

# Empowering Women Through Self Help Groups: A Case Study On Dirak Of Assam, India

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*Abstract: Women empowerment is a process in which women challenges the existing norms and culture to promote social and economical aspects in the society. This study addresses women empowerment through Self Help Groups in Dirak of Tinsukia District, Assam, India. The various dimensions of empowerment such as economic, socio-cultural, interpersonal and political dimensions are studied. The women gained freedom, strength, self-identity and increases the levels of confidence. Besides, involvement in SHGs has enabled women to have a voice in the community affairs and they have been able to tackle problems and have gained power over decision making in the household. Further, by participating in SHG program, they able to increased the habits of savings, self-confidence, living standards, etc. Of course, source of finance is one of the barriers in development and functioning of the SHGs. There is an urgent need to streamline the procedure for applying, seeking and realizing of credit from the banks.*

**Keywords: Women empowerment, Self Help Group, Micro Finance, Bank Linkage Programme.**

## I. INTRODUCTION

Women constitute half of the population in the society. They have been playing significant role both in the social and economic fronts. Women as mother and care-takers contribute to human resource development. Therefore, women's welfare, accessibility to development and participation in the decision making process are imperative in the context of their municipal roles in the society. In recent times, empowerment of women has emerged as one of the significant inputs in the development process.

Empowerment is a process aimed at changing the nature and direction of forces, which marginalize women in a given socio-economic development. It is also very much related to women's solidarity, strength and collective action. It is linked to the issues of social justice and equality in the society. It can be understood as a process of enabling women to acquire and process power resources in order to make decisions or resist the decisions that are made by others which affect women. Hence, the process of gaining greater control over the source of power is considered as empowerment. Thus, the key elements in the process of empowerment are enabling and providing power and they reinforce each other. The process of

empowerment also refers to the act of challenging the exiting inequality, power relations and more control over resources to women. Many strategies and programmed have been designed and implemented for empowerment of women for improving their accessibility to credit.

SHGS originated from the Garmin Bank of Bangladesh, which was founded by Muhammad Yuen's. SHGS were started and formed in 1975. In India NABARD initiated SHGs in 1986-87. But the real effort was taken after 1991-92 with the help of banks.

## II. NEED AND SIGNIFICANCE OF THE STUDY

India is a rich country inhabited by a large number of people. India's Five Year Plans have focused on increasing the Gross Domestic Product (GDP) and eradicating the poverty by providing more employment opportunity to the unemployed men and women. The growth rate in the GDP at factor cost was 9.6% during 2006-2007 and it is expected to grow at 6% plus during 2009-2010 According to NSSO report, the unemployment in India among work force was 7.49 million in 1992-1993, 12.3 million in 2004-2005 and about 18.6 million

in 2018-19. The people below poverty line in India are around 20% of total population. All the above factors are equally applicable to the area Dirak which is one of the backward places of Tinsukia District of Assam.

The growth and development of SHGs in India in general and study area in particular has been tremendous. "The number of SHGs financed by banks in India has increased from 32,995 in 1992-1993 to 2476492 in 2006-2007. The loan disbursed to these SHGs went up from Rs 571 million in 1992-1993 to Rs 135,119 million in 2006-2007 (Annual reports of NABARD 1992-1993, 2006-2007). The number of households benefited under SHG programme is more than 32.98 million. Lot of progress in SHG movement took place in Dirak. However, the poverty, unemployment, illiteracy, low industrialization, male dominance, etc. still exist in the study area.

Micro Finance is emerging as a powerful instrument for poverty alleviation in the new economy. Micro-Finance refers to a collection of banking practices built around providing small loans (typically without collateral) and accepting tiny deposits. In India, micro finance scene is dominated by SHGS-Bank Linkage Programme, aimed at providing a caste-effective mechanism for providing financial services to the unreached poor. Based on the philosophy of peer pressure and group savings as collateral substitute, the SHG programme, has been successful in not only in meeting the peculiar needs of the rural poor, but also in strengthen collective self-help capacities of the poor at the local level, leading to their empowerment.

Micro finance for the poor and women has received extensive recognition as a strategy for poverty reduction and for women's economic empowerment. There good reasons to target women, Gender equality turns out to be good for everybody. The World Bank reports that societies that discriminate on the basis of gender have greater poverty, slower economic growth, weaker governance, and a lower standard of living. Women are poorer and more disadvantages than men.

For micro finance programme to be cost-effective in bringing about the empowerment of women, it would require (i) Providing business training, (ii) Investing in women's general education and literacy, (iii) Providing guidance in balancing family and work responsibilities, (iv) Providing a forum for dialogue on social and community problems, (v) Giving women experienced in decision-making, promoting women's ownership control and participatory governance in their micro finance programme.

### III. OBJECTIVE OF THE STUDY

The overall objective of the present study is to analysis women empowerment through Self Help Groups with respect to the SHG members in Dirak of Assam. The specific objectives are given below

- ✓ To find out the change in socio-economic condition of SHG members.
- ✓ To find out the overall empowerment of SHG members.
- ✓ To examine the impact of SHG and micro-credit on women empowerment.

### IV. SCOPE OF THE STUDY

The current study which is basically a research study provided an opportunity to bring awareness among women about their situation and providing awareness of rights and opportunities as a step towards gender equality. The scope of the present study is to examine the socio-economic impact of the SHG on the beneficiaries. It examines how far the programme has helped in raising the incomes and levels of living of the rural poor women and in enabling them to cross the poverty line. The present study is from the standpoint of SHGs and their members. The study also attempts to compare the quality of SHGs on several parameters between the sample SHGs of different villages.

### V. BRIEF PROFILE OF THE STUDY AREA

DIRAK is situated in the district of Tinsukia, Assam. This is economically the most backward area of Tinsukia district. This region is full of paddy fields and orange gardens extend to acres. Over the decades it has seen various developments in the field of education. This area is situated near Arunachal Pradesh Border (Dirak Gate). Distance from Tinsukia to Dirak is 50 Km. Dirak area is a pollution free place in upper Assam.

### VI. METHODOLOGY

For the purpose of present study, 600 respondents were selected from 50 SHGS, from Dirak of Tinsukia District. Five villages viz. Soonjan, Simaluguri, Navajyoti, Bordirak and Amguri were selected for this study. This is purely a descriptive study

| Sampling Frame of the study |             |             |
|-----------------------------|-------------|-------------|
| Name of Villages            | No. of SHGs | SHG members |
| SOONJAN                     | 10          | 100         |
| SIMOLUGURI                  | 10          | 115         |
| NAVAJYOTI                   | 10          | 140         |
| BORDIRAK                    | 10          | 125         |
| AMGURI                      | 10          | 120         |
| Total                       | 50          | 600         |

Table 1

In this study, primary data was collected directly from respondents with the help of pre-designed questionnaire. The primary data were collected during the year 2019. The data included information on fund size, and volume of savings, occupational status and functions of the groups, loan disbursed, and external assistance received, etc. Data was collected by door to door survey of the official members of the SHGS.

The secondary data are collected from various reports of the government, NGOS, NABARD, DRDA, Assam Gramin Vikash Bank, documents of SHG, journals and websites.

## VII. BANK LINKAGE PROGRAMME OF SELF-HELP GROUPS

The Self-Help Group Bank Linkage Programme (SBLP), which started as a pilot programme in 1992 has developed with rapid strides over the years. SHG-Bank Linkage Programme was started on the basis of recommendation of S.K. Kalia Committee. Under the SBLP, the following three different models have emerged:

Model 1: SHGS promoted, guided and financed by banks

Model II SHG promoted by NGOs/government agencies and financed by banks

Model III SHGS promoted by NGOs and financed by banks using NGOs/formal agencies as financial intermediaries

Model II has emerged as the most popular model under SBLP programme. Commercial banks, co-operative banks and the regional rural banks have been actively participating in the SBLP.

In 2009-2010, 159 million new SHGs were credit-linked with banks, and bank loan of 14,453 cores including repeat loan was disbursed to these SHGS. Further, at end-March 2010, 695 million SHGs maintain savings accounts with banks.

On an average the amount of savings per SHG was 8,915 as compared to the amount of credit outstanding of 57,795 in 2009-2010. While there was a continued increase in the amount of credit outstanding per SHG, there was a fluctuating trend in the amount of savings per SHG in the recent years.

The study reveals that the SHG-Bank Linkage Programme has:

- ✓ Reduced the incidence of poverty through increase in income and also enabled the poor to acquire assets and thereby reduce their vulnerability.
- ✓ Empowered women by enhancing their contribution to household income, increasing the value of their assets and giving them better control over decision making.

## VIII. ANALYSIS AND INTERPRETATION OF DATA

Regarding age of the respondents it is found that 50% of the respondents are in the age of 20 to 40 years followed by 41% respondents are in the age of 40 to 60 years, 3% respondents are in the age of less than 20 years and 6% in the above 60 years. The majority of women in SHG are found to be relatively young

In case of educational status of respondents it is observed that 38% of respondents are illiterate, 35% with primary education, 13% with High School level education, 9% with Secondary level education and 5% of respondents are Graduate level. When collected data on Social Status of the Respondents it is revealed that 68% of the respondents are drawn from other backward caste followed by 32% Schedule Castes. And there has no any Schedule Caste/ Tribe in the study area. Thus, most of the respondents are drawn from socially drawn trodden communities.

Regarding occupation it is observed that 73% of respondents are involved in agriculture followed by 9% are involved in Caste Based Services and 8% are involved in other

sources. Thus, the occupations of the most of the respondents are agriculture.

Collecting data on Income of the Respondents it is observed that before joining in SHGS, 55% of the respondents earned less than Rs. 2000 per month, 25% of the respondents earned between Rs 2001 to Rs 4000, 15% of the respondents earned between, Rs 4001 to Rs 6000 and only 5% of the respondents earned above Rs 6000 per month.

After joining in SHG, 42% of respondents able to earn between Rs. 2001 to Rs. 4000 monthly followed by 30% of respondents able to earn between Rs 4001 to Rs 6000, 20% of respondents able to earn between Rs. 6,000 to Rs. 8,000 and 8% of respondents are getting above Rs 8,000. Thus the most of the respondents increased their monthly income by involving with SHG.

Data was collected to know the fact of joining SHGs by the respondents. It is observed that 35% of respondents joined the SHG to support the family financially, followed by 20% of respondents joined the SHG to get loans, 17% of respondents joined the SHG for Business purpose, 15% of respondents joined the SHG for increasing savings and 13% of respondents joined the SHG for other purposes. Thus the main reason to join the SHG is to support the family with an extra earning.

While data was collected regarding investment made for growing money in future, it is observed that 65% of respondents are investing for growing money and 35% of respondents are not do investment for growing their money. Most of the respondents invest money in various fields after getting their loan.

By the study it is revealed that 56% of the respondents enhanced this communication skills and they able to communicate with their mandal level officers whereas 44% of the respondents didn't enhance their communication skills.

One of the most important points of this study is to study about the enhancement of decision making skill among the members of the SHGs. From the study it is observed that 62% of respondents increased their skill of decision making in agricultural sector whereas 38% of respondents didn't increased their skill of decision making. 55% of respondents increased their decision making skill in other activities in their family and 45% of respondents are not in a position to take decision in the other activities in their family.

## IX. FINDINGS OF THE STUDY

Based on the interviews and discussions with the group's members and group questionnaire survey results, the following findings emerged:

It is found that the operational efficiency of the SHG is not similar in all villages. This could be attributed to several factors like background of SHG formation, internal problem, support provided by the promoters, effective leadership, etc.

The members had joined the group in order to earn more income, promote savings habits and to develop collective economic and social activities

The groups maintain cashbooks, passbooks and attendance registers. The members in-charge of accounts are being given training in book keeping. But the members who

looks after all these secretarial works is not paid any financial incentive.

The majority of women in self Help Groups are found to be relatively young. 38% of respondents are illiterate, 35% of respondents are studied primary level education.

Most of the respondents are drawn from socially downtrodden communities.

The occupations of the most of the respondents' family are agriculture.

Before joining in SHGS, 55% of respondents were got less than Rs 2000 and after joining in SHGS, 25% of respondents are getting monthly income between Rs 2001-4000. Most of the respondents stated that they were joined in SHGs to support their respective families.

Most of the respondents invested their money after getting their loan in various fields

56% of respondents increased their communication skill. 62% of the respondents increased decision making in agricultural sector and 55% of the respondents increased their decision making in other activities in their families.

## X. SUGGESTIONS

### A. SUGGESTIVE MEASURES FOR GOVERNMENT

1. It is observed that members of SHGs are facing the problem in administrating the affairs of its business. It is suggested that suitable administration training to all the members of SHGs should be initiated or at least the administrators and representative of the groups may be involved in administrative training initially. The same may be extended to other members gradually. Further, extension participation programme may arrange with extension agencies for the SHGs to visit their business houses to know the functions and its administration. This extension participation programme will create awareness and skills of business. It is also observed that SHGs were faced the problem of inadequate finance. Loan from financial institutions and government is one of the basic components to start an activity. And women be financially sound only when loan is sanctioned sufficiently. Loan amount should be increased to the extent that they can take up an income generating activity.

Most of the members of SHGs are illiterate. Only a few of the members have completed their VI standard. Education plays a crucial role in administering the affairs of the business. Hence it is suggested that adult education system may also be adapted to the members of SHGs to upgrade their educational status.

It is also observed that the performance in repayment of loan of many groups is poor. It is suggested that incentives may be taken for prompt repayment. This will catch the attention of the groups to repay the loan. Further motivation is required for prompt repayment of loan.

### B. SUGGESTIVE MEASURES FOR SHG-BANK FOR LINKAGE PROGRAMME

Women's needs are not confined to self employment. The programme should be designed on the basis of need of woman

at the micro level. Planning self employment for woman needs a multi pronged strategy.

The various categories of financial institutions in rural market have exhibited different potentials in serving rural woman. This is needed to synchronize their efforts so that their work becomes supplementary as well as complementary to them.

Bankers and branch manager in any case should be close to the communities they serve. There is an urgent need to streamline the procedure for applying, processing and realizing of credit from the banks. The procedural difficulties are one of the major barriers, which have deterred woman from financial benefit from the banks. Therefore the procedure for credit access should be easy and simple. The customer contract programs, especially for women, should be organized to disseminate of various schemes and financial requirements of women.

### C. SUGGESTIVE MEASURES FOR SHG MEMBERS

A fully mature SHG is one that achieves freedom to independently handle issues of its internal practices both financial and non-financial. The groups should be able to handle its leadership problems and conflicts successfully. It should also be in a position to maintain its records and other books of accounts independently. The group should be financially viable. It can achieve only when the groups able to cover its operational costs from its own income. All the members must be active in the group. The president of the group should assign work to each of the members with responsibility. The member will be liable to the work assigned to him/her. The president of the group should have the quality of leadership with proper communication skill. She also must keep contracts with block offices, panchayats, banks, NGOs etc. in order to get information. The group members should attend training programmes. The group leader should allow every member to attend such training programmes rotationally.

## XI. CONCLUSION

SHG members, learning from the past experience, are marching ahead for a bright future. The women are empowered through the SHGs in the area of Dirak of Tinsukia District in Assam. The major findings in the study justify the greater role played by the SHGs in enhancing empowerment of women, by making them financially strong, as well as helping them to save and invest for further development.

Woman empowerment enables the women to realise their identities, potentiality and power in all walks of their lives. The real empowerment of woman is possible when a woman has increased access to economic resources, more strength and source for entering into power structure, more involvement and confidence and more say in the family matters. Women should be willing to take additional efforts for building a mindset which is suitable for their overall empowerment. Also, people who are related to them should support them and help them increase their confidence. SHG is a viable

alternative to achieve the objective of rural development and specially woman empowerment.

The SHGs are linked with the banks for external credit under the projects of rural development. They provide assistance for various entrepreneurial activities such as settings up small shops, vegetables shops, tailoring units, etc. Besides focusing on entrepreneurial development and empowering women, SHGs concentrate on all-round development of the beneficiaries and their village as a whole. The groups undertake the responsibility of delivering non-credit services such as literary, health and environmental issues. The concept of SHG moulds women as responsible citizens of the country and raise their social and economic status.

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