



Empowering Rural women through self-help groups: A study on poverty alleviation in Kalimpong - I Block, Kalimpong, West Bengal

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Abstract

Rural females are large segments of the population who experience major economic problems and are not included in reaping the fruits of development projects. To tackle such problems, Self-Help Groups (SHGs) are created in India to empower women economically and socially. Those are formed at the community level where they assist women acquire micro-financing, come up with livelihoods, as well as rising to the standard of living of the people. In this paper, the role of SHGs in alleviating the poverty levels of rural women in the Kalimpong-I block of West Bengal will be discussed. What the research portrays is the significance of SHGs fulfilling the aspect of making women financially independent through the provision of small loans and the field of group savings. It also looks into the overall influence of SHGs on social involvements of women and their decision-making capacity. It is the purpose of the research to determine whether small financial assistance via SHGs brings any significant income, employment changes, as well as empowerment to marginalized rural women.

Keywords: Self-Help Groups, Women Empowered, Rural Development, Poverty reduction, Microfinance

Introduction

Most of the Indian people live in villages and the poverty problem there is rather high and constant. Both the central and state governments have come up with myriads of schemes trying to decrease rural poverty to better the living standard and facilitate growth. One of such attempts has been the evolution of Self-Help Groups (SHGs) which has proved to play significant role in empowering and uplifting the socio-economic conditions of rural women.

SHGs have emerged as an important instrument of empowering rural women by availing them finance at the micro levels and by spurring small-scale entrepreneurial activities. These non-formal associations are characterized by women of similar localities who normally invest minimal funds into a common pool. This is a pooled resource, which is utilized to offer interest-free loans or low-interest loans to members to spend on different purposes. This form of internal lending has proved as one of the most effective forms of micro-finance in the rural setting particularly to the womenfolk who usually do not have access to bank related financial services.

Financial services delivered to the low-income women by the SHGs are savings, provision of credit, and investment services. Through these groups, the members of the group are able to advance in the area of financial independence and many of them are also able to contribute to the economic stability of their families as well as their communities (Batliwala, 1994) [6]. SHGs are seen as a ladder to help women to initiate small businesses like vegetable vendors, vegetable shops or shops or even rearing livestock and in the process earn a consistent wage which would help them lead a stable life.

SHGs are also a key tool to promote social participation and leadership among women besides being instrumental in funding them. Such groups tend to work in liaison with nearby banks in terms of linkage programs and this makes it easier to enable access by women to formal credit systems.

SHGs are also very good in giving a feeling of unity and strength, so that women can lift their voices up over important issues affecting the community such as domestic violence, alcohol abuse, lack of education, or water scarcity. On the whole SHGs not only help in reducing poverty but also help women to build confidence and social awareness. They assist in leadership development, fund raising of day to day requirements as well as long-term sustainable development of the rural areas.

Self-Help Group

A Self-Help-Group (SHG) is a club of 15 to 20 economically weak women staying in the same area who unite to enhance their economic status. These are self-reinforced groups whereby they determine their member and group name (Behera, 2010) [7]. Coupled with this is frequent frequency of meetings whereby members can pay fixed-savings. This money is secured to give the small-loans to the members-on a basis of need mostly to help the members in their livelihoods such as opening small shops, acquiring livestock or other related micro enterprises.

The group members determine how loans will be repaid and its terms. Every SHG has to have a very clear set of financial accounts: a cash book, ledgers, and minutes of meetings (Ang, 2004) [2]. They have a common bank account to which balance money goes. By this means the group is a financial institution at ground level run by its members and finance their own development and prosperity. SHGs are mainly funded through two forms internal and external funding. Internal capital will have contributions of the savings of the members, interests on loan, and due loan repayments whereas the sources of external funding can be government schemes, NGOs or subsidized funds (Chandrashekar and M. Lokesh, 2009) [8]. Besides savings, groups also charge small amounts including the membership and administrative fees. Combined, these financial systems assist the group to address the immediate needs of the group members.

Poverty Alleviation

SHGs are an effective tool in the eradication of poverty, especially among the rural women, through encouraging financial inclusion and group self-sufficiency. The groups make members form savings habits, utilize the micro-loan and take part in income generating activities (Manvar *et al.* 2023) ^[13]. SHGs can enable people to come out of poverty and live decently and live on their own through developing their entrepreneurship competencies, developing small scale enterprises and enhancing collaboration with each other.

It is valid to say that poverty is the biggest threat to the progress of a nation. Poverty is a term used to describe a situation where the people/communities cannot afford and supply the basic needs necessary to sustain a decent level of life. Poverty in India is an old problem and, with the independence of the country, the reduction of poverty remained in the focus of the developmental agenda. Long-term poverty alleviation is the utilization of long-term economic development that increases the number of people out of poverty level by engaging in inclusive and sustainable activities.

The government has introduced a series of schemes to curb rural poverty. Another major intervention is National Rural Livelihood Mission (NRLM) known in West Bengal as Anandadhara. This program aims at mobilizing rural women into SHGs and providing them with resources of finance and livelihood (Arora and Chawla, 2023) ^[3]. More than 61,000 SHGs have emerged under this scheme in the Kalimpong district and this has resulted in a more significant socio-economic change in the region among women.

Anandadhara in the implementation of Kalimpong is a program conducted by the District Rural Development Cell (DRDC) focusing on inclusion of society, access to finance and empowering the economy (Chavan Pallavi and Ramakumar, 2002) ^[9]. Block Mission Managers and support teams operate at the grass root level (BMMUs) and they steer the SHGs through their activities and objectives.

NRLM is an initiative by the Ministry of Rural Development with the help of World Bank and it was launched in June 2011 in order to strengthen community-based institutions. Such sites support enhancement in household incomes through proving sustainable livelihood opportunities and raising access to vital financial services.

Rationale of the study

Economically and socially, women have always been marginalized in the state of Kalimpong-I block of West Bengal. Good growth cannot be achieved when only half of the population is not given access to opportunities and decision-making processes (Kandpal, 2022) ^[11]. To fill the

lacuna, the Anandadhara program of National Rural Livelihood Mission (NRLM) was launched in the area twelve years back. The given program is aimed at the empowerment of rural women through the enhancement of access to financial resources, participation in self-help groups, and sustainable livelihoods. The scheme will improve the socio-economic situation of the rural people in the Kalimpong-I block in the district as a whole.

Objective of the study

This study is mainly aimed at accomplishing the following goals:

- To discuss the role of Self-Help Groups in alleviating poverty as well as increasing the empowerment levels of the rural women.
- To determine the socio-economic status and development of women in the block of Kalimpong-I.
- To assess the difference in the level of income of the women once they join the SHGs.
- To inform on the scope of women entrepreneurship in SHGs, and to determine the determinant factors that motivate women active involvement in the SHGs.

Research Methodology

The research takes both primary and secondary data. The questionnaires and interviews were used to gather primary data. The study population was a sample of 100 respondents of different SHGs operating in Kalimpong-I block, West Bengal, and the sampling procedure was on a simple random basis (Al-Kubati and Selvaratnam, 2023) ^[1]. The questionnaire dwelt on the financial and social aspects of the operation of SHGs. Kalimpong-I block has eighteen Gram Panchayats, in which the research was confined to two, that of Teesta and Samalbong, due to constraints of time. In these regions, direct communication with SHG members was done to know their experiences and changes in income etc.

Results and Discussion

a. Age group of members of SHGs

In the block of Kalimpong-I, approximately 78 percent of SHG members fall in the 18-45 years age section and are participating vigorously in the socio-economic activities (Chavan and Birajdar, 2009) ^[10]. Women between the age bracket of 46-60 also play their roles and remain to be influential in the decision-making process, they usually offer leadership and entail the ability to facilitate problems within a group setting since they are also experienced, this also hinges on the fact that they understand the group dynamics.

Table 1: Age Group of the members of SHGs

Age	Respondents	Percentage
18 - 35	53	53
36 - 45	25	25
46 - 60	16	16
Above 60	6	6
Total	100	100

Source: Primary data

b. Reasons for joining SHGs

The major objectives of the Self-Help Groups are to promote savings as well as credit to income generating activities. In this case research, 58 per cent people enrolled in SHGs to acquire a loan, and 31 per cent were attracted by the reward of saving on a regular basis (Pandhare *et al.*

2024) ^[14]. Moreover, 8 percent joined to upgrade their socio-economic state and 3 percent joined to aid household consumption. These are the reasons which indicate the diverse financial needs of women in Kalimpong-I block of West Bengal.

Table 2: Reasons for joining SHGs

SI No.	Reasons	No. of Respondent	Percentage
1.	To avail credit (Loan)	58	58
2.	To increase Savings	31	31
3.	To meet household expenses	3	3
4.	To empowerment of Socio- Economic Condition	8	8
	Total	100	100

Source: Primary data

c. Income level of members

Income is a major determinant of living standards. Most of the women who were earning nothing before joining Self-Help Groups have also started earning on their own. SHG support has assisted these members to be financially stable

and self-reliant (Suresh and Raxy, 2024) [16]. This development has witnessed significant rise in the level of income of those people who participated in SHG and this is evidenced in Kalimpong-I block where SHG has also helped to better the economic status of the rural women.

Table 3: Income level of respondents (before and after)

1. Before Joining SHGs

SI No.	Monthly Income (Rs)	No. of Respondents	Percentage
1.	Less than 2000	39	39
2.	2001 – 4000	27	27
3.	4001 – 6000	16	16
4.	6001 – 8000	13	13
5.	8001 - 10000	4	4
6.	Above 10000	1	1
	Total	100	100

Source: Primary data

2. After Joining SHGs

SI No.	Monthly Income (Rs)	No. of Respondents	Percentage
1.	Less than 2000	4	4
2.	2001 – 4000	5	5
3.	4001 – 6000	15	15
4.	6001 – 8000	21	21
5.	8001 - 10000	24	24
6.	Above 10000	31	31
	Total	100	100

Source: Primary data

d. Purpose of taking a loan

Members of Self-Help Groups usually acquire loans that can help them to kick-start their small businesses or to fulfill other vital requirements. Out of the 100 respondents in the study area, 43 borrowed money to use in self-employment, 32 in agriculture and livestock, 11 in educating their children, 10 in household and 4 in repaying their debts. One

of the reasons why many women have joined SHGs is the need to get access to credit easily because formal financial institutions have long procedures. This is in an opposite way, which is better with SHGs as it is an easier, and more accessible means to get loans in aid to establishing personal and economic growth without bureaucratic hold-ups, and difficult paper works.

Table 4: Purpose for which SHGs member takes loan

SI no.	Agricultural and Livestock assets	Household Consumption	Self-Employment	Education	Repay debt
Total = 100	32	10	43	11	4
	32%	10%	43%	11%	4%

Source: Primary data

e) Landholding of Respondents

The respondents were thus classified into four categories regarding their landholdings: landless, marginal, small, and large. In the Kalimpong-I block, approximately 61% of women were landless, whereas around 8% had marginal holdings. Nearly 31% of the women owned little plots of

land measuring less than five acres (Mahato *et al.* 2023) [12]. None fell under the category of large farms. The data indicate that landless women may be more actively engaged in SHGs, presumably because of greater dependency on extra sources of income.

Table 5: Land holding of respondents

Category	Numbers	Percentage
Landless	61	61
Marginal	8	8
Small	31	31
Large	0	0
Total	100	100

Source: Primary data

f. Family size of the respondent

Out of the 100 women interviewed in Kalimpong-I block, 71 belonged to nuclear families, and 29 were from joint families. The women from nuclear families participated more actively in SHG activities because they had fewer domestic responsibilities and more time to attend meetings

and engage in group work. In contrast, those from joint families had more household chores, which limited their participation. It is, therefore, suggested that family structure is a factor influencing participation, with members from nuclear families having comparatively more engagement.

Table 6: Family size of the respondent

Sl. No	Family Size	No. of respondent	Percentage
1.	Nuclear family	71	71
2.	Joint family	29	29
Total		100	100

Source: Primary data

g. Educational status of members of SHGs

Education constitutes an important aspect in the development of SHGs, as it builds awareness among the members and their commitment. Educated women tend to be more active and more confident in group matters (Basak and Chowdhury, 2024) [5]. The field data stated that 45

members have passed Madhyamik, 24 have passed higher secondary, 16 have graduated, and 2 hold postgraduate degrees. Such women, with their decision-making power and leadership skills, acted as a force for the positive interface and capacity building of their respective SHGs.

Table 7: Educational status of members of SHGs

Sl. No	Education Status	No. of respondent	Percentage
1.	Illiterate	13	13
2.	Madhyamik	45	45
3.	Higher Secondary	24	24
4.	Under Graduate	16	16
5.	Post Graduate	2	2
Total		100	100

Source: Primary data

h. Loan repayment

Wash-lend operations have to be implemented on time for sustainability and proper functioning of SHGs. In the present study, 89 members out of 100 surveyed in the Kalimpong-I block made the repayment in time, while the security of the loans was not yet faced by any of the members (Basak and Chowdhury, 2023) [4]. The remaining 11 members encountered problems regarding repayment delays due to various personal or household issues but ultimately completed their repayment. This resembles the culture of repayment by SHG members, thus protecting SHGs financially and helping for further credit support from group.

expenses, to kick-start small ventures, and at times, even catering to conditioning their dependency. Hence, SHGs serve as an essential way for poverty alleviation and lead rural dwellers to some extent into financial safety and security.

Table 9: Financial Development

Sl. No	Financial Empowerment	No. of respondent	Percentage
1.	Yes	84	84
2.	No	16	16
Total		100	100

Source: Primary data

Table 8: Loan Repayment

Sl. No	Repayment of Loan	No. of respondent	Percentage
1.	Repay timely	89	89
2.	Do not repay timely	11	11
Total		100	100

Source: Primary data

i. Financial development

The study indicated that SHGs have indeed brought some measure of improvement into rural life. When survival is the problem, these groups encourage the value of saving and provide easy access to loans when there is a crisis. This money gives better means to the members to manage their

j) Participation in decision-making process

Members feel that there has been an increase in household and social decision-making by them when they gained their SHG membership due to an improved financial and social status. There has been quite some increase in the participation level of members in group discussions and family matters (Santhosh Kumar and Aithal, 2024) [15]. This has been perceived by male family members who saw a change and now give respect to the opinions of the women. Consequently, an increasing number of women are party to major decision-making, thereby reflecting the recognition and empowerment of women within their families.

Table 10: Participation in the decision-making process

Sl. No	Participating in decision-making process	No. of respondent	Percentage
1.	Yes	86	86
2.	No	14	14
Total		100	100

Source: Primary data

Conclusion and Recommendation

The results confirmed the findings from this study that SHGs in the Kalimpong-I block of West Bengal have made significant strides in the upliftment of rural women. One major outcome noticed was the improvement in the income of the members following their association with SHGs. There are instances of many women, who may have been without income or with very little income before, engaged in earning through small businesses funded by group loans. Indicative of a very strong culture of repayment of loans was the finding that the majority of the women repaid their loans on time; some delays in repayments were observed, but this did not mar the creditworthiness of the SHGs as a whole due to responsible repayment behaviour on the part of the majority.

Another positive outcome is the rise in women's participation in decision-making within their families. Participation in SHGs is not only beneficial for women's financial status but also improves their social status. The members now have access to savings and credit through which they support their households and undertake income-generating activities. Yet some limitations hold them back: several of the members were uncomfortable with the small size of the loans and wanted an increase in lending capacity in support of bigger entrepreneurial efforts.

The present study has shown that microfinance provided through SHGs has had a much greater social impact in terms of empowerment than simply focusing on its financial aspects. Women who were once limited to domestic work have begun to participate in group meetings and other community activities. This development has boosted their self-confidence, communication skills, and sense of independence. It has also enhanced women's status in their families, with many now being recognized as having a voice in household matters.

To further enhance the effects of the SHGs, it is recommended to provide regular education and numerical training so that women can effectively maintain the records of the SHGs and participate confidently in the administration of the groups. Vocational training and awareness programs related to social issues should also be conducted at regular intervals. Many women are now engaged in operating small shops or businesses based on livestock, which need marketing support so that they can sell their products effectively.

Skill development and entrepreneurship training tailored for rural women should be provided through collaborations between government departments and NGOs. With adequate support and training, SHGs can continue to play a vital role in the poverty alleviation efforts and holistic empowerment of women in Kalimpong and other rural areas.

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