

Impact of Self-Help Group on Women Empowerment in India

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Abstract— *Women make up half of the world's population. Their role in society is important. However, their basic rights are being denied. Domestic violence, economic and educational discrimination, social injustice continues to create many social inequalities. Therefore, they need to be strong. In India SHGs have become an important movement. The Self-Help Group (SHG) movement in India is working in a right way in empowering women and reducing poverty in the rural and urban areas. Many women mainly in rural India are involved in SHG movement and are trying to improve their livelihood. This article attempts to understand women empowerment, its dimensions, the concept of self help groups and their role in women empowerment.*

Keywords— *Empowerment, Poverty Alleviation, SHG, Bank Linkage, Micro Finance*

I. INTRODUCTION

Women have an unequal share of the burden of global poverty due to social and structural barriers. Nobel laureate Amartya Sen (2001) said that women around the world lack access to education, employment, healthcare and freedom. One way in which governments, development organisations have tried to address this problem is through women's self-help groups (SHGs). Also known as a mutual aid group or self-help group (SHG), an SHG is a small group of 10 to 20 people, preferably from the same socio economic background, mostly located in villages, whose main purpose is to solve common problems through self-help and mutual help. The self-help group (SHG) model is the prominent form of microfinance in India. SHGs have grown extensively in recent years. Such a movement makes a major breakthrough in a country where majority of households live in poverty and has very limited access to formal financial services. In India, self-help groups are mostly run by women and most of their activities are related to financial activities such as savings and loans. Increased participation of women in savings and credit will increase women's ability to support the economy and will be an

effective tool in reducing poverty. In the context of women's empowerment, it is believed that when women come together, they will gain strength, more knowledge and experience. This process leads to increased motivation. Thus, the self-help groups provide the basis for women empowerment that enable women to overcome patriarchal violence, realize their true potential and achieve total wellbeing. The types of SHGs that exist in developing countries are numerous and can include economic, legal, health, and cultural objectives.

II. SELF HELP GROUP IN INDIA

Self-Help Groups are small groups of people, mostly women from rural areas and come together to save money and use these saved money to provide credits to each other. They decide on savings and loan activities together, including the purpose, amount, interest rate, and repayment schedule. The group also discusses and takes action on various social issues such as health, nutrition, and domestic violence.

The concept of socialization was introduced by establishing SHGs on the basis of Professor Yunus Grameen Bank model in 1984. In 1990, the Reserve Bank of India (RBI) recognized SHGs as an alternative mode of credit. The SHG Bank Linkage Project launched by NABARD in 1992 has become world's largest microfinance project. SHGs are allowed by NABARD and RBI to open savings accounts in banks since 1993. This bank linkage has given a considerable impetus to the SHG movement in India. In 1999, Government of India introduced Swarn Jayanti Gram Swarozgar Yojana (SGSY) to promote self-employment in rural areas through formation of SHGs. In 2011, it was scaled up to the national level and became the world's largest poverty alleviation programme, the National Rural Livelihood Mission (NRLM). Currently, the State Rural Livelihood Mission (SRLM) is operational in 29 states and 5 Union Territories (excluding Delhi and Chandigarh). It provides counselling on financial literacy, banking, and financial services and facilitates access to the financial services to

the poor like savings, loan, insurance, money transfer pension schemes etc. In 2011 Aajeevika scheme was introduced. Aajeevika, a sub-scheme under NRLM, was launched to enhance the livelihoods of SHG members through better market linkages and skill development. In 2015, Digital Financial Services were introduced. Digital Financial Services for SHG makes financial transactions more transparent and efficient.

Need for SHGs

The SHG's programme aims to reduce poverty and discrimination, encourage the rural poor to save and invest, and encourage people to start their own small or micro enterprises. It tries to resolve conflicts through negotiation and leadership. The programme aims to provide adequate cash support to the most vulnerable groups, especially women in the family, the disabled and the underprivileged youth. The role of SHGs is important and includes the following:

- 1) Use members' resources to promote joint ventures and improve the lives of the poor.
- 2) Develop the habit of preserving and using local resources and use individual skills for mutual benefit.
- 3) To act as a media for socio-economic development of the village.
- 4) Create linkages with NGOs and banks.
- 5) Assist in loan repayment.
- 6) To gain mutual understanding, develop trust and self-confidence.
- 7) To use as an effective delivery channel for rural credit.

Working of SHGs

Each self-help group has a president, secretary, bookkeeper and treasurer who meet to discuss problems, find solutions and collect savings. The secretary's responsibility is to manage the funds and activities that take place at each meeting. The role of the bookkeeper is to maintain the accounts and activities that happen in each meeting. The group decides to meet monthly or weekly and start saving money regularly. When the fund reaches a certain size, it starts internal lending from the group, that is, borrowing and lending from the group when needed. The bookkeeper records the members' attendance, savings and loans, repayments and minutes of meetings in a ledger. The ledgers were then taken to the bank to open a bank account in the name of the group.

The money collected by the group members is then deposited into the bank by two members of the group. A portion of the savings is kept by the treasurer and other members and can be used as an emergency loan by the group members. Nominal interest is charged on this.

These groups are given training on how to manage meetings, how to approach government officials, how to deal with their policies, budgets, business, etc. Funds received through loans. Members of the group could apply for loans and these were sanctioned during monthly meetings and the distribution of loans depended on the availability of funds. They can also take low interest loans from banks to start a profitable business. SHGs create employment opportunities for poor and disadvantaged groups. It also resolves conflicts through collective leadership and negotiation. It provides collateral free loan with terms decided by the group. SHGs work as a collective guarantor for members who wish to borrow from organised sources of fund. As 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. Self-Help Groups have emerged as the most effective mechanism for delivery of microfinance services to the poor.

Concept of Women Empowerment

Women's empowerment is a process that enables women to realize their identity, status and power in all areas of life. Empowerment provides greater access to information and resources, greater freedom in decision-making, greater ability to plan their lives, greater control over events that affect their lives, and freedom from traditions, religions and practices. Empowerment requires significant changes in marriage and family, relationships and attitudes towards marriage. Empowerment is a way of giving people the freedom to make decisions. Women all over the world have been struggling with gender inequality since the beginning of history. Self Help Groups (SHGs) help the poor to get financial assistance, empower disadvantaged women and the poor in society and promote gender equality and women empowerment. Membership in SHGs has facilitated the economic empowerment of women by granting them control over resources, political empowerment by involving them in decision-making processes, and social empowerment by improving their social status through enhanced economic conditions. Women who work help the economy to expand and ensure that their families can live comfortably.

Growth of Self-Help Group in India

The self-help group (SHG) model is the dominant form of microfinance in India. SHGs have grown explosively in recent years. About 69.53 lacks SHGs have access to proper banking system through SHG-bank linkage programme in 2009-10 and 90% of these groups are only women groups. Self-Help Groups helps to empower the rural women with savings and credit services. They are

benefited socially and economically from SHGs. Women became active in village affairs and take action against domestic violence, the dowry system. The growth of SHG and loan distributed to SHGs from 1992-93 to 2009 -2010 are given in Table 1.

Year	No of SHG	Loan Amount (Rs in Crore)
1992-93	255	0.29
1993-94	620	0.65
1994-95	2122	2.44
1995-96	4757	6.06
1996-97	8598	11.84
1997-98	14317	23.76
1998-99	32995	57.07
1999-2000	114778	192.98
2000-01	263825	480.87
2001-02	461478	1026.34
2002-03	717360	2048.67
2003-04	1079091	3904.2
2004-05	1618456	6898.46
2005-06	2238565	13975.43
2006-07	2924973	18040.74
2007-08	5010000	22268.32
2008-09	6124000	22679.84
2009-10	6953000	28038.28

Source: SHG Statistics of NABARD

Table 1 shows that the SHG bank linkage program was started during the year 1992 with 255 self Help Groups. The loans were distributed to the SHGs were rupees 29 lakhs. The same was increased to 28038.28 crores during the year 2009 - 10. The number of SHGs also drastically increased to 6953000 during the same year.

Challenges Faced by SHGs

However, it's not all smooth sailing. SHGs face challenges such as lack of education among members, inefficient management, and limited access to markets. Only 20% of SHGs are linked to markets for their products, a gap that needs to be addressed for sustainable growth. Another challenge that SHGs face is the digital divide. With the world moving towards digital transactions, the lack of technological access and know-how can be a barrier for SHGs, particularly those in remote areas.

III. CONCLUSION

The economic progress of India depends on the productivity of both male and female workforce. In India, in early period, women were confined in their houses and were dominated by males. Later, there has been a progress in the social and cultural environment in India. With the concept of Self Help Groups (SHGs) the women are now participating in all productive activities and are at par with men. The core SHG philosophy is in women empowerment through increasing employability, self-sufficiency and inculcating a habit of saving among the rural women. For women's empowerment to be addressed, women need to be enabled to define their priorities and demand their rights. Micro finance can be an effective strategic instrument for poverty alleviation only if it used for income generating microenterprise development. Self Help groups are successful in rural areas, especially among women. These programs have uplifted the rural woman economically and socially in the society. The monthly income of the women is in the rising trend properly matching with their monthly expenditure. Women, through this SHG movement have asserted a dignified position in the family as well as in the society. Their decision making power has immensely enhanced not only in their family but also in the society. Women are an integral part of the economic development of the country; therefore the government should give equal importance to the women contributors and their well-being in the society. No doubt, the SHG movement in India has been moving in the right direction, but still a long way to go. It is necessary to empower the women more and more in social, cultural, economic, political and legal matters, for the interest of the family in particular and the nation in general.

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