

Self Help Groups as the Bridge to Women Empowerment

Priyanka Singwal

Department of School of Management Studies, Graphic Era Hill University, Dehradun, Uttarakhand,
India 248002,

Abstract

Twenty percent of rural families are predicted to be led by women owing to widowhood, desertion, or male-out-migration, according to the Draft National Policy for Women in Agriculture (April 2008) developed by the National Commission for Women (NCW). As a result, women were at a disadvantage in the workforce and in social and economic settings. The remedy to this human poverty seems to be more independence via increased output. The ability of SHGs to save money has increased dramatically in recent years. When women earn money outside the home and invest it in their families, it strengthens their financial standing. Small and medium-sized enterprises (SHGs) help bring about gender equality, inclusive growth, financial inclusion, sustainable development, and the idea of a high quality of life. Microfinance may help women gain economic independence.

Keywords: Rural Households, female headed, economically vulnerable, self-reliance, financial support, gender discrimination, sustainable development.

Introduction

The idea of a SHG, or a self-help group, is in common parlance. It has been shown that SHGs may play a part in boosting a country's economy. Movements of SHGs have developed throughout time. The majority of those involved in SHGs are female. as a result, more and more women are contributing to the economic growth of the nation. They contribute significantly to the improvement of their family's financial situation. As a result, women's empowerment has been given a significant boost.

In recent years, emancipation has emerged as the fundamental factor in deciding women's position. Empowering women is crucial to progress as a whole since women are a growing source of innovation. In addition to allowing women a voice in the development process, empowering them may unleash their long-term productivity. Women's economic independence is often seen as a barometer of a country's prosperity.

Women in developing nations have just recently expressed their philosophy of empowerment. It aims to address the strategic gender demands that women face as a result of their socially accepted status as subservient to males, via bottom-up mobilization around these needs. Specifically, it seeks to empower women so that they may make their own decisions in life and steer the course of progressive development.

By collective action and growth, these SHGs would help not just the individual women but also their families and communities. The collective action is present in these SHGs. Empowering women is crucial to advancing society as a whole, not just economically.

Dynamics of Self Help Groups (SHGs)

SHGs are unofficial groups of 15 to 20 individuals that band together to do something. SHG participants that have a similar economic situation. Mutual help and trust in rural India gave rise to the first three SHGs. Prof. Mohammed Yunus, winner of the Nobel Peace Prize, founded the Grameen Bank of Bangladesh in 1976, the year the Self Help Groups (SHGs) were first established. In recent years, self-help groups and microfinance institutions (MFIs) have gained prominence as promising tools for combating poverty and expanding access to economic opportunities for women.

Group approach, mutual trust in a manageable size group, the spirit of thrift, demand-based lending, a loan without collateral that is friendly to the poor, peer-group pressure during the settlement process, training and development of skills, increased agency, and empowerment are the foundations of SHGs (Lalitha 1998). Self-help groups for microfinance and microcredit activities were initiated and launched in the 1990s and 2000s by the National Agricultural Bank for Rural Development (NABARD), the government, NGOs, and MFIs with the goals of reducing poverty, empowering women, and expanding access to credit.

Women are the important parts of the society. The present modern society started recognizing identity of the women. Microfinance plays a major role in empowerment of modern women. Micro finance gives financial freedom to women. This ultimately results in the economic development of India. Micro finance is necessary for rural women to meet all the expenses of the family and they're elevating the poverty level (Singh, 2018).

Women entrepreneurship helps in the reduction of the poverty and helps in the progress towards women empowerment. The SHGs through women empowerment help in the promotion of the small businesses (Nayyar, 2017). Women empowerment is multi-dimensional as it involves the social, political and economic aspects. Socio economic conditions of SHG women impacts directly on women empowerment. There is a positive relationship between the socio economic conditions of the women, women empowerment and the economic development.

There is observed considerable difference after combining with the SHG groups for women in the level of confidence, communication, number of officials met, reaction to social evils and problematic situations, level of literacy, access to facilities and political participation (Subramanian, 2013).

Agriculture is their major resource of income and work in India. The training needs for tribal women in agriculture are also fulfilled through the SHGs. SHGs are a step-by-step money lending process for women. First, they offer initially small amounts and later on they are followed by huge amounts. The government has tie-ups with the banks for lending money to women (Venkatachalapathy, 2017). There is also the concept of inter-learning within the groups.

Since most SHG members were young, illiterate, married, had small to medium nuclear families, and relied on livestock as a secondary source of income while living in poverty. Researchers discovered

that SHG members had substantial interaction with expanding agencies, a moderate degree of social activity, and little exposure to the media. Members are highly financially motivated, risk taking, and open to growth opportunities and teamwork. Those who attended learned about raising chickens and turkeys in India as well as business, marketing, illness prevention, management, and nutrition (Jothilakshmi, 2011).

By joining together in Self Help Groups, rural women have gained access to economic prospects. Traditional horticultural processing, dairy, poultry, crafts, etc. are all fields in which these women have been active. Non-governmental organizations (NGOs) have done a lot of good work connecting rural women with banks and teaching them to use them as well as teaching them to use loans wisely.

Non-governmental organizations are doing a lot of work to get rural women set up with bank accounts, teach them how to manage their money, and provide them access to loans. Banks, non-governmental organizations, and government agencies are the primary implementers of most government programs (Pathak, 2018).

India was the first country to legally introduce the idea of microfinance by connecting SHGs with banks more than two decades ago. It is the biggest microfinance program in the world, serving 7.4 million SHGs and managing Rs 33,000 crore in group savings and Rs 43,000 crore in outstanding loans (Status of Microfinance in India, 2013-14). The economic, sociocultural, interpersonal, psychological, legal, and political aspects of women's empowerment are all interconnected (Bhatt, 2017).

Since India's 9th Five year Plan, SHGs have primarily targeted women living below the poverty line to provide them with opportunities for self-employment through training in a variety of activities and the enhancement of local skills. This has had the effect of elevating women's roles within their families and communities, raising awareness about health, education, and the environment among rural residents, and bolstering the protection of women's rights in these areas.

SHGs provide financial possibilities that may lead to the development of one's talents, the expansion of one's network, and the acquisition of invaluable life experiences (Prabhakar, 2016).

The SHGs had adopted new advanced mobile technologies. Since, the technology, innovation and knowledge are the key drivers for the economic growth, mobile technologies made effective working of SHG groups. Technology has abundant impact on the SHG operations.

Mobile technology made the SHGs to increase their skill and livelihood so that it can be effective for communicating with the stakeholders and SHGs members. Mobile technology helped in the marketing of the SHG products (Kharade, 2016).

The women attain five major roles through SHG:

- a) Improve economic conditions by inspiring women to work for themselves.
- b) Assist in fighting poverty and protecting cultural practices.
- c) Cultural norms among females; savings groups (SHGs) formed on a voluntary basis

- d) Minimize reliance on loan sharks; improve people's diets and access to healthcare;
- e) Help women have access to low-interest loans so they may start businesses and earn an income.

Indian Railway Catering and Tourism Corporation had established tie-up with women in self-help groups, focusing on food delivery at Indian Railways train stations (World, 2016).

Review of Literature

Microfinance generates income and employment and eradicates poverty in developing countries (Rathod, 2017). The SHG federation model is one of the most improved model of microfinance (Janaki, 2013). Women empowerment is the outcome reached through the SHGs for women. Using a probit model, we found that women's age and the value of their productive capital other than land had a substantial negative effect on their involvement in microfinance programmes.

The degree of socioeconomic deprivation, the level of household debt, and the existence of other microcredit programs in the same or surrounding villages all have a strong beneficial effect on the number of female participants (Anjugam, 2007). In SHG, group effectiveness is related to group characteristics. (Padhmanabhan, 2017).

The government impacts on the empowerment of the women through SHG and the work of NGO's like SEWA. The government organizations and the other institutes like the NABARD are also impacting on the empowerment of women. The SHGs creates the entrepreneurial environment for women, which is the source for innovation and knowledge.

“The Government of India is supporting microfinance program under Swarnajayanti Grameen Swarojgari Yojana (SGSY) scheme.” This helps in reducing the poverty of the households. This resulted in the extension of the National Rural Employment Guarantee scheme, which helps in eradicating the poverty and unemployment (Kundu, 2011). The SHGS beneficiaries vary based on the size of the group. There is a positive relation between the size and the beneficiaries of the SHG. The positive effect of SHGs on economic growth and women's independence. Economic, social, psychological, and political effects of SHG are all observable. The SHGs help those in need by creating jobs and giving women more independence. Women's empowerment is seen as fostering enhanced feelings of worthiness, independence, pride, decency, and compassion.

Issues and Problems of Microenterprises Set up by Self Help Groups (SHGs)

- a) Ignorance of Members/Participants: Authorities must take measures for creating awareness among the group members about the schemes beneficial to them, still majority of the group are unaware of the schemes assistance offered to them.
- b) Inadequate Training facilities: SHGs in the exact areas of manufactured goods selection, quality of products, production techniques, managerial ability, packing, other awareness areas are not adequate to compete with that of strong units.
- c) Problems related with raw materials: Normally each SHGs procures raw materials individually from the suppliers.

- d) They purchase raw materials in smaller quantities and hence they may not be able to enjoy the benefits of large scale purchase like discount, credit facilities etc.
- e) Problems of marketing: Marketing is an important area of functioning of the SHGs but they face different problems in the marketing of products produced by them.
- f) Lack of sufficient orders.
- g) Lack of linkage with the marketing agencies.
- h) Absence of proper brand name.
- i) Lack of adequate sales promotion measures.
- j) Poor and unattractive packing system.
- k) Instability and ineffectiveness, particularly among women although many women participate in SHGs (self-help groups), many married people are unable to stay connected with the group since they move often.
- l) Poor financial management: It has been discovered that certain units' profits are not being re-invested in the firm, but instead used for personal and household expenses like weddings and home improvements.
- m) Investment is unattractive for certain organizations owing to low returns because of poor management, excessive manufacturing costs, a lack of attention to quality, etc.

Conclusion

The Government of India has made the empowerment of women a focal point of all of its rural development projects. As a result of access to microfinance through SHGs, the number of impoverished tribal women business owners has decreased (Rajpal, 2014). The social and economic independence of SHG members was greatly enhanced by their participation.

Self-help groups are rapidly gaining popularity as a potent social instrument for uplifting India's rural poor. Researchers set out to find out how effective Self Help Groups are in promoting women's empowerment. The Self-Help Group Method is a major strategy for enhancing women's leadership, decision-making, practicality, and skill development. There is a pressing need to encourage women to become entrepreneurs given the large number of disadvantaged, discriminated against, and underprivileged women.

References

1. Bhatt, A. S. (2017). Impact of Microfinance on Empowerment of Rural Women in Gujarat. *prajnan* , 45 (4), 335-357.
2. Jothilakshmi, M. R. (2011). Entrepreneurial Capacity Building Needs of Rural Women SHGs in Alternative Poultry Farming: A Case Study in Tamil Nadu, India. *IUP Journal of Entrepreneurship Development* , 8 (2), 6-22.

3. Kharade, J. R. (2016). Mobile technology for the effective working of self help groups (shgs) in maharashtra context. *BVIMSR Journal of Management Research* , 8 (2), 73-81
4. Nayyar, N. (2017). Role of SHGs in Rural Women Entrepreneurship: an Overview. *Journal of Commerce & Management Thought* . , 8 (4), 777-789.
5. Pathak, P. V. (2018). an assessment of bank credit literacy, accessibility and service quality among women self help groups. *Academy of Entrepreneurship Journal* . , 24 (1), 1-13.
6. Prabhakar, K. (2016). Microfinance Facilities Available to SHGs and Its Impact on Livelihood Options in Rural Areas of Karnataka, India. *AsiaPacific Journal of Rural Development* . , 26 (2), 21-36.
7. Singh, S. (2018). Impact of Micro-Finance on Women Empowerment in India. *Adhyayan: A Journal of Management Sciences*. (special issue), 79-85.
8. Venkatachalapathy, T. K. (2017). The Fragile SHGBank Lending Linkage: Some Empirical Evidence for Tamil Nadu. *IUP Journal of Bank Management* . , 16 (2), 53-65.