



Success Story of Self Help Groups without Financial Help: A Paradigm Shift of Women Empowerment

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Introduction: Very often we talk about empowerment especially women empowerment. What is this empowerment? The Empowerment is about power and about changing the balance of power. In every society, there are powerful and powerless groups. Power is exercised socially, economically and politically by one person over other person or over group of persons. Women usually falls under the powerless group which necessitates the programs ensured empowerment of women. Power can be defined as the degree or assets fall into five broad categories: physical/material resources (like land, water, forests); human resources (people, their bodies, their labour and skills); intellectual resources (knowledge, information, ideas); social (social capital) and financial resources (money, access to money). This power is dynamic and relational, rather than absolute – it is exercised in the social, economic and political relations between individuals and groups. It is also unequally distributed. In nutshell, any person who have power or have enough confidence to give and take decision and influence other in a particular matter may call as powerful man and the activity is called empowerment. Self Help Group is a group of persons who have voluntarily become the member of the group to achieve common goal by collective efforts. Goal would be different as per the status of the groups. Suppose for BPL group the goal would be to come above poverty line by venturing into income generating activities with the help of credit facilities from banks and group itself.

Women are the nucleus of our civilization. They have different roles to play in the ever changing social set-up. Women's development is directly related with the nation development. With the dawn of independence our constitution guaranteed gender equality and a large number of schemes and programs have been initiated for women's development (Mandal, 2012).

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Self-Help Groups as an Instrument for Economic Empowerment: Before getting into the subject matter a clear understanding about what a Self Help Group is a must. It is key role in gearing up the economic development, various functions and activities, not but the least the problems faced by these Self Help Groups.

What is self-help group (SHG)?: Self Help Group (SHG) is a group of village-based financial intermediary usually composed of between 10-15 local women or men. The group may either a registered or unregistered group having homogenous socio-economic backgrounds, willfully joining together with an attitude to save their money, make use of such funds to contribute to a common fund with an intention to meet their emergency needs on the basis of mutual help.

Origin and Concept of SHGs

Origin: The evolution of Self Help Group is from Bangladesh, the neighborhood country of India. SHG originated from the brainchild of Grameen Bank of Bangladesh, which was founded by Mohammed Yunus. In India though the first SHGs was started and formed in 1975, it was started to take off during the year 1986-1987. Self Help Groups, although initiated in India for the first time in 1984 by the Mysore Resettlement and Development Agency (MYRADA), have caught on rapidly with encouraging support from organizations such as the National Bank for Agricultural and Rural Development (NABARD). Subsequently, at the instance of the Reserve Bank of India (the central banking institution), commercial banks started promoting SHGs.

Concept of Self Help Group: The concept of SHG is based on the following principles:

One of the most powerful tools among the several that are available for the socio economic development for the poor is the Self Help Group coupled with mutual help and highly responsive and efficient participative financial service management; The very vital need for the poor is not only credit support, but they also need savings and other services; Poor can save and are bankable and SHGs as clients result in wider outreach at a low transaction cost with much lower risk costs for the banks; They can create a common fund through contribution as small savings on a regular basis; The working system is highly flexible and democratic in nature; Loaning is done chiefly on good faith with minimum documentation and without any security; The loan amounts are normally very small, reasonable, frequent and for a short period. Default of repayment is very rarely happened and repayment is made in prompt and in time. Periodic meeting is arranged on regular basis. Lending rate of interest is affordable, varies from group to group and loan to loan. But still the interest rate is little higher than the banks but lower than the money lenders (Saravanakumar and Mamta, 2012).

SHG Movement in India: It was very much difficult and tedious to determine the date of the actual conception and propagation of SHGs, however the formation of small groups among rural and urban people for the purpose of savings and credit is well established in India. In the earlier periods, NGOs played a crucial role in innovating the SHG model and began to implement the same to develop the process fully. The policy makers observed and worked with development organizations and bankers and discussed with them the possibility of promoting these savings and credit groups at a larger level in 1980. Out of untiring effort and due to simplicity in the formation of SHGs, it paved a strong platform for the widespread reach across the country. State governments created revolving loan funds in order to fund SHGs. Later in the 1990s, SHGs were considered as more than just a financial intermediation but as a common interest group, working on other concerns as well.

Due to the widespread of SHGs across the country it paved way for the formation of SHG Federations that are more sophisticated form of organization that involve several SHGs forming into Village Organizations (VO) / Cluster Federations and then ultimately into higher level federations (called as Mandal Samakhya (MS) in Andhra Pradesh or SHG Federation generally). The distinction between SHG Federations and SHGs is, the former is a more formal institutions and the latter is an informal one. Many of these SHG federations are registered as societies, mutual benefit trusts and mutually aided cooperative societies. SHG Federations resulted in several key benefits including: Stronger political and advocacy capabilities; Sharing of knowledge and experiences; Economies of scale and Access to greater capital (Saravanakumar and Mamta, 2012).

Need for Empowerment: Every nation across the globe is keen in developing the country as powerful in all dimensions. This could be achieved through empowering its citizens in the country. Empowerment is far away from essentially political; it must be a process involved with personal, economic, social and political dimensions with personal empowerment being the core component in the empowerment process. Micro-financing to SHGs create lot of avenues for the empowerment and in promoting well being for women. This led to have felt among women as they are strengthened, attained self esteem and self worth, instilled a greater sense of awareness about social and political issues leading to increased mobility. Thus micro-finance programmes enabled women to contribute to the household economy, increasing their intra-household bargaining power. Micro financing through Self-help groups had transformed economic power in the hands of women and considerably reduced their dependence on men. Lack of education they had to seek help from their husbands or any other educated man/ woman for day-to-day work. The political as well as economic empowerment will not succeed in the absence of women education in skills and vocations they require the most. Therefore, developing countries are under greater thrust and take effective steps to enroll the members of SHGs in the Schemes of open

schooling or any other distance mode to impart education. In current scenario SHGs providing microcredit for economic activities at village level is fast catching up. Many NGOs already operate and are promoted by government sponsored institutions/banks. The most suitable and the ideal form for promoting these SHGs are the village level cooperative institutions. It is mandatory that the policy reforms should include not only cooperativization, and essential support services but also the strategic alliance between the state, cooperative sector and the private sector (Saravanakumar and Mamta, 2012).

In the context of Arunachal Pradesh, many SHGs are lending fund to non members at very high rate of the interest. It is believed that this lending is done for sustenance of the SHG as the members are either not in a position to undertake any economic activity. Many members undertake non member lending. All such SHGs should try to find ways and means of undertaking economic activity and resist temptation of undertaking external lending. In recent years Self-Help Group has been emerged as an important strategy for economic development in rural areas. The credit of its emergence goes to the efforts of government and non-government agencies. The groups have attracted the rural poor women to become the members for the benefit not only to them, but also for their families in particular and community as a whole in general through their collective actions.

Objectives: The objective of this paper is to examine the impact of SHGs, formed by their own effort without the cooperation of others, on the empowerment of rural women socially and economically.

Research Questions: The probable Research Questions are:

1. Are the members of the SHG benefited from its activity?
2. Is there a positive correlation between enhancement of income of enrolled women of SHGs and participation of women in SHG?
3. Is there a significant relationship between awareness of women and enrolment of women in self help groups?
4. Are the attitudes towards gender disparity changing with the active participation and economic empowerment of women through SHGs?
5. Is there a considerable improvement in the lifestyle of the women after joining the SHG?

Research Methodology

Geographical Area under Study: The study was conducted in three villages namely Upper Cher village, Upper Jumi village and Lichi village under Kimin C.D. Block of Papumpare District of Arunachal Pradesh.

Status of the SHGs under Study: Without cooperation of monitoring authority and also financial help from NGO or Bank, some unregistered SHGs are formed by their own efforts. This is because of lack of cooperation of monitoring authority and also financial help from NGO or Bank. These SHGs have much potentiality to grow up if they are provided a little help. Such type of SHGs was considered here to study.

Source of Data: The primary data so collected was supplemented by secondary data whenever necessary. Primary data pertaining to SHGs was collected in June-August, 2012 from the field study.

Sample Size and Sampling: Five SHGs were selected and studied. Out of 5 SHGs, one SHG of Upper Cher village, two SHGs of Upper Jumi village and two SHGs of Lichi village were considered, as because these SHGs were very active and energetic and also enthusiastic to their duty.

Data Analysis: The various data and information obtained from the field survey were processed, interpreted and analysed through simple numerical calculations, graphical representations to write up the study and also to compare the variables among the SHGs under study.

Tools for Data Collection: The questionnaire subject to our objective relating to individual members was divided into two parts. Part A dealt with the details of members before joining the SHG referred as **Control Group** and Part B with the details of respondents after joining the SHG referred as **Target Group**. The primary data so collected was supplemented by secondary data whenever necessary.

Results and Discussions

The general information of five unregistered SHGs with year of formation, income generating activities, bank linkage, total number of members in each sampled SHG etc. is presented in the Table-1.

Table-1: The Names of Five SHGs of the Three villages of Kimin C. D. Block

Name of Villages	Name of the SHGs	Date of Formation	Caste of Members	No. of Members	Income Generating Activity	Bank Linkage	Literacy		
							P	U/P	Cl-X
Upper Cher	Chirm-Mollo	2004	Do	15	Poultry, farming	A P Rural Bank & Central Bank	9	5	1
Upper Jumi	Komchi Lela,	2006	Do	12	contractual work	A P Rural Bank	6	4	2
	Ann-Donyi	2009	Do	10	contractual work	A P Rural Bank	6	4	-
Lichi	Ann-Gumchi	2006	Do	14	contractual work	A P Rural Bank	8	4	2
	Huto	2005	Do	12	contractual work	A P Rural Bank	7	3	2

Total				63				
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Source: Field Survey, June-August, 2012

Level of Income of SHG members: It is shown in the following Table-2 that incomes of the members were in increasing trend. However, this income level was not sufficient to lead decent life. They couldnot fulfill the basic requirement in their daily life. They earnings below the income Rs. 3500 per month had to lead lives hand to mouth. This was due to low level of literacy and lack of skill. Though their overall income level of all respondents was low, but level of earning showed upward trend. Before forming SHG, they were only family workers in their agricultural field. Their agricultural production was used only for self-consumption having no role of money transaction. At least after formation of SHG, they have come in the modern monetized market economy. In Table-2 and Figure-1 given below their trend of income are shown for easy understanding at a glance.

Table- 2: SHG members in Different Income Level

Income per month (Rs.)	Total No. respondents before forming SHG	Total No. respondents after forming SHG
Up to 500	20	0
500-1000	13	0
1000-1500	12	0
1500- 2000	10	20
2000-2500	5	18
2500-3000	2	15
3000-3500	1	10
Total	63	63

Source: Field study, June- August, 2012

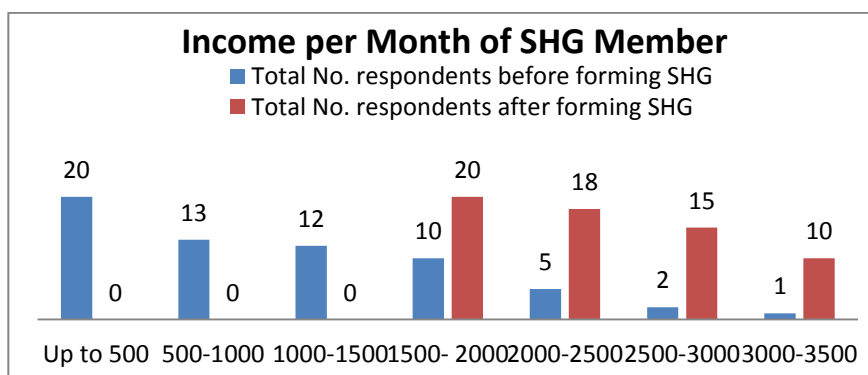


Figure-1

Role of SHGs in Promoting Saving Habits: The entire sample groups undertaken for study were saving monthly. Thrift and credit was the main activities of the group which is also the basis of group formation and its sustenance for longer duration. Rural poor women are formed into a group mainly to access credit whenever required from pooled savings. SHG play tremendous role in creating saving habits amongst the women of Arunachal Pradesh. Here the indigenous people do not have the saving habits earlier. In emergency situation, community people come forward and share the crisis of that family. There is no banks in rural areas, therefore the question of saving habits do not arise. With the opening of banks in the rural areas and opening of bank account by the SHGs, saving habits are inculcating. As an individual, it is quite difficult for them to open account and save regularly but as group they are doing. Keeping of money in the banks for unforeseen situation or reaping its benefits after certain period of time was not in their mind before joining the group. From the record of saving amount it is reflected that saving habits were already inculcated amongst the group members of the entire sample group. The total saving till March, 2012 of each group are presented in table-3 and in diagram -2. The diagram shows that the Ann-Donyi SHG shares highest in savings followed by Ann-Gumchi. The Komchi Lela and Huto SHGs share lowest in savings being youngest in time period.

Table-3: Savings/Corpus Fund of SHGs

Name of the group	Total Savings fund	% of total saving of each Group
Chirm-Mollo	117000	17.13
Komchi Lela	100000	14.64
Ann-Donyi	216000	31.63
Ann-Gumchi	150000	21.96
Huto	100000	14.64

Source: Field study, June-August, 2012

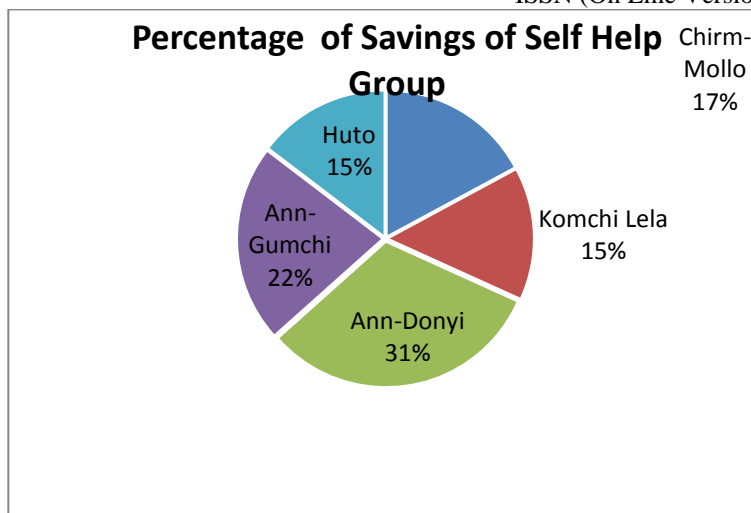


Figure-2

Improvement of Status of Women: The attempts of SHG approach are making its impact on the society especially among the women. It is successful in developing sustainable household livelihoods, decreasing household vulnerability and community development up to great extent. This contribution is recognized and valued by other household members and lead not only to increased household well-being, but women's increased role in decision-making and improved well-being for women themselves. This increased status in the household in itself in turn gives women the support they need to enable them together with men to bring about wider changes in gender inequality in the community.

In addition to the economic empowerment, social and political empowerment too has been attained. The group activities have given them a chance to come out to the mainstream, to realize the potentialities within themselves. This has lead to a change in their outlook towards society. The status of being a woman is no more considered as a curse. All these, in fact, are looked upon as boon to bring them closer, to bind them closer and as a mean to lay the foundation of a new gender equity society. SHG has become an instrument to bridge the gap that exists in the society– the gender gap and the social gap between the rich and poor. By contributing economically, women have gained a pivotal role in the decision making of the family.

The commonly used statement holds hundred percent true that the “The transformation of any society has to begin from women, because women are the centre of a family– the foundation stone on which the family is built. When a woman is changed, the family is changed and a change in the family brings changes in the society. The impact of past fifty years of efforts by the state and the central government to eradicate poverty from the society was not up to the expectation in

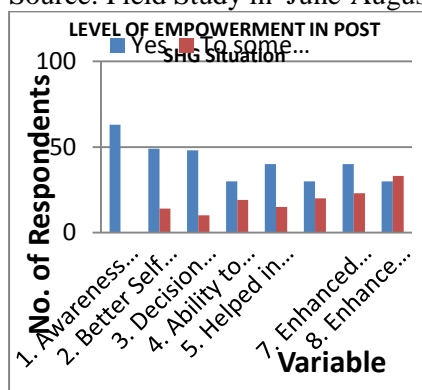
spite of the better educational, economic, political, cultural and social environment. Again almost all the programmes failed to include women in eradication of poverty. It is in this decade the women empowerment policy (2001) has been introduced and women become integral part of the development strategy. Therefore, SHG is a silent revolution – a revolution that has all the potentiality of bridging the gender gap and building a world where poverty and gender discrimination with its all evils will be uprooted.

Level of Empowerment: An attempt is made to analyze the extent of empowerment achieved by SHG members after joining SHGs or through SHGs. In order to measure the degree of empowerment, 8 variables shown in table given below were identified and analyzed. Table-4 and Figure-3 reveal that SHG has contributed significantly for the members in response of the variables and also we verified the position of the variables before and after forming SHGs i.e. in Pre-SHG and Post-SHG in responses to the respondents. We can see the level of empowerment of women in pre-SHG and Post-SHG.

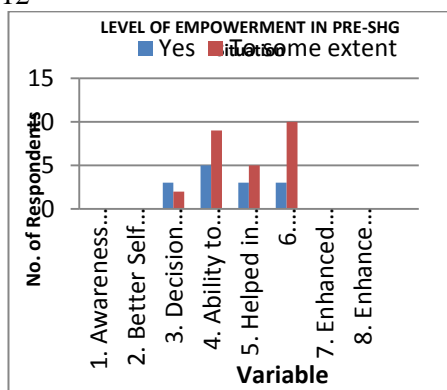
Table-4: Number of Respondents in Level of Empowerment in pre-SHG and Post-SHG

Variable	Post-SHG Situation		Pre-SHG Situation	
	Yes	To some extent	Yes	To some extent
1. Awareness of benefits of SHGs	63	0	0	0
2. Better Self Awareness	49	14	0	0
3. Decision making ability	48	10	3	2
4. Ability to face problems	30	19	5	9
5. Helped in personality development	40	15	3	5
6. Leaderships Quality	30	20	3	10
7. Enhanced knowledge of enterprises	40	23	0	0
8. Enhance knowledge of rights & legal issues	30	33	0	0

Source: Field Study in June-August, 2012



In this figure, it is clear that after forming



In this figure, it is seen that before joining SHG,

SHG the level of empowerment of the all the members are increasing in comparison to before forming the SHG.

the level of empowerment of the SHG members was very poor or nil.

Figure-3

Findings in Second Time Field Visit: The role of SHGs on women empowerment in second time field visit is shown in table-5 and in figure-4. After joining a SHG, though the returns from income earning activities taken up under it remained unstable, they would make a lot of difference to the lives of the poor. According to our respondents, women Contribution to Household such as financial help, education of children, decision making in loan arrangements, purchasing of assets etc.; Contribution to Community such as helping neighbours, give suggestion to the villagers and leadership in the community or in the meetings of the community and interaction with own family members, neighbours and community leaders etc. had increased to the greater extent since most of the decision were taken by male-female jointly.

Table-5: Empowerment of Women Self Help Group Members

Indicators		Post-SHG Situation	Pre-SHG Situation
Contribution to Household	Financial help	55(83.33)	20
	Education of children	45(68.18)	10
	Takes decision	50(75.75)	13
Contribution to Community	Helping neighbours	40(60.60)	11
	Give suggestion	35(53.03)	9
	Leadership	40(60.60)	5
Interaction	with own family members	60(90.90)	21
	with neighbours	56(84.84)	20
	with community leaders	51(77.27)	7

Source: Field Study in October, 2012

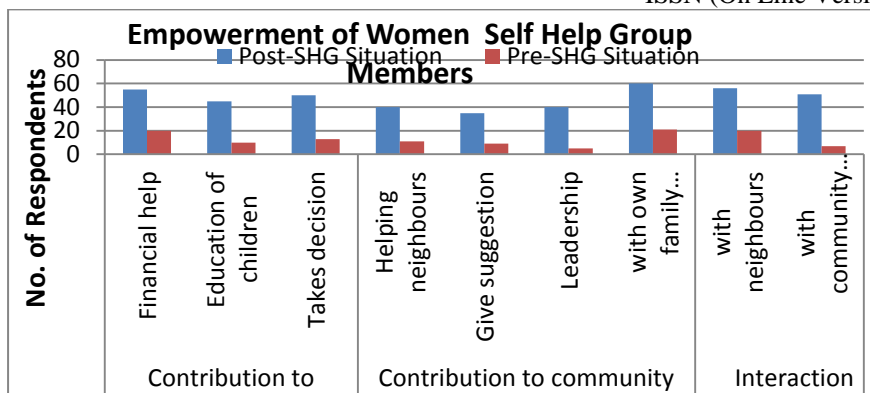


Figure-4

Therefore, from the table-5 and Figure-4, it is observed that majority of the members now experienced better treatment in their family than that of pre-SHG situation. They also expressed their mobility and recognition in family and community. The women reported that they were more sensitized and aware of nutrition, family planning, health and participation in development programs. The respondents expressed high level of self-confidence because of their ability to contribute to their household (Saikia and Deka, 2012). Therefore, all the research questions were satisfied and we got positive results.

Problems Faced by SHG: The major problem faced by SHGs was the lack of transaction and getting linkage with the financial institutions and legend agencies. The reason was that most of these SHGs in the state were not formal but wit unregistered status. Some of them were not attached with formally registered NGOs in this regard. There was lack of motivation and information about the programme. NGOs involvement in facilitating and linking the SHGs with banks were nil. SHGs also did not have their own business models for the purpose of promoting themselves in the market and get the support from other agencies and other institutions. Though it was found that the performance and growth of SHGs were rapidly increasing, it was also found in certain critical areas where information was not lacking to a major extent. Although several statistical information of others SHGs under not study here disclosed that the credit availed by SHGs from banks and other financial institutions were increasing year after year, nothing was mentioned about the purpose and the nature of enterprises for which such loans and credit were received by them. It was also observed that there was an unclear lending norm and practices being practiced and hence all these led to a difficult situation for the assessment of SHGs. In addition to their routine work, women faced problem to travel and spent time and money for bank transaction. The findings are subject to error as it is based on the information received in short time field study by my non-trained student.

Conclusion: It is seen that the SHG strategy provides women with a chance for educative programme, awareness creation on issues such as drinking water and sanitation, family planning and literacy. Moreover, the group helps women to interact among themselves and enhance their participation in different developmental activities. As women are empowered with information resources, it enables them to initiate social action against alcoholism, illiteracy and other social evil issues.

It is matter of fact that amending laws and rights is not enough. A change of attitude within each individual towards gender equality is must for empowerment of women. It is found that SHG approaches are playing tremendous role because of its process oriented approach, member of the SHG are automatically becoming assertive after joining into the SHGs. In the process, awareness is created on rights and many other welfare aspects in the group. Their confidence level increases in manifold and they are confident enough to take up the challenge that comes in their life. It is proven in the study that SHG has played significant role in increasing the income, awareness, confidence and solidarity. They have ventured into various income generating activities. They have challenged the social structure for their justice and rights. Economic and social vulnerability have been reduced considerably.

In particular, empowerment of women and the inculcation of financial training and discipline amongst the poor will undoubtedly have long-term socio-economic benefits. The principles of self-help and microcredit thus hold the key to economic and socio-cultural freedom for state's lakhs of poor, opening the gates of a hitherto untapped reservoir of human enterprise. Therefore, SHG is a new tool for poverty alleviation through social and economic empowerment of women. The Government should encourage heart and soul in order to achieve the microfinance Vision of 2011 of the state. Therefore, we can conclude that

1. SHGs are important tool for socio-economic empowerment of poor rural women.
2. SHGs are instrumental in setting up a number of micro enterprises which rendered them monetary benefits.
3. Women can be motivated through proper training and education under SHG programme which is helpful for changing their social attitude and outlook.
4. Effective functioning and implementation of SHGs can lead to overall development of poor women.

Suggestions

Attitudinal Change: To bring about gender equity society, it is important that any move to enforce laws must be accompanied by a movement to bring about an

attitudinal change in our society. The existing laws and rights for women need to be strengthened and more vigorously implemented. Where policies and programmes do not serve the special needs of women, they need to be amended or recast. Where benefits do not reach to our women in general and rural women in particular, there is need for special intervention to enhance accessibility.

Chirm-Mollo SHG at Upper Cher



Komchi Lela SH G at Upper Jumi



Ann-Donyi SHG at Upper Jumi



Ann-Gumchi SHG at Lichi



Huto SHG at Lichi



The economic activities of all the five SHGs were same. The main activity is contractual work, agriculture and lending money at their place. All the SHGs were flourishing and happy. They hoped that they would do something in near future for their family as well as for the village.

Attitudinal change is possible only through the empowerment of women and empowerment of women may come by the formation of more and more SHG. Basic education and training among the members of the self help groups is essential, so that they have the same level of expertise or understanding capacity which empowers the group members. More number of women should encouraged to join SHGs by Government to fulfill the objective of “Microfinance Vision – 2011” of Arunachal Pradesh government to promote 5000 women SHGs which was far lagging behind it. The authorizing Agencies should organize various campaigns to create awareness of SHGs and should also spread information about various schemes available to the members and training to the women entrepreneurs can be provided for the better performance of their business activities. The field officers at the Government level and NGOs have to participate actively in improving the economic and social conditions of the women entrepreneurs at each district.

Limitations

The study is mainly based on the information supplied by my student, Mr. Takio Lalin (IGNOU). He collected the data supplied by the respondents through questionnaires by direct interview method, rather than by direct observation. The researcher did not physically see how members of the groups had been benefited by joining the SHGs. The possibility of mis-interpreting the responses may exist.

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