

# Micro finance from Self Help-Groups- A Key Driver For Empowerment of women

## (With Special Reference To Kumaon Region Of Uttarakhand)

**Geetanjali Bhatt**  
Reserch Scholar  
Commerce Department  
Kumaon University  
D.S.B Campus, Nainital  
geetanjali.bhatt12@gmail.com

**Dr. Atul Joshi**  
Head and Dean  
Department Of Commerce  
Kumaon University  
D.S.B Campus, Nainital  
[joshidr.atul@yahoo.com](mailto:joshidr.atul@yahoo.com)

### **Abstract**

Micro finance through self-help groups (SHGs) has been playing a vital role to eradicate poverty in the rural areas of India. The SHG model is also enormously practiced for rural development and women empowerment not only in India but also in the rural areas of Uttarakhand. SHGs act as a key driver to make socially and economically background women self-reliant. Self-help groups have created tremendous impact in the life pattern of poor women and have empowered them not only as individuals, but also as members of family, community and society as a whole. The existence of SHGs in the rural areas is being recognized as an important tool of credit linkage and helps in access to credit for the poor and build social capital for women and empower them. The present study has focused on the woman empowerment through SHGs in Uttarakhand in general and primarily in the Kumaon region. The respondents' survey and the information was collected from Kumaon region. The six districts have been taken purposely for the present study. The size of the sample is 300 and data obtained has analyzed through SPSS. Through random sampling technique 50 SHGs from one block have been selected in each district. The study assesses the role of SHGs in empowerment of women individually, economically and socially.

*Keywords : Self help groups, Women empowerment, Development, Self-reliant, Poverty*

### **Introduction**

Women are essential components of every economy. The progress of a country depends on women empowerment. As the first prime minister of Independent India, Pandit Jawaharlal Nehru has rightly said that "the women of India should play a vital role in building a strong nation". Women constitute 48.46% of the total population in India as per census 2011. Women want more economic freedom and proved to be more efficient in contributing to the growth of the nation. Women empowerment is needed for the social and economic development. The formation of SHGs has laid the social, economic and social status of women. The participation of women in SHGs empowered them at various levels not only individually but in the society as a whole. SHGs enhance the women's participation status equally, decision makers and impart in building confidence to succeed in their life. SHGs became a vehicle of change for women to transform their potential

into action .Rapid progress in SHG<sub>s</sub> formation has now turned into an empowerment movement among women across the country( Tiyas Biswas 2007)

Self-help groups is a small voluntary association that are formed by group of people consist of 10 to 20 woman preferably from the same socio-economic background working together for solving the common purpose through mutual help The SHG's promotes small savings and kept in the bank in the name of the SHG as the common fund and the number of members in a particular SHG does not exceed twenty.

### **The SHG<sub>s</sub> function on the basis of the following principles.**

- Self-help groups empowers its members through frequent training and mastering them with new skills.
- SHG<sub>s</sub> proved not only credit support but saving and other financial services.
- A common fund is created by contributing small saving.
- The amount of loan are small, frequent and for short duration.
- Self-help group is a powerful vehicle for the poor women.
- Democratic system of working is flexible.

Self-help- groups enable women to secure their to tomorrow through pooling their financial resources in terms of saving.

- Loading in SHG<sub>s</sub> is provided to women with a bare documentation on the basis of trust without any security.
- The part of the saving of woman members are lend to members as loan and part of it used to access loan from various financial institutions.
- SHG<sub>s</sub> develop linkages with the various institutions of NGO<sub>s</sub>

The formation of SHG<sub>s</sub> has turned the lives of women in a positive way, so much so that the activism within the woman movement influenced the government to the frame plans and new policies for the betterment of the rural women and the whole country, SHG<sub>s</sub> benefits not only individual women but also the members of their family as well as community.

## **Review of literature**

There is various literature on women SHG<sub>s</sub> in India. Many studies have done on women empowerment through SHG<sub>s</sub> . Few of the studies are as follows.

S. Galab and N.Chandrasekhar Rao (2003) in their paper woman's self-help groups, poverty Alleviation and empowerment reveal the participation of women is SHG<sub>s</sub> has improved the access of women to credit. It has helped to reduce their dependency on moneylenders, Membership of the SHG<sub>s</sub> has change their quality of employment.They have shifted themselves from wage labour to self employment. As a result the poverty has come down. Apart from that women have acquired some non-land assets like health nutrition and educational status of children. They also find out the gender inequalities women empowerment varies in different models and in different social-economic classes. They mention that women healed households, aged women and Dalits are benefitted more in the process of empowerment. Women have improved their freedom to movement and also are able to interact with the officials and other women after joining SHG<sub>s</sub> .

Tracey L. Moyley, Mouren Dollerd and Saswata Narayan Biswas(2006) in their article, “Personal and economic Empowerment in Rural India Women. A self group Approach” discuss that self-help groups positively affect the personnel and economic empowerment of rural women in India .They have shown that the participation of women in the SHG’s enhances meaningfulness in their daily lives, increase personal control over spending enhancing social networks, reduces boredom, increase decision making power in the home and also enhances their independence and purpose.

Debotos Sinha (2008) in his paper “Self-help group vehicle for women empowerment opines that SHG<sub>s</sub> member become aware about various social and technical issues related to group activities. They learn and gather information from each other during group meetings. At this time they get the chance to participate in capacity building programmes where they are exposed to such improvement. The study reveals that women achieve consciousness about local self government , politics health and child health care due to joining the SHG<sub>s</sub> .They are gradually taking domestic decisions like household affairs, economic matters, child education , child health care and family welfare independently.

Dhanalakshmi and Rajini (2003) in their paper “woman empowerment through Self-help group (SHG<sub>s</sub> ) focuses on the literature on the self-help group (SHG<sub>s</sub> ) movement in India. The paper review literature on the subject’s empowerment process in relation to self-help group as well as the related literature. It has been noticed that most of the literature has focused on women empowerment as the outcome and not the process.

Anurag Pahiya and Shalini Agarwal (2007) have reviewed the topic “To study the impact of SHG<sub>s</sub> on rural women Empowerment” . The study reveals that women have become more empowered not only socially but also economically and politically.

Gurumoorthy (2008) in the paper “Self-help group empowers rural women” reveals that credit needs of the rural women can be fulfilled thoroughly through the SHG<sub>s</sub>. The women lead SHG<sub>s</sub> have successfully demonstrated how to mobilize and manage thrift, credit needs maintain linkages with the bank and manage thrift, credit needs maintain linkages with the banks and enforce financial self-discipline. SHG<sub>s</sub> promote women to take active part in the socio-economic progress of the society.

### **Objectives of the study:-**

- To study the social-economic profile of the women beneficiaries in the study area.
- To study the income status of SHG members before and after joining the self-help group.
- To examine the role and benefits of SHG<sub>s</sub> in improving the economic and social status of women.
- To offer suggestive measures for the smooth functioning of SHG<sub>s</sub>.

### **Research Methodology**

The present study covered the kumon region of Uttarakhand. The kumoan regaion consist 6 districts namely Almora. Bageswar ,Pithoragarh, Nanital, Champawat and Udham singh Nagar. Among these Almora, Bageshwar, Pithoragrah, Nainital, Champawat are hillzone and Udham singh Nagar is taraizone. The study conduded for 300 respondents of the SHG Member were selected from the Kumaon Divisio. Respondents for the present study are women only. Out of the total respondents so respondents taken from each district and one block from each district will be randomly selected. The study is descriptive in nature.

In addition both primary and secondary data is used for analysis according to the objectives in the study. The primary data collected from the respondents through structured questionnaire and interview schedule. The secondary data were collected from various journals, books, magazines and websites. Data regarding the SHG<sub>s</sub> members and their activities was collected from the respective office of SHG<sub>s</sub>. The data tabulated using percentage in the form of simple analytical tables. Convenient sampling technique has been adopted for the study.

Thus the total data was collected from 300 SHG<sub>s</sub> of six districts of Uttarakhand.

## **Results and Discussion:-**

**Table1: Socio-demographic profile of respondents**

Parameter	Description	No of Respondents	Percentage(%)
Age	Below 30 years	59	19.7
	31 to 40 years	121	40.3
	41 to 60 years	73	24.3
	Above 61 years	47	15.7
	Total	300	100
Education	Illiterate	37	12.3
	Literate	263	87.7
	Total	300	100
Family status	Joint	98	32.7
	Nuclear	202	67.3
	Total	300	100
Caste	General	89	30
	Obc	124	41
	Sc/St	87	29
	Total	300	100
Marital status	Married	186	62
	Unmarried	94	31.3
	Widow	20	6.7
	Total	300	100
Occupation	Small sale enterprise like:- fruits/vegetable vendor	77	25.7
	Milk- supplier	103	34.3
	Shop-keeper	29	9.7
	Housewife	91	30.3
	Total	300	100

### **Source:-Primary Data**

From the above table it reveals that out of the total 300 respondents taken from the study 19.7% of them belong to the age group of 30 years, 40-3% of the respondent are 31 to 40 years, 24.3% of them are 41 to 60

years and remaining 15.7% of them belong to age group of 31 to 40 years. The education status of the self-help group members reveals that 12.3% of the respondents are illiterate and 87.7% of them are literate. It was concluded that majority of respondents are literate.

That family structure of the self-help group member reveals that 32.7% of the respondents belong to joint family and 67.3% belong to nuclear family.

It was concluded that majority of the respondents are from nuclear family.

The caste status of the self-help group members reveals that 30% belong to general category, 41% of the respondent belong to OBC category, 29% belong to SC/ST category. It was concluded that majority of the respondents belong to OBC category.

The marital status of the self-help group members reveals that 62% of the respondents are married 31.3% of them are unmarried and remaining 6.7% of them are widow. It was concluded that majority of the respondents are married.

With regard to the occupation of the women respondents 25.7% of the respondents are engaged in small scale enterprise, 34.3% of them are milk supplier, 9.7% are shopkeeper and 30.3% are housewife. It was concluded that maximum number of respondents are milk supplier.

**Table3:- Income of the respondents:-**

Income	Monthly income before joining SHG%	Monthly income after joining SHG%
Less than 5000	54	23
5001-10000	26	48
10001-15000	14	21
15001 above	06	08
<b>total</b>	<b>100</b>	<b>100</b>

**Source: Primary data**

Table 2 Present the distribution of sample respondents by monthly income. It is observed that before joining in SHG, 54% of respondents were got less than 25000 followed by 26% of respondents got between 5001 to 10000 14% of respondents got between 10001 to 15000 and finally 6% are getting monthly income above 15001.

After joining the SHG, 46% of respondents are getting monthly income between 5001 to 10000 followed by 23% are getting less than 5000, 21% of respondents are getting monthly income between 1001 to 15000 and at last 8% of respondents are getting above 15000. Thus the most of the respondents increased their income after joining SHG.

**Table 3:- Reasons for joining of Self-help group.**

Reasons for joining SHG <sub>s</sub>	No of respondents	Percentage%
For Saving	34	11.3%
To meet the household expenses	74	25%
To Get recognition in society	18	6%
For getting loan	92	30.6%
To achieve economic independence	28	9.3%
To start own business	36	12%
Other reasons	18	6%
<b>Total</b>	<b>300</b>	<b>100</b>

**Source:- Primary Data**

Table 3 refers to the distribution of the sample respondents reasons for joining the self-help groups . It indicates that 92(30.6%) of the respondents think of joining SHG<sub>s</sub> for getting loan, followed by 74(25%) of the respondents join to meet household expenses and third significance to start own business i.e 36(12%) and 6% for some other reasons. This the most of the respondents said that they have join SHG<sub>s</sub> to got loan.

**Table4: Benefits after joining the self-help groups.**

Benefits after joining SHG	No of respondents	Percentage%
Promotes saving	72	24%
Facility to get down	97	32.3%
Better living standard	41	13.7%
Increased self confidence	38	12.6%
Gain in knowledge and skill	52	17.4%
	300	300

**Source: Primary Data**

Table 4 presents the distribution of sample respondents by their benefits they are getting after joining SHG<sub>s</sub>. It is observed that 97(32.3%) of the respondents benefitted to get loan after joining SHG<sub>s</sub> followed by 72(24%) of the respondents thinks to promote saving. 52(17.4%) of respondents stated that they have gain knowledge and skill after joining SHG<sub>s</sub>. 41(13.7%) of the respondents thinks that their living standard improved and finally 38(12.6%) of the respondents are feeling more self-Confident after joining SHG.

**Findings of the Study:**

- Majority of 40.3% of the women respondents of the self-help Group members are belonging to the age group of 31to 40 years.
- Majority of 87.7% of the women members are literate in self-help groups.

- Majority of 67.3% of the women respondents belong to nuclear family.
- Majority of 41% of women members belong to OBC category.
- Majority of 62% of women respondents are married.
- Majority of 34.3% of women members are milk supplier.
- Majority of 48% of the respondents are earning the income between 5001 to 10000 after joining SHG.
- Majority of 30.6% of the women respondents opinion regarding getting loan for joining self-help group.
- When asked about the benefits they have gained after joining SHG majority of 32.3% of women get facility to get loan.

## **Conclusion:-**

The major findings in the study justify that the SHGs played greater role in the empowerment of women. SHGs has provided small loans to women which gradually enhanced their economic and social status. SHGs are the effective instrument which helps in strengthening the illiterate poor women in the rural areas by making them financially strong and helping them to save some amount of money and invest for the purpose of development. It is also found that the SHG is a powerful tool for poverty alleviation and created confidence among the members and raise their living standard. Women gain knowledge and got an opportunity to show their hidden talent after joining the self-help groups. Self-help groups have uplifted the rural women economically and socially in the society.

## **Suggestions:-**

- 1- Self-help groups should take up the initiative to educate the family members of rural areas as to how women contributed equally in raising the family income.
- 2- More schemes should be introduced by the government and it has to be communicated and provided in proper way to reach the women beneficiaries in self help groups.
- 3- Capacity building programmes, training should be organized for the women members in the SHGs to enhance their capability.
- 4- SHGs should work more honestly in the right direction for the empowerment of rural women in Uttarakhand state then only a positive impact is possible on the life of women and this will lead to real empowerment.

## **References:-**

- 1- Galab, S&N. Chandrasekhar Rao (2003). Woman's self-help Groups, poverty Alleviation and Empowerment .Economic and political weekly. Vo. 38, No. 12/13, march 22-April 4, page 1274-1282.
- 2- Mayley, L.Tracey, Maureen Dollard Saswata Narayan Biswas(2006) Personal and economic Empowerment in rural India women. A self-help Group Approach International journal of rural management vo.2, page 245-247
- 3- Sinha Debotos,(2008): Self help Group Vehicle for women empowerment. Indian journal for women Empowerment. India journal of social Development (An International Journal) Vol 8,No.1 June,page 123-135.

- 4- Dhanalakshmi U and Rajini K (2003). A review of the literature. Women empowerment through self help group (SHGs) International journal of Research in commerce and Management.
- 5- Pahiya, A and Aggarwal S(2007) "Impact of self help groups (SHGs) on social economic and political Empowerment of woman, case study, International Conference on 11th and 12th February.
- 6- Tiyas Biswas (2007) "woman empowerment through micro finance: A boon for development" paper present of Gender issues and empowerment of women. Indian statistical Institute 1-2 feb 2007
- 7- Narang, U self- help group:- An effective Approach to women empowerment in India. International journal of social science and interdisciplinary research 2012 pp 8-76.
- 8- Devi S.K(2014) micro finance and women empowerment global journal of multidisciplinary studies, Volume 3(5) 9
- 9- The bharat Microfinance report (2006) sadhan, New Delhi, 2014
- 10- <http://wed.nic.in/>
- 11- [www.nabard.org.in](http://www.nabard.org.in)

