

Role of Self Help Groups (SHGs) in poverty alleviation and micro-entrepreneurship of women in Bishnah block of Jammu district

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ABSTRACT

Women are amongst the poorest and the most vulnerable population of our society. They are not able to reap the benefits of the various developmental schemes launched by the government for their betterment. For raising their socio-economic conditions, the scheme of Self Help Groups was started many years ago in India. In various parts of the country, Self-Help Groups, which are an informal association of women in any rural or semi-urban area, are working very well with the objective of empowering women economically, socially, politically, institutionally and spiritually. Thousands of the women in India are building their lives, their families and their society through Self help groups. The broad goals of a self-help group are to bring about socio-economic change in the lives of its members and society. In Jammu and Kashmir, under the Ministry of Rural Development, Government of India, a scheme of starting SHGs for women of the border state was stated under the name 'JKNRLM-Umeed' in 2011.

The present research paper seeks to explore if the JKNRLM-Umeed is working to empower women by providing finance to them and making the women self-dependent. The paper would also analyze this scheme and the provision of micro-finance facility to the poor women who need it and its economic impact of the working of SHG and its members. The study would also find out if the scheme is helping in the reduction of poverty among women by providing small loan to them for some entrepreneurial activity. The paper would try to understand how the rural women are making themselves self dependent by getting some financial support to earn their livelihood and lead a better life.

Keywords: Self-help groups, empowerment, poverty alleviation, micro-entrepreneurship etc.

INTRODUCTION:

Majority of the people in India live in villages and are faced with abject poverty. To alleviate the sufferings of the people and for their betterment, both the Central and State governments have started several poverty alleviations schemes since independence in the country. For the upliftment of women living in rural areas of the country, hundreds and thousands of Self Help Groups (SHGs) have been started through both private and governmental agencies.

Self-help groups play a vital role in reducing the poverty in the rural areas by providing micro-finance and micro-entrepreneurship facilities to women. Self-Help Group or SHG, now a well-known concept, is basically a group of women, generally in the rural areas in which the members of the group deposit a certain amount of money weekly or monthly and then use the collection thus made for lending purposes within their group at low interest or no interest at all. It is a most common way or source of micro-finance in the rural areas. Micro-finance refers to a variety of financial services that serves low income people

particularly women of the rural areas. SHGs play a great role in raising economic development of a country. They also play an important role in increasing the economic status of their families. Self-help groups serve as a boon for the poor women in the rural areas. By joining the SHGs, they can live a better life by lending money from the group and can start a micro entrepreneurial activity such as opening a small shop or by buying a cow or a goat to earn their livelihood.

Through self-help groups women are able to increase their savings and can have an easy access to the credit through bank linkage. SHGs can also work as a platform for the community through which women become active in village affairs, take action to address social or community issues (the abuse of women, alcohol, the dowry system, schools, and water supply). Self-help groups are needed in our country for a number of reasons some of which include to alleviate poverty, to raise status in society, for socio - economic development of the members of the groups, to raise funds for day today needs, to protect the exploitation of women from loan sharks, to ensure development of self-

confidence among SHG members and to empower the women to participate in society and be a participant in sustainable development.

WORKING OF THE SHGs

Self-help groups are the informal groups consisting of 15 to 20 poor women of the same area. Each group decides the choice of its members and the name of the group. Regular meetings are conducted and all members participate in the meetings where the member's savings are collected and loans are disbursed among the members of the groups based on the need of the person and the purpose of loan. Loans are given for opening some livelihood to the women of the group such as buying cattle, or shop or some other small micro- entrepreneurial activity. The repayment period or installments are fixed by the group members.

Each group maintains cashbook, general ledger, individual member's ledgers, minutes' book etc. Each group has a bank account operated and the excess savings are deposited in bank account. Each group acts as a financial institution owned and managed by the poor for their betterment and upliftment.

The sources of funds for the group are internal as well as external, the internal sources are the member's savings inclusive of the common fund, interest on their loans and loan repayment and the external sources are loans from grants/subsidies from government and NGOs. Each group collects savings from all members for lending to the needy members. In addition to that, it collects administrative fee and membership fee from the member.

With availability of micro-finance, self-help groups and credit groups have also started in India. Thus the movement of SHG has spread out to provide micro-finance to the people in the rural areas in India. In India three different models of linkage of SHGs to the financial institutions have emerged. Firstly, banks themselves form and finance the SHGs. Secondly; SHGs are formed by NGOs and other agencies but financed by banks and lastly, banks finance SHGs with NGOs and other agencies as financial intermediaries.

The second model is the most popular model. Almost three-fourths of all the SHGs come under this model. Only 20% of the SHGs are covered under the first and 8% under the third model respectively.

POVERTY ALLEVIATION

Poverty alleviation is most important step for the development. Poverty is a state or condition in which a person or community lacks financial resources and essentials to enjoy a minimum standard of life and well-being. The widespread global poverty is an enduring problem and poverty alleviation has been a key component in development over the past 67 years in India after

independence. Poverty alleviation can be described as the promotion of economic growth that will permanently lift as many people as possible over a poverty line. In the developing countries which have significant population of poor people, poverty is a serious obstacle in the way of development. Poverty can be attributed to various factors including lack of education, hunger and malnutrition, lack of employment opportunities among rural areas, limited access to quality health care etc. In a country like India, over-population is one of the main causes of poverty.

There are various programmes launched the government from time to time to alleviate poverty among people. One such programme is National Rural Livelihood Mission (NRLM-Umeed in J&K). NRLM was launched by the Ministry of Rural Development, Government of India in June 2011 with some investment support by the World Bank. The mission aims at creating effective institutional platforms for the rural poor enabling them to increase household income through sustainable livelihood enhancement and improved access to financial service.

ENTREPRENEURSHIP

Entrepreneurship is a process of generating something new of value by giving their time and effort. Exploring and discovering new business opportunities, taking risks and successfully introducing innovations and managing the enterprise successfully are the entrepreneurial functions. Women entrepreneurs are women, who initiate, organize and run a business enterprise. This entrepreneurship makes them economically strong and gives the freedom to take decisions since women entrepreneurs initiate, organize and operate the business enterprise. Women entrepreneurs, who were confined to traditional areas like food, fruits, vegetables, pickles, papads, tailoring etc., have shifted to non-traditional areas like engineering, jewellery, handicraft, electronics, manufacturing etc.

SHG-banking linkage model is an important model of micro-finance which helps their members to start their own business. SHGs in rural area have empowered illiterate and poor women by linking them to the banking system. The women in the rural areas are not aware about the banking system. Most women remain deprived of employment opportunities as wage workers because of their family responsibilities, social and cultural barriers. Self-Help Groups can play major role in providing financial services to the poor. They can help start any micro entrepreneurial activity and this can also help reduce the problem of unemployment and several social problems in the society.

MICROFINANCE

Micro finance is a variety of financial services that target low income clients, particularly women. These services include loans, saving, insurance.

Micro-finance can be defined as “provision of credit and other financial services and products of very small amounts to the poor in rural, semi-urban or urban areas for enabling them to raise their income levels and improve living standards”.

The term micro-finance sometimes is used interchangeably with the term micro-credit. However, while micro-credit refers to purveyance of loans in small quantities, the term micro finance has a broader meaning covering in its ambit other financial services like saving, insurance etc. as well. The main benefits of micro-finance appear to be reduced vulnerability of the poor to adverse circumstances, increased consumption in the same group and empowerment of women. Fortunately, micro-finance practice in India like some other countries has much to offer to the rural population. These include poverty alleviation, livelihood promotion, developing the local economy, gender empowerment, building organizations and changing wider systems and institutions within society.

Microfinance services have different delivery methodologies and channels like NABARD, SIDBI and government-owned societies like Rashtriya Mahila Kosh, formal sector financial institutions, commercial banks, regional rural banks etc. In addition to member-based institutions like cooperatives in India, the more prevalent mode of micro-finance is through SHGs. Micro-finance institutions (MFIs) provide this opportunity for poor people in rural area to have access to Micro-credit mainly through SHGs. By providing access to financial services, micro-finance plays an important role in the fight against the many aspects of poverty. For instance, income generation from a business helps not only the business activity expand but also contributes to household income and its attendant benefits on food security, children's education, etc.

RATIONALE OF THE STUDY

Since ages, women in the state of Jammu and Kashmir have remained suppressed. One half of our society consists of women folk and no economic activity becomes productive as long as women remain outside the pail of political, social and economical empowerment. To pursue the endeavors of empowering women, the prestigious scheme of *Umeed under* National Rural Livelihood Mission (NRLM) was introduced four years ago in J&K. This is a comprehensive scheme initially started by the central government and the state government in four blocks of the border state, two in Kashmir valley and two in Jammu, and later this was expanded to a total of 16 blocks of the state including those of Ladakh. This scheme aims at poverty alleviation by providing small finance to the women to start their micro entrepreneurial activity. Core belief of *Umeed* is that the poor have innate abilities to come out of their poverty and through this scheme an environment should be

created where the potential of people should be unleashed.

As the scheme is being implanted in Jammu and Kashmir since 2011, it is very important to study if it is working to empower women by providing finance to them and making the women self-dependent. It is also very important to analyze whether this scheme is providing micro-finance facility to the poor women who need it and whether it is having any economic impact of the working of SHG and its member women.

OBJECTIVES OF STUDY:

The following are the main objective of this research study:

- To study the importance and role of the Self Help Groups and micro-finance in poverty alleviation and empowerment of women.
- To analyze the growth of microfinance sector and Self Help Groups in India.
- To overview the profile of and general performance of JKSRML in Bishnah block of Jammu district.
- To critically analyze the impact of JKSRML on the income level of women after joining the SHGs.
- To study the participation of women entrepreneurs in SHGs and to determine the factors affects the women participation in SHGs

RESEARCH METHODOLOGY

The present study is based on collection of data - both primary sources of data and secondary sources. Primary data is collected from well-structured questionnaire, interview schedule, Focused Group Discussions (FGDs) and case studies.

A total of 50 respondents/women from different SHGs were selected for research study. Simple random method of sampling was applied for the study. A questionnaire was prepared and information gathered from these 50 respondents from different SHGs at Bishnah block of Jammu district. While designing questionnaire, due consideration was given to include social and financial aspects of SHGs working in the block. The questionnaire consisted of 28 questions. The primary data was collected with the help of specially prepared questionnaire, Interview schedule, FDGs and case studies. There are about 762 SHGs in the whole Bishnah Block. The block is divided into six clusters. Out of six clusters, the researcher conducted study only on three clusters due to shortage of time, which are as following:

SELECTION OF SAMPLING

Cluster A

S No.	Villages
1	Adlehar
2	Karyal Khurd
3	Powal & marhole
4	Treva
5	Sheikhpur

Cluster E

S No	Villages
1	Kanhal
2	Chaklala
3	Phinder
4	Bhatyari

Cluster F

S No	Villages
1	P.S Pura (Lalyana)
2	Kothey Chorlay
3	Dhindey Khurd
4	Chakwaziroom

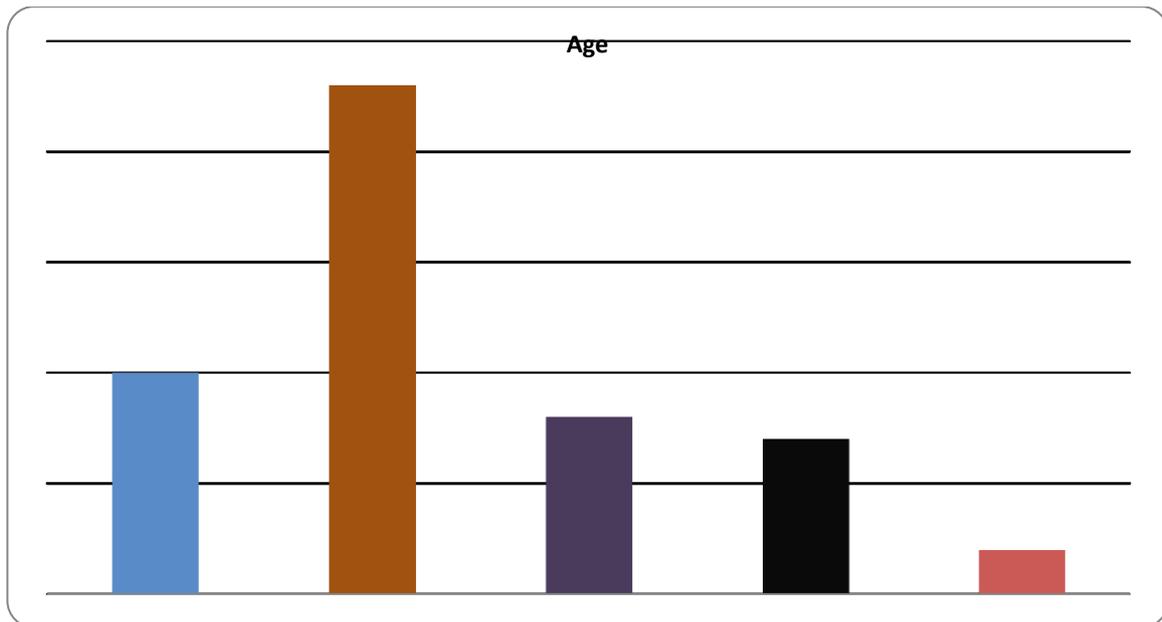
RESULTS AND DISCUSSION

a) Age group of members of SHGs

The young and middle-aged people can actively participate in the social-economic activities, which is also true in activities of SHG in Bishnah block where women in the age group 20-30 and 30-40 age groups are actively participating in SHGs activities. The women between age group 40-50 are also in the SHGs and their role is important for SHG. They can only control and solve the problems, if any, arising in the group. But the age group between 18-35 years is more participative in various SHGs activities as they are more active and aware about outside issues also.

TABLE 1: Age Group of the members of SHGs

AGE GROUP	NO.OF MEMBERS	PERCENTAGE
18-35	25	50%
36-45	10	20%
46-60	10	20%
61 & above	5	10%
TOTAL	50	100%



b) Reasons for joining SHGs

The main function of SHG is to promote savings and provide credit for the productive and consumption purposes. This is true because many people in the present study joined SHGs for the purpose of getting loan. In addition, some joined for raising their social status. In the area of Bishnah block, 30 women joined SHG for the purpose of getting loan, 15 joined for improving their savings and only 15 women joined for raising their social status.

Table 2: Reasons for joining SHGs:

S. No	Reasons	No. of Respondent	%
1.	For Loan	30	60
2.	Savings promotion	15	30
3.	Social status	5	10
Total		50	100

c) Income Level of Members:

Income is a major factor which determines standard of living. The SHG members' income increases after joining the group. Many women don't earn anything before joining SHGs but after becoming a member of SHGs, they are able to earn their livelihood. The women are now become self-dependent and economically strong in the Bishnah block. There is rise in the income levels of the members of SHGs.

Table 3: Income levels of members of family**(i) Before Joining SHGs**

S.NO	Monthly Income(Rs)	No. of Respondents	Percentage
1	1000-2000	15	30%
2	2000-3000	5	10%
3	3000-4000	10	20%
4	4000-5000	10	20%
5	5000-6000	5	10%
6	6000-7000	5	10%
7	TOTAL	50	100%

(ii) After joining SHGs

S.NO	Monthly Income	No of Respondents	Percentage
1	1000-2000	5	10%
2	2000-3000	5	10%
3	3000-4000	7	14%
4	4000-5000	8	16%
5	5000-6000	10	20%
6	Above 6000	15	30%
7	TOTAL	50	100%

d) Purpose of taking loan:

The members of self-help groups borrow money for some small entrepreneurial activity. Some women borrow money for other purposes also such as for agriculture, education purposes or for household purpose. Out of 50 samples taken, a total of 20 women borrowed money for some micro-enterprises, 15 for agriculture, 10 for household consumption and 5 for education of their child. Loan is the main reason for some of the women for joining SHGs as in other formal institutions there is a number of formalities and paper work for getting loan. But through SHGs, they can get this loan easily without any formalities.

TABLE 4: Shows purpose for which SHGs member takes loan

S No.	Agriculture Livestock assets	Household	Micro entrepreneur	Education
1	15	10	20	5
TOTAL :50				

e) Landholding of Respondents

The sample respondents were classified into landless, marginal, small and large farm holding categories. A majority of the women belonged to the landless category (30) in the study area of Bishnah block. The remaining 20 were from the marginal and small farmer category that was holding land up to 5 acres. Thus the women having landless holding are more participative as a member of SHG.

TABLE 5: Land holding of respondents

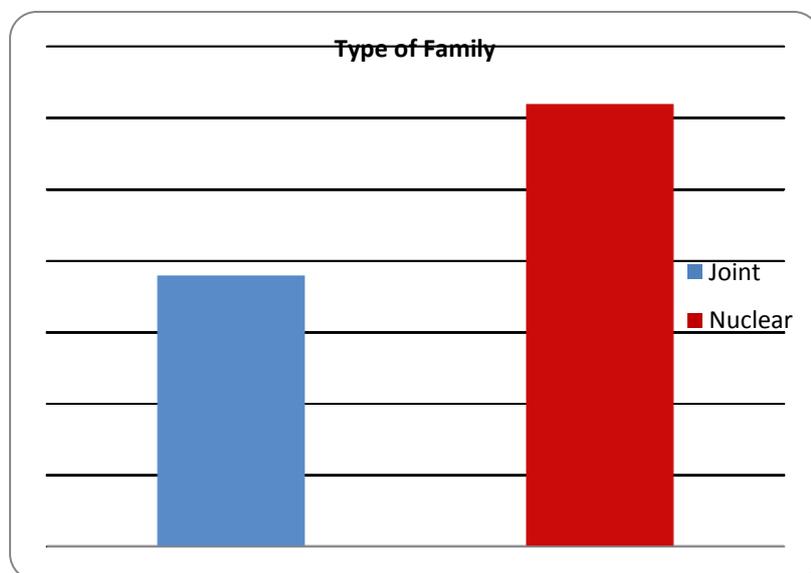
CATEGORY	NUMBERS	PERCENTAGE
LANDLESS	30	60%
MARGINAL	4	8%
SMALL	15	30%
LARGE	1	2%
TOTAL	50	100%

f) Average size of family of Respondent:

Out of the 50 samples taken in the Bishnah block, the average family size of the respondents was nuclear i.e. about 35 members belonged to nuclear family and 15 members were from joint family. The women with small family size were more participative in self help groups as they had more time to attend SHGs meeting and other activities in comparison to joint family. In joint families, women have a lot of household work and do not have much time to participate in SHG activities in comparison with the women from nuclear families.

TABLE 6: Size of respondent's family

S. No.	Family Size	No Of Respondent	Percentage
1	Nuclear family	35	70%
2	Joint family	15	30%
3	Total	50	100%

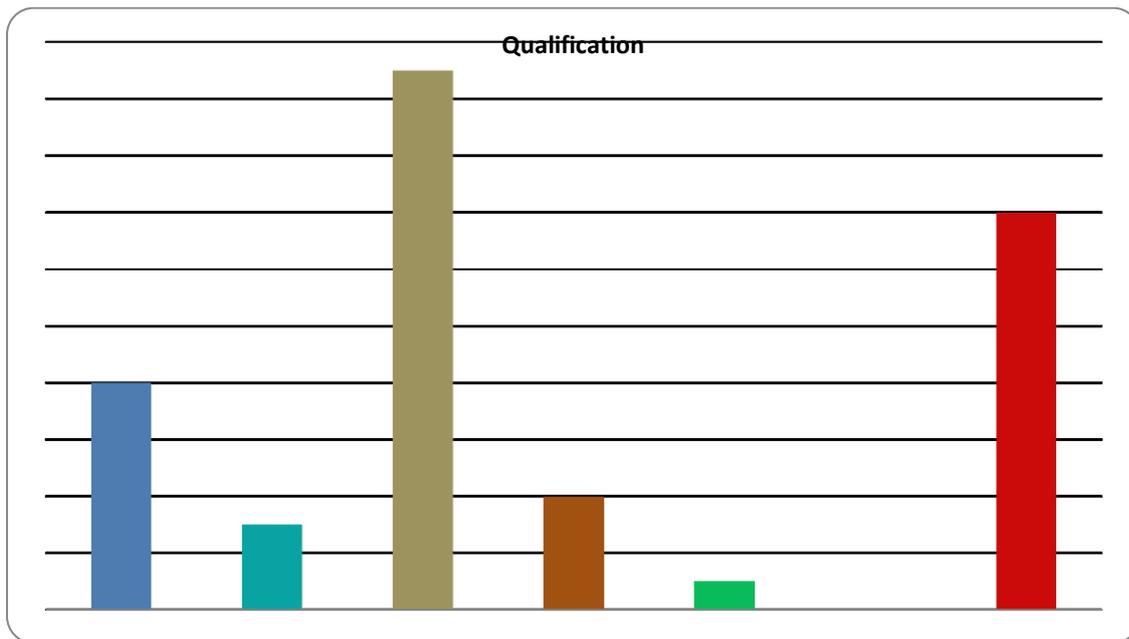


g) Educational status of members of SHGs:

Education is boon for any developmental activity. For the betterment of self help groups, education of its members plays an important role. Through education they become more aware and active in various work done in SHGs. Educated women are more participative in SHGs as is evident from the present field undertaken among the SHG members. The highest number of respondents, that is, 35 women are under matric about, another 7 respondents have completed their higher secondary education, three are graduates and 5 members are neo-literate. It was observed that the educated women are more confident. They have leadership qualities to take decisions.

TABLE 7: Educational status of the sample respondents

S.NO	Educational status	No. of Respondents	Percentage
1	Matric	35	70%
2	Higher secondary	7	14%
3	Graduate	3	6%
4	Neo literate	5	10%
5	Total	50	100%



h) Loan Repayment

Repayment of loan is one of the main factors for the successful functioning of any SHGs. Regular repayment of loan by SHGs members enable those SHGs to grow in a sustainable manner. Out of 50 samples taken from the Bishnah block of Jammu district, 35 members were able to repay their loan on time while 15 of them were unable to repay their amount within the given period due to some household issues. But after some time, they did repay their amount taken from the SHGs.

TABLE 8: Repayment of loan

S.no	Repayment of loan	No. of Respondent	Percentage
1	Respondents repay timely	35	70%
2	Respondents don't repay timely	15	30%
3	Total	50	100%

i) Social Empowerment of women:

Social development is one of the main aims of SHGs. The present study shows that the women, after joining the SHGs, become more socially aware and responsible. The women in the SHGs are now participating in the social affairs of the society. They can raise their voice against various issues such as dowry and other social evils. They are also able to express their views freely in the group as well as among their family.

TABLE 9: Social empowerment of SHG members

S.No.	No. of Respondents	Expressing opinion freely	PERCENTAGE
1	46	YES	92%
2	4	NO	8%
TOTAL	50		100%

S. No	No. Of respondents	Moving independently	percentage
1	42	YES	84%
2	8	NO	16%

j) Financial development

The study conducted by the researcher reflected that SHGs have emerged as a big positive change in the lives of the people. As most of the people in the rural areas are very poor, they are unable to fulfill their basic necessities of life. Through SHGs they can develop a habit of saving in them and can borrow money from the groups whenever required. It can help a lot in eradication of poverty and make them financially strong and stable.

TABLE No. 10: Financial development of respondents

S.No.	NO. OF RESPONDENTS	FINANCIAL EMPOWERMENT	%
1	48	YES	96%
2	2	NO	4%
Total	50		100%

k) Participation in decision making process

The respondents have been able to participate in decision making in their family and society as now they have become little socially and financially strong. Through SHGs, their ability to take decision in their family and in their group meetings has certainly been increased. The researcher observed that the male members of their families and immediate surroundings have now a changed opinion about these females. They are, to a large extent, being given equal importance in taking decisions in the family.

TABLE No.11: Participation in decision making

S No	Participating in decision making	No of respondents	%
1	Yes	42	84%
2	No	8	16%

CONCLUSION AND RECOMMENDATIONS

In the light of above discussion following the field visit of the researcher in Bishnah block of Jammu district, it was reflected that the overall progress of the SHGs in the block is good. It was found that the income of the women have been increased after joining the SHGs. A good practice of the women SHGs in the study area is the timely repayment of loan by them. Even if few members do not pay in

time, they ultimately repay with some minor delay and it does not affect the further credit of SHGs since the repayment of loan by the majority of the women is regular and within the time.

The research found out that after joining the SHGs, the participation of women in decision making processes increased within their respective families. The study shows that the women respondents received economic benefits also. These

benefits were savings and credit facility and use of credit for undertaking income generation activities. However, it was observed that more efforts were needed to bring the SHG up to the desired level. An interview with some SHG members also revealed that some members of the SHG were not happy because of the small loan capacity of SHG.

The study concludes that micro-finance brought social and economic empowerment than economic empowerment. Impact of micro finance is appreciable in bringing confidence, courage, skill development and empowerment among the women. The women who used to work within their four walls only, are now free to move with their groups and leaders. Some of the women from remote Bishnah block have even visited Andhra Pradesh for bringing further improvement in themselves and their SHGs functioning. It resulted in their further participation in various social welfare activities. Thus, SHGs have a positive impact on decision making power among women in Bishnah. The women members of SHGs are now able to take decision on various matters of family as well as society. The respondents reveal that their status in their family increased, now their opinion is given due importance among their family members.

As education is the necessity for all round development of individual, it emerged from the

study that every SHG of women should try to develop educational awareness among its members and their families.

Numeric training should be given to all women of SHGs as they have to maintain register of SHGs such as Minutes book, Loan ledger, Cash book etc. Training programmes should be organized regularly for these women. A number of SHGs members in the Bishnah block buy cow or other livestock assets through lending money from SHGs. Thus, they need marketing facilities for the sale of products. The SHGs can create this facility for their group members.

Awareness programme about other social issues should be organized by the SHGs members from time to time to aware people. Training programmes need to be organized for the women so that they are also able to focus on their income-generation activities and their standard of living is enhanced. A proper direction is required so that they enhance their skills and potential by participating in various training programme such as stitching of clothes, jute bags, beauty parlour, poultry farming etc. Such vocational training programme organized for SHGs women will help them in increasing their livelihood and alleviate poverty in the rural areas.

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