

Mahila Mandals: A Way Leading Wards Financial Empowerment

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Abstract

The impressive growth of Indian economy in post liberalization period has played a significant role in the general upliftment of our society. The growth in per-capita income, GDP, FDI figures etc all indicate the growth of our economy in right path. But then, the issue of concern is that the benefits of this growth have remained confined to certain upper sections of the society and has not trickled down to the needed people of the country. Among these needy ones, half is the womenfolk who in any case are subjected to more deprived conditions than their male counterparts. Especially in the context of rural conditions where females are equal workers both in the internal household chores as well as in the role of external agricultural labor. The situation for this section of the society remains more or less same even after economic reforms have been initiated for now almost two decades now in our country. Their effort have been restricted to meet both ends meet and thus, does not find any place in terms of being a contributor as well as a part of this economic growth. Therefore, this arose the requirement of simultaneous interventions to deal with issues of poverty, marginalization, backwardness and underdevelopment in Indian women. Mahila Mandals at village levels has a huge role to play here to take small initiatives in their lives and come out of the vicious circle of poverty. Rural women are motivated to realize their inalienable social, economic and political rights. They are encouraged to utilize the social and community support services in areas of education, health, family welfare and financial independence. Under the flagship of Mahila Mandals, village women organize themselves for undertaking activities of mutual development and awareness generation in rural areas. The penetrative capacity of these mandals in every nook and corner of the rural society qualifies them to take the charge of social, economic and financial reforms at the lowest level with the participation of all. With the advent of this form of organization, the women of the villages have come together for social, health and educational reasons as well as income generating activities.

Keywords: Marginalization, Initiatives, Vicious

Introduction

Sahani Ji is now a house hold name in Khanyiara and adjoining villages of Dharamsala subdivision of Kangra district. This new surname has been added to Anjna Devi, only a few years back after she opened a daily need shop with a financial assistance of Rs. 25,000 provided by the Mahila Mandal of which she was a member. Today she sits proudly behind the counter of her shop with people greeting her with her new surname. Being a locomotors impaired deformity and a sole bread earning member of her family, this financial assistance provided by the State Government, has not only helped her to earn her livelihood but has also elevated her social status. Anjna is not a single example of how various forms

of welfare schemes adopted by mahila mandals for ameliorating the lot of women and has transformed the life of women in Himachal Pradesh. The economic development of women means their participation in economically productive activities, their access to savings and credits and their control over income and other productive assets. Rural women in Himachal Pradesh are mostly engaged in petty activities and their association with Mahila Mandals has not only changed their role in the traditional society but it is assumed that the dynamics of rural economics have also been changed. Mahila Mandal is a village level forum for women to discuss their personal, social, political, spiritual and economic concerns. Generally it has more than 20 members. The monthly membership fees varies between Rupees two to Rupee ten per member with which they undertake community intervention. The members of these Mahila Mandals meet at least once a month in order to analyze their problems and find applicable solutions within their means.

Women Empowerment:

The low economic conditions of the women emerge from wage discrepancy found in rural India. Even though, our constitution talks about equal pay for equal work, it is hardly prevalent in practical terms from years. The following table reveals the fact of huge variation in wage salary of both men and women per day as per an estimate made in 1983.

Table 1:1 Average wage salary earning of both rural male and female per day (1983)

Age group	Male	Female
Regular wage/salaried employees		
5-14	4.33	4.20
15-59	16.09	10.85
60+	9.21	4.30
All ages	15.04	10.11
Casual Wage Labor		
5-14	5.68	3.57
15-59	10.53	5.11
60+	9.35	3.77
All ages	10.27	4.89

Source: National Sample survey organization, 1987

Women have plans for themselves, for their children, about their home, the meals. They have a Vision. A man wants to enjoy himself.”...Grameen Bank's Md. Yunus to a US Congressional Forum on why 94% of his loans go to women. Access to finance is a major problem for poor women and in particular for poor self-employed women in developing countries such as hawkers, vendors, home-based workers, manual labourers and service providers. Because they do not save, emergencies and obligations often force women to borrow heavily. However, they are unlikely to have the required experience and self-confidence to obtain credit from a financial institution in the formal sector, while the institution's regulations and procedures rarely meet the needs and conditions of the woman seeking a loan. Therefore, poor self-employed women often depend on informal money-lenders, contractors and wholesalers who charge exorbitant interest rates. Therefore, the financial requirement of these women if

properly met can help them break free from the vicious circle of indebtedness and dependence on middlemen and traders and increase their bargaining power. Examples in this regard are set up by one like CORD's Goumukh and Gangotri in Himachal Pradesh, Orissa and Tamil Nadu Which combines the village women under Mahila Mandals and Community Development Women programmes for their comprehensive development. The formation of Mahila Mandal groups have been training women in marketable skills, providing funding/loans for businesses and developing their overall living standards.

Review of Literature

In her article 'Micro credit to Rural women and Rural NGOs' the author Reasheeda Bhagat, talks about the status of the rural women and problems faced by them in getting the finances with low rates of interest. According to the author, all those who are capable of being self-employed and running their own small enterprises can be transformed if adequate credit is made available to them. Suguna.B in her book 'Empowerment OF Rural women through Self Help Groups', states that there is a worldwide realization that the best way to tackle poverty and enable the community to improve its quality of life is through social mobilization of poor, especially women into Self Help Groups would lead to benefits not only to the individual women and women groups but also the families and community as a whole through collective action for development. Self Help Promotion has emerged as a new paradigm for combating poverty according to B.Narayanswamy in his book 'Self Help Groups: Key to Empowerment of Rural Women.'

In the words of A.K Pandey, 'Empowerment of women' is a much debated issue. He states that even the community development programme accorded an important role to the organization of women who constitute nearly half of our population so that their participation in various rural development activities could be effectively ensured. These organization of women known as women's Groups or Mahila Mandals came to be established in a phased manner in different states.

Objective:

The main objective of the present is to study the:-

- Role of SHGs /Mahila Mandals in garnishing the financial security for rural women.
- To examine the role of education among rural women in their ability to access the formal banking services.

Methodology

To activate the above objectives:

A participatory Research (PR) methodology was adopted with focused Group Discussion (FGD), individual personal interviews, structured and semi-structures group interviews for collecting the primary data and validating the same through a participatory process in each village mahila mandal and also between the villages. In addition, relevant secondary data had also been supplemented wherever necessary.

Criteria for selecting the Study Area:

It was felt that familiarity with people was a pre-requisite for this type of study in order to participate and process the data more realistically.

Since, no formal or organized study on the topic had ever been done in villages under Dharamsala Tehsil of District Kangra, Himachal Pradesh.

Therefore, the known villages, which gave the benefit of proximity in location and comprised of a judicially mixed population of educated and uneducated, employed and unemployed are selected for the study. The villages selected are:-

1. Cheelgari
2. Dari
3. Sidhpur
4. Kaniyara
5. Naddi

In each of the above mentioned villages' one actively functional mahila mandals with member strength of not less than 30 women were identified. Thus, a total of 10 mahila mandals with total of member strength of around 210 women were selected for the sample for data collection and validation in a participatory process. For the purpose of study, mahila mandals are taken as SHGs comprising of rural womenfolk of the villages primarily associated for:

1. Pooling together financial resources depositing the same in the common account of the mandal and utilizing the same for the benefit of individual members of the group as per their needs.
2. To study the role of education as ability indicator among rural women

It is assumed that all the women have access to some kind of earnings by doing work like domestic helps, as aganwadi workers, helpers at village schools, health centers and as laborers under National rural employment guarantee scheme (where they get employment for an average of 14 days per month).

Findings of the study:

The first objective is to establish the role of mahila mandals in generating the financial security for its rural female members. Financial security for a woman here refers to

1. An individual saving of Rs.5, 000.
2. To be able to provide for basic food, clothing of her family (spouse and two children).
3. To be able to provide for Government school/college fee, uniform, books and small travel.
4. To be able to meet normal healthcare needs of her family.

The data was initially generated individually. The findings were then placed for discussion in the large group of each mahila mandal. Thus, the data generation and validation was done in a participatory approach.

The results revealed that on an average an amount of Rs.2, 500 per month is required by average rural women to sustain comfortably, thus, guaranteeing her financial security. The breakup of monthly expenditure revealed the following:-

Table: 1:2 Distribution of monthly income among various heads of expenditures

S.No	Expenditure Head	Amount	Expense%
1	Food Expense	850	34%
2	Health Expense	380	15.2%
3	Education Expense (Books, Uniform ,small travel etc)	320	12.8%
4	Clothes & other household products	400	16%
5	Maintenance (of house, livestock)	550	22%
	TOTAL	Rs.2,500	

Source:Primary Survey

From earning side, let’s first see the kind of occupation these rural womenfolk are engaged in. These include as domestic helps, as aganwadi workers, helpers at village schools, health centers and as laborers under National rural employment guarantee scheme (where they get employment for an average of 14 days per month).

Table 1:3: Employment division of rural women

S.No	Village	Nature of Work				Total Women employed
		Domestic help	Aganwadi workers	Helpers at village schools & health centers	Laborers under NREGY	
1	Cheelgari	14	4	7	19	44
2	Dari	9	3	5	13	30
3	Sidhpur	17	6	10	22	55
4	Khanyiara	11	5	8	16	40
5	Naddi	13	5	12	11	41
	TOTAL	64	23	42	81	210
	% of Total Employed Women	30.48	10.95	20	38.57	100

Source: Primary Survey

Table 1:4 Average Income earned by members of mahila mandals & their contribution towards Mandal Corpus.

S.No	Village	Kind of Work	Monthly Income(Range) (1)	Average Income (2)	No. of Women (3)	Total Income (4)	Av. Individual Contribution Towards Mandal corpus (5)	Total Contribution towards Mandal Corpus(6) (5x3)
1	Cheelgari	Domestic help	500-800	650	14	9100	150	2100
		Aganwadi workers	700-1400	1050	4	4200	250	1000
		Helpers at village schools & health centers	1000-1500	1250	7	8750	250	1750
		Laborers under	1000-1400	1200	19	22800	250	4750

		NREGY						
	Total				44	44,850		9,600
2	Dari	Domestic help	600-1000	800	9	7200	175	1575
		Aganwadi workers	700-1400	1050	3	3150	200	600
		Helpers at village schools & health centers	1200-1800	1500	5	7500	250	1250
		Laborers under NREGY	1000-1400	1200	13	15600	250	3250
	Total				30	33,450		6,675
3	Sidhpur	Domestic help	600-1000	800	17	13600	150	2550
		Aganwadi workers	700-1400	1050	6	6300	200	1200
		Helpers at village schools & health centers	1200-1500	1350	10	13500	250	2500
		Laborers under NREGY	1000-1400	1200	22	26400	250	5500
	Total				55	59,800		11,750
4	Khanyiar a	Domestic help	600-1000	800	11	8800	150	1650
		Aganwadi workers	700-1400	1050	5	5250	200	1000
		Helpers at village schools & health centers	1200-1500	1350	8	10800	250	2000
		Laborers under NREGY	1000-1400	1200	16	19200	250	4000
	Total				40	44,050		8,670
5	Naddi	Domestic	500-1000	750	13	9750	150	1950

	help						
	Aganwadi workers	700-1400	1050	5	5250	200	1000
	Helpers at village schools & health centers	1000-1500	1250	12	15000	250	3000
	Laborers under NREGY	1000-1400	1200	11	13200	250	2750
	Total			41	43,200		8,700

Source: Primary Survey

As shown in the above table, an individual woman employed in some kind of manual work, which otherwise earns her a very minimum and barely sufficient monthly income, is able to create financial security for herself by subscribing to the membership of SHGs/mahila mandals. The collective corpus created per month ranging from Rs.6,675 to Rs.11,750 at various villages mahila mandals enabled each individual member to have access to that much amount at one go and utilize the same for fulfilling their major requirements like constructing pucca rooms, toilets, buying livestock, starting small business for their male members of their houses or buying products like TV, fridge etc. This not only saved them from falling in the vicious cycle of private money lenders but also helped them to generate work at times for their spouses as well as raise their living standards.

Education: An ability Indicator

One of the main reasons often given for poor status of women in India is lack of education. We tried to accommodate this factor and establish the linkage between education status of a woman with her ability to access the formal banking services. We find that 74% of the women members of SHGs/mahila mandals under study do not have matriculation certificates. Himachal Pradesh has made considerable progress in matter of women education. Even noted economist Dean Dreze has said, "the schooling revolution has raised the literary status in general and women in particular". To facilitate the working women and girls, 13 working women hostels are functioning in the State. (Issued by: Director, Information and Public Relations, Himachal Pradesh, Shimla)

Our findings are in line to data revealed government website of Himachal Pradesh where it shows female literacy in Himachal stands at 73.0%

(Courtesy: <http://www.himachalpradeshstat.com/india/ShowData.asp>) .These women are able to read Hindi, displayed organizational ability, had framed documents for regular functioning of mandals and used signatures wherever required. Despite this, most of them do not have a bank account. Barely 4% of the women held individual accounts and another 9% were part of a joint account , mostly with their spouses.

Table:1:5 Educational Status of women

S. No	Village	Total members of Mahila Mandals	Education Status	No. of Women	%age
1	Cheelgari	44	> 5 th Standard	1	2.27
			5 th standard Pass	11	25
			8 th Pass	18	40.9
			Matriculate	09	20.4
			Sr.Secondary	5	11.36
			Graduate	0	0
2	Dari	30	> 5 th Standard	03	10
			5 th standard Pass	08	26.67
			8 th Pass	13	43.33
			Matriculate	05	16.67
			Sr.Secondary	01	03.33
			Graduate	0	0
3	Sidhpur	55	> 5 th Standard	08	14.54
			5 th standard Pass	12	21.81
			8 th Pass	14	25.45
			Matriculate	12	21.81
			Sr.Secondary	08	14.54
			Graduate	01	1.82
4	Khanyiara	40	> 5 th Standard	07	17.5
			5 th standard Pass	14	35
			8 th Pass	09	22.5
			Matriculate	06	15
			Sr.Secondary	04	10
			Graduate	0	0
5	Naddi	41	> 5 th Standard	07	17
			5 th standard Pass	15	36.58
			8 th Pass	11	26.82
			Matriculate	08	19.51
			Sr.Secondary	0	0
			Graduate	0	0

Source: Primary Survey

The analysis reflects that social structure of village in Himachal Pradesh is characterized as low economic status of women. The majority of the women is illiterate or has very little schooling. Thus, they lack access to economic opportunities and their participation in the formal financial system is very low.

Table 1:6 Coverage of the village women under formal Banking Structure

S.No	Village	Total members of Mahila Mandals	No. of women with a Bank A/c	
			Individual A/cs	Joint A/cs
1	Cheelgari	44	3	4
2	Dari	30	1	3
3	Sidhpur	55	2	7
4	Khanyara	40	1	2
5	Naddi	41	1	3

Source: Primary Survey

The lack of coverage of these women under formal banking structure can be attributed to:

- *Credit is not easily available:* Poor women cannot provide traditional forms of collateral, and are thus excluded from many loan programs. Moreover, illiterate women often find that they cannot cope with complicated loan procedures designed for middle-class clients.
- *Transaction costs of borrowing are high:* Standard loan applications take time to process, and poor women lose precious daily wages trying to obtain loans.
- *Transaction costs of using savings facilities are high:* Transportation to the bank, in addition to wages lost while going to the bank, also pose a cost. Assuming that poor women use their savings account once a month, an estimated 15 percent of their monthly savings will be spent accessing the account in the first place, according to studies conducted on poor women’s use of commercial FIs.
- *Formal features of the banking system clash with women’s needs:* The rigidity of loan terms and the lack of timeliness of formal credit, in particular, further negate the effects of low interest rates.

As a result, poor women find that they cannot save money, borrow money, or take out insurance policies. They are forced to turn instead to exploitative informal sources, like moneylenders who charge over 100 percent interest rates, or wealthy landowners, who force women to work for significantly reduced wages. Banks lack some key ingredients—most of all the financial methodologies to reach a low-income population.

Conclusion:

The reformist wind blowing with the advent of Mahila Mandals can not be ignored. Much of the ideas of reforms initiated at village mahila mandal levels have been manifested to some extent by the legislations made from time to time. At the same time Government should come up with more and more policies which facilitate distribution of credit to the marginal section of the society. Policy reforms recognizing these self help groups should be initiated to provide them with legislative teeth. At the same time, civil society of the country should also take upon itself the task of improving the financial lot of poor by making them easier to access the credit facilities. Women needs to be encouraged to save their earnings in micro saving accounts and thus, the network of banks, post offices, NGOs, SHGs offering micro-credit, micro-saving and micro-insurance functions should be spread to every nook and corner of the country. Many women have been empowered by this process, finding new strength not only to help themselves, but those around them. The true asset of these Mahila Mandals has been their ability to think together and be together.

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