

## **WOMEN EMPOWERMENT THROUGH SELF HELP GROUPS IN HIMACHAL PRADESH**

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### **ABSTRACT**

Development of a nation is very much dependent on the development of rural people. Today, the real problem faced by every developing country like India is the poverty. Nearly half of the available human resource in India is women. Majority of them are living in rural areas and most of them are illiterates and are below poverty line. Besides this in comparison to urban women, rural women have limited access to all kinds of resources such as education, transportation, training, financial support, availability of current information etc. but have more hidden talents, which have to be brought in to light. Hence, there is need to change their capacity to work by giving them the necessary trainings on income generating activities, bringing their talents into light, supporting them with financial facilities, giving them marketing knowledge, current information etc. which helps in increasing knowledge, enriching their skills and improve their economic status.

### **1. Introduction**

Poverty and unemployment are the major problems of any underdeveloped countries, to which India is no exception. Poverty has been a pervasive problem in India. Around one-third of our people do not have the basic resources for survival. Most of the poor people live in villages, which have an extremely thin presence of financial institutions and Government machinery. The battle against poverty, therefore, needs to be fought, harnessing the local resources following an appropriate methodology. Lack of basic resources hits the women directly, and through her, her present and future progeny (**Ponnarasi, 2011**)<sup>1</sup>.

For smooth and overall development of the nation, it is necessary to stimulate the banking system at micro level so that banking services can be insured easily accessible to the vast sections of disadvantaged and low income groups at affordable cost in a fair and transparent manner. The financial sector reforms in India with financial inclusion emerging as a major

objective for the policy planners to search for products and strategies for delivering financial services to the poor households and small entrepreneurs in a sustainable manner. As a result, microfinance has occupied centre stage within a fast growing Indian economy as a hopeful medium for extending financial services to the rural population who generally lack direct access to the banking services. Noble Laureate Muhammad Yunus is credited with laying the foundation of modern Microfinance Institutions (MFIs) with establishment of Grameen Bank, Bangladesh in 1976 while NABARD was established in 1982 and became the first organization to introduce the concept of microfinance to enhance the agriculture and rural development activities in India (**Singla,2014**)<sup>2</sup>.

A sharp decline in poverty heralded the greatest change towards social inclusion in Himachal Pradesh. This occurred especially in rural areas, where over 90 percent of the state's population lives. Between 1993–94 and 2011, rural poverty in Himachal Pradesh declined from 36.8 percent to 8.5 percent—a fourfold decline, impressive by any standard. Admittedly, while rural poverty continued to decline after 2004, urban poverty changed only marginally between 2004 and 2011. This poverty decline moreover, benefitted all social groups across rural and urban areas. Despite the fact that there are continuing disparities between men and women in rural areas (**WBG, 2013**)<sup>3</sup>.

Self-Help Groups are necessary to overcome exploitation, create confidence for the economic self-reliance of rural poor, particularly among women who are mostly invisible in the social structure. These groups enable them to come together for a common objective and gain strength from each other to deal with exploitation which they are facing in several forms. A group becomes the basis for action and, change. It also helps building of relationship for mutual trust between the promoting organization and the rural poor to constant contact and genuine efforts (**Singh, 2003**)<sup>4</sup>.

Self-Help Groups are formed with the following objectives:

- a) Improve discipline among the members in developing saving habits;
- b) Saving enhance self confidence of the individual as it IS a sign of group encouragement;
- c) Income generation and gradually become self reliant;
- d) Development of leadership quality to realize their potentiality and self -belief;
- e) Training of members In the use of extension services and government support;
- f) Building common infrastructure for the benefit of the members (**Das, 2003**)<sup>5</sup>.

## **2. Review of Literature**

**Young, Kate** (1993)<sup>6</sup> observed that women in recent times engage themselves in micro enterprises both in rural and urban areas. Women are found in less risky business like trade and service units rather than manufacturing. So, self-employed women and those employed in the informal or agricultural sectors often work in small enterprises, which provide them with little access to credit and information needed to manage and market their products effectively.

**Srilatha Batiwala** (1996)<sup>7</sup> in her paper on Empowerment of Women in South Asia distinguishes between different approaches. She says that those who promote women's empowerment through integral rural development Programme describe women's disempowerment to their lack of education, low economic status, lack of access to resources and low decision-making power. Those who promote women's empowerment through awareness building and organizing women see women's disempowerment as stemming from a complex interplay of factors-historical, cultural, social and economic and political.

One of the most significant and comprehensive of recent studies is that on 'economic empowerment' of women in South Asia. The studies of **Carr, Marilyn, Chen, Martha and Jhabvala, Renana** (1997)<sup>8</sup> examined through eight case studies, the experiences of various Non Governmental Organizations in bringing about empowerment of women. Their experience proved that "economic empowerment is the most effective entry point" for the overall empowerment of women. The specific economic strategies adopted by the organizations are financial interventions (increased access to credit), Enterprise Development (increased access to skills / business / management training and improved technologies / production packages), Marketing strategies (increased access to markets), Bargaining (for higher wages / better working conditions / job Securities) and Socio political strategies (traditional, religious and cultural attitudes). The study is aimed at 'understanding' economic empowerment and in an important background it goes a step further to measure and quantify the extent of that empowerment in the specific context of rural, poor women.

## **3. Research Methodology and data collection tools**

In the present study block Hamirpur in Hamirpur district has been selected purposively because Hamirpur block is relatively more developed in terms of literacy, female employment and has comparatively better performance of SHGs in comparison to other blocks (Bijhari, Bhoranj, Sujampur, Nadaun and Taunni Devi). An empirical study was conducted with 200 self help group members. Random Sampling method was adopted.

The study is based on collection of data from both primary and secondary sources. The primary data has been collected through personal interviews and observation and secondary data through

Govt. agencies responsible for formulation of groups and financial institutions like ICDS, DRDA, NGOs, Banks and NABARD.

**4. Objective**

1. To study the role of Self Help Groups in Himachal Pradesh.
2. To assess the contribution of micro-finance to the well-being of poor women in Himachal Pradesh.

**5. Self Help Groups in Himachal Pradesh**

The Self Help Group (SHG) movement has spread across the state and is now on a firm base. The movement has been up scaled with support in the human resources and financial products. There were 50,749 SHGs as on 30th September, 2009 operative in the state promoted by Department of Social Justice and Empowerment and various NGOs. The number of SHGs credit linked in H.P. up to the end of September, 2009 was 49,318 and 1, 124 bank branches were associated with micro credit movement. A total of 30 farmer’s clubs were working as self help promoting institutions (Statistical Outline 2008-09).

**Table-1: Self Help Groups in Himachal Pradesh up to March 2010**

Districts	No. of Groups Formed		Savings		Linked with Banks		Amount of Loan		Yet to be Linked with Banks	No. of Haats organized during 2009-10
	Cumulative	During 2009-10	Cumulative	During 2009-10	Cumulative	During 2009-10	Cumulative	During 2009-10		
Hamirpur	2461 (9.44)	201 (10.27)	455902 80 (7.4)	790442 0 (8.25)	1084 (9.04)	111 (9.8)	54190 700 (7.46)	6012200 (4.62)	1377 (10.1)	19 (7.54)
Bilaspur	1596 (6.12)	202 (10.32)	233494 46 (3.79)	727461 1 (7.59)	996 (8.31)	64 (5.6)	39915 563 (5.49)	6148500 (4.73)	600 (4.4)	14 (5.56)
Kullu	1507 (5.78)	103 (5.26)	193548 17 (3.14)	139616 3 (1.46)	958 (7.99)	62 (5.5)	30443 500 (4.19)	4969200 (3.82)	549 (4.02)	24 (9.52)
L&S	60 (0.23)	-	775400 (0.13)	77097 (0.08)	11 (0.09)	-	48200 0 (0.06)	-	32 (0.23)	-
Mandi	4855 (18.60)	180 (9.19)	105627 369 (17.2)	176629 19 (18.4)	2358 (19.7)	377 (33)	18752 7940 (25.83)	2548787 (19.6)	2497 (18.31)	104 (41.3)
Una	1840 (7.06)	104 (5.31)	500662 80 (8.13)	106400 20 (11.1)	797 (6.65)	45 (4)	34985 406 (4.82)	3349000 (2.57)	1043 (7.65)	10 (3.97)
Solan	2390 (9.17)	178 (9.09)	692415 67	166611 2	1347 (11.2)	117 (10)	15972 6320	3089527 2	1043 (7.65)	-

			(11.2)	(17.4)			(22)	(23.8)		
Kangra	4616 (17.7)	329 (16.8)	712882 87 (11.6)	127238 19 (13.3)	1878 (15.7)	66 (5.8)	94553 616 (13.03)	1372355 8 (10.6)	2738 (20.08)	35 (13.9)
Chamba	1517 (5.82)	226 (11.54)	158226 436 (25.7)	591507 2 (6.18)	358 (2.99)	28 (2.5)	15175 310 (2.09)	3198140 (2.46)	1159 (8.5)	-
Shimla	2211 (8.48)	149 (7.61)	305846 64 (4.97)	485492 0 (5.07)	642 (5.36)	40 (3.5)	18713 328 (2.57)	2476419 (1.9)	1087 (7.97)	10 (3.97)
Sirmaur	2665 (10.2)	230 (11.75)	356647 02 (5.79)	887556 6 (9.27)	1279 (10.7)	200 (18)	74698 800 (10.29)	2874451 2 (22.1)	1413 (10.36)	30 (11.9)
Kinnaur	359 (1.38)	56 (2.86)	601313 7 (0.98)	180334 6 (1.88)	278 (2.32)	26 (2.3)	15492 600 (2.13)	5070000 (3.9)	98 (0.72)	6 (2.38)
Total	26077 (100)	1958 (100)	615782 393 (100)	957890 80 (100)	11986 (100)	1136 (100)	72590 5083 (100)	1300746 71 (100)	13636 (100)	252 (100)

Source: Social Justice and Empowerment Department (Kasumpti) Shimla, 2009-10.

Note: (-) Data not available

Figures in the parenthesis denote percentage

## 6. Result and Discussion

In this section, the second objective about the well-being of the poor women in terms of savings, credit availed, loan used for multiple purposes, income generating activities and self confidence of the members are analyzed.

Table -2 saving mobilized by the members

Saving amount in (Rs)	No of members	per cent of total
Less than 1000	65	32.5
1001-2000	105	52.5
2001-3000	25	12.5
More than 3000	05	2.5
Total	200	100

Source: Field study

Above table indicates that majority (about 53 per cent) of the members saved between Rs ‘1001 to 2000’ and least (about 3 per cent) of the members saved ‘more than Rs 3000’. All members reported savings with the group. SHGs were able to develop savings habits among the members. Regular, savings of Rs. 10 is compulsory in all the SHGs. Savings is collected at the time of weekly meetings and all the members were issued a passbook. These weekly savings

are deposited in nearby bank in the account of the group and have accumulated over a period of six months.

**Table -3 credit availed by the members**

<b>Amount of credit (Rs)</b>	<b>No of members</b>	<b>per cent of total</b>
500-10000	85	42.5
10001-20000	55	27.5
20001-30000	45	22.5
30001-40000	15	7.5
Total	200	100

**Source:** Field survey

SHGs were emerged as the major source of credit for its members. Table-3 indicates that majority of the members have taken loans between ‘Rs 500 to 10000’ and least of the members between ‘Rs 30001 to 40000’. Loans are provided to meet the needs of the members for various purposes such as, to meet immediate consumption needs, treatment of illness, payment of children's school fees etc. (Table 4). The loan amount varied from Rs. 500 to Rs. 40,000.

In the case of SHGs, a member can apply for a loan as soon as He/she has completed the minimum required period of savings of six months. Only a simple application on a plain paper or an oral presentation of the purpose and amount of loan, need to be submitted.

**Table -4 Loan used by the members for multiple purposes**

<b>Purpose of loan</b>	<b>No of members</b>	<b>per cent of total</b>
Consumption purpose	95	47.5
Asset creation	125	62.5
Housing improvement	85	42.5
Redemption of old debts	80	40.0
Total	200	100

**Source:** Field survey

SHGs priorities the loan purposes like meeting medical expenses, children's school fee, and redemption of old debts, etc. (Table 4). Nearly 48 per cent of the respondents availed loan for meeting consumption needs and another 42.5 per cent for housing improvement. Majority of the members (about 63 per cent) availed loan for asset creation. The loan amount needs to be repaid in equal weekly installments. It is interesting to note that the members make it a point to repay the loan in time so that they are eligible for a second loan only on repayment of the first loan without default. Almost all the members except unemployed members reported that

they are able to repay the loan amount out of their own income from wage employment or income from self employment activities.

Table-5 shows the income generation activities undertaken by the members for various purposes. The members were encouraged under SHGs to set up their own income generating activities. Dairying, Bag making and tailoring were found to be the major economic activities undertaken by the members. Members were availed loan for dairying under Swamajayanti Gram Swarozgar Yojana (SGSY), a Government sponsored poverty alleviation scheme.

**Table -5 Income generation activities undertaken by the members**

Type of activity	Number of members	per cent of total
Dairying	95	47.5
Tailoring	125	62.5
Bag Making	85	42.5
Bamboo making	80	40.0
Total	200	100

**Source:** Field survey

Under this scheme, a group consisting of 10 members is financed with one to two lakh of rupees for the construction of shed and purchase of cow.

**Table -6 Self- confidence level of the members**

Particulars	Pre- Self Help Group		Post –Self Help Group	
	Contribution		Increased greatly	No change
	Yes	No		
Feed family	160	40	110	40
Educate children	80	120	80	22
Take Major decisions	115	85	100	40
Resolve conflicts	28	172	22	15
Leadership	35	165	15	8

**Source:** Field survey

The respondents expressed high level of self-confidence because of their ability to contribute to their household, and their ability to freely interact with other members of the community. They also expressed the feeling that their status within the family also improved because of association with the group. Majority of the members now experience better treatment in their family than that of pre-SHG situation. It was significant to note that most of the members reported that they now feel respected in their family because of the fact that they were able to contribute

something of value to their household either in terms of loans, or contribution to household income (Table 6).

## **7. Conclusion**

The foregoing discussion on its beneficiaries revealed some positive changes in the level of living of the members in terms of savings, credit and utilization of loan for various purposes and income generating activities and self-confidence of the members. Majority of the members now experience better treatment in their family than that of pre-SHG situation. It was significant to note that most of the members reported that they now feel respected in their family because of the fact that they were able to contribute something of value to their household.

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