

## Chapter 2

### Conceptual Frameworks

#### **2.1 Introduction:**

The concept of empowerment as a general term covers various dimension and areas to be constituted as complete sense. Therefore to understand the concept it is necessary to define what constitute in empowerment. It is a challenging task to define the term empowerment in a complete sense. It seemed to be temporal and situational and related with different places. The following discussion will be done in five parts such as part one will be on what is empowerment, part two will be discuss about what is women empowerment, part three will try to understand what is micro-finance and micro-credit, the part four will deal with SHGs and finally the last part the part five will try to related the how the SHGs brings empowerment to the women in rural areas.

#### **2.2 What is Empowerment?**

The very word empowerment in its dictionary means give authority to somebody or give somebody the power or authority or to give somebody a greater sense of confidence or self esteem. Thus it is giving power to somebody<sup>13</sup>. The term empowerment is related with some connotations such as self-strength, control, self-power, self-reliance, own choice, life of dignity in accordance with one's values, capacity to fight for one's rights,

---

<sup>13</sup> DK Illustrated Oxford Dictionary (2011), Dorling Kindersley Limited and Oxford University Press, India.

independence, own decision making, being free, awakening, and capability<sup>14</sup>. So the term empowerment is giving one power to from the external sources to equality.

The World Bank defines empowerment as the expansion of assets and capabilities of the poor people to participate in, negotiate with, influence, control and hold accountable institutions that affects their life. The World Banks admits that empowerment, as a term has meaning that changes with social and political context, depending on its core significance always remains the same- putting people on equal footing with each other, by giving their challenges<sup>15</sup>.

Empowerment can be thus defined as “the process of enhancing individual or group capacity to make choices and transform those choices into a desired actions and outcomes. It is a holistic concept and multidimensional in its approach covering almost every aspects of life”<sup>16</sup>.

Okley identifies five key use of the term empowerment. These are: empowerment as participation, empowerment as democratization, empowerment as capacity building, empowerment through economic improvement and empowerment and the individual<sup>17</sup>.

---

<sup>14</sup> Narayan, Deepa, (edt. (2002), Empowerment and Poverty Reduction, A Sourcebook, The World Bank Washington, DC. Pp-13-14.

<sup>15</sup> World Bank Policy Research Report (2001), Engendering development: through Gender Equality in Rights, Resources and Voice. Oxford University Press.

<sup>16</sup> Tapan Neeta (2010), Micro Credit, SHG and Women Empowerment, New Century, Publications, New Delhi, pp-46-47.

<sup>17</sup> Okley, P. (ED) (2001), Evaluating Empowerment: Reviewing the Concept and Practice. Oxford: JINTRAC.

Thus the empowerment constitutes participation, democratization, capacity building to the particular section or individuals and economic empowerment.

According to Chandan Shanty Kohl (1997) empowerment in its simplest form means “the manifestation of redistribution of power that challenges patriarchal ideology and the male dominance”. This definition analyses empowerment from the feminist perspective as redistribution of power structure in the society<sup>18</sup>.

A Kalpana in her study adopted four component of empowerment<sup>19</sup>. These are as follows:

1. Women’s and Men’s sense of internal strength and confidence to face life
2. The right to make choice
3. The power to control own lives within and outside the home and
4. The ability to influence the direction of social change towards the creation of a more just social and economic orders nationally and internationally.

B. Agarwal maintained that empowerment ‘ could be defined as a process that enhances the ability of disadvantaged (powerless) individuals or groups to challenge and

---

<sup>18</sup> Chandan Shanty Kohl, (2007), ‘Women and Empowerment, India Journal of Public Administration, Vol. XLIII, No 3.

<sup>19</sup> Kalpana, A. (2003) ‘Women Empowerment through Indira Kranthi Patham- A Study on Prakasam District of Andra Pradesh, Sri Venkateswara University. Tiruputi.

change (in their favour) existing power relationship that place them in subordinate economic, social and political positions'<sup>20</sup>.

The above discussions make it clear that empowerment means giving power to the disempowered so that they can be equal with the others in their life. It is related with social, economical, political and psychological arenas of empowerment. Therefore empowerment can be called as a process for bringing the weaker section into equal footings with others in their different sphere of life through different kind of mechanism. The process of empowerment is also about the internal and external phenomenon of the individuals.

### **2.3 What is Women Empowerment?**

The women empowerment as concepts covers various dimensions and it touches every sphere of women's life. The following are the discussion regarding women empowerment by different scholars and organizations to grasp the meaning of it.

The term empowerment has been defined by the different scholars differently. Women empowerments are indicated by different adopted criteria by the many thinkers and world organizations. Chung, Katchote, Mallick, Polstar and Roets have pointed out the dimension and indicators of women empowerment in developing countries on the basis of secondary sources. They have analyzed five dimensions of women empowerment as

---

<sup>20</sup> Agarwal, B. (2008), Why do women need Independent Rights in Land. in John, Mary, E. (ed.), Women Studies in India: Penguin Books, India.

economic contribution, education, governance, health and media<sup>21</sup>. The economic indicator are identified by them as labour participation in informal; labour participation gap; percentage of married workforce; time spent in unpaid work; institutional access to credit; ownership of assets other than land; credit loan terms and amount. Educational indicator are summarized by them as literacy rate by sex (15 to 24 years old), educational attainment, completion rate by sex, female school of graduates; percentage of female teachers and trained female teacher. Under Governance dimensions includes gender sensitivity training including gender budgeting; expenditure targeted in increasing female voter registration in electoral district; governmental spending per capita of female populations on programs to reduce discriminations against women; women in decisions making position in the local government; government committee shared by women legislation against domestic violence etc showed. Under the health and media dimension the indicators are such as Access to sanitation and clean water; contraception prevalence; DTP3 immunization; Existence of human resource policies on gender, including on equal treatment of women; proportion of women and men in media organization etc.

According to the Draft Country Paper-India for the 4<sup>th</sup> World Conference on Women held in Beijing, 1995, proposed two indicators as qualitative and quantities indicators for the assessment of women empowerment<sup>22</sup>. These are as follows-

---

<sup>21</sup> Bui Chung, Kulvatee Kantachote, Asmah Mallic, Rachel Polster and Kelsey Roets, (2013), Indicator of women's empowerment in developing nations. Pp 2.

<sup>22</sup> Draft Country Paper-India for 4<sup>th</sup> world Conference on Women, 1995.

#### Qualitative Indicators:-

- Increase in self –esteem and individual and collective confidence.
- Increase in articulation, knowledge and awareness levels on issues affecting the community in large and women particular such as women’s health, nutrition, reproductive rights, legal rights, literacy rate etc. depending on the program.
- Increase or decrease in workload of women as result of new program
- Awareness and recognition of women’s economic condition within and outside the households.
- Changes in the roles and responsibilities in the family and the community.
- Visible increase or decrease in the level of domestic violence and the other forms of violence on the girl child.
- Response to changes in social and other customs that are anti women, e.g. child marriage, dowry, discrimination against widows.
- Participation in other events related to their lives
- Increase in the bargaining power of the women as individuals in the home and community as well as in collectives of women.
- Formation of cohesive and articulate women groups.
- Positive change in social attitudes among the community members towards discrimination against women and girl child.

- Women's decision-making power over the kind of works she is doing, her control on owns income and expenditure and whether she is still subservient to male members in the family or not.

The Quantitative Indicators are:-

- Numbers of women participation in different development programmers.
- Visible changes in the physical health status/nutritional level.
- Demographic trends such as mortality rates, fertility rates, sex ratio, life expectancy at birth and average age of marriage.
- Greater access to control over community resources, governments schemes, e.g. credit savings groups, co-operatives, schools, wells etc.
- Participation of women in political processes at the local level.
- Changes in the literacy level-primary, secondary and adult literacy including enrolment and retention rates.

The women empowerment is a multi dimensional and related with various parameters and one cannot find a conclusive idea which could give a complete sense of it. That is why the concept of empowerment is though demands totality one has presented it in partial manner considering certain parameters of measurement of empowerment only. In this contest of understanding the economic factors towards women empowerment is stressed to understand about the women empowerment. So the Self Help Groups and working of it has been seen that has contributed towards women empowerment in different parts of the world.

Patrick Kilby in the study on 'NGOs in India, the challenge of women's empowerment and accountability tried to understand the women empowerment by taking the following parameters and measures the women empowerment<sup>23</sup> -

1. Go out of the house freely,
2. Meet with officials,
3. Travel independently outside the village,
4. Attend village meetings etc; and
5. Actively participate in local political processes.

#### **2.4 What is Micro-Finance and Micro-Credit?**

The term micro-finance and micro-credit are often seen using in the academic discourses. But these two terms has different meaning despite providing as tool for the poverty alleviation of the poor people. H. A. Manju in her theses on "An Analysis of Micro Finance for Economic Empowerment of Women-A case study of Hassan District" mentioned that the micro-finance refers to a movement where the low-income households have permanent access to a range of high quality financial services to finance their income producing activities, build assets, stabilize consumption and protect against risk. She further added that these services are not limited to credit, but also include saving, insurance and money transfers. Further she has defined micro-finance as, financial services such as Saving A/C, Insurances Fund and Credit provided to the poor and low

---

<sup>23</sup> Patrick Kilby,(2011) NGOs in India, the Challenges of women's empowerment and accountability,Routeledge, London and New York pp-83



income clients so as to help them raise their standard of living<sup>24</sup>. She has concluded that the micro finance has the following features-Loan are given without security, Loan to those people who live Below Poverty Line, Even members of SHGs enjoy Micro Finance, Maximum limit of the loan under micro finance Rs. 25,000/-,The terms and conditions given to poor people are decided by NGOs.

The word microfinance consists of two words such as Micro and Finance. It means small credit to the poor people. It is become one of the most innovative tools for the alleviation of poverty in the developing countries of the world. Through micro finance the poor family can access credit and thus they can improve their standard of living by engaging in the income earning activities which are not possible to the poor people in their life.

#### **2.4.1 Definition of microfinance:**

The international labour organization (ILO) defined microfinance as “Micro-finance is an economic development approach that involves providing financial services through institution to low income clients”<sup>25</sup>. Thus microfinance is related with the low income earning groups of the society. The NABARD taskforce 2000 defined microfinance as provision of thrift, Credit and other financial services and products of very small amounts

---

<sup>24</sup> Manju, H.A. (2015), An Analysis of Micro Finance for Economic Empowerment of Women-A Case Study of Hassan District”, University of Mysuru, Manasagangothri, Mysuru-570006, Karnataka –India, pp-1.

<sup>25</sup> Bhuorurmath, Mythili (2007) “Women only World” The Times of India p.16

to the poor rural, semi urban or urban areas enabling them to raise their income level and improve living standard<sup>26</sup>.

Manu Sangwan in her M. Phil dissertation identified the objective of microfinance<sup>27</sup>. The researcher claimed that the microfinance initiative are recognized as a cost effective to sustainable way of expanding out reach of banking system to the rural poor. The following are the objective of micro finance:

1. Reduction of poverty to the minimum by financing for the development skill of rural folk.
2. To focus on the rural and urban poor generally and women particularly.
3. Providing credit at the affordable rate of interest.

#### **2.4.2 Feature of Micro Finance:**

Generally the characteristic feature of the microfinance is to give loans to the poor households for the purpose of income generation through engaging self-employment.

Manu Sangwan in his studies identified the following features of Microfinance<sup>28</sup>-

---

<sup>26</sup> G. Shanthi (2007), Marketing Micro Finance Products in India. In Ganesha Murthy (Ed.), India Economic Empowerment of Women. New Century Publication, New Delhi, p. 153-154.

<sup>27</sup> Sangwan, Manu (2013-14), Self Help Groups And Women Empowerment: A study on Mashobra Block, an unpublished M. Phil dissertation submitted to the department of Public Administration, Himachal Pradesh University, Summer Hill, Shimla-171005pp-9.

<sup>28</sup> Sangwan, Manu (2013-14), Self Help Groups And Women Empowerment: A study on Mashobra Block, an unpublished M. Phil dissertation submitted to the department of Public Administration, Himachal Pradesh University, Summer Hill, Shimla-171005pp-9&10.

1. Micro finance involves loans without collateral security in the absence of specific policy intervention. Landless asset poor household are declined to be not credit worthy by the formal sector.
2. The main target of groups of micro finance project constitute fraction of those in needs of credit.
3. It is tool for empowerment of the poorest.

The term micro-credit is not similar with micro-finance. By micro-credit means small amount of loan given to a particular individuals. There are many micro- credit institutions such as formal financial institution like banks, both commercial and non-commercial which are in the business of finance. Micro-credit in India has to be understood against the structure of the financial system which has evolved through two sets of financial institution-formal and informal. The formal system consists of a multi-agency approach, comprising, cooperatives, public sector, commercial banks (CBs), regional rural banks (RRBs) and private sector banks. There are innumerable types of informal credit suppliers in India which consists of rotating savings and credit associations (ROSCAs), traders, merchants, contractors, commissions, agents, moneylenders, etc.

The micro credit and micro finance are those financial institutions whose main target is the poor people and to give them loan without any security for their livelihood activities so that the targeted people could come out of the poverty in their life.

## **2.5 What is SHGs?**

Self Help Groups is a small group of people group together having common or equal socio-economic or cultural background to solve their problems in a mutual help of each other. So it is called a self manage informal groups who tries to solve themselves without depending on others. National Bank for Agriculture and Rural Development define self help groups as SHGs are small voluntary association of poor people, preferably from same socio-economic background.

The SHGs as a common idea may be financial and non-financial associations. But in case of India it is a form of Accumulating Saving and Credit Associations (ASCA) promoted by government agencies, NGOs and Banks<sup>29</sup>. Ajay Tankha in his study give the characteristic feature of SHGs engaged in MF as; SHG is generally an economically homogeneous groups formed through a process of self-selection based upon the affinity of its members, most SHGs are women's groups with membership ranging from 10-20, SHG have well defined rules and bye-laws, hold regular meetings and maintain records and savings and credit discipline and SHGs are self-managed institutions characterized by participatory and collective decision making<sup>30</sup>.

In the present scenario the SHGs are generally promoted by the governmental agencies, NGOs, MFI and the Banks. The SHGs as per the guideline given by the NRLM

---

<sup>29</sup> Tankha, Ajay. (2002), Self Help Groups as Financial intermediaries in India: Cost of Promotion, sustainability and Impact. Sa-Dhan, New Delhi. pp (04).

<sup>30</sup> Ibid

should have the following features: Women members especially from the BPL family, minimum number of members should 10, the groups should have their group account, the group should have conduct regular meetings, should have to record the proceedings of the decisions of the meeting, there should be internal lending among the members and there should be record of the accounts of the groups.

## **2.6 How do the SHGs bring Women Empowerment?**

The women empowerment is a multi-dimensional as mentioned earlier. To meet the concrete sense of women empowerment both the qualitative indicators as well as the quantitative indicators should be meted. The women empowerment also means the social, economic, educational and political arena. Manju H.A. in her doctoral thesis discusses the women empowerment at micro and macro level. At micro level the women empowerment refers to involvement of women in decision making, earning and sharing of food, cloth, housing, education and health facilities and commanding respect for self and members of the family. At macro level she refers women empowerment to the participation in decision making process and commanding positions along with their male partners in social, educational, economic and political spheres of society. She also added that along with women participation in decision making, increasing employment opportunities and income, raising level of education, training and skill, raising standard of living, raising social status of women, increasing number of women in state governance is women

empowerment. Therefore she maintained that the equal participation of women in the fields of social, educational, economic and political is women empowerment.

The involvement in the SHGs is one kind of opportunities to women members for different kinds of experiences in their life. The self help means self management of the problems. It is a process of own decision making opportunities about their livelihood. It helps in the participation outside house hold activities to the women members of the family. Since the self help group members are the vulnerable groups specially belong to the poor family of BPL categories and the members of SC and STs Community. The involvement in the SHGs makes them opportunities to independent decision making at the groups level. The opportunities to the members of the self help groups are the linkage with micro-credit and bank. The members after joining in the self help groups get knowledge of saving and credit and various livelihood opportunities. Beside these above mentioned opportunities the self group members get training regarding the management of the groups and life skill training for the livelihood activities. Since the purpose of the creation of the SHGs is to bring the BPL family members above it and to provide them sustain livelihood. Thus we can say that the involvement with the self help groups affects the life of the women economically and socially. Therefore proper functioning of the Self Help Groups and meeting its objective will empower women both socially and economically.