurtured by DRDA Pune. They started contributing some amount per member per month. Afterwards the amount was increased as per mutual understanding to support their aim and target.

Initially gradation was done and accordingly SHG received Rs. 25,00,000/- as a revolving fund to enhance the activity of SHG. The SHG members unanimously decided to start hand pounding of rice which is very popular in rural as well as urban areas. The quality of rice attracted many more rural and urban customers because of its taste, fragrance and convenient packing in 1 kg, 5 kg, and 10 kg. They achieved satisfactory turnover of Rs. 5 lakhs around a year.

This achievement spurred women on and they decided to sell their rice to bigger outlets in shopping malls. In order to expand business this SHG signed MoU with Chordiya Food Products Pvt. Ltd. Which is renowned manufacturing company of spices and other food products. The brand name is “Suhana” is awarded to this rice. These ladies earn Rs. 5000/- to Rs. 8000/- per head per month and around 50 to 60 ladies from the village got a job.

Their present turnover is Rs. 8 lakh and total sale is around Rs.30 lakh for last year.

3.3 Case III:

Name of the group : Laxmi SHG

Location : Retawadi, Taluka-Khed

Project : Ropes and broom making

Members : 11(2 are BPL)

Loan obtained : Rs. 25,000/-

Start : year 2007

Initially 11 ladies from equal social and economic background came together and opened savings account with State Bank Of India. Their transparent transactions led them for gradation and capital of Rs.25,000/- got sanctioned. Again the transparent transactions and timely repayment of the loan led them to the gradation for the second time and received Rs. 1,10,000/- loan for business purpose. During the same period death of two SHG members disturbed the functioning of SHG. But united efforts of members restructured the group by selecting two BPL members. After that they received loan Rs. 4,00,000/- from Canara Bank and they started business of ropes and broom making. Earning of these ladies per head per month is around Rs. 5000/-.

Members of this group regularly attend gram sabhas and discuss about their problems. They are the activist to prevent dowry system and child marriages and infanticides.

They take initiative in supervising water purification plant for clean and hygienic drinking water. They always participate in various SHG exhibitions and do improvement in their production as per feedback form customers.
3.4 Case IV :

Name of the group : Pragati Self Help Group

Location Karade, Taluka- Shirur

Project : Crossbred cow rearing

Members : 11(all are BPL)

Loan obtained : Rs. 25,000/-

Subsidy : Rs. 10,000/-

Start : year 2007

In Karade village almost every family is associated with agriculture and dairy related activities. Most of the BPL people work in the farm to earn their livelihood. Here these ladies started this group with regular saving of Rs. 100/- per month. They saved Rs. 77000/- and completed gradation successfully and received loan of Rs. 25,000/-

They started a business of crossbred cow rearing. After successful completion of second gradation all the members unanimously agreed to choose hybrid cow rearing as the key activity. With successful completion of all the formalities group received loan of Rs. 4.40,000/-. They did all the repayment of loan successfully where they got subsidy of Rs. 1,00,000/-. They earn average RS.5000/- per head per month. They also take initiative in following social activities :

- Active participation in gramsabhas
- village cleanliness drive
- Tree plantation
- Welcoming birth of a girl child

4. Theoretical framework :

Self Help Groups are groups which are voluntarily formed with 10 to 20 members for common cause. Each SHG has its own regulatory framework which makes its functions transparent and regular. It has also been observed that educational background is not very important criterion to avail SHG membership but ready to undertake entrepreneurial activity.

The case studies under consideration has undertaken various business activities which assure them regular income. For all the cases under consideration a typical “Expenditure Pattern” is observed. It is also observed that this expenditure pattern is priority based. First they make provision to repay loan, then secondly they channelize money for saving. Third priority is given to domestic expenses. On the fourth priority is given to family expenses. The last priority is given to various social activities for the well-being of their village. But they perform these activities enthusiastically and voluntarily.

Following are some major observations which play major role to work them successfully :

1. Needy and visionary members :
Members in all the groups under study are genuine member and they deserve membership of the group. They have vision and future plans for exploring their business activity. There is a goal congruence.

2. Zero abandoning rate :
All the members in all the SHGs under study are the founder members. No one has left the group till date. In case of death of a member there was a replacement. This shows the dedication of members towards their work.

3. **Group homogeneity:**
The group members have similar economic background but they are from different castes and different age groups still they work together with minimum temporary clashes. This enables maximization of productivity.

4. **Proper utilization of loan:**
The basic reason for stagnancy of SHGs is utilization of loans for nonproductive productive purposes. These members use loans for re-payment of previous debts, for marriage expenses, buying nonproductive thing in the house etc. This makes repayment of the loan very difficult. The SHGs under study properly utilized their loan for income generating activities.

5. **Mindset of SHG members:**
Income generation activity should be the priority but many of the cases it is observed that easy access to loan may lead to misuse of money. This reflects lazy mind set of the members. But in the cases mentioned in the paper they use loan for generating income and the have spending paper as mentioned earlier. Here the role of SHG is not just a money lender but facilitator to overcome poverty and assured income source generator.

6. **Transparency in all the transactions:**
All the books of records are updated regularly. All the financial transactions are kept open to assure transparency to all the members. All the member are involved in decision making.

5. **Findings and discussion:**
When we do relative study of successful SHGs with the various theories in behavioral science we can conclude that women empowerment takes place at two levels and they are:

1. **Personal level**
2. **Group level**

**Personal level empowerment:**

- **Improved living conditions:** Financial independence give them power to spend as per wish. It is observed that spending pattern of women is generally covers mostly family needs than individual needs. They are able to maintain their home properly. It is observed that women from the SHGs with entrepreneurial activities provide proper attention to health care issues as well as educational issues of their children on the priority basis.
- **Habit of saving:** One of the basic principle of SHGs is saving on the regular basis. Regular and consistent saving make them eligible to get loan. This loan is used for further income generating activities.
- **Awareness about their rights and responsibilities:** there is a conduction of various informative workshops making them aware of some legal aspects, skill development activities, current affairs and so on which make them more mature and well informed.
- **Generation of assured income source:** Successful SHG is that SHG which is sustainable and undertakes profit making activity. This creates its members assured income source.
- **Skill development:** Being a part of an entrepreneurial activity they are trained for the respective duties they are assigned with. Apart from this various skills like public speaking, computer operating, book keeping and also reading writing are gradually developed.
- **Increase in self-confidence and decision making ability:** Economic independence and responsibilities related to their job, make them more responsible. Money in hand give them decision making power in the family.
- **Development of leadership quality:** Increased self-confidence enables them to do representation of particular part of the society. They get a courage to express their problems and they also express their views on particular topic.
- **Improved status in the family:** Financial independence, proper child care, special attention towards children’s’ education, proper care of family health gives them important position in the family. That is why SHG members get better position in the family than before.
Group level empowerment:

- **Entrepreneurship development**: One of the main objectives of SHG formation is to undertake enterprise activity which makes them financially independent and bring them in the formal economic sector. This enhances entrepreneurship development spirit among SHG members.

- **Mobilization of resources from individual level to collective economic development**: Few years back the statement made by the Supreme Court of India that “Housewives Are An Invaluable Unpaid Resource And Definitely Not Unproductive!” Before joining SHGs these women were under “unpaid” categories. They were working throughout a day but do not directly contribute to the economy. Former R.B.I governor raised a question mark over the calculation of GDP (Gross Domestic Product) calculated in the country and we stated that “we get growth because people are moving into different areas which is more value added.” When housewives are joining SHGs they are moving from “unpaid” sector to “value added” activity. Thus this causes mobilization of human resource as well as financial resource making women as a part of formal economic sector and ultimately causing economic development.

- **Mobilization of skills from personal level to group level**: Every individual is different and can acquire different set of skills. When women are working in a group they can share their skills with the peers.

- **Identification, analysis and problem solving at group level**: Everyone is free to express their views on a particular situation. Thus any problem can be solved in a group by doing open discussions. The same way problems can be identified and solved.

6. **Conclusion:**

Women Entrepreneurship is a business ownership and creation of a business and empowers women economically which increases their position in the society also. In entrepreneurial activities women accept challenges, fulfill them and finally achieve their personal need and become economically independent. Through these businesses women become capable to contribute towards their family as well as society. Women Self Help Groups in India is an effective tool to bring poor women together to achieve their desire to become financially independent by starting small businesses. This has also benefited Indian economy by bringing informal parts of economy in formal economy. This financial independence leads them towards psychological satisfaction, social as well as economical safety. This two basic factors leads them towards personal development and then social development.

**Limitations of the Study**: The cases discussed in this paper are all successful groups and the study is only limited to Pune dist.

**Scope for Further Study**: This study can be extended to Maharashtra state and further all the states in India. The extended study may help to develop model for successful SHGs.

7. **Abbreviations:**

SHG : Self Help Group

SEWA : Self Employed Women’s Association

NABARD: National Bank for Agriculture and Rural Development

MYRADA: Mysore Resettlement and Development Agency

APO : Assistant Project Officer

SGSY: Swarnajayanti Gram Swarojgar Yojana
BPL : Below poverty line
DRDA : District Rural Development Agency
BPL : Below Poverty line
MoU : Memorandum of Understanding
GDP : Gross domestic product

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