



## **IMPACT OF SHGS ON SOCIO - ECONOMIC EMPOWERMENT OF WOMEN IN JHARKHAND: A CASE STUDY OF HAZARIBAG AND RAMGARH DISTRICT.**

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*The empowerment of women is one of the central issues in the process of development of countries all over the world. This study is undertaken to examine the effectiveness of SHGs in socio - economic empowerment of women of Hazaribag and Ramgarh district in Jharkhand. The International Women's Day celebrated on 8th March every year has become a day of demonstration equal opportunity and solidarity. But the question arises how relevant is celebration of Women's Day in view of the fact that their position in the society has not changed much. Empowerment of poor women can be achieved through the provision of micro credit to self help group members. Social and economic empowerment is the need of the day, as it is one only surest way of making women "equal partners in development." The process of women empowerment is conceptualized in terms of personal assertions, self-esteem and confidence, ability to protect themselves as women attaining socio political participation and economic independence, ownership of productive assets and provide leadership in women.*

### **INTRODUCTION**

Self-help groups (SHGs), groups of 10-20 women engaged in saving and lending activities, have come to lead the development landscape, mainly in South Asia (Brody et al., 2017; Jakimow & Kilby, 2006). SHGs are created for a variety of reasons, yet their primary purpose has been to empower women economically and communities through saving, lending activities and bank-linkage programs to access larger pools of capital (Gugerty et al., 2019; GOI, 2019). In India, the central government has catalyzed the spread of SHGs since 2011 through the National Rural Livelihood Mission (NRLM).

Women constitute about half of the total population of the country but they suffer from many disadvantages as compared to men in terms of literacy rates, participation rates for earnings. Empowerment of poor women can be achieved through the provision of micro credit to self help group members. Self help groups have emerged as a widely accepted development strategy as they are effective in reducing poverty creating awareness and ensuring sustainability of environment which finally result in sustainable development of the nation.

The Government has been implementing various schemes for the socio-economic advancement and development of women in the country. Indian government has taken steps to encourage the SHGs for changing the social scenario along with the empowerment of women in the society. The major program involving financial intermediation by SHGs that is the SHG- bank linkage programme and this program was launched in 1992 by National bank

for Agriculture and Rural Development (NABARD), the apex bank for the rural development in India to enlarge the flow of credit to the hard core poor.

The National Policy for Empowerment of women was adopted in 2001 with the objective of ensuring women their rightful place in society by empowering them as agents of socio-economic change and development. 'Empowerment of women', is therefore, an important approach adopted in the Tenth Five Year Plan (2002-2007) for development of women. Two important schemes in the areas of education viz ' Sarv Shiksha Abhiyan' and 'Mahila Samakhya' are being implemented by department of Elementary Education and Literacy. A number of other schemes include Swyamsidhs, Swashakti, Rashtriya Mahila Kosh, Swawalamban, and Support to Training-cum-Employment Programme (STEP), Swadhar, and hostel for working women. Women as a group of the human community their status, role and problems have been an important issue of debates among the intellectuals from pretty time.

Microfinance is an improvement in credit market for the developing countries it is a source of service provider for poor needy people who wants to engage in income generating activities for development. It is an important approach for poverty alleviation programme and enhancement of living standard particularly of women in developing countries like India. Microfinance is the stipulation of providing very small loans that are repaid within a short period of time. Micro finance with SHGs cooperates as a helpful character for promoting women empowerment. It is not only a valuable instrument for fight against poverty but also is a way of promoting the empowerment of poor and marginalized section of the population especially women.

### **NEED FOR THE WOMEN EMPOWERMENT**

Women empowerment means emancipation of women from the vicious grips of social, economic, political caste and gender-based discrimination. It means granting women the freedom to make life choices. While it cannot be denied that women's status has considerably increased in almost every field in India during the seven decades of India's Independence, they are still far behind men and have to continue to struggle against many handicaps and social evils. Many evil and masculine forces still prevail in the modern Indian society that resists the forward march of its women folk. Women in the Indian society have been considered as inferior as men for many years. Because of such type inferiority they have to face various issues and problems in their life. There has been improvement in the position of women, but their true empowerment is still awaited. It is the creation of an environment for women where they can make decisions of their own for their personal benefits as well as for the society. Empowerment as action refers both to the process of self empowerment and to professional support of people, which enables them to overcome their sense of powerlessness and lack of influence, and to recognize and use their resources.

## **WOMEN EMPOWERMENT THROUGH FINANCIAL INCLUSION**

Inclusion is an action or state of including or of being included within a group or structure. It is the idea that everyone should be able to use the same facilities, take part in the same activities, and enjoy the same experiences, including people who have a disability or other disadvantage.

Financial inclusion is the delivery of financial services at affordable costs to sections of disadvantaged and low-income segments of society, in contrast to financial exclusion where those services are not available or affordable. Financial inclusion is the delivery of financial at affordable costs to vast sections of disadvantaged and low income groups. Financial inclusion refers to a process that ensures the ease access, availability and usage of normal financial system for all the members of economy. An Inclusive financial system has several merits. It facilitates efficient allocation of productive resources and thus can potentially reduce the cost of capital. In addition, access to appropriate financial services can significantly improve the day-to-day management of finances.

Financial inclusion is critical for achieving inclusive growth in the country. It can help in reducing the growth of informal sources of credit such as money lenders which are often found to be exploitative thus an all inclusive financial system enhances efficiency and welfare by providing revenues for secure and safe saving practices and by facilitating a whole range of efficient Financial Service.

The self-help group emerged to help the poor particularly women in securing support like credit and other services. As on 31 March 2021 the SHG BLP programme has reached many a milestone with a total membership of about 112.23 lakh SHGs covering 13.8 crore households across India. During the year 2020-21 the number of SHGs increased by 9.80 lakh with a corresponding increase in the savings by 11325.56 crore. The savings outstanding of SHG with Banks as on 31 March 2021 has reached an all-time high of 37477.61 crore. During the year 2020- 21 the banks have disbursed loans of ` 58070.68 crore (STATUS OF MICRO FINANCE 2020-21)

## **REVIEW OF THE LITERATURE**

A number of studies have been carried out in India and outside of India on various aspect of women empowerment. These are as follow:

Manpower Journal (1990) discusses the development of women as human resource under various heads; they are the indicators of women's equality, women's economic position, economic growth, economic rights, economic participation, occupational distribution, women's social status and observations on economic participation.

Sudha Deshpande and L.K. Deshpande (1992) took up a study to observe the influence of New Economic Policy on female employment. The study is done in three sections. The first section begins with a discussion feminization as a process indicating the underlying causes. The second section examines the database for studying the process and shows the form it can

take in an urban labour market like Bombay. The third section analyses the future pattern of female employment in the context of New Economic Policy.

Hashemi, Schuler & Riley (1996) measured empowerment using five broad dimensions namely, economic, legal, socio-cultural, familial interpersonal and political empowerment. Their findings suggest women's contribution to household income meaningfully influence their economic empowerment. They developed eight verifiable variables, including mobility, economic security, ability to make major and minor awareness, participating in major household decisions, relative freedom from family domination, political awareness, legal awareness and political activities such as public protest and campaigning. Microfinance was found to have significant effects on all the five different dimensions of women's empowerment by them greater economic value to their families.

Ratna Kumari (1997) reviewed the plan wise paradigm shift of development programs for women, explained how, when, where and why the shift was made during the planning era in India. she also presented various government policies relating to the Welfare, development and empowerment of women. She also enlightened the constraints for the success of those programs like problem of identification of potential beneficiaries, lack of information about the development programmes for women among the poor, inadequate technical expertise to undertake manufacturing activities problem of credit marketing etc. she suggested the Strategies for social economic development of women and stressed the need to enlarge the role of women to improve the status of women and family Welfare.

Kabeer, (1999), has attempted to construct the indicators of the empowerment of women, by using three dimensional conceptual framework (a) the resources as part of the preconditions of empowerment; (b) the agency as an aspect of process; and lastly (c) the 'achievements' as a measure of outcomes. The study shows that the most probable indicators for empowerment of women are family structure, marital advantage autonomy, freedom of movement, and life time experience of employment participation in the modern sector.

Muthuraja (2001) has discussed and proved that efforts to improve women's position need to focus on economic factors. Women as head, 35% of Indian households are below the poverty line and thus, in most cases they depend exclusively on woman's income, as per the sharamihakti report. Even where there is a male earner, women's earning form a major part of the income of poor households. Moreover, women contribute a larger share to basic family maintenance, better health and nutrition of the family particularly her children. The women empowerment is the final goal, but it cannot be achieved quickly since it has to bring out a change in the perception of male-dominated society.

Krishna (2003) stated that women's empowerment is a process through which women's can make their choices and renovate these choices into desired actions and outcomes. Economically empowering women is indispensable to apprehend women's rights and to achieve broader development goals such as economic growth, poverty reduction, and social welfare.

Sharma, M. (2008), through cross country empirical study examined a close relationship between financial Inclusion and development. Further, the study found a positive relation between financial inclusion and different socio-economic variables like income, inequality, literacy, physical infrastructures.

Ramji Minakshi, (2009), took a deliberate attempt to understand the process behind the recent financial inclusion drives in India in the specific context of Gulbarga district in Karnataka. This study finds that the financial inclusion drive, while implemented with a great deal of enthusiasm by banks and bank officials, does not resonate with low-income households. While the actual drive itself suffers from several inconsistencies, the usage of accounts opened is abysmally low.

Ranjula Bali Swain and Fan Yang Wallentin (2012) studied the performance of self-help groups in five Indian states. Their sample was 810 members. The authors evaluated the effect of economic and non-economic factors on the empowerment of women. They found that economic factors have the greatest direct impact on empowering women. This confirms that programs such as SHGs, which focus on the income generation by women in low-income households, have the advantage of improving the economic situation of the respondent and 86 being the most factors in empowering women. However, they add that greater autonomy and changes in social attitudes also lead to the empowerment of women, although the magnitude of their impact is relatively smaller than the economic factor. Greater confidence to meet the financial crisis and having independent savings is also a factor that contributes to empowerment. Thus, the provision of "minimalist" microfinance through its economic impact remains the most important cause for promoting women empowerment of SHG members.

A study by Deogharia (2010) has examined the role of microfinance and SHGs in various districts of Jharkhand and has also analysed the various factors influencing their functioning, which in turn affects rural credit. The study analysed the role of SHGs in rural Jharkhand for women empowerment.

Another study by Deogharia (2013) examined the role of SHGs on financial Inclusion and microfinance, the study undertaken a critical analysis of parts of SHG development emerging from current practices.

Uma, H. R. and Rupa, K. N., (2013), studied the impact of SHGs on financial inclusion with parameters of increase in bank accounts, increase in avail of credit and percentage of repayment during pre- and post-SHG situations. The study revealed positive impact of SHG on financial inclusion. The study found that the percentage of members having bank accounts, credit availed and repayment of credit had increased in post SHG situation.

Malhotra Sharad (2016) studied on the effect of the self-help groups in Chandigarh and gathered information that the SHGs have come up to inspire the country poor and oppressed woman of rustic zone. They are exceptionally dynamic in taking an interest with government and non-government associations for their own betterment.

Dr. Preema Rose Nichlavose Jincy Jose (2017) examined the impact of SHG initiatives on socio economic status of the SHG's members, in Kerala taking 16 SHGs. After her study she has suggested that there is a need to build the training programs given to the SHG individual member with respect to the self- improvement and enterprising skill advancement.

## **METHODOLOGY**

Self Help Groups are the dominant form of microfinance and the present study focuses on SHGs of both districts i.e., Hazaribag and Ramgarh of Jharkhand. As such extensive field surveys, in depth interviews and interactions with sample constituted the core of the study.

The study is based on a two pronged approaches for the collection of information:

- ♦ Conducting a field survey for collecting primary data.
- ♦ Collection of secondary data from different government offices, and discussions with the government officials and banking institutions.

## **SAMPLE, DATA COLLECTION**

In order to investigate whether financial inclusion promote women empowerment, primary data has been collected from the rural women living in Ramgarh and Hazaribag district located in Jharkhand state, these two districts are important in the context of growth and development of Jharkhand state. Simple random sampling method is used to collect data of 80 rural women of both districts of North Chotonagpur division i.e., Hazaribag and Ramgarh during the year 2019-20.

**Table 1: District wise/Block wise Details of the Sample :**

<b>District</b>	<b>Block</b>	<b>Village</b>	<b>No. Of Samples</b>
Ramgarh	Mandu	Bargaon	10
		Chainpur	10
	Gola	Bantara	10
		Barlanga	10
Hazaribag	Churchu	Charhi	10
		Bahera	10
	Ichak	Bonga	10
		Dumraun	10
		Total Samples	80

## **RESULTS AND DISCUSSION**

- A. Income Generation** Impact on income is analyzed by comparing the income of SHGs beneficiary pre & post SHG income.

**Income Before Joining SHG**

Constants inputs of training and capacity building are required to sustain SHG. Training of SHG leads to skilled behavior and enhances the performance of the group. Training programmes are important because they-expand knowledge base, try to bring about changes in the attitudes of the SHG members and impart new skills and build upon the existing skills. To study the impact of training on the livelihood income of the respondent, data related to the livelihood income of the respondent before training is collected. The following table shows the data collected from respondents of SHGs.

**Table: 2, Individual Incomes Before Joining SHG**

Individual Income before training (in Rs.)	Percentage
Less than 1000	31.6
1000-1500	25.4
1500-3000	28.8
More than 3000	2.8
Total	88.6

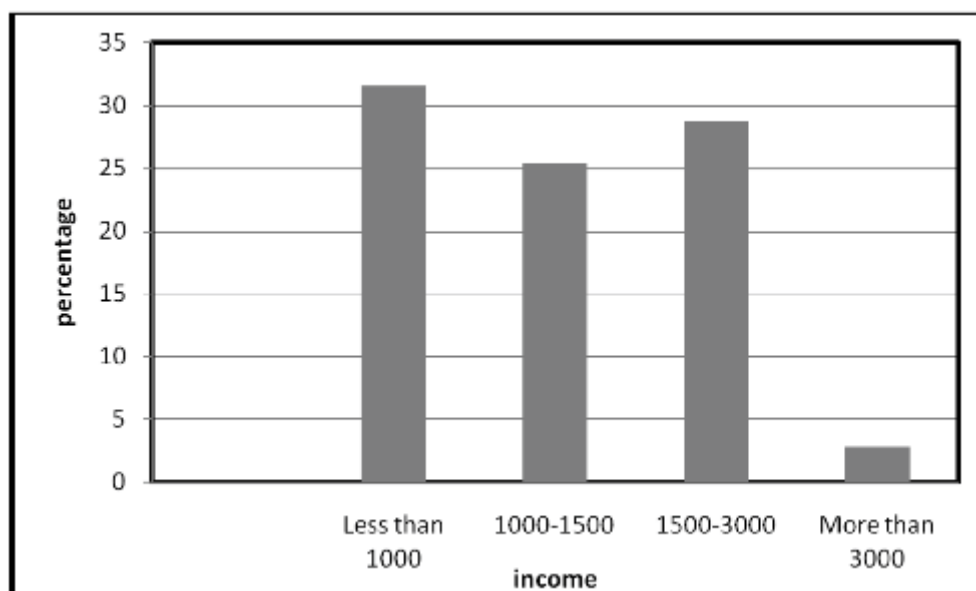
The table and the figure clearly reveal that before joining SHGs, 31.6% respondents have an income less than 1000 per month, 25.4% respondents have an income between 1000-1500 per month 28.8% respondents have income between 1500-3000 per month and only 2.8% respondents have an income more than 3000 per month. Training of SHG leads to improve the skilled behavior and enhances the performance of the group.

**Income After Joining SHG**

In order to study the effect of training on the livelihood income of the respondents, data regarding the income of the respondents is collected after training. The details of the data are shown in the table given below:

**TABLE : 3, Income After Training Under SHG**

Income After Training (in Rs)	Percentage
Less than 1000	9.8
1000-1500	23.4
1500-3000	46.4
More than 3000	9.0
Total (Respondents that received training)	88.6
NA( not receive training)	11.4
Total	100



The above table & chart reveals that out of 88.6% respondents who are recipients of under SHGs 9.8% respondents have livelihood income less than 1000 per month after joining SHGs, 23.4% have livelihood income between 1000-1500, 46.4% respondents have livelihood income between 1500-3000 and 9.0% respondents have livelihood income of more than 3000 per month.

**B. Change in Livelihood Income** livelihood income is also analyses by comparing the income of beneficiaries before and after joining SHGs.

**Contribution in Livelihood Income before Joining SHGs:**

The members of the SHGs borrow money from the group and become self employed or undertake any livelihood promotion activity. In the present research data related to contribution in livelihood income of the respondents before joining SHG was collected which is shown in the table given below.

**Table: 4 Contribution in Livelihood Income Before Joining SHG**

Contribution	Percentage
Less than 1000	91.8
1000-1500	5.0
1500-3000	2.8
More than 3000	0.4
Total	100

The above table indicates 91.8 % respondents contributed less than Rs 1000 per month before participation in SHG, 5% respondents contributed between 1000-1500 Rs per month, 2.8% respondents contributed between 1500-3000 Rs per month and only 0.4% respondents contributed more than Rs 3000 per month before joining SHG.

Contribution in livelihood income after joining SHG: SHGs utilize the savings mobilized to lend small loans internally among the member. The members of the group utilize this amount by investing the same in any livelihood promotion activity and this increase their livelihood income.

**Table: 5, Contribution in Livelihood Income After Joining SHG**

<b>Contribution</b>	<b>Percentage</b>
Less than 1000	14.2
1000-1500	49.6
1500-3000	26.6
More than 3000	9.6
Total	100

The above table indicates that after joining SHG, 14.2% respondents contributed less than Rs 1000 per month. 49.6% respondents contributed between 1000-2000, 26.6% respondents contributed between 1500-3000 Rs and 9.6% respondents contributed more than Rs 3000 per month in the livelihood income.

After analyzing the impact of participation in SHG on its members and provision of microfinance, it is found that the SHGs have contributed immensely in the up-liftment of the rural poor. There has been an increment in the livelihood income of the SHG participants which not only raises their standard of living but also contributes immensely in the empowerment of members especially in case of women. The analysis of the data obtained from the sample respondents revealed that training and capacity building plays an important role in enhancing the income of the members of the SHG. Training of the members increases their access to markets. Information on raw material and technology, skills up-gradation and a range of business development services which are equally significant in making microenterprise more profitable and sustainable. Thus training and capacity building of the SHG participants has a positive impact on their income generation.

## **CONCLUSION**

SHGs are important and useful tool of poor women for empowerment. This concept has helped to bring social reform and uplift the economic condition of poor and marginalized section of the society especially women. The present study concluded that the SHGs have greatly helped women to understand their social and economic rights. It reveals that livelihood income is increased after joining the SHGs, which smooths the consumption needs

and marked reduction in dependence of exploitative informal sources of credit. These aspects are itself a significant welfare gain. It has also helped in the overall development of women in the society. SHGs have served for the cause of women empowerment, social solidarity and socio-economic betterment of women.

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