

## **A STUDY OF SELF-HELP GROUP OF RURAL WOMEN EMPOWERMENT IN INDIA**

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### **ABSTRACT**

Empowerment in the context of women's development is a way of defining, challenging and overcoming barriers in a woman's life through which she increases her ability to shape her life and environment. Today, globalization has presented new challenges for the realization of the goal of women's equality, the gender impact of which has not been systematically evaluated fully. The Government of India and state authorities alike have increasingly realized the importance of devoting attention to the economic betterment and development of women in India. In India, self-help groups represent a unique approach to financial intermediation. Self-help groups are novel and innovative organizational setup in India for the women up-liftment and welfare. This paper highlighted the role of self-help groups in empowering women and discusses its importance for the economic development of women of the country.

**KEY WORDS:** Self-help groups, women empowerment, socio-economic betterment

### **INTRODUCTION**

Empowerment is the process of obtaining basic opportunities for marginalized people, either directly by those people, or through the help of non-marginalized others who share their own access to these opportunities. Empowerment of women signifies harnessing women power by promoting their tremendous potential and encouraging them to work towards attaining a dignified and satisfying way of life through confidence and competence. The empowerment of women is crucial for the development of the country. In India, where population maintain equal ratio of males and females the emergence of women entrepreneurs has great relevance and importance otherwise it will be amounting to neglecting 50 per cent of the entrepreneurial talent of the country. Creative entrepreneur is the backbone of a nation's industrialization and economic development (Reji, 2013). From the Fifth Five Year Plan (1974-78) onwards there has been a marked shift in the approach to women's issues from welfare to development. In recent years, the empowerment of women has been recognized as the central issue in determining the status of women. The National Commission for Women was set up by an Act of Parliament in 1990 to safeguard the rights and legal entitlements of women. In India, since independence, the gap between women and men is severe as far as education level is concerned

showing 82.14% of adult men are educated whereas only 65.46% of adult women are known to be literate in India. (The Registrar General & Census Commissioner of India, 2011).

### **SELF-HELP GROUPS (SHGs)**

SHG is a small group of rural poor, who have voluntarily come forward to form a group for improvement of the social and economic status of the members. It can be formal (registered) or informal. Members of SHG agree to save regularly and contribute to a common fund. The members agree to use this common fund and such other funds (like grants and loans from banks), which they may receive as a group, to give small loans to needy members as per the decision of the group.

### **NEED OF SHGs**

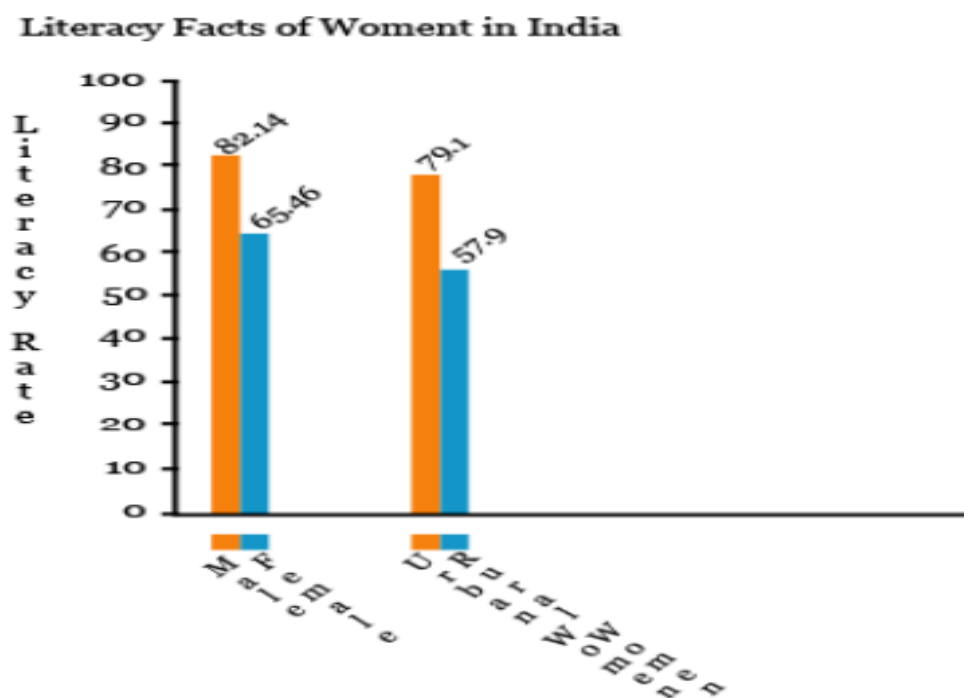
The rural poor are incapacitated due to various reasons, because most of them are socially backward, illiterate, with low motivation and poor economic base. Individually, a poor man is not only weak in socio-economic term but also lacks access to the knowledge and information which are the most important components of today's development process. However, in a group, they are empowered to overcome many of these shortcomings.

### **ROLE OF SHGs COVERS THE FOLLOWING AS UNDER**

- To mobilize the resources of the individual members for their collective economic development and uplifting the living conditions of the poor.
- To create a habit of savings and utilization of local resources in form of utilizing individual skills for group interest.
- To create awareness about rights that help in financial assistance.
- To identify problems, analyzing and finding solutions in the group.
- To act as a media for socio-economic development of the village.
- To develop linkages with institutions of NGOs.
- To help in recovery of loans.
- To gain mutual understanding, develop trust and self- confidence.
- To build up teamwork.
- To develop leadership qualities.
- To use as an effective delivery channel for rural credit.

### **SELF HELP GROUP SCHEME**

In India, Self Help Group Scheme was initiated by NABARD main rural development body emphasizing self-employment generation for the women living in rural and semi – rural areas. Self-help groups (SHGs) movement has triggered off revolution in the rural credit delivery system in India by proving an effective medium for delivering credit to rural poor for their socio-economic empowerment. A self-help group (SHG) is a village-based financial intermediary committee usually composed of 10-20 local women or men. Self-help groups are started by non-governmental organizations (NGOs) that generally have broad anti-poverty agendas. In India two broad approaches prevail in case of micro financing viz. self-help group –bank linkage and micro finance institutions.



**Fig.1 showing literacy facts of women in India**

NABARD has been supporting the SHG-Bank linkage programme since 1992 (Lokhande, 2013). These groups are seen as instruments for achieving variety of goals including women empowerment, developing leadership abilities among poor people, increasing school enrolments, and improving nutrition and the use of birth control. The SHG system uses existing marketing channels, the banks, to bring formal financial services to a new market segment, the poor and particularly women.

### **NABARD'S ' SHGs BANK LINKAGE' PROGRAMME**

In India, under NABARD's SHG Bank Linkage programme, self-help groups borrow from banks once they have accumulated a base of their own capital and have established a track record of regular repayments. Self Help Group (SHGs)-Bank Linkage Programme is emerging as a cost effective mechanism for providing financial services to the “Unreached Poor” which has been successful not only in meeting financial needs of the rural poor women but also strengthen collective self-help capacities of the poor, leading to their empowerment (Sundaram, 2012). This model has attracted attention as a possible way of delivering microfinance services to poor populations that have been difficult to reach directly through banks or other institutions. According to NABARD estimates there are 2.2 million SHGs in India, representing 33 million members that have taken loans from banks under its linkage programme. The SHG Banking Linkage Programme since its beginning has been predominant in certain states, showing spatial preferences especially for the southern region – Andhra Pradesh, Tamil Nadu, Kerala and Karnataka. Over a period of more than 15 years up to 2011–12 NABARD sanctioned an amount of Rs. 184.17 crore for promoting 675,661 SHGs. A further Rs. 45.62 crore was sanctioned for promoting and credit linking 97,862 SHGs during 2012–13. However, only Rs.55.28 crores (or less than 30 per cent) was released for promoting 417,053 SHGs, at an average of Rs. 1,325

per SHG as against an estimated promotional cost of more than Rs. 10,000 per SHG (as per NABARD's Women Self-Help Group (WSHG) scheme and that of Rural Development Department, Government of India. As of March 2012, less than 5 per cent of the total number of savings-linked SHGs had been promoted with financial support of NABARD (NABARD, 2013).

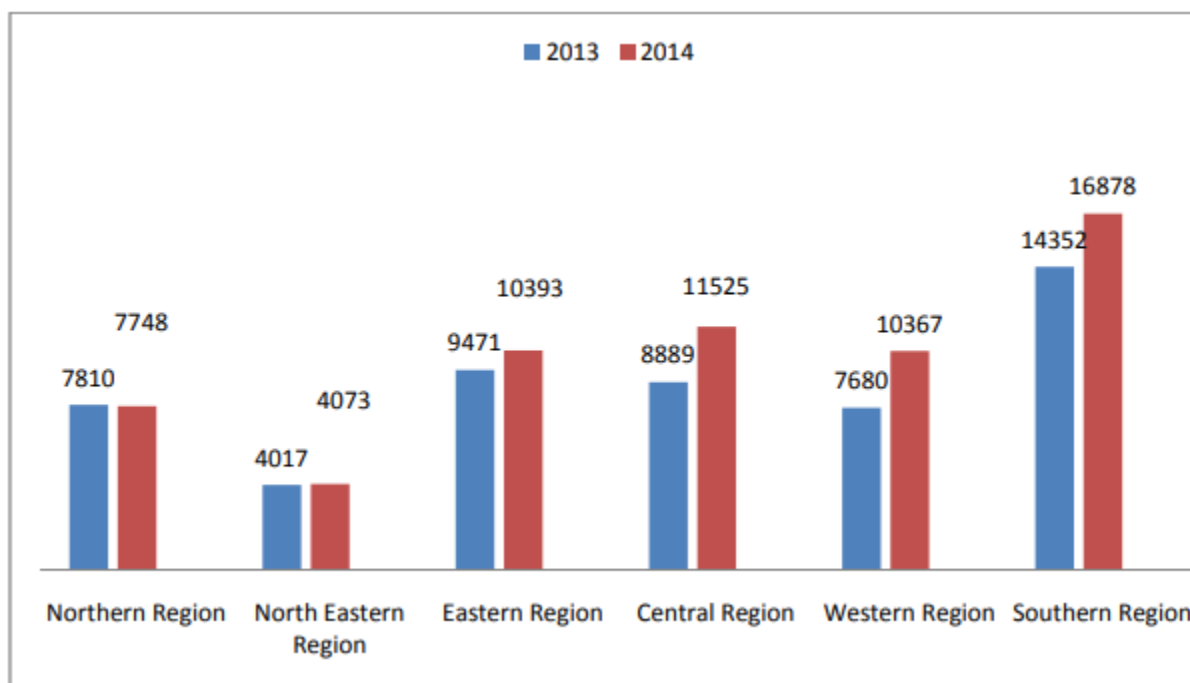
### **PERFORMANCE OF SHGs**

- The result of the study indicate that half of the respondents (50%) were found to be always actively work for group constitution followed by 39.39 per cent were sometime work. only 10.10 per cent respondent were observed that they never perform.
- Majority of the respondents 70.70 percent were found to be in the category of always and 19.19 percent SHGs members in sometime. Only 10.10 percent were never in terms of organizational discipline of SHGs. As regards the interest of members in group activities the all SHG members shows that almost all women SHG members have interest in group's activity, which in a way reflects their involvement and participation.
- More than half 52.00 percent of the respondents were always performing in all SHGs activities while 40.40 percent were sometime perform. Only 7.07 percent respondent were observed to be never perform SHGs activities in terms of organizational system.
- The result of the study indicates that 42.92 percent respondents were observed to be having sometime performed the SHGs activities whereas 41.41percent always perform SHGs work. Only 15.65 percent respondents were observed that they never perform SHGs work in terms of financial management.
- The results of the study indicated that the respondents 45.45 percent were found to be always actively worked for external linkage followed by 36.36 per cent were sometime work. Only 18.18 per cent respondents were observed that they never perform any SHGs activity in terms of external linkage.
- Majority of the respondents i.e. 78.94 percent respondents were observed to be having always performed the SHGs activities and recognized by family member and community where as 24.24 percent sometime perform SHGs work.

### **GROWTH OF SHGs IN INDIA**

The journey of the Self Help Group–Bank Linkage Programme starts from linking a pilot of 500 SHGs of rural poor two decades ago. It now boasts of the world's largest microfinance initiatives with over 7.4 million SHGs representing 97 million rural households. The number of saving linked SHGs now stands at 74.3 lakh with a membership of over 96.6 million poor households showing a marginal increase of 1.53% (73.18 lakh SHGs as on 31.3.2013). The number is still substantially less than 79.60 lakh SHGs reported during 2011- 12 (with coverage of 104 million households). The savings balance of these SHGs with banks, however, shot up by over 20% during the year (Rs. 9897 crore against Rs. 8217 crore a year back). All except the North and North Eastern region recorded higher savings bank balance with banks with

western States recording nearly 34% increase while the Central region reporting 27% and Southern region recording an increase of 23%. The average savings bank balance of SHGs with banks as on 31.3.2014 was Rs.13322, with southern region reporting an average of Rs.16878 while the North Eastern states having an average saving of only Rs.4073 per group. (NABARD Report 2014)



**Fig. 2 Region-wise savings balance of SHGs and growth rate (Year 2013-2014)**

## CONCLUSION

As Women contributes to the larger part of population in India. The existing scenario is that women form an important part of the labor force and the economic role played by them cannot be isolated from the framework of development. But, there are still quite a few areas where women empowerment in India is largely lacking. As majority women lack assets that help contribute to their empowerment and well-being, economic independence through self-employment and entrepreneurial development. The Government should take various initiatives to empower Women of the country and Five year plans also need to lay emphasis on the women sector. Although the paper above shows the involvement of women in SHGs quite increase in number from earlier years but yet there is need to encourage the rural women so that they come forward to join the hands as it is not the duty of only government but at certain level everybody has to take initiatives. The paper also highlighted the various facts and figures regarding growth of SHGs which still considered as less as compared to the population the country.

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