

Self Help Group: An Effective Instrument for Women Empowerment

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Abstract

A life of dignity is the right of every citizen. Poverty is an obstruction to a dignified life. Self-employment is a significant step, to have sustained incomes and remove the shackles of poverty. Villages are faced with problems related to poverty, illiteracy, lack of skills, health care etc. These are problems that cannot be tackled individually, but can be better solved through group efforts. Today these groups known as Self Help Groups (SHGs) have become the vehicle of change for the poor and marginalized. They are seen as goal instruments for empowering women, developing leadership qualities among poor people, increasing school enrollments, improving health and nutrition and the use of birth control. Programmes for self-employment of the poor have been an important component of the anti-poverty programmes implemented through Government initiatives in the rural areas of India.

This paper is based on the interactions and discussions held with the Self Help Groups in Betgeri, Narasapur and the surrounding rural areas, interactions with entrepreneurs and officials of The Gadag Chamber of Commerce & Industry and District Industries Center, Gadag.

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

Introduction

Self Help Group is a method of organizing the poor people and the marginalized to come together to solve their individual problems. They are small, economical, homogeneous, affinity groups of rural poor who are voluntarily ready to contribute to a common fund to be lent to their members as per the group decisions. The SHG method is used by the Government, NGOs and others worldwide. The concept of SHG in India was introduced in 1985 and consequently a pilot scheme was started on Self Help Bank Linkage Programme (SBLP) by NABARD in 1992. The poor collect their savings and save it in banks. In return they receive easy access to loans with a small rate of interest to start their micro-unit enterprise. The strata of rural families, handled through Self-Help Groups, are capital scarce, labour surplus, and by and large, bereft of proper knowledge as well as management skills. At the same time, it also remains a fact that barring certain location limitations, rural areas do throw ample opportunities for installation of micro enterprises by making use of untapped manpower resources, available raw material of various forms, and existing market channels. Given the financial support, together with appropriate knowledge and skill input, the poor people, in general, have the propensity to make better use of labour and capital. Thus, installation of income-generation activities and micro enterprises in the rural areas helps and promotes first-generation micro entrepreneurs with resource mobilization on their own through SHGs. They have emerged in order to help poor women to secure inputs like credit and other services. They work for group solidarity, self group awareness, social and economic empowerment of women through democratic functioning.

Objectives of SHGs

1. To increase the income level of the destitute women.
2. To develop entrepreneurial culture and to create the self-employment concept.

3. To utilize the available resources efficiently
4. To exhibit the talent and various skills of the women entrepreneurs.
5. To build mutual trust and confidence between the bankers and the rural poor.

Self Help Groups have the following advantages

1. They help the poor to gain economic and social empowerment.
2. They reduce the transaction cost of lenders and borrowers.
3. They encourage the poor to save. The poor become creditworthy and bankable customers and are not seen as beneficiaries.
4. Women are trained in new skills and technologies and the wage earning workers become micro entrepreneurs.
5. Increased asset creation and savings, higher employment and improved social lives of members are the benefits to the members.

Statement of the problem

Women in India have been oppressed culturally, socially, economically and politically for centuries. They are exploited at home, in the families, in the society and in the country. In the multi ethnic and multi cultural society like that exists in India, such exploitation takes various forms. The core of the problem is that they shoulder a number of responsibilities, but they are not given adequate participatory or decision making power in the family or elsewhere. Women can gain such power, if their economic status, cultural and social status improves. Such type of improvement of the power is known as women empowerment.

Methodology

The study exposes the facts based on interview and discussion method. The study attempts to measure the empowerment of women. It is based on the interactions and discussions held with the Self Help Groups in Betgeri, Narasapur and the surrounding rural areas, interactions with entrepreneurs and officials of The Gadag Chamber of Commerce & Industry and District Industries Center, Gadag.

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.

Problems & Challenges faced by Women in SHGs

1. Women face social barriers as they are always seen with suspicious eyes. They have to work amidst social taboos, restrictions etc., and are not supported to undertake entrepreneurship by their own family members. Caste and religious systems dominate and hinder women SHGs from development.
2. Lack of self confidence, will-power, strong mental outlook and optimistic attitudes amongst women, always creates a constant fear in them. They just feel, they are 'women' and less efficient than men.
3. Though women are educated and have qualified knowledge, but they lack the practical exposure and hence hesitate to take risks in establishing their own ventures.
4. They lack knowledge of availability of raw materials, finance facilities, Governmental help, incentives, subsidy etc.
5. They lack property in their own names and hence banks and financial institutions hesitate to finance women based projects. Quite often, there is a considerable delay in sanctions and disbursements of loans to women SHGs.
6. They have to strive hard to sell their products in the modern competitive world and quite often, they depend on middlemen, who exploit them easily.
7. Women lack courage and self confidence in starting a new venture. They do not have access to entrepreneurial training.
8. Most of the Indian women do not have much knowledge about the latest technologies used in business and are not fully aware about the market uncertainties. Due to this problem they fail to grow along with the flow of the economy.
9. The family members and the society are reluctant to stand beside the entrepreneurial growth of SHG members. They face stiff competition from male entrepreneurs, which ultimately result in the liquidation of women SHGs.
10. The old and outdated social outlook to stop women from entering the field of entrepreneurship is one of the major reasons for their failure. They are under a social pressure which restrains them to prosper and achieve success in the field of SHG entrepreneurship.

Review of literature

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 access 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.

Indhumathi and Palanivelu (2013) „Women Empowerment through Self – Help Group“ reveals that the formation of SHGs has led to a number of positive features. The most important achieved aspect is that the earlier belief that the poor are unbankable and less credit worthy has been wrong. The success of any strategy of woman empowerment depends

upon the following factors: level of education, hard work, social customs, family planning, environment and collective strategies beyond the microcredit to increase the endowments of the woman enhance their exchange outcomes vis-a-vis the socio culture and political spaces are required for the women empowerment.

Parker (2013) in his article “Empowering Women through Microfinance in India” depicted that across the globe, but especially in Asia, and particularly in areas where rural population density is relatively high, microfinance can be an extremely effective poverty reduction tool. Microfinance enterprises can also potentially be very profitable undertakings as excess urban capital is redirected to credit starved rural areas. Modern microcredit is a relatively new phenomenon and as such some growing pains should be expected.

Growth of SHGs in India

Table-1 at the end 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

Even though the terms micro credit and micro finance are interchangeably used, the term micro finance connotes broader activity. Now, there is a shift from micro credit (small loans) to micro finance, in which in addition to credit, mobilization of savings, insurance, training and support services like assistance in marketing of client's products are provided which are otherwise known as “credit plus”.

NABARD has defined micro finance as follows: “Micro finance is all about provision of thrift, credit and other financial services and products of very small amount to the poor in rural, semi urban and urban areas for enabling them to raise their standard of living”.

Empowerment of women through Micro Finance benefits individual women, their families and the community as a whole through collective action for development. Pollution of water, deforestation, inadequate public health and sanitation, ground water scarcity, falling ground water table, overexploitation of water resources are some of the problems related to environment which may be addressed through sustainable rural development which in turn is possible through SHG and micro finance.

Prospects for the successful functioning of SHGs

1. The elimination of obstacles for women entrepreneurship requires a major change in the traditional attitudes and mindsets of people in the society rather than being limited to only creation of opportunities for women. Hence, it is imperative to design programmes that will address the attitudinal changes, training and supportive services.
2. Skill Training Programmes, right at the door-step of the SHGs, in various product / market related areas, personal and interpersonal skills, basic accounting knowledge, technical skills, latest technical know-how etc., by the District Industries Centers in association with Chamber of Commerce & Industry, NGOs and the local Banks. These training programmes have to be imparted directly to all the members rather than only the group leaders.
3. Interactions, meetings and continuous discussions with the males in the neighbourhood, will surely help in changing the mind-sets of the people towards the SHGs.
4. Awareness programmes have to be conducted by the local Panchayats in association with District Industries Centers, regarding facilities and Governmental schemes for the SHGs.
5. Successful and healthy SHGs have to be identified, recognized, awarded and they have to become role-models for other SHGs in the surrounding areas.

6. The big retail market players have to promote and help the SHGs in successful marketing of their products.
7. Steps have to be taken to change the negative attitude of the Banks towards the SHGs. The procedures have to be simplified and a single window scheme has to be adopted. Field Officers have to be appointed to coordinate with the various agencies and monitor the functioning of SHGs.
8. A separate SHG-Governmental Agency with NGOs has to be formed at the grass root levels for the betterment and improvement of SHGs.
9. Private Companies have to come forward and adopt the local SHGs as part of their Corporate Social Responsibility (CSR) initiatives.
10. Special provisions have to be made for SHGs to showcase and sell their products in Trade Fairs and Industrial Exhibitions.
11. Entrepreneurship Development Institute of India (EDII) has to set-up its branches in each District Head Quarters to promote the very basic instinct of women entrepreneurship.

Suggestions

1. The SHG members are to be properly educated about the fruits of this co-operative type of movement.
2. The male members of the families should be made to play a supportive role.
3. The district authorities may adopt a day-today system to monitor the functioning of SHGs.
4. Women's ability to influence or make decisions that affect their lives and their future is considered to be one of the principal components of empowerment by most scholars. It is much less clear, however, about what types of decisions and what degree of influence can be classified as empowerment in different contexts.

Conclusion

The first Prime Minister of India, Pandit Jawahar Lal Nehru has rightly pointed out that "to awake the people, it is the women who should be awakened first. Once she is on the move the family moves... the nation moves". There is a need for changing the mindset of the people towards women and to give them equal rights as enshrined in the Constitution of India. SHGs have been recognized internationally as the modern tool to combat poverty and for rural development. The Central and State Governments, Non-Governmental Organizations, Banks, NABARD and various Micro Finance Institutions have taken many steps, apart from providing various types of incentives and subsidies, but still, not much, has been achieved in this regard. The basic requirement in development of Women SHG-Entrepreneurship is to make aware the women, regarding their existence, unique identification and contribution towards the economic growth and development of a Country. No doubt that the SHGs movement in India has been working in the right direction, but it is necessary to further empower women in social, economical, cultural and political areas, for the better interest of their families, the society in particular and the nation in general.

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Table-1: Number of SHGs in India (2005-06 to 2012-13)

Year	Number Of SHGs (In Lakhs)	Growth Rate (In %)
2005-06	22.39	109.47
2006-07	29.25	30.66
2007-08	50.09	71.28
2008-09	61.21	22.2
2009-10	69.59	13.6
2010-11	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.