

Role of Self-Help Groups (SHGs) in Women Empowerment to Development in India

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India is a country of over one billion people, of whom 26 percent live in poverty, when the national measure of a minimum calorie intake of 2,400 calories per person in rural areas and 2,100 calories in urban areas is applied (CIA 2008; Deaton and Dreze 2002). The important institutional features of the poverty data for India are: very large regional differences in the incidence of poverty, mainly between the north and the south of India, with higher concentrations of poverty in the north (Murthi et al. 1996); and worsening income inequality, rising by 10 per cent in the 1990s (Deaton and Dreze 2002). Finally, if the definition of poverty is broadened to include other indicators such as education and health, as the UNDP Human Development Index does, then the figure for India would be somewhat higher, with 32 per cent of households living in poverty in 2003 (UNDP 2008).

But these figures tell us little about vulnerability, of who is falling in and out of poverty (and why) at any point in time: for example, in a study of 36 villages in Andhra Pradesh, the level of poverty fell two per cent over a 25-year period, but it was not the steady (if not glacial) fall that a figure of a two percent fall suggests. In that 25-year period, 14 per cent of households came out of poverty and 12 percent of households fell into poverty – in all 26 per cent of households experienced changes in their poverty levels (Krishna 2006). What the figures mask is the high level of vulnerability these communities were facing, which is harder to measure.

The sources of vulnerability include shock-induced poverty, which is a result of household-level problems like income loss and asset destruction, and recovery problems, often called idiosyncratic vulnerability: these problems can come from disease epidemics, cost of health care, death and funeral expenses, theft and violence, and the shocks from globalization such as super-inflation, job loss, not getting paid, etc.

There is also the vulnerability that whole communities face, often called covariate vulnerability, which includes floods, drought and the like (Maxwell et al. 2008).

Despite the rapid and impressive growth in India over the past 20 years, the issue of chronic poverty is still a serious problem, historically in rural areas where growth has not been able to match the rates in urban areas, due to a stagnation of investment in the rural sector by successive governments (Jha 2002). In the early 2000s, however, chronic poverty was increasing in urban areas due to poor job security and higher costs of living (Loughhead et al. 2001). Despite the relatively weak rural sector in India there is still, however, a relatively low and slow level of urbanization, with only 28 per cent of the population urbanized and 60 per cent still living in villages of fewer than 5,000 people (Datta 2006). Some of these structural issues have a lot to do with how village societies are organized, to which addressing the marginalized role of women in these societies is key.

In large areas of India women live with many burdens and fears. They carry the burden of neglect and discrimination, household work, looking after siblings and of work outside the home. As girls they live with the fear of not getting adequate attention, care, nourishment, medical attention and education. With adolescence comes the fear of being sold, sometimes sold in the name of marriage, and sometimes sold into child labour and prostitution. After marriage a girl's status descends to an even lower level and her subservience becomes institutionalized. There is also fear of loneliness, maladjustments, not being allowed a personhood, mental torture and harassment, and occasionally even death-murder by her own people. (Janardhan 1995: 39) Women live with many of Janardhan's burdens and fears, and these play out to create what Amartya Sen call the 'missing women'; the women who otherwise

should be alive. The social disadvantage suffered by women is by far a greater contributing factor. Some of the statistics that point to the extent of disadvantage are: the earned income for women is 34 percent of that for men; the adult literacy ratio for women is 70 percent of that for men; primary school enrolment for girls is 85 per cent of that for boys; high school enrolment ratio is 80 per cent; tertiary enrolment ratio is 70 per cent, and so on (UNDP 2008). These statistics point to an 'unequal allocation of food, lower wage rates and a lack of inheritance rights' (Mehta and Shah 2003: 503).

In short, it means poorer life outcomes for women relative to men. These gender biases go well beyond the household, as women have a lower level of both legal and normative entitlements to ownership and exchange of both land and produce. This leads to exchange failures for women in terms of the prices they receive for their produce and their labour; their social relations within the household and the village; and finally, in terms of the claims that women can make on the state for welfare and other benefits. As if this were not enough, there are also large differences in endowments between men and women to access assets and control their labour; as well as differences in their status, access to training to upgrade their skills, and access to inputs for agriculture and other income generation activities. While there have been improvements over the past decade, there is still some way to go to overcome the institutionalized disadvantage for Indian women.

These persisting social barriers have been exacerbated since the 1990s by a trend to greater fragmentation in Indian society exemplified by the rise of the Hindu nationalist movement, *hindutva*, which has produced more caste, ethnic and religious conflict, and led to an increased disenfranchisement of minorities such as Muslims, tribals and dalits; and with it are asserting of more traditional gender roles (Das 2008). This more conservative shift tends to weaken the capacity for women to be heard at the political level, leading to greater levels of intolerance and increased denial of rights at the local level. On the other hand, religious fundamentalism is attractive to those women who regard modernization as a chaotic and unsettling process, as fundamentalism provides some compensation and a refuge.

One of the sources of the modernizing change that has reduced poverty levels in India, these reforms were effectively forced on the government by the mounting debt of the 1980s when the foreign debt for India rose from 17.7

percent of GNP to an unsustainable 24.8 per cent in 1990. Not only was there a dramatic increase in the levels of debt but the type of debt also changed from long-term concessional government debt, to short-term and higher risk private debt. This level of debt, together with government current expenditure at unacceptable levels, was leading the country to an economic crash, and the associated loss of confidence in the economy (Panagariya 2004). As a result emergency provisions were put in place and a number of government controls were removed: changes included relaxing the terms of investment, easing the regulations on the ownership of assets and land, partially floating the exchange rates, and privatizing some public assets and functions. The immediate effect was a sharp rise in rural poverty from 35 per cent to 44 per cent in the first two years following the reforms, with the landless, casual labour and women-headed households being hardest hit (Jha 2002). The proportion of women in paid employment fell from 28 percent to 23percent (Murthy and Rao 1997). This account of poverty in India and the complex array of changes that have occurred politically, socially and economically has left NGOs, and their work in the early twenty-first century, set in a context of uncertainty and challenge.

As indicated earlier, the main model of intervention for the majority of Indian NGOs working in rural areas on issues of gender and poverty is the self-help group. It is a form of savings based microfinance, which is essentially a mutual-based model aimed primarily at women, and is now the preferred model for government, NGOs and multilateral agencies for community intervention in India. In 2006 there were over two million SHGs across India, with 33 million members and delivering services to well over 100 million people (Isern et al.2007). The basis of the SHG is that 10 to 20 women come together to form a thrift and credit group: each member puts a small amount of money each week into a common fund, and after a period of six to twelve months, small loans from the fund are then made to selected members, based on their savings level and a needs assessment. This fund is often supplemented on a matching basis from additional resources from an NGO, either as a loan or grant, or by loans from commercial or state financial institutions facilitated by the NGO. These loans are then applied to a range of uses, which are ideally for productive purposes in that they will be able to generate additional income to enable repayments. They can also be made for necessary consumption purposes such as health

costs and school fees, as well as daily expenses during an emergency or unemployment. The model meets the demand of poor women for access to affordable credit, and it enables a broader social intermediation function by the NGO, fostering the notions of self-help and self-reliance that should lead to sustainability (Banerjee 2004).

The participation of women in SHGs is very much about the gender relationships within their households (for instance, whether the women's husband and/or extended families support or hinder participation in SHGs) and the social relationships and structures within the group, both of which, if not well managed, can add to the women's burdens (Ahmed et al. 2001; Kantor 2003; Murthy 2004). But not only is the potential burden on women an issue, these programmes tend to be discriminatory against the landless as they tend to favour people with some assets, usually land. NGOs tend to avoid these difficult issues, and promote the SHG model of microfinance as being relatively unproblematic.

Empowerment

The growing popularity of the term 'empowerment' has led to a broadening of the definition to the extent that the concept is becoming less clear and is shifting away from the central notion of power, from which it derives. Some authors argue that the use of the term has become ubiquitous to the point that it seems to have become another buzzword in development practice, merely to repackage old aid programmes for the purpose of obtaining funding (Batliwala 2007; Cornwall and Brock 2005; Moore 2001). Development agencies often use the term 'empowerment' to refer to a range of activities, many of which have little to do with addressing the power relations among the various actors or groups in society.

In order to avoid generalized usage of the term empowerment, let us go back to the fundamental notion of empowerment and its relationship with power relations. As a starting point, I will propose a relatively narrow definition of empowerment: as being related to 'agency', or the expansion of individuals' choices and actions, primarily in relation to others. This definition of empowerment is important, as it can provide a basis for the measurement of empowerment; while at the same time being the foundation for broader social change, which entails access to power by those who are disempowered. It can be both a 'means' and an 'end' in the development

process and is the key reason for its popularity as a development concept (Ackerson and Harrison 2000).

It is important to note at this point that empowerment is related to but distinct from 'participation' (another buzzword in development), when talking about changes in the relations of groups and individuals with each other and external agents. 'Empowerment' looks at participation in terms of expanded choices and action in community life, while the notion of participation is very broad and encompasses actions ranging from the mere provision of information, consultation, through to local control and partnerships (see Arnstein's 1969) ladder of participation). By focusing on empowerment we can move to greater local control and the processes required to achieve it. In this way the social relations between the beneficiaries of a development programme and the authorities should change.

'Empowerment is a construct that links individual strengths and competencies, natural helping systems and proactive behaviours to matters of social policy and social change' (Zimmerman and Rappaport 1988: 726). The other more radical view of empowerment is that it is inextricably linked to political issues and rights, whether they are in the realm of patriarchy and the family, or community power structures (Kabeer 2005). Here empowerment entails a process of change for the powerless or disempowered. That is, empowerment has both cognitive and political components: it is not only a sense of having expanded choice but also of being able to act on those choices; and considers new forms of social identity, consciousness and cognition in human action (Mayoux 2000; Puroshothaman 1998).

Empowerment is about both groups and individuals, being group processes that lead to change in the lives of individuals. Not only do the group or collective processes provide a support or catalyst role for individual empowerment, these processes also provide a context through which individuals can become aware of the local realities, and in India the SHG can provide this role. This awareness occurs through the social cohesion the group brings, and the local networks to which the group exposes its members. For this process to occur, both individual and collective notions of empowerment must co-exist and prioritize the importance of control over resources. Control over external resources can

give capacity for self-expression, while a change in personal agency can overcome barriers to accessing resources. Empowerment may be the balance between individuals accessing resources and their inner transformation. In India, it is a lack of understanding of this complex process that results in problems in both NGO and government empowerment programmes. Government programmes can falter because they focus on control over external resources, while NGO programmes can falter because they focus predominantly on inner transformations.

Empowerment and Development

Empowerment also involves changes in power relations, which in turn can lead to some degree of social upheaval. Empowerment, therefore, goes beyond the individual and the group, and enters the realm of political change and social justice. Empowerment then becomes more than merely choices, but a sense of personal control or influence, and a concern with actual social influence, political power and legal rights. If we look at the rationale of development interventions for empowerment, particularly women's empowerment in a developing country context, there are three paradigms:

- i. An economic paradigm that promotes development interventions to improve women's capacity for increasing their income either through employment or micro-enterprises. This paradigm assumes 'reinforcing spirals' that occur as a result of increased income and economic independence, which in turn lead to social and political change and greater personal empowerment;
- ii. A poverty alleviation paradigm which focuses on decreased vulnerability and looks at 'mutually synergistic interests' at the household level. It takes the view that addressing practical needs, such as health or education, is the best way of addressing gender inequality and as a consequence women are empowered; and
- iii. A feminist paradigm, which addresses gender subordination at the individual, organizational, and macro levels. Economic programmes are seen only as an entry point for wider social, political and legal empowerment. (Mayoux 1999)

These three paradigms are not mutually exclusive, but uneasily co-exist to varying degrees in development programmes, with women's empowerment as an assumed outcome in all three. The first two, the economic and poverty

alleviation paradigms of empowerment rest on two assumptions: first, that there is an economic priority in people's lives; and secondly, that economic and physical well-being results in socio-political benefits through the increased choices that these benefits can bring.

The problem is that these two assumptions are flawed: 'bringing women together for savings and credit does not necessarily develop a sense of solidarity or joint exploration of ways in which women's problems can be overcome (Mayoux 1999: 976). Likewise other microfinance studies that focused on poverty as being related to a lack of entitlements found that microfinance did not expand women's choices but in fact increased women's burdens (Goetz and Gupta 1996; Kabeer 2001; Mayoux 2001; Rahman 1999). In these cases women generally are held responsible by the facilitating NGO for the loans, but it is their male relatives who have the control. When women were asked to rank their own indicators of empowerment according to their importance in their lives, economic change was rated lower than education for children (Kilby 2006). Empowerment for women is more than them gaining the ability to undertake activities; it is also the capacity to set their own agendas and change events. Empowerment involves women in an active role, not only in decision-making, but also an understanding of the factors that shape a situation and the nature of oppression itself. Empowerment entails a transformation of social relations, particularly gender relations and processes; and goes beyond choices to obtaining access to new spaces, and social transformation. It can be argued that one of the new spaces that empowered people should gain access to is the relationship with the patron NGO that may be facilitating empowerment.

Conclusion

The empowerment that has been examined points to a delicate balance that is required between the individual and the group, in how group dynamics influence effectiveness. Hence the role of the NGO, and how it works with self-help groups, becomes important. The self-help group model certainly offers a potential for achieving strong empowerment outcomes in which the group provides both the catalyst and support for strong individual empowerment outcomes. The competing ideology is that greater financial security will lead to women's empowerment, against the competing view that expanding a woman's range of choices through

self-help group activity can enable her and her group to not only expand economic activities but also demand better services from government and NGOs.

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