

Self Help Groups- An Effective Approach towards Women Empowerment**Dr. Poonam Bassi**

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Abstract:

The Self Help Groups have contributed in developing the personality of women in molding the community into right perspective and in exploring the initiatives of women in taking up entrepreneurial activities. These groups enable the members to learn, to cooperate and to work in a group environment by providing savings and an effective credit delivery mechanism in order to cater to the economic needs of the members. Self-help Groups have been playing considerable role in training of Swarozgaris, infrastructure development, marketing and technology support, communication level of members, self confidence among members, change in family violence, frequency of interaction with outsiders, change in the saving pattern of SHG members, change in the cumulative saving pattern of SHG members per month, involvement in politics, achieving social harmony, achieving social justice, involvement in community action, sustainable quality and accountability, equity within SHGs, defaults and recoveries, and sustainability -financial value. The main objective of this paper is to find out the impact of micro finance and 'Self Help Groups' with respect to poverty reduction and empowerment of poor women. The study is based on secondary data. In this paper the role played by Microfinance in women's empowerment are considered into three dimensions namely psychological, social and economical. Analysis shows that there is a gradual increase in all the three factors among women.

Key words: Microfinance, Development, Opportunity, Women Empowerment, Self Help G

Introduction

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. The poor collect their savings and save it in banks. In return they receive easy access to loans with a small rate of interest to start their micro unit enterprise. Thousands of the poor and the marginalized population in India are building their lives, their families and their society through Self help groups. Before the microfinance industry, people around the world have been borrowing and saving using various sources outside of the formal financial sector. Informal financial services ranging from loan sharks, community members and saving groups were once the only source for low income individuals who were unbanked or under banked. Such sources are still commonly used in both rural and urban areas, but now microfinance is a new source for loans, savings and insurance for the estimated of Indians who do not have access to any type of financial services and the Indians who might be unhappy with the informal financial services they use. The World Bank has estimated that upwards of 100 million individuals have taken advantage of microfinance. As much as \$25 billion might be circulating in the industry, a turnover statistic which represents some fraction of the unmet demand.

Present Scenario of Self Help Group

The self-help group (SHG) approach is a new paradigm into the field of rural development which main objectives are to increase the well-being of the poor people, provide access to resources and credit, increase self-confidence, self-esteem and increase their creditability in all aspects of lives. Self-help group is a voluntary and self-managed group of women, belonging to similar socio-economic characteristics, who come together to promote savings among themselves. The poverty alleviation intervention of the SHG is in the form of undertaking economic programmes to provide employment, giving micro finance services to the poor so that they can get themselves acquainted with skills and occupational diversification. This new initiative was taken up by Swarnajayanti Gram Swarozgar Yojana, implemented in 1999, to organize the poor into Self-help group.

Self Help Group and Women Empowerment

Women in India are victims of a multiple socio-economic and cultural factors. They are an integral part of every economy. All round development and harmonious growth of a nation would be possible only when women are considered as equal partners in progress with men. Emancipation of women is a pre-requisite for nation's economic development and social upliftment. Poverty is the main obstacle for the

improvement of the women. The role of women and the need to empower them are central to human development programs including poverty alleviation. In spite of various programs relating to poverty alleviation has been started, it was observed that woman in rural areas, especially from the poor families could be benefited. Rapid progress in SHG formation has now turned into an empowerment movement among women across the country. Economic empowerment results in women's ability to influence or make decision, increased self confidence, better status and role in household etc. The formation of SHGs is not ultimately a micro credit project but an empowerment process. The empowerment of women through SHGs would give benefit not only to the individual women but also for the family and community as a whole through collective action for development.

Women and SHGs in many parts of the country have achieved success in bringing the women to the main stream of decision making. The SHG in our country has become a source of inspiration for women's welfare formation of SHG is a viable alternative to achieve the objectives of rural development and to get community participation in all rural development programmes. SHG is also a viable organized set up to disburse micro credit to the rural women and encouraging them together into entrepreneurial activities. (Abdul,2007). To alleviate the poverty and to empower the women, the micro-finance, Self-Help Groups (SHGs) and credit management groups have also started in India. Self Help Group (SHG) is a small voluntary association to form a group. It is informal and homogenous group of not more than twenty members. SHGs consist of maximum 20 members because any group having more than 20 members has to be registered under Indian legal system. That is why, it is recommended to be informal to keep them away from bureaucracy, corruption, unnecessary administrative expenditure and profit motive. In fact, it is a home grown model for poverty reduction which simultaneously works to empower and shape the lives of its members in a better way. Groups are expected to be homogenous so that the members do not have conflicting interest and all the members can participate freely without any fear. Self-help groups (SHGs) movement has triggered off a silent revolution in the rural credit delivery system in India. SHGs have proved as an effective medium for delivering credit to rural poor for their socioeconomic empowerment.

Literature Review

S. Barbara and R. Mahanta (2001) in their paper maintained that the SHG's have helped to set up a number of micro-enterprises for income generation. Rastriya Gramin Vikas Nidhi's credit and saving programme in Assam has been found successful as its focus is exclusively on the rural poor. It adopted a

credit delivery system designed especially for them with the support of a specially trained staff and a supportive policy with no political intervention at any stage in the implementation of the programme.

According to Robinson (2001) Microfinance refers to small scale financial services for both credit and deposit that are provided to people who farm or fish or herd; operate small or micro enterprises where goods are produced, recycled, repaired or traded; provide services; work for wages or commissions; gain income from renting out small amount of land, vehicle, draft animals, or machinery and tools; and to other individuals and local groups in developing countries in both rural and urban areas”

Gaiha and Nandhi (2005) reveal that empowerment was corroborated by different sources and methods in varying degrees. These included gaining self-confidence, greater respect within the family, a more assertive role in family decision-making, and better buying and selling skills. Practices such as polygamy, patriarchal control over resources and social norms of reproductive responsibilities truncate this success.

Sumitra Bithi Kachari and Dukhabandhu Sahoo (2008); explains that self-help groups promote awareness among the women members and provide sufficient opportunities to combat with poverty. Further the self-help groups have come out as a significant factor in generation of income and occupations of the members which also requires conditions like better disbursement of the micro credit to the members and these things should be taken care of for getting more active success in this area.

Banerjee (2004) concludes that rural development processes will generate increase in the capacity of the rural people to control all aspects of rural life- social, economic, cultural and political and it has some inter-linkages with poverty alleviation.

Vasanthakumari (2008) made an attempt to examine the role of micro enterprises in empowering women in Kerala. Sample sizes taken for the study were 328 micro entrepreneurs. The study revealed that these enterprises helped in empowering rural women economically, socially and individually. The study suggested giving priority to commercial viability of enterprises.

Mehra et al., (2010), conducted a study on 80 SHG members of Indore district, M.P. with the objectives to understand the empowerment of women through SHG and to explore income generating activities initiated by SHG members and associated problems. Findings indicated that SHGs helps in empowerment of women by increasing their financial position, influence over decisions pertaining to general welfare of the family, political activities and their own development.

Need of the study

Self-help groups makes it possible for even very poor people to develop an income-generating micro-activity, which may be commercial, artisan or agricultural. The formation of SHG can create opportunities for the poor people to participate into the various income earning activities for the women members in the region. By putting financial resources in the hands of women, microfinance institutions help level the playing field and promote gender equality.

Objectives of the study

- i) To take an overview of self help groups and its impact on the economy in India.
- ii) To study the status and potential of self help groups in India.
- iii) To study the role of self help groups in women empowerment.

Since November 2013 when BMB was launched, the bank has opened 23 branches to support the banking needs of women who want to become entrepreneurs. It has also signed pacts with beauty salons like Naturals and CavinKare's Trends in Vogue. The bank offers loans for women in the range of Rs 50,000 to Rs 5 lakh to open day-care centres. It also gives loans starting from Rs 5,000 for catering services and foots the project cost in the ratio of 2:1 for new salons. Various schemes under micro finance programme were introduced by PNB for women empowerment PNB Mahila Udyam Nidhi Scheme was started to meet gap in equity. Under this scheme the women entrepreneurs will be assisted for setting up of new projects in tiny /small scale sector and rehabilitation of viable sick SSI units. PNB Mahila Samridhi Yojna was started for Tailoring shop/Boutique, ISD/ STD Booths, Beauty Parlour, Cyber Café etc. The objective of Scheme For Financing Creches is to provide support services for women empowerment to working women in terms of creches with necessary services by making cheaper and easier credit available for financing Creches. PNB Kalyani Card Scheme was initiated to meet the meeting working capital credit requirement of allied agricultural activities/ misc farm/non- farm activities either singly or in combination with other activities.

Table-1: Overall Progress under SHG-Bank Linkage for last 4 years**All numbers in Lakhs and Amount in Crores**

Particulars		2010-11		2011-12		2012-13		2013-14	
		No. of SHG's	Amount	No of SHG	Amount	No. of SHG's	Amount	No. of SHG's	Amount
SHG Savings with banks as on 31 st March	Total SHG	74.62 (7.3)	7016 (13.2)	79.60 (6.7)	6551.41 (-6.7)	73.18 (-8.1)	8217.25 (25.4)	74.30 (-1.53)	9897.42 (20.45)
	Of which SGSY group	20.23 (19.4)	1817.12 (40.6)	21.23 (5)	1395.25 (-23.2)	20.47 (-3.6)	1821.65 (30.6)	22.62 (10.46)	2477.58 (36.01)
	% of SGSY groups to total	27.1	25.9	26.7	21.3	28.0	22.2	30.45	25.03
	All women SHGS	60.98 (14.8)	5298.65 (17.8)	62.99 (3.3)	5104.33 (-3.7)	59.38 (-5.7)	6514.86 (27.6)	62.52 (5.27)	8012.89 (22.99)
	% of women groups to total	81.7	75.5	79.1	77.9	81.1	79.3	84.15	80.96
Loans disbursed to SHGs during the year	Total SHG	11.96 (24.6)	14547.7 (0.01)	11.48 (-4)	16534.8 (13.7)	12.20 (6.3)	20585.4 (24.5)	13.66 (12.02)	24017.4 (16.67)
	Of which SGSY group	2.41 (-9.9)	2480.37 (12.8)	2.10 (12.9)	2643.56 (6.6%)	1.81 (-13.8)	2207.47 (-16.5)	2.26 (24.56)	3480.60 (57.67)
	% of SGSY groups to total	20.1	17.0	18.3	16.0	14.8	10.7	16.52	14.49
	All women SHGS	10.17 (-21.4)	12622.3 (1.6)	9.23 (-9.2)	14132.0 (12)	10.37 (12.4)	17854.3 (26.3)	11.52 (11.02)	21037.9 (17.83)
	% of women groups to total	85	86.8	80.4	85.5	85.1	86.7	84.3	87.6

Note: Figures in () shows % increase and decrease.

Table 1 depicts that amount of saving of total SHG in bank has increased 41% in last four years while there is 0.5% fall in their numbers. Total savings of SHGs in 2014 is 9897.42 crores out of which one fourth belongs to SGSY groups. 81% of the saving has been contributed by women SHG showing their significant contribution. Total 24017.36 crores of loans has been disbursed to SHGs till 2014 wherein approx 88% of the funds has been offered to women SHG

Table 2: No. of SHGs financed by banks during the year (No. Lakh)					
Region	2009-10	2010-11	2011-12	2012-13	2013-14
Northern	0.37	0.42	0.31	0.31	0.24
North Eastern	0.49	0.39	0.51	0.25	0.16
Eastern	2.77	2.48	2.01	1.83	2.97
Central	0.78	0.49	0.58	0.64	0.66
Western	1.49	0.92	1.01	0.7	0.88
Southern	9.96	7.26	7.05	8.46	8.75
Total	15.86	11.96	11.47	12.19	13.66

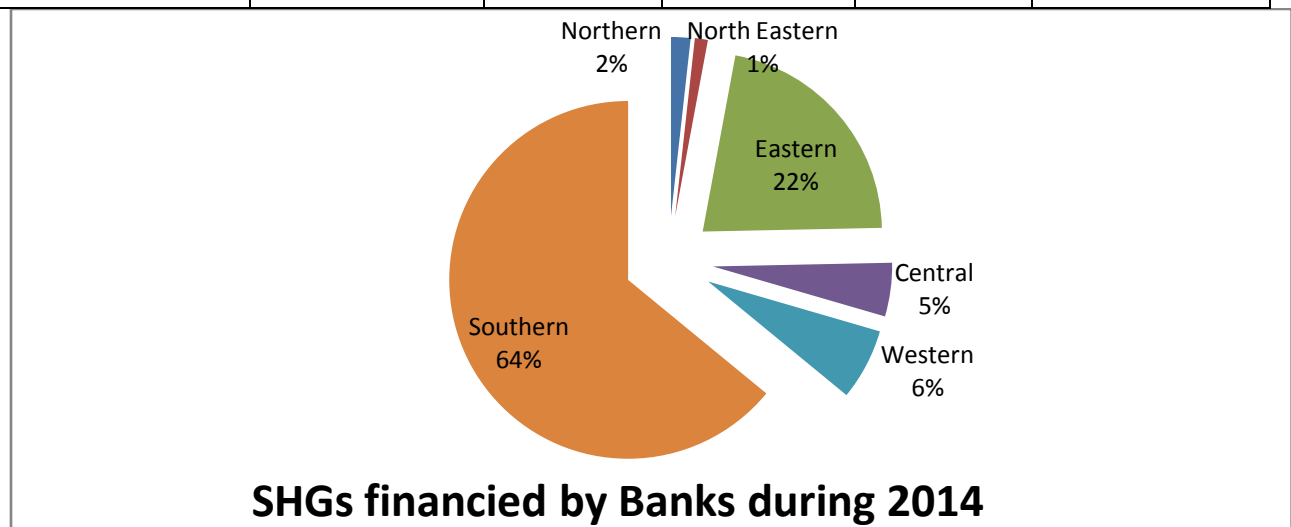


Figure 1.1

Table 2 and figure 1.1 states that highest number of SHGs financed through banks are located in southern region followed by eastern region. Total number of SHGs financed by bankers in northern region (including north eastern region) are 0.4 lakh in comparison to 8.75 lakhs of SHGs in southern region.

Table 1.3: Progress of the Micro finance Programme**(As on 31 March 2013)**

Sr. No	Particulars	Self-Help Groups (Number in Lakh)							
		2010		2011		2012		2013	
				No.	Amount	No.	Amount	No.	Amount
1.	Loans disbursed during the year	15.87 (2.67)	14453.30 2198.00)	11.96 (2.41)	14,547.73 (2,480.37)	11.48 (2.10)	16,534.77 (2643.56)	12.20 (1.81)	20,585.36 (2207.47)
2.	Loans Outstanding	48.51 (12.45)	28038.28 (6251.08)	47.87 (12.85)	31,221.16 (7,829.39)	43.54 (12.16)	36,340.00 (8,054.83)	44.51 (11.93)	39,375.30 (8597.08)
3.	Savings Accounts with banks	69.53 (16.93)	6198.71 (1292.62)	74.62 (20.22)	7,016.30 (1,817.12)	79.60 (21.23)	6,551.41 (1,395.25)	73.18 (20.48)	8,217.25 (1821.65)

Table 1.3 shows that in 2010 number of self help groups in India were 15.87 lakhs. There was a 24.23% decrease in 2011 in comparison to 2010 and this decline was continuing up till 2012. Whereas in 2013 an increase of 6.27 percentages was recorded in comparison to 2012. In spite of decrease in number of self help groups there was a continuous increase in saving accounts with banks up to 2012. In the year 2013 there was a slight decrease in number of accounts in 2013 in comparison to previous years.

Women in Entrepreneurship

According to the latest Global Entrepreneurship Monitor (GEM) report, an estimated 126 million women were starting or running new businesses in 67 economies around the world in 2013. In addition, an

estimated 98 million were running established businesses. These women are not only creating jobs for themselves and their co-founders, but are also employing others. This is the highest increase in a decade, indicating that the entrepreneurial landscape has indeed shifted throughout the globe with the addition of these women.

Conclusion

Empowerment of women and gender equality are prerequisites for achieving political, social, economic, cultural, and environmental security among all peoples. Microfinance programs is that microfinance is an effective means or entry point for empowering women. By putting financial resources in the hands of women, microfinance institutions help level the playing field and promote gender equality.

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