

SELF-HELP GROUPS FOR EMPOWERING WOMEN IN SELECTED DISTRICTS OF MADHYA PRADESH

Abstract

The purpose of the study is to examine the function of SHGs in promoting women's empowerment in a selected tribal district of Madhya Pradesh. The primary objective of the research is to find out how SHGs operate in terms of mobilizing savings, providing credit to those in need, managing group money, repaying loans, developing leadership, establishing links with banks, and examining the social benefits received by members. Field observation and structured questionnaire survey techniques were used to obtain and compile primary data. Information was also gathered through conversations and interviews with regional NGOs and government employees working at the grass-roots level. 150 SHGs are operating in tribal districts. The study shows that SHGs had established a new agenda for bank microcredit, which serves as a type of financial intermediation. Credits are needed for a variety of goals (domestic, paying off previous obligations, investing, etc. After joining the organisation, SHG members engage in a variety of economic activities, including the collecting, processing, and marketing of small-scale wood products, their businesses, goat farming, and dairying. The SHG members profit from developing saving habits, financial independence, self-assurance, social cohesiveness, asset ownership, debt freedom, supplementary work, etc. SHGs have benefited the consolidation of the poor by promoting women's empowerment, social cohesion, and socioeconomic improvement.

Keywords: *SHGs, Empowerment, Microcredit and Financial Independence*

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I. INTRODUCTION

The definition of empowerment is the process by which women assume control and responsibility for their decisions. According to Tandon (2016), the fundamental components of empowerment include agency (the capacity to set and pursue goals), awareness of unequal systems of authority, self-esteem, and self-assurance. Individual, household, community, and societal empowerment can occur at an order of different levels and is encouraged by providing supportive variables (like exposure to new activities that can increase capacities) and removing restrictive elements (like a lack of resources and skills). In this regard, microfinance combined with self-help groups helps to advance the empowerment of women. It is not only a powerful instrument for eradicating poverty but also a way to support the empowerment of the most oppressed groups in society, particularly women. It's old wine in a new bottle, claims Ellie Bosch (Bosch, 2002). It consists of a group of three to eight individuals who agree to take responsibility for the growth of the group as a whole. The Self Help Groups (SHGs) model was used in India to launch the first microfinance banks in the 1980s. It is Bangladesh's version of the Grameen replication model. Over 3,00,000 SHGs are in operation in India. The idea of microfinance has yet to take off in India. but if it continues to spread its wings at this rate, very soon all of the poor houses would be within its reach. The Southern area of India has had the most success with microfinance; Andhra Pradesh has set a good example for the other states in this regard. The current study is an effort to examine how microcredit affects underprivileged women in a particular Madhya Pradesh district.

Since the 1970s, when the innovative concept of microfinance was first proposed, many countries have started microfinance. Asian MFIs are the most renowned entertainers on the planet among the original MFIs. Bangladesh and India had the most remarkable growth in the region. Even though many countries have tailored their microfinance models to fit their own economic, social, and geographic circumstances, all of them adhere to a few basic principles, such as the Self Help Group (SHG) model and the Joint Liability Group (JLG) model. Additionally, microfinance is playing a key role in some areas, including the economy, job opportunities, schooling, societal status, and so forth. Microenterprise is a type of unregistered independent business that is typically managed by a group or disadvantaged person. A microenterprise is typically described as a small, independently run business with five or fewer employees. Microbusinesses provide a substantial contribution to equity, social stability, and economic prosperity. One of the most significant opportunities for low-income people to break free from poverty and create self-sufficient employment and financial prospects with little training and education is the microenterprise division.

Context of Microfinance in Madhya Pradesh

According to Tendulkar 1's Round 66 analysis of the NSSO data, MP has a rural poverty rate of 37.8% and an urban poverty rate of 19.7%. The projections in this report are based on data from the "Progress out of Poverty Index (PPI) - A simple Poverty Score Card for India" and "Census 2011 statistics," as well as the observations and viewpoints of various stakeholders who were consulted individually and in two consulting meetings, as well as secondary data accessed from different sources. When determining the supply and demand for credit, consideration is given to the expansion of various types of groups, but primarily Self Help Groups. Weak, inactive, and overlapping groupings are taken into account. SHGs are more prevalent right now, but the JLG idea is also expanding in the state. About 70% of SHG

members are thought to be poorer than the other members. Around 69.0 percent of India's rural poor lived in just five high-poverty states, including Madhya Pradesh, in 1999-2000, according to the planning commission study (2014). The second-largest Indian state, Madhya Pradesh has a population of 72 million people and a total area of 308,252 square km. It contains 55393 villages, 23412 panchayats, 318 blocks, 52 districts, and 341 tehsils. There are 931 females for every 1000 males in it. With a literacy rate of 75% and a poverty rate of 48.6%, Madhya Pradesh has an outstanding opportunity for advancement in terms of some human development metrics. Given that 68% of the people living in the state are considered to be poor, poverty and a lack of employment possibilities pose serious challenges for MP. Madhya Pradesh has a total population of 72626809, with men making up 51.1% of the number. A little more than 73.5 percent of its people reside in rural areas, and 26.5 percent do so in cities. The literacy rate is 70.6%, with males having an average literacy rate of 80.5% and females having an average literacy rate of 60.0%. According to Census 2011, employment in the state makes up 43.47 percent of the total population, with 71.9 percent of those being primary employees and 28.1 percent being marginal workers. A total of 31.2 percent of the workforce (main and marginal) is employed as cultivators, 38.6 percent as agricultural labourers, 3 percent in domestic industries, and 27.2 percent in other occupations. The issues that the people confront include a lack of knowledge about banking and financial literacy, insufficient bank reach that results in an increased client per bank branch (23,000 per bank branch according to the 2011 Census), and a significant portion, or around 65% of the state's unbanked population.

II. REVIEW OF LITERATURE

In his article, Osman (2000) noted that micro-finance initiatives cannot end poverty on their own. Microfinance programmes must be combined with additional, complementary programmes targeting the societal as well as cultural components of need, hardship, impoverishment, and dispossession in the fight to eradicate poverty. In her study, Kapur (2001) attempted to discuss, analyse, and provide answers to the difficult questions of why, despite every attempt and advancement, there remains so much prejudice against women, as well as what approaches, steps and actions should be taken to attain the anticipated outcome of empowerment. According to her, women's emancipation is much more likely to be accomplished if they have complete control over the businesses they run, businesses they can support economically and managerially without being reliant on outside help. According to Pattanaik's 2003 study, SHGs work tirelessly to improve the lives of tribal women as participants, decision-makers, and beneficiaries in the household, economic, social, and cultural realms of life. But because of issues like gender disparity, abuse, and female assault, various Self Help Groups are not set up correctly or efficiently. In her book, Malhotra (2004) explores why women start firms, how women's business organisations support entrepreneurs and the extent to which women participate in international trade. It covers the advantages and disadvantages of adopting microfinance to combat the feminization of poverty as well as the potential of microfinance programmes for empowering and employing women. The growth in women's earning levels and control over their finances, she claims, will eventually result in higher levels of financial autonomy. They open up opportunities for women to establish various social and political positions as well as access to networks, marketplaces, and ideas. Additionally, they raise women's engagement in financial and other home decisions, which increases spending on women's welfare. These factors also improve perceptions of women's contributions to household income and family welfare. One of the noteworthy trends of the

late 20th century, according to Narasaiah (2004), is an increase in women's involvement in society. He believes that microcredit is crucial for empowering women. enabling women to reach maximum achievement in all areas of life is increasing. Cheston & Kuhn (2004) concluded that women had been extremely successfully reached by microfinance initiatives. This offers microfinance organisations a rare chance for deliberate action to empower impoverished women and lessen the possible harmful effects certain women may encounter. In his article, Manimekalai (2004) stated that NGOs must assist SHGs in properly managing their income-generating activities. The financial institution's employees should offer guidance and assistance to the women in choosing and carrying out successful income-generating ventures. He noted that the establishment of SHGs has improved rural women's confidence and sense of self-worth. In their edited book, Sahu and Tripathy (2005) state that women make up 70% of the world's poor. Access to financial services is crucial for reducing poverty and maximising its effect on the expansion of the local and national economies. Self Help Groups (SHGs) have become the most important tool for empowering women and participative development. Due to socioeconomic limitations, rural women are one of society's most marginalised groups. They continue to be at the bottom and in a lower social hierarchy position. Through microfinance and the creation of Self-Help Groups, they can free themselves from the swamp that is poverty and unemployment. In his article, Das Gupta (2005) stated that "micro-finance reform" should take the place of "financial sector reform" as the new paradigm to be adopted. While it's important to make the priority sector leaner, microcredit that's required must be closely supervised. Space and scope must be carefully planned to create a market where microfinance services can compete. The RBI must build a sizable database to comprehend microfinance. In his study, Sinha (2005) found that microfinance significantly influenced the country's impoverished people's borrowing and savings. He claims that direct investment is the principal purpose of microcredit. Of course, certain flexibility exists, based on the household's credit standards in place at the time of loan distribution. According to certain studies, microfinance initiatives have impacted women in both positive and negative ways. How much microfinance helps women has been questioned by several scholars (Mayoun, 1996). Some claim that micro-finance projects keep funders' attention and money away from potentially more successful alternatives for reducing poverty (Rogaly, 1996). They also claim that women's attention is diverted from other more effective techniques for empowering males. Women's enhanced autonomy has occasionally only been a passing trend. Women who already have it better only gain from it. However, due to their limited starting resources, lack of skills, and lack of market exposure, the poorest women are typically the least equipped to benefit.

III. OBJECTIVES

The objective of the study

1. To evaluate the economic benefits that members received from joining SHGs.
2. To examine the social benefit that members experience.
3. To develop a suitable policy intervention suggestion for SHGs to function effectively.

IV. METHODOLOGY

The study is an in-depth evaluation and statistical analytical study that is based on recent patterns and instances that have occurred in operational methods for microfinance. The study's exploratory nature required the use of secondary sources, most notably the Bharat

Microfinance Report, the NABARD Annual Report, the Status of Microfinance in India, and others. The current study is all the women in Madhya Pradesh who have benefited from efforts to reduce poverty and empower the underprivileged. Data is gathered at the SHG level and the level of each beneficiary as part of the technique of data collection for the current study, which is separated into distinct layers. Therefore, the study included all areas that were inhabited by the state of Madhya Pradesh's sizable tribal community. For this study, Madhya Pradesh districts' 50% tribal population is taken into account.

Field observation and structured questionnaire survey methods were used to acquire primary data. Information was also gathered through conversations and interviews with local NGOs and government employees that work at the grassroots level. The original data acquired from the group was complemented with secondary data obtained from the files of SHGs, NGOs, and government agencies. The SHGs and their members provided information on a wide range of topics, including the membership's makeup, savings that were mobilised, loans that were disbursed, interest rates, recovery practices, assets developed, outside aid received, etc. In addition, a variety of books, newspapers, articles, journals, magazines, and websites were used as references. Each block's data has been processed separately, and averages are being taken for each block's data on the composition and characteristics of SHG members, SHG savings and loans, the economic and social benefits enjoyed by SHG members, etc. To determine the effectiveness of the SHGs in the study region, conclusions are drawn from the analyses acquired from various blocks that have been compiled and compared.

Purpose of Credit Utilised on Demand

After a savings account has been open for six months, the savings are often consolidated and used for intragroup lending among members. The members themselves pick the loan amount and number of loans based on their own needs.

Table 1: Purpose-wise Credit Demanded by SHG Members

Purpose	Dhar	Barwani	Dindori	Mandla	Jhabua	Overall
Domestic consumption	56.77	11.85	14.78	65.36	47.89	31.46
Health	4.31	5.46	8.76	0.14	2.12	4.59
Festivals	5.98	8.96	7.96	3.25	2.60	5.60
Repayment of old debts	14.87	10.54	10.87	5.21	10.46	10.93
Investment	11.79	13.21	10.96	14.37	7.19	11.43
Others	5.87	48.34	44.01	11.32	28.07	227.22

Sources: Compile by the Author

Table 1 shows the SHGs' requests for credit based on their intended use. It has been noted that the majority of the members have asked for credit for household spending. Barwani (57.66%) and Dindori block (67%) have the greatest percentages. A sizable percentage of SHG members have requested credit for additional uses. Dhar block has the lowest percentage (6.4%) while Barwani has the highest (43.04%). A little over 11.56% of the credit is required for investments. The SHG members wanted a part of the credit to pay off previous debts. For event and health-related expenses, a smaller percentage of the loan is required. It is

evident from the table that a greater proportion of the loan requested by SHG members is used for domestic spending, followed by debt repayment and other uses.

Table 2: Economic Activities Covered by the SHG Members

Item	Dhar	Barwani	Dindori	Mandla	Jhabua	Overall
Collection and marketing of Minor Forest Products	73	58	39	69	58	61.00
Individual business	6	9	28	8	6	12.00
Goatery	8	0	11	17	12	11.18
Dairy	8	23	7	6	13	11.02
Others	4	6	13	4	6	8.00

Sources: Compile by the Author

The majority of the SHG members are involved in the gathering and processing of minor forest products, as shown in Table 2. Broom making, cashew, mahul, turmeric, tamarind, khalli (leaf plates), raw broom, amla, and other items are among these products. Some of the members have their small enterprises, such as those that make pickles, bodi, papad, haldi powder, wax, bags, vegetable businesses, custom clothing, and pan shops. They also work in the dairy, dairy farming, and goat farming industries. Some people are doing other things. They are making sweets using milk, ghee, and other ingredients and earning a nice price because there is a high demand for milk goods. These activities bring in between Rs. 600 and Rs. 1000 each month for them.

Table 3: Benefits Derived by SHG Members (Multiple Responses)

Benefits	Dhar	Barwani	Dindori	Mandla	Jhabua	Overall
Habit of Savings	74.44	78.67	67.54	75.87	79.65	75.234
Economic independence	69.87	69.87	66.04	66.54	64.89	67.442
Self-confidence	88.00	84.92	83.75	79.68	80.54	83.378
Social cohesion	71.32	79.76	70.69	69.43	84.22	75.084
Asset ownership	52.81	53.24	23.78	55.63	57.59	48.61
Freedom from debt	38.78	65.29	74.04	65.54	60.00	60.73
Additional employment	23.68	33.79	42.84	38.49	59.86	39.732

Sources: Compile by the Author

The growth of self-confidence (83.378%) is one of the standout advantages mentioned by all the members, which is followed by saving habits (75.234%), economic independence (67.442%), social cohesion (75.084%), asset ownership (48.61%), debt freedom (60.73%), and additional employment (39.732%).

Table 4: Opinion of Beneficiaries Regarding the Increase in the Power of Decision Making

Types of Decisions	Opinion of Beneficiaries					
	Yes	%	No	%	Total	%
Purchase and Sale of Fixed Assets	60	40	90	60	150	100
Purchase and Sales of Current Asset	80	53.3333	70	46.6667	150	100
Purchase and Sales of Domestic Animal	84	56	66	44	150	100
Purchase and Sales of Ornaments	92	61.3333	58	38.6667	150	100
Purchase of Home Appliance	94	62.6667	56	37.3333	150	100
Purchase of Clothes	112	74.6667	38	25.3333	150	100
Improvement of Housing Facilities	70	46.6667	80	53.3333	150	100
Raising of Loan	62	41.3333	88	58.6667	150	100
Repayment of Loan	54	36	96	64	150	100
Saving and their investment	58	38.6667	92	61.3333	150	100
Education of their children	76	47.5	84	52.5	160	100
Participation in Social Activities	90	60	60	40	150	100

Sources: Compile by the Author

Classifications have been created to show how women SHG members feel about the increase in power of decision-making within and outside of their households. It demonstrates that, of all decisions made for the study to learn the SHG members' opinions regarding the rise in their power in decision-making within and outside of their family, the majority of them have expressed the opinion that their opinion was taken into account and they were given the freedom to make the decisions. The vast majority of sample respondents believed that their ability to buy and sell current assets, domestic animals, and ornaments, as well as participate in social activities and buy appliances for their homes and clothes, had risen. Additionally, the majority of SHG members believe that their opinions are not taken into account when decisions are made regarding the purchase and sale of fixed assets, the building and improvement of housing facilities, the raising and repayment of family loans, savings and investments, and the education of children. These show that the family members were given a lot of latitude in making significant decisions.

Suggestions and Conclusion

1. To take advantage of microcredit programmes, disadvantaged women must be literate and have some math knowledge.
2. Legal literacy, human rights education, and gender awareness training are crucial additions to microcredit for the empowerment of women. For the group to function well, the members should receive essential instruction and direction.
3. The SHG members should be more engaged, energetic, and proactive to activate their savings through collective actions. NGOs should serve as a facilitator and motivator in this process.
4. The office bearers in charge of the group should receive some financial rewards so they may participate more actively in its activities.
5. The bank ought to provide the SHG with sufficient credit to their requirements.
6. Banks in all blocks should continue to form and extend financial assistance to them in a uniform manner.

7. The banks' process for approving credit for SHGs should be easy and speedy.
8. Marketing infrastructure for SHG product sales might be developed.
9. Block-level periodic exhibitions may be planned where SHG items may be showcased.
10. The members may organise meetings and seminars where they will have the opportunity to share their opinions and be able to strengthen their group through interactions.
11. The creation of successful micro-enterprises is dependent on the district administration, professional associations, and nonprofit groups taking an active role in market access, product design, and skill training.

V. CONCLUSION

Regarding the impact of microfinance on the lives of the impoverished people it is meant to reach, there have been numerous reviews over the past couple of decades, both in India and overseas. The results have been contradictory and unclear; it has been observed that microfinance has occasionally created credit reliance and repeated responsibility and has provided a burden to the impoverished people who are living below the poverty line. Additionally, it has been questioned if lending institutions are solely motivated by financial gain or whether their focus has always been on eradicating poverty. The Reserve Bank of India and the Government of India are eagerly awaiting the establishment of a strong administrative structure to oversee the miniaturized scale account industry, which will indirectly aid in the reduction of poverty. The programme owes this level of inclusion to its ability to train large numbers of rural residents, mobilise the government apparatus, and attract development organisations. Regarding financial support and budgetary concern for the base of the pyramid, this programme represents a powerful intervention. A programme for the promotion of livelihoods and poverty alleviation has evolved from a proven stage originally intended for expanding the effort of banking administrations among the poor.

Policy Implication

To meet the increased business needs, group structure orientation is necessary. In the context of SHG, the shift towards microcredit must be seen in the long run, highlighting the necessity of deliberate policy implications in favour of assurance in terms of technological redundancy, the product market, and human resource advancement. The development of a creative and diverse microfinance industry is therefore necessary if women are to truly benefit from it. We need to implement a proactive plan for reducing poverty in the twenty-first century that is growth-oriented, people-centered, and appears to take into account the aspirations, dynamism, and involvement of women. Self-help organizations are expected to be a key component of this plan. However, the groupings must be structurally oriented to meet the needs of a new company. Under the SHG framework, the microcredit movement must be considered in the long run, which emphasises the need for a conscious policy implication in favour of assurance in terms of technological support, the product market, and human resource development. Therefore, there is a need for the growth of a creative and diverse microfinance industry, which will significantly aid in the empowerment of women.

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