



A Study on Economic Well Being of Women Through Self Help Groups

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ABSTRACT

Poverty and unemployment are the major problems of any under developed countries, to which India is no exception. The rate of growth of women employment in India is very low. This is because of the low growth rate of new and productive employment. Women are the victims to multiple socio- economic and cultural constraints. They face discrimination and exclusion in all spheres of life. In almost all societies women have less power than men, have less control over resources. Emancipation of women is a prerequisite for the economic development of human resources than men. The more attractive scheme with less effort is "Self Help Group" (SHG). It is a tool to remove poverty and improve the women entrepreneurship and financial support in India. A Self Help Group is a small economically homogeneous affinity group of the rural poor voluntarily coming together to save a small amount regularly, which is deposited in a common fund to meet members emergency needs and to provide collateral free loans decided by the group. Self Help Groups enhance the equality of status of women as participants, decision-makers and beneficiaries in the democratic, economic, social and cultural spheres of life. The present paper is mainly focusing on the Self Help Group formation, women entrepreneurship and economic empowerment of women.

KEYWORDS : Women Empowerment, Discrimination, Emancipation, Self Help Group formation, economic empowerment

INTRODUCTION

The rate of growth of women employment in India is very low. This is because of the low growth rate of new and productive employment. Women are the victims to multiple socio- economic and cultural constraints. They face discrimination and exclusion in all spheres of life. In almost all societies women have less power than men, have less control over resources. Emancipation of women is a prerequisite for the economic development of human resources than men. The more attractive scheme with less effort is "Self Help Group" (SHG). 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.

OBJECTIVES OF THE STUDY

The objectives of the study are:

- i) To examine the impact of SHG and micro-credit on women empowerment.
- ii) To evaluate the performance of SHGs and to identify the extent they empower the women.
- iii) The study is to focus to examine the extent SHGs are an effective instrument in Enhancing the economic well being of women in the society.

REVIEW OF LITERATURE

Micro finance and women empowerment is a subject that has received growing research attention in recent years. Several organizations have promoted SHGs taking up the philosophy and approach of successful experiments of extending credit to poor women. Since the early 1980s, a large number of studies have examined the various dimensions of micro finance programmes and women empowerment. P.D. Havamain in a study has inferred that there is a significant difference in the family income and bank savings of the SHG. In a study by S.K. Kaushal analyzed that more women were impacted positively by being members of SHGs.

METHODOLOGY

It is a conceptual based study. Secondary data was obtained from various published and unpublished records, books, journals and information from websites.

THE CONCEPT OF SHG

The central idea of SHGs is the formation of groups, a concept of a "community and the development of relationships to promote people's well-being. SHG is defined as a group of members who voluntarily come together to form a group with an objective of empowering economically and socially contribute savings, invest the savings in productive enterprises or lend the saving among the group members to

sustain the habit of savings in future (N.Manimekalai).

THE GENESIS AND GROWTH OF SHGs IN INDIA

SHGs originated in the year 1975 at Bangladesh by Mohammed Yunus. In the eighties, it was a serious attempt by the Government of India to promote an apex bank to take care of the financial needs of the poor, informal sector and rural areas. And then, NABARD took steps during that period and initiated a search for alternative methods to fulfill the financial needs of the rural poor and informal sector. NABARD initiated in 1986-87, but the real effort was taken after 1991-92 from the linkage of SHGs with the banks. In other words, the Self Help Group (SHG) in India has come a long way, since its inception in 1992. The spread of SHGs in India has been phenomenal. It has made dramatic progress from 500 groups in 1992 (Titus 2002) to some 16, 18,456 groups that have taken loans from banks. About 24.25 million poor households have gained access to formal banking system through SHG-bank linkage programme and 90% of these groups are only women groups (NABARD 2005). The NABARD (2006) homepage declares that more than 400 women join the SHGs.

Micro finance programmes are currently being promoted as a key strategy for simultaneously addressing both poverty alleviation and women's empowerment. Most importantly micro-finance programmes enable women to contribute to the household economy, increasing their intra-household bargaining power. Thus, micro financing through Self-help groups has transferred the real economic power in the hands of women and has considerably reduced their dependence on men. But the lack of education often comes in the way and many a times they had to seek help from their husbands or any other educated man/ woman for day-to-day work. The political as well as economic empowerment will not succeed in the absence of women education in skills and vocations they require the most.

Before 1990s, credit schemes for women were almost negligible. There were certain misconceptions about the poor people that they need loan at subsidized rates of interest on soft terms, they lack skills, capacity to save, credit worthiness and therefore are not bankable. Nevertheless, the experiences of several SHGs reveal that rural poor are actually efficient managers of credit and finance. Availability of timely and adequate credit is essential for them in their enterprises development. The social processes of Micro financing programmes strengthen women's self esteem and self worth, instill a greater sense of awareness of social and political issues leading to increased mobility and reduced traditional privacy of women.

SHGs IS BASED ON THE FOLLOWING PRINCIPLES

Self-help supplemented with mutual help can be a powerful vehicle for the poor in their

Socio-economic development;

- Participative financial services management is more responsive and efficient;
- Poor need not only credit support, but also savings and other services;
- Poor can save and are bankable and SHGs as clients, result in wider outreach, lower

transaction cost and much lower risk costs for the banks;

- Creation of a common fund by contributing small savings on a regular basis;
- Flexible democratic system of working;
- Loaning is done mainly on trust with a bare documentation and without any security;
- Amounts loaned are small, frequent and for short duration;
- Defaults are rare mainly due to group pressure; and
- Periodic meetings non-traditional savings.

MEANING OF EMPOWERMENT

Empowerment is not essentially political alone; it is a process having personal, economic, social and political dimensions with personal empowerment being the core of the empowerment process. In fact political empowerment will not succeed in the absence of economic empowerment. The Scheme of Micro-financing through SHGs create empowerment promoting conditions for women to move from positions of marginalisation within household decision making process.

SHG AS A STRATEGY OF WOMEN EMPOWERMENT

In view of low literacy rate of women and the gigantic task of educating rural women a suitable strategy will have to be planned. The major task is to identify the areas where these groups in fact, are facing problems because at this stage only the problem solving adult learning technique will attract these rural poor to improve their working and income. The success of any strategy of women empowerment depends upon the following factors.

1. Level of education, hard work
2. Social custom
3. Family planning, small family
4. Health, medical services, cleanliness
5. Environment, tree growing, kitchen gardening.

Various case studies show that there is a positive correlation between credit availability and empowerment of women. The income generating activities undertaken by the SHG create different benefits to its members which leads to their economic well-being in the society. Even though SHG concept is applicable to men also in our country, it has been more successful only among women. 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. Thus SHGs have been showing the way ahead to alleviate the poverty of India along with women empowerment. Earlier government efforts through various poverty alleviation schemes for self-employment by providing credit and subsidy received little success. Since most of them were targeted based involving various government agencies and banks.

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. 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.

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