



**ROLE OF SELF HELP GROUPS (SHGS) IN THE PURSUIT  
OF EMPOWERING RURAL WOMEN: AN EMPIRICAL  
STUDY FROM VILLAGE CHOWGACHA, GAIGHATA,  
NORTH 24 PARGANAS, WEST BENGAL**

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**Abstract:**

The present study attempts to analyze the role of self-help groups (SHGs) to empower the rural women under National Rural Livelihood Mission (NRLM) with a case study. For this purpose, members of different SHGs as well the organizers have been interrogated with specific question schedules at the study area. It has been observed that after joining in SHG under the microcredit programme of NRLM, important changes have been brought in women's life regarding of social mobility, awareness and skill development. But economic decision-making power in respect to the use of loan, use of income from loan, utilization and repayment of the loan is not pleasing at the household level.

**Key Words:** NRLM, SHG, Loan, Economic Decision-Making Power & Social Empowerment

**Introduction:**

Self Help Groups (SHGs) are small voluntary associations of poor people especially of women from backward classes that come together for the purpose of solving their common problems through self-help and mutual help. Merely a poor woman is not only socio-economically weak but also lacks access to the knowledge and information about opportunities, available in the society. However, in a group, they are empowered to overcome many of these shortcomings. Microcredit focuses on capability building among poor women through the group approach commonly known as self-help group (SHG). At present SHGs are growing at rapid pace with an eye to helping the woman for changing their position within the family as well as in the society. In this context, this paper aims to conduct an empirical study for a clear understanding how far utilization of microcredit through self-help groups (SHGs) empowers the women in the rural area.

**Objectives:**

The primary objectives of this study are:

- ✓ to understand the socio-economic profile of SHGs women in the study area
- ✓ to assess the role of SHGs on economic empowerment of women in the study area
- ✓ to determine the role of SHGs in social empowerment of women in the study area.

**A Brief Literature Review:**

It was analysed that capability building among women through the systematic approach of microfinance would help them to break the vicious cycle of poverty (Sharif, I. (1997). Vinayamoorthy and Pithoda (2007) made an attempt to examine women empowerment through SHGs in three villages of Tamil Nadu. The primary objectives of the study were to examine the income, expenditure and the savings of the members after joining SHGs and the role of SHGs in providing credit. They concluded that economic activities of SHGs were quite successful in empowering women economically. Anitha and Revenkar (2007) made an attempt to explore rural development through micro-credit and they concluded that the success of SHGs not only improved the economic status of women but also brought a lot of changes in their social status. Prabakaran and Boobalan (2011) studied that micro credit through SHGs has improved the socio-economic condition of the SC/ST women in Tirunelveli district of Tamilnadu. It was observed that after joining in SHGs the occupational pattern and the living status had been changed among the beneficiaries. Sivchithappa (2011) explored that women can improve their quality of life through income generating activities through the self-help group approach under Stree Shakthi Scheme in Nanjangud Taluk in Karnataka.

**Central Questions:**

On the basis of given literature review, a set of questions are structured as

- ✓ Is microcredit enabling the rural women to be independent decision makers in aspect of credit utilisation?
- ✓ Does microcredit develop social awareness and mobility to the members of Self-help groups?
- ✓ Does microcredit improve their skill for credit management?

**Methodology:**

In this study, 100 women are personally interviewed from 23 SHGs of the village Chowgacha from Fulsara gram panchayat, Gaighata block, North 24 Parganas, West Bengal. Focus group discussion has been used as an important research method. Women’s economic empowerment is viewed as the decision making power on the selected indicators likely i) use of the loan, ii) use of income from credit utilisation in income generating activities, iii) repayment of the loan. Decision-making power are divided into three groups accordingly a) self, b) jointly, c) husband or other male members. Social empowerment is viewed as social mobility, awareness and skill development on following indicators i) attendance in group meeting, ii) attendance in cluster and federation meeting at panchayat and block level, iii) awareness about various government programme, iv) participation in different social activities, v) acquiring skill to maintaining accounts and record book of group meeting, vi) acquiring skill in management of credit and transaction. Factor analysis has been performed in SPSS (version 23) to determine the dominant factors for economic decision making power of women. For this purpose indicators i) age, ii) education, iii) head of the family, iv) period of membership in SHGs, v) nature of credit utilization, vi) operation of income generating activities (IGA) have been selected.

**Result and Discussion**

**Demographic Characteristics of the Sampled Groups:**

In the present study, majority of the women (62%) belong to middle age group (30 to 45 year), 18% respondents belong to the group less than 30 years as well 45 to 60 years respectively; and 2% falls in the group of more than 60 years.

The educational level of the borrowers is not much high. 26 % women are illiterate; 20% women are educated up to primary and 40% up to the upper primary level. A small percentage (14%) of respondents has studied up to high school level.

About 64% respondents reported that husband is the sole head of the family whereas 26% viewed that they shoulder the family responsibility jointly either with their male partners or other male members of the family. Only 10% have reported that they are the head of their families.

Women’s association with SHGs is an important factor in assessing the different facility through SHGs and improving their skills and activities. 72% respondents are associated with SHGs from 5 to 10 years, 20% and 8% respectively less than five years and more than ten years.

**Nature of Credit Utilisation:**

Most common nature of credit investment is in agricultural activity (46%), followed by consumption expenditure (16%) in education, health, daughter's marriage, and business (14%) like rice trading, grocery shop. Other investment activities have included livestock rearing (6%) and sewing (2%), as well as construction activities (4%) like improvement of housing condition, installing of tube-wells. About 88% of income generating activities (IGA) is operated by male members of the household and 12% IGA is managed by the female members themselves. (Table: 1)

Table 1: Demographic characteristics and nature of credit utilisation

Characteristics		% of Members	Characteristics		% of Members
Age	<30	18%	Education	Illiterate	26%
	30-45	62%		Primary	20%
	45-60	18%		Upper primary	40%
	>60	2%		Secondary	10%
Head of household	Self	10%		Higher secondary	4%
	Husband	64%		Nature of credit utilisation	Agriculture
	Spouse	14%	Business		14%
others	12%	Consumption expenditure	16%		
Period of Membership in SHGs (years)	<5	16%	Construction		4%
	5-10	76%	Livestock		6%
	>10	8%	Sewing		2%
Operation of IGA	Male	88%	None		12%
	Female	12%			

Source: Based on Field Survey, 2016

**Decision Making at the Household Level:**

To understand the women’s freedom to utilise the received loan, female members of the studied group have been interrogated whether they could take decision independently in i) use of the credit, ii) use of income from loan utilisation in income generating activities and iii) repayment of the loan. (Table: 2)

**i) Control over the Use of Loan:**

Members of SHGs receive the loan for different purposes. If we observed (Table: 2) only 16% women could use the loan independently without any external interference, 24% take decision jointly with their husband and 60% answered that husband or male relatives of the family are the sole decision maker in use of the loan.

**ii) Control over the Use of Income:**

In the case of use of income from the investment of loan in income generating activities, the picture is quite similar likely to use of the loan. It is observed that 18% women use income from loan enormously as per their choice, 24% jointly use the income with their husbands and 56% women answered that they do not have any control over the use of income. Their husbands or other male members of the family are sole decision makers in this case.

**iii) Control over Repayment of Loan:**

It could be assumed that responsibility of loan repayment is to be in lines to women as they take the loan from SHGs. But in this study, only 16% women express that they repay the loan according to their choice. Most of the members (58%) repay the loan by the decision of husband or male members of the family.

Table 2: Decision-making powers on use of the loan, use of income, repayment of the loan

Domains	Self	Jointly	Husband/others
Use of the loan	16%	24%	60%
Use of income from loan utilisation	18%	26%	56%
Repayment of the loan	16%	26%	58%

Source: Based on Field Survey, 2016

**Identification of Dominant Factors Influencing Women's Control Over Credit:**

To measure the dominant factors influencing the women's empowerment in terms of taking the decision in economic aspects of credit like control over the use of loan, control over the use of income and control over repayment of loan, factor analysis (Principle Component Analysis) has been done. Variables have been chosen for this purpose are i) age, ii) education, iii) head of the family, iv) period of membership in SHGs, v) nature of credit utilization and vi) operation of income generating activities (IGA). KMO and Bartlett's Test has been applied to test the significance. Result shows that the test is significant ( $p=.000, <.05$ ). To reduce the number of factors and enhance the interpretability, the factors are rotated. One such method for obtaining the better result for interpretation namely Varimax Rotation has been applied. Rotated factor loadings as well as communalities, eigenvalues and the percentage of variance explained by the factors are shown in Table: 4. Identified factors are classified into a clusters or groups to entail the women's decision making power over credit utilization at household level (table: 5).

Table 3: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		0.519
Bartlett's Test of Sphericity	Approx. Chi-Square	73.015
	df	15
	Sig.	.000

Table 4: Rotated factor loadings, communality, eigenvalue, total variance explained

	Component			Communality
	I	II	III	
Age	-0.128	0.881	0.098	0.802
Education	0.453	-0.464	-0.563	0.737
Period of Membership	0.49	0.727	-0.146	0.79
Head of the family	0.235	-0.062	0.901	0.87
Nature of credit utilisation	0.899	0.176	0.144	0.861
Operation of IGA	0.837	-0.118	0.038	0.716
Eigen Value	2.026	1.569	1.181	4.776
% of variance	33.764	26.158	19.687	79.609
Cumulative % of variance	33.764	59.922	79.609	

Table 5: Clustering of indicators into factors

Factors	Indicators	Rotated Factor Loading
Factors I	Education	.737
	Nature of credit utilisation	.861
	Operation of IGA	.716
Factors II	Age	.802
	Period of Membership	.790
Factors III	Head of the family	.870

Source: Computed by Authors Based on Field Survey, 2016

Six indicators have been grouped into three factors and these three factors put together explain 79.61% of the total variance of these problems. Result shows that education level, nature of credit utilisation, operation of IGA appear as the first factor whereas period of membership, age of the borrower as the second factor and the

head of the family as third factor (table: 5) influencing the capacity of the women borrowers for taking decision independently regarding economic aspects of credit as mentioned previously.

**Empowerment about Societal Issues:**

To understand the role of SHGs to promote social empowerment of women after their involvement with the microcredit programme under NRLM, indicators like i) attendance in group meeting, ii) attendance in cluster and federation meeting at panchayat and block level, iii) awareness about various government programme, iv) participation in different social activities, v) acquiring skill for maintaining accounts and record book of group meeting, vi) acquiring skill in management of credit and transaction have been selected. It has been observed during focus group discussion that prior to joining SHGs; most of the women did not participated in any activities outside the house. In fact, they had no association beyond their family limit. At present, 91% respondents regularly attend the monthly meeting of the group. 66% women regularly attend the cluster meeting at panchayat level and all the representative members from the cluster attend the federation meeting at the block level regularly. It implies that now they can organize the meeting, speak publicly and also face the bureaucrats. 71% respondents have said that now they are aware of various government programmes. Group leaders and organisers disseminate this information to the group members. 63% women participate in different social activities regarding health awareness campaign, tree plantation, road cleaning, etc. even they organize Durga Puja in the village. 48% members have reported that they had acquired the skill of maintaining the accounts and record book of the group meeting. 51% respondents have said that now they could transact and manage the credit correctly. They have expressed that at the beginning, it was difficult for them to manage and transact the credit properly. But gradually with the help of training programme and capacity building activities, they have acquired this knowledge.

Table 5: Social Empowerment

Statement	Yes	No
Regular attendance in group meeting	91%	9%
Attendance in panchayat and block level meeting	66%	34%
Awareness about the various government programme	71%	29%
Participation in various social activities	63%	37%
Acquiring the skill to maintaining accounts and record book	48%	52%
Acquiring skill in the management of credit and transaction	51%	49%

Source: Based on Field Survey, 2016

**Conclusion:**

From the above discussion it is clear that SHGs are not able to promote women’s economic empowerment to a large extent. Because in this study area, husband or male members of the family are the sole decision makers over all aspects of loan utilisation, say choice of field for the use of the loan, use of generated income as well loan repayment mode though the loan is credited to the female partner. So it is inferred that microcredit programme under NRLM has not been much successful to empower women for taking decision in economic aspects at household level. Male members of the family are still decision makers over credit. It is also observed that education levels, nature of credit utilisation, the operation of IGA are the main controlling factors for economic decision making power of women. But in case of social empowerment, a significant change has been detected. Social awareness, as well as their social mobilisation, has been increased. Further, now they have better understanding of credit management and transaction. So it can be concluded that SHGs is capable of empowering women in social and community participation but fails to raise the economic empowerment regarding financial decision making power. Attention has been given on Women's enrolment in the SHG as a concern of increasing number. In the absence of women's active participation in income generating activities (Goetz and Gupta, 1996), it is not possible to trigger up women's decision making power in economic aspects.

**Appendix:**

**Structure and Role Performance of SHGs:**

Structure of Self-Help Group	Role performance
<b>Leader (3)</b> 1) <b>President</b> 2) <b>Secretary</b> 3) <b>Treasurer</b>	Conduct meeting regularly, ensuring regularity of all members in participating group meeting, maintaining books of accountings and records, to ensure regular savings, lending and repayment, to ensure every member participate in training and capacity building programme, disseminating information to members about govt. Programmes and welfare schemes, facilitating group members in identifying appropriate income generating activities, allocating responsibility to every member for ensuring sustainability of activities, helping the members to resolve group conflict.
<b>Members (10-20 Including Leader)</b>	Required to attend group meeting regularly, co-operate with group activities and take responsibility to sustain the group activities.

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