

**DR. BRR GOVERNMENT DEGREE COLLEGE,**

**JADCHERLA, MAHABUBNAGAR DIST.**

**DEPARTMENT OF ECONOMICS**

**Student Study Project**

**on**

**Role of Self-Help Group in The Economic  
Empowerment of Women**

**Submitted by**

DHYANAMONI SANDHYA	BA EPP E/M III Year	19033006111506
KASHAMONI VENKATESH	BA EPP E/M III Year	19033006111509
K KESHANNA	BA EPP E/M III Year	19033006111511
KONGALA RAJESH	BA EPP E/M III Year	19033006111512
KYATHRAMONI RAJU	BA EPP E/M III Year	19033006111516

**Supervisor**

**R. Nagaraju,**

**Department of Economics**

**DR. BRR GOVERNMENT DEGREE  
COLLEGE**

**JADCHARLA, MAHABUBNAGAR DIST,  
TELANGANA**

**CERTIFICATE**

This is to certify that the present work titled “**Role of Self-Help Group in The Economic Empowerment of Women**” is the bonafide work of Dhyanamoni Sandya, Kashamoni Venkatesh, K. Keshanna, Kongala Rajesh, Kyathramoni Raju, under the supervision of R.Nagaraju, Lecturer in Economics, Dr. BRR Government Degree College, Jadcherla. No part of this work has been submitted to any other University for the award of any Degree.

Date:

17-5-22



**R. Nagaraju  
Lecturer in Economics**



**Principal  
Dr. BRR Govt. Degree College  
Jadcherla  
PRINCIPAL  
Dr BRR Govt. College  
Jadcherla-509 301**

## DECLARATION

We hereby declare that the investigation results incorporated in the present project titled “**Role of Self-Help Group in The Economic Empowerment of Women**” were originally carried out by us under the supervision of R.Nagaraju, Lecturer in Economics, Dr. BRR Government College Jadcharla. No part of this work has been submitted to any other university for the award of Degree.

S.No	NAME OF THE STUDENT	Class	HALL TICKET NO	SIGNATURE
1	DHYANAMONI SANDHYA	BA EPP E/M III Year	19033006111506	Sandhya
2	KASHAMONI VENKATESH	BA EPP E/M III Year	19033006111509	venkatesh
3	K KESHANNA	BA EPP E/M III Year	19033006111511	k. keshanna
4	KONGALA RAJESH	BA EPP E/M III Year	19033006111512	rajesh
5	KYATHRAMONI RAJU	BA EPP E/M III Year	19033006111516	Raju

Date: 17-5-22



# **CHAPTER – 1**

## **INTRODUCTION**

Women Empowerment has become the need of the hour as the women contribute half of the nation's population. Women are a vital part of every economy. The Nobel scholar and Indian economist Mr. Amartya Sen expressed in his words "Unless women are empowered issues like literacy, health, population explosion etc. will remain unsolved problems of the developing countries<sup>1</sup>". Empowerment of women is essential to use the workforce for the economic development of nation. But, majority of women in India still continues to perform their traditional roles in household activities and agriculture in rural areas as well as in urban areas. But the 73<sup>rd</sup> amendment to the constitution highlighting the importance of women's participation at the grass-root level in community decision making process is gaining importance. Empowerment of women is a holistic concept. It is multidimensional in its approach and covers economic, political, social, cultural, personal and familial aspects, of all these factors economic empowerment of women is very crucial and important for the development of society and growth of economy. In a developing society, women in particular and especially rural women are poor, illiterate and they don't get the chance for development and rather they are not considered to be an agent of change. The preface to the platform for action adopted by the Fourth World conference on women held in Beijing 1995 revealed that women's empowerment and their full cooperation on the basis of equity in all spheres of society are fundamental for the achievement of equity, development and peace.

The world micro credit summit held in Washington has realized that there were 10 million women who were organized into SHGs. Grameen Bank of Bangladesh, SEWA of Gujarat, Indian Working Women's Forum of Tamil Nadu, Kudumbashree project in Kerala are some of the major initiatives which are attempting to solve the issues of poverty eradication.

---

The Self Help Groups are an important medium to eradicate poverty and achieve the objectives of rural development through community participation in the development programmes of the government. SHGs are voluntary association, which disburse micro-credit to the members of the group and encourage them to enter into entrepreneurial activities. Formation of Self Help Groups of women in India has been recognized as an effective strategy for the empowerment of women in rural as well as urban areas. Since women are vital in the formation of the society, the government of India and state government are also focusing on the use of the women SHG into the areas such as health, sanitation, nutrition, agriculture, forestry, social activities etc, apart from income generation activities availing micro credit. The women led SHGs have successfully demonstrated how to mobilize and manage thrift and credit needs, maintain linkages with the banks and enforce financial self- discipline. Today there are over 7.4 million SHGs representing 97 million rural households directly becoming part of this great movement. Geographically its tentacles have spread to every nook and corner of India from desert sands of Rajasthan to the forest villages of Arunachal Pradesh and from the inaccessible terrain of Jammu and Kashmir to the serene coastal villages of Lakshadweep Islands.

With over 84% of these being all women groups, the poor rural women in India now controls a financial business with turnover of nearly 1,00,000 crore (deposits + credit) much more than most of the MNCs in India .

In Chhattisgarh the women SHG has emerged as a medium for women empowerment and has paved the ways for the economic and social development of the women at large and in turn helping the society and economy to grow. The state government is also strongly working on the women empowerment and has included the SHGs in the state in various activities of the government like mid day meal, ready to eat, stitching of school uniforms, public distribution shops and more recently in environmental and pollution control through manufacturing and selling of paper bags, in plantation and to spread awareness about cleanliness in villages and construction of public toilets and stressing on health issues and preventing malnutrition of the toddlers.

## **Significance of the subject:-**

When we talk about the women welfare and their economic upliftment the different poverty alleviation programmes and welfare activities of government for women of rural and urban households below the poverty line, the SHGs are effective medium to help implement these strategies and helping the poor women of employment and income. The interlending process of SHGs and various production activities at the later stage helps the women to come out of the clutches of poverty and also from local money lenders. SHGs are a medium through which the poor women improve their skills and capacities and get access to finance which improves their economic as well as social condition.

In India, even today majority of women in certain state and regions are in the grip of illiteracy, poverty and lack basic facilities and apart from maintaining their family they cannot contribute anything for their welfare or for the welfare of society. This arises a necessity to make up various income generating activities, so that they can support their family and this resulted in the formation of large number of SHGs in India. As such India is a leading country where SHGs and micro enterprise play an effective role in women's development. Women lead SHGs in many parts of the country have achieved success in bringing the women of rural and urban areas to the mainstream and help in decision making. SHGs have become an inspiring source and effective alternative for achieving the socio-economic development for women by involving them in all development programme.

Chhattisgarh sees great promise in women self help groups as this is helping to meet a dual demand provide year-round employment and encourage greater involvement in decision making. The study is based on the efforts of Self Help Group in Durg region to promote economic empowerment of women through different ways. The study is basically introspection into various strategies followed by these self help groups in the field of women welfare. This is very important in the sense that women empowerment is only possible through deliberate planned efforts carried in a systematic manner.

## **Objectives and Importance of Research**

The purpose of research is to discover answers to questions through the application of scientific procedures. The main aim of research is to find out the truth which is hidden and which has not been discovered yet. The specific objectives of the study are listed below:

- 1) To study the current scenario, working and growth of Self Help Groups in the region and to analyze the impact of SHGs in women empowerment with respect to Durg region.
- 2) To study the activities of self help group in the study area and to identify employment and livelihood skills of women's related to Self Help Group.
- 3) To study and analyze the management and administrative structure of the Self Help Groups.
- 4) To study the operating system and capital structure of the Self Help Groups and to evaluate their Financial Positions.
- 5) To ascertain the Marketing policies, government support and future prospects in marketing of the Self Help Groups.
- 6) To study the socio economic background of the members of the Self Help Groups and to identify the reasons for women joining self help Group.
- 7) To ascertain the credit availability of the women's of the group from different sources.
- 8) To identify problems related to the Self Help Groups at different levels and to analyse and evaluate the challenges faced by the Self Help Groups.



- 9) To ascertain the role of C.G. Mahila Kosh in financing and forming of Self Help Groups and also to study the implications related to policy decisions.
- 10) To submit the recommendations and suggestions for effective role of Self Help Groups in women empowerment and to diversify their activities and area of interest for better working of the groups.

### **Importance of Research:**

SHG is playing an important role in the economic development of women. These groups have encouraged women to come out of the four walls of their houses, inculcate the habit of saving and involve them in income generating activities. In spite of all this the women of the SHGs have not been able to develop themselves in manner that would have been possible due to lack of awareness of demand, marketing skills, entrepreneur skills and not proper information of the government policies and banking aspects. So, I have chosen this topic for research as in the current scenario SHGs are acting as a strong link between governmental policies and women empowerment, the research into the subject will be helpful to throw light on the position and problems of the SHGs of the region and would be helpful to come up with better suggestions to improve the same.

### **Review of Literature**

A review of literature helps the researcher have a thorough understanding about the area of the study and enables to get a clear portrait of the various aspects of the study. The different studies carried out anywhere else by others on the related aspects could be reviewed and this helps the researcher to understand the various dimensions of the particular study undertaken. It also helps in filling up the gap in a particular area of research and facilitate to explore the possibilities of further research on the related aspects of the subject of study.

**Rebeca Robboy and Durudee Sirchanya (2000)**<sup>2</sup> stated the importance of Indian Rural Development projects for empowering women working for the objective of developing income-generating scheme, improving management and technical skills and gaining access to credit and social services for which the World Bank had approved \$19.5 million to the Government of India for Rural women Development and Empowerment projects

**Dasgupta (2000)**<sup>3</sup> in his paper on informal journey through self help groups observes that micro-financing through informal group approach has effected quite a few benefits like savings mobilized by the poor, access to credit by the poor, Financial institutions developed, reduction in transaction cost for both lenders and borrowers, improvement in recovery. He emphasized that SHGs should be considered as one of the best means to counter social and financial citizenship not as an end in itself.

**Krishna Kothai (2000)**<sup>4</sup> pointed out that in India after independence there is an urgent need to organize rural women into small groups to empower them socially and economically. SHGs are the important and effective tools in the field of women's empowerment. Through the intervention of the NGOs, many SHGs are being established and functioning quite satisfactorily in the area of women development

**Gurumoorthy (2000)**<sup>5</sup> stated that empowering women contributes to social development. Economic progress in any country whether developed or underdeveloped could be achieved through social development. The self-help group disburses micro-credit to the rural women encouraging them to enter into entrepreneurial activities. Credit needs of the rural women are fulfilled totally through the self-help groups. SHGs enhance equality of status of women as participants, decision makers and beneficiaries in the democratic economic, social and cultural spheres of life. SHGs also encourage women to take active part in socio-economic progress of our nation.

---

**Laxmi and Archana (2001)**<sup>6</sup> studied that the SHG aims at providing awareness among the poor about the on-going development programmes. The poor should know how best to use existing government programmes, and also the legal provisions meant for the disadvantaged sections of the rural communities. It is an established fact today that national economic growth alone cannot prevent the growth of mass poverty over the years, one-sided emphasis on economic achievements by national policy-makers is not enough social development is also essential. Since the poor have become too many in numbers to be helped from outside, self-help promotion has emerged as a new paradigm for combating poverty.

**Barbara and Mahanta (2001)**<sup>7</sup> in their paper pointed out that the SHGs have helped to set up a number of micro-enterprises for income generation. Rastriya Gramin Vikas Nidhi's credit and saving programme in Assam has been found successful as its focus is exclusively on the rural poor. It adopts a credit delivery system designed specially for the SHGs with the support of a specially trained staff and a supportive policy with no political intervention at any stage in the implementation of the programme.

**Rasure (2002)**<sup>8</sup> in his study on Women's Empowerment through self help groups approves that empowerment should be externally induced, so that women can exercise a level of autonomy. There should also be self-empowerment so that women can look at their own lives. The findings reveal that the origin of SHGs could be traced to mutual aid in the form of cooperation. He has stated that the Self-help and reliance are strategies of survival as well as development of the poor.

---

**Dwarakanatha (2002)**<sup>9</sup> in his study states that the women led SHGs have successfully demonstrated how to mobilize and manage thrift, appraise credit needs and enforce financial self discipline, the study of self-help women groups in Andhra Pradesh reveals the effectiveness of these groups with linkage programme and awareness among the rural folk about the significance of women empowerment and rural credit.

**Prasant Sarangi (2003)**<sup>10</sup> in his research on Self-Help Groups (SHG) activities in Ganjam district of Orissa observed that SHGs have been successful in brightening the women to the main stream of decision making. The study had also approved SHGs as the viable organized set up to disburse micro credit to the rural women and encourage them to enter into entrepreneurial activities. It also throws light on how to mobilize and manage thrift, appraise credit needs, maintain linkage with the banks and enforce financial discipline.

**Srinivasan (2003)**<sup>11</sup> has Said that Micro-finance through SHGs has emerged as a catalyst to help the members meet the credit needs of informal or unorganized rural sector in the recent past. The Reserve Bank of India has initiated several steps to encourage bank lending to SHGs as part of a mainstream banking activity credit extended by commercial banks to SHGs is treated as part of priority sector lending in order to encourage banks to engage in this sort of activity.

**Ramesh and Priya Lakshmi (2004)**<sup>12</sup>in their study say that many experts have recognized the role played by SHGs in the field of empowering women particularly in the rural areas. The following points would help evaluating the role of SHGs in empowering women as it focuses attention on the rural women below the poverty line with a view to providing self-employment opportunity on a sustained basis, it creates awareness among rural women and promotes comprehensive development in both economic and social aspects, create awareness on health issues, gain knowledge , confidence and skills and increase their contacts.

---

**Sathish (2005)**<sup>13</sup> has found that the SHG system reflects the independence and diversity (of Indian people). It allows people to save and borrow according to their own timetable not as the bank requires. The reduction in transaction cost to the borrowers is also substantial. The study observes that the linkage between bank and SHGs worked out to the advantage of both the players.

**Vinayaga Moorthy A., and Vijay Pithadia (2007)**<sup>14</sup> in their case study on Women Empowerment through Self Help Groups in North Tamil Nadu have found that the income and household expenditure of women increased after joining SHGs. The SHG members were able to repay their monthly dues in time, only a few members did not pay in time but it did not affect the further credit of SHGs. Hence the economic activities of SHGs were quite successful to develop women empowerment and rural areas in North Tamil Nadu.

**Kamalakaran K. in his study (2008)**<sup>15</sup> indicated that NABARD has been playing an important role in the Channelization of bank credit and refinance facilities for the SHG based Institutions in rural areas by using Micro Finance Development Fund constituted in NABARD.

**Subbalakshmi (2009)**<sup>16</sup> in her conducted a survey in Kancheepuram block, concludes that about 1/3 of the members have utilized their share from revolving fund for income generation activities most of the members mainly concentrate on small trades, goat rearing and agriculture based activities.

**Jadhav, H.G.: Tambat R.G(2010)**<sup>17</sup> studied that the activities of the SHGs and the occupational pattern of their members in the villages of SIndhudurg districts and found that once the women join together through SHGs they start income generating activities and mainly involve in agriculture and allied activities, selling, small business and production of food items like pickle, jams etc.

---

**Kumar, R.P. Shivamurthy, M Anand, T.N.(2010)**<sup>18</sup> studied the entrepreneurial behavior of the women of the SHGs. A majority of women had medium to high level of overall entrepreneurial behavior, there was innovation in work methods and no competition exists between the members of the group. **D. Amutha (2011)**<sup>19</sup> studied and analysed the economic empowerment of women through SHGs and highlighted that empowerment signifies increased participation in decision making and it is this process through which people feel themselves to be capable of making decisions in family and social life. **Zakir Husain, Diganta Mukherjee and Mousumi Dutta (2014)**<sup>20</sup> pointed out that the programmes promoting SHGs often attract women active in the public domain and exclude those most in need of assistance. This study was conducted in West Bengal and highlights the awareness of women on social issues after joining SHGs.

## **1.2 Proposed Methodology during the tenure of research work**

Research methodology is a way to systematically solve the research problem, In this we study the various steps that are generally adopted by a researcher in studying his problem along with the logic behind them.

### **(A) Data Collection**

For the fulfillment of the objectives and testing of the hypothesis various type of informations are to be collected. The task of data collection begins after a research problem has been defined and research plan chalked out. The method of data collection used for research can be divided into two

- (i) Primary Data
- (ii) Secondary Data.

#### **(i) Primary Data :**

“Primary Data are those which are collected a fresh and for the first time and is original in character. These types of the data are collected by the researcher by going to the area of study<sup>21</sup>”. For collecting primary data questionnaire and direct interview method was used.

---

These would be a three tier system to get an integrated view of the development aspects of the Self Help Group to empower women. As far as Durg district is concerned it has three blocks Durg, Patan, Dhamdha. Firstly the villages of these blocks were selected based on proximity of the area and active self help group identified with the help of data given by the CG Mahila Kosh.

Secondly data was collected through questionnaire, observation and direct interview method from the President, Secretary the Self Help Group and from the women who are undergoing empowerment through Self Help Group and the respondents from SHG would be randomly selected from themselves and finally officials of the government department like DRDA, NABARD, C.G Mahila Kosh were met who are actually involved in forming and financing the self help group in Durg district as well as local NGOs were contacted.

▪ **Observation Method:**

“In observation method we observe things around us, but this sort of observation is not scientific observation. Observation becomes a scientific tool and the method of data collection for the researcher, when it serves a formulated research purpose, is systematically planned and recorded and is subjected to checks and controls on validity and reliability<sup>22</sup>”. Under observation method, the information is sought by way of investigator’s own direct observation without asking the respondent.

The observation method was used by the researcher to study the formation and management of SHGs, their working, meetings conducted, production activities. This method was mainly applied on the women of the SHGs who were not in a position to respond to the questions.

▪ **Interview Method:**

“The interview method of collecting data involves presentation of oral verbal stimuli and reply in terms of oral – verbal responses<sup>23</sup>”. This method can be used through personal interview or telephonic interview. Personal interview is the method of directly asking questions generally in face to face contact to the other person or persons. The method of collecting information through personal interviews is usually carried out in a structured way. In this cases a set of predetermined questions were framed and these questions were asked.

---

Personal interview was mainly used with the President or Vice President of the group and the treasurer as well as from the officials of the government departments like C.G Mahila Kosh, NABARD and DRDA.

▪ **Questionnaires :**

“A questionnaire is a vital method to collect primary data in case of large sample. It consist of a number of questions printed or typed in a definite manner on a form or set of forms. The questions should be simple, clear, and easy to understand and related to the subject of research<sup>24</sup>”. The questionnaire was mainly used to collect data from the women of the SHG group. The questions were explained to the women and they filled it in sufficient time and this data was further used for analysis.

**(ii) Secondary Data**

“Secondary data means data that are already available i.e., they refer to the data which have already been collected and analyzed by someone else. When the researcher utilizes secondary data, then he has to look into various sources from where he can obtain them. Secondary data may either be published or unpublished data<sup>25</sup>”.

The secondary data can be obtained from published journals, annual reports and also from the historical and current data collected from books, reports, newspaper, journals, magazines and other published sources in this field as well as internet was also be used to get relevant theoretical information on national and international organizations involved in women empowerment. For the objectives stated data was collected from records maintained by the Self Help Group, record of the meetings and also from the records maintained and annual reports of C.G Mahila Kosh, Durg, Quaterly Journal “Bhuyan ke Goth”, Hand book of NABARD, Yojana - A Development Monthly, local news papers and different books related to self help group and empowerment and alo from local NGOs who are working with the SHGs of the region.

---



## **(B) Data Analysis**

After the collection of the data it has to pass through various statistical measures. The next step is to analyze the data collected, so as to test the formulated research hypothesis and reach the conclusion. The observed and collected data have to be analyzed through statistical process. Statistical tools like percentages, average, etc have been used. Correlation and 't' test have also been applied to analyze the data.

The large volume of data collected must be reduced into homogeneous groups if we want to have meaningful relationships. This fact necessitates classification of data which happens to be the process of arranging data in groups or classes on the basis of common characteristics. Classification can be according to attributes in which data can be classified on the basis of common characteristics which can be either descriptive or numerical. As well as classification of data can be according to class intervals such as data related to income, expenditure, savings etc.

## **(C) Interpretation of Data:**

Data has been arranged in tabular format and there has been graphical representation of data using bar diagram and pie chart.

## **Research Hypotheses**

A hypothesis simply means a mere assumption or some supposition to be proved or disproved. But for a researcher hypothesis is a formal question that he intends to resolve. Thus hypothesis may be defined as a proposition or set of proposition set forth as an explanation for the occurrence of some specified group of phenomena either asserted merely as a provisional conjecture to guide some investigation or accepted as highly probable in the light of established facts. It is a predictive statement, capable of being tested by scientific methods, that relates an independent variable to some dependent variable.

1. Self Help Groups are promoting women empowerment.

2. Government organisations are eager to promote self help groups for women empowerment.
3. There has been a positive impact on the socio-economic conditions of women working in Self help Groups.
4. There will not be a difference in the work satisfaction level of the management and members of the self Help group.

### **Delimitations of subject**

The delimitations of the study are those characteristics that limit the scope of the inquiry as determined by the conscious exclusionary and inclusionary decisions that were made throughout the development of the proposal. Among these are the choice of objective and questions, variables of interest, alternative theoretical perspectives that could have been adopted.

The limitations of the study are those characteristics of design or methodology that set parameters on the application or interpretation of results of the study that is, the constraints on generalizability and utility of findings that are the result of design or method that establish external or internal validity.

The proposed work has following limitations:

- 1) The study is limited to Durg region, hence cannot give a clear scenario of SHG in Chhattisgarh.
- 2) The study may be affected by other factors like illiteracy of the members of the group, not proper maintenance of records etc.
- 3) The focus of the study is only on the economic empowerment of women other indicators will not be considered.