

IMPACT OF SELF HELP GROUPS ON WOMEN EMPOWERMENT

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Abstract: Women empowerment is a process in which women challenge the existing norms and culture, to effectively promote their well being. The participation of women in Self Help Groups (SHGs) made a significant impact on their empowerment both in social and economical aspects. Women participation in Self Help Groups have obviously created tremendous impact upon the life pattern and style of poor women and have empowered them at various levels not only as individuals but also as members of the family members of the community and the society as whole .They come together for the purpose of solving their common problems through self-help and mutual help. This study addresses women empowerment through self help groups. The results of the study revealed that the SHGs have had greater impact on economic, social and political aspects of the beneficiaries.

Keywords: Empowerment, Self Help Groups (SHGs), Micro credit, NABARD, NGO.

I. INTRODUCTION

Self Help groups are nonprofessional organization formed by people with a common problem or situation, for the purpose of pooling resources, gathering information and offering mutual support, services, or care. Women constitute around half of the total human resources in our economy. Yet women are the more poor and under privileged than men as they are subject to many socio-economic and cultural constraints. They have no such place in society likes men .The situation is more severe in the rural and backward areas. Women development activities must be given importance to eradicate poverty, increase the economic growth and for better standard of living. Over centuries, women were treated as less-than-equal to men in many ways. Women were not allowed to vote, own property, or work in many jobs Now that we are out of those dark ages, women are more EMPOWERED to do whatever they want. This means that they have the ability to choose their own destiny, job, vote, and do anything a man can do. When we talk about women's empowerment, we talk about women taking more of a leadership role. Whereas until very recently, women were subordinates. But now they become the leader. This can be possible only with the help of SHGs. SHG is a small group (15 to 20 members), voluntarily formed and related by affinity for specific purpose, it is a group whose members use savings, credit and social involvement as instruments of empowerment. It is a system for collective savings, group collection and provision of consumption credit, as well as integrating social and economic goals among small groups Self-help groups, also known as mutual help, mutual aid, or support groups, are groups of people who provide mutual support for each other. In a self-help group, the members share a common problem, often a common disease or addiction. Their mutual goal is to help each other to deal with, if possible to heal or to recover from this problem. It is formed as a small functional group in rural areas to increase the resources base of the members through the act of collective thrift and credit among themselves. They raise their corps with credit support from services banks and subsidy from government agencies concerned. SHG is a more attractive scheme with less effort. It is a tool to remove poverty and improve the women entrepreneurship and financial support in India. This paper confines itself to study of women empowerment through the Self Help Groups. The main objective of this paper “Impact of Self Help groups on Women Empowerment” is to find the impact of SHGs on the empowerment, development and growth of woman well beings. Stories of women who not only are better off economically as a result of access to financial services, but who are empowered as well. Simply getting cash into the

hands of women (by way of working capital) can lead to increased self-esteem, control and empowerment by helping them achieve greater economic independence and security, which in turn gives them the chance to contribute financially to their households and communities because they become self confident and can take their decisions independently.

II. FORMAL VS. INFORMAL FINANCIAL SECTOR

The structure of rural financial market in India is dualistic there being the co – existence of both formal and informal financial intermediaries. The formal financial sector is not effectively serving the rural population. This is mainly attributed to the failure of financial intermediaries in fulfilling their basic function

- Produce credit to finance income generating activities
- consumption credit to maintain and expand human productive capacity
- Quality saving scheme for increasing risk – bearing capacity of the rural household.

These institutions have failed to promote much of their social objectives. To reach the poor, institutional innovation is needed that enable services to be expanded, while substantially reducing transaction costs for both financial institution and the clients. In many countries in the world, micro credit programmes have succeeded in generating self employment by providing access to small amounts of capital to people living in poverty.

The performance of formal financial institutions, particularly in their lending to the poor in India, has been unsatisfactory. They face a number of constraints in broadening their services to the poor. A large number of rural household are with limited land resources and small economic activity accompanied by poor technology. But their demand for credit has been rising due to growing family size, increased consumption requirements, social obligations and so on. But the institutional agencies not only lack the required mechanism to assess their credit needs but often overlook their demand for credit on the ground that their needs are for non productive purposes. Besides perceived high risks of such loans , transaction costs in small scale rural lending and absence of collateral securities have kept the poor away from the fold of formal financial intermediaries. Due to the limitation of formal financial sector, informal financial sector comes into existence. SHGs come under this informal financial system.

III. SELF HELP GROUPS

Self Help groups comprise homogenous poor people who have voluntarily come together with the idea of overcoming financial difficulties. Self – Help Group (SHG) is a small voluntary association of poor people, preferably from the same socioeconomic background. They come together for the purpose of solving their common problems through self-help and mutual help. The SHG promotes small savings among its members. The savings are kept with a bank. This common fund is in the name of the SHG. Usually, the number of members in one SHG does not exceed twenty. SHGs are small informal associations created for the purpose of enabling members to reap economic benefit out of mutual help, solidarity, and joint responsibility. The benefits Include mobilisation of savings and credit facilities and pursuit of group enterprise activities. The group-based approach not only enables the poor to accumulate capital by way of small savings but also helps them to get access to formal credit facilities.

3.1 Features

The following are some of essential characteristics of SHGs:

- A group of person of small means.
- A group can be registered or unregistered.
- Members of the group come together out of their volition. However, sometimes groups are promoted by NGO and banks. In such a case these are called as self help promoting institutions.
- The limit of members of the group is restricted in between 10-20
- Members contribute a part of their earnings regularly to a common fund.
- There is frequent meeting of members to decide on terms and condition on savings and loans.
- Records maintained by the groups are membership register minute book, saving book and loan book.

- There is the provision of borrowing from bank and use of borrowing for credit of its members.
- The group promotion process is long and the poor have to wait for long periods before they can start availing loans of reasonable amount.
- Conflicts arise on seemingly trivial reasons, which could lead to a total group breakdown. It is very difficult to rebuild a group that has been broken once.

3.2 Eligibility

The group should

- Be in active existence for at least a period of six months.
- Have successfully undertaken savings and credit operations from its own resources.
- Maintain proper accounts/records.
- Work democratically wherein all members feel that they have a say should be evident.
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3.3 Principles of SHG

Self help groups have developed some principles of work on the basis of many years of experience. Applying these principles is a good way to support the work of the self help group.

First Principle: All members participate in the self help group voluntarily and because they themselves are affected by the group's topic

A prerequisite for membership in a self help group is that the member is affected by the same illness, disability, dependence or psychosocial conflict situation for which the group exists. It is not possible to be represented through a person. Relatives of affected persons generally have their own group. Participation in a self help group is strictly voluntary. That also means that every person may leave the group whenever he or she thinks that would be best.

Second Principle: All members are equal and determine the group work together.

How the group works, whether it is open to new members or closed, which subjects are discussed, which activities are undertaken -- these are all decided by the group together in accordance with democratic principles. There is no group leader with special rights. All members have the same rights and obligations.

Third Principle: Everything which is discussed in the group remains in the group and nothing is ever passed to third parties (obligation to maintain secrecy).

Mutual trust is a prerequisite for good work together in the group. To be able to speak openly and honestly about one's own situation, each member must be certain that everything which is said will be treated as confidential. Therefore, the members should all agree to each other, that nothing will be passed on to outside parties.

Fourth Principle: Every member is in the group primarily in order to do something for himself rather than for the others.

Difficulties frequently arise when someone wants to help the others without doing something for himself or herself, say because he or she is speaking out of personal conviction or has experienced and overcome something similar in the past. Even the best intended advice with which such a member overwhelms the others can be problematic.

Fifth Principle: Every member is responsible both for himself and for what happens in the group.

Everyone decides for him, or herself, whether or to what extent situations, group happenings and conversations address his or her own concerns. In this way, each member contributes actively and responsibly to what happens in the group and

how its work is structured. Each member should tell the others when in his or her opinion something is going wrong within the group. Then possibilities for changing things can be considered together.

IV. EMPOWERMENT

Empowerment refers to increasing the economic, political, social, educational, gender, or spiritual strength of individuals and communities. The word empowerment is defined as the process by which one can take control and ownership of their choices. Empowerment is a process of awareness and capacity building leading to greater participation, to greater decision making power and control and transformative action. Empowerment is the process of increasing the capacity of individuals or groups to make choices and to transform those choices into desired actions and outcomes. Central to this process are actions which both build individual and collective assets, and improve the efficiency and fairness of the organizational and institutional context which govern the use of these assets Empowerment is a multi-faceted process which encompasses many aspects : -

- Enhancing awareness
- Increasing access to resources of economic, social and political

Empowerment is probably the totality of the following or similar capabilities:

- Having access to information and resources for taking proper decision.
- Having a range of options from which you can make choices (not just yes/no, either/or)
- Ability to exercise assertiveness in collective decision making
- Having positive thinking on the ability to make choice
- Ability to learn skills for improving one's personal or group power
- Ability to change other's perceptions by democratic means.
- Involving in the growth process and changes that is never ending and self initiatives
- Increasing one's positive self image and overcoming stigma

4.1 Women Empowerment

Empowerment of women signifies harnessing women power by concentrating on their tremendous potential and encouraging them to work towards attaining a dignified and satisfying way of life through confidence and competence as person with self-respect, rights and responsibilities. The core elements of empowerment have been defined as agency (the ability to define one's goals and act upon them), awareness of gendered power structures, self-esteem, and self-confidence."In recent years women empowerment has become a subject of great concern for the nations all over the world especially in poor and developing countries. The impact of globalization is seen eventually on position of women in some form or other in most of the developing countries with the variation of degree. Women Empowerment refers to an increase in the strength of women such as spiritual, political, social or economic. The most common explanation of "Women's Empowerment" is the ability to exercise full control over one's actions. Thus, women empowerment occurs in real sense when women achieve increased control and participation in decision making that leads to their better access to resources it often involves the empowered developing confidence in their own capacities.

Women are not helpless in face of existing challenges. Around the world they are decision-makers for themselves, their families, villages, businesses, and governments. For societies where this is not the case, people speak of the need for women's empowerment. But what does it really mean to empower women? Is it political empowerment? Economic empowerment? Social empowerment? In fact, these categories are not mutually exclusive. They are mutually reinforcing.

4.2 Political Empowerment

Women's political empowerment, usually envisioned as political participation in elections and government, is necessary to give women a voice in the policies that affect their lives. Political empowerment allows women to take control of the policies that will benefit their economic standing. In SHGs they can elect their own leader .They can participate in the management of SHGs.

4.3 Economic Empowerment

Women's economic empowerment, which entails that women have the authority to make their own decisions regarding use of their resources, leads to prosperity for families and communities. Economic empowerment can provide the clout for women to be empowered politically. With the help of SHGS they can earn money and can become economically and financially strong.

4.4 Social Empowerment

Social empowerment, often achieved through public policy and education, liberates women from the mistreatment, exploitation, and oppression that inhibit women from reaching their full potential. Social empowerment reinforces the ability to participate economically and politically, which in turn reinforces women's standing in society. This can be possible only with the help of SHGs. They can get a secure place in society if they are socially empower

4.5 SHG and Women Empowerment

Women are an integral part of every economy. All round development and harmonious growth of a nation would be possible only when women are considered as equal partners in progress with men. However, in most developing countries, women have a low socio and economic status. In such countries effective empowerment of women is essential to harness the women labour in the main stream of economic development. Empowerment is the process of enabling or authorizing an individual to think, behave, and take action and central work in an autonomous way. It is the process by which one can gain control over one's destiny and the circumstances of their lives. Empowerment can be viewed as means of creating a social environment in which one can make decisions and make choices either individually or collectively for social transformation. Self Help Groups are an example of one vehicle for women to empower themselves:-



4.6 Political Empowerment through SHGs

In SHGs women can elect their own leader. They can participate in the management of SHGs. By associating with each other in a group, women become part of civil society and can have a louder voice when advocating policies that will benefit their lives and their groups businesses

4.7 Economic Empowerment through SHGs

With the help of SHGS women can earn money and can become economically and financially strong. They can use this money for fulfilling their needs and can spend a happy life with their family. They can get a say right in their family decision making by becoming self independent. By networking to build better business, women can get economic empowerment.

4.8 Social Empowerment through SHGs

When women have both economic and political power, they become full members of society. With the help of SHGs women can get a secure place in society if they are socially empowered. By becoming educating, they can get knowledge about their rights. They can be treated equal to man if they are socially strong.

V. CONCLUSION

SHGs have been identified as a way to alleviate poverty and women empowerment. And women empowerment aims at realizing their identities, power and potentiality in all spheres of lives. The SHG has become a source of inspiration for women's welfare. Formation of SHG is a viable alternative to achieve the objectives of rural development and to get community participation in all rural development programmes. SHG is also a viable organized set up to disburse micro credit to the rural women and encouraging them together into entrepreneurial activities. The study shows that the main reason for joining SHG is not be merely to get just credit, it in an empowerment process .It is identified as a tool to alleviate poverty and women empowerment. To reduce poverty by enabling the poor household to access gainful self employment and skilled wage employment opportunities, resulting in appreciable improvement in their livelihood on a sustainable basis, through building strong grass-root institutions of the poor (SHGs) is now the main motive of the most of the employment schemes. After joining the self help group the women become economically, politically and socially strong. A greater role is played by the SHGs in increasing empowerment of women, by making them financially strong, as well as it helped them to save amount of money and invest it further development. It is also found that the SHGs created confidence for social, economic self-reliance among the woman. It provides confidence and decision making power to woman. It develops the awareness programmes and schemes, loan policies etc. However there is a positive impact of Self Help Groups on Women empowerment socially empowered.

But the real empowerment is possible only when a woman has increased access to economic resources, more confidence and self motivation, more strength, more recognition and say in the family matters and more involvement through participation. Although it is a gradual and consistent process, but women should build their mindset for taking additional effort willingly for their overall development. SHGs have the potential to have an impact on women empowerment. Self Help Group concept has been mooted along the rural and semi urban women to improve their living conditions. Even though SHG concept is applicable to men also in our country, it has been more successful only among women. Thus SHGs have been showing the way ahead to alleviate the poverty of India along with women empowerment.

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