



MICRO FINANCING AND RURAL WOMEN EMPOWERMENT THROUGH SELF HELP GROUPS

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ABSTRACT

Himachal Pradesh has emerged as a pioneer in many fields. Per capita income of state has zoomed from ₹240 in 1948 to more than ₹2, 35,199 in 2023-2024. State is developing in the case of women's empowerment, employment generation and environmental conservation. Agriculture, Horticulture and Animal Husbandry are sources of livelihood for about 70 per cent of population. Constitution of India guarantees no discrimination on the grounds of gender. But in reality, however rural women have harder lives and are often discriminated in the case of socio – economic empowerment. Self help group is a small voluntary association of poor people, preferably from same socio-economic background. They come together for the purpose of solving their common problems through self help groups and mutual help. Self help groups are generally facilitated by NGOs, and increasingly advice and their members in a variety of on and off farm income generating activities. These self help groups also promotes small savings among member and are provided needed access from the local financial institutions. The self help groups provide saving mechanism which suits the needs of the members. It also enables the members to learn to co-operate and work in a group. It also provides a cost effective delivery mechanism for small credit to its members. The present study, focus on the role of self groups in rural women empowerment in the Chachian (Palampur) region of Himachal Pradesh. The empowerment of rural women's through self help groups has been initiated in the region through active help provided by the financial institutions including NABARD, Himachal Gramin Bank, SBI and other co-operative Banks along with local NGOs like Chinmaya Organisation for rural Development (CORD) and child welfare department. These self help groups are playing vital role in eradicating poverty, making rural women's self reliant, active in decision making process, leadership and raising standard of living. These self help groups are encouraged in several economic activities including vegetable growing, knitting, weaving, Dairy farming, pickle industry etc. State governments schemes like 'Doodh Ganga project' which provide Rs.3 lakh for supplementing rural poor people income through self help groups are also helping in empowering rural women's of the region. The self help groups have been working in right direction in empowering women and eradicating poverty in the region.

INTRODUCTION

India is one of the largest democracies of the world. Providing equal opportunities to all the citizens is one of the main objectives of our constitution. Empowering women helps in





empowering the nation. Women empowerment helps in social as well as economic development of the nation. In the fast pace of development women are still far behind. Women constitute 48.15 per cent of the total population of the country (Shiralashethi, 2010). It is essential to make them economically empowered by providing opportunities to develop fully. The case of rural women is quite different in comparison to the urban women. In the case of economic development rural women are most disadvantaged in our society. Rural women have harder lives and includes numerous tasks involved in day to day house hold activities including collection of fuel wood, fodder, working in the fields, taking care of livestock, fetching drinking water and also to take care of the family needs along with taking care of children's and old members of the family. For dealing with the challenge of women empowerment central and state governments formulate certain policies.

Himachal Pradesh has emerged as a pioneer in many fields. Per capita income of state has zoomed from ₹240 in 1948 to more than ₹2, 35,199 in 2023-2024 (Economic survey (2023-2024)). State is developing in the case of women's empowerment, employment generation and environmental conservation. Himachal Pradesh has also been conferred 'Diamond State Award' for its outstanding performance in women empowerment, environment conservation and employment generation in a nation wide survey conducted by Outlook magazine and IBN-7 electronic channel (Him Suchna Avam Jan Sampark, 2011). Agriculture, Horticulture and animal husbandry are sources of livelihood for about 70 per cent of population. Empowering rural women through self help groups has been initiated through out the nation. Government of India started planned effort in year 2009 to enroll at least 50 per cent of the rural women of the country as a member of self help groups up to 2014-2015. It was also planned to link these self help groups with the local financial institutions.

OBJECTIVES OF THE STUDY

The present study area Chachian is part of the Palampur tehsil and falls in the Bhawarana Block Development Area of Kangra district, Himachal Pradesh. Present study focus on evaluating the role of the rural women self help groups in women empowerment in the Chachian (Palampur) region. Study also tried to check the ongoing state government policies and the performance of the local financial institutions including Himachal Gramin Bank, Chachian which is working in the direction of rural development through micro finance.

RURAL WOMEN SELF HELP GROUPS

Self help group is a small voluntary association of poor people, preferably from the same socio-economic background. They come together for the purpose of solving their common problems through self- help and mutual help. The self help group work with a objective of promoting small savings among the members of the group. Scheduled banks provide the loans and manage the savings for the group. Non-governmental organizations (NGOs) get involved in the process and help in forming groups and empower the groups to manage their own affairs. The focus is primarily on saving. Lending to group members is first sought from within the group savings, and then from the bank.

The savings are kept with a bank in the name of the self help group. The number of the members in one group is kept up to twenty. Self help groups provide the facility of access to the formal financial institutions. These self help groups act as a forum for the members to provide space and support to each other. It also enables the members to learn to cooperate and work together in a





group environment. The savings mechanism which suits the needs of the members is adopted by the group. This also helps the members in the case of providing a cost effective delivery mechanism for small credit to the members. Central government and state government is working in the direction of linking these self help groups with the financial institutions.

In 1992, National Bank for Agricultural and Rural Development conducted pilot project as a partnership model between self help groups, Banks and NGOs and found it quite successful and effective. The empowerment of women through self help groups was initiated in Tamilnadu in year 1998 in Dharmapuri district. The success of this led to outcome of MahalirThittam (Plan for Women) which was launched from 1997-98 (Packirisamy, 2010) Self help groups are generally facilitated by the non governmental organizations which provide needed guidance in the formation and successful running of the self help groups. Sharma and Kaur (2023) reported in their research work that, “*In Himachal Pradesh, there were 16586 Self Help Group villages and 986 bank branches associated with the microcredit movement as of December 2007*”. Sreeramulu (2008) evaluated the implementation of several schemes including self help group’s initiative taken by the state government in Anaparthi district of Andhra Pradesh and found them quite effective in the case of women empowerment. The study even found these groups role in case of managing family affairs, participation in panchayati raj institutions and improvement in the health status of the women. In an another study conducted by Shralashethi (2010) in the Bijapur district of the Karnataka found the working of self help groups in the right direction in overall development of the women.

Pande (2010) in her article ‘Winds of Change’ throws light on the achievement of the Rajiv Gandhi Charitable Trust in Rai bareli, Sultanpur, Chatrapati Sahuji Maharaj Nagar and Amethi in formation of 5,000 women self help groups. In spite of a literacy rate of just 33 per cent these women have been able to come out of their homes and get involved in the income-generating activities, such as agriculture, cattle rearing, education, health programmes, solar energy social risk management and many other micro-enterprises. In the process, they are also developing commendable leadership skills. The SHGs have brought economic stability in homes. The basic aim of formation of the self help groups is empowering women through collective efforts of NGOs, and financial institutions which further help in providing the benefits of the various government schemes/policies targeting rural women development and eradication of poverty. Through such efforts rural women’s become active in the decision making process in the family and society itself which lead to overall development of the country and increasing the standard of living of the women’s. In some studies conducted in Uttarakhand with an objective of evaluating livelihoods improvement project in Himalayas, it was found that women self help group members were elected as gram pradhans in 170 out of 669 panchayats in villages of the region (Galleti, 2010). Overall self help groups formations in the case of rural women is a positive step in their empowerment.

Mula and Sarker (2013) evaluated the effect of microfinance in empowering women in the Cooch Behar area of eastern India and mentioned that ,” *SHG-based microfinance is a cutting-edge, action oriented rural development strategy that might be utilized to capitalize on the gesture for the betterment of economic and social circumstances*”.





Kumar (2024) reported about the positive changes in the level of living of the self help group members in terms of savings, credit and utilization of loan for various purposes and income generating activities and self-confidence of the members.

RURAL WOMEN EMPOWERMENT AND RURAL DEVELOPMENT

Self help groups play an active role in rural women empowerment and rural development. These groups are constituted with maximum twenty members from the same type of economical background. After formation of the group, the members start saving with whatever minimum amount they can save. Weekly meetings are organized in order of increasing the interaction among the members of the group. All the members of the group work collectively for the development of the all the members of the group. Economic support in the form of loans is provided to the needed members by the group. Government financial institutions work under the directions provided from the Reserve Bank of India and NABARD for overall better performance. Being recognized by RBI these groups are exempted from getting registration etc for doing financial transactions within the group. State Government Departments including Block Development office (Panchayati Raj), Child Development Project Office (Social welfare Department), Self Help group Promoting Institution (SHPI of Himachal Gramin Bank) etc. work collectively and provide the needed directions in the formation and running the self help group. The savings collected by these groups are deposited in account with the bank in the name of the self help group and account is operated by the authorized member of the group. These self groups also work in developing the social consciousness and awareness against the social problems like alcoholism, dowry system, caste system drug addiction etc. These groups are provided financial assistance in the form of loans from the local banks after the six months of the formation of any self help group. Loans are provided on the basis of the total savings of the groups. After first year of the formation of the group amount equal to four times of the savings is sanctioned as loan. After two years of such loan the amount is increased to seven times of the total savings of the self help group. All loans are sanctioned on the basis of the performance of the self help group. This sort of micro finances help to get link the self help groups with the financial institutions and play a vital role in the rural development and women empowerment.

RURAL WOMEN SELF HELP GROUPS IN CHACHIAN (PALAMPUR)

Women self help groups working in the study area Chachian (Palampur) are an example for the rural women's of the state. One of the self help group named, Jagriti Kisan Club launched by NGO CORD (Tapovan Trust) and linked with the Himachal Gramin Bank was awarded first prize in the district Kangra of Himachal Pradesh in year 2008-2009 by NABARD. Total 57 self help groups are linked with the Himachal Gramin Bank in the Chachian. Out of which 54 are rural women self help groups, which show active role played by the women in the formation and running these groups. In the case of coordination various agencies are working collectively including, NGOs, Chinmaya Organisation for Rural Development (CORD) which is designated as "Mother NGO" by NABARD, Child Development Project Office (Social welfare Department) through Anganwari workers, Self Help group Promoting Institution (SHPI of Himachal Gramin Bank) etc. Total 31.22 lakh rupees have been sanctioned to these groups by the local bank, Himachal Gramin Bank (Nautiyal, 2010). The leading self help groups working in the study area are Jagriti kisan club, Pooja self help group, Mahalaxmi self help group, Shiva self help group, New light self help group and Adi Chamunda self help group. These groups are involved in the





various economic activities including Dairy farming, Vegetable growing, Knitting work, Bag making (Substitute to polythene bags), Pickle making etc. Rural women self help groups are also provided benefit of other government schemes including, Rural Women Credit card scheme which help the women's by providing the financial assistance for running any business or commercial activity. Each card holder is provided loan amount of Rs.50000/- at the initial stage. Presently 6.5 lakh rupees assistance has been give to the 15 local women's under women credit card scheme through HGB.

With positive growth in the case of economic empowerment the women's of the region are getting fair chance in the development. These self help groups are helping poor and marginalized to have access to micro-credit with bank linkage via enterprising self help groups. These self help groups are also facing some of the challenges which are needed to be taken care. While interacting with the members of the self help group and financial institutions it was found that marketing is a major problem in the region. The consumption of the produce is low in the local region and without proper market strategy the growth prospect of these groups will be suffered. Being not more educated these women members also face the problem of record keeping. Continuous efforts on the part of the NGOs and financial institutions members are needed for improving the skill of record maintenance.

Some other government schemes which can also help the rural women's include, Prime Minister's Rozgar Yojana (PMRY). Self Help Groups are also considered for assistance under the Scheme provided: Educated Unemployed Youth (Females) satisfy the eligibility criteria laid down under the scheme volunteer to form SHG to set up self-employed ventures (Common Economic Activity). Required margin money contribution (i.e. subsidy and margin to be equal to 20 percent of the project cost) should be brought in by the SHG collectively. The exemption limit for obtaining of collateral security will be Rs. 5 lakh per member of SHG for projects in the industry sector and Rs. 2 lakh per member of SHG for projects under Service/Business Sectors. Banks may consider enhancement in the limit of exemption of collateral in deserving cases. These self help groups can be encouraged to take the benefit of such central schemes also.

Other State Government Scheme, Doodh Ganga Project (300 Crore) is also being executed through NABARD in the state and study area. This scheme was launched in the month of January 2010 and within the first five months indicates that as many as 1123 cases including those of Self Help Groups and even of individuals were approved and they have availed loans to the tune of Rs. 22.96 crore till March, 2010 with interest free loans of Rs. 11.48 crore. For the year 2010-11, an ambitious target has been set under the Scheme for financing more than 3500 cases. Each case comprises of one beneficiary and even Self Help Group comprising 10 members forms a case. During the current financial year, the ground level credit flow of Rs. 100 crore will be given to all the Self Help Groups with interest free loans of Rs, 50 crore. Under the project, Self Help Groups are being provided loans for setting up dairy units of 10 animals with a total cost of Rs. 3 lakh. While the entrepreneur will be required to spend 10 % margin money, the 50% loan of the project is interest free. If the entrepreneur ensures a regular repayment of loan, 50% subsidy shall be provided on the total interest payable on the net loan component. NABARD has also been extending support for the collection, preservation and processing of the milk and later on setting up Rural Marketing for the milk products.





As regards the involvement of the Self Help Groups, women folk in rural areas seem to be quite motivated and sensitized about this unique project. So far, as many as, 5175 active women Self Help Groups have been formed through out the state and they are seeking loans from different Banks. At district level, a monitoring committee under the Chairmanship of Deputy Commissioner is working as a nodal agency for the implementation of this project. The Department of Animal Husbandry has been providing assistance to the beneficiaries for purchasing suitable breeds of milch cattle from within and outside the State. For the procurement of the fodder, weaker sections like Scheduled Castes/Scheduled Tribes are being provided 50 per cent subsidy on the fodder seeds. NABARD in association with Animal Husbandry Department, Milkfed and Banks etc. is regularly holding awareness camps for the farmers and women Self Help Groups at block-level. The District of Kangra is leading in the implementation of the Doodh Ganga Project also.

CONCLUSIONS

The goal of self help groups is to play an effective role by becoming an agent of change. Self help groups are definitely working as a tool for the empowerment of the rural women in the region. Women's involvement in the process of development is playing positive factor in developing the country with social responsibility. Micro – credit system is successfully being implemented by the financial institution including Himachal Gramin Bank and other such institutions in the study area, Chachian, Palampur. Micro- credit concept should be encouraged and applied through out the country for making women empowered. There is need to develop the population by creating proper awareness about the concept of self help groups. Active contribution of the financial institutions along with the NGOs in developing awareness about self help groups, guidance in formation, utilizing the various central and state government policies benefits, support and better functioning of self help groups in bringing women empowerment and social development.

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