

A STUDY ON EMPOWERMENT OF RURAL WOMEN THROUGH SELF HELP GROUPS

Jatin Pandey¹ and Rini Roberts²

Student, Sri Jayachamarajendra College of Engineering, Mysore
Email: ¹pandey.jatin@gmail.com; ²riniroberts@gmail.com

ABSTRACT

This study seeks to examine the impact of participation in Self Help Groups on the empowerment of women while conceptualizing any programme for rural women in the context of the great importance being given to the group approach. The study is situated in District Chamarajnagar in Southern State of Karnataka. The study uses the personal narrative method to give a voice to women's perspective describing the phenomenon of transition of women prior to joining SHGs to being empowered. The various dimensions of empowerment such as Economic, Socio-cultural, Interpersonal and Political dimensions are studied. Access to credit can help women by enabling them to start and expand small businesses, often accompanied by market access. The women experienced feelings of freedom, strength, self identity and increases in levels of confidence and self-esteem. Besides, involvement in SHGs has enabled women to have a voice in the community affairs and they have been able to tackle problems and have gained power over decision making in the households. Though women hardly involve themselves in politics, their participation in SHGs has altered them, and these women have realized the importance and the right to vote without being influenced by anyone. Some of the recommendations for a way forward include providing a convergence of inputs, ensuring a proactive involvement of women in the program, changing social norms and perceptions and anchoring with wider movements of social change.

INTRODUCTION

Microcredit and its scope

Microcredit is the extension of very small loans (microloans) to poor borrowers who typically lack collateral, steady employment and a verifiable credit history. It is designed to spur entrepreneurship, increase incomes, alleviate poverty and often also to empower women. Microcredit is a part of microfinance, which is the provision of a wider range of financial services, in particular savings, to the poor.¹

Micro-credit financing system uses the social trust as the collateral. Although there are different micro-credit financing models, the borrowers in the pioneering models are usually members of small groups. Loans are given to individuals, but an entire group is responsible

for the repayment. Hence, the borrower who does not fulfil his commitment to repay back will lose his/her social capital. Today, there are millions of poor people around the world who turn to be entrepreneurs through the micro-credit sector.

Although micro-credit financing is considered as one of the most powerful tools for combating poverty, the sector still faces several serious problems. Despite high repayment rates, the cost of operating micro-credit financial institutions is much higher than their traditional commercial counterparts. These institutions are usually charge excessively high interest rates to cover the high administrative costs of the micro-loans they offer to the poor people. This reality creates a tension between sustainability of the micro-credit sector and the outreach. It also makes it a challenge to regulate micro-finance institutions.

Self Help Groups (SHGs)

SHG is defined as a voluntary group valuing personal interactions and mutual aid as a means of altering or ameliorating the problems perceived as alterable, pressing and personal by most of its participants.² These groups are voluntary associations of people formed to attain certain collective goals that could be economic, social or both. The origin of SHGs is from the Grameen Bank of Bangladesh, which was founded by Mohammed Yunus. SHGs were started and formed in 1975. In India NABARD had initiated in 1986-87. But the real effort was taken after 1991-92 from the linkage of SHGs with the banks.

A SHG is a small economically homogeneous affinity group of the rural poor voluntarily coming together to save small amount regularly, which are deposited in a common fund to meet members emergency needs and to provide collateral free loans decided by the group. They have been recognized as useful tool to help the poor and as an alternative mechanism to meet the urgent credit needs of poor through thrift. SHGs enhance the equality of status of women as participants, decision-makers and beneficiaries in the democratic, economic, social and cultural spheres of life.³ The basic principles of the SHGs are group approach, mutual trust, organization of small and manageable groups, group cohesiveness, sprit of thrift, demand based lending, collateral free, women friendly loan, peer group pressure in repayment, skill training capacity building and empowerment.

There are 3 models of credit linkage of SHGs with banks that exist in India:

Model I: SHGs formed and financed by banks. During last five years almost one fifth of the total number of SHGs financed were from this category.

Model II: SHGs formed by NGOs and formal agencies but directly financed by banks. This model continues to have the major share i.e. 72 percent to 75 percent of the total number of SHGs financed.

Model III: SHGs financed by banks, using NGOs and other agencies as financial intermediaries. The share of cumulative number of SHGs linked under this model up to March 2006 continued to be relatively small at 6 percent.(Micro-Finance and Rural Development, 2009)

The SHGs visited are called 'Udaya Sangha', 'Siddika Sangha' and 'Madeena Sangha' located in the village Gaalipura in Chamarajnaragar. The Udaya Sangha was the first to be formed in the year 2003 with 20 members. 'Sadhana', the NGO approached this village and introduced them to the concept of microcredit and SHG formation using the 'Participatory

Rural Approach' which is an approach that aims to incorporate the knowledge and opinions of rural people in the planning and management of development projects and programmes. A joint venture between the Microfinance Institution (MFI) called 'Sanghamithra' and NABARD has been formed recently and providing financial assistance.

The SHG formation includes a few stages prior to creating a group. Initially, awareness is created regarding the microcredit programme and benefits are discussed. A group of women are willing to join the SHG are trained to save money and educated with regard to income generating activities. The entire programme takes about a month's time to convince the participants.

The SHGs are first required to save. Once they acquire some financial discipline they can borrow from a bank against their savings. Credit against savings is given depending on the discipline displayed by the SHGs. The first six months are meant for capacity building and after the term, based on the regularity of the meetings and the attendance of the participants the first term financing is done. The financing was done by the Bharatiya Sahakar Bank.

The loan amount is distributed amongst its members according to the group's priority. The rate of interest charged by the SHG from its members is 2-3 percent per month. Consumption loans are allowed. The SHGs are thus able to provide banking services to their members, which are cost effective, simple, flexible, accessible to their members and above all without any default in repayment loans.

There are now 12 new groups formed in the same village. The women themselves approached requesting to form a group.

LITERATURE REVIEW

Women's empowerment can be measured by factors contributing to each of the following i.e. their personal, economic, familial, and political empowerment. Household and interfamilial relations are to be included which is believed to be a central locus of women's dis-empowerment in India. To understand the change women undergo in becoming empowered we look at the above aspects. Various studies show that the women have been empowered based on factors such as income, households, political, decision making etc.

⁴Jason Cons, Kasia Paprocki(2010) in their paper explored the implications of microcredit's cultural and economic intervention in the lives of borrowers in rural Bangladesh. Their objective was to explore recipients' own critiques and experiences of microcredit. They explored recipient experiences with microcredit using an approach called community-based oral testimony by working with group of 10 landless labourers living in Arampur, training them in qualitative research techniques and developing a co-operative research agenda that mapped to specific concerns within the village. These community researchers then carried out fieldwork in their community, conducting semi and unstructured interviews with 150 recipients of microcredit loans (representing 10% of total households in Arampur) over multiple sittings, and recorded these discussions using digital audio recorders. Recipient perspectives on the outcomes of a specific cultural intervention in Bangladeshi rural life were explored.

⁵Denise M. Lucy, Jayati Ghosh, Edward Kujawa (2008) in their study aimed at understanding the level of empowerment women exhibited by participating in a microcredit

loan program. They identified how Naari Udyog Kendra, an SHG's women entrepreneurs in its microcredit lending program demonstrated indications of empowerment related to income generation, education, land and asset ownership, civic engagement, freedom to make choices, and decision making. The major constructs used were Loan repayment, Operated a business, Land ownership, Livestock ownership: % animals owned, Decided buying & selling livestock, Primary decision-maker on investing loan, Primary decision-maker how to spend loan income, Head of Household, Use of Birth Control, Children's Education, Children's Marriage, Family Planning, Financial Decisions, Microcredit Loan, Work Outside Home, Traveled to families, banks, markets, health centers, and other places, Participated in community meetings, Voted in elections, Their voting not influence by anyone. Information was gathered about the subjects' personal and family background, current family situation, educational history, economic situation, experience with the microcredit loan program, role in personal, family and business decision making, participation in community activities, and experience with NUK's empowerment and leadership training programs. The survey instrument included 105 items. Interviews were conducted by a local team of researchers who spoke both Bangla and English. The interviewers asked the subjects a survey question in Bangla, the subjects answered in Bangla, the interviewer reported the subjects' response in English to a university researcher, and the researcher wrote the responses on the survey instrument. The findings were education and literacy are associated with women's empowerment, but women may be empowered without being literate, and vice versa microcredit program has empowered its microcredit participants by increasing family income, land ownership, political participation, freedom of movement, and primary and joint roles in decision making.

Improving the well being of poor families, household nutrition and raises aspirations for children's education, ⁶Rosintan D. M. Panjaitan Drioadisuryo, Kathleen Cloud (1999), in their study used variables such as household income, decision making, business expenditures, savings, household work, improved nutrition. Field extension workers conducted survey to identify eligible families in a selected neighbourhood who are under the poverty line. People from these families are called to meetings where the program is explained and they are encouraged to form groups. The workers help the group produce a plan for business budgeting and repayment of the loan. The plan is then evaluated for economic feasibility by staff members of the bank if the plan is approved the group is ready to apply for credit and training is provided. The resulting findings were that the women's higher income changed the behavior of household member, children's education and decision making.

⁷Sharmina Afrin, Nazrul Islam and Shahid Uddin Ahmed (2010) explored and identified the factors related to the development of entrepreneurship among rural women through the microcredit programs of providers. Social empowerment, Rural entrepreneurship, Innovation, Risk-taking, Opportunity-seeking, financial management skill and group identity, creative urge and self interest, family funds and female involvement, employment of family members and the creation of new jobs, independence and keeping oneself busy, family experience and option limitation being the constructs, found that Microcredit providers should give importance to the development of the financial management skills of the borrowers and create group identity of the borrowers. They also should identify the rural women who have their family experience and no other options but to do business or get

involved with loan providers. Loan providers should also be mindful of the fact that the rural women of Bangladesh have an independent mentality and they would like to take on the challenge of being entrepreneurs.

Women's empowerment is "a process whereby women become able to organize themselves to increase their own self-reliance, to assert their independent right to make choices and to control resources which will assist in challenging and eliminating their own subordination". Hashemi and Schuler (1993) defined the empowerment of women through the use of six spheres: 1) Sense of self and a vision of the future, including resisting negative behaviors of the husband. 2) Mobility and visibility, including how women are treated when they are traveling. 3) Economic security, including cash income, new skills and knowledge. 4) Status and decision-making power within the household, including making purchases on their own. 5) Ability to interact effectively in the public sphere, such as joining credit programs, and 6) Participation in non-family groups, such as credit programs and solidarity movements.

Future research on pre-test and post test studies should be undertaken and hence the present study includes this method and focus group interviews are conducted to get a deeper understanding on the phenomenon. The above studies carried out in various parts of the world give an idea on how the SHGs, Microcredit result in empowerment using socio-cultural, personal, economic and political variables to different variables at the behavioral level.

METHODOLOGY

Scope

- The study is carried out in a single village with 3 SHGs
- It uses the qualitative method of research
- Only women respondents are chosen for the study.

Objective

To identify the empowerment of rural women through self help groups

Research Questions:

1. Is there an increase in women's influence in decision making in the household?
2. Has participation in SHGs increased women's mobility and participation in social activities?
3. Does participation in SHGs increase women's awareness and knowledge?

Unit of Analysis

A set of 8 woman respondents were interviewed from a group of 3 SHGs

Village Profile

The village visited is called 'Gaalipura' which is a mixed populated village with a population of about more than 2000, located about 70Kms away from Mysore in the district of Chamarajanagar. A higher percentage of households are Hindu, almost an equal percentage of Muslims, and most of the remainder are Christians. One or two male members mostly

from each family are outside the village for the purpose of fruitful earning. Agriculture and livestock is the traditional prime occupation. Beedi making is another common occupation usually carried out by the women in their houses.

The study was carried out at a village called Gaalipura located in the district of Chamarajnagar, about 70Kms away from Mysore. The SHGs visited are called Udaya Sangha, Siddika Sangha and Madeena Sangha with each SHG consisting of not more than 20 members. A small number of 8 respondents were chosen. They assembled at the 'Sanghada Mane' where their meetings are held on a regular basis every week. The women were ready to be interviewed.

Though several studies were carried out in the same aspect they were generally statistical data which were collected based on which analysis was done. Keeping the social, political, interpersonal and economic aspects in mind the interview method was followed where descriptive answers were received. With several motivational studies and immense number of factors influencing empowerment, few factors were shortlisted to carry out the study in this remote village to measure the influence of the SHGs on women. The village being a cluster of many religious communities was quite suitable for this study to be undertaken.

A principle of full disclosure was followed in order to make them feel comfortable and put them at ease to answer the questions. Each woman spent about 20 minutes of their time to share their experience on their transition prior to and after joining the SHG.

A personal narrative method of qualitative study was carried out. The phenomena on which this is based, is the transition of the women into being a member of the SHG. The elements of the research were to:

1. Identify the shared experience.
2. Explore the nature of the experience.
3. Examine the essence and the perspective of the phenomenon

All the women shared their experience on the same phenomenon expressing their emotional, cognitive and gut feelings. The open-ended responses permit one to understand the world as seen by the respondents. I focused on use of open ended interviews to build up through personal narratives to determine if and how women have been empowered by their participation in the program. They were asked a series of questions about themselves, the SHG, their family and their household. In order to capture the actual words of the person being interviewed, their responses were recorded over the cell phone and a few written notes. The recorded voice files enabled to give full attention to the respondents, build up eye contact and rapport and also be reflexive in terms of framing and reframing the questions in accordance with the responses. The women slowly shared their experiences, views and opinions and gradually revealed some of their innermost anguishes and aspirations in the course of the interviews.

Firstly, the recorded interviews which were in the local dialect Kannada were transcribed and then translated into English and typed out. There were a few responses which were not translatable and hence the words and phrases were retained along with the translated version, to give a full flavor to the responses. The responses were grouped into categories best captured and to which they could fit into. The repetitive phrases or words in the responses

were identified by the themes culled out by knowing what, which, where and how of the data. Textural description giving an idea of what they experienced and a structural description of how they experienced totally depicting the essence of the phenomena was identified.

DATA ANALYSIS AND FINDINGS

SHG is a viable organized set-up to disburse micro credit to rural women for the purpose of encouraging them to enter into entrepreneurial activities. Credit can counter both the lack of access women have to formal banks and the very high rates demanded by local moneylenders.

Economic aspects

Women are inclined to utilize a greater amount of their earnings on the family and domestic expenses, consequently an increase in women's income have a greater effect on family welfare:

“My husband and I decided on giving our children good education and decisions regarding marriage is also made by us. Our older daughter was 22 years old and she was doing her nursing during which we found a good groom and got her married.”(Respondent 1)

Women have control over the income:

“I make all personal decisions on my own even with regard to the family matters. Business related decisions, finance related decisions and decisions to borrow loans is decided by me. When it comes to any decision, I set my aims and see to that the aim is fulfilled and repay loans on time. Any income that is received is handed over to me and I maintain finances. We borrow loans to improve our living. The amount borrowed is used for the purpose for which we borrow the loan. I had borrowed Rs. 50,000 for my daughter's marriage. It has helped in lessening the burden”(Respondent 1)

“Some men would spend money quickly and not save for the family and use it for their own purpose. We women are known to save for the family and take care of them and hope for their well being.”(Respondent 2)

They make relative contribution to support the family and have access and control to family resources:

“We borrow loans if there is any problem in the house, for house repair, if we need money for business. I had also taken loan when my husband was not well. If there is any need in the house, for the family. I have also bought a site by borrowing the loan from the sangha. It has helped improve the situation.”(Respondent 3)

Women have access to employment and ownership of assets and land, thus shows they have acquired the economic benefits and assets.

“I had borrowed loans to buy a house, to get my children married, for my children's education, for family health and our well being.”(Respondent 4)

“I have borrowed loans for the hotel, children's education, We save and deposit the money. I give the borrowed money to my husband for business mainly for the family.”(Respondent 5)

“I have bought an auto for my son, I have built a house by borrowing loan from the sangha and we have a textile shop. The money borrowed is used for the mutton shop, for the textile shop. The money I take is mainly for the family, health, I also have an insurance in my name- LIC.”(Respondent 6)

Socio-Cultural Aspects

Women have the freedom of movement, this explains the socio-cultural dimension:

“I work outside the house to look after the grocery shop and the flour mill. I travel around most of the time to get things for the shop etc. If there is a need to attend any wedding or relative’s function we do travel to our relatives’ once in a while.”(Respondent 1)

Women’s visibility in and access to social spaces, access to modern transportation and participation in extra-familial groups and social networks has improved:

“We travel twice a month. The whole family travels to relatives. Native is Mangalore, we also go to Mysore and Bangalore. . It is because of the sangha, we now have a chance to go out and mingle with people, earlier we were just at home looking after our children and doing household work and making beedis. We spend one hour every week in the sangha.”(Respondent 2)

“My husband is very supportive and he now allows me to go if there is a meeting in the sangha. We keep travelling to our relatives. We travel a lot, once a week or once a fortnight. We keep going to my native which is Gundlupet. I take my husband and children along with me too.”(Respondent 3)

“My sons get things which we need for the house. I travel everywhere, my relatives live in Mysore, Bangalore, Cochin, Madikeri”(Respondent 6)

Interpersonal and Familial Aspects

Participation in domestic decision-making and ability to make childbearing decisions:

“We had discussed about family planning and decided to have only one kid (Respondent 7)

“We are a huge family and 21 of us stay in the house, my husband and me, I have 7 sons, 4 daughters- in –law, 8 grandchildren and 4 of my sons are married. We were never aware of family planning, what is the use if we thought about it later after the children were born!” (Respondent 6)

Women are now able to make their own decisions interpersonal and familial:

“As my husband is no more I have to manage the house and I make all the decisions with regard to the family, business, financial, children’s education and marriage.” (Respondent 4)

“My husband listens to me and I listen to what my husband says. We make decisions together related to business, family and finance. We have decided to get our kids educated well, we never got good education anyway but want our kids to study well and be successful.”(Respondent 5)

“I have become more participative. I make all the decisions regarding business, finances, I am the head of the household, women are now the reigns!!!”(Respondent 6)

They now have additional responsibilities after joining the SHG:

“Our sangha started in 2003 called Udaya Sangha. It has been 9 years now. I have been nominated as the head of the sangha. We keep records of every individual based on their attendance, problems, loan records. It is just managed in the same way as the bank. I have been trained for doing it. If any individual is absent, they are required to inform that they would be on leave for the next meeting. Rs. 10 is the fine they would have to pay if they are absent for the meeting and only exempted if they are not well.”(Respondent 1)

“The situation has been good after I joined the sangha. I have undergone training. It is like when you are young, you make up your mind to go to school similarly we make it a point to attend the meetings in the sangha on a regular basis. I have been chosen as the head of the sangha called ‘Madeena Sangha’. We have a meeting once a week on Thursdays. We have set the meeting time in such a way that we finish our household work and send our children to school and then attend the meeting.”(Respondent 2)

They have attained a sense of satisfaction portraying psychological well being:

“My husband is a bus conductor. I manage the sangha, we have a grocery shop and a flour mill. I have studied till SSLC. The economic situation has improved after I joined the sangha. We had a lot of financial problems, we had a lot of debt. It was difficult for us to repay the loans. Everything’s been good after I joined the sangha. There is a sense of happiness and satisfaction.”(Respondent 1)

Political Aspects

They are aware of political system and means of access to it. They have exercised the right to vote:

“Yes I vote in the elections, my husband and I make our own decisions for whom to vote.”(Respondent 3)

“I vote for those whom I feel are the right candidates and I make my own decision for whom to vote.”(Respondent 5)

CONCLUSION

This study has shown that, the concept of SHG is a better mechanism for easy availability of microcredit to rural women and helps them to uplift their social and economic status. Their involvement in family decisions is enhanced. Microcredit facility enables women to own tools and means of production to upgrade their skills and improve their business. After encouraging habit of savings among women, group loans for specific economic purposes are provided. Most of the poor women use this money at first, for domestic needs, to support their families. Aided by microcredit, women are now running canteens, catering units, cooking for schools, tailoring etc.

Women have realized that they have an important role to play in the family and confident about achieving their goals set for their families and make major decisions, thus implying an increase in the influence of women in decision making in their households. Though most of the residents in the village are Muslims, who were once not allowed to move out of their houses, they now have an opportunity to socialize with people being one of the objectives of the SHGs. They move around the village to shops and other places and also travel to

relatives when they desire to showing that there is an increase in women's mobility and participation in social activities.

The women are enlightened and educated on various issues – political, to handle finances, to talk freely in public and are aware of the present happenings. They are encouraged and motivated to grow in the society. Therefore it can be concluded that there is an increase in their awareness and knowledge.

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