

Stree Shakti Groups – A pathway for women empowerment: A study

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Abstract: Existence of Chronic poverty is the major concern for the country and mitigating it has been the core of all developmental efforts. Post independence, several poverty alleviation programmes initiated by the government have resulted in the overall development of the poor but these programmes were not able to achieve the targeted success. Lack of capital and inaccessibility to credit is the serious constraint to the development and inhibits poor from responding to the opportunities created by the process of development. Empowerment of women is the most important means of poverty eradication. Despite considerable improvement in the status of women post independence, they still constitute the largest section of deprived population. Certain problems such as poverty, illiteracy, lack of skills, availability of proper health care facilities, ignorance etc., which are persistent in rural economy, cannot be tackled individually but could be effectively solved through group efforts. Hence attacking the problem through collective efforts yields better results. Today such collective group efforts are called as ‘Stree Shakti Groups’, which has become a powerful tool in initiating the change and transforming the lives of crores of poor and marginalized women across the country. Stree Shakti Groups are a small, homogenous affinity group of rural poor, comprising of not more than 20 members each. These groups represent and foster true democratic culture, wherein all members of the group take active part in decision making. The membership is open, voluntary and group is primarily formed to practice voluntary savings and thrift on a regular basis. SSG programme has been successful in strengthening the collective self-help capacities of rural women leading to their empowerment. Women empowerment is seen as an integral and inseparable part of a wider process of social transformation and converting poor women of villages as role models for change.

Key words: Poverty, Collective effort, Group, Women empowerment, Self Help, Unity.

INTRODUCTION

India is facing many socio and economic problems. One of the major problem is abject poverty. As per Suresh D. Tendulkar Committee Report, about 22 percent of the total people in India are under below poverty line under minimum recall period status. With low per capita income, heavy population pressure, prevalence of massive unemployment and underemployment, low rate of capital formation, misdistribution of wealth and assets, prevalence of low technology and poor economics and instability of output of agriculture production and related sectors are some of the symptoms of it. The poor stays poor, not because they are lazy, but because they have no access to capital. A large number of small loans are needed to serve the poor, but lenders prefer dealing with large loans in small numbers to minimize administration costs. They also look for collateral with a clear title - which many low-income households do not have. In addition bankers tend to consider low income households a bad risk imposing exceedingly high information monitoring costs on operation. In this context, Stree Shakti Groups are paving the pathway for creating first generation micro entrepreneurs. This article explores the growth of SSG’s and their impact on women empowerment in Karnataka state.

MEANING OF STREE SHAKTI GROUPS (SSG’S)

It is a small, homogenous affinity group of rural poor, comprising of not more than 20 members each. These groups represent and foster true democratic culture, wherein all members of the group take active part in decision making. The membership is open, voluntary and group is primarily formed to practice voluntary savings and thrift on a regular basis (savings implies existence of excess wealth, whereas thrift implies

savings created by postponing almost necessary consumption).

Members save on a regular basis and contribute to the 'Group Common Fund (GCF)'. The fund includes not only the savings of the members but also grants from Non-governmental organizations (NGO's), or promoter, fine imposed on members for various irregularities, government aid for various programmes, service charges on external loan (inter SHG lending and borrowings) etc., All savings and surplus of the fund would be rotated as short term loans amongst members at a rate of interest, decided by the group and loan is given to the needy members on a priority basis.

Ministry of Rural Development, Government of India, on 1st April 1999, launched its flagship programme 'Swarnajayanthi Gram Swarozgar Yojana (SGSY)', by merging Integrated Rural Development Programme (IRDP), Training the Rural Youth for Self Employment (TRYSEM), Supply of Improved Tools for Rural Artisans (SITRA), Ganga Kalyan Yojana (GKY), Million Wells Scheme (MWS), Development of Women and Children in Rural Areas (DWCRA).

The main objective of SGSY is to bring the assisted poor families above poverty line by providing them income generating assets through bank credit and capital subsidy through group approach. It aims at providing self employment to villagers through the establishment of Self Help Groups. The programme recommends the establishment of 'activity clusters' or cluster of villagers grouped together based on their skill and abilities. Each of these activity clusters worked on a specific activity chosen based on the aptitude and skill of the people, availability of resources and market potentiality.

SGSY incorporates three important approaches, namely:-

(a) Cluster Approach: Based on the available resources, occupational skills of the people and the need of the market, 4 to 5 key activities are identified for each block with the approval of the Panchayat Samitis at the Block level, DRDA's (District Rural Development Agency) at district level.

(b) Project Approach: For each key activity, project reports are prepared in close association with banks or financial institutions, so as to ensure adequacy of financing and to avoid unnecessary procedural delays.

(c) Group Approach: Organising poor into SHG's and their capacity building, with an objective of bringing

every assisted poor family above poverty line within three years through the provision of micro enterprise is the core of this approach. Out of total beneficiary 50% must belong to Scheduled Caste and Scheduled Tribe, 40% must be women, 3% disabled and remaining 7% others.

The Self Help Groups are aided, supported and trained by Non Governmental Organizations (NGO's), Self Help Promoting Institutes (SHPI's), Banks etc., government run DRDA's (District Rural Development Agency) and respective state government provides training and financial aid. The programme focuses on establishing micro enterprises in rural areas because it remains a known fact that barring certain location limitations, rural areas throw ample opportunities for installation of micro enterprises by making use of untapped manpower, available raw material of various forms and existing market channel.

OBJECTIVES OF THE STUDY

- To identify the role of Stree Shakti Group in promoting the Savings of members in rural area
- To understand the growth of financial transactions of SSG's in Karnataka state.
- To suggest measures to improve the functioning of Stree Shakti Groups.

DATA COLLECTION

The research is based on both primary and secondary data. Primary data has been collected through a well structured questionnaire. Direct Personal Interview was adopted to elicit the information. Method of Schedule was adopted to collect the required information. Secondary data for the study has been procured by referring to various books, articles published in various national and international journals, websites, government records and publication, NABARD, Publication of APEX bank etc.,

Data Analysis: The collected data has been simplified using classification and tabulation mechanism. Simple mathematical tools such as percentage, averages have been used to arrive at the inferences.

Locale of the study: Karnataka State.

Table 1- The following table depicts the Savings of SSG’s with different financial institutions in the Karnataka (as on 31st March 2017).

Commercial Bank		Regional Rural Bank (RRB)		Co-operative societies		Total (amount in Lakh rupees)	
No. of SSG	Savings Amount	No. of SSG	Savings Amount	No. of SSG	Savings Amount	No. of SSG	Savings Amount
6,05,154	79,879.15	1,37,921	16,132.89	2,19,371	48,230.09	9,62,446	1,44,242.13

Source: Micro Credit Division, NABARD, Mumbai

Table 2- Total Savings of SSG with Banks

Name of the Agency	Total Savings of SSGs with Banks as on 31 March 2016		Loans disbursed to SSGs by Banks during the year		Total Outstanding Bank Loans against SSGs		NPAs	
	No. Of SSGs	Savings Amount	No. Of SSGs	Loans disbursed	No. Of SSGs	Loan Outstanding	Amount of Gross NPA	NPA (%)
Commercial Banks	41,40,111	9,03,389	11,32,281	25,18,497	26,26,364	37,14,562	2,32,140	6.25
% Share	52.6	66.0	61.8	67.5	56.2	65.0	62.98	
Regional Rural Banks	22,56,811	2,48,428	4,70,399	9,16,493	14,45,476	16,10,935	1,06,429	6.61
% Share	28.56	18.1	25.7	24.6	30.9	28.2	28.87	
Cooperative Banks	15,06,080	2,17,322	2,29,643	2,93,700	6,00,781	3,86,426	30,054	7.78
% Share	19.1	15.9	12.5	7.9	12.9	6.8	8.15	
Total (in Rs. Lakh)	79,03,002	13,69,139	18,32,323	37,28,690	46,72,621	57,11,923	3,68,623	6.45

Source: Status of Micro Finance in India 2016-17, Micro Credit Innovations Department, NABARD, Mumbai.

Commercial banks accounted for 67.5% of bank loans disbursed to 61.8% SSGs during the year. The share of RRBs in credit disbursement to SSGs stood at 24.6%. However, the number of SSGs declined substantially to 25.7% from 32.1%. The average loan disbursement by RRBs during the year was Rs. 1,94,833. The share

of Cooperatives both in number of SSGs provided bank loan during the year as well as the quantum of loan disbursed declined in 2016-17 as compared to previous year. The average loan per SSG provided by Cooperatives was Rs. 1,27,894.

Table 3-The following table depicts the total loan disbursed to SSG’s from different financial institutions in the Karnataka (as on 31st March 2017).

Commercial Bank		Regional Rural Bank (RRB)		Co-operative societies		Total (amount in Lakh rupees)	
No. of SSG	Loan disbursed	No. of SSG	Loan disbursed	No. of SSG	Loan disbursed	No. of SSG	Loan disbursed
1,95,477	4,83,737.82	43,056	65,159.58	42,856	77,010.73	2,81,389	6,25,908.13

Source: Micro credit division, NABARD

Table 4-Progress under Microfinance – Bank Loans outstanding against SSGs in the state of Karnataka during 2016-2017 - Regional Rural Banks

Sl. No.	Name of the bank	Total Loans Outstanding against SSGs		Out of Total-Loan outstanding under SGSY/NRLM & other Govt. sponsored programme		Out of Total-Loan outstanding exclusive to women SSGs	
		No. of SSGs	Loans Outstanding (in lakhs)	No. of SSGs	Loans Outstanding (in lakhs)	No. of SSGs	Loans Outstanding (in lakhs)
1	Kaveri Grameena Bank	18993	32843.35	17521	32804.10	16043	27628.60

2	Karnataka Vikasa Grameena Bank	17213	13407.53	11983	9537.85	15467	12534.28
3	Pragathi Krishna Grameena Bank	25679	35166.00	1495	1922.00	20151	32495.13
	Total	61885	81416.88	30999	44263.95	51611	72658.01

Source: NABARD Website

ANALYSIS

The above table depicts Progress of loans outstanding against SSGs with Regional Rural Banks in the state of Karnataka as on 31-03-2016. From the table it can be observed that in terms of Bank loans outstanding against SSGs, Pragathi Krishna Grameena Bank stands highest with an outstanding loan of Rs 35,166 lakhs. It can also be depicted that in terms of Bank loans outstanding against SSGs out of total SSGs – loan outstanding under SGSY/NRLM & other Govt. sponsored programme scheme, Kaveri Grameena Bank stands highest with an outstanding loan of Rs 32,804.10 lakhs. It can also be observed that in terms of Bank loans outstanding against SSGs out of total SSGs in case of exclusively women SSGs, Pragathi Krishna Grameena Bank stands highest with an outstanding loan of Rs 32,495.13 lakhs. The above tables clearly indicates that that resource mobilization by financial institutions and loan disbursement to Stree Shakti Groups have increased magnificently in the recent years, indicating positive growth. This is definitely an encouraging indicator, as Stree Shakti Groups play a vital role in women empowerment. This further reiterates that, the weaker section who are in need of small finance, will have easy accessibility due to more number of non banking financial intermediaries.

In terms of Bank loans outstanding against SSGs, HDFC Bank stands highest with an outstanding loan of Rs 18,776.81 lakhs. It can also be depicted that in terms of Bank loans outstanding against SSGs out of total SSGs – loan outstanding under SGSY/NRLM & other Govt. sponsored programme scheme, Karnataka Bank stands highest with an outstanding loan of Rs 338.20 lakhs. It can also be observed that in terms of Bank loans outstanding against SSGs out of total SSGs in case of exclusively women SSGs, HDFC Bank stands highest with an outstanding loan of Rs 18,776.81 lakhs. The following table depicts this information.

CONCLUSION

From the above study it is found that progress of women SSGs in Karnataka year by year is commendable. From the study it is also found that SSGs have been identified as a way to alleviate poverty and women empowerment. Stree Shakti Groups (SSGs) are grassroots initiatives aimed at empowering women socially, economically, and politically. The system is designed to encourage women's participation in community development and economic activities. They have emerged as a pivotal force in promoting gender equality, financial independence and societal transformation. Stree Shakti Groups play a critical role in empowering women by fostering economic self-reliance, social dignity, and political participation. Despite challenges, their contribution to transforming the lives of women in rural and semi-urban areas is commendable. Strengthening these groups through sustained support and recognition can amplify their impact and pave the way for an equitable and empowered society.

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