

Role of Women Self Help Groups (WSHGs) to empower women through Micro Finance Institutions in the district of North 24 Parganas, West Bengal.

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ABSTRACT

Poverty is a disease which makes poor people poorer. It is a barrier to empower poor people from all financial and social aspects. When it is the question of empowering poor women especially from rural areas this barrier becomes more powerful. Many financial and social obligations come to hinder this movement. Traditionally women live their lives within four walls to maintain families and for taking care of children. Men used to ignore the need of empowering the women for their own interest. There is a need for changing this mind-set towards women so as to give equal rights to them to move the nation forward. Today women are breaking free from the traditional gender specific roles and employing themselves into business in desire to get prosperity for their families. The rural women and different Micro Financial Institutions (henceforth MFIs) are joining together for self-help to secure better economic growth. This has resulted in the formation of Women Self Help Groups (henceforth WSHGs) in the country. The formation of WSHGs has a substantial impact on their lives. This paper attempts to find out whether there is any significant improvement in women's' life especially in rural areas of North 24 Parganas district in West Bengal. To get this answer the author had conducted two surveys once in 2012-13 and again in 2014-15 with the same set of questions with same group members. The 7-Point Grade Scale then used to evaluate the performance of the group members and the outcome of the study revealed that the WSHGs have had greater impact on both economic and social aspects of the beneficiaries

Keywords: Poverty, women empowerment, micro-finance, Self-Help groups, 7-Points Grade Scale.

Introduction:

Generally, Self Help Groups are formed to alleviate poverty. Groups of 10 to 20 individuals from a homogeneous class, who are below the poverty line, are given the micro credit to create income from financial activities. They are encouraged for making voluntary thrift on a regular basis. These pooled resources are then used by the members as small interest bearing loans to the members. This is based on the largely successful model of Grameen Bank, Bangladesh developed by Nobel laureate economist Md. Yunus .WSHGs consist of women members who are made interested to take up the role of entrepreneur. They set up their own venture jointly as a group. Normally they engage themselves in small scale manufacturing and marketing business like bakery, pickle making, food processing, readymade garment making, tailoring, etc. WSHGs are trying to create confidence for the economic self-reliance among rural poor women who are mostly invisible in the social structure. Credit is a major factor to achieve their goal. MFIs provide loans at subsidised interest rate to the WSHGs for implementation and running the business venture. The main objective of MFIs is to provide resources to help the poor to attain self -sufficiency. Micro finance movement has been proved an effective tool for alleviation of poverty and empowering women through improving socio-economic conditions of the rural poor all over the world. The present research paper is an attempt to study the role of MFIs and WSHGs for the socio-economic development of the rural poor women in the district of North 24 Parganas, West Bengal.

Literature Review:

There are many literatures on women empowerment through MFIs and SHGs across the world, though a few studies have been carried out on related topic.

Reddy, C. S. And Manak, Sandeep (2005) noticed that it takes more than four months for an SHG to get a bank loan. **Kumar, Manish and Bohra, N.S. and Johari, Amar (2010)** find that as the bankers feel risky to finance poor people for their poor creditworthiness and high transaction cost, majority of poor are excluded from financial services. **Dhillon, M (2010)** noticed that Banks treat poor women as higher risky group to avail loans as they have limited assets in their own name as the properties are normally registered with their husband's name or in the name of any other male members of their families. So it is very hard to deposit collateral securities by the poor women to get a loan even of a lower amount. **Mahanta, P and Panda, G and Sreekumar (2012)** emphasise on skill development programme of MFIs with their financial services to the poor for their social and economic development. They also suggest that government and MFIs may act together to alleviate poverty in the nation. **Nessa, Ali and Abdul Hakim (2012)** emphasise five dimensions of women empowerment. These are economic decision making, household decision making, freedom of movement, ownership of property and political and social awareness. **Sivakumar, V and Prabakaran, G(2012)** find that MFIs not only focus on increasing women's access to savings and credit but also organizing Self Help Groups to promote gender equality and women empowerment. **Rajendran, K and Paya, R.P. (2012)** found that MFIs brought more psychological and social empowerment than economic empowerment. There is no positive impact in sustainable rural development especially in reduction of poverty, creation of employment opportunities and creation of assets in rural areas. **Nasir, S. (2013)** argues that MFIs in India have many lacunas in their running but they paid an important role in the poverty alleviation and enhancing the living standards of the poor. **Lokhande, Murlidhar A (2013)** points out the need of employing long term policy measures to empower women in true sense. He suggests some key issues such as training, awareness and viability of the group activities need to be addressed in order to strengthen women empowerment process through micro financing. **Ramesh, S.V. (2013)** reveals that socio-economic variables such as age, marital status, educational qualification, occupation and type of family do not influence the levels of satisfaction in the performance of Women Self Help Groups. He emphasizes on the awareness regarding the business carried out by women through Self Help Groups that must be incurred. **Bhattacharya, Sujoy (2014)** after studying 100 poor women SHGs in North 24 parganas and Purulia finds that good thrift practise is a key factor of women empowerment as more thrift brings more self -reliance and greater dynamics for the SHGs.

Significance of the study: We can say MFIs are playing an important role in the alleviation of poverty, uplifting living standards of the very poor people through the help of SHGs. But there is a scope to find out whether MFIs really contribute to the socio-economic empowerment of women through WSHGs at different levels – social, cultural, political, educational, etc.

Objectives of the study:

The main objective of this research paper was to study the role of MFIs in empowerment of women through WSHGs in North 24 Parganas district of West Bengal. In order to achieve the main objective the present study was also carried out with the following specific objectives:

- i) To examine the income standards of the WSHG members.
- ii) To study enterpreneurial culture among members.
- iii) To study socio-economic background of the members.
- iv) To study the various problems faced by the WSHG members in their area.

Methodology:

The study has been conducted in Barrackpore-I block of North 24 Parganas district. There is 8 Gram Panchayats where 230 WSHGs have been formed. All of these WSHGs have been developed under SGSY¹ Programme. For the purpose of the study 24 WSHGs from 8 Gram Panchayets (3 from each GP) have been selected by using Simple Random Sampling Method from the list of SHGs supplied by DRDC², North 24 Parganas. Primary data have been collected from two stage field survey by using same set of questionnery to the same WSHGs members once in 2012-13 and again on 2014-15. Secondary data were collected from DRDC, NBARD and from various Journals and Magazines. Percentage analysis and 7-Point Grade Scale were accepted to draw significant interpretations of the result. To evaluate grade, weightage is given to each answer of the respondents on 0-4 scale according to the merit of the answer and grade is given on the basis of percentage of performance. Following 7-point Grade Scale is used for sustainability of the quantitative study with the above scale:

Table-1: 7-Point Grade Scale

Average Weighted Score	Grade	Analysis of Grade
80% and above	AA	Outstanding
70% to 80%	A+	Excellent
60% to 70%	A	Very Good
50% to 60%	B+	Good
40% to 50%	B	Average
30% to 40%	C	Poor
Bellow 30%	D	Very Poor

¹ Swarnjaynti Gram Swarojgar Yojana

² District Rural Development Cell

Results from the Study:

First a group of 144 members were surveyed during 2012-13 and again the same set of members was resurveyed during 2014-15. Based on this survey different data relating to socio, economic and political factors which are affecting continuity of empowerment status of the respondents have been collected. These data are presented and analysed in Table-2 as under:

Table-2: Impact of WSHGs on Empowerment

Factors	2012-13					2014-15				
	No. Of Respondents	Actual Score	Max Score	Impact (%) A/M x100	Grade	No. Of Respondents	Actual Score	Max Score	Impact (%) A/M x100	Grade
Educational qualifications	144	286	576	49.65	B	144	304	576	52.78	B+
Illiterate	12	0				00	0			
Functionally Literate	36	36				48	48			
Up to Class VIII	54	108				54	108			
Up to Matriculation	26	78				20	60			
H.S. and above	16	64				22	88			
Monthly Family Income	144	306	576	53.13	B+	144	382	576	66.31	A
No Income	00	0				00	0			
Up to Rs.1000 pm	36	36				10	10			
Up to Rs.2000 pm	70	140				58	116			
Up to Rs.3000 pm	22	66				48	144			
Above Rs.3000 pm	16	64				28	112			
Monthly Family Savings	144	238	576	41.32	B	144	330	576	57.30	B+
No Savings	14	0				00	0			
Up to Rs.100 pm	66	66				26	26			
Up to Rs.200 pm	32	64				72	144			
Up to Rs.300 pm	20	60				24	72			
Above Rs.300 pm	12	48				22	88			
Purpose of Loan	144	310	576	53.82	B+	144	362	576	62.85	A

No Loan	00	0				00	00			
Loan taken for family Expenses	64	64				38	38			
Loan taken for family business	34	68				46	92			
Loan taken for higher education	06	18				08	24			
Loan taken for own business	40	160				52	208			
Training and Vocational skill	144	182	576	31.60	C	144	248	576	43.01	B
No Training	22	00				08	00			
One Trainings	68	68				38	38			
Two Trainings	48	96				84	168			
Three Trainings	06	18				14	42			
Four and above	00	00				00	00			
Political Awareness	144	166	576	28.82	D	144	254	576	44.10	B
Do not attend political meetings	62	00				22	00			
Attend political meetings	24	24				46	46			
Take part in election campaign	36	72				36	72			
Contesting in election	18	54				24	72			
Elected member of GP/PS/ZP etc.	04	16				16	64			
Family Decisions	144	276	576	47.92	B	144	448	576	77.78	A+
I do not take part in taking any family decision	00	00				00	00			
I take part only in taking non-financial decisions	60	60				00	00			
I take part only in taking buying decisions	48	96				26	52			
Seldom I take part in taking investment	24	72				76	228			

decisions										
I strongly take part in taking all decisions	12	48				42	168			
Self confidence	144	286	576	49.65	B	144	370	576	64.04	A
I do not speak confidently with family members and others	12	00				00	00			
I speak confidently with family members only	48	48				16	16			
I speak confidently with family members and friends	36	72				58	116			
I speak confidently with outsiders	26	78				42	126			
I speak confidently in public	22	88				28	112			
Overall Performance		2050	4608	44.49	B		2698	4608	58.55	B+

Source: Field Studies by the Author

Educational Characteristics of Respondents

Educational background is a key factor for the success of WSHGs activities. Our study shows the respondents of the WSHGs have a certain level of education. In fact comparing survey of 2014-15 with the survey made in 2012-13 it has been observed that quality of education has satisfactorily improved though further progress is possible if the respondents get proper opportunity.

Utilisation of Loan

Proper utilisation of loan amount can generate income and leads a family to wellbeing. If a loan has been taken for further investment then it creates assets for the nation and can empower people in true sense. It is clear from the above table that overall purpose of taking loans is very good in 2014-15 as compared with 2012-13. But a large number of women should think about to set up their own business.

Family incomes and savings

Though the levels of income and savings have been increased in 2014-15 as compared to the previous survey almost 50% members' family does not earn even Rs. 3000 pm and 68% members' families save below Rs 300 pm. It is a great concern for us. The main reason behind this is that the most of the amount of loans are being used to meet family expenses and in other non-productive ways.

Skill development

Performance of the skill development programme has just reached an average stage. Training for both vocational and managerial efficiency needs to be started on regular basis and members should attain the training programmes regularly for their own interest.

Political and socio-cultural awareness

Political awareness, election campaigning and contesting in election and bargaining with local authorities can build leadership quality among the members. Leadership quality helps the members to be confident in making decisions in families and even outside. Our survey shows that in those sectors WSHGS members achieve an excellent grade.

Suggestions:

Based on the present study the following suggestions have been made for future line of work:

- Quality enhancement mechanism should be introduced by the government to empower women. Open schooling and distance learning facilities at subsidised price may be availed to the members of the WSHGs to increase the educational, vocational and managerial efficiencies of women.
- NGOs should introduce training programmes relating to business activities and entrepreneurship development on a regular basis.
- Proper monitoring system to be introduced by the NGOs and WSHGs over the members to ensure proper utilisation of the fund.
- MFIs should provide regular and immediate finance so that proper utilisation of fund can be done.
- Political parties should encourage women in participating election campaigns and in contesting elections.
- Mass awareness programmes relating to the co-operative and SHGs movement should be increased so that society gives full support to the women to take part in taking all kind of decisions not only for the families but also for the society.

Conclusion:

For socio-economic development of the rural poor regular finance can play a vital role as the women who get the benefits can utilise their extra income in their children education, health and hygiene and even in meeting regular family expenses. This kind of participation enhances the standard of living of the members. And for regular and immediate finance, MFIs are expected to play a significant role. But only lending through MFIs is not just the end of problems. It should be bundled with skill development programmes. Recurring training programmes in cooperation with various Vocational and Management Institutes can increase both technical and managerial knowledge of the members and that helps to promote women as an entrepreneur. Regular meetings, planning and implementation, discussion and thrift practice in WSHGs build up confidence among members and they can make correct decisions in crisis. Thus overall development of rural women can be achieved. So, policy makers should take proper measures to nurture the WSHGs.

Scope of further study:

The study could have been more comprehensive if more samples could be chosen. Future researchers may take more samples or may take other statistical tools to evaluate. This study may give different results in other block of this district or in any other district in the state of west Bengal or in other state.

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