



Measurement of SHGs with Economic Empowerment Index: A case study in Srikakulam district, Andhra Pradesh

Surya Rao Pidugu,

Lecturer in Economics, Govt. Degree College, Rajam, Srikakulam Dt.AP

Abstract: This paper an effort is made to study the degree of perceived empowerment of the SHG members on social, economic, political, and educational and health dimensions of empowerment. The Perceived Economic Empowerment Index value indicated that SHG members have moderate level of economic empowerment as perceived by them after joining in SHG. The Study also reveals that promoting and supporting self-employment is essential to achieve higher levels of economic empowerment which is evident from the low level of index values in that aspect in the study area. The ability of the SHGs members has to be improved by imparting proper training to undertake the responsibility of the implementation of various programmes of the Government.

Key words: Economic Empowerment Index, self-employment, economic, political, health

Introduction

Empowerment of a woman is a holistic concept, multidimensional in approach and involves a basic realisation and awareness of one's power and potentialities, capabilities and competencies and of one's rights and opportunities for development in all important spheres of life. Such a dimension of development or empowerment may broadly be categorised as social, educational, economic, political, and health. Empowerment is a continuous process calling for some radical changes in attitudes and perceptions about women and in the strategies to be adopted for their development. It is a process which generates changes in ideas and perceptions and creates awareness about one's rights and opportunities for self-development in all important spheres of life.

In India women SHGs have been recognised by the Government as an effective strategy for their empowerment both in rural and urban areas. One of the objectives of these SHGs is to create awareness on various social, economic, political, educational and health issues. This awareness can be attained mainly through their participation in group activities. Enhanced knowledge, awareness and their self-experience with respect to these above aspects can help empower them over a period of time. Hence, in this paper an effort is made to study the degree of perceived empowerment of the SHG members on social, economic, political, and educational and health dimensions of empowerment.

Objective of the paper: To examine the perceived empowerment of the SHG members with respect to social, economic, political, and educational and health



dimensions of empowerment and to suggest some policy implications for women empowerment.

the empowerment. Each statement derives the level of self-perception or awareness on the specific aspect of the SHG member as perceived by her.

Methodology

Polaki Mandal, which has a significant number of fishermen villages, a majority of fishermen community and also villages with substantial agricultural activity, is selected for the study. Challabanda, Edulavalasa, Gollalavalasa and Rallapadu, while Koviripeta, Guppipeta, Jogampeta and Rajarampuram are selected based on fish catch and fish vending as main occupations, from the selected mandal. In total, the number comes to 426 SHG households. In the analysis part of the Study the four agricultural villages selected with agricultural activities are called Group-I villages and the other four fishermen villages are named as Group-II villages.

The self-perception or knowledge or awareness of the SHG members on various issues is measured on a four point weightage scale ranging from '0' to '3'. If the SHG member has no knowledge/awareness/self-perception weight '0' (Zero) is assigned; for having low level of knowledge/awareness/self-perception weight '1' (One) is assigned; for having moderate level of knowledge/awareness/self-perception weight '2' (Two) is assigned and for having higher level of knowledge/awareness/self-perception weight '3' (Three) is assigned.

Economic Empowerment Index was calculated to assess the level of perceived empowerment with respect to these five dimensions of empowerment.

Empowerment Measure

To examine the perceived empowerment of SHG members, an advanced statistical technique viz., Perceived Empowerment Index (PEI) for each dimension was calculated using Weighted Average Index Method. As many as 31 statements were used to elicit their own perception on empowerment on five major dimensions of empowerment viz. social, economic, political, educational and health issues. Out of these 31, nine statements represent social dimension, seven statements represent economic dimension, six statements represent political dimension, four statements represent educational dimension and five statements represent health dimension of

Perceived Economic Empowerment Index (PEEI): Seven statements represent economic dimension in the study.

$$PEEI = \frac{\sum_{j=1}^7 \sum_{i=0}^3 w_i f_j}{\max(i) \sum_{j=1}^7 \sum_{i=0}^3 f_{ij}}$$

Findings

Financial transactions of members through SHGs are expected to increase their credit worthiness in the village. Hence, this aspect is measured with the help of the first variable. The index value is at moderate level in all the villages and relatively better in Group-I villages. Admitting the fact that access to financial resources through SHGs enhanced the credit worthiness, the possession of



immovable assets like agricultural land by some of the SHG members who are marginal and small farmers in the Group-I villages resulted in higher credit worthiness which is evident from the results.

In rural areas, people tend to depend on money lenders for meeting their financial needs. The group lending model in microfinance sector reduced the dependence of the rural population on money lenders by way of extending loans to SHG members in the form of internal lending and bank linkages programme. This has reduced the dependence of the SHG members on money lenders. Perception of the SHG members in respect of reduced dependence on money lenders is measured with the help of second variable. The index value of this variable is at a moderate level in all the villages and it is relatively better in Gollalavalasa and Rallapadu villages in Group-I, Guppipeta and Jogampeta

villages in Group-II. The moderate level of this index indicated a relatively less dependence of SHG members on money lenders which is in any way a positive and gratifying feature.

The SHG members are supposed to use the loans taken under the bank linkage programme for productive purposes and that too for increasing self-employment. All the members have borrowed under the bank linkage program in the study area. Hence, the aspect of improvement in self-employment potential among the members is measured with the help of the third variable. The index value of this variable is found to be at a moderate level in two villages in Group-I and two villages in Group-II, and at low level in remaining two villages in Group-I and two villages in Group-II indicating a relatively less utilisation of bank loans for self-employment purposes.

Table 1: Degree of Perceived Empowerment Index – Economic Dimension

Name of the Village	Increase in the Credit Worthiness	Freedom From Money Lenders	Increase in Self -Employment Potential	Control Over Resources	Increase in Self-confidence	Improvement in Banking Habits	Improvement in Communication Skills	Perceived Economic Empowerment Index (PEEI)
Challabanda	0.541 (M)	0.577 (M)	0.550 (M)	0.573(M)	0.600(M)	0.532 (M)	0.511 (M)	0.555 (M)
Edulavalasa	0.516 (M)	0.505 (M)	0.496 (L)	0.509(M)	0.522(M)	0.505 (M)	0.518 (M)	0.510 (M)
Gollalavalasa	0.540 (M)	0.785 (M)	0.480 (L)	0.475 (L)	0.505(M)	0.545 (M)	0.556 (M)	0.555 (M)
Rallapadu	0.681 (M)	0.597 (M)	0.514 (M)	0.653(M)	0.597 (M)	0.556 (M)	0.486 (L)	0.600 (M)
Group-I Villages	0.564 (M)	0.612 (M)	0.511 (M)	0.554(M)	0.557(M)	0.534 (M)	0.511 (M)	0.549 (M)
Koviripeta	0.558 (M)	0.558 (M)	0.474 (L)	0.609(M)	0.647(M)	0.571 (M)	0.532 (M)	0.564 (M)
Guppipeta	0.613 (M)	0.601 (M)	0.524 (M)	0.643(M)	0.673(M)	0.625 (M)	0.554 (M)	0.605 (M)
Jogampeta	0.590 (M)	0.585 (M)	0.580 (M)	0.595(M)	0.615(M)	0.635 (M)	0.620 (M)	0.603 (M)
Rajarampuram	0.513 (M)	0.550 (M)	0.484 (L)	0.597(M)	0.572(M)	0.519 (M)	0.513 (M)	0.535 (M)
Group-II Villages	0.559 (M)	0.570 (M)	0.513 (M)	0.608(M)	0.616(M)	0.577 (M)	0.550 (M)	0.570 (M)
Total	0.562 (M)	0.591 (M)	0.512 (M)	0.581(M)	0.586(M)	0.555 (M)	0.530 (M)	0.560 (M)



The fourth aspect indicates the perception of the SHG members towards control over the resources in the family after joining the SHG. The value of this index is at a moderate level in all the villages except in Gollalavalasa, where it is low. The index value is relatively better in Group-II villages than in Group-I villages.

Formation of SHGs is supposed to improve the borrowing capacity, investment pattern, communication skills and decision making power of the members. This in turn has to improve self-confidence of these members. So, their perception on the level of self-confidence is measured with the help of the fifth variable. The index value of this variable is at a moderate level in all the villages, indicated an improvement in their self-confidence in the study area.

Organisation of the SHGs is supposed to create awareness among the members on banking habits. The level of awareness in this aspect is measured with the help of the sixth variable. The index value of this variable is at a moderate level in all the villages and relatively better in Gollalavalasa and Rallapadu villages in Group-I, Guppipedipeta and Jogampeta villages in Group-II. This moderate value indicates a relatively better awareness among the SHG members on banking activities.

Generally, most of the members prior to joining the SHGs were either labourers or petty traders with low levels of communication skills. But, after formation of the SHGs these members are expected to conduct regular meetings among themselves, interact with the Government officials, with bank officials

and also with village level organisations. This will help them to improve their communication skills. This aspect is measured with the help of the seventh variable. The index value of this variable is at a moderate level in all the villages except one village in Group-I indicating that improvement in communication skills would lead to empowerment.

The Perceived Economic Empowerment Index value indicated that SHG members have moderate level of economic empowerment as perceived by them after joining in SHG. The Study also reveals that promoting and supporting self-employment is essential to achieve higher levels of economic empowerment which is evident from the low level of index values in that aspect in the study area.

Conclusion

In the process of the organisation of SHGs, the Government agencies should not be a target-approach and the policy should be need-based, similarly the Bank Linkage programme. The subsidy culture of the government has to be phased out slowly so as to make the SHGs to remain self-sustained and growth-oriented in the long run. The ability of the SHGs members has to be improved by imparting proper training to undertake the responsibility of the implementation of various programmes of the Government.

Steps should be taken to see that group functioning should be on democratic lines. Rotation of the office bearers should be adopted strictly as per the norms so that, all the members involve in the management of the SHGs overtime. More emphasis should be laid upon capacity-building and skill-



development of the group members. Proper supervision over credit-use should be observed by the credit institutions and also by the group to control any diversion of loans towards unproductive purposes. Government agencies and NGOs should chalk out proper schemes for the implementation of awareness programmes for women and mainly literacy programme on a vigorous scale, which in turn will help, over all development of the rural women and their children and the rural society in the long-run.

It is observed that in the study area, the SHGs growth seems to be attracting too much politics in the form of targets for SHG bank-linkage, resulting in the supply driven approach of pushing external loans on SHGs. The amount and timings of such loans should depend on credit absorption and repayment capacity of the members but not on targets. Therefore, there is a need of the hour to issue loans to SHG members in a liberalised manner by banks.

Experience of Bangladesh, Bolivia and Indonesia countries known for the fastest growth in Micro-Finance, shows that growth is recorded in densely populated areas and the groups covered are capable and efficient. This highlights the need to improve the capabilities of people while providing credit to the poor through SHGs.

The results of the Study provide a strong case for giving a big push to SHG-linked programme in view of its superiority over other methods of reaching poor in many aspects.

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