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## SELF-HELP GROUPS: EMPOWERMENT THROUGH PARTICIPATION AN IMPACT ASSESSMENT STUDY

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### ABSTRACT:

*Development of a country does not only refer to the development of infrastructure, innovations and technology but it is actually related to the development of each and every citizen in terms of their quality of life. A country will move on the development path if all the citizens are involved in the development process and enjoy good standard of living by having access to basic amenities of their life. The financial requirement is one of the basic needs of the poorer section of the society for socioeconomic development. Microfinance to Self Help Groups (SHGs) may be considered as a vital option*

*for meeting the financial needs of those poorer sections of the society. Microfinance is the form of financial development that has its primary aim to alleviate the poverty*

*The SHG is an association of 10 to 20 local individual members who are financially weak and who belong to Bellow Poverty Line. These groups start with saving and not with credit; the group then uses its savings to give loans to members to meet their emergency and other needs. The SHG is the platform or forum to the members to come together for emergency, disaster, social reasons, economic support to each other have ease of conversation, social interaction and economic interactions. The Self-Help Group (SHG) is a viable organized setup to disburse micro credit to rural women for the purpose of making them enterprising for enabling them into various entrepreneurial activities.*

**KEYWORDS:** Empowerment, poverty, development, Self Help Groups, livelihoods .

### INTRODUCTION:

Women that micro finance has played an important role as an instrument Empowerment is big concept. But as someone rightly pointed out they come under the realm of the achievable when seen as processes rather than predefined states, and as enhancing opportunities rather than as confirmed outcomes. According to Singh. K, (1989) the overall hypothesis of micro-

credit is that it contributes to women's empowerment. The practitioners also believe of improving the economic conditions of the poor as well as reducing their vulnerability through supporting asset building and increasing their negotiating abilities in dealing with the economic well-being of their families. While views might diverge on the best entry point for promoting empowerment, there is widespread consensus on the critical importance of a group approach and increasing women's ability to function collectively. At present, in

countries such as India, self-help groups are by and large centered on micro-credit, whether promoted by the government or by NGOs. If Self-Help Groups were also encouraged to move and think from their single point focus on credit and invested with more transformative agendas, such as finding innovative ways of improving women's situation economically, challenging social inequality, improving women's voice in the public sphere, and so on, they could prove more effective vehicles for empowerment.

## MEANING OF SELF HELP GROUP

The term Self Help Group is used to describe a small group of 10 to 20 poor women who come together on voluntary basis to accumulate savings through thrift and self-management, in order to prove their credit worthiness to financial institutions. The concept builds on mutual trust and help, shared ownership, peer pressure, emphasizing group solidarity and togetherness. It was first introduced in India during the mid-1980s by MYRADA, an NGO of repute (Fernandez, Aloysius Prakash. 2001) . MYRADA's concept was that the poor are credit worthy and that credit management groups consisting of poor people could manage their affairs efficiently. All that was needed was transfer of lessons in professional credit management, to encourage poor people to engage in networking in order to become agents of change and thereby to empower themselves in a sustainable way. The credit management groups were called Self Help Groups in 1991 (Sitaram, Shashikala. 2002)

## CONCEPT OF EMPOWERMENT OF WOMEN

Empowerment is a multi-faceted, multi-dimensional and multi-layered concept. Women's empowerment is a process in which women gain greater share of control over resources - material, human and intellectual like knowledge, information, ideas and financial resources like money - and access to money and control over decision-making in the home, community, society and nation, and to gain 'power'. According to the Country Report of Government of India, "Empowerment means moving from a position of enforced powerlessness to one of power".

The World Bank's Empowerment and Poverty Reduction: A Sourcebook, defines empowerment in its broadest sense as the "expansion of freedom of choice and action" (Narayan, 2002) . United Nations (2001) defines empowerment as the processes by which women take control and ownership of their lives through expansion of their choices. Kabeer's (1998, 1999), view of empowerment refers to the processes by which those who have been denied the ability to make choices acquire such ability. The fundamentals of empowerment have been defined as agency (the ability to define one's goals and act upon them), awareness of gendered power structures, self-esteem and self-confidence (Kabeer 2001).

## THE HISTORY OF SHGS IN KARNATAKA

In the Karnataka history, the number of SHGs formed between 1984 and 1985, MYRADA, an NGO engaged in rural development and based in Karnataka, promoted several co-operative societies that were enabled to give loans to their members. Subsequently, the large co-operatives broke up into small groups, which were the origins of the first SHGs, referred to at that time as Credit Management Groups, with a focus on the management of credit. The concept of each member making a saving in the group soon followed, as also the establishment of a system of regular meetings, book keeping and records, and collective decision-making. A pilot study (Puhazhendi and Sai, 2000) gave NABARD the confidence to mainstream the SHG-Bank Linkage Programme in 1996 as a normal lending activity. The programme then spread rapidly, if unevenly, across the country, making it by 2002, the largest microfinance programme in the world.

The importance accorded to women's equality and empowerment in the Seventh Five Year Plan (1985-1990) and the Eighth Five Year Plan (1992-1997), gave further impetus to programs and plans addressing women specifically. The Ninth Plan states that the early 1990s made an attempt to ensure that women would become economically independent and self-reliant (Rajasekhar D. 2004) [10]. The national policies backed by international agencies have been complemented by state policies and plans for women. All of this has helped focus on women's development and empowerment.

Thus, the history of SHG promotion started with NGOs taking the lead in the mid-1980s and the lead passing on to NABARD by the late 1980s. After the SHG-Bank Linkage Programme was launched in 1991-92, the very first loans to SHGs in the country were given in Kolar district of Karnataka: by the Vysya Bank, Bangarpet branch to Venkateshwara Mahila Sangha of Muduguli on 9th December 1991 and by the Corporation Bank, Andersonpet Branch to Saraswathi Mahila Sangha of Boduguriki on 30th January 1992. Together, the initiatives of the various stakeholders, (the Government, NGOs, Banks)

increased the SHG coverage in Karnataka significantly. At recent estimates, 40,295 Anganwadi workers (of the Department of Women and Child Development), 561 NGOs, 8 regional rural banks, 20 District Central Co-operative Banks, and 2 commercial banks are engaged in SHG promotion. Together they are estimated to have facilitated the creation of close to 1,95,000 SHGs in Karnataka (NABARD, 2004).

### **TOWARDS HUMAN DEVELOPMENT**

The SHGs, as originally conceived, are not just groups that promote savings and provide credit, they are intended to become institutions that promote human development and empower their members. The major objectives of building participatory institutions of the poor such as SHGs is to provide the members with an opportunity and the space to develop a vision/mission, to develop and maintain organizational and financial management systems, to grow in confidence and skills to manage their lives and promote their interests in the private and public domains, to establish the linkages required for an institution to function effectively and sustainable, and to support its members to become agents of social change. There is adequate evidence to substantiate the claim that in this process, the members of the SHGs build new relationships, which are more balanced in terms of gender and decision-making and more equitable in resource distribution, within the group, in the home and with other institutions and groups in society. Institutions, by themselves, do not empower the poor unless they are participatory like the SHGs (in which all the members are united by a degree of homogeneity and affinity, all are involved in decision-making and in establishing the rules that govern their behaviour) and adequately provided with capacity-building support. In fact, institutions

have the potential to be disempowering, if their structure is inappropriate and imposed from outside and their internal processes are hierarchical or elitist; in such cases they reflect and reinforce the existing class/caste/gender relations.

A major assumption on which the SHG strategy is based is that participatory institutions of the poor provide them with the space to develop skills and confidence and to mobilize resources. Good SHGs have been known to provide the impetus by which people can change the iniquitous power relations which have been keeping them both in poverty. In a society where gender, class and caste play a major role in supporting exclusivity and extraction of surplus, it isn't enough to teach people to fish, if they cannot reach the river. The hurdles in the way have more to do with oppressive socio-economic relations and structures rather than with skills. Building people's institutions, therefore, should be the primary objective of SHGs if they wish to transform themselves into civil society organizations.

The most visible manifestations of success are financial. Attempts have also been made to assess the degree of empowerment of SHG members, though not as regularly and uniformly as financial information flows. A majority of the SHG promoting institutions haven't created reliable databases or promoted record keeping and documentation systems that enable good quality data related to empowerment to be accessed, consolidated and analysed. 'Empowerment' is such a misunderstood term that its meaning is trivialized to the extent that merely giving a small loan ends up being seen as gender empowerment.

Theoretically and ideally, SHGs, both of men and women, promote the following features which could have an impact on enhancing human development and empowerment: (i) a habit of regular savings; (ii) weekly meetings with a clear agenda and conducted in a participative way, where decisions are taken by the groups to give loans to its members regarding the purpose, size and schedule of repayments; (iii) a culture of sanctions for willful default; (iv) awareness of, and involvement in, credit plus issues related to equity, gender and rights including the creation of a culture that reduces violence in the home; (v) the ability and willingness to carry out periodically a participatory self-assessment; and finally, (vi) a culture of learning. Together these contribute to, and enhance, the management skills and the confidence of the SHG members while increasing their capacity to meet their livelihood needs.

The following sections will draw from studies, which indicate the impact resulting from the experience that the poor have in managing SHGs. The impact will focus on issues related to their ability to cope with their livelihood needs, which include incomes and basic needs, as well as with the impact on gender relations in the home and on changes in society.

## **IMPACT OF SELF HELP GROUP MOVEMENT ON SOCIO-ECONOMIC STATUS OF WOMEN**

The membership to a SHG has contributed to significant changes in the lives of women. The impacts can be looked at as those bringing in economic changes, impact on the social status and political impacts, and the impacts of SHGs on the community.

### **A. IMPACT ON ECONOMIC STATUS**

- **Increased Entrepreneurial Skills:** Women also have gained the option to pursue two or three petty businesses, change from one type of business to another, combine wage employment with small business.
- **Increased Access to Credit:** The micro credit facility of the SHG has encouraged women to save. They are at ease in their minds as they can avail monies when they need, without having to pay any collateral. The most important effect has been the escape from the clutches of the money lenders.
- **Establishment of Businesses:** Many women see advantages in owning a petty enterprise as it allows flexibility in working hours and helps balance housekeeping and child rearing along with earning for the family.
- **Changes in Consumption Patterns:** Food items were purchased once a week or once a month, as and when wages were received was done. This saved not only the time spent but also saved on amounts as bulk/wholesale purchases are priced lower than retail purchases and ensure better quality. There is a noticeable change in the consumption pattern and better household nutrition. The financial mobility due to participation in the SHG has led to an improvement in the quality of life, according to some of the successful groups. Overall, many families were able to address their basic needs better than before.

### **B. IMPACT ON SOCIAL STATUS**

- **Increased Mobility:** This means a lot to poor women and to those who have been restricted by religious taboo. The visit to the SHG has made women more bold and confident. Earlier, women were more confined to the four walls of the kitchen and some to the work place. They were now found to be able to meet each other, and discuss problems.
- **Increased Exposure:** Women are more enthusiastic and positive about their lives. They understand each other's viewpoints and problems. Interactions with other women have resulted in building congenial relationships and have ensured fewer conflicts. It has also had the multiplier effect of spreading the SHG movement.
- **Increased Awareness:** Awareness on health related issues- personal hygiene, communicable diseases, effects of malnutrition and sanitation-have increased as a result of training programs. More importantly, awareness of the rights of women-as prescribed by the Constitution and as prescribed by the religious doctrines-has also increased. The membership in the SHGs has allowed many women to come out of boundaries defined by their male companions or relatives. There are now cases submitted for legal mediation by Muslim women, something never heard of before.
- **Changes in Decision-Making:** In the research studies women have stated that they are more involved in decisions that affect their lives and that of their family/household. They have more freedom to decide which of the meetings to attend and how much time they could spend without having to seek permission from the men and worry about the conflicts that might ensue at home as a consequence. Women also felt they have more say in the education of the children, such as which school children were to be sent to. Men involved women in decision-making processes which were purely in the male domain before, such as house repairs and the purchase of a site, non-inclusion of women in some major decisions that concern the household, have however continued (Karnataka Human Development Report, 2005).
- **Increase in Social Security:** Some of the SHGs have been successful in availing facilities like widow pensions, old age pensions, health and life insurance for its members. This has resulted in the women feeling more secure about themselves and their future. Women abuse is said to have

reduced and deserted wives have witnessed the husband return home. There are instances where SHGs have pressured men to put an end to violence/beating. (Shashikala Sitaram, 2007). Physical violence has reduced in a few cases due to the collective pressure created by the SHGs. The unequal power relations between men and women, with the increasing economic power and social mobility of women, are changing. However, many more changes are to be achieved, like achieving the rights of women to property, the reproductive rights and many more.

### **SOME LESSONS REGARDING POVERTY ALLEVIATION AND WOMEN EMPOWERMENT:- Women Empowerment**

As mentioned earlier, the general belief is that the process of microfinance and women's access to it would lead to empowerment. Discussion on what constitutes empowerment and whether empowerment is synonymous with emancipation and such other related issues is vast. To empower women would mean to give her more control over her life or the situation that she is in, as per the definition specified by the Government of India during the year of empowerment 2001.

### **Poverty Alleviation**

Unfortunately, today life in the region is fraught with difficulties facing harsh climate and socio-economic backwardness, causing poverty, illiteracy and ignorance. Some of the reasons for the constraints facing the region are the absence of perennial rivers, low agricultural productivity due to saline and sandy soils and there is absence of assured irrigation. Most of the underground water is brackish and there are inadequate sources and access to clean drinking water. There is a heavy dependence on agriculture and land holdings are fragmented. Besides, there is an absence of industries and hence of alternative employment opportunities. The family size is large and an adverse sex ratio, low health status and a low literacy rate further aggravate the situation.

The Self Help Groups have become the focal point of development schemes under the unified poverty alleviation programme, "Swaranjayanti Gram Swarozgar Yojana" (SGSY) launched by the Government of India.

It has, however, been argued that development agencies committed to empowerment of women need to question the nature of the link between access to credit by targeting women, and the transformation of gender relations needed for empowerment and equality. Significant research and much anecdotal evidence suggest that women's empowerment cannot be assumed to be an automatic outcome of microfinance programs. Development agencies committed to the empowerment of women need to question the nature of the link between access to credit by targeting women, and the transformation in gender relations needed for empowerment and equality (Kabeer 1998; Mayoux 1998).

In the rural area the SHGs are working very excellent and fantastic work and struggle for destroy the poverty in our society. En-number of SHGs involve in the Income Generation Programmes in Karnataka. Mainly, those are; Agarbatti (Incense stick) making, making the bakery items, book binding, beautification, fish farming, candle making, rearing of calves, ram lamb, chicks, piggery and duckery, dairy, value addition to milk and milk products are preferred by women agricultural labourers. Illiterate and unskilled women engage in small business activities.

### **IMPACT OF SHG MOVEMENT**

Various organizations evaluated SHGs. NGOs, Institutions, Universities, National Bank for Agricultural & Rural Development (NABARD) and Government departments. Some of the salient features are (Karnataka Vikasa, 2007) [6]. 95% of the members make savings regularly as the norms prescribed by the groups.

- All the groups meet at least once in a month to discuss various social issues related to their day to day life.
- 98% of eligible members adopt small family norms.
- 100% children of SHG members are able to access immunization services against the 6 diseases.

- 79% of the total SHGs have accessed financial assistance from banks and repayment is 98%.
- Members are engaged in 410 varieties of income generating activities.
- Additional family incomes to member range from Rs.1000- 3000 per annum depending on the income generating activities.
- Increase in self-confidence and self esteem
- Increase in awareness levels about the society and community. Voluntary participation in community activities like laying roads, planting trees conserving environment, construction of water harvesting structures, donations to the victims of natural calamities helping to reduce crime against girls & women, campaign against eradication of social evils like dowry, child marriages, untouchability, AIDS, rescue and rehabilitation of orphaned children, counselling adolescent girls, support to widows and destitute are a few to mention.

### SHGS AND SOCIAL WORK PROSPECTIVE

Social work plays an important role in women empowerment. Its methods are; Social Case Work, Social Group Work, Community Organization, Social Work Administration, Social Work Research and Social Work Action.

Through the social work methods the professional social worker creates the awareness among the importance of SHGs through women empowerment in rural and urban area. Like; group meetings, community meetings, public speech, use the IEC materials, media advertisements etc.

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