



SELF-HELP GROUPS (SHGS) AS A PATHWAY TO GENDER EQUALITY AND WOMEN EMPOWERMENT – A CASE STUDY OF KARNATAKA STATE

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Abstract

Women play a significant role in the socio-economic growth of a nation. In India more than 49% of rural population are women; however, deprived of their deserved rights, life choices, status and social dignity. In spite of their equal contribution with men to the family and society at large; remained just as unsung and marginalized segment of rural population. In a patriarchal male dominant and gender biased society; the voice of women heard only if they are able to achieve economic independence and access to productive resources. This paper aims at understanding how the Self-Help Groups (SHGs) created an environment for the rural women to achieve economic independence and gender equality.

Keywords: Self-Help Groups (SHGs); Women Empowerment; Gender Equality; Economic Independence.

INTRODUCTION

“The Strength of Women is not measured by the impact that all her hardships in life have had on her; but measure by the extent of her refusal to allow those hardships to dictate her and who she becomes” - C Joy Bell C

One of the serious problems in recognizing the contribution of women to the economy of the nation and its development is that the most of the work and productive activities of the women are not documented and accounted; since majority of the work that the women render are not quantitative to measure

but qualitatively productive and supportive in nature. The majority of the women in India are restricted predominantly to the household chores, agricultural and related activities, etc.

Government of India has launched nation-wide programmes to empower women and attain gender equality. Government of India has made a special budget allocation viz., Gender Budgeting with a mission – “Budgeting for Gender Equality” since 2005-06. The Gender Budgeting focus observed a paradigm shift to empower rural women to enable them to have an access to productive financial and material resources to attain economic empowerment and independence. Gender Budgeting included various policy and programme initiatives to provide a mechanism to reduce gender inequality, especially in rural India. Ministry of Women and Child Development (MWCD) acting as an agency to carry-out and monitor taken initiatives to empower rural women through gender budgeting schemes and programmes¹.

One of the studies on Gender Equality conducted by the World Economic Forum shows that India is positioned as low as in 114th rank globally with a Gender Equality Score of 0.65 points (out of 1.0 point maximum scale) for the year 2014 in the list of the Global Gender Gap. However, there has been a marginal 1.6% positive growth reducing the gender gap in a patriarchal society of India during the period between 2006 and 2014. The position of India in this global rank list is really disappointing comparing to the neighbouring nations like

Bangladesh (0.7 with an improvement of 11.2% from 2006 to 2014), Srilanka (0.69) and China (0.68). This Gender Equality score estimation was made considering four important components of women empowerment – economic participation and opportunity, health and survival, educational attainment; and political empowerment. As show in the chart below, the health and survival component shows a declining trend during 2006 and remains almost constant thereafter. The educational empowerment is just satisfactory with a marginal increase in the gender equality score and is evident that percentage of women enrolling in educational institutions at all levels has been increasing and improvement in women literacy rate reducing the gap between men and women.

What is Women Empowerment?

Empowerment refers “developing a socio-economic environment in which women can make decisions on their personal choices independently”. To be specific, women empowerment means enabling women to participate actively in social, economic and political endeavours at family and society level with clear awareness about their rights and legal claims. The empowerment process should enable women to make the personal choices and decisions and live in a safe environment with equal status and opportunities, socio-economic and political participation free of gender bias and injustice. One can say that women are empowered only when they are able to take full control of their life at all walks of life (i.e., at family, workplace and society at large) with perfect freedom of mobility and personal choices to live freely a life with contentment of self-respect, self-worth and dignity of human being.

Need for Women Empowerment

As per 2011 census two-thirds of India’s population lives in rural areas. Out of 1,210,085,977 total population of India 587,584,719 are women constitute about 48.56% of the total population. As estimated a total of 405,967,794 (69.09%) of these women live in rural areas and predominantly depend on agriculture and allied activities. It has been evident that there exist a wide range of discrimination and disparities between men and women with respect to wage structure since a greater percentage of women are into low wage sectors of employment, purchasing decision and

capacity, decision making, participation in social and economic activities at home and society, etc. Women in India in comparison to men are largely deprived of education and sources of learning and training. As per 2011 census literacy rate of the people in age group 7 years and above is 73% (763,638,812 people out of total population) and female literacy rate is quite low as 64.6% as against 80.9% of literate male population. It is also evident from the census data that a greater disparity exists among female population in rural and urban areas, i.e., 57.9% literacy in rural women as against 79.1% of literate urban women.

A greater segment of Women population, particularly in rural India are marginalized and deprived of their rights and opportunities though they are intelligent, creative and equally competent or even ahead of the opposite sex. Given the better education, training and opportunities women are capable to prove more talented benefiting not only themselves but the family and society at large. It was rightly quoted, “if you educate a man, you educate a man; if you educate a woman, you educate a generation’ and similarly ‘if you empower a women, you empower a nation’. Women genetically are more sensitive, sincere, smart, and hardworking in nature; their increased participation in public activities may result in better performance, reduction in corruption and wastage, and are able to contribute effectively towards sustainable inclusive growth of the society and nation at large.

HYPOTHESES

This paper is developed based on the following hypotheses

- a) Self-Help Groups are working as agencies promoting social, economic and political participation of women in rural areas.
- b) Self-Help Groups is supportive in women gaining economic independence.
- c) Self-Help Groups are instrumental in achieving gender equality

METHODOLOGY

This paper is basically an analysis of primary data collected from a total of 811 respondents (members of the Women Self-Help Groups) using questionnaire and interview method. The respondents were randomly chosen

from four different and diverse districts of Karnataka state.

Numbers	Sample Districts				Total
	Dakshina Kannada	Udupi	Davanagere	Haveri	
WSHGs*	42	43	40	36	161
Percentage	26.1	26.7	24.8	22.4	100
Respondents	210	216	198	187	811
Percentage	25.9	26.6	24.4	23.1	100

Source: Primary Data

*WSHGs means Women Self-Help Groups

Profile of the Respondents

The respondents are only from the Women Self-Help Groups chosen randomly. They belong to diverse socio-economic and demographic backgrounds.

Age Groups	18-35	36-50	51-70	>70	Total	
	268	411	113	19	811	
	33.0%	50.7%	14.0%	02.3%	100%	
Marital Status	Married	Widowed	Unmarried	Divorced	Total	
	652	16	142	01	811	
	80.4%	02.0%	17.5%	00.1%	100%	
Family Structure	Joint	Nuclear	Individual		Total	
	79	725	07		811	
	09.7%	89.4%	00.9%		100	
Literacy	Literate		Illiterate		Total	
	743		68		811	
	91.6%		08.4%		100%	
Social Groups	Forward Class		OBC	SC	ST	Total
	102		559	91	59	811
	12.6%		68.9%	11.2%	07.3%	100%
Religious Status	Hindu	Muslim	Christian	Others	Total	
	607	87	94	23	811	
	74.84%	10.73%	11.59%	02.84%	100%	

Source: Primary Data

Table – 2 clearly shows that majority of the members fall into 36 years to 50 years age group (411 members accounting to 50.7% of total respondents); but spread across the age group stating from 18 years to above 70 years. As far as the literacy level is concerned majority of the respondents (743 out of 811 i.e., 91.6%) are literate. Majority of the respondents belong to OBC; however, women from the forward class also joined the SHGs. The table also explains how the women members are distributed in various religions. It is evident that women in rural areas are clearly aware of the provisions and

privileges of being a member of Self-Help Groups (SHGs).

Reasons for Joining the Self-Help Groups (SHGs)

As per the observation most of the women have joined the Self-Help Groups (SHGs) primarily owing to their financial (economic) needs and to have an access to income generating employment (job) opportunities. This is evident from the analysis using the Likert’s Scale.

Reasons	Average Weightage*
Economic/Financial needs (income, savings, banking, etc.)	4.14
Employment / Job opportunity	4.09
Social/relational needs	2.78
Political aspirations	2.03
To take up Community Service	1.38
Status/Recognition	1.85
Personal growth and talent search	2.53
On suggestion (friends/family members/neighbours/others)	3.06
On compulsion (friends/family members/neighbours/others)	1.24
Other Reasons	1.87
*Average Weightage= $[(\sum x.5) + (\sum x.4) + (\sum x.3) + (\sum x.2) + (\sum x.1)] \div 811$; where 'x' is respondent	

Source: Primary Data

The table depicts very clearly that financial needs are more predominant in motivating women to join the SHGs than any other reasons; however, income generating job opportunity also very closely weighted reason as complementary to the financial reason motivating them to join the SHGs. In addition, some of the respondents also agree that influence of friends, neighbours and family members also one of the valid reasons encouraging them to join the SHGs as they observe the benefits their friends, relatives, family members gain being members of the SHGs.

ROLE OF SELF-HELP GROUPS (SHGs) IN ACHIEVING GENDER EQUALITY AND WOMEN EMPOWERMENT

The respondents are of the opinion that the economic dependency on the male members (father, husband, children and others) is the very basis of Gender Inequality and male dominance in a patriarchal society. It is not the physical strength but the economic independence that decides the gender equality in a society with a very few exceptions.

Women empowerment through attaining economic independence primarily depends on their access to and control of economic and financial resources. In rural areas the male members of the family are normally taking control of all economic and financial activities with a very few exceptions. This acted as one of the major obstacles to the women to involve in

productive and income generating activities on their own and achieve economic independence. The study shows that the Self-Help Groups (SHGs) created an environment wherein the women could have a better access and control of financial and economic resources and venture in income generating activities and achieve a sustainable economic independence.

Even if the women tried to venture in income generating activities and search for the financial assistance; mobilizing the most needed finance for investment appeared a herculean task. Commercial Banks and other organized financial institutions are reluctant to lend loans on grounds of credit-worthiness and inability of the rural poor and women to provide the necessary collateral securities against their borrowings. Most of them were forced to look out for finance in unorganized sector of finance such as money lenders, friends, relatives, etc. and also borrow at an exorbitant rate of interest ranging upto 16% or even more.

Problems	Number of Respondents	Percentage*
Delay in sanction and disbursement of loan amount	643	82.4
Under financing	244	31.3
Difficulty in arranging collateral security and guarantor to get the loan approval	572	73.3
Poor financial knowledge	183	23.5
Technical problems and procedural difficulties	88	11.3
Higher Rate of Interest	194	24.9
Too short repayment period	586	75.1

**Percentage values are with respect to the total number of borrowers (780) out of the total number of respondents (811)*

Source: Primary Data

It is evident from the table – 4 the women in rural areas, specifically from marginalized and poor sections of the society experiencing problems like delay in sanction and disbursement of loan amount (82.4%), difficulty in arranging collateral security and guarantor to get the loan approval (73.3%) and also too short repayment period (75.1%) making it impossible to repay the instalment on time.

Credit Sources	Prior to Joining the SHGs		After Joining the SHGs	
	Number	Percentage*	Number	Percentage*
Friends/Relatives	502	61.9	367	45.3
Unorganized Sources/Money Lenders	781	96.3	340	41.9
Credit Cooperatives	56	06.9	853	105.2
Banks	144	17.8	511	63.0
Mutual Borrowings	777	95.8	270	33.2
Chit Funds (Kuri)	499	61.5	131	16.1
Bank-linkage Schemes	--	--	1553	191.4
SHGs' Corpus	--	--	573	70.7
No Credit Requirements	43	05.3	31	03.8

Source: Primary Data

*Values may exceed the total number of respondents as the respondents (811) have multiple credit options and credit requirements

Prior to joining the Self-Help Groups these women members largely depended on friends and relatives, unorganized sources and money lenders, Mutual Borrowings and also on Chit Funds (Kuri – a specific format of pooled money lending on simple interest prominent in Karnataka). Women on their entry to the SHGs as members learnt better way of dealing with finance and financial sources and manage funds. Table – 5 indicates that the very borrowing pattern of these women members of the SHGs has

changed. They are now able to borrow the required credit from organized sectors like Credit Cooperatives (where the percentage rate has increased from just from 06.9% prior to joining the SHGs to 105.2% after joining the SHGs). Bank-linkage schemes and SHGs' Corpus created new sources of finance to these women members.

The Self-Help Groups (SHGs) exposed them into better financial sources at a reasonable cost with longer repayment period at an economic rate of interest.

Purpose of Borrowings	Rate of Interest on Borrowings					
	1%	3%	6%	12%	Above 12%	Total
Agriculture	71	37	16	09	13	146
Agriculture based allied activities	--	08	--	561	107	676
Self-employment/Petty and Small Business	--	--	--	03	81	84
Skill development	--	--	05	--	--	05
Purchase of Household requirements	--	--	368	141	52	561
Children's Education	--	--	231	--	--	231
Festivals/Marriage and other Household rituals	--	--	--	463	78	541
To pay loan overdue	--	--	--	381	163	544
Personal and other commitments	--	--	--	--	271	271
No Credit Requirement/Self managing	43					43

Source: Primary Data

Table – 6 shows that respondents prior to joining the Self-Help Groups (SHGs) used to borrow credit at a higher rate of interest and also same is

used to unproductive purposes. This habit of borrowing and usage of funds resulted in loan repayment difficulty and bad-debts.

Purpose of Borrowings	Rate of Interest on Borrowings					
	1%	3%	6%	12%	Above 12%	Total
Agriculture	91	38	05	03	--	137
Agriculture based allied activities	--	08	399	78	08	493
Self-employment/Petty and Small Business	--	--	72	24	17	113
Skill development	--	--	08	--	--	08
Purchase of Household requirements	--	--	183	67	06	256
Children's Education	--	--	363	--	--	363
Festivals/Marriage and other Household rituals	--	--	--	173	35	208
To pay loan overdue	--	--	--	166	31	197
Medical Expenses	--	--	83	--	--	83
Personal and other commitments				09	13	22
No Credit Requirement/Self Managing	31					31

The financial sources used made them more economically vulnerable than before; rather improving their economic status. The Table – 7 shows an improvement in the purpose of borrowing and usage of credit meticulously and venturing into new income generating

employment options. The number of respondents borrowing at higher rate of interest also reduced as evident from the table values.

Moreover, after becoming the members of the SHGs they are able to repay the loan at easy instalments ensuring regularity of repayment

Particulars	Prior to Joining the SHGs		After Joining the SHGs	
	Number	Percentage*	Number	Percentage*
Not Paid Before the Due Date	43	05.3	31	03.8
Paid in Advance	86	10.6	121	15.0
Paid On Time	195	24.0	418	51.5
Delayed Payment	487	60.1	241	29.7
Total	811	100.0	811	100.0

Source: Primary Data

Majority of the respondents (women members) of the Self-Help Groups (SHGs) are of the opinion that they have become more conscious in usage of finance. They are extra careful to invest the credit they borrow productively and enable them to repay the loan on time. They argue that joining the SHGs enabled them to be better aware of their financial responsibilities. The supporting agencies and group liability system being member of the SHGs restrict them to invest the borrowed money in income generating activities and maintain regularity in loan repayment.

FINDINGS AND CONCLUSION:

Women respondents as members of various Self-Help Groups collectively admit that the SHGs provided them a forum to be better aware about their rights, personal choices and mobility to get an exposure to the outside world and participate in all social, economic and also political activities. They express their happiness being members of SHGs gaining the confidence to be economically independent contributing to their family income and playing a significant role in decision making at personal and family related matters. They strongly believe that gaining economic (financial) independence is more crucial to earn equality in a male dominant family and social setup in rural areas. It is evident from the study that Self-Help Groups catalyst in empowering rural women and reduce gender inequality providing opportunities to

1. Financial Inclusion of rural women
2. Promote the habit of thrift, banking, productive investments
3. Improve standard of living with access to education, basic necessities, social and economic securities, etc.
4. Ensure social, economic and political justice to women
5. Enable women to take part in community level activities and actions, etc.

As stated by **Kabeer**, "*Self-Help Groups as a transforming agency could provide women with greater ability to consider and respond to the patriarchal constraints in their lives*"⁸. Thus, to conclude, the Hypotheses made are true (with P-value 0.03 with a significance level of 0.05) as per the findings made during the study that Self-Help Groups enable women to gain economic independence and gain gender equality in a male dominant rural society.

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