

**ROLE OF SHG's IN EMPOWERMENT OF WOMEN: AN  
EVALUATIVE STUDY IN KANGRA DISTRICT OF HIMACHAL  
PRADESH**

**THESIS SUBMITTED IN PARTIAL FULFILLMENT  
OF THE REQUIREMENTS FOR THE AWARD OF  
DOCTOR OF PHILOSOPHY**

**(EXTENSION AND DEVELOPMENT STUDIES)**

**ANJU KAPOOR**

**Enrolment No. 144500080**



**SCHOOL OF EXTENSION AND DEVELOPMENT STUDIES  
INDIRA GANDHI NATIONAL OPEN UNIVERSITY  
NEW DELHI-110068  
2018**

**SUMMARY AND CONCLUSIONS**

Self Help Groups are emerging as a powerful device for poverty alleviation in our country. They are the fundamental supplier of small savings, micro credit and other essential financial services to poor and marginalized sections of the society like women. Self Help Groups clearly play an essential role in the lives of the rural poor. Rapid progress in SHGs has now turned into a movement empowering woman in India. The Self Help Groups in Himachal Pradesh have also worked in the right direction to execute the aim of women empowerment and eradicating poverty in the rural areas. The mushrooming of Self Help Groups in the countryside is changing the life style of rural women in Himachal Pradesh. However, women are still not empowered as per the expectations. The present study focused on the performance of the Self Help Groups and their role in women empowerment. Out of fifteen Developmental Blocks of the Kangra district of Himachal Pradesh, the study was restricted to two Developmental Blocks viz. Baijnath and Nurpur selected under random selection method. Some specific revenue villages were selected for the purpose of the study wherein the concentration of SHGs was high. For the selection of the villages and Self Help Groups for this study, the researcher consulted NABARD officials, BDOs, CDPOs, NGOs, Anganwari workers, Motivators, Panchayat Pradhan, Pachayat secretaries and Mahila Mandal Pradhan. Thirty revenue villages were selected for the purposes which were featured with high proliferation of SHGs. This is compiled with covering only those Self Help Groups who have completed at least three years period (formed before 2014) of formation. The data were collected with the help of Interview Schedules prepared for the purpose. The Interview Schedules included the questions related to the general information about the SHGs and members, income, expenditure, savings and loan schemes available, problems faced by Self Help Groups members, Income Generating Activities and some statements related to their Social, Economic and Political Empowerment. A total sample of 400 respondents from 100 SHGs of two blocks was selected under both judgment sampling method and convenience sampling method. The results of the study illustrate that Self Help Groups are performing good in both the blocks of the district and SHG movement has helped women in increasing their socio-economic and political status to some extent and as a result they have started taking some household firm decisions independently. The programme in both the blocks seems to be successful in reaching poor clients importantly; there are evidences of increased household income. This is a very significant indicator of impact. Standards of living of the participants have increased. Loans are one of the main ways by which

members overcome emergencies and crisis, where participants seem to transfer the loan source from friends, relatives and moneylenders to SHG loans to meet these expenses. These results would help the extension personnel, planners, banks, NGO organizers, and the policy makers in streamlining the programmes for more effective implementation. In addition to it, extension functionaries could also suitably tailor their efforts to reach the target groups.

### **Government, NGOs and Women Agencies in Himachal Pradesh**

There is an exclusive tripartite relation between the state of Himachal Pradesh, its active women agencies and NGOs for development. Domestic and international factors have been responsible for the fast proliferation of NGOs in India. It also deliberated over the issue of social change brought in by voluntarism.

District Kangra is divided into 15 Developmental Blocks. Out of 15 only two blocks viz. Baijnath and Nurpur were selected for the present study.

#### **Baijnath Block**

Baijnath is a block in the Kangra District of Himachal Pradesh. According to Census 2011, the sub-district code of Baijnath block is 00112. There are about 199 villages in Baijnath block. Out of those only 15 villages were selected for the purpose of the study wherein the concentration of SHGs is high.

Vegetables growing, dairy activities, mushroom cultivation, small shops, food processing, bag making, tailoring, weaving, beauty parlors, bamboo work, disposable plate making etc. are the Income Generating Activities taken up by the members of Self Help Groups. Self Help Groups are contributing in women empowerment in terms of social mobilization,

#### **Nurpur Block**

Nurpur block is selected as an intensive block for National Rural Livelihood Mission keeping in view of SECC data (Social Economic and Caste Census). Being an intensive block, it has maximum target for SHG formation and disburse much of credit as well as village organization formation. Nurpur block is doing good in all SHG indicators and it has also started to generate the source of income for the women, though it is in infancy stage. Nurpur is selected as an intensive block because of high incidence of rural poverty, location in different socio-economic, agro-climatic and historical regions of the state, low pre-mission status of social mobilization of vulnerable and marginalized communities, area affected by left-wing extremism and presence of social capital generated by successful pre-NRLP mobilization efforts. As per the data given by BDO office there are 457 Self Help Groups are formed under DRDA out of which around 200 Self Help Groups are engaged in one or other Income Generating activity. Sixty-five Self Help Groups were financed under NRLM. Fifteen villages from this block were

selected for the purpose of the study wherein the concentration of SHGs was high.

Dairy activities, vegetables growing, mushroom cultivation, small shops, bag making, tailoring, weaving, bee keeping etc. are the main Income Generating Activities taken up by the members of Self Help Groups of this region. Income Generating Activities in the Nurpur block were more or less same to that of Baijnath block.

## **Objectives**

There is a need for investigating the impact of the Self Help Group movement run by the Govt. So, the present study has been planned with the following objectives:

- To study the performance of the SHGs in Kangra district.
- To investigate the Income Generating Activities undertaken by the SHG members.
- To analyse the problems faced by the SHGs.
- To investigate the change in the socio-economic status of the members before and after SHGs.
- To study political empowerment of women before and after joining SHG.

## **Hypothesis**

Based on the review of the literature, the following hypothesis are formulated:

1. There will be a significant difference in the social conditions of the respondents before and after joining the SHGs (Self Help Groups)
2. There will be a significant difference in the economic conditions of the respondents before and after joining the SHGs (Self Help Groups)
3. There will be a significant difference in the political participation of the respondents before and after joining the SHGs (Self Help Groups)
4. There will be a significant difference in the social conditions of Office Bearers and the other members of Self Help Groups. (Self Help Groups)
5. There will be a significant difference in the economic conditions of Office Bearers and the other members of Self Help Groups.
6. There will be a significant difference in the political participation of Office Bearers and the other members of the Self Help Groups.

## **Limitations of the Study**

Conditional limitations may act as barriers and prove unfavorable in case of many efforts aimed at achieving something. Similarly, this endeavour also could not be relieved from the clutches of such limitations.

- This study is limited to two blocks (Bajjnath and Nurpur) of Kangra district of Himachal Pradesh. Therefore, conclusions drawn out of this study will be applicable to these selected blocks only.
- The study is handicapped to the extent that it is a single researcher venture. Irreversible time and sporadic financial constraints are the next irrefutable limitations.
- Though every care was taken to collect and interpret the relevant information, there can be some distortion in the interpretation of the responses.
- The secondary data has been obtained from reports and publications of various government departments of SHGPI and accuracy of secondary data depends on reliability of data obtained from these resources.
- It may however be recognized that the findings of the study should not be generalized beyond the limit of the district where the study is conducted. In other words, adequate care must be taken to apply the findings of the study to other areas. The generalizations of results should be applied in the wider context only where similar situation prevails.

## **Statement of the Problem**

Self Help Group is a device to empower women socially, economically and politically. Most of the women in rural areas are less educated and unaware of the availability of credit facilities, banking procedures and the policy of the banking institutions. Hence, the study attempts to find out the performance of Self Help Groups and impact building up to the members of the SHGs (Self Help Groups).

## **Need and Importance of the Study**

The role of SHGs (Self Help Groups) is important in the poverty alleviation and raising the standard of people in rural India. Now a days' women SHGs (Self Help Groups) have become an important tool for women empowerment. Women Self Help Groups can enhance the living standard of their family which in turn help in development of the country. It is also recognized as a people's movement at grass root level to fight against poverty and accelerate the various dimensions of women empowerment. However, there is also a need to develop scientific tools to popularize research in this field. The performance and the various dimensions

of empowerment need to be analyzed in order to develop integrated strategies for the upliftment of the rural women. Therefore, this study will help to formulate policies and *programmes* for the effective functioning of Self Help Groups and overall empowerment of the rural women.

## **Findings**

Findings of the study are summarized as under:

### **Profile of Self Help Groups**

- Agricultural Technology Management Agency, Block Development Office, Child Development Office, Banks and another Govt. & Non-Govt. Organizations were the group forming agencies in the study area.
- State Bank of India, Punjab National Bank, Kangra Central Cooperative and Himachal Grameen Bank were the banks they were linked with.
- The average age of the Self- Help Groups under study was 3.9 years. There were 12 members per group who were contributing Rs. 87.50 per member per month.
- Average money collection per group was 24,590/- and the money under inter-loaning was Rs. 5,610/- per group.
- There were, on an average, nine members who were involved in inter-loaning and average rate of interest on inter-loaning was 1.95 percent.
- Amount of Rs. 42,780/- was the bank loan taken per group and members distributing the amount of bank loan were five.

### **Profile of the respondents**

- Average members attending group meetings were ten. Age of the respondents ranged between 19 to 78 years and the mean age of the sample was 34 years.
- Majority of them were educated upto matric (class X), were married and belonged to SC/ST and general categories.
- They lived in mixed or pakka houses, having nuclear and small family. Farming with small land holding was the main occupation of majority of the women under study.

### **Performance of Self Help Groups**

- Majority of the Self Help Groups were found to be performing well as far as group homogeneity, frequency of meetings, time of meetings, inter-loaning, presence of members in the meetings, utilization of funds, criteria for selecting a leader and decision making in the group were concerned, whereas bank loan, presence of representatives of the forming agency in the meetings, rotation of leadership, sustainability, single group

membership, maintenance of registers and awareness of rules and regulations were the indicators in which the groups under study were not performing very well.

- More than half (59.00%) of the respondents did not take loan from the bank. Eighteen percent of the respondents took loan once or twice whereas sixteen percent of the women took loan 3-4 times. Only seven percent of the women took loan for more than 4 times.
- Less than half of the respondents (48.78%) who took loan from the bank had repaid all the loans taken, followed by more than one fourth (29.27%), who had repaid more than 70% - 90% of the loan taken. Only 21.95 percent of the women repaid 50%-70% of the loan and they all were under the process of repayment.
- More than ninety percent attendance in the group meetings was recorded by majority of the Self Help Groups (76.00%)
- Majority of the Self Help Groups under study were homogeneous groups as far as their caste, income, land holdings, occupation and education were concerned.
- More than half of the Self Help Groups (55.00%) reported the rare presence of the functionaries from the forming agencies, whereas more than one fourth of the groups (26.0%) reported that functionaries from the forming agencies have never attended the meetings after group formation.
- Most of the Self Help Groups do not rotate the leadership at all. Majority of them (87.00%) were lending the collected money within groups, whereas twenty eight percent of the Self Help Groups distributed the money among the group members after the collection of good amount. They were found to use the money for fulfilment of their house hold requirements like family functions, education of the children, renovation of the their house, betterment of the cowshed etc.
- Reregular, accurate and complete records were found to be maintained by thirty eight percent of the Self- Help Groups, where as 44.00 percent groups were found to have regular but incomplete maintenance of registers. Records of a very good number of Self Help Groups (18.00%) were found to be very poor.
- All the members take the decisions collectively in majority of the Self Help Groups (67.00%), whereas decisions were taken by the group leaders only in fifteen percent of the groups.
- For selecting the leader for Self Help Group, criteria of education was at number one followed by active involvement of an individual (II), Self-interest (III), transparent behavior (IV), cordial behavior (V), responsible behavior (VI), can devote time (VII),

good networking skills (VIII), trusted for conflicts resolution (IX), influential family (X) and selected by the promoting agency (XI).

### **Income Generating Activities**

- Thirty nine percent of the total sample was involved in Income Generating Activities even before joining the Self Help Groups. The percentage of the women under SHGs involved in Income Generating Activities increased to 70.75 percent after joining the Self Help Groups. They were found to involve in agricultural as well as non-agricultural activities. Agricultural activities include vegetable growing, nursery raising, mushroom cultivation etc. Non-agricultural activities include shop keeping, food processing, bamboo craft, weaving, knitting, tailoring, *Pattal* making, bag making, beauty parlor, pine needle work and handmade cards. Service include anganbadi workers, anganbadi helpers Mid Day Meal workers, private school teachers etc. and allied agriculture include activities like dairy, poultry etc.
- Majority of the women were not able to contribute much towards their family income before joining SHGs as they do not have the opportunities for employment. After joining the Self- Help Groups a greater number of women started earning from different areas of income generation.
- Before joining in Self Help Groups, more than half of the respondents (60.75%) had no income. This number reduced to 34.25 percent after joining Self Help Groups. After joining SHG, though the returns from Income Generating Activity taken up by them remain irregular and in many cases unstable, they are making a difference to their lives. The increased income has helped to supplement the family income to reduce the level of the poverty to some extent in many families.
- Agriculture was the major area of training during pre and post stages of Self Help Groups in which 18.75% of the respondents were trained followed by food processing (10.25%), knitting (5.00), Mushroom Cultivation (4.75) etc.

### **Problems faced by the respondents**

- SHG members as well as the office bearers in the study area were facing many problems even during the post-SHG period. Self Help Groups women may face problems (i) related to running the SHG activities, (ii) attending the training programmes and (iii) taking up the Income Generating Activities.
- Some problems have arisen due to the negligence of the line department in implementing the SHG movement at the grass root level and some problems arise within the groups due



to lack of mutual understanding and coordination among the members, lack of family support etc.

- No doubt, the SHG-Bank Linkage Programme is successful in uplifting the status of the SHG members, however, the speed of success can be accelerated, if the problems are removed or minimized. Co-ordination between the various line departments and understanding among the group members is essential in order to remove or minimize such problems. Regular monitoring by the Self Help Promoting Institutes on the group activities may also reduce the problems faced by the members.

### **Women Empowerment through Self Help Groups**

- The aim Self Help Groups is to mobilize women, to give them power and build women's organizations that will overcome blockades to participation and empowerment. The positive change was found in all the three dimensions (Social, Economic and Political) of empowerment after joining the Self Help Groups
- In case of Social Empowerment of the respondents, depending upon the change in the Weighted Mean Scores, maximum change (0.98) was found in the area of self-esteem of the women under Self Help Groups and ability to avail the bank facility (0.97), whereas minimum change was there in the ability to take decisions (0.08). Weighted Mean Score of the overall Social Empowerment of the respondents was calculated as 0.50. Hence, it is concluded that the overall Social Empowerment of the women of Self Help Groups had increased after joining the group.
- Social Empowerment of the Office Bearers portrayed maximum change in the area of effective communication skills (1.70) and ability to avail the bank facility (1.51), whereas minimum change was found in awareness regarding property rights (0.12) after joining the Self Help Groups.
- Change in Social Empowerment of other members after joining SHG depicted maximum change (0.99) in ability to take decisions and awareness on the prevailing laws relating to women and children (0.55), whereas minimum change was found in awareness regarding harmful diseases (0.06) and awareness regarding property rights (0.05).
- In case of Economic Empowerment of the respondents before and after joining the group, the maximum change was noted in the habit of regular saving (1.97) and minimum change in better standard of living (0.52). It was further noted that the overall Economic Empowerment of the women of Self Help Groups had increased after joining the Self Help Group.

- Economic Empowerment of the Office Bearers of the SHG before and after joining the group illustrated that maximum change was reported in the habit of regular saving (2.26) and minimum change was found in better standard of living (0.44).
- As far as Economic Empowerment of other members of the SHGs is concerned, maximum change was reported in the area of contribution to family income (1.73), and habit of regular saving (1.68), whereas awareness about banking operations (0.32) was at the lowest rank.
- Among all areas of Economic Empowerment change is higher in case of Office Bearers as compared to the other members except for contribution to family income, better standard of living and employment opportunities.
- The difference in the change of economic empowerment in all areas of empowerment is high in case of members (1.06) as compared to the Office Bearers (0.99). The respondents were able to contribute towards their family income and also counted other benefits better understanding, banking operations, better leadership and communication skills. They gain experience of how to take decisions at community, village and household level.
- Change in Political Empowerment of the respondents before and after joining the group symbolized that the enhancement in leadership quality (1.34) was the leading area of political empowerment and discussion regarding politics with co-members (0.06) was at the last rank. It was noted that the overall Political Empowerment of the women of Self Help Groups was increased after joining the group.
- Change in Political Empowerment of Office Bearers after joining the SHGs confirmed that leadership quality was ranked I (1.62) and contesting the political body election (0.10) was at the last rank (XI).
- Change in Political Empowerment of the other members after joining the SHGs clarified that the change in weighted mean scores of pre and post leadership quality was at rank I (1.06) where as contesting the political body elections (0.10) was at the last rank (XI). It was again noted that the overall Political Empowerment of the members of the Self Help Groups was increased after joining the group. The change in the Weighted Mean Scores of Overall Empowerment was calculated as 0.65.

## Conclusions

Whenever there is a proper atmosphere and facilities to grow up, the efficiency and productivity increases. Many schemes and policies have been introduced by central as well as the state govt. in numerous ways to boost the women empowerment. So, to measure the role of SHGs on Socio-economic and Political Empowerment of women, the present study was

conducted. It shows that participation in SHG has improved the access to credit, this has helped women to reduce their dependency on money lender. Some women have invested credit obtained from SHG on new economic activity and strengthening old activity to enhance their livelihood. There were the evidences of income enhancement after joining the Self Help Group. They collectively organized for the community-related issues and contributed to prevent them. SHG develop a habit of saving among women, mobility, and interaction. It reflects women come out of four walls of the house. Another side of the study shows that they had limited sources for economic development activity. There was not much promotional assistance from Self Help Group forming agencies to enhance their skill. Majority of them were doing their traditional Income Generating Activities. They were lacking the motivation and training on suitable topics. There is no dearth of policies and funds with the govt. but the problem is with execution at the grass root level. Poor women were not aware of even the purpose of group formation and the role of the forming agency and the other related departments. Many of women were dependent on others for decision making, this shows that women are pushed back in the decision-making process. Although SHGs helped women somehow in economic independence and their involvement in development process increased, but there are other aspects, where women had made less progress and need to pay attention so that they can fully contribute to the development process. SHG women in the study area have faced many problems. Some problems have risen due to the negligence of the line department in implementing the programme and some problems have aroused within the groups due to lack of mutual understanding and coordination among the members, lack of family support etc. No doubt, the programme has succeeded in changing the socio-economic conditions of the SHG members. However, the speed of success can be accelerated, if such problems are removed or minimized. In order to remove or minimize such problems, co-ordination between the various line departments and understanding among the group members is essential. Regular monitoring by the Self Help Promoting Institutes on the group activities may also reduce the problems faced by the members.

## **Observations**

The following observations are made by studying the different indicators of success of SHGs in the study area.

1. The attraction to avail short term gains is the major hurdle in the progress of the SHG movement in the study area.

2. Majority of the SHGs which were formed in both the blocks were organized mainly to get financial benefits and subsidies.
3. The Self Help Groups formed by Non-Government Organizations were working better as compared to the government organizations.
4. Selection of good Office Bearers is one of the main factors for better performance of the Self Help Groups.
5. Instead of starting Income Generating Activities or taking loan from bank, they are satisfied with the micro financing only.
6. Lack of time was the major problem of the women under Self Help Group. It was observed that respondents felt that they were not able to pay full attention to the needs of husband, children and others who are dependents on them after becoming the member of SHGs as compared to situation before SHGs. They were found to feel guilty of giving less care and attention to their family members. But the attitude of family members of the most of the respondents was found to be encouraging. So, it can be concluded that it was their solo problem. Health problem, non-payment of loans by the members' misuse of funds by the group leaders and some social problems were also there.
7. Promoting agencies play a crucial role in developing quality institutions. Promoting agencies may be given adequate financial and capacity building resources and timeframe.
8. Further, wherever voluntary organizations are involved, the SHGs (Self Help Groups) have improved in terms of saving mobilization and credit consumption. It was surprising to know that the large number of groups formed by self-initiatives of individuals, which signified that SHGs (Self Help Groups) formation is taking the shape of a movement driven by monetary considerations for solidarity purpose.

## **Suggestions**

On the basis of the study, following suggestions are made:

1. Women should not be forced to join the Self Help Groups. Instead they should come together on their own choice.
2. The group members should be made insight that Self Help Group are not only means of taking easy loan or credit; rather it provides the opportunity to improve their socio economic conditions.
3. Groups can be sustained and put into income generation if regular follow up is to be done and a greater number of trainings should be organized.

4. SHG women should be taught properly regarding loan and its re-payment as group members having no knowledge of loan and its installments, happened to pay more interest so they develop fear of loan.
5. The group members should collectively utilize the benefits of different government schemes so as to enhance their living standard.
6. Bank loan facility was not availed by majority of the Self Help Groups in the study area because of the defaulter members. So, there should be provision of loan to individual members in the group and she should be made responsible for the amount taken instead of whole group. Because a single defaulter in a group creates problem for the whole group.
7. Wherever banks are not accessible or not responsive, federations may be prepared to take up financial intermediation
8. Timely release of adequate loans and the eligible subsidy should be promoted.
9. All stakeholders should invest their time for capacity building, handholding and development support.
10. There should be proper check on the purpose for which loan money was sanctioned and its actual use.
11. They should be given proper training on effective functioning of the Self Help Groups and every year Office Bearers should be changed for empowering more numbers of women.
12. Functionaries should make sure that one woman should have single group membership. Some of the women were the members of even three or more groups.
13. The Self Help Group Promoting Institutes should seek the assistance from the government to promote quality SHGs through village/cluster level; sub-district/ block level and district level federations.
14. Promoting agencies may be given adequate financial and capacity building resources and timeframe. Available evidences indicate that investment of about Rs.25, 000- per SHG for 5 years is required to promote quality SHGs with strong federations and effective livelihood opportunities along with strict follow-up.
15. The success of SHGs depends upon efficiency and effectiveness of groups. The government needs to focus on major problems faced by SHGs as to make their resource mobilization meaningful and economic upliftment of members of SHGs.
16. Groups can be sustained and put into income generation if regular follow up is to be done and a greater number of need based trainings are to be organized. Selection of good office bearer is also one of the reasons of sustainability.