



## “Self Help Groups Leading To Socio Economic Development of Women in Marathwada Region”

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**Abstract:** *Self-Help Group is now a well-known concept. It is now almost two decade old. It is reported that the SHGs have a role in speeding up country's economic development. SHGs have now evolved as a movement. Mainly, members of the SHGs are women. Consequently, participation of women in the country's economic development is increasing. They also play an important role in elevating the economic status of their families. This has led boost to the process of women's empowerment.*

*The proposed study was conducted in Marathwada region with a view to know the information about empowerment of women through self-help group. The present study was conducted in Marathwada region which was based on purposive sampling based on the convenience of the researcher in Marathwada region. The results show that there is relationship between the self-help groups and the socio-economic status of women. It was revealed that the self-help groups are increasing tremendously, generating employment and self-employment to the women irrespective of their lacunas in education. It has been observed that, though these women are not highly educated but creating a handsome pool of money by was creating a lot of opportunities for their families to develop economically and socially.*

**Keywords:** *Self Help Groups, Women Empowerment.*

### Introduction

Self-Help Group or in-short SHG is now a well-known concept. It is now almost two decade old. It is reported that the SHGs have a role in hastening country's economic development. SHGs have now evolved as a movement. Mainly, members of the SHGs are women. Consequently, participation of women in the country's economic development is increasing. They also play an important role in elevating the economic status of their families. This has led boost to the process of women's empowerment. The Government of India and state authorities alike have increasingly realized the importance of devoting attention to the economic betterment and development of rural women in India. The Indian Constitution guarantees that there shall be no discrimination on the grounds of gender. In reality, however,

rural women have harder lives and are often discriminated against with regard to land and property rights and in access to medical facilities and rural finance. Women undertake the more onerous tasks involved in the day-to-day running of households, including the collection of fuel wood for cooking and the fetching of drinking water, and their nutritional status and literacy rates are lower than those of men. They also command lower wages as labour: as rural non-agricultural labourers, women earn 44 rupees per day compared to 67 rupees for men. Women's voice in key institutions concerned with decision making is also limited. In 2007, only 8 per cent of all seats in the national parliament were occupied by women. Apart from weak market linkages in the context of income-generating activities, there are also a few other concerns in relation to women's empowerment. First



is the capacity building of self-help groups, which are in need of support in accounting, financial management, and organizational development. The second concern is about the gender focus in rural financial services. Despite the focus in project design, there were gaps during implementation. In Maharashtra Rural Credit Project, women tended to be small borrowers and were able to capture only 32 per cent of the bank credit that was provided. Therefore gender focus in designing and implementing rural microfinance services should be enhanced. The third challenge is about how to link self-help groups to agricultural activities, which are of key importance for the livelihoods of small farm holders in India, but at the moment self-help groups have not taken much agricultural activities, as the decisions on agriculture are mainly taken by men.

#### **Objectives of the Study**

1. To study the Socio-Economic development of Women self-help group in Marathwada region.
2. To study the governmental and constitutional provisions for SHGs.
3. To make an assessment of the progress of SHGs in connection with bank linkage program in Marathwada region.

#### **Statement of the problem**

The year 1975 was declared as a 'year for women'. Also, the decade from 1975 to 1985 was declared as a 'decade for women'. During this period, the movement for empowerment of women received a fillip. The importance of role of women, which consists 50% of the society, was highlighted in this span of period. It was emphasized that woman should get the same opportunities as that

to men. The year 2001 was declared as a 'year of women empowerment'. Efforts were being made in the direction that women should have a role in all walks of life; and special provisions should be made in the budget for activities related to the development of women. Many schemes were planned and started to be executed, at government level, in respect of women education, laws regarding prevention of atrocities on women, their participation in economic and political spheres etc. At this juncture, SHG movement also started and in a way journey towards women empowerment began. Today the Government has started taking efforts for development of SHGs but there is still lot to improve. This motivated the researcher to select this area to for the study.

#### **Research methodology**

The study was based on both types of data i.e. primary and secondary data.

**Primary data:** The proposed study was conducted in Marathwada region with a view to know the information about empowerment of women through self-help group. The present study was conducted in Marathwada region which was based on purposive sampling based on the convenience of the researcher in Marathwada region.

**Secondary data:** The secondary data was collected from the relevant past reports, journals and government report depending upon the requirement of the study.

#### **Selection of the Sample**

A close ended questionnaire was prepared to conduct interviews of the respondents. There are near about 6000 SHGs in Marathwada region out of which 100 were selected based on the ease of the



researcher. The primary data collected is based on Districts like Aurangabad (20 SHGs), Jalna (20 SHGs), Beed (10 SHGs), Latur (10 SHGs), Nanded (10 SHGs), Osmanabad (20 SHGs) and Hingoli (10 SHGs).

### **Tools & Techniques Used**

The data was classified, analyzed using various statistical tools and calculated with the help of excel sheet. Various methods like weighted average method, percentage analysis, were used as per the requirement of the study.

### **Scope & limitations of the study**

This research study has an enormous effect on Entrepreneurship resulting in an all-inclusive growth. This research would be considerate in understanding the present-day position of Self-help groups in Marathwada region & its effect on the entrepreneurship of Marathwada Region, which in turn will be suitable to all the spans wherever the human resource or the Women employees are working. The presented study has had following importance to all the expanses.

- The study will be helpful to ensure a congenial environment in the self-help.
- The study is limited to Marathwada region.
- There may be some errors in the data collection because the data was generated by the help of the selected 100 samples from the study area which was considered representative of the whole universe.

### **Review of literature**

#### **Concept of SHG**

Generally Self-Help Group consists of 10 to 20 women. The women save some amount that they can afford. It is small

amount ranging from Rs. 10 to 200 per month. A monthly meeting is organized, where apart from disbursal & repayment of loan, formal and informal discussions are held. on many social issues also. Women share their experiences in these groups. The minutes of these meetings are documented and the accounts are written. The President, Secretary and Treasurer are three official posts in any SHG. If the SHGs are connected with some NGOs, they take part in other social activities of those NGOs. Of late, the organizational structure of various micro-financial groups is undergoing significant changes. There are Thrift groups; Credit management groups, Income generating groups, Self-help groups and Mutual help groups. Sometimes the institute that promotes the SHG, itself provides loan facilities.

### **Historical Background**

India has adopted the Bangladesh's model in a modified form. To alleviate the poverty and to empower the women, the micro-finance has emerged as a powerful instrument in the new economy. With availability of micro-finance, self-help groups (SHGs) and credit management groups have also started in India. And thus the movement of SHG has spread out in India. In India, banks are the predominant agency for delivery of micro-credit. In 1970, Ilaben Bhat, founder member of 'SEWA' (Self Employed Women's Association) in Ahmadabad, had developed a concept of 'women and micro-finance'. The Annapurna Mahila Mandal' in Maharashtra and 'Working Women's Forum' in Tamilnadu and many National Banks for Agriculture and Rural Development (NABARD)-sponsored groups have followed the path laid down by 'SEWA'. 'SEWA' is a trade union of poor, self-employed women



workers. Since 1987 'Mysore Resettlement and Development Agency' (MYRADA) has promoted Credit Management Groups (CMGs). CMGs are similar to self-help groups. In 1993, the Reserve Bank of India also allowed SHGs to open saving accounts in banks. Facility of availing bank services was a major boost to the movement. The movement of SHG was nourished in the states of Gujarat, Maharashtra, Andhra Pradesh, Rajasthan, Tamilnadu and Kerala. Now nearly 560 banks like NABARD, Bank of Maharashtra, State Bank of India, Cooperative Banks, Regional rural banks, the Government institutions like Maharashtra Arthik Vikas Mahamandal (MAVIM), District Rural Development Agency (DRDA), Municipal corporations and more than 3,024 NGOs are collectively and actively involved in the promotion of SHG movement.

#### **SHG Movement in Maharashtra**

The concept of SHG was not new to Maharashtra. Beginning with a tiny amount of only 25 paise, the women of Maharashtra from Amaravati District had established one SHG long back in 1947. Further in 1988, 'Chaitanya' Gramin Mahila Bal Yuvak Sanstha started promoting SHGs in Pune District, informally. In Southern part of India, 'SADHAN', 'DHAN' foundation and 'ASA' worked to promote SHGs. But their thrust was on economic aspects only. Whereas in Maharashtra, the NGOs not only have catered to the economic needs of the participants, but also involved in the process of social development. Aim of 'Chaitanya' is also the same to empower the women in both ways, economically and socially. Presently, numerous NGOs and governmental institutions promote SHGs on a large scale.

#### **Impact of SHG in the process of empowerment of women**

The year 1975 was declared as a 'year for women'. Also, the decade from 1975 to 1985 was declared as a 'decade for women'. During this period, the movement for empowerment of women received a fillip. The importance of role of women, which consists 50% of the society, was highlighted in this span of period. It was emphasized that woman should get the same opportunities as that to men. The year 2001 was declared as a 'year of women empowerment'. Efforts were being made in the direction that women should have a role in all walks of life; and special provisions should be made in the budget for activities related to the development of women. Many schemes were planned and started to be executed, at government level, in respect of women education, laws regarding prevention of atrocities on women, their participation in economic and political spheres etc. At this juncture, SHG movement also started and in a way journey towards women empowerment began.

J. Venkatesh and K. Kala (2000) in his work Self-help groups : A Tool to boost up women Empowerment - The self-help group model has been identified as a potential pathway to alleviating poverty. The number of poor women and men who are enrolling in SHGs all over rural India has been increasing remarkably. They are not only active in thrift and credit management but are also taking up their activities, such as natural resource management and development, literacy, knowledge management, nutritional security etc. SHGs lay the foundation for self-reliance through building up of institutions, which have the capacity to generate employment opportunities for



the rural poor and the poorest and lead to job led economic growth.

K. Ritu, R.K. Kushwaha and A.K. Srivastava (2003), in the study "Social-Economic Impact through self-help groups", examined the functioning of self-help groups in Kanpur Dehat District, Twenty five women from self-help Groups were selected as sample for the study. Ten women members from each self-help groups and ten nonmembers from the same village were selected as respondents, to study the impact of the self-help groups on their socio-economic status. The results show that there is relationship between the self-help groups and the socio-economic status of women.

A. Venkatachalan and A. Jeya Prakash (2004) in their work, "Self-help groups in Dindigul District" found that the total savings of the SHGs members in Dindigul District amount Rs. 622.99 lakhs. The Sangha Loan Sanctioned to its members is in tune of 4.3 times of savings. In words, the total amount of Sangha loan sanctioned is Rs. 27.20 lakhs. The SHGs in Dindigul District have made a silent revolution for the economic empowerment of poor rural women.

Archana Sinha (2004) in her article, "micro finance for womens' Empowerment: A perspective", puts forward a debate on microcredit for discerning policy makers researchers and development practioners. She says that understanding the viability of microfinance requires a comprehensive analysis from the right perspective. Micro finance can contribute to solving the problem of inadequate housing and Urban services as an integral part of poverty alleviation programmes. The challenge lies in finding the level of flexibility in the credit instrument that could make it match the multiple credit

requirements of the low income borrowers without imposing unbearably high cost of monitoring its end use upon the lenders. According to her a promising solution is to provide multiple purpose loans or composite credit for income generation, housing improvement and consumption support.

Das and Rimjhim Mousuni (2004) in his article concluded that micro finance through has now become a medium economical weapon for the poor to fight against poverty. Many big and small institutions are taking part in this revolution of microfinance vigorously. Still it has a long way to become successful. Many programmes from Garebi Hatao to IRDP were started by the government enthusiastically but they were not able to achieve their objectives. The reason behind this is poor follow up, lack of management and participation from the government as well as people. No programme can ever get its ultimate result unless and until there is co-ordination and cooperation between the government and the beneficiaries.

M. Sheik Mohamed (2004) in his article - Self Help group for the success of woman entrepreneurs stated that, as UNO Secretary General, Kofi Annan, has stated " Gender equality is more than a goal in itself. It is a precondition for meeting the challenge of reducing poverty, promoting sustainable development and building good governance." This recognition is currently missing in India. Transforming the prevailing social discrimination against women must become the top priority and must happen concurrently with increased direct action to rapidly improve the social and economic status of women.

K. Manoharan Nair and Girija (2005) in their article, "Microfinance - The New



Development paradigm for poverty eradication and women empowerment", state that experience has shown that many of poverty alleviation programmes through organized credit channels have not achieved the required success. Hence to bridge the gap between the demand & supply of funds in the lower rungs of rural economy, the microfinance schemes of NABARD have made a smooth foray into the role played by microfinance in eradicating poverty and empowering women to manage the enterprises.

***IIPO Economic Intelligence Unit (2010) in its studied "self-help groups (SHG) :*** means of women empowerment", conclude that growth of SHGs are essential for the member as they ensure better standards of living and their by the individual; family and social empowerment. Hence the social empowerment by the SHG members is moderate family empowerment achieved by the members in the family are moderate. Empowering women is pre-requisite for creating a good nation- whom are empowered, society with stability assumed. Empowering of women is essential as their thoughts and their value system lead the development of a good family and good society and ultimately a good nation. In spite of various constitutional safeguards and legislative measures as well as numbers of programmes and policies initiated by the government for the betterment of women, no significant development took place in the socio economic empowerment of women.

The World Bank studies have thrown adequate light on socio-economic status of the poor people in developing country like ours. Rural people face a number of problems in undertaking economical activities i.e. non-availability of credit,

lack of organizational skills, illiteracy, gender inequality, discrimination on the basis of caste/ religion, conservative mindset and lack of confidence. [World Bank Report, 1997]. Women are often denied property and inheritance rights. Their freedom is restricted by regressive social norms. An inequality trap may prevent generations of women from getting educated: restrict their participation in labor market. (World Bank Report, 2006). In view of this scenario micro financing through self-help groups becomes imperative. Their own poverty, but can also serve as a complementary tool within a broader strategy to reduce poverty. In reality, poor people need access to many more financial services than just micro-credit, including a range of micro savings and insurance products these services can protect poor people from the impact of unforeseen crisis and emergencies in their household or micro-business, from falling yet further into debt and enable poor household to plan and manage their limited resource more effectively to meet their basic needs. The powerful push behind this huge and increasing support for microfinance indicated that national economic and social impacts are significant and its needs to be examined more closely.

V.J.R. Emerlson Moses (2011) in his research paper of economics reported that Jawaharlal Nehru said "you can tell the condition of the nation by looking at the status of women", empowerment of women has emerged as a important issues in our country. In India the further reported that nearly half of the population consists of women. In India their work participation rate is less than half that of men. The role of women in the development of nation is very important nowadays. SHG helps the



women in uplifting their living conditions and also encompass the social, economic, educational level to improve their empowerment level. The component of empowerment of women are access to economic resources, participation in economic decision making, opportunities for self development, participation in socio-political decision making, scope for skill development and impact on general welfare of the family and community.

#### **Findings & conclusion**

Empowering women is pre-requisite for creating a good & empowered nation. Transforming the prevailing social discrimination against women must become the top priority and must happen concurrently with increased direct action to rapidly improve the social and economic status of women. The results show that there is relationship between the self-help groups and the socio-economic status of women. It was revealed that the self help groups are increasing tremendously, generating employment and self-employment to the women irrespective of their lacunas in education. It has been observed that, though these women are not highly educated but creating a handsome pool of money by was creating a lot of opportunities for their families to develop economically and socially.

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