

Effect of SHG-bank Linkage (SBL) Programme on Women Empowerment: A Study from Uttar Pradesh

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ABSTRACT:

The primary data is collected for analyzing the impact of SBL Programme on empowerment of women of beneficiary of Self Help Groups (SHGs) in the state of Uttar Pradesh. We have calculated an index to arrive at empowerment of women. The findings shows that the duration of membership, number of female member of SHGs and kind of SHGs promoted under different schemes influence Women Empowerment Index (WEI) among beneficiary households significantly. However, the study notes that this impact depends not only on the provision of financial services of various kinds, but also on the kinds of group and term of membership of SHGs. The study suggested that government should built conducive environment to develop SHGs and broader coverage of rural poor women.

1. INTRODUCTION:

Policymakers and academicians recognize the social impact of its SBL program. In particular, women empowerment is probably the most critical component of evaluation. In general, women living in rural areas are particularly poor in monetary terms. They are often illiterate and therefore isolated from economic and social opportunities. Many of them also fall victim to domestic-violence and non-economic coercion. Nonetheless, they eke out a meager existence based on small and marginal farming, marginal self-employment or limited wage income. They are further rooted in other disadvantages such as exclusion, disempowerment and unequal power relations with regard to decision making.

Women's engagement in economic activities brings them a greater degree of respect in their family and community as well. Various studies on impact of microcredit in rural areas have found that women's access to credit led to a number of positive changes in women's own perceptions of themselves and their role in household decision making (Kabeer, 2001). It also led to a long term reduction in domestic violence, as well as an increase in women's assets. Such effects were stronger when these loans were used to initiate or expand women's own income generating activities (Hashemi *et al.* 1996; Schuler *et al.* 1996). Various studies on the impact of microfinance in India and Bangladesh have noted that long term membership of such groups also led wider impact, including higher level of political participation, reduction in non-economic coercion, practical skills and improved awareness or access to government programmes. Furthermore, this improves the knowledge of wider society, self confidence in dealing with public officials and the likelihood of participating protests and campaigns (Khandelwal, 2007; Sharma, 2007; Akhouri, 2006; Tracey, 2006; Kabeer 2005; Rao, 2004; Anand, 2002). However, these studies also noted that these impacts depend not only on the provision of financial services of various kinds, but also on the kinds of group that MFIs promotes.

It comes from the above that microcredit has potential for bringing positive changes in selected indicators of empowerment particularly for female members of SHGs operating in rural areas. However, the understanding of such developmental achievements through the intermediation of women's SHGs remains

only partial and is contested in Uttar Pradesh. In the light of the above, the present study aims to examine how far the beneficiary households over a period experienced empowerment of women. Such claims have been tested by evaluating data collected from beneficiary of the SBL Programme against non-beneficiary households.

This paper is organized into five sections, including the present one which introduces the background. Section II focuses on research methodology adopted by us in evaluating empowerment of women through SHGs. The characteristics of the surveyed SHG beneficiary households and non-beneficiary households are taken up in Section III followed by analyzing results of empowerment of women in section IV. Section V summarizes the results.

2. RESEARCH METHODOLOGY:

This study relies on multi-stage sampling technique for collecting the primary data. Two districts of Uttar Pradesh namely Rampur and Ballia are presenting low and high concentration of the cumulative number of SHGs linked with the banks were selected. The study has considered SHGs of three age groups viz., (i) SHGs up to two years, (ii) three to four years and (iii) five years and above. Thereafter, from each district, ten villages were visited for fulfilling these criteria of data collection. From each age group two representative SHGs were selected for case study of twenty members of the two SHGs. Thus, sixty member beneficiary households of SHGs from each district were selected for case study from member beneficiary, and sixty non-beneficiary households from similar socio-economic conditions were interviewed. We used interview schedules to collect a purposive random sample of 120 beneficiary households of SHGs and 120 non-beneficiary households for the study. Thus, altogether a sample of 240 households has been collected from both the districts. To test the results of several studies, this study analyses indicators of women empowerment such as domestic violence, non-economic coercion and illness, family planning and political participation.

2.1 OPERATIONALIZATION OF ANALYTICAL FRAMEWORK FOR WOMEN EMPOWERMENT:

This study estimates the improvement of women empowerment through the dimensional index (DI) method. DI is an important method for assessing women empowerment. This index measures the change in average achievements of beneficiary household in the following dimensions of women empowerment namely domestic violence, celebrating festivals, family immunization, family planning, ownership of fixed assets, having saving bank account, vote casting, attending meetings of *gram panchayats*, candidateship in last *gram panchayat* selection, type of non-economic coercion and membership of SHG. The data on these indicators were collected for the year 2009-2010. The following equation was used to find out the dimensional index to calculate women empowerment index:

Dimensional Index (DI) = (Man * 0 + Women * 2 + Both * 1).

Where, 0 stands for the decision taken by male member of household only, one for the decision taken jointly by male and female members of household and two for the decision taken by female member of household only regarding all the above indicators of the importance of empowerment of women.

Women Empowerment Index (WEI) is termed as (Domestic violence + Celebrating festivals + Family immunization + Family planning + Ownership of fixed assets + Having saving bank account + Vote casting + Attending meetings of *gram panchayats* + Candidateship in the last *gram panchayats* elections + Type of non-economic coercion + Membership of SHG)/11

3. RESULTS AND DISCUSSION:

This section presents descriptive statistics on demographic characteristics of members of sample households such as members' age, education, family size and dependency ratio. Further, the estimates of empowerment were calculated by developing an index for women empowerment. The findings have been interpreted

through statistical measures such as percentages, averages and average change in the index of women empowerment.

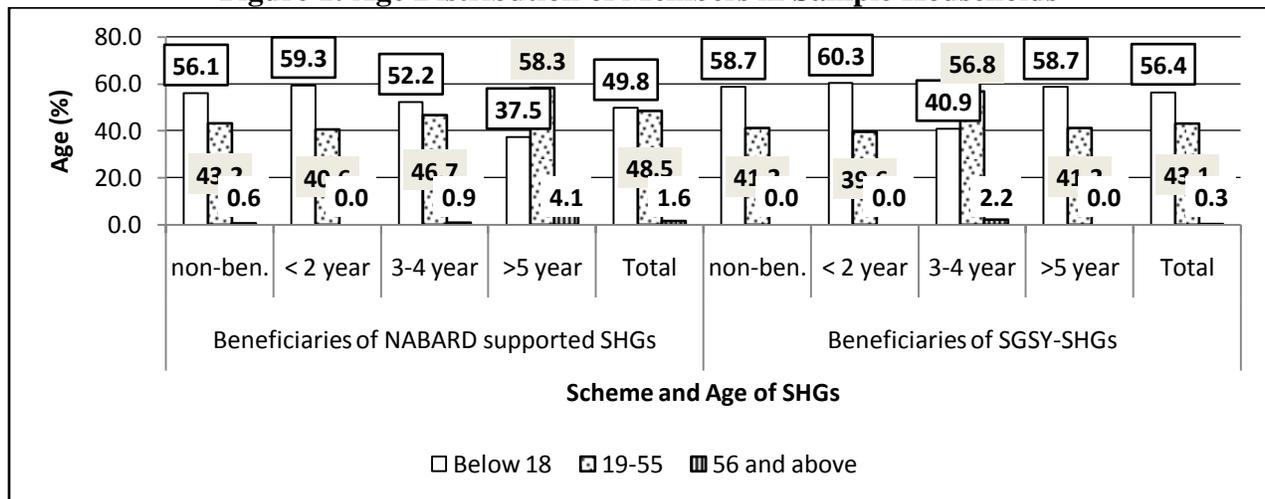
3.1 SOCIO-DEMOGRAPHIC CHARACTERISTICS OF SAMPLE HOUSEHOLDS’ MEMBERS:

The socio-demographic characteristics of either household or individual have an important bearing on the empowerment of women. These characteristics also influence living standards of the rural households by affecting their income earning capabilities. This study specifies these characteristics through educational attainment of family members and family size, dependency ratio and age of household’s members.

3.1.1 AGE COMPOSITION:

The young family workers can affect household income and the capacity to save and invest. These capacities could enhance the capabilities of female through their education and skill for further attainment of higher level of income. As can be seen from the Figure 1 that despite little variation over different age of SHGs and between two schemes, about half of the members of beneficiary households under both category of SHGs are of the age group of members for 18-35 years. Figure 1 substantiates that majority of the members of the sample households were belonged to the age below than eighteen years. This has also been reflected in the high dependency ratio as is indicated in Figure 3. About 50.1 percent of the members of beneficiary households of NABARD supported SHGs belong to the age of below eighteen years in comparison to 56 percent of the non-beneficiary. However, 48.5 percent and 1.6 percent of the members of NABARD supported SHGs belong to working age (19-55 years) and old age group respectively. The members of non-beneficiary households for NABARD belong to less than eighteen years of age and old age (more than 55 years) was about 56 percent and 0.6 percent. Moreover, in regard to the members of beneficiary households of SGSY-SHGs, about 56 percent of the members of the beneficiary households belonged to the age of less than eighteen years and 0.3 percent belonged to the old age group in relation to the members of non-beneficiary households of 58.7 percent and zero percent of the old persons respectively. The very less percentage of the senior or old members of the sample households indicates poor health conditions of these rural poor. While higher proportion of younger members’ highlights the possible implications of SBL programme for empowerment of women to educate and train their children into working capital.

Figure 1: Age Distribution of Members in Sample Households

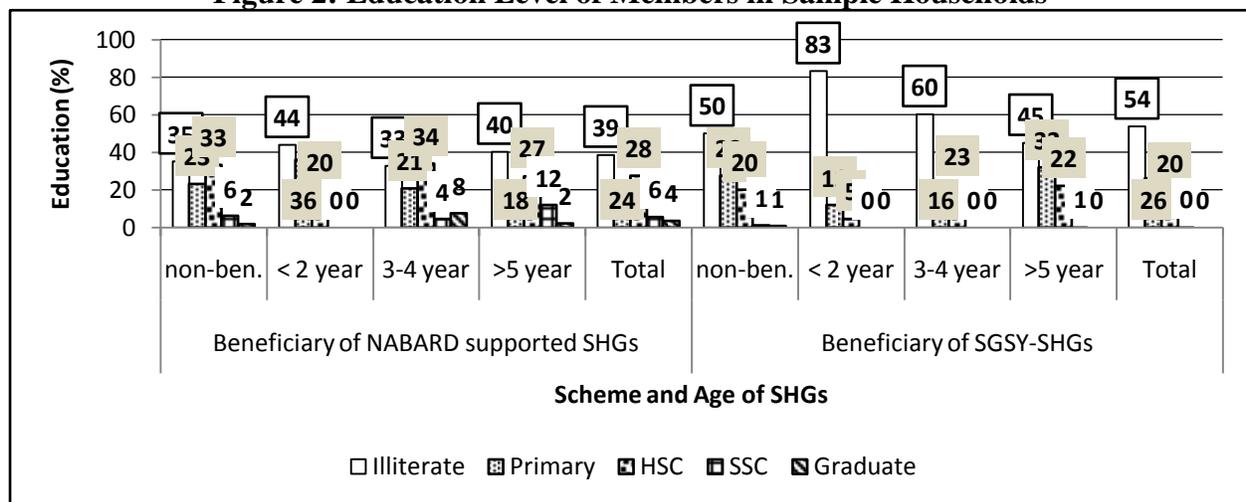


Source: Survey data.

3.1.2 EDUCATIONAL LEVEL:

In fact, education attainment of women does help in overcoming constraints on their freedom in their households and communities. Easy access to micro-credit can help them for providing education to their girl child. It could also help better non-agricultural jobs, self-employment and enhance their earnings. The Figure 2 shows the distribution of educated members of the beneficiary and non-beneficiary households. Around 60 percent of the members of beneficiary households of NABARD supported SHGs and 65 percent members of non-beneficiary households were found literate. Of this, about 24 percent, 28 percent, 6 and 4 percent of the members of the beneficiary households of NABARD supported SHGs had education up to the primary, higher secondary, senior secondary and graduation level as compared to 23 percent, 33 percent, 6 percent and 2 percent of the members of non-beneficiary households. In case of SGSY-SHGs, about 46 percent members of the beneficiary households of SGSY-SHGs and 50 percent members of non-beneficiary were found literate. It can be noted from figure 2 that a few of members of non-beneficiary of SGSY attained the degree of senior secondary and graduation. Further, these numbers are even higher for the beneficiary of NABARD supported SHGs and for their non-beneficiary households.

Figure 2: Education Level of Members in Sample Households



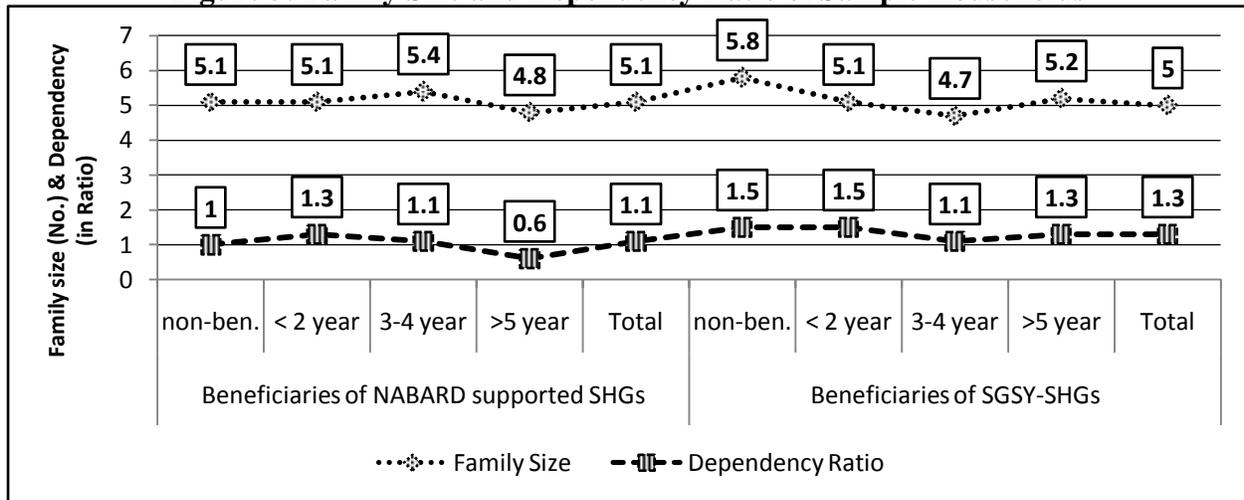
Source: As in figure 1.

3.1.3 HOUSEHOLD SIZE AND DEPENDENCY RATIO:

Recently, India is experiencing rapid demographic change in its population. Mortality rates in rural India have declined significantly in recent decades; the infant mortality rate, for example, has decreased by more than fifty since independence. There have also been significant changes in the relative survival chances of individual and size of family as well. Figure 3 indicates the average family size and dependency ratio of the sample households. The result for the family size revealed that the average family size of beneficiary of NABARD supported SHGs was 5.1 persons which make no difference with the average size (5.1 persons) of the non-beneficiary. However, the average size of the beneficiary of NABARD supported SHGs of more than five years was smaller (4.8 persons) and bigger (5.4 persons) for beneficiary households of SHGs for 3-4 years. In case of the beneficiary of SGSY-SHGs, the average size of family was 5 persons while it was 5.8 persons for the non-beneficiary. The average family size of beneficiary of SGSY-SHGs of more than five years was found bigger (5.2 persons) and smaller (4.7 persons) for beneficiary of SHGs for 3-5 years. In addition, figure 3 also substantiates data on dependency of family members on the working members. The figure 3 shows that mean dependency ratio is less than one percent for the beneficiary of NABARD supported SHGs. This is higher as compared to one of the non-beneficiary households. The dependency ratio of the beneficiary households of NABARD supported SHGs for more than five years was recorded lowest of the value 0.6. However, for the beneficiary of SGSY-SHGs, the mean dependency ratio was 1.3, while it was

1.5 persons for the non-beneficiary. Moreover, for less than two years of the beneficiary of SGSY-SHG, it was on an average 1.5 working persons in a household.

Figure 3: Family Size and Dependency Ratio of Sample Households

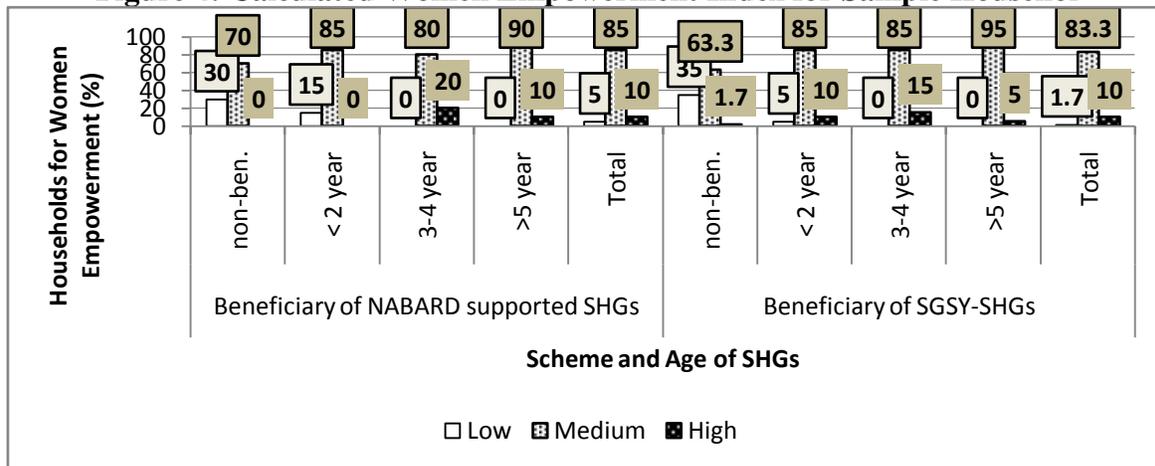


Source: As in figure 1.

3.2.WOMEN EMPOWERMENT:

Empowerment of women in India has experienced a substantial impact of microcredit in the last two decades. These impacts were envisaged in the indicators such as domestic violence, non-economic coercion and illness, family planning and political participation. We attempt to bring all these indicators of women empowerment in an index. This index can be visualized in the figure 4 which measures the improvement in the empowerment of women in their households and communities. This index captures empowerment of women in particular by assigning differential weights (higher weights for women member and lesser to male member) to gender of person of household having asset ownership in their name and taking decision in family and villages. The index was estimated by calculating eleven dimensional indices for women empowerment. Further, the dimensional indices of each indicator of empowerment and women empowerment index is positively related. Value of women empowerment index may range from zero to one, where greater the value implies women played a dominant role over household assets and decision making in their households and communities while smaller the value implies male members dominated in the decision-making of households and villages.

Figure 4: Calculated Women Empowerment Index for Sample Household



Source: Authors' own calculation from Survey data.

Figure 4 substantiate data on women empowerment for sample households, which makes three categories on the basis of calculated index for women empowerment. The longer association to SHGs and the kind of SHGs promoted under different schemes under SBL programme has affected the empowerment of women significantly in rural areas. The figure 4 shows that ten percent beneficiary of NABARD supported SHGs come under high women empowerment index as compared to zero beneficiaries of the non-beneficiary households. Similarly, the ten percent of the beneficiary of SGSY-SHGs have recorded high women empowerment index as compared to 1.7 percent of its non-beneficiary households. Under both schemes, the beneficiary households have upscale their position from low index to medium and from medium to high level of women empowerment index. Finally a purview of the crucial data in Figure 4 suggested that SBL programme might be considerable for enhancing women's control over household assets and decision making in their households and community matters and it could largely be attributed for becoming membership and/or the beneficiary of SHG.

4. CONCLUSION:

To conclude that the duration of membership of SHGs and their kind of SHGs promoted under different schemes has affected the empowerment of women significantly in rural areas. The study revealed that the female membership of SHGs improves their ownership, utilization and decision making regarding economic resources, social networks, women freedom, access and availability of credit, family planning and parental concerns.

So far as the women empowerment index is concerned, it shows that there were very few beneficiary households falling in low value index as against to high number of non-beneficiary households falling in this category. The increasing numbers of beneficiary households were moving upward from low to medium and from medium to high empowerment category index under both categories of SHGs. It was also found that microfinance institutions had reached only a tiny fraction of the population and the challenge was to multiply the existing services. The empirical findings also suggested that government should take pro-active role for microcredit services and broader coverage of most vulnerable rural people.

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