

Micro- Financing Through Self Help Groups Panacea for the Woman Empowerment: An Empirical Evaluation

1Mridula Sharda, 2Hari Priya

1Assistant Professor, 2Research Scholar

1department of political science icdeol,himachal pradesh university,shimla,

2department of political science,hpu shimla

Abstract - Group is very natural response of the human behavior: they live interacting with each other. Self Help Groups (SHGs) have become the most popular form of the group's work those are being used by both Governmental and Non-Governmental organizations (NGOs). Self-Help Group (SHG) is a voluntary association of the people belonging to similar socio-economic characteristics, residing in the same locality and play vital role as such. They come together for the purpose of solving their common problems through self-help and mutual help. This Research Paper is an effort to explore the impact of SHGs on the socio-economic and political life in rural areas with special reference to PRIs as rural power system. Question addressed through this empirical work is whether the micro- financing is effective measure in the journey of women empowerment or not. Hypothesis for the study based on review of literature is economic deprivation and poor community exposure is responsible for dismal position of the women in rural society. Self Help Groups are elementary Institutions of the women participation in the decision making bodies. Study's main focus was to analyse the co-relation between women economic emancipation through SHGs to the political empowerment in the rural area. On the basis of the field study inferences are drawn: Women participation in SHGs is an effective measure for the women empowerment. The triumph of SHGs is a remarkable achievement of the women empowerment. Center and state legislatures have been making constant efforts for the welfare of the women. It also examines the actual position of SHGs members in the PRIs and how they (members of self Help group) perform their social and political activities in Panchayati raj institutions.

keywords - Self Help Groups, Empowerment, Panchayati Raj institutions(PRIs).

Abbreviations: SHG, PRIs

"There is no chance for the welfare of the world unless the condition of women is improved; it is not possible for a bird to fly on only one wing." Swami Vivekananda. This statement of great reformer of India explains the importance of women empowerment. It questions the system where woman is not represented and she is not part of the decision-making that affects her life circle. 'Women have a distinct role to play in the development of the nation. In the role of mother, a woman shapes the personality and character of the children (Character of the Nation). As a house wife, she maintains the productivity of the human capital of making a contribution to the economy of nation. Apart from this a woman herself represents a unit of human capital, and is therefore capable of making a contribution to the economy of nation', (Census2001). 'Woman in India has very low self-esteem and as such lack of self-confidence for facing any stressful situation alone. Not many women are comfortable in discussing their problems even with another woman individually. They responded better as a group member. Talking to an unknown person of the other sex is still a very stressful situation for many women. As a part of socialization process itself women learn to rely on groups rather than facing a situation individually. Indian cultural values, cutting across religious, caste and even class boundaries are unanimous in keeping women more groups oriented', (Siddiqui2011:165). Women have been making use of group since a very long time for a variety of reasons in India. It is common to see groups of women coming together both in rural and urban neighborhoods to use their leisure time in sharing information about life in general. 'The 73rd Amendment is a milestone in the way of women assuming leadership and decision-making position as it makes such a role mandatory and universal for the whole of India the Swarnajayanti Gram Swarajgar Yojana, which emphasized on WSHGs symbolizing economic self reliance, self-assertion, collective mobilization and leadership identification can serve as an important instrument for economic empowerment of women. With the diminishing role of the state in the welfare programmes, and (mis)conceptions of development, the role of the SHGs at the village level becomes all the more important. Women Self Help Groups and women's entry in village political system can ensure change in the political system of the village, the family and social perceptions of the role of women. SHGs have immense potentials for economic empowerment of women, while Panchayati Raj Institution with fifty percent reservations for the women, and through effective functioning of Gram Sabha can aid political empowerment of the women. WSHGs and women's entry in the political system of village can bring silent revolution in the family, society and political system. Panchayat level women leadership can

change the development contours and promote constructive thinking in the village administration and its development. A proper synergy establishment between these two institutes (SHGs & PRIs) can go a long way in overall empowerment of women in rural areas', (Salgaonkar & Salgaonkar2009:483).

Micro-finance & Micro Credit

Micro-finance took birth in late 1970s to help the poorest of the poor. Micro-finance helps the poor to nurture their entrepreneurship skills. As a result, they can improve their standard of living and can become Self-sustain to lead their life. The term "micro" literally means "small" But the taskforce has not defined any amount. Micro-finance and micro credit have emerged major strategies to combat unemployment and poverty in almost all the developing countries. In the socio-economic and political development of a nation micro-finance has become a buzzword. 'Extend small loans to poor people for self employment projects that generate income allowing them to care for themselves and their families. In most of the cases, micro-credit programmes offer a combination of services and resources to their clients in addition to credit for self-employment, access to productive resources is critical for enhancing women's economic choices. In order to have access to credit, setting up Self Help Group, local banking system by women, Non-Governmental Organizations and provision of facilities by Government need to be established', (Thakur 2009:17). Micro credit is routed through SHGs and extend small loans to the poor people for self employment. The programme provides thrift linked credit support to the members of SHGs. While the programme directly benefits the members, it also helps banks in reducing their transaction costs as well as risk in delivering small loans.

Concept of Self Help Groups(SHG)

'SHG In the simplest terms a Self-Help Group refers to more than two people who come together to deal with a shared concern or problem. Such groups exist all over the world; they are sometimes called mutual aid or support groups. These groups are run by the members and members are 'experts' themselves. However, until recently SHGs were essentially voluntary, self-formed, self-managed, addressing shared concerns and problems almost entirely from their own resources. In many developing countries, especially in India, consistent with the global thinking on poverty alleviation, there has been a spurt in publicly funded SHGs as an instrument of policy. This in itself is a unique phenomenon and indicates a serious attempt at integrating area and issue-based approaches', (Women's SHGs, and managing convergence in Himachal Pradesh2003-2004:8).

The pathology of Panchayati Raj

'Panchayati Raj Institutions (PRIs) in India refer to a statutory multi-tier administrative structure entrusted with the developmental duties and responsibilities by the state legislatures. Initially article 40 of Constitution direct states to make Panchayats and endow them with such powers and authority as may be necessary to enable them to function as responsible units of self-government, '(Kumar1999:30). Panchayati Raj Institutions (PRIs) is an arrangement for democratic decentralized institutions for rural people to participates in the democratic decision-making process and development of their areas. People Participation is necessary step for opportunities for utilization of the existing potentialities of good governance and development.

73rd Amendment Act related to PRIs constitutionally empowered the women by giving them 33% representation in the Panchayati Raj Institutions as well as reserving one third of the chairperson's post in three tier system. Himachal Pradesh is one of states that enacted a new legislation i.e. the Himachal Pradesh Panchayati Raj Act, 1994 in the light of the 73rd Constitutional Amendment Act. Three tier Panchayati Raj system is functioning in the state. 'In all PRIs, seats would be reserved for Scheduled Caste and Scheduled Tribes in proportion to their population. In the same way, the offices of the chairperson of the various tiers of Panchayats would also be reserved for them. Not less than one-third of the total number of reserved seats would be provided to women belonging to SCs and STs. One third of the total number of seats will be reserved for women and in the same manner one-third of offices of the chairpersons would also be reserved for the women. Amendment has left the issue of providing reservation to Backward Classes to the discretion of state government', (Sekar & Chandra 2008:11-13). Constitutional status to Panchayati Raj Institution starts a new era of the women empowerment and development. In India reservation and representation for women in rural power system is revolutionary step to realize the goal of democratic society.

Need of the study

Women is one of the most vulnerable section of the Indian society. Her vulnerability is multiple and related to each other. Economic vulnerability and her dependence led to the non existing position of the women in the political and social set up of the society. It is important to find ways through micro-financing to transform her status from non-existent identity to the vital existence of the women. 'Indian society represents a system of patriarchy; therefore the male domination inhibits the participation of women in the political and development process. Women have a marginalised position in the social, economic and political spheres of the country. Representation of women in the political structures and decision making bodies in India has been extremely low. The SHGs play an important role in political socialization and develop political culture, attitude and perception between the rural women in a way to understand the political system in which they live.

Importance of the study area

Maximum number of the studies in this field had been carried out in the southern part of country but very few studies had been conducted in the northern region. Same as the participation of women in SHGs is quite high in south as compare to north. So there is great need to work with women SHGs. After seventy three years of the Independence in the Indian society women folk is on the

back foot of the socio-economic development. Their political participation in formal power structures is quite low at the higher levels where they have not been given reservation. Poverty related data is also an evidence of the imbalance between men and women. It is imperative to understand the role of micro-financing in the women development particularly in enhancing their decision making power in the politico of the Indian society. Without their active participation in politics it is not possible to visualize the true democracy in the country.

Methodology

Study is based on the primary and secondary sources. Primary data collected from respondents with the help of semi structured questionnaire. To feel the nerve of the respondents, informal interviews have also been conducted. Empirical data was also collected through focus group, prepared with some structure, a list of topics and trigger questions that aimed to use the group discussion to explore the topic further. All the members in the focus group participated because of their interest, involvement or knowledge in relation to the research issue. All the members were developing their ideas with different options and opinions to each other. Analytical approach adopted to conduct the study. Content analysis, tabulation further percentage methods was adopted to explain the data.

Sample and Sampling Method

The present study was conducted in Gram Panchayat Bassa of District Mandi of Himachal Pradesh(HP). Out of nine four wards were selected as a geographical unit, Keeping in mind that the different parts of the village be represented, six different SHGs were identified to conduct the study. In Bassa there are total twenty seven SHGs. Six SHGs in four wards selected on the basis of their active role in the village. All the members of these groups were administered the questionnaire for the present study. Total sample was comprised of 60 respondents.

Women Economic condition and Issues Related to the Empowerment

‘Workforce Participation Rate As per Census 2011, the workforce participation rate for females is 25.51% against 53.26% for males. Rural sector has a better female workforce participation rate of 30.02% compared with 53.03% for males whereas for urban sector. In Rural, Himachal Pradesh has maximum female workforce participation rate 47.4 percent’, (Census of India 2011). Economic empowerment of women is mainly based on their participation in decision making process with regard to raisings and distribution of resources, *i.e.* income investment and expenditure at all levels. However, women contribution to increased income into households does ensure that women necessarily benefit or that there is a challenge to gender inequalities within the household. Economic empowerment raises her capacity in the decision making process from the self to herself level to the society at large. She exerts influence in the political field as while she casts her vote, participation in the formal and informal political activities those have affect in the political decision also.

Status of women in Himachal Pradesh

Status of women in hill states is quite different due to prevailing topographical and geographical condition where women are involved in more physical activities outside home like work in the fields, orchards, and rearing animal and also engaged in small cottage industries. More and more women are also holding jobs in government offices and private sector as well. Various studies by scholars depict that women role has enhanced in decision making, planning and execution of the rural development schemes (like MNREGA) after increase in 50 per cent reservation to women under PRIs.

Women constitute 49.28% of the Himachal Pradesh total population and directly or indirectly they are contributing towards the economic development of the state. Women in Himachal are more empowered than other states in terms of education, employability and Income.

Name of the State	Sex Ratio	Female Rate	Literacy	Female Employment rate	Wage/ Salary earning per day in rupees	
					Rural	Urban
Himachal Pradesh	972	73.51%		30.23%	224.78	435.70
Haryana	879	55.73%		16.24%	202.04	330.10
Punjab	895	70.73%		14.03%	136.72	374.49

Source: Census of District 2011

The present study examines the women status in Himachal Pradesh as compare to adjoining states is far better. Women Status was compared on the basis of Sex ratio, literacy rate, working women status and wages and salary per day earning of the women.

Thesis 1: Himachal woman condition is better than the neighboring states. She has better opportunities and resources at her disposal. Socio-economic profile is also an indication of more gender equality in the state which is one of the pre-requisites for the empowerment.

Relevance of Self Help Groups (SHGs) for the women

Self Help Groups have become part and parcel of the rural community in India. Rural India is interrelated with the thickening web of such grassroots level organizations. It is important to look in the issue how far the SHGs have created desirable changes in the rural community to evolve the multifaceted equality in the Indian rural society. Economic deprivation and dependence has been considered to be the bottle necks in the political empowerment of the women. Many studies and general observations made this point clear.

Developing countries like India passing through transitional stage in the context of women position, role and status. Women are breaking the family and society barriers and coming out of their homes and working outside, start their enterprises. They are challenging the male domination, custom and traditions. After joining the SHGs women have been playing their duties as a wife, mother, a daughter as well as an investor, organizer, manager, promoter when they are engaged in their enterprises. In the political field to test this hypothesis women's economic viability enhances the chances of her political empowerment.

Participation of Self Help Groups in Panchayati Raj Institutions.

Women participation in PRIs is (57%in 2015 elections) higher in Himachal Pradesh in comparison to the national level. Main reason behind higher participation is 50% reservation for the female.. Karnataka has been the first state to introduce the policy of reservation in PRIs. Role of the women in politics is spelt out in term of her ability to influence the decision making of the state and their capacity for political organization and political participation. Rural women are less- aware regarding their ecology, illiteracy in the rural is higher as compare to urban areas. Neither they have any idea of their problems nor they have been given adequate opportunities to address their problems. Indian woman's life is more family oriented. Her work is more confined to the family jobs which are unpaid. She has little social exposure and does not participate in the group life. For her life is more mechanistic she does not have common platform to resolve her multi-dimensional problem those include social, economic and her personal problems etc.

In such a scenario SHGs are a ray of hope for the woman to meet their multiple needs. System of SHGs is the keystones of the woman development and her participation in the politics. It provides appropriate opportunities to her for the all-round development. Through the institution of the SHGs she gets exposure to become a part of such organization that builds self confidence in her. In short SHGs are elementary institutions. All activities of the SHGs are entirely different from their daily life. Woman becomes member of an organized group. Her group behavior differs from her individual behavior. She gathers courage to participate in the political formal and informal processes and institutions. Role of the women in politics is spelt out in the terms of their ability to influence the decision making of the state and their capacity for political organization and participation. In the past woman had lesser community life and her economic life was mainly limited to the unrecognised domestic work. This system was the biggest hassle for a woman to recognise her potential in the political arena. Woman was not able to to present herself as a candidate of a party. Neither she had courage nor financially viable to become part of the community life particularly political identity. When woman as a member of SHG participate in the Panchayati Raj Institutions she has a sharp vision and collective support of her group to face the challenges and register her identity in the political sphere. Women's increased political participation has yielded positive results: First, development issues are focused, including health, nutrition, family income and education, when the women participate in the PRIs, village development boards and other governance structures. Secondly, women have shown that they have critical information about community resources, are adept at managing funds, result in more inclusive governance and learn quickly about how to lead effective community- centered development.

- Women believe in constructive politics, their approach is more community oriented. Women are not to be part of family only they have become the part of whole community;
- Women are more interested in unstructured socio-political life;
- Financial hindrance is the major cause of ineffective participation of the women at the Panchayat level. Women participation in Gram Sabha and other informal political process like campaigning in local election, voting turn out is quite effective. The inference is economic hurdle pauses the challenges to social and political participation;
- 'SHGs members during their meetings, strongly reflect upon their concerns for issues such as alcoholism, sanitation, benefits of alternative energy sources for daily cooking, matters related to childcare and maternal health and . In some cases, women have been able to resist incidents of domestic violence at the hand of their alcoholic husbands. Similarly, women in groups have raised their voices with the administration for providing facility of potable water in their village, use of forest products as fuel, which saves their time with regard to collection of fuel and water;
- SHGs can be conceptualized as "communities for women" that provide social identity to all its members". This framework allows women to acquire the preliminary social abilities of negotiation and decision-making while they are engaged in community level actions. They often transgress their household boundaries and engage in collective activities such as alcohol banning, indigenous seed saving practice, organizing campaigns for maternal health and safe immunization. These activities, which reinforce a sense of "the self" can be individual or collective self among women; thus, empowerment beings in women; thus empowerment beings in contextualized manner', (Report of the Working Group on Empowerment of Women for the XI Plan 2006:14-15).
- SHGs have become an organized space to offer solidarity and collective identity to marginalized rural women and provided the possibility of credit at the doorsteps',(Srivastava, Lane& Dhal 2018 in YOJANA OCT,2018).

- *Thesis2:* Women group behavior is more constructive. Being part of community through SHGs they direct the development and their self-confidence provide pace to the micro development which can become the foundation of the edifice of the macro development.

Impact of the Self Help Groups on Decision Making

Women are the main decision makers in the area related to motherhood and housework. She is empowered to take decision where her male counterpart find himself uncomfortable or where he feels it is of lesser importance. Absence of women from political decision making has a negative impact on the entire process of political democracy which is measured through the voter turnout, free and fair elections, less importance is given to the gender equality in the political sphere. Her dismal position in the political community in India is result of economic and social positioning of the female in the society. SHGs are playing the role of the mediator for making women strong both economically and socially. Kerala and Tamil Nadu are the examples where women entrepreneurship and micro- enterprises have grown due to extensive support of SHGs. They have provided micro- finance, capacity building programmes by training women, and have nurture them with their financial support.

Impact of Self Help Groups on the Rural Power System (Panchayati Raj Institutions)

Self Help Group is an anti-dote of the totalitarian/ state everywhere. They provide a system which indirectly helps to generate the democratic values and participation at the mass level to the people. It is not affecting the women only but the entire system and society. 'Women are being increasingly seen as important contributors of the social health of nation. Hence women have to be encouraged to participate in country's development process itself. It is not just an ideal for a welfare state but imperative for the growth of an economy. There is growing emphasis on human resource development on one hand, several economic variables like income, employment and health status etc. (Raj 2006:335-341)'. SHGs have emboldened women financially and mentally. Felicitated the process of the opening of closed minds and improving the quality of life and their social status. Women through SHGs contributed their socio-economic and political share in the progress of country. Self Help Groups are not benefited only the group members but also the family and whole community and society. It is really adorable step for women partaking in the growth of nation. No nation can move without the equal participation of its citizen from each and every section of society.

TableNo. 5: Respondents Views Regarding Participation of SHGs Members in PRIs:

SR.NO	Participation of SHG.	Reposes	Percentage (%)
1.	Attend meeting of Gram Sabha	Yes	60%
		No	40%
2.	Questioning in the Gram Sabha	Yes	55%
		No	45%
3.	Express their views	Yes	51.67%
		No	38.33%
4.	Election campaigning	Yes	58.33%
		No	41.67%
5.	Contest election	Yes*	25%
		No	75%

According to the table 5 60% of the respondents regularly attend the meetings of the Gram Sabha and 40% respondents were not regular and not accustomed to attend the meetings. 55% respondents asked questions regarding the development schemes and PRIs. 51.67% respondents expressed their opinion in the meeting of the Gram Sabha, 58.33% respondents went to the election campaign with nominated candidates for the PRIs. Table 5 is the evidence of the direct relation between SHGs and PRIs. Both the institution is the fulcrum of the rural society of India. Both aimed to empower the marginalized section of the society.

Self Help Groups act as pressure group in rural power system. Women being the member of SHG are very active during the Panchayat elections as they believe in the group identity. They also select their candidates for the PRIs elections. Their participation in the rural elections starts from the selection of the candidates, participate in campaigning, bargain for their demand cast the vote and enthusiastically celebrate the results. They participate in Gram Sabha meetings and fix the responsibility and accountability through their Panchayat.

Thus above analysis indicates the participation of Self Help Groups in the PRIs. The SHGs plays an important role in political socialization and developed a political culture, attitude and perception between the rural women in a way to understand the political system in which they live.

Thesis 3: Micro financing has tremendous scope to change the existing condition of the women. SHGs as one of the medium of micro financing help the women to improve her economic condition and being member of the group she has say in the political arena. Her community life strengthens her position to be part of active politics.

Table 6: Respondents view Regarding Financial Dependence and Its Impact on Their Political Participation:

Reposes	Number of respondent	Percentage (%)
Yes	48	80%
No	12	20%
TOTAL	60	100%

Table no.6 indicates that 80% respondent's opined financial dependence is hindrance in the active participation of the women in local institutions. 20% of respondent does not find financial dependence as a hurdle to participate in PRIs. Table reveals that rural women folk is not able to register her effective participation in the PRIs due to financial dependence at the different level. In India election is an expensive affair at every level. Women do not have adequate resources without family support and at present party support she can not contest the election. In case of the women who contest the elections they are financially backed by the male folk and they act like puppets in the PRIs. In such conditions economic independence is the pre-requisite for the effective political empowerment of the women. It is clear from their response money is the basic factor to contest the election and it also applies on the grass root level. As this proverb '*Cash is King.*' But 20% of the respondents were very much confident upon their ability, quality of leadership. They believed that money is necessary but not everything. They completely denied this misconception about election. This is the biggest indicator of women empowerment.

Thesis4: SHGs increases individual financial viability and group also helps her to check her financial limitation.

Table No. 7: Opinion about Impact of SHG Membership in the elections of PRIs.

SR.NO	Participation of SHG.	Reposes	Number	Percentage (%)
1.	Voting behavior influenced by SHGs	Yes	35	58.33%
		No	25	41.67%
2.	Women participation enhanced by SHGs	Yes	51	85%
		No	09	15%
3.	Their intention to contest the elections without family support	Yes	16	26.67%
		No	44	73.33%

Table no.7 indicates that there is correlation between SHG membership and PRIS election. Majority of the members had positive view about the impact of the membership of SHG. They started involving themselves in the electoral politics. In the past they had little involvement in the elections. They are convinced that they are not mere voters. They contribute effectively in the PRIs. 26.67% of respondents intended to contest the election. 26.67% respondents is effective number in the rural India where women folk till today is confined to the four walls of the house. They were ready to contest the elections without the family support. It shows their support system has gradually shifted from the family to the community at large.

Thesis 5: Woman in rural areas has become more open. Her dependence on the family shrank and group life opened political avenues. She is more confident, independent, confident with the ability to make her decisions.

Findings

On the basis of empirical study and secondary sources derivations are:

SHGs as a method of micro-financing has proved effective source to transform the rural dismal woman to empowered woman;

By joining the SHGs she realised her potential and became confident woman;

Her improved economic condition widened her vision. She developed decision-making power which is not limited to four walls.

She realised her political position in the society;

Her involvement in the electoral politics and direct participation in the development is direct reflections of the 'empowered woman';

SHGs provided the woman platform to share her views and articulate their demands and interests;

Women's income and occupation structure under SHGs significantly influenced their standards of living, empowerment level and enhanced their leadership skills.

Conclusion

SHGs are the most effective institutions in helping woman in the attainment of high social status which also enhances her political role. It is also evident from the numerical data that women voter is not only influenced or guided by the family members they have their own outside circle which plays important role. They decide their vote keeping in mind the wide interests on the basis of the SHGs orientation. Most of the time, members of SHGs performed like pressure group or interest group during the election of the local bodies. Respondents cast their vote on the basis like quality of the leadership.

Proposed Future strategy

Women's voice needs to be nurtured through capacity building interventions. It is only when women move forward, the family moves, the village moves and the nation moves. As rightly said by Late Smt. Indira Gandhi "Women liberation is not a luxury for India but an urgent necessity to enable the nation to move ahead to a life which is more than satisfying materially, intellectually and spiritually".

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