Women empowerment through Self Help Groups

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Abstract

The study was conducted on the working profile of women headed SHGs working under the scheme of Swarnajayanti Gram Swarojgar Yojna (SGSY) in Udham Singh Nagar district of Uttarakhand. On the basis of the collected data it is clear that how much the programme was effective to its beneficiaries i.e. swarojgaris and to the SHGs. Formation of SHGs is one of the most effective ways to promote the micro-finance in the society and it is seems as an effective tool for the empowering of women. This research paper is an empirical case study which focuses on the functioning on Women Self Help Group. Primary data for the present study was obtained from original sources by the researcher. Data was gathered by collecting SHGs personally. Primary data for the present study was collected through personal interview & by administering structured schedule.

Key words: Swarojgaris, Self Help Groups, beneficiaries, Female headed, economic

Introduction

Government of India reviewed and reconstructed the earlier poverty alleviation programmes after it realized the importance of upliftment of rural poor Programme for income generation, self-employment of the poor has been an important component of the anti-poverty programmes implemented by government in the rural areas of India and as a result various programmes and approaches have been adopted specifically for rural development. Government launched many programmes to eradicate poverty and employment generation. Special efforts in the direction include an array of programmes like Integrated Rural Development Programme (IRDP), Training of the Rural Youth for self-Employment (TRYSEM), Development of Women and Children in Rural Areas (DWCRA), Supply of Improved Toolkits to Rural Artisans (SITRA), Ganga Kalyan Yojna (GKY) etc. But these programmes have had some draw backs like: Inadequate development of infrastructure and insufficient forward and backward linkages and market facilities, an absence of linkages between the employment opportunities available and training provided, linkages for supply of raw material and marketing of production are either deficient or not properly planned and non-availability of eligible persons in the target group.

As a result, a holistic programme of self-employment was introduced by the Government of India in 1999, known as Swarnajayanti Gram Swarojgar Yojana (SGSY) and
the present study was conducted with objective to study the profile of the SHG’s under the scheme SGSY. SGSY is formed by merging DWCRA, IRDP, SITRA, GKY and MWS.

Self Help Group is a small voluntary group of poor people, preferably those who share same socioeconomic background. The government was interested to promote the Self Help Group by the way of providing the grants which is either interest free or on a very nominal interest. The reason to form the SHG is for the purpose of solving the commons faced by SHGs by helping them mutually. The SHG promotes small savings among its members. The savings are kept with a bank. This common fund is deposited in the name of the SHG.

Materials and methods

The study was focused on accessing the working pattern and profile of SGSY on SHGs. The selection of the district was purposive while block, village and SHGs were chosen randomly. The study was conducted in four villages Shantipuri, Danpur, Bhagwanpur, Bagwala of Rudrapur and Gram Gori Kedaa, Sidha; Balkeda, Nakuliya of Sitarganj block of Udham Singh Nagar District of Uttarakhand. Total four SHGs namely Jagriti, Deepak, Ujaala, and Roshini were selected from the respective villages of Rudrapur and Jannat, Pooja, Dari Udyog and Laxmi were from Sitarganj block. Descriptive research design was used to meet the set objectives for the study. Profile of SHGs was studied in terms of name, inception, no. of members, selection criteria, economic activity, earning, saving pattern, decision making, frequency of meeting, management skills, financial records, leader’s election, loan, financial institution, financial status, training received, micro-enterprise, market facility, attitude change, drop outs, life insurance. To study the effectiveness credit and subsidy, increase in income, skill development training, market support, infrastructure facility, micro-enterprise development were used as indicators. The data was collected through interview guide and case study method.

Research design

A research design is the arrangement of condition for collection and analysis of data in a manner that aims to combine relevance purpose with economy in procedure. In present investigation exploratory research design was used to meet the objectives set forth for the study.

Results

Profile of the SHG’s under the scheme SGSY

Name of Self Help Group “Ujaala”

Formation: Ujaala was a self-help group formed in Bhagwanpur village of Rudrapur block, of Udham Singh Nagar in the year 2005. It consists of ten members, of which nine were
female and one was male. All the members were belonging to scheduled caste. The SHG was formed as a result of SGSY programme under the guidance of Block Office and is currently headed by Mrs. Sharda Devi. The criteria for selection of members were need based.

**Activity undertaken:** The economic activity undertaken was dairying which was being done individually by the group members. Activity was taken on the basis of the interest and need of the members. No other activity was taken up. Expansion of activity was also not there.

**Awareness and attitude:** The group norms are strictly followed by the SHG. Democratic decision making pattern has been adopted to tackle the issues of finance, activity and accounts. Meetings of the SHG occur once in a month and these minutes are properly documented. SHG organized inter group meetings and had contact with DRDA and block office. A process of periodic elections took place in the SHG for selection of group leader. No significant change in the attitude of the members was noticed except increased social participation. Even though SGSY programme was closed, the SHG sustained because of the prior planning. The SHG was not formed for the exploitation of government money but for their own betterment and economic empowerment. There was one dropout as well as one addition to the SHG during the period 2009-2012.

**Credit and linkages:** Bank is the source of finance other than own revolving fund. No other agency came forward for help and support of the SHG. Two loans have been taken by SHG till now amounting to Rs. 2, 75,000 (Once Rs. 25,000 and then of Rs. 2, 50,000). All of the members kept themselves updated about loan amount and the subsidy. However there were no individual loans provided to the members. Loan given by the bank was completely used for the buying of milch animals. All the members who needed the loan were able to receive it at least once, and have visited bank branch at least once in a month. The SHG is linked with Allahabad Bank and got proper cooperation from the respective bank and block office. SHG claimed to have a group life insurance and animals insurance, but lack any written proof of the same. With the support of the loan, the SHG was able to free themselves from the grip of local money lenders.

**Skill development:** The vocational trainings provided to the group members have contributed to the increased returns from the activity. Members have participated in ten vocational trainings organized by Block Office. Most of trainings were based on animal husbandry. Facility of the market was proper with forward and backward linkages. One NGO was also linked with the SHG, which helped the SHG members a lot to create the market for their goods and maximum profit. The members became highly acquainted about the concept of saving, record keeping and learned managerial skills. Social participation of the members helped the SHG to generate contacts. Although the deficit market facilities were provided but the members opined that yield through activities was higher than expected.
**Income and saving**: All the members are well acquainted about their saving contributions. The earnings from the dairying ranged from Rs. 7000-8000 per month per head. SHG’s good financial condition is represented by its annual income of about Rs.84, 000. A saving pattern of Rs. 100 per month was also observed in the SHG. The surplus funds of SHG were pooled into the revolving fund and kept for future use. Management skills of members related to financial record keeping, collection of revolving fund and knowledge about the deposits were fully updated. The SGSY programme has contributed to the economic empowerment of the group and brought significant change in the financial status of the *swarojgaris* during the period 2009-2012.

**EFFECTIVENESS**

**Credit and subsidy availability**

The SHG had knowledge about overall project cost i.e. 2.5 lakh in this case. The SHG was found to have good networking with DRDA, Block Office and other SHGs. Thus, the members were aware about all the avenues of assistance available to the SHG such as subsidy for individuals, group and SC/STs, loans, etc.

**Increase in income**

The SHG knew that the block SGSY committee is responsible for review of incomes being earned by *swarojgaris*, draw up the monthly report and review progress of *swarojgaris* in crossing the poverty line. The members opined that there has been increment in their incomes as a result of the programme. The SHG members were well aware that to cross the poverty line they must earn monthly income of at least Rs. 2000 per month and they were earning Rs. 7, 000-8, 000 per head per month. It was depicting tremendous increase in income of a SHG.

**Skill development trainings**

A total of ten training programmes on animal husbandry have been conducted for the SHG. The members knew that block office is accountable for carrying out these vocational trainings. However, they did not have information about how much fund is to be utilized for this purpose. They were well acquainted with the need of training component of the programme. Beside this, trainings were confined only to animal husbandry. Members were not exposed to other productive skill development trainings.

**Marketing support**

Marketing of product i.e. milk, was found to be a major problem. The State Government has neither played any direct role in the marketing the products of SGSY beneficiaries nor it has facilitated in marketing of the goods produced by the beneficiaries.
No market survey has been undertaken by the SHG before taking up the economic activity. The reach of the product was limited and confined to nearby areas only. But SHG became very efficient in marketing and earned remarkable profit after getting help from a female headed NGO.

**Infrastructure facility**

The Panchayat Ghar was being used by the SHG to conduct its activities. The members had no knowledge about the funds available for setting up of infrastructure facilities. No facility of infrastructure was provided to the SHG by the Block Office which shows a lack of support by the Government.

**Micro enterprise development**

SHG members were carrying out the economic activity at individual level. The SHG failed to provide special support or facilities to any of the members for micro enterprise development and thus none of members took initiative to set up their own micro enterprise. Lack of encouragement and financial support has been the major reasons which held members from going for micro enterprise development; but SHG was carrying out the activity with full enthusiasm and confidence.

**Self Help Group **“**Pooja”**

**Formation:** A SHG named Pooja was formed by the women of Tharu tribe in Sidha village of Sitarganj block, Udham Singh Nagar in the year 2010-11 for empowering the women. The SHG is headed by Mrs. Manju Rana who is responsible for formation of the SHG through need and skill based selection of the members. SHG was formed with the guidance of block office under the SGSY scheme. Almost all the members have the skills related to the activity chose by them.

**Activity undertaken:** This group is working with bamboo products and thus is involved in of making handicrafts like baskets, macramé products by the use of bamboo. The activity has been carried out at individual level. No member had started their own enterprise. SHG has expanded their economic activity by stretching it up to the national level.

**Awareness and attitude:** The SHG was found to be quite active in nature and found to organize inter group meetings and have high level of contact with DRDA and other supporting agencies. Mutual discussion and collective decision making, good documentation and record keeping of meeting minutes and strict adherence to the group norms are some of the best practices exhibited by the group. Every month the members meet and discuss important issues together. The SHG formation has brought marked change in the attitude of the members by teaching them the concept of self-help and team spirit. No group leader elections have taken place since the inception of the SHG. No drop outs or additions were
there in the SHG during the period of 2009-2012. The group did not have any plan to utilize their surplus funds.

**Credit and linkages:** An amount of Rs. 2,50,000 have been procured as loan by the group from State Bank of India. The members were quite aware and availed updated information related to bank loan from the block office. A total amount of money was used for buying raw material and for the other requirement of SHG. Beside the bank, one more financial institution named *Jan Jagariti Vikas Samiti* has been linked with the SHG. This is a non-governmental organization formed by the SHG member themselves. All the members knew about their saving contribution and loan given to the SHG and have visited the bank at least once in a month. The SHG was successful in repayment of loan in timely manner. Including this, the loaning pattern freed the SHG members from money lenders. The financial records were being properly documented. A group life insurance has also been provided for the *swarozgaris*.

**Skill development:** All the members received vocational training and about 10 such trainings have been conducted for the SHG during the year 2009-2012. The current leader of the SHG herself worked as a trainer. With the help of proper channels and market facilities, the SHG members were able to procure high benefits from the handicraft work. The social participation of the members has also increased after the SHG formation under the scheme. Working in Self Help Groups, members learned the basic skills of management related to organization, record keeping, market orientation, profit and loss etc, to acquire long term sustainability. Even though the SGSY programme is over, this SHG is still active and sustained even after closing of the SGSY programme with the help of the profit earned. SHG members have planned earlier to sustain their SHG activity.

**Income and saving:** The SGSY scheme provided a platform to the members in increasing the economic status by the use of their traditional skills. The women were able to earn a monthly income of Rs 3000 and also follow a cumulative saving pattern of depositing Rs 100 per head per month. As per the information provided by the SHG members, their SHG was able to earn yearly income ranging from Rs. 50,000-60,000 from handicrafts. The profit earned from the activity and the revolving fund acts as financial support for the SHG. It clearly depicts good financial condition of the SHG. The financial records, savings and financial transactions were controlled by the SHG members that helped them to enhance their management skills.

**EFFECTIVENESS**

**Credit and subsidy availability**

The SHG members were aware of the overall project cost, but had no knowledge about the subsidy given by the government to the individual *swarozgaris*, group and SC/STs.
They know about the subsidy provided to them. They have interaction with the block office and other agencies but it was not enough as SHG members were unaware of some important information. Members have shown the information needs, but ignorance from other side was very much noticeable.

**Increase in income**

The SHG had information about the monitoring done by the block SGSY Committee to assess the progress of different swarojgaris’ income. Committee had also gone through the monitoring and monthly report process. It was successful in attaining the minimum set standards for income of Rs. 2,000 in three years and members were able to cross the poverty line by the activity undertaken, but did not know what was the stipulated guidelines for the same. On yearly basis, in last three years SHG has managed to earn Rs. 50,000-60,000. Members are also earning minimum Rs.3000 per month.

**Skill development trainings**

Training of SHG members is an essential and compulsory component of the programme as it ensures that the swarojgaris possess the minimum skill requirement needed to undertake the activity. There was 10 vocational training provided to the SHG for their skill development in the areas of basket making etc. The members were well aware that block office is responsible for conducting trainings. The SHG was benefited by the block office and other agencies through training. To some extent, fund allocated for the trainings was being utilized properly, but ten trainings in three years were not good enough. Sometimes the leader of the respective SHG conducted the training for the members.

**Marketing support**

The SHG chose to sell the products like baskets, macramé in fairs and haats. The block office helped the SHG in selecting the place for marketing their products. The SHG members due to their caste, were quiet skilled in handicraft making by use of bamboo and hence the group undertook this activity. A non-governmental organization named Jan Jagriti Vikas Samiti was linked with the SHG also helped in selecting the marketing place and selling of finished products like block office. The SHG developed efficient marketing skills and thus they have reached the national level market. Yield from the activity is high.

**Infrastructure facility**

No facility of infrastructure was provided to the SHG. The members had no knowledge about the funds available for setting up of infrastructure facilities. So the funds allocated were never utilized. However, without having the infrastructure facility, SHG is
working at the leader’s place with the cooperation of each member and getting more than expectation in social and financial terms.

**Micro enterprise development**

The activity was carried out as a group activity by the SHG members. No special support or facilities were availed by any of the member to start their own enterprise. SHG is undertaking one activity and no special facility was provided to the individual members. Profit from the activity was distributed according to the hours devoted by the member.

**Conclusion:** It can be concluded that almost all of the beneficiaries were participating in the decision making pattern of SHG regarding finance, activity and accounts. More than half of the SHGs (62.5 percent) held the meeting once in a month whereas rest of them held it three-four times in a month. All the SHGs had fully groomed themselves in all aspects of management skills. Almost all the SHGs had properly maintained their financial records. Majority of the SHGs (62.5 per cent) were following the group norms strictly. Most of the SHGs (75 per cent) had no periodic group leader elections not even the tenure of the leader was fixed. Majority of the SHGs had taken loan amount of Rs. 2, 50,000 and no individual loan was given to them. Total (75 per cent) SHGs had the updated loan related information.

**References**

Available online on [http://www.lse.ac.uk](http://www.lse.ac.uk)