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Empowerment of Women involved in SHGs with Reference to Drought Prone Districts of Bengal, India

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Abstract
Empowerment is a process, by which women gains greater control over material and intellectual resources which will assists them to increase the self-reliance and enhance them to assist their independent rights and challenge the ideology of patriarchy and the gender based discrimination against women. Generally the rural women folk form Self Help Group (SHG) to fight with poverty through microfinance by the assistance of local-self-government. It is the informal groups that are formed around a felt need and are used for collective action. The members of SHGs qualify Grade I after six months of their formation of group and receive revolving fund. After passing Grade I, they obey some rules and regulation and pass Grade II and involve in credit-linkage scheme. The study shows that participation in SHGs has resulted in some positive impact on reduction in the incidence of poverty and empowers them socially and economically.

Key Words: Self Help Group Self Help Group, women empowerment, Grade I & Grade II pass.

Introduction

Empowering women could create equality in society, contributing to poverty alleviation and social inclusion. Empowerment is a process, by which women gains greater control over material and intellectual resources which will assists them to increase the self-reliance and enhance them to assist their independent rights and challenge the ideology of patriarchy and the gender based discrimination against women. Discriminated and underprivileged women folk in drought-prone areas often form Self Help Group (SHG) to fight with poverty. Self Help Groups are informal groups that are formed around a felt need and are used for collective action. An SHG, both in concept and in practice, is a group of individuals who come together voluntarily for a common purpose. Thus, they are homogenous affinity groups and economic homogeneity is the most common factor. In fact, more than 80 per cent SHGs in India are of women members. If the members of SHGs become literate after group formation and they qualify Grade I and Grade II, and engage in income generating activities after getting loan from the government, it has positive impact on the performance of SHGs as well as it alleviates their poverty level and empowers them socially and economically. Thus this paper has tried to enquire into the issues like literacy level, income opportunity, performance of SHGs and decision making role of the female members of SHGs.

This paper is divided into four sections. Section 1 discusses the education level of the members of SHGs in the drought-prone areas vis-à-vis the non-drought-prone areas. Section 2 analyses the income opportunities of the members of SHGs, where a comparative study has developed. Section 3 examines the performance of SHGs in drought-prone areas. Section 4 analyses the decision making role of the members of SHG.

Review of existing literature

Kaladhar K (1997) observed that the microfinance continues to target the rural and urban poor households, with special emphasis on women borrowers, provision of finance for creation of assets and their maintenance,

bringing in greater quality to the services and was seen as a significant departure from earlier exercises in providing credit to the poor through financial institutions, which are often public, at subsidized rates with high default rates. Goankar (2001) concluded that the movement of SHGs could significantly contribute towards

the reduction of poverty and unemployment in the rural sector of the economy and the SHGs can lead to social transformation in terms of economic development and the social change. Krishna (2003), Panda (2005) and Jerinabi (2006) have done remarkable studies regarding role of SHGs in developing the economic condition of the poor people in an economy. Hulme and Mosley (1996) indicated that the microfinance could reduce the isolation of women. When they came together in groups they had an opportunity to share information and develope their ideas which were not there previously. Mayoux (2001) showed that the participation of women in SHGs could generate a positive impact on women empowerment in any developing economy. Suguna (2006) remarked that the activities of SHGs increased as provision of rural credit increased which was supposed to be empowered the women in rural areas. That participation of women in SHGs could generate a positive impact on women empowerment. Ramesh J (2007) indicated (while analyzing the performance of SHGs in Andhra Pradesh) that even in 'Mondal' and 'Zila Parisad'elections, the representatives from SHG members were substantial, thereby indicating an improvement in their empowerment. Lalneihzovi (2007) also considered SHGs as the best engine of growth of human resource. In some parts of the country, SHGs were taking on new roles and responsibilities that lay at the very core of livelihood security for the poor.

Objective of the present study

The objectives of the present study are

i) to analyze the level of education of the members of SHGs in the drought-prone areas *vis-a-vis* non-drought-prone areas,

ii) to analyze the level of income of the members of SHGs before and after their group formation in drought-prone vis-à-vis non-drought-prone areas,

iii) to examine the performance of SHGs in the drought-prone areas *vis-a-vis* non-drought-prone areas,

iv) to examine the decision making roles of the male (husband) and female (wife) members in the drought-prone areas *vis-a-vis* non-drought-prone areas.

Database and Methodology

This study is particularly based on primary data sources collected through the sample survey. Two sample drought-prone districts of west Bengal, viz., Paschim Medinipur and Bankura districts have been purposively chosen. Out of two districts, eight drought-prone blocks (Binpur II, Gopiballavpur II, Jhargram, Jambani, Chhatna, Khatra and Saltora) and seven non- drought -prone blocks (Kharagpur II, Salboni, Binpur I, Debra, Bishnupur, Kotolpur and Indus) have chosen respectively. The majority of the targeted groups consist of primitive tribes, scheduled castes, scheduled tribes and other backward classes.

Simple statistical techniques like mean, standard deviation,[1]correlation and regression have been used to analyze the data. In order to examine the performance of members of SHGs and contributions of SHGs to income generation a comparative study on drought-prone areas vis-à-vis the non- drought-prone areas have developed. Besides, we have used the "before and after" methodology to show the impact of group formation of the members of SHGs. The difference between drought-prone areas and non-drought-prone areas in

[1]Sarkhel, J and Dutta, S (2010), An insight into statistics, Book syndicate PVT. LTD.

respect to per capita deposit, per capita credit, credit-deposit ratio, repayment-credit ratio and in respect of decision making role will be tested by using equality of mean of t-statistic.

Equality Test

The difference between drought-prone areas and non-drought-prone areas in respect of these indicators have been tested by using equality of variance (F-test) and equality of mean (t-statistic).

F-test

The null hypothesisH_0: $\sigma_1^2 = \sigma_2^2$ against the alternative hypothesis H_1: $\sigma_1^2 \neq \sigma_2^2$ where s_1 and s_2 = sample standard deviation of sample 1 and sample 2 andσ_1^2 and σ_2^2 = population variance

F-test = $\frac{s_1^2}{s_2^2} * \frac{\sigma_2^2}{\sigma_1^2}$

If the calculated value of F (F_0) is higher than the table value of F (Fn_1-1, n_2-1, α /2)

where n_1-1, n_2-1are degrees of freedom and α **/**2 is the level of significance. Then null hypothesis is rejected, i.e, population variance is unequal.

(*b) **t-test***

If$\sigma_1 \neq \sigma_2$ then to testH_0: $\mu_1 = \mu_2$ against H_1: $\mu_1 \neq \mu$. We use t-test.

Here t-statistic = $\frac{\bar{x}_1 - \bar{x}_2}{\sqrt{\frac{s_1^2}{n_1} + \frac{s_2^2}{n_2}}}$

Where s_1 ands_2 = sample standard deviation, $\bar{x}_1$, $\bar{x}_2$ =sample means and n_1 and n_2 = sample sizes

If the calculated value of t (t_0) is greater than the table value of t ($\boldsymbol{t_{n_1+n_2-2,\frac{\alpha}{2}}}$), then the null hypothesis is rejected (Gujrati ,1995).

If $\sigma_1 = \sigma_2$, then t-statistic = $\frac{\bar{x}_1 - \bar{x}_2}{S\sqrt{\frac{1}{n_1} + \frac{1}{n_2}}}$

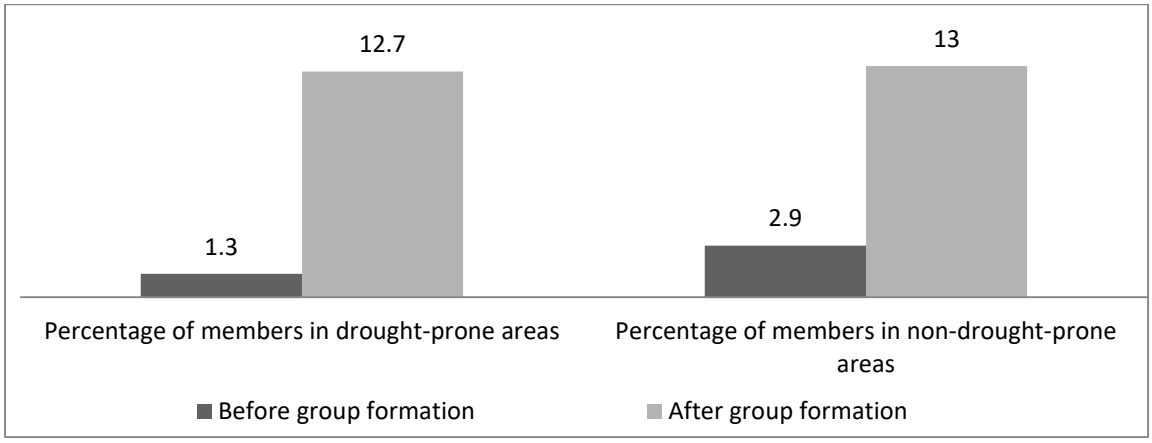
Where S is combined variance i.e,.$S = (n_1 - 1)s_1^2 + (n_2 - 1)s_2^2$

Analysis and Results

1. Education level of the members of SHGs

The level of education of the members of sample SHGs can be indicated on the basis of the following categorization: Illiterate, Up to Primary level, Up to Upper Primary level, Up to Secondary level, Up to Higher Secondary level, Up to Under Graduate Level and Post Graduate Level. In Figure-1, we observe that the number of illiterate members of the SHGs in both drought-prone areas and non-drought-prone areas had decreased after the formation of SHGs. The number of literate member increased after group formation although no significant change was observed in case of educational attainments in primary level to Post Graduation levels before and after the group formation. In many cases the group members learned how to sign and read some sentences only after joining their respective SHGs and thus, it could safely be said that learning opportunities before the illiterate women was widened through their participation in SHGs. It is important to note here that the resource persons (employed by the local Panchayats) who monitored them along with some local educated youths and even the educated members (class VIII-X passed) of the respective groups helped the illiterate members to become literate.

Figure 1 Percentage of literate members of the SHGs

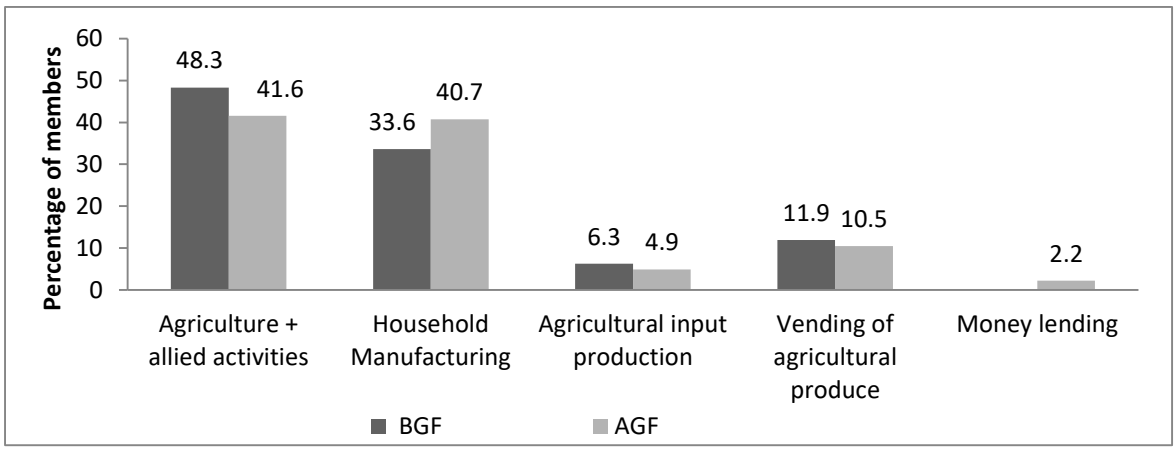


Source: *Field Survey (2011-12)*

2. Income opportunities of the members of SHGs

The SHG workers by the economic enterprise undertaken by them before and after group formation are analyzed in this section. The economic enterprises include agriculture (paddy cultivation or, backyard poultry, duckery, piggery, goatery), Manufacturing (bamboo works, babui grass preparation, bag making, sewing and tailoring, embroidery etc.), agricultural input production (Vermy compost and nursery), vending of agri-allied products including dealing in fish and vegetables, pump set operation in drought-prone areas and non-drought-prone areas. In drought-prone areas, about 48.3 per cent members were engaged in agriculture and allied activities, 33.6 per cent in manufacturing industries, 6.3 per cent in agricultural input production and 11.9 per cent in vending activities before group formation. But this situation has been changed after group formation. About 41.6 per cent members were engaged in agriculture and allied activities, 40.7 per cent in manufacturing industries, 4.9 per cent in agricultural input production and 10.5 per cent in vending activities and 2.2 per cent in money lending (Figure 2).

Figure 2 Percentage of members engaged in enterprises before and after group formation in drought-prone areas



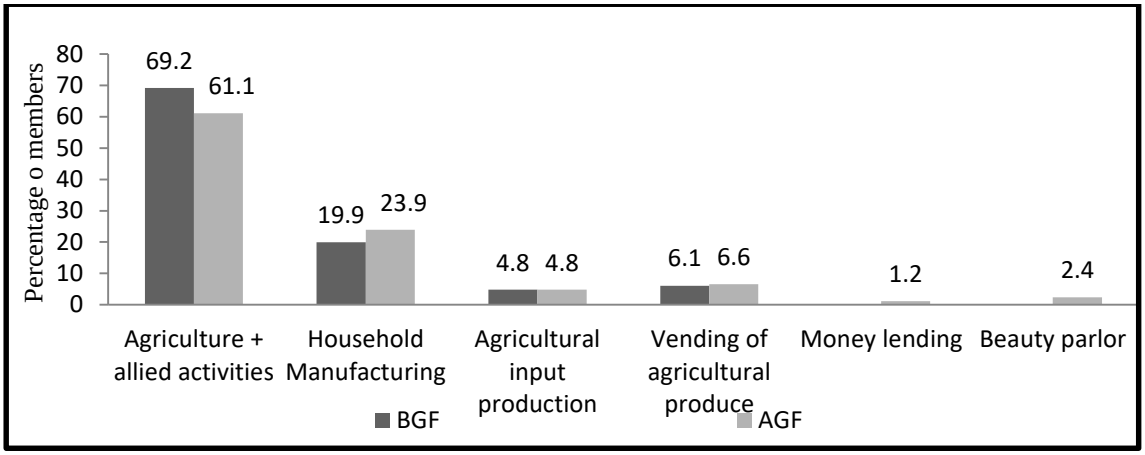
Note: BGF = before group formation, AGF = after group formation

Source: *Field Survey (2011-12)*

In non-drought-prone areas, about 69.2 per cent workers were engaged in agriculture and allied activities, 19.9 per cent in manufacturing, 4.8 per cent in agricultural input production and 6.1 per cent in vending before

group formation. But this situation has been changed after group formation. 61.1 per cent workers were engaged in agriculture and allied enterprises, 23.9 per cent in manufacturing, 4.8 per cent in agricultural input production and 6.6 per cent in vending and 1.2 per cent in money lending and 2.4 per cent in beauty parlor (Figure 3).

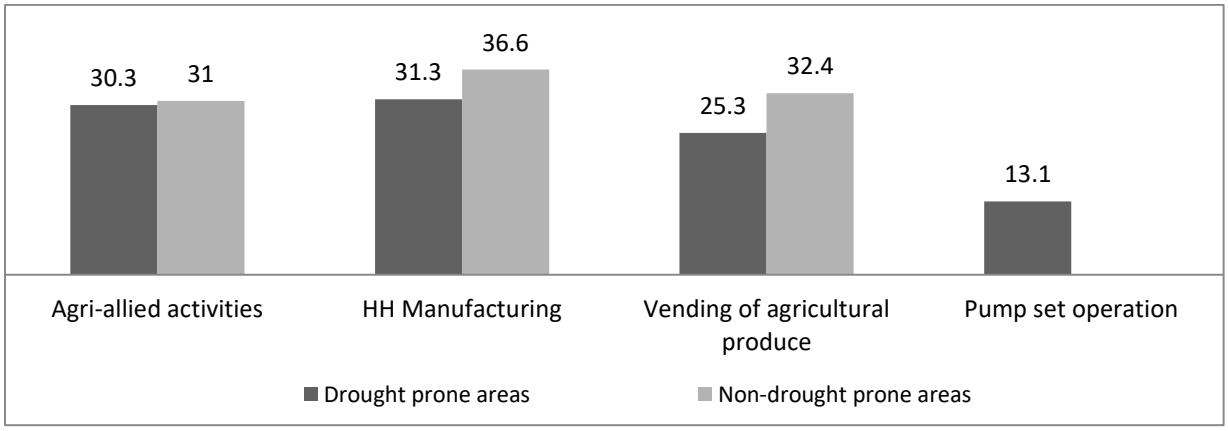
Figure 3 Percentage of members engaged in enterprises before and after group formation in non-drought-prone areas



Source: *Field Survey (2011-12)*

In drought-prone areas, about 18 per cent workers and in non-drought-prone areas, only 15.6 per cent workers were engaged in economic enterprise after passing Grade II is shown Figure 4. In drought-prone areas, about 30.3 per cent workers were engaged in agriculture and allied activities, 31.3 per cent in manufacturing and 25.3 per cent in vending and 13.1 per cent in pump set operation. On the other hand, in non-drought-prone areas, 31 per cent workers were engaged in agriculture, 36.6 per cent in manufacturing, 32.4 per cent in vending.

Figure 4 Percentage of members engaged in economic activities after qualifying for Grade-II



Source: *Field Survey (2011-12)*

It has been observed that 64.5 per cent of the members of SHG in drought-prone areas and 47.9 per cent members of SHGs in non-drought-prone areas have contributed between 10.9 to 40.9 per cent of their income from SHGs activities to their household income. However, 8.5 per cent members of SHGs in drought-prone

areas and only 4 per cent of members of SHGs in non-drought-prone areas have contributed more than 41 per cent of their income from SHGs activities to their household income. Thus, the members of SHGs in drought-prone areas have contributed more towards household income than that of non-drought-prone areas. Thus most of the members in drought-prone areas have contributed substantial portion from SHG sources to their household income compared to that of non-drought-prone areas.

Table 1 Percentage distribution of members of SHGs by percentage of contribution SHGs income to household income

Contribution of SHG income to total household income (%)	Drought-prone areas	Non-drought-prone areas
.9 – 10.9	26.0	48.1
10.9 – 20.9	41.8	28.9
20.9 – 30.9	16.3	13.0
30.9 – 40.9	7.4	5.9
40.9 – 55.9	8.5	4.0
Total	100	100

Source: Field Survey (2011-12)

Again, 43 per cent of members of SHGs in drought-prone areas and 47 per cent in non-drought-prone areas have no earning from MGNREGA sources. Further, 44 per cent of members of SHGs in drought-prone areas and 59 per cent in non-drought-prone areas also have no earning from Mid day meal scheme. However, 50 per cent members of SHGs in drought-prone areas and 49 per cent in non-drought-prone areas earned only up to 9 per cent from MGNREGA sources; 7 per cent members in drought-prone areas and only 4 per cent in non-drought-prone areas earned more than 9 percent from these sources, but less than 30 per cent from MGNREGA source. In drought-prone areas, about 53 per cent of members of SHGs and 47 per cent in non-drought-prone areas have earned only up to 9 percent. Therefore, in comparison with non-drought-prone areas, members in drought-prone areas have shown better earnings in respect of MGNREGA source and mid day meal scheme.

3. Performance of SHGs in drought-prone areas and non-drought-prone areas

Though the objective was to analyze the performance of SHGs in drought-prone areas and non-drought-prone areas during 2001-02 to 2011-12, the data of some of the years were inadequate to calculate the per capita deposit, per capita credit, credit-deposit ratio and repayment credit ratio for the sample groups in drought-prone areas and non-drought-prone areas. So, it is only considered that the groups formed during 2009-10 to calculate the four indicators. To examine the mean difference between drought-prone areas and non-drought-prone areas, we have used t-statistic for the above indicators. The t-value (where observation is less than 30) of four indicators (Per Capita Deposit, Per Capita Credit, Credit-Deposit Ratio and Repayment-Credit Ratio) is calculated for the groups formed during 2009-10.

Table-2 Mean and Variance Values of PCS, PCC, CDR and RCR for SHGs formed during 2009-10

		Mean DP	Var. DP	Mean NDP	Var. NDP	t-value
2009-10	PCS	1409.77	875259.56	1716.66	338151.5	-.9540003
	PCC	2718.75	172385.21	6245.083	18574965	-2.2282301*
	C/D	203.875	13193.553	387.1667	59958.52	-1.96480733*
	R/C	47.25	1049.357	24.89	490.8151	1.8410*

Source: *Field Survey (2011-12);*

For SHGs formed during 2009-10, the average values in respect of Per Capita Deposit, Per Capita Credit and Credit –Deposit Ratio are higher in non-drought-prone area compared to those in drought-prone area and these differences are found to be statistically significant at 1% level for Per Capita Credit and Credit –Deposit Ratio. So far as the Repayment-Credit Ratio is concerned we see that the average and variance values for SHGs in drought-prone area are higher than those of non-drought-prone area and they are found to be statistically significant at 1% level.

Although the Repayment-Credit Ratio for SHGs formed during 2009-10 in drought-prone area is much higher compared to those in non-drought-prone area, the variability in this RCR for drought-prone area is also much higher compared to non-drought-prone area. This indicates the uncertainty in the repayment rate for SHGs in drought-prone area and this result is also found to be statistically significant. So these SHGs are not consistent in repaying liabilities with the bank.

The variation in percentage of SHGs passed Grade II is significantly explained by the variation in the cropping intensity across the sample drought-prone blocks to the extent of 54.96%. The coefficient of cropping intensity is significant at 5% level (Table 3).

Table-3 Regression equation concerning SHGs passed Grade II

G II passed	Coefficient	Standard Error.	t-value	P>|t|	Prob. > F = 0.0353 R-squared = 0.5496 Adjusted R-squared = 0.4745
Cropping Intensity	.287194	.1061402	2.71*	.035	
Constants	-23.00114	15.3696	-1.50	.185	

Note: * Significant at the 0.05 level

*Source***:** *Author's calculation, office of DRDA, Paschim Medinipur and Bankura districts.*

4. Decision making role of members of Self- Help Groups

It is recognized that the development of the country is not possible if women stay away from the national development process. Thus, women's participation in the economic development is of crucial importance from the consideration of both equity and development (Coldwell, 1979). The decision making role of the members of SHGs is an important criterion for women empowerment. The SHG is considered as a forum for imparting solidarity and empowerment of women, providing them the space and voice to negotiate and participate as equals both within the family and in the society in general (Thirlwall, 2003). The percentage

distribution of the members of the sample SHGs by their decision making role in drought-prone areas and non- drought-prone areas of Paschim Medinipur and Bankura districtis is shown in Table 4.

The women members of sample SHGs were found to be making decisions on buying and selling goods, sending their children to school etc, the decisions that in the past were made by their husbands. Total number of members of SHGs who were seen to have taken decision was 447 for 41 SHGs in drought-prone areas and it was 422 for 40 SHGs in non- drought-prone areas.

Table 4 Percentage distribution of members' decision making roles in

Decision Making role		drought-prone areas		Non-drought-prone areas	
		Before Group formation	After Group formation	Before Group formation	After Group formation
	Female	59.3	70.9	74.4	79.9
	Male	40.7	29.1	25.6	20.1
	Total	100 (447)	100 (447)	100 (422)	100 (422)

Source: Field Survey (2011-12)

The mean difference in respect of decisions taken by female members and directed by their male counterparts before and after the group formation in drought-prone areas and in non- drought-prone areas is calculated. The mean and variance of these two indicators are shown in Table 5. The t-values for both female and male

were seen to be significant at 1 per cent level in drought-prone areas. However, the t-values for both female and male were seen to be insignificant in non- drought-prone areas. This difference in t-values in drought-prone areas and non- drought-prone areas is explained by the dynamics among the female SHG members after group formation, particularly in the form of awareness generation among them and improvement in literacy, education and health in the drought-prone areas compared to the non- drought-prone areas.

Table 5 Mean and variance of decision taken by female and male in drought-prone areas and non-drought-prone areas

Decision Making role		Mean BGF	Variance BGF	Mean AGF	Variance AGF	t-value
	drought-prone areas					
	Female	6.46	2.40	7.73	3.70	-3.286**
	Male	4.44	2.0	3.17	1.54	4.31**
	Non-drought-prone areas					
	Female	7.48	3.33	8.05	3.75	-1.392
	Male	2.57	2.00	2.09	1.84	1.99

Note: BGF = before group formation, AGF = after group formation,
Source Author's calculation from Field Survey (2011-12).

Conclusion

This study, thus, clearly shows that the formation of SHGs in drought-prone areas particularly by the poor women has definitely resulted in higher income opportunities and better livelihood pattern among poor families. Though there are differences in the performance of these SHGs between drought-prone areas and non-drought-prone areas (i.e, inter-regional disparity), there are also intra-regional differences in this respect. However, such deficiencies can be overcome through proper and timely intervention by the government

authorities by educating the members not only about their legitimate rights but also about the legal or formal procedures so that they can get qualify for getting adequate credit from institutional sources. Some key issues such as training, awareness and viability of the group activities need to be addressed in order to strengthen

women empowerment process**.** Government intervention is also needed to support the marketing activities of these SHGs. Moreover, as we know that the basis of such SHGs is the mutuality and trust in depositing individual savings in a group fund (SDC, 1998). This is quite a challenging task in the current social environment where people have been cheated by "fly by night" finance companies offering highly attractive returns.

Therefore, formation of SHGs in today's social context is not an easy task, especially in resource poor regions. It requires intensive efforts of NGOs or self-help promoting institutions (SHPIs) for about six months before local people start seeing sense in it.

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