

Role of Self-Help Groups in Empowering Rural Women: A case study on selected SHGs in Rani Block of Kamrup District of Assam.

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Abstract: *Micro finance is emerging as a powerful tool for poverty alleviation in India. This approach has recognition in India after the launch of SHGs and Bank linkage programme by NABARD in the year 1992. According to United Nations, micro finance institutions are the basic provider of small savings, micro credit and other basic financial services to poor and marginalised section like women. Despite substantial contributions of women to both household and national economy, their contributions are not recognised in the society. Rapid progress in SHGs and Bank linkage model has now turned into an empowerment movement among women in the country. From various empirical studies, it is found that micro finance through SHGs and Bank linkage model has enabled the members of SHGs to improve their socio-economic status. It also improves family savings, decision making process, self confidence among women section of our society. Micro finance is also necessary to overcome social exploitation and create confidence for self reliance among rural women and poor section of our society. Apart from the informal financial institutions, the formal and semi formal sectors also are taking much interest in providing micro finance to rural women in Assam. These financial institutions not only provide small savings and micro credit to women but bringing them together in organised banking sector. This paper highlights that micro finance through SHGs has a positive role in income, savings and investment of women in Rani Block of Kamrup District of Assam.*

Key Words: *Micro finance, SHGs, Women empowerment, NABARD, Micro credit, SHGs and Bank linkage model.*

I. Introduction

Women in India are the victims of a multiple socio-economic and cultural factors. They are an integral part of our economy. Empowerment of rural women is a necessary condition for nation's economic development and social upliftment. The formation of SHGs is not only a micro credit project but also an empowerment process. According to Ledger wood (1999) micro finance generally include savings and credit but can also include other financial services like insurance and payment services. Therefore, micro finance involves the provision of financial services such as savings, loans and insurance to poor people living in urban and rural settings who are unable to visit formal financial institutions. The term micro finance can be used interchangeably with the term micro credit. However the term micro finance has a broader meaning than the micro Credit, as it covers financial services like savings, insurance etc., on the other hand, micro credit covers only purveyance of loans in small quantity. The important characteristic of micro finance is to provide financial services through groups of individuals. In this connection micro finance with self-help groups (SHGs) play an effective role for promoting women empowerment. It is not only an effective tool to fight against poverty, but also as a means of promoting the empowerment of marginalised sections of the society. Micro finance institution started in India in 1980s through SHGs model. On the other hand, Grameen Groups model was initiated by Bangladesh Grameen Bank and is being used by some of the Micro Finance Institutions (MFIs) in our country. This model was first introduced by Nobel peace prize (2006) winner economist Md. Yunus. Microfinance is emerging as a powerful instrument for poverty alleviation in the global world. In India, Microfinance scene is dominated by Self Help Group (SHGs)-Bank Linkage Programme as a cost effective mechanism for providing financial services to the poorer section and women, 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. Women's access to credit and their emerging role in productive purposes like participation in national income has got recognition in the first international Women's Conference held in Mexico in 1975. This led to the setting up of the Women's World Banking network and production of manuals for women's credit provision. Other women's organizations world-wide set up credit and savings components both as a way of increasing women's incomes and bringing women together to address wider gender issues. Concern with women's access to credit and assumptions about contributions to women's empowerment are not new. From the early 1970s women's movements in a number of countries became increasingly interested in the degree to which women were able to access poverty-focused credit programmes

and credit cooperatives. After poverty reduction campaign, empowering women was the second important goal which was reinforced by the Micro Credit Summit in 1997. Micro finance through SHGs for women has recently been seen as a key strategy not only for poverty alleviation programme but also on gender equality and health.

What is women empowerment?

‘Women empowerment’ is a term that has gained currency in the human development and government discourse. Amongst the 8TH millennium economic development goals, women empowerment is one of the most crucial goals. The word ‘women empowerment’ is first announced in 2001 in India. She is empowered when she is valued as a normal being of society who has the space to participate in public discourse. The educated Indian women are empowered because she knows her rights. But women belonging to the weaker or poorer sections of the society still face problems like domestic violence, dowry harassment, sexual harassment, etc. According to census report, 2011, 82.14% literate person are male where as only 65.46% women are literate which shows the educated society is dominated by male in India. Education is the main component for women empowerment which is out of reach in many Indian women. Women empowerment is still a cry in India. In rural India women are deprived of basic needs and education. So until and unless women are educated in the true sense, women empowerment will remain a distant dream. According to reports women constitute 48 % of the total population in India. And they perform almost two thirds of the works and produce 50% of our food commodities. Women earn one third of the remuneration and own only 10 % of the property of the country. From such kind of study, it is found that women are still a prey of gender biasness in our society. The Self help groups are the most significant way of bringing about socio-economic change in our society. It is integrating the low income segment with the rest of the rural community through speeding up economic growth and improving the quality of women community in rural area.

Review of Literature: There are few studies available on SHGs and micro finance and women empowerment, so that the researcher have tried to review the following literature survey:-

Pattanaik (2003), in her study reveals that SHGs are continuously striving for a better future for tribal women as participants, decision makers and beneficiaries in the domestic, economic, social and cultural spheres of life. But due to certain impediments like gender inequality, social exploitation and physical and mental torture for which various SHGs are not organised properly and effectively. **Ranjula Bali Swain (2007)** stated that if SHGs in India work positively in the process of women empowerment and NGOs provide support in financial services there will be a positive impact on women empowerment. **Susy Cheton, Lisa Kahn** in their article titled “Empowering women through micro finance” stated that micro finance has the potential to have a powerful impact on women’s empowerment. **Sonia Chawla** in her paper “Micro Finance: A tool for Poverty Alleviation” tries to analyze the role of micro finance in poverty alleviation and it also highlights that rural people have very low access to institutional credit from commercial bank in India. **Asha Sharma** discusses in her research paper “SC/ST Employment Guarantee: Women’s empowerment in rural India by MGNREGA” on the SC/ST women in Rajnandgaon, Jhabua, Mayurbhanj and Cuddalore and their economic empowerment and found that high poverty rate is the significant obstacle in attaining empowerment among SC/ ST women in rural India. **S.Thangamani, S.Muthuselvi** in their article titled "A Study on Women Empowerment through Self-Help Groups with Special Reference to Mettupalayam Taluk in Coimbatore District" stated that participation of women in Self Help Groups (SHGs) made a significant impact on their empowerment both in social and economical aspects. **Sibhtullah Nasir** in “Micro finance in India: Contemporary Issues and Challenges,” a working paper tries to outline the prevailing condition of micro finance in India and tries to give some suggestions to outcome the issues and challenges associated with micro finance in India. **Dr. Shuchi Loomba**, in her paper on ‘Role of micro finance in women empowerment in India’ stated that micro finance scene is dominated by self help groups as a mechanism for providing financial help to the poor. According to her paper the aim of micro finance is to empower women who traditionally lack of access to banking and related financial services.

Objectives

The main objectives of the study are: -

- To study the performance of Self-Help Groups in Rani Block of Kamrup District, Assam.
- To know the social and economic condition of the women members of the self-help groups in the area.
- To know the savings habit of the members of self help groups.
- An effort is also made to suggest the ways to increase women empowerment through self help groups in the study area.

II. Methodology:

Type of research: The study is based on descriptive type of research. It is conducted by two researchers.

Sources of Data: The study is based on primary and secondary data. Secondary data are collected from various books, journals, articles, working papers, block office record, etc. Primary data are collected through a field survey in the study area. A structured interview schedule is prepared and used for collecting data from women members of self help groups. Both open ended and close ended questions are included in the schedule.

Area of sampling: This study is conducted in Rani Block of Kamrup District, Assam through a field survey to get an insight of the benefits and challenges faced by women in SHGs.

Population and Sample size: Although there are 298 numbers of self-help groups in the study area, the researchers have taken 10 numbers of self-help groups run by women of the area. In these groups the numbers of women participants are only 100. It is a qualitative survey because the sample size is not large enough to use data for a proper empirical study. However, lot of data are gathered by direct personnel interaction with the members of the SHGs on a qualitative basis.

Tools and techniques of data analysis: The data collected is represented with the help of Tabulation method.

III. Discussion

The study area is confined to the Rani Block of Kamrup District in Assam. It is located in Kamrup District. Both rural and urban parts of the district cover the study area. The geographical coverage of this study area is 22754.70 hectares. Rani development block was established in 1958. There are ninety six numbers of villages in the area. Out of these villages ninety two villages are inhabited by both tribal and non-tribal people. And only four villages are declared under forest area, i.e. there are no inhabitants. The Rani Block is inhabited by non-tribal people along with tribal communities such as Bodos, Rabhas, Karbis and a few number of Garo people who reside along with the Meghalaya border. But the most dominating tribes in that area are mainly Bodo, Rabha and Karbi. The study area is about 45 Km away from the state capital, Dispur towards the south west corner. Geographically, Rani Development Block lies between 25°52' to 26°8' North latitudes and 91°28' to 91°50' East latitudes. The Rani Block is divided into eight numbers of Gaon panchayats. They are mentioned here:

- (1) Dakhin Bholagaon
- (2) Uttar Bholagaon
- (3) Rani Gaon Panchayat
- (4) Azara gaon panchayat
- (5) Majirgaon gaon
- (6) Dharapur gaon
- (7) Kahikuchi gaon &
- (8) Goral gaon

The total population of Rani block are 86539, out of which male number is 45081 and female number of population is 41458. There are 298 numbers of self-help groups which are run by the people in the study area. Out of these self-help groups only 10 number of self-help groups are run by male members. It shows that the women folk in the area take active part in economic upliftment of their family. To empower the women section, emphasis is laid on self-help groups approach. For this study the name of self-help groups are randomly selected. Out of these groups, ten self-help groups are selected for the study and found that each member of the respective groups contribute a monthly fees as savings and they have an account in the United Bank of India, Sikarhati branch, UCO Bank, Azara, and Assam Gramin Bikas Bank, Borihat and other formal financial institutions. Thus they help in running self-help groups and Bank linkage programme for their financial inclusion. The activities of these self-help groups are mainly concentrated in the following economic activities like cultivation, weaving, goatery firms, piggery firms and nursery etc. The income comes from these activities are deposited in the respective Banks and the members of these groups take loans from Bank at a subsidized rate time to time. But the successes of these self-help groups are not satisfactory due to lack of financial literacy amongst women of the area. They face many problems in running the functions of self-help groups because of illiteracy and lack of regular income. On the other hand there is no coordinator from financial institutions who can give proper information to them regarding financial inclusion. The numbers of formal financial institutions are also far away from the study area and infrastructural facilities are also very poor. The number of Self Help Groups (SHGs) surveyed by the researchers, it's members, activities performed, amount of loans given to the members are shown in table no 1.1

Table No. 1.1

Sl.No.	Name of SHGs	No. of members in SHGs	Revolving funds	Loan obtained	Economic activity
1	Challi milijuli SHGs	12	10,000	2 lakh	Goatery, piggery
2	Jimiri SHGs	10	10,000	2 lakh	Goatery, piggery
3	Bakhalapara Mahila SHGs	10	10,000	2 lakh	Goatery, piggery
4	Kutalpara Mahila SHGs	10	10,000	2 lakh	Goatery, piggery
5	Jaipur Bowa-kata SHGs	10	10,000	2 lakh	Weaving
6	Berigaon mahila SHGs	10	10,000	2 lakh	Weaving
7	Umsoor Batabari jonali Bowa-kata SHGs	10	10,000	2 lakh	weaving
8	Pragati mahila SHGs	10	10,000	1,80,000	Piggery, weaving
9	Challi mahila SHGs	10	10,000	1,65,000	Piggery
10	Milonjyoti mahila SHGs	10	10,000	2 lakh	weaving

SOURCE: Block Office, Rani

IV. Findings and Results

The findings and results of this study are mentioned below:-

- The social profile of self-help group members indicates that majority of members are from tribal background.
- It is found that individual members of SHGs contribute Rs. 10 to Rs.50 per month.
- From the study it is found that the operational efficiency of the SHGs is not same because of their internal problems and effective leadership.
- It is found that micro finance through SHGs helps to improve the economic conditions of the women section and it has brought mental satisfaction to their family members.
- 90% respondents accept that they play an important role in decision making which is an important factor of women empowerment.
- Micro finance through self help groups improves the literacy levels of women and also improves their awareness on child education.
- Women are economically and socially empowered after getting micro finance through self help groups as most of the respondents reported that their poverty level has reduced than earlier.
- Women's access to SHGs has enabled them to make a greater contribution to household income and enable them to bring about wider changes in gender inequality.
- There is a significant improvement in saving habit of women in the study area and the inclusion of formal financial institutions through self help groups.
- SHGs and Bank linkage programme developed by NABARD provide only savings and credit services and provision of insurance is almost nil or very less in the surveyed SHGs.
- The SHGs disburse loans for consumption and production purposes for the members. The member of SHGs perceives several benefits as economic independence, self confidence, provision of saving and freedom from debts.

V. Suggestions

The following suggestions are forwarded for promoting SHGs and Bank linkage programme in the study area for empowering rural women:

- The SHGs should open Bank A/C in the nearby bank where the organization or groups are formulated.
- The group should maintain proper accounts records, savings records and loan register.
- The rural people, especially the women community should be educated about the various financial services and products offered by various financial institutions and banks.
- The awareness schemes or advertisement programs should be enhanced, especially in the regional languages.
- ATMs cash dispensing machines can be modified suitably to make them user friendly for people who are illiterate, less educated or do not know English.

Policy implications: In the global world micro credit movement has to be viewed from a long term perspective under SHGs frame work. There is a need for the innovative and diversified micro finance sector, which will make a real contribution to women empowerment.

The Government policy makers should focus on the importance of small savings and loans provision for consumption as well as group formation. The Government policy can support the Self help groups (SHGs) in rural area by public investment in infrastructural development including education and health care. They should enact policy to regulate the quality of SHGs and could help in financial management of SHGs for responsible and sustainable growth.

VI. Conclusions

Women constitute nearly half of the world's population. But how many women have any idea on empowerment? In India, majority of our population live in rural area and women living in rural India have no idea about the importance of women's empowerment as they are not properly educated. Women have been playing an important role for the socio-economic development of the society since time immemorial. They are considered as the back bone of a family. But women in particular often bear the brunt of poverty and limited access to economic opportunities, including unfavourable financial access. Thus it is very important to empower the rural women through self-help groups for economic development. From the study, it is found that micro finance through self-help group is helping the poor and upgrading women empowerment by making them financially strong. SHGs have increased their habit of savings and investment in some developmental activities. Thus it is universally accepted that SHGs and Bank linkage programme has profound influence on the economic status, decision making process and level of dependence of women in India.

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