WOMEN EMPOWERMENT THROUGH SELF HELP GROUPS

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Abstract

Empowering women to participate fully in economic life across all sectors is essential to build stronger economies, achieve internationally agreed goals for development and sustainability, and improve the quality of life for women. The SHGs comprise very poor people who do not have access to formal financial institutions. Microfinance is powerful weapon to remove the poverty in our country like India. Micro finance initiatives like the SHG-Bank linkage programme, MFI Bank Linkage model etc., in India has been increasingly promoted for their positive impact on women empowerment. SHGs have their genesis from the Gramin Bank of Bangladesh which was founded in 1975 by the economist Prof. Mohammad Yunus of Chittagong University. SHGs were established exclusively for the benefit of poor. In India, SHGs first emerged within the Mysore Resettlement and Development Agency (MYRADA) in 1985. SHGs consists not less than five persons and a maximum of twenty with similar economic outlook and social status. The women are not empowered due to lack of Knowledge, Finance, Power and Opportunity. Self-help groups fulfill the four criteria cited – there by making them financially stable and also granting them a sense of empowerment. The social development on the other hand is based upon the active participation of women in developmental activities. Women's' empowerment cannot be ignored while devising various policies for rural and socio-economic development. Providing micro-credit to rural women through an organized step will make them enterprising women.

Key words: Women empowerment, self help groups, origin, microcredit, functioning

Introduction

Empowerment is a multi-dimensional process, which should enable the individuals to realize their identity and powers in all spheres of life. It consists of greater access to knowledge and resources, greater autonomy in making decisions or free from the shackles imposed on them by custom, belief and practices in the society. Empowering women to participate fully in economic life across all sectors is essential to build stronger economies, achieve internationally agreed goals for development and sustainability, and improve the quality of life for women. Microfinance is powerful weapon to remove the poverty in our country like India. Micro finance initiatives like the SHG-Bank linkage programme, MFI Bank Linkage model etc., in India has been increasingly promoted for their positive impact on women empowerment.

The SHGs comprise very poor people who do not have access to formal financial institutions. They act as the forum for the members to provide space and support to each other. It also enables the members to learn to cooperate and work in a group environment. The SHGs provide savings mechanism, which suits the needs of the members. It also provides a cost effective delivery mechanism for small credit to its members.

SHG is a voluntary association of the poor with a common goal of social and economic Chitagubbi et al empowerment' (Ganesh Murthy et al 2002).SHGs are forum for the collective voice of the poor against common oppression and exploitation to understand individual and common problems and improving their skills and capacities to manage resources (Dwarakanath 2002).SHGs can play a role in creating awareness of health issues through necessary group meetings with women, by holding specific capacity-building trainings on health issues and facilitating exposure to important up-to-date medical information. The members need to be au fait with medical issues and health promotion, this, equally indicating the responsibility of the SHG to fulfill its role for both women and the community. This said, a substantial influence on women's health and empowerment can only be achieved when these activities are taken up with a view to improving the public provision of health care facilities and accessibility, particularly in light of the RSBY initiative. It can be said that SHGs have indeed emerged as a health care option for women and their families who join these groups but still further awareness, and much greater detailed research is required among the existing SHGs in these geographical areas to ensure the move away from the uni-dimensional market oriented view of employment generation and social actualization (Chakravarty, 2012). The membership of SHGs made the members aware of the gender equality and led to the economic, social and political independence of members. It also improved the

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position of the respondents in the patriarchal family system through gaining knowledge of legal system and enabled the members to involve in family decision making. Moreover, the members also developed the leadership qualities through the sense of devotion to work, duty consciousness and self confidence etc. (Geetha *et al*. 2011). M. Bhavani Sankara Rao (2011) has highlighted that health of women members of SHG have certainly taken a turn to better. It clearly shows that heath of women members discuss among themselves about health related problems of other members and their children and make them aware of various Government provisions specially meant for them.

Members make small regular savings contributions over a few months until there is enough capital in the group to begin lending. Funds may then be lent back to the members or to others in the village for any purpose. In India, many SHGs are 'linked' to banks for the delivery of micro-credit. Micro-credit in common parlance refers to small loans that help the poor women to meet their immediate credit needs.

Evolution of Self Help Groups

SHGs have their genesis from the Gramin Bank of Bangladesh which was founded in 1975 by the economist Prof. Mohammad Yunus of Chittagong University. SHGs were established exclusively for the benefit of poor. Within a little span of time, SHGs became the vehicle for rural credit delivery system in many parts of the world. In 1997, at the World Micro Credit Summit, held at Washington, the developed and developing countries agreed to tackle the menace of rural poverty by using the tool of micro-credit. As many as 53 developing countries including India have set up SHGs to tackle rural poverty.

In India, SHGs first emerged within the Mysore Resettlement and Development Agency (MYRADA) in 1985.

Here is a quick timeline of the journey of SHGs in India:

1. **1987:** The National Bank for Agriculture And Rural Development (NABARD) provided MYRADA with a grant of ¹ 1 million to enable it to invest resources in identifying affinity groups, building their capacities and matching their savings after a period of 3-6 months.
2. **1990:** RBI accepted the SHG strategy as an alternative credit model.
3. **1992:** NABARD issued guidelines to provide the framework for a strategy that would allow banks to lend directly to SHGs.
4. **1992:** SHG-Bank Linkage Programme was launched.
5. The Tamil Nadu Women's Empowerment Project, an IFAD-supported project implemented through the Tamil Nadu Women's Development Corporation, was the first project in the country, around 1990, to incorporate the SHG concept into a state-sponsored programme. Since then, SHGs have been associated with women.

The women are not empowered due to lack of Knowledge, Finance, Power and Opportunity. Self-help groups fulfill the four criteria cited – there by making them financially stable and also granting them a sense of empowerment.

Objectives

SHGs strive to achieve the following:

- To save money on regular basis.
- To mutually agree to contribute a common fund in order to meet their emergency needs.
- Takes decisions collectively.
- To solve conflicts through mutual discussion.
- To provide collateral free loan at the market driven rates based on the terms and conditions decided by the group.

Working of SHG

SHGs are working in democratic manner. The major programme involving financial intermediation by SHGs is the SHG-bank Linkage Programme. This Programme was launched by National Bank for Agriculture and Rural Development (NABARD)in 1992, the apex bank for rural development in India. Commercial banks, Regional Rural Banks (RRBs),Small Industries Development Bank of India (SIDBI),Rashtriya Mahila Kosh (RMK), Housing and Urban Development Corporation(HUDCO), Housing Development Finance Corporation (H

DFC) and Friends of Women'sWorld Banking (FWWB),Donors and banks, including Robobank,played an importantrole in providing refinance facilitiesand loans to microfinance institutions (MFIs) for on-lending to SHGs and federations of SHGs.SHGs are necessary toovercome exploitation, create confidence for economicself-reliance in poor, particularly women who are mostly invisible in social structure.SHGsbecome the basis forchange and build a relationship of mutual trust between thepromotingorganisationand the rural poor through constant contact and genuine efforts.Credit delivery through thrift and credit groups (SHGs)emerges as an alternative to theexisting system of credit disbursement by the banks. SHGs have been found to help their member's sound habit of saving and banking.

Features of SHGs

- SHGs consists not less than five persons and a maximum of twenty with similar economic outlook and social status.

- SHGs promotes objectives like economic empowerment. It helps in raising resources for development and freedom from exploitation.
- The nature of SHGs is mostly informal (unregistered).
- Periodical meetings of members are conducted to address their socio-economic problems and fixed savings from the members are collected at such meetings.
- Sources of funds for the SHGs accrue from member's savings, entrance fee, interest from loans, and income from investments and so on. Funds accrued may be used for extending loans, carrying out social services etc.
- The savings of members are deposited in a bank with the name of group.
- The money lying in the bank is used for extending loan facilities to members of SHGs for 98 purposes at an interest rate decided by the group.
- Democratic, flexible and responsive in operations.

Significant impacts of SHGs on empowerment of women

The members of SHGs exhibit the following outputs:

- Improvements in literacy and numerical skills;
- Increase in awareness of basic legal rights;
- Awareness of development activities of government;
- Increase in self-confidence and enhanced social status;
- Economic empowerment and freedom from exploitation of money lenders, landlords etc.
- Enhanced decision making powers in the household affairs.
- Keenness to educate girl child;
- Active participation in other organizations and political bodies like Panchayats.
- Improved political consciousness and improved awareness about electoral process, societal analysis and gender issues.

The Empowerment of Women has become one of the most important concerns of 21st century not only at national level but also at the international level. Government initiatives alone would not be sufficient to achieve this goal. Society must take initiative to create a climate in which there is no gender discrimination and women have full opportunities of self decision making and participating in social, political and economic life of the country with a sense of equality.

In most of the developing countries today, more and more emphasis is laid on the need for women's active participation in the main stream of development process. It is also widely recognized that apart from managing household, bearing children, rural women bring income with productive activities ranging from traditional work in the field of working in factories or running small and petty business. They have also proven that they can be better entrepreneurs and development managers in any kind of human development activities. Economic progress in any country whether developed or under developed could be achieved through social development. The social development on the other hand is based upon the active participation of women in developmental activities. Women's' empowerment cannot be ignored while devising various policies for rural and socio-economic development. Providing micro-credit to rural women through an organized step will make them enterprising women.

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