ABSTRACT

SHGs are an effective tool to promote rural savings and gainful employment. It helped in increasing the incomes of the poor and the marginalized, through collective performance. The success of SHG has gained wide prevalence and several banks have established SHG-Bank linkages as a medium of rural business expansion leading to rural entrepreneurship. In the recent years, SHG-approach has emerged to be one of the most aggressive and effective strategies for empowering rural women and alleviating rural poverty. SHGs have been evidently instrumental in bringing about structural changes in rural economy. SHGs are instrumental in providing a major driving force to sustainable rural growth of the nation.

Key words: Self Help Groups, Women empowerment, Micro finance.

INTRODUCTION: SELF HELP GROUPS

Poverty and unemployment are the major problems of any under developed countries, to which India is not an exception. A large number of anti-poverty and self-employment generation programmes have been introduced from time to time through successive plans especially for alleviating poverty and minimizing unemployment in rural areas. The Swarnajayanti Gram Swarozgar Yojana (SGSY) is one of the most important ongoing programme for the self employment of Rural poor. The programme was launched on 1st April 1999 after restructuring the erstwhile IRDP, TRYSEM, DWCRA, SITRA, GKY, MWS, and etc schemes. The basic objective of SGSY was to lift the poor people above the poverty line by increasing their income levels over a period of time through training and by providing them income generating assets through a mix of Bank credit and subsidy from government.

The origin of SHGs is from the brainchild of Grameen Bank of Bangladesh, which was founded by Professor Mohammed Yunus. A SHG is a voluntary association of poor people. At the grass roots level the process of social mobilization pushes forward in organizing SHG’s with the objectives of eradication of poverty. A SHG may have 10 to 20 members. In the context of women empowerment there are provisions under SGSY that each block should be exclusively for women. It is a tool to remove poverty and improve the rural development.

Basically the people who live below the poverty line in a village are motivated to become members of SHG. Literally motivating the poor people is not an easy task. It needs the co-operation and whole heated efforts of all stake holders in a block area, this requires the participation of all concerned especially the elected members of Panchayat, voluntary organizations and obviously to the people for whom it is meant.

The real effort to support SHGs in India, however, came in the late 1990s when the Central Government of India introduced a holistic program, Swarnjayanti Gram Swarozgar Yojana (SGSY)
based on the group approach for rural development. The SGSY approach was to encourage the rural poor to organize themselves into SHGs and to independently take up viable economic activities as micro-enterprises with support from government subsidies and bank credit (Tripathy 2004). Today, these self help groups have become the vehicle of change for the poor and marginalized.

A SHG is a small economically homogeneous affinity group of the rural poor voluntarily coming together to save small amount regularly, which are deposited in a common fund to meet members’ emergency needs and to provide collateral free loans decided by the group. (Abhaskumar Jha 2000).

SHGs have been recognized as a useful tool to help the poor and as an alternative mechanism to meet the urgent credit needs of poor through thrift (V. M. Rao 2002) SHG is a media for the development of saving habit among the women (S. Rajamohan 2003). SHGs enhance the equality of status of women as participants, decision-makers and beneficiaries in the democratic, economic, social and cultural spheres of life. (Ritu Jain 2003). The basic principles of the SHGs are group approach, mutual trust, organization of small and manageable groups, group cohesiveness, spirit of thrift, demand based lending, collateral free, women friendly loan, peer group pressure in repayment, skill training, capacity building and empowerment.

Studies conducted by various scholars on the workings of SHGs revealed that the SHGs are an effective tool to promote rural savings and gainful employment. It helped in increasing the incomes of the poor and the marginalized, through collective performance. The success of SHG has gained wide prevalence and several banks have established SHG-Bank linkages as a medium of rural business expansion leading to rural entrepreneurship. Through this, the rural poverty is reduced considerably. Therefore, women members are becoming economically independent and their contribution to household income is also increased.

SAILENT FEATURES & FUNCTIONS OF SHGS:

The SHG works in democratic manner. The upper limit of members in a group is restricted to 20. Among them, a member is selected as an ‘animator’ and two members are selected as the representatives. The animator is selected for the period of two years. The group members meet every week. They discuss about the group savings, rotation of SHGs funds, bank loan, repayment of loan, social and community action programmes.

- SHG is a development group for the poor and marginalized
- It is recognized by the government and does not require any formal registration
- The purpose of the SHG is to build the functional capacity of the poor and the marginalized in the field of employment and income generating activities
- People are responsible for their own future by organizing themselves into SHGs
- Create a common fund by the members through their regular savings.
- Flexible working system and pool the resources in a democratic way.
- Periodical meeting. The decision making is done through group meeting.
- The loan amount is small and reasonable.
- The rate of interest is affordable, varying group to group and loan to loan. At present it is as low as 7% and remains lower than the money lender.
WHAT IS WOMEN EMPOWERMENT?

Empowerment is the process by which the powerless gain greater control over the circumstances of their levels. Empowerment is a term related to power. It is the power in term of the ability to make strategic life choices viz. where to live, whether and who to marry, whether to have children, how many children to have, who has custody over children and freedom of movement and association. In other words empowerment entails a process of change.

Women empowerment is a process in which women gain greater share of control over resources-material, human and intellectual like knowledge, information, ideas and financial resources like money and access the money and control over decision making in the home community, society.

The concept of women empowerment is related to the concept of freedom. Empowerment is equipping one to improve her living condition. Women empowerment is both a process and the result of process. It is about redistribution of social power i.e. The rights, resources, opportunities, and responsibilities of individuals and social groups in relation to one another in a given society. It is aimed at creating both equality between individuals and social groups in a society. Empowerment approach recognizes the triple role of women namely production, and community management which manifests itself through the formation and organization of groups.

The basic obstruction behind women empowerment is gender discrimination. The 1995 Beijing platform for action remains a relevant guideline for development programming. It provides an agenda for women empowerment signed by all governments that is seen as a necessary and fundamental pre-requisite for equality development and place. This platform provides a blueprint for women’s empowerment that is clear straight forwarded and actionable. Gender discrimination has been an important feature of economic and social processes in any country. The principle of gender equality is enshrined in the Indian constitution in its preamble, fundamental rights, fundamental duties and directive principles of India has also ramified various international conventions to secure rights to women. Women today are trying to understand their position in the society. Women have become increasingly aware of sexual inequalities in every sphere of life and seeking ways to fight them.

In 1985 at the International Women’s Conference, Nairobi the concept of empowerment of women was first adopted. The conference defined empowerment as "A redistribution of social power and control of resources in favour of women. It is “the process of challenging existing power relations and of gaining greater control over the sources of power”.

Empowerment of women has many dimensions such as social, political, and economic. Among these different aspects of empowerment we suppose economic empowerment to be the most important because it makes women economically independent.

STUDIES INDICATING EMPOWERMENT OF WOMEN THROUGH SHG:

Many studies have been conducted on SHGs to evaluate on the socio-economic life of women resulting in their economic and social empowerment. Some of the important findings of these studies are as follows:
Manimekalai and Rajeshwari (2001) in their study of SHGs in Tamil Nadu found that SHG members who took up their own enterprise like tailoring, animal husbandry, petty shops etc. were contributing more than 50 percent of their earnings to the household.

Reddy (2002) in his study has reported that after the beginning of microfinance, women had better assess to assets and resources and were able to tackle the issue of injustice and family violence. Thus microfinance has contributed to their empowerment.

Pitt et al (2003) in their findings mentioned that credit program participation leads to woman taking a greater role in household decision making, having greater access to financial and economic resources, having greater social networks, having greater bargaining power vis-à-vis their husbands and having greater freedom of mobility.

Malhotra (2003) in his study opined that economic, political and social resources are critical in ensuring that women are empowered but these resources cannot bring empowerment without women’s individual or collective ability to utilize the resources in their own interests.

Kumar (2010) in his study on the impact of microfinance through SHG-Bank linkage program in Orissa observed that microfinance program has considerably increased the income of the members. The study finds that though the decision making power of the women members have improved, the impacts were not substantial and thus needs immediate intervention for sustainability of the program.

Goyal and Goel (2012) concluded that micro credit in the organized form of Self Help Groups had significant impact on the quantitative as well as qualitative life of the members of the self help Groups in the rural areas. They further observed that it has also contributed significantly towards the empowerment of the rural women and their self dependency and also helped in reducing domestic violence and in anti alcoholism.

Most of the above studies reveal that microfinance had a significant positive impact on reducing poverty, generating more employment opportunities, improvement in the living standard, reducing gender inequality and improving status of women whereas a few studies disagree with the success of microfinance program particularly regarding the unchanged level of poverty, ineffective reach to the poorest among the poor, lower amount of bank loans, unproductive use of group loans and non targeting of the program.

Several studies have confirmed that the SHGs have effectively helped in empowering the women. SHGs have facilitated the process of micro credit for the rural woman. Thus improving their bargaining power in day-to-day decision making of the household, and finally in the community.

GROWTH OF SHGs IN INDIA:

Table-1: NUMBER OF SHGS IN INDIA (2005-06 TO 2012-13)

<table>
<thead>
<tr>
<th>YEAR</th>
<th>NUMBER OF SHGS(IN LAKHS)</th>
<th>GROWTH RATE (IN %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005-06</td>
<td>22.39</td>
<td>109.47</td>
</tr>
<tr>
<td>2006-07</td>
<td>29.25</td>
<td>30.66</td>
</tr>
<tr>
<td>2007-08</td>
<td>50.09</td>
<td>71.28</td>
</tr>
<tr>
<td>2008-09</td>
<td>61.21</td>
<td>22.2</td>
</tr>
<tr>
<td>2009-10</td>
<td>69.59</td>
<td>13.6</td>
</tr>
</tbody>
</table>
2011-11 | 74.62 | 7.3
2011-12 | 79.60 | 6.7
2012-13 | 73.18 | (-8.1)

Source: Status of Micro Finance in India, 2012-13 NABARD & NABARD Reports 2005-06 to 2009-10

Table-1 shows the growth of SHGs and rate of growth over a period of eight years. The rate of growth in 2005-06 and 2007-08 were the highest i.e. 109.47% and 71.28% respectively. However, in case of other period the growth was declining year after year. This may be attributed due to the fact that after certain period of time the scope for formation of SHGs may be at its maturity stage.

ROLE OF MICRO FINANCE IN EMPOWERING WOMEN:

Microfinance is occupying a very strategic role in poverty alleviation and rural development in India. Microfinance provides financial services such as micro credit, micro savings and micro insurance to the rural poor. In the recent past it has become one of the most promising vehicle to achieve the objective of poverty alleviation and empowerment of rural women.

Microfinance strategy in the form of Self Help Group (SHG) scheme as a part of formal credit delivery system is giving lot of freedom to Non-Government Organizations (NGOs) for setting up SHGs based on various models. Microfinance and Microcredit are interrelated concept. Microcredit gives more importance on loans while Microfinance includes support services where channels for thrift, market assistance, technical assistance, capacity building, social and cultural programs are opened.

Table-2: PROGRESS OF WOMEN SHGS AS ON 31ST MARCH, 2011

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Total SHGS(in lakhs)</th>
<th>Women’s SHGS (in lakhs)</th>
<th>% of Women SHGS to total SHG</th>
<th>Total amount (in crores)</th>
<th>Women SHGs amount (in crores)</th>
<th>% Women SHGs amount to total amount (in crores)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Savings linked SHG</td>
<td>74.62</td>
<td>60.98</td>
<td>81.7</td>
<td>7016.30</td>
<td>5298.65</td>
<td>75.5</td>
</tr>
<tr>
<td>Loan disbursed</td>
<td>11.96</td>
<td>10.17</td>
<td>85.0</td>
<td>14547.73</td>
<td>12622.33</td>
<td>86.8</td>
</tr>
<tr>
<td>Loan outstanding</td>
<td>47.87</td>
<td>39.84</td>
<td>83.0</td>
<td>31221.17</td>
<td>26123.75</td>
<td>83.7</td>
</tr>
</tbody>
</table>

Source: Status of Micro Finance in India, 2012-13 NABARD
Table-3: PROGRESS OF WOMEN SHGS AS ON 31ST MARCH, 2012

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Total SHGS(in lakhs)</th>
<th>Women’s SHGS (in lakhs)</th>
<th>% of Women SHGS to total SHG</th>
<th>Total amount (in crores)</th>
<th>Women SHGs amount (in crores)</th>
<th>% Women SHGs amount to total amount (in crores)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Savings linked SHG</td>
<td>79.60</td>
<td>62.99</td>
<td>79.1</td>
<td>6551.41</td>
<td>5104.33</td>
<td>77.9</td>
</tr>
<tr>
<td>Loan disbursed</td>
<td>11.48</td>
<td>9.23</td>
<td>80.4</td>
<td>16534.77</td>
<td>14132.02</td>
<td>85.5</td>
</tr>
<tr>
<td>Loan outstanding</td>
<td>43.54</td>
<td>36.49</td>
<td>83.8</td>
<td>36340.00</td>
<td>30465.28</td>
<td>83.8</td>
</tr>
</tbody>
</table>

Source: Status of Micro Finance in India, 2012-13 NABARD

Table-4: PROGRESS OF WOMEN SHGS AS ON 31ST MARCH, 2013

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Total SHGS(in lakhs)</th>
<th>Women’s SHGS (in lakhs)</th>
<th>% of Women SHGS to total SHG</th>
<th>Total amount (in crores)</th>
<th>Women SHGs amount (in crores)</th>
<th>% Women SHGs amount to total amount (in crores)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Savings linked SHG</td>
<td>73.18</td>
<td>59.38</td>
<td>81.1</td>
<td>8217.25</td>
<td>6514.86</td>
<td>79.3</td>
</tr>
<tr>
<td>Loan disbursed</td>
<td>12.2</td>
<td>10.37</td>
<td>85.1</td>
<td>20585.36</td>
<td>17854.31</td>
<td>86.7</td>
</tr>
<tr>
<td>Loan outstanding</td>
<td>44.51</td>
<td>37.57</td>
<td>84.4</td>
<td>39375.30</td>
<td>32840.04</td>
<td>83.3</td>
</tr>
</tbody>
</table>

Source: Status of Micro Finance in India, 2012-13 NABARD

The small beginning of linking only 500 SHG to banks in 1992, has grown to over 0.5 million SHGs by March 2002 and further to 8 million SHGs by March 2012. It is widely believed that the SHGs of the poor will be the vehicles leading the march of the India’s emergences as a super-economic power in the next decade. A number of countries, especially the developing countries and international agencies are turning to India to learn from its experiments with micro finance and to explore possibilities of replication of the model in other parts of the globe.

Table 4 reflects the current position of women SHGs in India. It is observed that the total number of saving linked and credit linked SHGs comprising exclusive women SHGs with banks were 81.1 percent and 85.1 percent, respectively. Further the percentage of loans outstanding of exclusive women SHGs to loans outstanding of total SHGs which was 8.9 percent as on 31st March 2009 has increased to 83.3 percent as on 31st March 2013. Thus, it can be concluded that majority of the SHGs are women SHGs and their participation in saving and credit increasing; ultimately empowering them socially and economically.

As per the recent microfinance report released by NABARD - as on March 2013, a total number of 73.18 lakh SHGs with active bank-linkages are operating in India which have been able to ensure involvement of around 9.5 crore household of this nation, with an aggregate bank balance of Rs. 6,514 crores; simultaneously latest statistics also indicate that over 80% of SHGs in India consist exclusively of women.
There have been many success stories of the poor SHG members showing exemplary entrepreneurial qualities to come out of the vicious circle of poverty and indebtedness with the help of SHGs. The tremendous impact on the social status of the poor rural women becoming bread earners of their households through the instrument of SHGs has been highly commended by many researchers. (Status of Micro Finance in India, 2012-13, NABARD)

CONCLUSION:

SHGs are an effective tool to promote rural savings and gainful employment. It helped in increasing the incomes of the poor and the marginalized, through collective performance. The success of SHG has gained wide prevalence and several banks have established SHG-Bank linkages as a medium of rural business expansion leading to rural entrepreneurship.

It is believed that the women in are in a better position to negotiate the use of the loans taken by them to take up gainful activity and participate in the marketing of their products. The Government of India and the State Governments can play an important role in encouraging SHGs. At the micro level the State governments, its machineries of administration and NGOs should come forward and extend facilities in empowering rural women by providing education, motivation, training, financial credit and so on. It can also be concluded that SHGs have been an effective tool in alleviating rural poverty and offering the scope of self employment which may eventually plays a strategic role in popularizing the concept of micro entrepreneurship.

In the recent years, SHG-approach has emerged to be one of the most aggressive and effective strategies for empowering rural women and alleviating rural poverty. SHGs have been evidently instrumental in bringing about structural changes in rural economy. SHGs are instrumental in providing a major driving force to sustainable rural growth of the nation.

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