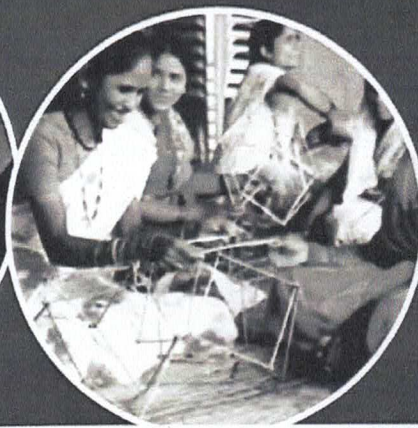
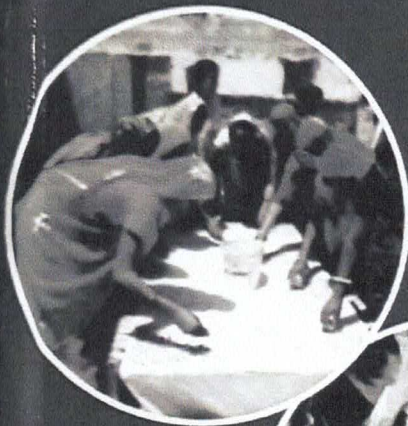


Self Help Groups

Problems, Opportunities and Challenges
Ahead

Puspita Das



Chapter 2

Role of Self Help Promoting Institutions (SHPIs) in Women Empowerment through Self Help Groups

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Women are a vital part of the Indian Economy, both at the national and at the house hold levels. They make up one-third of the national labour forces; seventy to eighty per cent of field work is done by women. About 85 per cent of persons engaged in dairy production are women.

Women constitute half of the world's population, contribute about two thirds of its working hours, receive one tenth of the world's income and own less than one hundredth of the world's property (Gupta and Gupta 1987). Empowerment in Indian context stands for transformation of people belonging to weaker segments which signifies not only political empowerment but social, economic and cultural empowerment also.

The existence of women in a state of economic, political, social and knowledge disempowerment is known to be a major hindrance to economic development. Formation of Self Help Group has greatly helped rural women to understand their rights, access to information, economic independence, access to credit, improve their personality and respect in the society etc. Empowerment of women through SHGs would lead to benefit not only the individual women, women groups but also the family and community as a whole through collective action and solidarity. Cohesion enables members of the group to perceive common interests and act collectively (Murugan and Dharmalingan, 2000).

SHGs certainly play an important role in providing opportunities for women to gain knowledge, confidence and skills to find better employment and economic support.

The SHG is an association of people belonging to similar socio-economic characteristics, residing in same locality. The SHGs are voluntary associations of people formed to attain some common goals. These groups have similar social identity, heritage, caste and traditional occupations and come together for a common cause and merge resources for the benefit of the group members. It is a group of rural poor living below poverty line who has volunteered to organize themselves into a group for income generation. It is an informal organization consisting of 10-20 members. However, in difficult areas like deserts, hills and areas with scattered and sparse population, and in case of minor irrigation and physically challenged persons, SHGs may be constituted with a minimum of 5 members. They agree to save regularly and convert their savings into a common fund known as Group Corpus (GC), which is used for meeting the credit needs of the members, through a common management process. SHGs are considered as one of the most significant tools to adopt participatory approach for the economic empowerment of women. It plays a crucial role in improving the savings and credit and also in reducing poverty and social disparities.

According to various reports and documents, there are said to be eight million groups active in the country by means of whom 70 to 80 million families are being served. Out of these nearly 92 per cent self-help groups are exclusively of woman. Though women represent 50 per cent of the total population, there are only 3.0 lakhs women entrepreneurs, of the total 2.64 million entrepreneurs in India during the period 1998-99.

Empowerment is both a means to an end and an end in itself. Empowerment in Indian context stands for transformation of people belonging to weaker segments which signifies not only political empowerment, but social, economic and cultural empowerment also. The idea of empowerment is thus political, economic, social and cultural. 'Freedom' depends on economic conditions even more than political. If a woman is not economically free and self-earning, she will have to depend on her husband or someone else, and dependents are never free.' These were the ideas of Pandit Jawaharlal Nehru, which vividly highlights the importance of economic independence of woman. Although a lot has been done to ameliorate the condition of womankind, International Woman's Day which falls on 8th March, reminds us every year that much more needs to be done to ensure a better deal for the female half of the country.

Economically women have been making progress. The hidden entrepreneurial potentials of women have gradually been changing with the growing sensitivity to the role and economic status in society. Women are increasingly being conscious of their existence, their right and their work situation. Today women entrepreneurs represent a group of women who have broken away from the beaten track and are exploring new avenues of economic participation. Among the reasons for women to run organized enterprises are their skill and knowledge, their acumen in business and a pushing desire to do something positive. Women have the potential to establish and manage organized industries and take up challenging ventures.

Significant government and local initiatives have been introduced with the intension of stimulating entrepreneurship among women. There is a need for a facilitating agency or a catalyst working closely with the poor at the grass root level, which can sensitize and motivate the poor about the advantages of organizing themselves into groups for their social-economic progress. Such facilitating agencies are known as 'Self Help Promoting Institutions (SHPIs)'. The organizations or functionaries that act as SHPIs in different parts of the country are NGOs and other community based organizations, DRDAs and other developmental agencies, Line departments, Panchayati Raj Institutions, Rural branches of commercial Banks, RRBs and Cooperatives, Active SHGs and Federations of SHGs, VVV clubs sponsored by rural bank branches, corporate bodies and private sector companies, individuals like school teachers, retired govt. servants, health workers, village development workers and even unemployed educated youth. These SHPIs mobilize women folk into a productive group for attaining economic sustainability through formation of Self Help Group (SHG).

SHGs are formed and supported usually by NGOs or (increasingly) by Government agencies. Linked not only to banks but also to wider development programmes, SHGs are seen to confer many benefits, both economic and social. SHGs enable women to grow their savings and to access the credit which banks are increasingly willing to lend. SHGs can also be community platforms from which women become active in village affairs, stand for local election or take action to address social or community issues.

SHPIs differ in their approaches to group promotion, with varying emphasis on 'microfinance' (the savings and credit transactions, decisions and record-keeping), and/or 'microfinance +' (SHGs often being part of a wider village development programme, with other social development inputs). Usually, though not invariably, NGOs and Government SHPIs are 'mF +', Banks naturally are 'mf'. In each case, the pattern and intensity of inputs and guidance to SHGs varies. There is variation not only between different types of SHPIs but also within SHPIs due to differences between individual field workers who are the actual group 'promoters' or facilitators. Some SHPIs are now promoting federations or 'cluster associations' of SHGs. For such associations have strong potential for enabling women to act collectively on different social and economic issues, and shift the capacity building requirements to a different level.

Guidance and support from an SHPI seems essential when many instances of social injustice are perhaps not recognised as such since people are so used to them, both women and men, and accept them as the norm. SHPIs seem to be most effective in building awareness, and guiding SHG members on strategies and options, including contacting administrative and local authorities and in decision making.

SHPIs may Encompass Three Broad Models of Linkage

Model I: Bank - SHG - Members

In this model the bank (SHPIs) itself promotes and nurtures the self-help groups until they reach maturity. This is the basic model in which an SHG, promoted by an

NGO or other institution, can access a multiple of its savings in the form of loan or cash credit limits from the rural bank branch. The SHG then on-lends the funds to its members. The SHG model is a savings-led and savings-linked credit model, with a minimum savings period of 6 months prior to the availability of bank credit. The quantum of credit available to the SHG from banks starts from parity with SHG savings and can increase to 8 times the level of SHG savings. There are two interlinked parts of the SHG financial operations: (i) the rotation of its own savings and (ii) on-lending of external funds.

Model II: Bank - Facilitating Agency - SHG - Members

Here groups are formed and supported by NGOs or government agencies (SHPIs). They act as intermediaries or facilitating agencies to guide and link the SHG members in availing credit facility from the banks

Model III: Bank - NGO-MFI - SHG - Members

In this model NGOs act as both facilitators and MF intermediaries, and often federate SHGs into apex organisations to facilitate inter-group lending and larger access to funds.

Other Models Agencies of SHPIs

Another model has been piloted recently by NABARD for facilitating the formation of SHGs for bank linkage in areas where there are no NGOs. This involves using the services of committed individual volunteers identified by bank branches.

Donors and International Lenders

Over the years a large number of the well-known international donors have supported microfinance (MF) programmes run by NGOs. Several large projects are also promoting SHGs through multilateral funding. These donors provide administrative support and capacity-building grants as well as revolving loan funds to NGOs.

A Research Study in Meghalaya

A research study on "Role of Self Help Promoting Institutions (SHPIs) in Women Empowerment Through Self Help Group in West Garo Hills" of Meghalaya was carried out to assess the role of SHPIs in economic, social and political empowerment of women SHGs. Five major SHPIs selected for study, facilitating women SHGs in West Garo Hills of Meghalaya were BAKDIL (an NGO under NABARD), DRDA, IFAD, District Sericulture departments and Bethany Society (an NGO). Data was collected from 29 villages of West Garo Hills district of Meghalaya. The study assessed the role of these SHPIs in economic, social and political empowerment of women SHGs.

Major Findings

a. Role of SHPIs in Economic Upliftment of Women Entrepreneurs

The role of SHPIs in economic empowerment of women entrepreneurs was ascertained in terms of training programs conducted by SHPIs, awareness about

Govt. assistance schemes, benefits of assistance scheme, source of working capital, availability of loan, attitude of SHPIs towards SHG members.

The result from Table 2.1 reveals that 44 per cent of them had attended trainings conducted by the SHPIs which the respondents felt highly satisfying. More than half (54.67) of the respondents were aware of the various assistance schemes of the Govt. for entrepreneurship. Of the respondents who were aware, only 53.33 per cent of them had availed the benefits of such schemes. The study showed that for 90 per cent of the respondents, the source of working capital was through 'Group Contribution'. It means that they did not seek any financial assistance from banks or other financial institutions. Only 2 per cent of them availed working capital from banks and 8 per cent from other financial institutions.

Table 2.1: Role of SHPIs in Economic Upliftment of Women Entrepreneurs

n=150

Sl.No.	Response	Frequency	Percentage
1.	Programmes conducted by SHPIs		
	a. Not attended	84.0	56.0
	b. Attended	66.0	44.0
2.	Awareness about Govt. Assistances Schemes		
	a. Aware	82.0	54.67
	b. Not Aware	68.0	45.33
3.	Benefits of assistance scheme		
	a. Availed	80.0	53.33
	b. Not availed	70.0	46.67
4.	Source of working capital		
	a. Banks	3.0	2
	b. Other financial institutions	12.0	8
	c. Money lenders	0.0	0
	d. Group contribution	135.0	90
5.	Availability of loan		
	a. Provided on time	14.0	9.33
	b. Not provided on time	136.0	90.67
6.	Attitude of SHPIs towards SHG members		
	a. Helpful	14.0	9.33
	b. Indifferent	0	0
	c. Not forth coming	136.0	90.67

Of the respondents who availed working capital from banks and financial institutions, loan was made available on time to only 9.33 per cent of the respondents. The attitude of the SHPIs towards SHG members was 'Helpful' for 9.33 per cent of the respondents.

Table 2.2: Total Score on Role of SHPIs in Economic Upliftment of Women

Sl.No.	Category	Frequency	Percentage
1.	Low (≤ 1.5)	38	25.33
2.	Medium (1.5 – 9.0)	99	66.0
3.	High (> 9.0)	13	8.67
Total		150	100.0

Overall role of SHPIs in economic upliftment of women entrepreneurs was calculated on the basis of total score obtained by the respondents. It was categorized into three categories low, medium and high as shown in table no.2. It shows that the role of SHPIs in economically empowering women entrepreneurs was medium for 66 per cent of the respondents while low for 25.33 per cent and high for 8.67 per cent of the respondents.

b. Role of SHPIs in Social Upliftment of Women Entrepreneurs

The role of SHPIs in social upliftment of women entrepreneurs was determined on the basis of the following parameters like – spouse/male member opinion for becoming an SHG member, change in their status in family, attitude of society towards them, attitude of male counterparts in SHG, change in their knowledge level, change in the respondent's attitude, their decision making ability.

The results of data showed that cent percent of the respondents reported that their spouse was happy and helpful on their becoming SHG member. There was positive change in their status in family; the society gives more respect to them than before. Even the male counterparts of SHG were 'Helpful'. There was significant change in their knowledge level after becoming an entrepreneur (100 per cent) as is evident from Table 2.3. The attitude of the respondents also changed from conservative (before) to Progressive after becoming an entrepreneur (100 per cent).

Table 2.3: Role of SHPIs in Social Upliftment of Women Entrepreneurs

Sl.No.	Response	Frequency	Percentage
1.	Change in knowledge level after becoming an entrepreneur	150	100
2.	Attitude of respondents		
	a. Before (Conservative)	150	100
	b. After (Progressive)	150	100

The respondents were asked to indicate their decision making ability in matters related to family, property, education, enterprise etc. It was found that majority of the respondents (96 per cent) took all decision related to family, children, business, property etc. The data supports that women have been given due importance in family and enjoy high social status within the family

Table 2.4: Total Score of SHPIs in Social Upliftment of Women Entrepreneurs

		n=150	
Sl.No.	Category	Frequency	Percentage
1.	Low (<17)	4	2.67
2.	Medium (17 – 18)	146	97.33
3.	High (> 18)	0	0
Total		150	100.0

Overall role of SHPIs in social upliftment of women entrepreneurs was ascertained on the basis of total score obtained by the respondents. Based on the scores obtained, they were categorized into low, medium and high category. It was found that for almost all (97.33 per cent) of the respondents, SHPIs had a medium level of role to play in their social upliftment as revealed from Table 2.4. It is striking to note that for none of the respondents, SHPIs played high level of role in transforming their social status. It supports the fact that Meghalaya being a matriarchal society, women already enjoy high social status and thus the SHPIs had very trivial role to play in this regard.

c. Role of SHPIs in Political Upliftment of Women Entrepreneurs

Role of SHPIs in political upliftment of women entrepreneurs was ascertained on the basis of whether they are representative of SHG, meets public bureaucrats/officers for finance or marketing, attends public gatherings and participate in trade fair, exhibition etc. on behalf of the SHG.

The result is presented in Table 2.5. It is evident from Table 2.5 that 96 per cent of the respondents were representative of SHG, 92.67 per cent of them used to meet public bureaucrats/administrators/officers for finance or marketing, 96 per cent of women entrepreneurs had SHG participation in trade fair, exhibition, competition etc.

But only 46 per cent of the respondents were representing SHG in meeting/public gatherings. These findings reflect that their participation in public gatherings and meetings has increased and also they are given importance in such mass gatherings and meetings. It signifies that there is some extent of political upliftment of women entrepreneurs and this change is to a considerable extent brought about by the SHPIs

Table 2.5: Role of SHPIs in political upliftment of women entrepreneurs.

		n=150	
Sl.No.	Response	Frequency	Percentage
1.	Representative of SHG.	144	96.0
2.	Meeting public bureaucrats/administrators/officers for finance or marketing	139	92.67
3.	Representing SHG in meeting/public gatherings.	69	46.0
4.	SHG participation in trade fair, exhibition, competition etc.	144	96.0

Overall role of SHPIs in political upliftment of women entrepreneurs is shown in Table 2.6.

Table 2.6: Total Score on Role of SHPIs in Political Upliftment of Women Entrepreneurs
n=150

Sl.No.	Category	Frequency	Percentage
1.	Low (<8)	8	5.33
2.	Medium (8 – 11)	127	84.67
3.	High (>12)	15	10.0
Total		150	100.0

It is evident from the table that the role of SHPIs in political upliftment of women was medium level for majority of the respondents (84.67 per cent). They played significant role for about 10 per cent of the respondents as is indicated by the high level of score. Only for 5.33 per cent of the respondents, they had low level of role to play in their political upliftment.

d. Overall Role of SHPIs in Economic, Social and Political Upliftment of Women

Based on the overall score obtained by the respondents they were categorized into three categories of low, medium and high as is shown in Table 2.7.

Table 2.7: Overall Score of SHPIs in Economic, Social and Political Upliftment of Women Entrepreneurs

Sl.No.	Category	Frequency	Percentage
1.	Low (<28)	6	4.0
2.	Medium (28 – 37)	126	84.0
3.	High (>37)	18	12.0
Total		150	100.0

The result of the table shows that the SHPIs play a medium level of role in economic, social and political upliftment of women entrepreneurs. They play significant role for about 12 per cent of the respondents as is indicated by the high level of score. Only for about 4 per cent of the respondents they had low level of role to play in the upliftment of women entrepreneurs.

Association between the Different Dependent Variables

In order to assess the extent of relationship between the selected variables *i.e.* economic, social and political upliftment of the respondents, correlation coefficient (*r*) were computed which is presented in Table 2.8.

Table 2.8: Correlation Coefficient

		Correlation Coefficient (r)
Economic	Social	0.1647*
Social	Political	0.0995*
Political	Economic	0.9190**

* Non-Significant; **: Significant.

The data of the table reflects that economic and social upliftment of women entrepreneurs is positively correlated but is non-significant. The same relation exists between social and political upliftment of women entrepreneurs. But political and economic upliftment of women entrepreneurs is positively and highly correlated. It signifies that if there is increase in economic status of women entrepreneurs then it leads to more increase in their political status. It further indicates that more than any other correlation, economic and political upliftment is highly correlated with each other than economic and social or social and political upliftment of women entrepreneurs.

Conclusion

Based on the findings of the above study it is concluded that Self Help Promoting Institutions (SHPIs) play a medium level of role in empowering women economically, socially and politically. Also it signifies that economic and political upliftment of women is positively and highly correlated indicating that increase in economic status of women entrepreneurs leads to increase in their political status also. It can be concluded that still a lot of gap exists between the SHPIs and women SHG members. It means that they need to expand their role and also increase their level of contribution in making them empowered in all aspects instead of unequally empowering in different aspects.

Recommendations

The findings of the study suggest that SHPIs have a significant role in shaping the life of women entrepreneurs. But the extent to which they are extending their support is dismal. Hence in this regard the following recommendations are suggested which if followed may positively affect the role of SHPIs in empowering women entrepreneurs:

- ☆ The SHPIs should organize more training on Group Dynamics, Motivation, Leadership, Book keeping, skill oriented/income generation activities. These training will develop group integrity and more skill among the members for better functioning of the SHG.
- ☆ The SHPIs should make more efforts towards promoting their financial activities. The result shows that very few percentages of the respondents were linked to the financial institutions for taking loan. Hence they should horizon the boundary of their financial transaction with other institutions rather than internal lending and borrowing practice.

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