

International Journal of Innovative Research in Science, Engineering and Technology

(An ISO 3297: 2007 Certified Organization)

Vol. 3, Issue 9, September 2014

Self Help Groups and Women Empowerment

Dr. Madhu Tandon

Associate Professor & Head, Dept. of Economics, DAV College, Lucknow, India

ABSTRACT: Millions of women in our hamlets know what unemployment means... Give them access to economic activities and they will have access to power and self-confidence to which they hitherto have been strangers," said Mahatma Gandhi in *Young India* (1930). Nearly a century has passed, and despite the multidimensional growth that India has achieved since, his concerns remain relevant even today. Although women constitute almost half of India's population of 1.2 billion, they are largely excluded from participating in economic activities and decision-making, as well as access to resources of health, nutrition, education, etc. This exclusion and discrimination is reflected in low female labour force participation rates, with India recording a meagre 22.3% in 2021 in comparison with 30.3% in 1990. In the context of increased importance being given to innovation, technology and self-sustenance, especially in a post-covid era, economically weaker sections have faced an acute loss of jobs and income. Even though women have the potential to contribute to household finances, they often do not have the agency to participate in decisions related to avenues of income generation, thus many a time pushing their families to the brink of poverty. In a country that is at the cusp of a rapid transformation in terms of evolving employment opportunities, urbanization and innovation, female participation in the economy remains crucial to where India stands globally. Even though working women account for approximately 432 million, about 343 million are not in paid formal job roles or work. An estimated 324 million of them are not in the labour force; and another 19 million are part of the labour force but not employed. Hence, the nature of employment among women is either not accounted for in the formal economy, or women end up not having access to formal jobs due to existent socio-cultural complexities. As a society with deep-rooted patriarchy, even if women want to attain employment, the dominant tradition of female domestic responsibility coupled with social stigma limits their economic advancement and access to opportunities in comparison with their male equivalents.

KEYWORDS: self help groups, women, empowerment, labour, female, social, stigma

I. INTRODUCTION

To overcome social stigmas around employment and give women the agency to break out of the shackles of subordination, entrepreneurship is an innovative and simple tool. To boost the participation of women in the entrepreneurship ecosystem, the government has introduced a plethora of schemes, such as the Mudra Yojana, Udyogini Scheme, Annapurna Scheme and Stand Up India.

However, despite efforts to create a better environment for women entrepreneurs in India, the arranging of finances remains the single biggest challenge. While the family may have expendable income, its dominant members often refrain from contributing to a woman's dream of financial independence. Moreover, even if women manage to apply for loans, the collateral against which these are offered, such as property, is often held in their spouse's name, which further acts as a deterrent to start an enterprise. Coupled with social stigmas, no financial access results in unfulfilled ambitions of women, while limiting their opportunities to become self-reliant by gaining agency or mobility in the social sphere.[1]

In such a scenario, self-help groups (SHG) can act as a bridge between women entrepreneurs who have the will to begin an enterprise but do not have the resources to fulfil their dream, and the finances needed for it. An SHG comprises a small group of women who come together to make regular monetary contributions. Emerging as important micro-finance systems, SHGs work as platforms that promote solidarity among women, bringing them together on issues of health, nutrition, gender parity and gender justice. SHGs have already made a significant contribution in developing entrepreneurship aptitudes among rural women by enhancing their skills and giving them a chance to engage in various entrepreneurial activities.

International Journal of Innovative Research in Science, Engineering and Technology

(An ISO 3297: 2007 Certified Organization)

Vol. 3, Issue 9, September 2014

SHGs provide women entrepreneurs with micro-loans to sustain their businesses, while also creating an environment for them to develop greater agency and decision-making skills.

In India, the SHG movement began in the 1980s, when several non-government organizations mobilized and organized poor communities in rural areas and offered them formal channels for social and financial support. This programme gained momentum with the National Bank for Agriculture and Rural Development linking a small number of such groups with banks. Called the Self-Help Group Bank Linkage Programme, this revolutionary initiative connected group members, many of whom had never had a bank account before, to formal financial services in a sustainable and scalable manner.[2]

II. DISCUSSION

In Maharashtra, specifically, the concept of SHGs goes way back to 1947, when a few women of Amravati district established an SHG with just 25 paise. Today, apart from being a conduit for credit in the state, SHGs also deliver services ranging from entrepreneurial training, livelihood promotion and community development for women entrepreneurs. SHGs such as Mahila Arthik Vikas MahilaMandal, UMED Abhiyan under Maharashtra's department of rural development's State Rural Livelihood Mission, and government schemes such as Tejaswani, etc, have proven beneficial in the development of women entrepreneurship for the cause of women's empowerment. A study conducted by Ashwini Deshpande and Shantanu Khanna in 2020 reported that SHGs in Maharashtra have had a strong impact on a range of indicators related to women's empowerment in the state, including political participation, knowledge of administration, financial literacy, mobility and decision-making. In Maharashtra alone, 527,000 SHGs have had a role to play in accounting for over 50% of all women-led small-scale industrial units in India, which shows that SHGs can lead to the holistic development of women entrepreneurship.

Self-help groups are exceedingly relevant today because their provision of micro-loans helps overcome regional imbalances as well as information asymmetries, thus offering a level playing field in terms of access to resources for women. The multi-faceted IFMR study conducted by the ministry of rural development evaluated the impact that SHGs have had on livelihoods, and thereby on consumption, expenditure and savings patterns in households whose women are part of it. The study found that women aided by SHGs were 10% more likely to save on a regular basis, resulting in economic empowerment, while working towards a better future for the next generation.[3]

The revolutionary momentum that SHGs have created has given women an important sense of self-assurance in their journey to become *aatmanirbhar* or self-reliant. Observing the crucial role they play, corporations and foundations globally have designed SHG-led programmes to help women achieve economic empowerment. Initiatives such as the UdyamStree campaign by EdelGive Foundation, for example, has focused on women entrepreneurs in Maharashtra and Rajasthan, among other states, by leveraging SHGs such as MAVIM, and other relevant stakeholders. Facebook's Pragati and Google's Women Will, among others, have also moved the needle in fostering a level-playing field for women entrepreneurs.

With mortgage-free micro-loans at the core of the trust that SHGs build with their beneficiaries, they are one of India's most important tools for women to achieve socio-economic self-reliance.

III. RESULTS

There is and must not be any role for women, instead we must seek to diversify the entire discourse. Irrespective of a man or a woman there is a role for everyone, individually. But our empowerment, our strength lies, not in the role but the power to choose that role. That is the entire premise of feminism. Not equality, not empowerment, not fixation of roles. But the freedom to be able to make choices and decide your own role. The very fact that I have to make this point shows how deep rooted patriarchy is in our minds, and how subtle the control is. Allowing women to do as they want is not the point, the entire point is setting a woman free to make her own choices, even if those choices go against any one's perception of right and wrong.

The womenfolk of Uttarakhand are at the centre of our entire work in Uttarakhand, as stakeholders, managers and also as beneficiaries. The SKVK program in Uttarakhand is a shining example of how women have moved forward not in

International Journal of Innovative Research in Science, Engineering and Technology

(An ISO 3297: 2007 Certified Organization)

Vol. 3, Issue 9, September 2014

fraternity, as a brotherhood but in their own unique sisterhood, lifting each other up, nourishing each other with love and support. We have been able to achieve this by the Self Help Group model of development which has found a strong footing in the rest of the country as well.[4]

A self help group is a village based financial intermediary committee usually composed of 10-20 local women. The members make small regular saving contributions for a few months until there is enough capital in the group for lending. Funds may then be lent back to the members or other villagers. These SHGs are then further 'linked' to banks for delivery of micro credit. It lays emphasis on capacity building, planning of activity clusters, infrastructure build up, technology, credit and marketing.

- The basic objective is to inculcate the habit of saving and using banking facilities among the members. The saving habit thus strengthens the bargaining capacity of the women and they are in a better position to acquire loans for productive purposes. The women gain from collective wisdom in managing their finances and distributing the benefits among themselves.
- The SHG play a major role in sensitising more women to form SHGs and in making them realise its importance in their empowerment. This helps the women collective decision making and also to enhance the confidence and capabilities of the women.
- These groups go a long way in motivating women to take up social responsibilities particularly related to women development. SHGs are considered as one of the most significant tools to adopt participatory approach for the economic empowerment of women.
- Lastly, the most important change that the SHG culture has brought in the country is to change the gender dynamics of power within a family and ultimately the society at large. They now have greater say in the family matters and also are seen as stakeholders and partners in taking the community forward. The financial independence has eventually paved the way for societal upliftment of women and their voices.[5]

IV. CONCLUSIONS

According to the Status of Microfinance in India 2009-2010 released recently by National Bank for Agriculture and Rural Development (NABARD) there are 69,53,000 SHGs in the country savings linked with banks and 48,51,000 SHGs having loan outstandings as on 31 March 2010. The estimated number of families covered under this model is about 970 lakhs. The total savings amount of all the SHGs with banks as on 31 March 2010 amounts to Rs.6198.71 crore and the total amount of loans outstanding against SHGs as on 31 March 2010 is Rs.28038.28 crore. The SHG-Bank Linkage Model is the largest financial inclusion programme in the world. [6]

- SHGs borrow from banks once they have accumulated a base of their own capital and have established a track record of regular payments. A SHG after completing a period of 6 months is rated by the Branch Manager of the bank to which it is savings linked, on certain parameters. If the SHG passes the rating exercise, the bank extends it a loan which is known as credit linkage. SHGs are rated by banks every time they take a loan from the bank. [7,8] Therefore, it calls for continuous best practices by SHGs for getting repeat dosage of credit.
- The rate of interest charged by the bank for a loan to SHG is the Prime Lending Rate (PLR) of the bank (the rate at which the bank lends to its best customers) which is in the range of about 12% per annum. This is one of the positive impacts of the programme in reducing the interest burden of the members and avoiding the exploitation of the poor by informal agencies, particularly money lenders, commission agents, etc. Furthermore, members of groups are aware of the rate of interest they pay to the group and the rate of interest paid by the group to the bank the loans they have availed.[9]

International Journal of Innovative Research in Science, Engineering and Technology

(An ISO 3297: 2007 Certified Organization)

Vol. 3, Issue 9, September 2014

REFERENCES

- 1) Lagare, M.G., Talathi, J.M., Deorukhakar, A.C. and Naik, V.G. (2010). Impact of women self-help groups (SHGs) on income, employment, investment and saving in the south Konkan region. *Agric.Update*, 11(3): 204-208.
- 2) M. Saravanan (2006) the Impact of Self-Help Groups on the Socio-Economic Development of Rural Household Women in Tamil Nadu - A Study, *International Journal of Research -Granthaalayah* 4(7(SE)):22-31.
- 3) Manimekalai, N: "Impact of Various Forms of Micro Financing on Women" (2004), Research report Submitted to Department of Women and Child Development, Ministry of Human Resource Development, Government of India, 2004, pp.14-15.
- 4) Tharu, Manisha, and Ram Ganesh Yadav. "Effects of Technological Development through Electronic Communication in Women Empowerment." *International Journal of Humanities and Social Sciences (IJHSS)* 7.5 (2008): 93-100.
- 5) Dahiya, Rajesh, and Saroj Yadav. "Economic empowerment of women through skill upgradation." *International Journal of Humanities and Social Sciences (IJHSS)* 7.3 (2009): 13-18.
- 6) Shaheen, Aamer, Sadia Qamar, and Muhammad. Hafeez-Ur-Rehman. "Magical Realism As A Tool For Women Empowerment In Our Lady Of Alice Bhatti By Mohammed Hanif." *International Journal of Linguistics and Literature (IJLL)* 3.4 (2004):107-116
- 7) Sharma, Sangeeta, and Ak Bhattacharyya. "Regional Rural Banks, Microfinance and Women Empowerment." *International Journal of Agricultural Science and Research (IJASR)* 7.4 (2007): 251-256
- 8) Tewari, Rajani. "Women's Empowerment Through Walt Whitman And Keki N. Daruwalla's Poems." *International Journal of English and Literature (IJEL)* 9.6 (2009):29-36
- 9) Kamala, Sarah, and Uma Jyothi. "Poverty Alleviation Through Income Generation: Role Of Women Self Help Groups." *International Journal of Educational Science and Research (IJESR)* 7.6 (2007):73- 80