

## ROLE OF SELF-HELP GROUPS IN EMPOWERING FARM WOMEN: A CASE STUDY FROM GORAKHPUR DISTRICT OF UTTAR PRADESH

S. B. Mishra, A. K. Srivastava, S. K. Yadav and R. C. Chaudhary

Principal Investigator, Senior Research Fellow, Field Assistant and Chairman  
Participatory Rural Development Foundation, Gorakhpur (U. P.) 273014

### ABSTRACT

Micro finance is emerging as a powerful tool for poverty alleviation in India. According to United Nations, micro finance institutions are the basic provider of small savings, micro credit and other basic financial services to poor and marginalized section like women. Despite substantial contributions of women to both household and national economy, their contributions are not recognized in the society. Rapid progress in SHGs and Bank linkage model has now turned into an empowerment movement among women in the country. From various empirical studies, it is found that micro finance through SHGs and Bank linkage model has enabled the members of SHGs to improve their socio-economic status. It also improves family savings, decision making process, self confidence among women section of our society. Micro finance is also necessary to overcome social exploitation and create confidence for self reliance among rural women and poor section of our society. Apart from the informal financial institutions, the formal and semi formal sectors also are taking much interest in providing micro finance to rural women in Uttar Pradesh. These financial institutions not only provide small savings and micro credit to women but bringing them together in organized banking sector. This paper highlights that micro finance through SHGs has a positive role in income, savings and investment of women in Piparaich & Khorabar Block of Gorakhpur District of Uttar Pradesh.

**Key words** - Micro finance, SHGs, Women empowerment, NABARD, Micro credit, SHGs and Bank linkage model.

## INTRODUCTION

Women in India are the victims of a multiple socio-economic and cultural factors. They are an integral part of our economy. Empowerment of rural women is a necessary condition for nation's economic development and social upliftment. The formation of SHGs is not only a micro credit project but also an empowerment process. According to Ledger wood (1999) micro finance generally include savings and credit but can also include other financial services like insurance and payment services. Therefore, micro finance involves the provision of financial services such as savings, loans and insurance to poor people living in urban and rural settings who are unable to visit formal financial institutions. The term micro finance can be used interchangeably with the term micro credit. However the term micro finance has a broader meaning than the micro Credit, as it covers financial services like savings, insurance etc., on the other hand, micro credit covers only purveyance of loans in small quantity. The important characteristic of micro finance is to provide financial services through groups of individuals. In this connection micro finance with self-help groups (SHGs) play an effective role for promoting women empowerment. It is not only an effective tool to fight against poverty, but also as a means of promoting the empowerment of marginalized sections of the society. Micro finance institution started in India in 1980s through SHGs model. On the other hand, Grameen Groups model was initiated by Bangladesh Grameen Bank and is being used by some of the Micro Finance Institutions (MFIs) in our

country. This model was first introduced by Nobel Peace prize (2006) winner economist Md. Yunus. Microfinance is emerging as a powerful instrument for poverty alleviation in the global world. In India, Microfinance scene is dominated by Self Help Group (SHGs)-Bank Linkage Programme as a cost effective mechanism for providing financial services to the poorer section and women, which has been successful not only in meeting financial needs of the rural poor women but also strengthen collective self help capacities of the poor, leading to their empowerment. Rapid progress in SHG formation has now turned into an empowerment movement among women across the country. Women's access to credit and their emerging role in productive purposes like participation in national income has got recognition in the first international Women's Conference held in Mexico in 1975. This led to the setting up of the Women's World Banking network and production of manuals for women's credit provision. Other women's organizations world-wide set up credit and savings components both as a way of increasing women's incomes and bringing women together to address wider gender issues. Concern with women's access to credit and assumptions about contributions to women's empowerment are not new. From the early 1970s women's movements in a number of countries became increasingly interested in the degree to which women were able to access poverty-focused credit programme and credit cooperatives. After poverty reduction campaign, empowering women was the second

important goal which was reinforced by the Micro Credit Summit in 1997. Micro finance through SHGs for women has recently been seen as a key strategy not only for poverty alleviation programme but also on gender equality and health.

### Concept of Self Help Groups

A Self-Help Group (SHG) is a group that consists of about 10 to 20 persons of a homogenous class who come together with a view to address common problems. Voluntary savings are collected on a regular basis and the pooled resources are used to make small interest bearing-loans to members. In the dark environment of credit indiscipline, Women's Thrift and Credit Societies have emerged as torch bearers of thrift and self-reliance (Parthasarathy, 2003). In performing this function, they also emerge as training grounds for economic democracy of women.

SHGs have become a powerful source for identification of problems and intervention. Regular meetings of the SHGs serve as a useful forum to women who otherwise live in isolation. Besides focusing on entrepreneurial development of the beneficiaries and the village as a whole, the groups undertake the responsibility of delivering non-credit services such as literacy. Adult education hopes to remedy the educational deprivation of the adult population in order to develop their full potential and make the development process self-reliant and self-generating in regard to opportunities and initiative.

Women's SHGs are spreading a silent

revolution in terms of economic and social empowerment across poverty-stricken swathes of rural India (Roy, 2006). Jawaharlal Nehru has rightly stated, "The greatest revolution in a country is one that affects the status and living conditions of its women" (Thenmozhi *et al*, 2002). Remedios (2006) quotes Patankar-Mhaiskar who characterizes the SHG movement of tribal women as a revolution of sorts. The study substantiated the view that the normally submissive and weaker sections suddenly begin to feel empowered. Small economic activities may not even make a dent on the economy of the State but they work wonders for the rural woman who is otherwise at the mercy of her environment.

### Meaning of Women empowerment

Women empowerment means emancipation of women from the vicious grips of social, economic, political, caste and gender-based discrimination. It means granting women the freedom to make life choices. Women empowerment does not mean deifying women rather it means replacing patriarchy with parity. In this regard, there are various facets of women empowerment, are- Human Rights or Individual Rights, Human Rights or Individual Rights, Social Women Empowerment, Educational Women Empowerment, Economical and occupational empowerment, Legal Women Empowerment, Political Women Empowerment (.iaspaper.net/women-empowerment). In this regard Swami Vivekananda may be quoted "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." Inclusion of "Women Empowerment" was one of the primary objectives in the eight Millennium Development Goals.

According to UNDP Report, 2013 "Unless people can participate meaningfully in the events and processes that shape their lives, national human development paths will be neither desirable nor sustainable (Thaungamani and Muthuselvi, 2013). People should be able to influence policymaking and results, and young people in particular should be able to look forward to greater economic opportunities and political participation and accountability" (Chawla, 2013; Chetan and Kahn, 2002; Nasir, 2013).

The author has observed that self-help groups (SHGs) have facilitated to improve economic development of women. Based on the field study the author has presented few cases drawn from different parts of the country (UNDP, 2013). And before discussing the cases the meaning of self-help group is

presented here. According to FAO, SHG is "An informal association of individuals formed to accomplish certain objectives". Further, "An association whose members agree to work together for common objective. Donors and the Governments organize SHGs as a means of development" (UNDP, 2013).

## Objectives

The main objectives of the study are:

- 1) To study the performance of Self-Help Groups in Piparaich & Khorabar Block of Gorakhpur District, U.P.
- 2) To know the social and economic condition of the women members of the self-help groups in the project area.
- 3) To know the savings habit of the members of self help groups.
- 4) An effort is also made to suggest the ways to increase women empowerment through self help groups in the study area.

## Methodology

The study is based on descriptive type of research. The study is based on primary and secondary data (Chawla, 2013; Chetan and Kahn, 2002; Nasir, 2013). Secondary data are collected from various books, journals, articles, working papers etc. Primary data are collected through a field survey in the study area. A structured interview schedule is prepared and used for collecting data from women members of self help groups. Both open ended and close ended questions are included in the schedule.

This study is conducted in Piparaich & Khorabar Block of Gorakhpur District, Uttar Pradesh through a field survey to get an insight of the benefits and challenges faced by women in SHGs. Although there are 355 numbers of self-help groups in the study area, the researchers have taken 12 numbers of self-help groups run by women of the area. In these groups the numbers of women participants are only 168. It is a qualitative survey because the sample size is not large enough to use data for a proper empirical study. However, lot of data is gathered by direct personnel interaction with the members of the SHGs on a qualitative basis as done by Thenmozhi et al. 2002).

## Results & Discussion

The study area is confined to the Piparaich & Khorabar Block of Gorakhpur District in Uttar Pradesh. Both rural and urban parts of the district cover the study area. Khorabar is a Block located in

Gorakhpur district in Uttar Pradesh. Situated in urban part of Uttar Pradesh, it is one among the 19 blocks of Gorakhpur district. As per the government records, the block code of Khorabar is 637. The block has 93 villages and there are total 31786 homes in this Block. Khorabar's population is 203,081. Out of this, 104,129 are males whereas the females count 98,952 here. This block has 31,468 children in the age bracket of 0-6 years. Among them 16364 are boys and 15104 are girls. Literacy rate in Khorabar block is 56%. 115356 out of total 203081 populations are educated here. In males the literacy ratio is 66% as 69540 males out of total 104129 are literate while female literacy ratio is 46% as 45816 out of total 98952 females are literate in this Block. The Negative part is that illiteracy ratio of Khorabar block is 43%. Here 87725 out of total 203081 persons are illiterate. Male illiteracy ratio here is 33% as 34589 males out of total 104129 are uneducated. In females the illiteracy rate is 53% and 53136 out of total 98952 females are illiterate in this block.

The Piparaich block is situated in Gorakhpur district in Uttar Pradesh. Situated in rural & urban both part of Uttar Pradesh, it is one of the 19 blocks of Gorakhpur district. According to the administration register, the block code of Piparaich is 638. The block has 86 villages and there are total 30220 homes in this Block. Piparaich's population is 188645. Out of this, 97118 are males whereas the females count 91527 here. This block has 28183 kids in the age bracket of 0-6 years. Out of this 14605 are boys and 13578 are girls. Literacy ratio in Piparaich block is

57%. 108074 out of total 188645 populations are literate here. Among males the literacy ratio is 68% as 66235 males out of total 97118 are educated whereas female literacy ratio is 45% as 41839 out of total 91527 females are educated in this Block. The Negative part is that illiteracy ratio of Piparaich block is 42%. Here 80571 out of total 188645 people are illiterate. Male illiteracy rate here is 31% as 30883 males out of total 97118 are illiterate. Among the females the illiteracy ratio is 54% and 49688 out of total 91527 females are illiterate in this block.

There are 178 numbers of self-help groups which are run by the people in the study area. Out of these self-help groups only 76 numbers of self-help groups are run by male members. It shows that the women folk in the area take active part in economic upliftment of their family. To empower the women section, emphasis is laid on self-help groups approach. For this study the name of self-help groups are randomly selected. Out of these groups, twelve numbers of self-help groups are selected for the study and found that each member of the respective groups contribute a monthly fees as savings and they have an

account in the Purvanchal Bank and other formal financial institutions. Thus they help in running self-help groups and Bank linkage programme for their financial inclusion. The activities of these self-help groups are mainly concentrated in the following economic activities like farming of cash crops, tailoring, goatery firms, poultry firms & making of chips etc. The income comes from these activities are deposited in the respective Banks and the members of these groups take loans from Bank at a subsidized rate time to time. But the successes of these self-help groups are not satisfactory due to lack of financial literacy amongst women of the area. They face many problems in running the functions of self-help groups because of illiteracy and lack of regular income. On the other hand there is no coordinator from financial institutions who can give proper information to them regarding financial inclusion. The numbers of formal financial institutions are also far away from the study area and infrastructural facilities are also very poor. The number of Self Help Groups (SHGs) surveyed by the researchers, it's members, activities performed, amount of loans given in Table 1.

**Table 1. Details on number of members, savings, loan taken and livelihood activity of Self-Help Groups (SHGs) in Gorakhpur district.**

S. N.	SHGs Name	No. of members	Total savings (In INR)	Loan obtained (In INR)	Livelihood activity
1	Sataguru mahila self help group	16	43200.00	125000.00	Goatery, Tailoring
2	Maa mahila self help group	12	36960.00	75000.00	Goatery, making chips
3	Durga mahila self help group	14	43540.00	140000.00	Goatery, Tailoring
4	Sundaram mahila self help group	13	36620.00	80000.00	Goatery, Tailoring
5	Laxmibi mahila self help group	11	24860.00	100000.00	Goatery, Poultry
6	Maharani mahila self help group	16	25290.00	70000.00	Goatery, Poultry
7	Meerabi mahila self help group	12	22460.00	80000.00	Goatery, Poultry
8	Sarswati mahila self help group	13	42416.00	120000.00	Goatery, Poultry
9	Radha mahila self help group	16	38240.00	100000.00	Cash crops, Poultry
10	Jai Mata Di mahila self help group	16	26980.00	55000.00	Goatery
11	Bholai Nath mahila self help group	13	25560.00	100000.00	Goatery
12	Budha mahila self help group	12	37460.00	85000.00	Goatery

### **Outputs**

The outputs of this study are mentioned below-

- ❖ The social profile of self-help group members indicates that majority of members are from BC & ST/SC background.
- ❖ It is found that individual members of SHGs saving Rs. 30 to Rs.150 per month.
- ❖ There is a significant improvement in saving habit of women in the study area and the inclusion of formal financial institutions through self help groups.
- ❖ From the study it is found that the operational efficiency of the SHGs is not same.
- ❖ 70% respondents accept that they play an important role in decision making which is an important factor of women empowerment.

- ❖ Micro finance through self help groups improves the literacy levels of women and also improves their awareness on child education & livelihood stock.
- ❖ Women are economically and socially empowered after getting micro finance through self help groups as most of the respondents reported that their poverty level has reduced than earlier.
- ❖ Women's access to SHGs has enabled them to make a greater contribution to household income and enable them to bring about wider changes in gender inequality.
- ❖ It is found that micro finance through SHGs helps to improve the economic conditions of the women section and it has brought mental satisfaction to their family members.
- ❖ The SHGs disburse internal loans for consumption and production purposes for the members. The member of SHGs perceives several benefits as economic independence, self confidence, provision of saving and freedom from debts.

Similar inferences on the outputs and observations on women entrepreneurs were made by others also

([https://en.wikipedia.org/wiki/Gorakhpur\\_district](https://en.wikipedia.org/wiki/Gorakhpur_district);

[www.census2011.co.in/census/district/Gorakhpur.html](http://www.census2011.co.in/census/district/Gorakhpur.html) ;

<http://www.iaspaper.net/women-empowerment-in-india> ).

### **Suggestions**

The suggestions are forwarded for promoting SHGs and Bank linkage programme in the study area for empowering rural women-

1. The SHGs should open Bank A/C in the nearby bank where the organization or groups are formulated (Chawla, 2013; Chetan and Kahn, 2002; Nasir, 2013).
2. The group should maintain proper accounts records, savings records and loan register.
3. The rural people, especially the women community should be educated about the various financial services and products offered by various financial institutions and banks.
4. Due publicity should be given to success stories of women entrepreneurs (Remedios, 2006).



## **CONCLUSIONS**

Women constitute nearly half of the world's population. But how many women have any idea on empowerment? In India, majority of our population live in rural area and women living in rural India have no idea about the importance of women's empowerment as they are not properly educated. Women have been playing an important role for the socio-economic development of the society since time immemorial. They are considered as the back bone of a family. But women in particular often bear the brunt of poverty and limited access to economic opportunities, including unfavorable financial access. Thus it is very important to empower the rural women through self-help groups for economic development. From the study, it is found that micro finance through self-help group is helping the poor and upgrading women empowerment by making them financially strong. SHGs have increased their habit of savings and investment in some developmental activities. Thus it is universally accepted that SHGs and Bank linkage programme has profound influence on the economic status, decision making process and level of dependence of women in India.

## **Acknowledgement**

Funded by the department of Biotechnology (DBT), Ministry of science & technology,

Government of India, under the project "Biotechnology – Led Empowerment of Farm Women". We thank them profusely for their generous support. We are also thankful to the 1000 women farmers of the project who provided the needed information related to empowerment of farmwomen through SHGs. We are also grateful Dr. Arun Ninawe, and Dr. Shahaj Uddin Ahmed of the Department of Biotechnology, Ministry of Science and Technology for their advices given from time to time.

## **REFERENCES**

- Chawla, S. 2013. "Micro Finance: A tool for Poverty alleviation", published in IJRESS, Volume 3, Issue 1 and ISSN: 2249-7382.
- Cheton, S. and Kahn, L. 2002. "Empowering women through micro finance", Unpublished Background paper for the micro credit summit 15, New York.
- Nasir, S. 2013. "Micro Finance in India: Contemporary Issues and Challenges", Publication IDOSI, ISSN: 1990-9233.
- Sharma, A. 2012. "SC/ST Employment Guarantee: Women's employment in rural India by MGNREGA," International Journal of Human Development and Management sciences, Vol.1, No.1.ISSN: 2250-8714
- Thangamani, S. and Muthuselvi, S. 2013. "A Study on Women Empowerment through Self- Help Groups with Special Reference to Mettupalayam Taluk in Coimbatore District," Jour. Business and Management, Vol. 8 (6), and e-ISSN: 2278-487X.

UNDP "Human Development Report 2013".

---

Roy, S. K. 2006. "Shubhra Project: An Overview "Financing Agriculture. Jour. Agriculture & Rural Dev. Vol. 38 (3), Agricultural Finance Corporation Limited, Mumbai.

Thenmozhi, G., Chandrakantha, J. and Jayabalan, J. 2002. "Women Entrepreneurs in Coimbatore Distric of Tamil Nadu in Madurai City", In: Soundarapandian M. (ed.) Small Scale Industries, 2, Management, Concept Publishing Company, New Delhi.

Remedios, F. 2006. "Media Should Highlight Rural Success Stories", The Free Press Journal, Mumbai, Wednesday, June 15.

[https://en.wikipedia.org/wiki/Gorakhpur\\_district](https://en.wikipedia.org/wiki/Gorakhpur_district)

[www.census2011.co.in/census/district/Gorakhpur.html](http://www.census2011.co.in/census/district/Gorakhpur.html)

<http://www.iaspaper.net/women-empowerment-in-india>

