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THE PATHWAYS OF WOMEN EMPOWERMENT THROUGH SHG FEDERATIONS – A STUDY WITH REFERENCE TO RURAL TELANGANA

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Abstract

Social development is emerging as a very important sector alongside Information Technology. Scholars like Amartya Sen. have focused on social development and elaborately dealt of how education, health and environment are very essential for survival and development of Human kind. Women Empowerment occupies pivotal place as a tool for social and human development. Many state governments in India since IX plan identified model of SHG Bank linkage program as 'best fit' for women empowerment. SHG federation model is an improved model of micro finance which is run under the name Indira Kranthi Patham in the study area – Range Reddy district of Telangana. However, changing times also observe the 'melt down' of high expectations about the transformational effects of micro finance. Several doubts are raised on genuineness of gender equity that is brought by mere financial help. It is now widely felt that a further probe is necessary about the **process of empowerment** that exactly takes place. The present study is an attempt to study the impact of that program on SHG member – loan beneficiaries. Respondents are divided into two categories namely micro entrepreneurs and passive beneficiaries and the path of empowerment for both these groups is identified. Multi group analysis is done along with

the study of pair wise parameters for assessing the statistical significance of difference in paths. Major finding of the study is the variation in the paths of empowerment of both categories.

Keywords

Women Empowerment, SHG Federations, Path of Empowerment, Micro Entrepreneurs

1. Introduction

After the emergence of III World countries the attention of the policy makers around the world turned toward the eradication of poverty that permeates among these countries and nullifies all the efforts for growth and prosperity. Bringing these countries to the level of I and II world was essential in order to have balanced and sustained growth. Various anti poverty programs were designed and implemented by governments with varied characteristics and objectives. However since the effectiveness of those programs was skeptical the world started looking forward for alternate measures that fill the gap and increase the efficacy in the efforts of governments.

The opinions put forward by feminist writers in their works were viewed from ‘development lens’ and the importance of participatory democracy became vivid. It was universally accepted the ‘Empowerment’ of women and weaker sections evolved on its own as a solution for the ‘search’ of many. It was rather a bottom-up approach created by women belonging to the developing world at empowered beings become agents of self development and engines for their progress.

As a result as time passes, women empowerment is regarded as an instrument for many ends, such as reducing poverty, promoting better governance and growth. It is also widely accepted it that microfinance programmes like the Self – Help Group activities serve as catalyst for the set in of women empowerment particularly in the economically disadvantaged classes.

Women Empowerment – Committed actions:

Empowerment of women started receiving committed actions from various governments. It was also perhaps because empowerment of women was identified as a powerful means for the end – gender equality. Social Summit (1993) in Copenhagen and International Conference on Population and Development (1994) in Cairo witnessed the increasing commitment towards empowerment of women from various governments.

The clear action plan of Fourth World Conference on Women in Beijing 1995 stands as a

landmark for operationalization of the commitment. It is towards seeking “empowerment and advancement of women, including the right to freedom of thought, conscience, religion and belief, thus contributing to the moral, ethical, spiritual and intellectual needs of women and men, individually or in community with others and thereby guaranteeing them the possibility of realizing their full potential in society and shaping their lives in accordance with their own aspirations.”

As a part of action plan Beijing Conference put women’s access to credit on international agenda. For majority of women credit is much more than access to money. It is lifting them from poverty and improving their position in family, community and society.

In order to create access for credit to women various governments launched various models of micro finance. In India, SHG – Bank linkage program came out as a successful model of micro finance.

Growth of Self Help Groups in India:

Self Help Group is a method of organizing the poor people and the marginalized to come together to solve their individual problem. The SHG method is used by the government, NGOs and others worldwide. Self Help Group is an affinity group with homogeneity of economic conditions of the members.

A remarkable step in this direction was the commitment made by IX plan (1997 – 2002) document towards ‘empowering women as the agents of social change and development’. Various strategies were formulated for making women economically independent and self reliant. As one of the strategies, SHGs were considered as the ‘change agents’ to begin the process of empowering women.

After the collapse of cooperative societies Self Help Groups emerged as a viable alternative. SHGs, for sure, as found by NABARD were the effective means to provide the banking service to unbendable people. They address the twin problems at the same time, namely banking the unbendable and more importantly empowerment of women which is a means to other ends.

About the Present study:

When it is universally accepted that micro credit is the ‘magic bullet’ (Kabeer, 2002) for women empowerment, still some studies show that the subsidized loans for women folk might have given some support for them in purchasing few assets or meet certain needs like clearing

the old debt etc., but they could not create a bigger change awaited by everyone in their lives. True empowerment is a process that happens eventually as a result of inner transformation of people. It might take support from the external sources. Examining the realities in the light of the definition given by Sen. and Batliwala (2000) which states that “Empowerment is the process by which the powerless gain greater control over the circumstances of their lives. It includes both controls over and resources and ideology ... a growing intrinsic capability-greater self confidence, and inner transformation of one’s consciousness that enables them to overcome external barriers....” apprehensions arise about the role it played in certain domains particularly in inculcating greater self confidence that leads to inner transformation, their enhanced abilities of making strategic life choices, their sense of agency (Kabeer, 1999).

The present study is an attempt in the direction of making the impact assessment of microfinance programme in empowering women. To analyze and assess the impact of IKP (Indira Kranthi Patham) model of micro finance on different dimensions of empowerment among the women members of Self Help Groups of rural and semi urban areas of Ranga Reddy district in Telangana. The loan utilization pattern is chosen as base for the study.

Objectives:

- To evaluate the various dimensions of empowerment secured by the group members in the different domains selected for the study.
- To observe the domain-wise differentials of women empowerment between the two categories – the micro enterprise creators and (non entrepreneur group) passive beneficiaries.
- To compare the domain wise differentials with the help of pair wise parameters

The six domains of empowerment chosen for the study

- a) Cognitive empowerment (Empowerment comes from within)
- b) Economic empowerment
- c) Empowerment within family
- d) Empowerment in public
- e) Political empowerment
- f) Collective empowerment

Explanation of the domains chosen

Cognitive Empowerment:

“Empowerment is often envisaged as an individual rather than collective and focused on entrepreneurship and individual self reliance, rather than on cooperation to challenge power structure which subordinates women”(Baden et.al, 1997)

Stormquist writes that empowerment includes cognitive and psychological elements. Women must understand the reasons for their subordination and causes for those conditions. It involves understanding the self and the need to make choices. Sometimes the choices may go against the cultural and social expectations. Therefore, the statements chosen to measure cognitive empowerment are about the clarity of goals of women, their attempts to realize the goals, their passion to grow independently in life, their desire to gain knowledge and ability to use internet facilities.

Economic Empowerment:

In the process of empowerment as women gain greater control over resources than earlier, it is hypothesized that they create few personal assets, they have liquid money in their hands in order to meet certain unexpected expenses, they secure an ability to support their families and most importantly they gain importance in making monetary decisions in the family. The statements used to assess economic empowerment are directed towards their achievement in creating assets, ability to support family, having liquid cash in hand and increasing their role in making monetary decisions.

Empowerment within Family:

The process of empowerment entails the ability to make strategic life choices. One of the three interrelated dimensions of exercising choice is ‘agency’ (Kabeer, 1999) that includes the process of decision making. Intra familial or within family empowerment is a main outcome of the empowerment. Three statements are chosen for the present study to reflect the empowerment within family. They are the freedom of women to take decisions about their own life, their role in maternity and family planning related decisions and their role in decisions regarding important issues of family members.

Social Empowerment:

GEM which was introduced by UNDP’s Human Development Report of 1995 is an index that is used to evaluate women’s access to political and economic posts. GEM is related to the

social dimension of empowerment. The social dimension of empowerment is very crucial because the process of increasing capacity of individuals, to make effective development and life choices and the transformation of the choice into desired outcome, generates social capital that is social organization, interpersonal trust etc. Community Driven Development is a methodology of undertaking development enterprises that gives control of decisions and resources to community groups. It is by nature an activity. The statements employed to assess social empowerment are aimed to measure the admiration commanded by group members, their opinions and the value they receive, their ability to manage bank related activities, their awareness levels, their ability to interact with government officials, their interest to take up lead roles in public activities and their boldness etc.

Political Empowerment:

Political Empowerment is another commonly used dimension that has an impact on overall empowerment. UN General Assembly stated that countries should take and report on concrete steps to increase women's political participation, because the true reflection of empowerment is increasing number of seats (UN, 2012) women hold in political institutions.

Collective Empowerment:

One of the various forms of power is 'power with'. It refers to the power that involves a sense of whole being greater than sum of individual, in other words, people organizing with a common purpose or common understanding to achieve collective goals. The World Bank defines empowerment as "the process of increasing the capacity of individuals or groups to make choices and to transform those choices into desired actions and outcomes. Central to this process are actions which both build individual and collective assets, and improve the efficiency".

The statements used to assess collective empowerment are the information gains due to group membership, need fulfillment, interest in taking lead roles in groups, security and achievements due to group membership.

Impact variables were chosen for each domain separately. Thirty variables covering all aspects of empowerment were chosen.

Sampling:

There are 11,500 SHGs registered in RR district. Each group consists of 10 to 15 members. All the group members comprise the universe of the study. From it, 372 people were selected as respondents for the study. The selection pattern went in the following way.

The SHGs operating in Range Reddy district are essentially in two categories. I) Groups engaged in enterprising activity by setting up micro enterprises II) groups which are not engaged in any such activity. The number of groups in first category is extremely less compared to the second category. Only 3.5% of the groups are in enterprising activities. As the motive of the study is to see and measure the impact indicators in micro entrepreneurs and non entrepreneurs separately, compare the differential impacts same numbers of people were randomly selected from each of both kinds of groups.

One hundred and eighty four members were selected from I category groups and one hundred and eighty eight people were selected from II category.

Table 1: *Impact Variables Used in the Study*

Sl. No	Impact Variable	Empowerment domain
1	Present Life with great Satisfaction and happiness	Over all empowerment
2	I have clarity about my goals in life	Cognitive Empowerment
3	Satisfaction from present efforts that they match with goals	
4	Wish to continuously upgrade Knowledge	
5	Passion to grow independently in life	
6	Ability to use the Internet facilities	
7	Creation of Personal Assets	Economic Empowerment
8	Ability to support the family	
9	No Pinch of Cash	
10	Importance in making monetary decisions	
11	Freedom to make independent decisions about self	

12	Role in maternity & Family Planning related decisions	Empowerment within Family
13	Value given by Family Members in crucial decisions	Social Empowerment
14	Seen as a Role Model	
15	Value received by the opinions in meetings	
16	Interacting with government officials to gain awareness	
17	Capability of managing Bank Related Activities	
18	Interest in taking lead roles in public activities	
19	Ability to speak boldly in meetings	
20	Clear views about political leadership	Political Empowerment
21	Awareness about the problems in the locality	
23	Interest in contesting the local elections	
24	Interest in political matters	
26	Group Support in the achievements	Collective Empowerment
27	Group Support in becoming informed	
28	Need fulfillment as group members	
29	Interest to take active role in group	

30	Secured Feeling as a group member	
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Analysis:

Structural Equation Modeling is a comprehensive statistical approach to testing hypotheses about relations among observed and latent variables (Hoyle, 1995). Structural model shows how the constructs are interrelated to each other. Hypothesized relationships are shown by arrows. Path Analysis is a special case of Structural Equation Model. Causal path modeling is a technique that graphically describes and depicts causal relationships within a set of variables (e.g. Pedhazur, 1982).

Model Fit:

After a causal path model has been constructed, it is normally tested for its data fitting properties, which refers to whether the model fits the particular set of data on which it is based. Model fit is the predictive accuracy that is determined for the model as a whole.

Pair wise Parameters:

The Multi group analysis of AMOS ends up with studying pair wise parameters. It shows whether the two paths are statistically different or not.

For instance there are two paths a1 and a2. To see whether a1 differs from a2 or not pair wise parameters are computed. The value that is represented by each cell of the pair wise parameter matrix is a z-test for the difference between coefficients from Model 1 to Model 2, and for a two-tailed test, we want this value to be greater than |1.96| (absolute value of 1.96) for the difference between paths to be statistically significant at $p < .05$. In other words, we have evidence to suggest that the paths are not equal across the two models.

Results and Discussions:

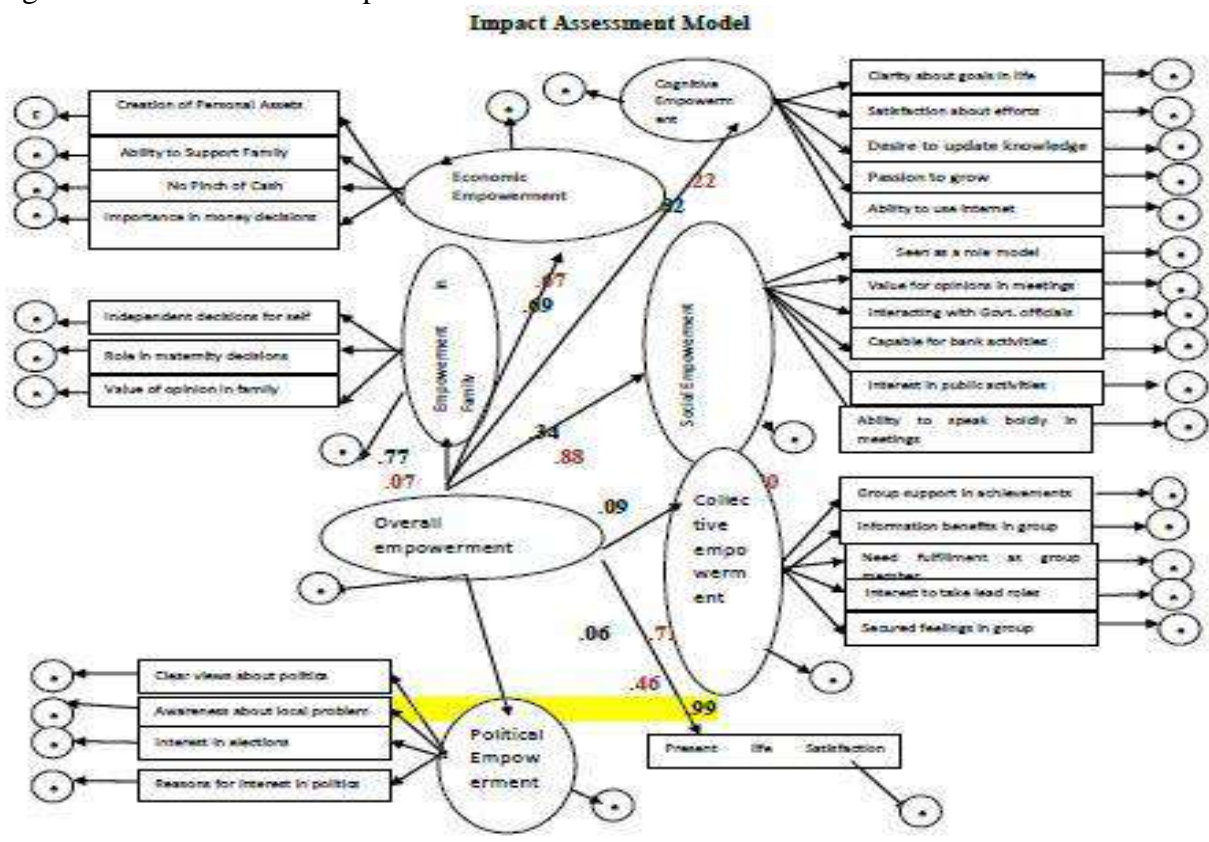
The maximum likelihood estimates are calculated. The standardized regression weights (Table: 2) reveal that there is definitely enhancement of empowerment in both the classes. But the path of empowerment has significant variation. In the class of micro entrepreneurs cognitive occupies highest place followed by empowerment within family, economic empowerment, social empowerment, collective empowerment and lastly political empowerment. In the class of non entrepreneurs social empowerment occupies the first place followed by political empowerment, economic empowerment, collective empowerment, cognitive empowerment and lastly empowerment within family.

Table 2: Maximum Likelihood Estimates

Domain of empowerment	Micro Entrepreneurs	Non entrepreneurs
Cognitive Empowerment	.824	.222
Economic Empowerment	.687	.675
Empowerment within family	.767	.074
Social Empowerment	.342	.877
Political Empowerment	.058	.709
Collective Empowerment	.079	.395

Source: Primary Data

The regression coefficients of impact variables are summarized in Table: 3



● Micro entrepreneurs



Passive Beneficiaries

Table 3: Regression Coefficients

Sl.No	Impact Variable	Empowerment domain	Micro Entrepreneurs		Non Entrepreneurs	
			Reg. Coefficient	p.value	Regression coefficients	p. value
1	I have clarity about my goals in life	Cognitive Empowerment	.858	.000	.479	***
2	Satisfaction from present efforts that they match with goals		.643	.000	.530	.000
3	Wish to continuously upgrade Knowledge		.761		.755	
4	Passion to grow independently in life		.472	.000	.449	***
5	Ability to use the Internet facilities		.150	.050	.130	.052
6	Creation of Personal Assets	Economic Empowerment	.599	***	.676	***
7	Ability to support the family		.671	***	.424	***
8	No Pinch of Cash		.213	.004	.702	***
9	Importance in making monetary decisions		.959		.630	
10	Freedom to make independent decisions about self	Empowerment within family	.548		.928	
11	Role in maternity & Family Planning related decisions		.620	.000	.431	***
12	Value given by Family Members in crucial decisions		.746	***	.612	***

13	Seen as a Role Model	Social Empowerment	.724		.293	
14	Value received by the opinions in meetings		.838	***	.628	***
15	Interacting with government officials to gain awareness		.649	***	.834	***
16	Capability of managing Bank Related Activities		.637	***	.470	.001
17	Interest in taking lead roles in public activities		.107	.078	.646	***
18	Ability to speak boldly in meetings		.118	.138	.551	***
19	Clear views about political leadership	Political Empowerment	.837		.743	
20	Awareness about the problems in the locality		.725	***	.794	***
21	Interest in contesting the local elections		.993	***	.910	***
22	Interest in political matters		.845	***	.655	***
23	Group Support in the achievements	Collective Empowerment	.812	.000	.655	
24	Group Support in becoming informed		.710	***	.841	***
25	Need fulfillment as group members		.023	***	.909	***
26	Interest to take active role in group		.528	***	.820	***
27	Secured Feeling as a group member		.402	.000	.746	***

Source: Primary Data

Model Fit:

Model fit refers to the ability of a model to reproduce the data (i.e., usually the variance-

Model consists of 689 degrees of freedom. The CMIN of the independence model is 6797.053. The CMIN of unconstrained model is 2895.175. CMIN/DF is 4.202. . CMIN/DF is called as the minimum discrepancy. Wheaton et al (1977) suggested that if the minimum discrepancy is less than 5 the model is reasonable fit.

The value of CFI (Table: 4) is .635. It can be said as the model fit is above average.

The model contains 70 variables with 28 observed and 42 unobserved variables. There are 35 exogenous and 35 endogenous variables. Model is recursive.

Table 4: Baseline Comparisons

Model	NFI Delta1	RFI rho1	IFI Delta2	TLI rho2	CFI
Unconstrained	.574	.533	.639	.599	.635
Measurement weights	.541	.512	.604	.576	.601
Measurement intercepts	.374	.359	.419	.403	.418
Structural weights	.368	.357	.414	.402	.412
Structural residuals	.354	.349	.398	.392	.397
Measurement residuals	.252	.273	.284	.307	.287
Saturated model	1.000		1.000		1.000
Independence model	.000	.000	.000	.000	.000

Pair wise Parameters:

The Multi group analysis of AMOS ends up with studying pair wise parameters. It shows whether the two paths are statistically different or not.

It is seen that the comparison of path coefficients (Table: 5) across the model states that nine statements have the pair wise parameter value greater than ± 1.96 . They are ‘I have clarity of goals’, ‘my present efforts are satisfactory according to the goals’, ‘I have importance in making monetary decisions’, ‘I have a crucial role in maternity related decisions’, ‘I interact with government officials to gain awareness’, ‘I am interested in taking lead roles in public activities’, ‘I have ability to speak boldly in meetings’, ‘my needs are fulfilled because of group membership’ and lastly ‘I feel secured because of group membership’. Therefore, it can be interpreted though to certain extent their paths are similar, as they belong to same socio economic groups; as far as few important life changing statements are taken their paths leading to empowerment are significantly different.

Table 5: Pair wise Parameters

Sl. No	Impact Variable	Pair wise Parameter
1	Present Life with great Satisfaction and happiness	0.989
2	I have clarity about my goals in life	0.378
3	Satisfaction from present efforts that they match with goals	1.391
4	Wish to continuously upgrade Knowledge	
5	Passion to grow independently in life	0.51
6	Ability to use the Internet facilities	0.19
7	Creation of Personal Assets	1.915
8	Ability to support the family	
9	No Pinch of Cash	
10	Importance in making monetary decisions	4.122
11	Freedom to make independent decisions about self	
12	Role in maternity & Family Planning related decisions	3.674
13	Value given by Family Members in crucial decisions	1.354
14	Seen as a Role Model	
15	Value received by the opinions in meetings	0.948
16	Interacting with government officials to gain awareness	2.013

17	Capability of managing Bank Related Activities	1.805
18	Interest in taking lead roles in public activities	2.899
19	Ability to speak boldly in meetings	3.106
20	Clear views about political leadership	
21	Awareness about the problems in the locality	1.041
23	Interest in contesting the local elections	1.062
24	Interest in political matters	1.162
26	Group Support in the achievements	
27	Group Support in becoming informed	0.222
28	Need fulfillment as group members	5.865
29	Interest to take active role in group	0.969
30	Secured Feeling as a group member	2.804

Source: Primary Data

The study reveals that more than more than access to credit, loan utilization path shows an impact on the various aspects of empowerment. If as stated by Stormquist empowerment includes cognitive and psychological elements, then the empowerment process should start from within. Study reveals that micro entrepreneurs undergo such process of empowerment. “Empowerment is often envisaged as an individual rather than collective and focused on

entrepreneurship and individual self reliance, rather than on cooperation to challenge power structure which subordinates women”(Baden et.al, 1997).

On the other hand The World Bank defines empowerment as “the process of increasing the capacity of individuals or groups to make choices and to transform those choices into desired actions and outcomes. Central to this process is actions which both build individual and collective assets, and improve the efficiency”.

It is therefore, understood that empowerment process has more than one pathways. The study proves that the pathways are different for micro entrepreneurs and non entrepreneurs. If it is viewed as internal process then entrepreneurship has to be promoted in the society

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