



ROLE OF SELF HELP GROUPS IN WOMEN SKILL DEVELOPMENT

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ABSTRACT

The socio-economic development of a country depends upon women empowerment to a large extent. In developing economies like India skill development especially in case of female population is of paramount importance. Since the inception of micro-financing Self Help Groups are playing crucial role in skill development. Higher is the level of skill development higher would be the employment opportunities available to the female members resulting in elevation of their socio-economic conditions. This paper throws light on skill development of women power looking for self dependency and self-sustain development to help their family in improvement in their living standard to a great extent.

Key Words : SHGs, empowerment, skill, employment, elevation

Introduction

India's two-third population still dwells in villages. The agriculture still plays significant role in rural economy. The development of an economy depends not only upon availability of physical and human resources but also on skill development. Unemployment especially in rural areas is on growth. The Government are making sincere efforts to solve the most pressing problem of unemployment. This is why the Government have time to time launched several employment-oriented programmes to promote gainful employment both wage employment and self-employment. Recently, the objective of employment generation is aimed to be achieved through SHGs which has now become a potent tool to promote rural employment. India has experienced the role of SHGs in women skill development resulting in enhancement of job opportunities may help in elevating the socio-economic condition of rural women members.

Self-Help Groups-Bank Linkage Model

Micro financing is a poverty eradication revolution which is prevailing not only in India but all over the World with full swing. Whereas World economy is going under pressure due to financial crises, the micro finance activities are still exhibiting a good performance. Since independence in 1947, successive governments have emphasized the link between improving access to finance and employment generation tending to reduction in poverty. The creation of a nationwide network of rural cooperative banks in the 1950s was an effort to improve financial access to Indian rural poor. It was furthered by the nationalization of 20 Commercial banks. Following the success of Grameen Bank experiment in Bangladesh as initiated by Mohd. Yunus, the strategy of forming SHGs and extending micro-credit through these SHGs has been strictly and successively followed in India. SHG- Bank Linkage Programme launched by NABARD (National Bank for Agriculture and Rural Development) in 1991, as an experiment in providing hassle free institutional credit to rural poor including women has achieved spectacular success over the last two decades which is now acclaimed as the biggest micro credit programme in the World. Micro financial needs of the rural poor especially women for small



loans. Currently, 75 percent of the total microfinance credit supply is via the Self Help Group- Bank linkage route, largely financed by the National Bank for Agriculture and Rural Development. The remaining part of micro finance credit comes from MFIs, increasingly backed by commercial banks. The role of micro finance institutions (MFIs) and cooperative banks has taken shape of an umbrella under which various NGOs and social organizations are operating employment generation programmes for poverty alleviation.

India is a mixed economy in which public and private both sectors run together. Being partially a capitalist economy, profit maximization is the sole goal rather than welfare of the society as a whole. But on the other hand micro finance institutions (MFIs) are operating on the basis of welfare oriented principle. The SHGs based programs in the country are marching towards informal direction. In this way Self-Help Groups (SHGs)- Bank Linkage model grew to become a key part of financing Indian poor. SHGs are informal associations of upto 20 women members. These groups provide an opportunity for individual members to pool money, and then use these funds in lending small amounts each other with interest. According to NABARD, " An SHG is a small economically homogeneous and affinity group of rural poor voluntarily formed to save and mutually agree to contribute common funds to be lent to its members as per group decisions for their socio-economic development." Main aim of SHG is to make group members self-sufficient and self-reliant by self-employment and empowerment through group dynamics. Micro-finance has emerged as a powerful instrument to eradicate poverty through employment generation. In India- micro finance scene is dominated by Self Help Groups (SHGs)- Banks linkage program, aimed at providing a cost effective mechanism for providing financial assistance and services to the 'Unemployed unreachable poor.'

Women Self Help Groups and Skill Development

Women Self Help Groups (SHGs) have become synonymous with women groups participating in rural employment. The effective empowerment of women is inevitable to ensure economic development and effective empowerment may be got through gainful employment alongwith other instruments. While gainful employment is possible only with the help of skill development and skill development is being strengthened and promoted by Self Help Groups. These women SHGs are providing employment to women members thus improving their economic condition. The block level officials who are specialists in the field of agriculture, cottage industry, handicrafts, garment making, dairy farming, bee keeping, fishery, horticulture, construction activities, retailing, running of beauty parlours, fashion designing and so many other vocations. Women empowerment is characterized by economic independence, self-reliance, self-confidence and leadership recognition etc. Empirically it may be emphasized that skill development which has resulted in women empowerment in India is the result of SHG movement.

The Self Help Groups (SHGs) are the voluntary organizations which disburse the micro credit to its members. These SHGs are promoted by the NGOs, banks and MFIs resulting in upgradation of economic level through skill development. In this context it is relevant to mention that Reserve bank of India which is central monetary authority and apex bank of the country has advised commercial and cooperative banks to participate in SHG- Bank Linkage Programme. During the last one and half decade, some of the Regional Rural Banks and cooperative banks have developed the skill in promoting SHGs on their own and have got the power of Self help Promoting Institutions (SHPIs). These women SHGs are effectively working in rural areas of the country thus enhancing skill development.

Review of Literature

In the following text, an attempt has been made to review the available literature on various issues studied by the previous researchers that are directly or indirectly relevant to the topic.

Khare (2009) has concluded that SHG movement has added a significant dimension to micro



financing in the country. The propagators of micro financing see credit as a major strategy for women empowerment.

Talwar Sabanna, Bulla B.P (2009) have stated that SHGs are the preferred anti-poverty strategy for women since SHGs got success in reducing poverty, reached out to very poor women and raised their awareness level to a considerable limit.

Rasure (2009) has concluded that micro-financing is carried out through SHGs where 10 to 20 poor women come together by weekly, fortnightly and monthly meetings through their savings and loaning. Through such interventions, uncovered groups are covered with credit and in the process women got empowered.

Patil R.M (2012) studied socio-economic impact of micro financing through SHGs in Karnataka- A case study of Bijapur and Bagalkot concluded that SHGs have been working in right direction in eradicating the poverty of the rural poor and in the empowerment of the women. Still there is huge scope for micro entrepreneurial activities in the rural as well as urban areas.

Research Design and Methodology

The present study is based on both the primary and secondary data. The primary data have been collected through field survey and structured schedules which were filled up after interviewing the sample representative women members who were respondents.

Thirty SHGs out of total 281 have been selected taking minimum 10 percent sample units. Subsequently four women members from each SHG have been selected on random basis. Thus 120 women members were selected in all. In selecting the SHGs stratified random sampling technique has been utilized to cover all segments of the society viz., scheduled caste, scheduled tribe, other backward classes and general category as well. For validity and reliability of information collected government records were also consulted. Besides, personal interviews of bank officials and NGOs were also undertaken to have an idea about women skill development and employment generation. The secondary data have been collected from concerned government department records.

Hypotheses

The following hypotheses have been undertaken to analyze the data and information collected as well as interpret the results of the study undertaken:

1. Training through Self Help Groups helps in women skill development.
2. Skill development is conducive in availing employment opportunities.
3. Employment level is crucial for women empowerment.

Analysis and Interpretation of Data

First respondents' profile is put under different heads as under:

Age Group

The following table reveals respondents' age under different age groups who actively participated in the Self- Help Groups:

Table 1
Age Group of Women Respondents

Age Group (in years)	No. of Respondents	Percentage to total
18-25	12	10.00
25-35	40	33.33
35-50	53	44.17
Above 50	15	12.50
Total	120	100.00

Source: Based on field survey



From table 1, it is clear that women members of age groups 25-35 and 35-50 actively participated in Self Help Groups as compared to age groups above 50 and 18-25. The age groups 25-35 and 35-50 are the important periods of life in which family life liabilities are shouldered at the most and a sound foundation of life is laid.

Educational Qualification

Table 2 reveals educational qualifications of the selected women Self Help Group members. Educational status significantly affects skill development and hence empowerment. It is the education which enables women members gather information from different sources of knowledge and skill and helps them analyze properly and think innovatively to start the economic activities for livelihood and income generation.

Table 02 : Educational Qualifications of Respondents

Education Level	No. of Respondents	Percentage of Total
Illiterate	58	48.33
Primary Pass	35	29.17
Matriculate	16	13.33
Intermediate Pass	9	7.50
Above Intermediate	2	1.67
Total	120	100.00

Source: Based on field survey.

Out of total selected respondents near about one half (48.33 percent) are illiterate while 29.17 percent of the respondents are merely primary pass. The percentage of matriculate too stands at 13.33 only. All these data show that the educational level of the respondents is very poor. Our survey has revealed that more than 90 percent of the respondents belong to downtrodden segment of the society i.e. scheduled castes, scheduled tribes and other backward classes who are not only backward on economic front but on education front also. The data reflect that illiteracy or low educational level of the respondents is not a hurdle in the way of joining SHGs. It has been observed even illiterate women members are making themselves skilled enough to run economic activities. The percentage of intermediate pass respondents has been registered 7.50 percent only while respondents having qualification above intermediate stood at only 1.67 percent.

Causes Responsible for Women Skill Development

The economic condition of majority of respondents is very poor as their level of skill is very low. The women SHG members are engaged in agricultural activities, domestic work, animal rearing, self-employment and near about one-third are wage earners. For sustainable development of the Self Help Groups and individuals, the members should get training in almost all the fields of economic activities possible in rural areas including SHG orientation, agricultural activities, activities allied to agriculture, cottage industries, small business and services etc. In view of this, responses of the women SHGs members regarding training needs in various economic activities are collected with the help of specially designed interview schedule. The data have been compiled, analyzed and presented as given under:

Table 3 : Training Needs for Women Skill Development

Factors Responsible for Skill Development	Number of Respondents	Percentage to total
Concept, Role & Structure of SHG	102	85.00
Role & Responsibilities of Members	110	91.67
Role & Responsibilities	112	93.33



Conducting Group Meetings	92	76.67
Knowledge of Banking Operations	96	80.00
Liasoning with Nodal Agency	102	85.00
Internal Lending Rules	106	88.33
SHG- Banking Linkage	94	78.33
Record Keeping and their Audit	114	95.00
Training of Specific Economic Activity or Vocation		

Source: Based on field survey

By the analysis of the above table it is evident that 85 percent of the respondents need training orientation in concept, role and structure of SHG. As the SHG is in the focus, its concept, role and other related aspects be imparted in efficient manner so that smooth running of SHGs may be ensured. The role and responsibilities of group members as well as group leader are also equally important to be imparted to the group members as more than 90 percent of the SHG members needed knowledge of it. In the same way more than 75 percent of the respondents have been found requiring knowledge about conducting group meetings and how to deal with banks for loaning and repayment of loans. More than 85 percent of the respondents need knowledge of internal lending rules while 85 percent of the members do not know how to deal with model agency? The training as regards to SHG- Bank Linkage and record keeping as well as its audit is also needed by majority of the respondents. As far as training of specific economic activity or vocation is concerned, it is needed by only 68.33 percent of the members. The reason behind this low percentage has been noticed that majority of the women members are engaged in agricultural or allied activities which need no specific training as long experience of majority of the SHG members help them run their operations easily.

Impact of Skill Development on Employment Level

The following table reveals impact of skill development on employment level of the women SHG members:

Table 4 : SHG Members' Participation in Economic Activities

Name of Economic Activity	No. of SHG Members before Joining SHGs	Participation Percentage	No. of SHG Members After Joining SHG	Participation Percentage
Agriculture	78	65.00	32	26.67
Industries	8	6.67	22	18.33
Trade and Services	34	28.33	66	55.00
Total	120	100.00	120	100.00

The figures as shown in table 4 reveal that as a result of training i.e. skill development, the participation percentage in agriculture which was registered 65 percent reduced to 26.67 percent because as the SHG members got skilled they switched over to industries and trade & services. Further the participation percentage in industries which was registered 6.67 percent rose to 18.33 percent after joining the SHGs. As a result of skill development SHG members started cottage, domestic or tiny sector industries. In the same way participation percentage in trade and services which was registered 28.33 percent before joining rose to 55 percent after joining the same. These figures are evidence to the fact that skill development opens more opportunities of employment.

Impact on Savings and Expenditure of SHG Member

The Self Help Groups have been successful in elevating the skill level of its members. As a result of



skill development increase in savings and expenditure has been recorded as given in the following table:

Table 05 : Savings and Expenditure of SHG Members

Savings/Expenditure Per Month (in Rs)	Savings Volume Number of SHG Members		Expenditure Volume Number of SHG Members	
	Before Joining	After Joining	Before Joining	After Joining
Nil	84 (70.00)	----- (0)	---- (0)	---- (0)
Upto Rs 600	22 (18.33)	58 (48.33)	24 (20.00)	6 (5.00)
Rs 601 –Rs 1000	5 (4.17)	30 (25.00)	25 (20.83)	15 (12.50)
Rs 1001---Rs 2000	4 (3.33)	12 (10.00)	40 (33.33)	32 (26.67)
Rs 2001---Rs 3500	3 (2.50)	8 (6.67)	18 (15.00)	27 (22.50)
Rs 3501---Rs 6000	2 (1.67)	5 (4.17)	7 (5.83)	18 (15.00)
Above Rs 6000	--- (0)	7 (5.83)	6 (5.00)	22 (18.33)
Total	120 (100.00)	120 (100.00)	120 (100.00)	120 (100.00)

Source: Based on Field Survey

By the analysis of the above table it is clear that 70 percent of the SHG members could save nothing neither before joining nor after joining the SHGs. Near about 18 percent of the members could save upto Rs 600 per month before joining the SHGs while it rose to 48.33 percent after joining the SHGs. The volume of savings which ranges between Rs 601 to Rs 1000 was made by 4.17 percent of the members. It rose to 25 percent after joining the SHGs. Rs 1000 to Rs 2000 were saved by only 3.33 percent of the members before joining the SHGs trebled after joining the same. The savings trend registered significant increase in remaining groups also. The expenditure figures do also prove that expenditure volume along with percentage of SHG members went on growing with the increase in income after joining the SHGs. It is the volume of income which led the SHG members expends higher amounts and higher incomes are the result of higher level of employment which is directly linked with skill development.

Conclusion

It can be concluded that agriculture which was main occupation of 65 percent of SHG members before joining the SHGs reduced to mere 26.67 percent after joining the same. It shows that skill development leads to non-agriculture activities in which there are higher income opportunities. In the same way percentage of members engaged in industrial activities near about trebled and percentage of members engaged in trade and services just doubled after joining the SHGs. The traditional agricultural activities generate comparatively low income when compared with non-agricultural activities. Here it has also been evidenced that the engagement level of non-agricultural activities depends upon level of skill.

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