

# Economic Empowerment of Women through Self Help Groups In District Baramulla of Jammu and Kashmir

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**Abstract:** Economic empowerment of women depends on their long-term engagement in economic activities. Two arguments support this concept. One, majority of the poor in the world including India is women. Two, empowering women will transform the entire household and not the person concerned alone. Among the various measures targeted towards women empowerment, the provision of Micro finance through Self Help Groups assumes vital importance across nations. Money is strength, therefore women should find appropriate employment to support themselves and lead life contributing to the economic status of her family as well as the nation. An attempt has been made in present paper to study the role of Self-Help-Groups (SHGs) in economic empowerment of women. This paper is primarily based on primary data collected from Baramulla district of Jammu and Kashmir. The findings of the data analysis revealed that microfinance through SHGs have created a positive impact for its beneficiaries. Participation in self help groups has a positive impact on the income, savings, and assets position of the participants.

**Key words** - Microfinance, NABARD, Self Help Group, SGSY scheme, Women empowerment.

## I. INTRODUCTION

Empowerment of women brings equal status to women, and equipping them to be economically independent and personally self-reliant. Empowering women to participate fully in economic life across all sectors is essential to build stronger economies, achieve internationally agreed goals for development and sustainability, and improve the quality of life for women, men, families and communities. Empowerment of women is multi-dimensional in its approach and covers economic, political, socio-cultural and personal aspects. Of all these aspects of women empowerment, economic empowerment is of utmost significance in order to achieve sustainable development of society. Series of policy measures have been initiated and programmes implemented since last three decades after UN's declaration of international women's empowerment. Among various measures targeted towards women empowerment, provision of Micro finance through Self Help Groups (SHGs) assumes crucial importance across nations. Through SGGs the poor women can rotate their funds to build economic capacities and capabilities. This approach is guided by the philosophy that if women are provided access to financial services, including credit, they may very well be able to start or expand a micro enterprise that will allow them to get out of poverty and achieve a degree of empowerment. The degree of empowerment depends on the access to finance and investment thereof.

A Self Help Group (SHG) is a small economically homogeneous affinity group of the rural poor voluntarily coming forward to save a small amount of money regularly, which is deposited in a common fund to meet the member's emergency needs and to provide collateral free loans decided by the group. The origin of self-help groups is from the brain child of Grameen Bank of Bangladesh, which was founded by Prof. Mohammad Yunus of Chittagong University in the year 1975, (Dr.B. Suguna). In the beginning, Muhammad Yunus focused the activities of Grameen Bank mainly on savings and small loans, and decided to set the interest rates high enough to cover the expenses. Finally yet importantly, he asked borrowers to organize themselves in solidarity groups of five people, who had to meet every week in order to repay their loans and to exchange their opinions. The aim of the bank was to bring the disadvantaged, mostly women from the poorest households into an organizational format which they would be able to understand and handle by themselves and help to reduce poverty. The Grameen bank experience of Bangladesh has demonstrated that if the poor are supplied with working capital, they can generate productive self-employment (Hussain 1998). Following the Grameen Bank Model of Bangladesh, several countries in Asia, like the republic of China, Indonesia, Thailand, Philippines and Taiwan have evolved self-reliant, replicable, sustainable and bankable microfinance models. In India too, microfinance is making headway in its efforts for reducing poverty and empowering rural women. Microfinance based on SHGs has become increasingly important in India through its flexible nature. SHGs form the basic constituent unit of the microfinance movement of India. An important mile-stone in this direction is National Bank for Agriculture and Rural Development's (NABARD'S) SHGs Bank linkage programme started in 1992. SHGs Bank linkage program involves forming self help groups (a group of usually 5-20 members) and providing them credit through bank linkage.

In Jammu and Kashmir, the concept of SHGs was initiated through one of poverty alleviation programme known as Swarnajayanti Gram Swarozgar Yojana (SGSY) in 1999. Under this programme in Kashmir division during 1999- 2013, 6183 self-help groups were formed, out of which 4148 were women self-help groups. During 2012-13, financial outlay under SGSY was Rs. 17.58 crore, out of which Rs. 10.70 crore (61%) has been spent by providing employment to 9830 persons and 4418 Self Help Groups have been assisted during the year 2012-13. However, this scheme has now being closed and merged with NRLM (National Rural

Livelihood Mission). The NRLM scheme has also been rolled out in the state as Umeed (hope). Umeed is an initiative that organizes the rural women into Self Help Groups (SHGs) and facilitates their access to credit for livelihood enhancement. Umeed was launched in April 2013 in Jammu region and in Kashmir region the project was kick started in June 2013. The aim of this mission is to bring women from rural areas on the platform of Self Help Groups, train them to create their own capital, provide capital from the government in the form of Revolving fund (RF) and Community Investment Fund (CIF) and link them to the banks for enhancing their existing livelihoods or creating new livelihoods so as to bring the family out of poverty. Under the scheme during the financial year 2017-18 (ending Oct-17) against a target of 7880 Self Help Groups, 2678 SHGs have been formed (J&K economic survey 2017).

## II. BRIEF REVIEW OF RELATED LITERATURE

**Rajeshkhar D. (2000)** conducted a survey on “Microfinance Programmes And Women Empowerment: A study of two NGOs from Kerala” and found that microfinance programmes are important institutional devices for providing small credit to the rural people in order to alleviate poverty. Microfinance programmes initiated by SHGs expected by non-governmental organizations in several parts of India, have the potential to minimize the programmes of inadequate access to banking services to the poor.

**K. Rajendran and Dr. R. P. Raya (2011)** in their paper “Does Microfinance Empower Rural women?- A study in Vellore District, Tamil Nadu”, examined that, rural women were able to discuss issues freely with bankers, government officials and NGOs. Women’s role in decision making in children’s education had improved. There was negligible social empowerment as a result of participating in Microfinance through the SHG programme.

**Sushil Kumar Mehta, Hari Govind Mishra, and Amrinder Singh (2011)** conducted a study in context of J&K on “Role of Self Help Groups in Socio-Economic Change of Vulnerable Poor of Jammu region”. The findings of the study revealed that Self-help groups have made an important contribution in socio-economic empowerment of women and poverty alleviation among its members. The study concluded on a positive note that, the millennium development goals of women empowerment, poverty alleviation and sustainable development can be accomplished through the participation and involvement of women in the development process through Self-Help Groups.

**Nosheen Nawaz, Ayesha Jahanian & Syeda Wajiha Manzoor (2012)** in their study “Empowering women through Micro credit: A case study of Tameer Microfinance Bank, Bahawalpur” revealed that micro-credit is related to women empowerment in the positive direction and women are getting empowered on economic, personal, family and political levels after using micro-credit and the level of eco-empowerment is seen to be influenced the most.

**Lakshmi Kumar (2013)** in her study “Illusion of Women Empowerment in Microfinance: A case study in Tamil Nadu” found that even though women have experienced an increase in income and consumption, they have very little control over resources, assets and do not participate equally in major household decisions. However, they have significant influence on the choices that their children make. The research finds that the real bottlenecks are the hierarchical nature of society, the lack of entrepreneurial talent and risk-taking ability in these women.

**V Vachya L, B. Kamaiah (2015)** in their study “Microfinance Impact on Socio-Economic Empowerment: A special Reference to Andhra Pradesh” attempted to examine the role of microfinance and its impact on economic and social empowerment of women. It seeks to examine the process of women empowerment and changes in the economic status of self help group (SHG) members in particular and rural women in general. The study found that the socio-economic indicators have changed. It also emerged that there has been an increase in women participation in the household decision making process.

**Nandini R. and Sudha N. (2016)** in their study “A study on Women Empowerment through Self Help Groups with special reference to Ramanagar District, Karnataka” found that women’s participation in self help groups (SHGs) have positive impact on women empowerment, in terms of increase in social awareness, saving habits, income level, self employment, asset creation, repayment of other debts, and improvement in decision making skills.

## III. OBJECTIVES OF THE STUDY

1. To study the socio-economic profile of respondents.
2. To study the awareness of respondents about various Self Help Group (SHG) schemes meant for women empowerment in the study area.
3. To examine the impact of Micro-Finance through Self-Help-Groups (SHGs) on economic empowerment of women.

## IV. DATA AND METHODOLOGY

The study was carried out in district Baramulla of Jammu and Kashmir and is primarily based on primary data. For collecting primary data, it was decided to follow multi-stage sampling. The process of selecting the appropriate sample consisted of following

three stages: Stage I - selection of community development blocks, Stage II- selection of self help groups, and Stage III- selection of beneficiaries. At the first stage, a sample of 3 community development blocks out of the existing eight in Baramulla district was selected. In the second stage a sample of 30 women SHGs were selected from the selected 3 community development blocks i.e. 10 SHGs from each block. At the third stage, from each sample SHGs four members were randomly selected. In this way total number of 120 (3x10x4=120) women beneficiaries constituted our final sample for investigation. Reliable statistical tools, like percentages, simple average, and t-test have been used.

## V. DATA ANALYSIS

### 5.1 Socio-Economic characteristics of the respondents

The following information was gathered from the field to study the socio-economic profile of the respondents.

Table 1: Socio-Economic characteristics of the respondents

S. No.	Variables		Frequency (No.)	Percentage (%)
1	Age	Below 26	31	25.83
		26 – 40	83	69.17
		40 & above	06	5.00
		<b>Total</b>	<b>120</b>	<b>100</b>
2	Marital status	Unmarried	46	38.33
		Married	60	50.00
		Widow	12	10.00
		Divorcee	02	1.67
		<b>Total</b>	<b>120</b>	<b>100</b>
3	Education	Illiterate	43	35.83
		Primary	10	8.33
		Middle	20	16.67
		High school	20	16.67
		Hr. secondary	15	12.5
		Graduation	07	5.83
		Post Graduation & above	05	4.17
		<b>Total</b>	<b>120</b>	<b>100</b>
4	Type of Family	Nuclear	71	59.17
		Joint	49	40.83
		<b>Total</b>	<b>120</b>	<b>100</b>
5	No. of income earners in family	One	10	8.33
		Two	73	60.83
		More than two	37	30.83
		<b>Total</b>	<b>120</b>	<b>100</b>
6	Income (Monthly)	Up to Rs. 2000	21	17.5
		2001-4000	55	45.83
		4001-6000	27	22.5
		Above 6000	17	14.17
		<b>Total</b>	<b>120</b>	<b>100</b>

Source: Data collected through field survey

From the above Table 1, it has been observed that a significant proportion of the respondents (69.17 per cent) were of the age group of 26-40. This could be attributed to the fact that this age group has several responsibilities to undertake. In the absence of any other economic activity women have formed SHGs in order to fulfill their obligations and help the family. The marital status of respondents indicated that majority i.e. 50.00 percent of the respondents were married. But one fails to understand, why unmarried women hesitate to come forward and benefit from such schemes. Social taboos and orthodoxy, besides lack of interest may be one of the reasons behind such a phenomenon. The education level of the respondents showed that 35.83 percent respondents were reported to be illiterate and only 4.17 per cent of the respondents were having post graduation degree that shows the existence of the traditional phenomenon of the low level of education among females in the study area. More than half of the respondents were found living in nuclear families (59.17%). The increasing awareness about better living standards among the people makes them to resort to small and nuclear families. Further it was revealed that majority i.e. 60.83% of the respondents have two income earners in their family. This

shows that traditional sources of income like agriculture and its allied activities are no more sufficient to fulfill the family demands. As far as level of income is concerned maximum respondents (45.83 per cent) were falling in the range of Rs. 2100-4000 per month which is quite low.

### 5.2 Prime motive of the members for joining SHGs

Table- 2 below presents the prime motive of the SHG members for joining SHGs.

Table 2: Prime motive of members for joining SHGs

S. No.	Prime Motive	Frequency (No.)	Percentage (%)
1	To get access to credit facilities	22	18.33
2	To promote income generating activities	47	39.17
3	To support household expenditure	30	25.00
4	To develop saving habits	21	17.5
	Total	120	100

Source: Data collected through field survey

From table 2, it is clear that the most important reason for joining the SHGs was to promote income generating activities followed by maintenance of household expenditure. To develop saving habits stood as the last reason for joining the SHGs.

### 5.3 Period of Functioning of SHG

Table 3: Period of functioning of SHG

Category	Frequency	Percentage
Less than one year	15	12.5
One year to three year	70	58.33
More than three year	35	29.17

Source: Data collected through field survey

The age of any SHG is an important indicator to measure the sustainability of that SHG. From the above table, it is inferred that more than half of the respondents i.e. 58.33% says that their SHG is functioning from 1 to 3 years and 29.17% says that their SHG is functioning from more than 3 years.

### 5.4 Type of income generation activities undertaken by the respondents

Table 4: Activities undertaken by the respondents

Activities	Frequency	Percentage
Embroidery	42	35.00
Crewel	13	10.83
Cutting and Tailoring	12	10.00
Weaving and Spinning	17	14.17
Vegetable cultivation	5	4.17
Cattle rearing	20	16.67
Petty Shop	3	2.5
Others	8	6.67
Total	120	100

Source: Data collected through field survey

Table 4 demonstrates the type of income generating activities undertaken by the members of the SHGs in the study area. It is evident from the above table that the most popular type of income generating activities undertaken by the respondents was embroidery (35 percent), cattle rearing (16.67 percent), weaving and spinning (14.17 percent), crewel (10.83 percent) and other related activities. Most of the beneficiaries reported that they took up income generating activities which were available to them through their past work or experiences. However, no new innovation in terms of technology has taken place.

### 5.5 Awareness about various microfinance and SHG schemes of banks, NGOs and other institutions meant for women empowerment in Jammu and Kashmir

Table 5: Whether aware about various microfinance schemes



Responses	Frequency	Percentage
Yes	94	78.33
No	26	21.67
Total	120	100

Source: Author's calculation based on survey results

Through this question, an attempt was made to figure out the respondents' awareness about various SHG schemes of banks, NGOs and other institutions meant for women empowerment in Jammu and Kashmir. From the above table, it can be interpreted that majority of the respondents (78.33%) are aware about such schemes and only 21.67% of the respondents reported unawareness about various SHG schemes meant for women empowerment in the study area.

### 5.6 Source of awareness regarding SHG schemes

Table 6: Source of awareness

Source	Frequency	Percentage
Government sources	49	52.13
NGOs	09	9.57
Financial institutions	17	18.08
Media	04	4.26
Friends and relatives	15	15.96
Total	94	100

Source: Author's calculation based on survey results

From the above table, it is clear that majority of the respondents rely on Government sources like district rural development agencies (DRDAs), Gram sevakas, community resource persons, Government Village Level Workers etc. for information relating to microfinance and SHG Schemes, as 52.13% of the participants get the information from Government sources. 18.08% of the respondents avail the services of financial institutions especially banks for the information regarding various SHG schemes. Friends and relatives also played an important role in enrolling members to SHG programmes, as 15.96% of the participants reported that they came to know about such schemes through friends and relatives.

### 5.7 Changes in Income after joining SHGs

Table 7: Income status of the respondents in pre and post SHGs formation stage (Amount in Rs.)

S. No.	Monthly Income	Pre-SHG		Post-SHG	
		No. of respondents	Percentage	No. of respondents	Percentage
1	No income	79	65.83	0	0
2	Up to 1000	25	20.83	4	3.33
3	1001-2000	16	13.33	29	24.17
4	2001-3000	0	0	15	12.5
5	Above 3000	0	0	72	60.00
	Total	120	100	120	100

Source: Data collected through field survey

A look at the table reveals that SHG programme has significantly increased the income of their members. Table shows that before joining SHGs 65.83 percent of the respondents were having no income and none of the respondent had income more than Rs. 2000. But after joining SHG there is no respondent without any income and 60 percent of the respondents crossed their income level above Rs. 3000.

To test whether income of the respondents had increased after joining SHGs paired t-test was utilized and the results of the t- test are given below in tables 8 and 9.

Table 8: Paired sample t-test

Variable	N	Mean	Std. Err.	Std. Dev.
Income of respondents	120	8.090234	0.0502149	0.5500766

after joining SHGs				
Income of respondents before joining SHGs	120	2.350111	0.3002196	3.2887413

Table 9: Paired sample t-test

Mean difference	Std. Err mean	Std. Dev.	Df	t-statistics	Sig. value
5.7401229	0.2975262	3.2592365	119	19.293	0.0000

Source: Data collected through field survey

To examine the statement, we took the null hypothesis that “There is no difference in mean income of respondents before and after joining SHGs. Since the significance (Sig.) value is less than 0 .05 as depicted in the above table, the null hypothesis is rejected and is statistically significant. It depicts that the mean income of respondents after joining SHGs is significantly higher than the mean income of respondents before joining SHGs. Thus, we can select alternate hypothesis that microfinance is significantly increasing the income of the respondents.

### 5.8 Changes in Savings after joining SHGs

Table 10: Savings of the respondents in pre and post-SHGSs formation stage (Amount in Rs.)

S No.	Monthly Savings	Pre-SHG		Post-SHG	
		No. of respondents	Percentage	No. of respondents	Percentage
1	No savings	93	77.5	0	0
2	Up to 400	18	15.0	92	76.67
3	401-800	9	7.5	26	21.67
4	Above 800	0	0	02	1.66
	Total	120	100	120	100

Source: Data collected through field survey

Table 10 shows that before joining SHGs 77.5% of the respondents were not having any savings. But after joining SHGs there is no respondent without any saving. It is further inferred that none of the respondent had savings more than Rs. 800 before joining SHGs and the number of such sampled members have increased slightly to 1.66% after they joined SHGs. In fact, most of the sampled members have experienced some increase in their savings after joining SHGs.

To test whether savings of the respondents had increased after joining SHGs paired t-test was utilized and the results of the t- test are given below in tables 11 and 12.

Table 11: Paired sample t-test

Variable	N	Mean	Std. Err.	Std. Dev.
Savings of respondents after joining SHGs	120	5.275323	0.0808121	0.8852518
Savings of respondents before joining SHGs	120	1.239856	0.2145177	2.3499238

Table 12: Paired sample t-test

Mean difference	Std. Err mean	Std. Dev.	Df	t-statistics	Sig. value
4.0354670	0.2309707	2.5301578	119	17.472	0.0000

Source: Data collected through field survey

To examine the statement, we took the null hypothesis that “There is no difference in mean savings of respondents before and after joining SHGs. Since the significance (Sig.) value is less than 0 .05 as depicted in the above table, the null hypothesis is rejected and is statistically significant. So, alternative hypothesis is accepted which indicates that the mean savings of respondents after joining SHGs is significantly higher than the mean savings of respondents before joining SHGs.

### 5.9 Changes in ownership of assets after joining SHGs

Table 13: Assets of the respondents in pre and post-SHGs formation stage (Amount in Rs.)

S No.	Asset ownership	Pre-SHG		Post-SHG	
		No. of respondents	Percentage	No. of respondents	Percentage
1	0	110	91.67	74	61.67
2	Up to 25000	10	8.33	37	30.83
3	25001-50000	0	0	04	3.33
4	Above 50000	0	0	05	4.17
	Total	120	100	120	100

Source: Data collected through field survey

From the above table, it has been observed that the participation in SHGs had to some extent improved the asset ownership status of the respondents. About 91.67 percent of the respondents were initially without any asset. The number of such sampled members came down to 61.67 percent after they joined SHGs. Further it is revealed that none of the respondent had assets more than Rs. 25000 before joining SHGs. However, after joining the SHG scheme, about 7.5 percent had exceeded that amount.

To test whether asset ownership status of the respondents had improved after joining SHGs paired t-test was utilized and the results of the t- test are given below in tables 14 and 15.

Table 14: Paired sample t-test

Variable	N	Mean	Std. Err.	Std. Dev.
Asset ownership of respondents after joining SHGs	120	3.68	0.431	4.719
Asset ownership of respondents before joining SHGs	120	0.781044	0.2376641	2.6034793

Table 15: Paired sample t-test

Mean difference	Std. Err mean	Std. Dev.	Df	t-statistics	Sig. value
2.9022895	0.4502733	4.9324968	119	6.446	0.0000

Source: Data collected through field survey

To examine the statement, we took the null hypothesis that, “There is no difference in mean value of assets of respondents before and after joining SHGs. Since the significance (Sig.) value is less than 0 .05 as depicted in the above table, the null hypothesis is rejected and is statistically significant. So alternative hypothesis is accepted which indicates that the mean value of assets of respondents after joining SHGs is significantly higher than the mean value of assets of respondents before joining SHGs. These tests show a clear-cut impact of SHG scheme on women empowerment so far as their income earning capacities, savings and asset ownership status are concerned.

## VI. CONCLUSION

The results of the study suggest that Self Help Group (SHG) programs have created a positive impact for its beneficiaries. Majority of the respondents are engaged in various income generating activities because of the credit facilities provided by the microfinance institutions. This has helped them to earn income for their family and also enable them to play an important role in their family as well as in society. The income of the SHG members has shown a significant increase after joining SHGs. Besides, there has been a significant increase in the savings and assets of the SHG members. It was observed that although the impact of microfinance through

SHGs is appreciable in improving the economic conditions of SHG members in terms of increase in income, savings and assets, there is a need for much greater clarity in the underlying vision both from supply and demand side to fully achieve the objectives of the microfinance programmes. Targeting women without adequate supportive networks and empowerment strategies can merely shift all the burden of household debt and household subsistence onto them. Hence, it is important for microfinance and SHG programs to be well-designed in order to best meet the real needs of the poor women they aim to serve. For better functioning of the SHG's periodical training at regular intervals both by government and NGO's must be imparted to all group members to enhance their entrepreneurship skills.

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