



Empowering Women through Self-Help Groups

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ABSTRACT

The empowerment of women is one of the imperative issues in the progression and improvement of countries all over the world. Tamilnadu has a magnificent custom of recognizing the significance of empowering women over a number of decades. Association with Self Help Groups has enabled women to gain greater control over resources like materials possession, intellectual resources like knowledge, information ideas and decision making in home Community, society. A process in which, women challenge the existing norms and culture, to effectively promote their well being is known as women empowerment. The participation of women in Self Help Groups (SHGs) made a significant impact on their empowerment both in social and economical aspects. This study examines women empowerment through self help groups in study. The results of the study revealed that the SHGs have had greater impact on both economic and social aspects of the beneficiaries. From the assessment of various criterias of empowerment (power, autonomy and self-reliance, entitlement, participation and awareness and capacity-building), the study suggests that if women participating in the microcredit programme through SHGs sustain for some longer period (eight years or more), such programme might contribute to higher level of "women's empowerment(WE)" than others types of control group.

Keywords : Micro Finance, Woman Empowerment, SHG, NGO, NABARD, IFAD.

INTRODUCTION

The Government of India and state authorities alike have progressively more realized the importance of devoting attention to the economic betterment and development of rural women in India. The Indian Constitution guarantees that there shall be no discrimination on the grounds of gender. In reality, however, rural women have harder lives and are often discriminated against with regard to land and property rights and in access to medical facilities and rural finance. Women undertake the more onerous tasks involved in the day-to-day running of households, including the collection of fuel wood for cooking and the fetching of drinking water, and their nutritional status and literacy rates are lower than those of men. They also command lower wages as labour: as rural non-agricultural labourers, women earn 44 rupees per day compared to 67 rupees for men. Women's voice in key institutions concerned with decision making is also limited. In 2007, only 8 per cent of all seats in the national parliament were occupied by women.

Women's empowerment has long been a central attribute of the partnership between International fund for Agriculture Development (IFAD) and the Government of India. Key instruments for supporting women's empowerment are self-help groups, whereby 10-20 rural women from the same village, mostly poor women, come together to contribute two-weekly or monthly dues as savings and provide group loans to their members. The self-help group approach was not created by IFAD-supported operations, but IFAD has contributed to the mainstreaming of this approach in India and to financing programmes for promoting self-help groups in states such as Tamil Nadu and Maharashtra supported by the Women's Development Corporation, an arm of the State Government involved in supporting women's development.

SELF-HELP GROUPs (SHGs)

Self-help groups are generally facilitated by Non-Government Organizations (NGOs), and increasingly advise and train members in a variety of on- and off-farm income-generating activities. Indeed, in a number of recent projects, NGOs were substituted by trained facilitators and animators drawn from self-help groups. Through promoting self-help group, IFAD-funded projects have contributed to improving the overall status of women in terms of income, empowerment, welfare, etc.

In the Rural Women's Development and Empowerment Project, for example, 90 per cent of the beneficiaries reported increased access to and control over resources such as land, dwellings and livestock. In those operations, the country programme evaluation also found clear advances in the self-confidence and assertiveness of self-help group members. In the Tamil Nadu Women's Development Project, 50 per cent of women self-help group members reported that, for the first time in their lives, they had visited new places and travelled longer distances, while 90 per cent had interacted with institutions such as banks, NGOs and project agencies. However, the study also noted that greater effectiveness would have been achieved if the project had stressed value-addition and promoted market linkages. The box below provides an example in how self-help groups introduced changes into women's lives.

Origin and Concept of SHGs

The origin of SHGs is from the innovation of Grameen Bank of Bangladesh, which was founded by Mohammed Yunus. SHGs were started and formed in 1975. In India National Bank Agriculture Rural Development (NABARD) was initiated in 1986-87. But the real effort was taken after 1991-92 from the linkage of SHGs with the banks. A SHGs is a small economically homogeneous empathy 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). They have been recognized as 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). SHGs 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 (N.Lalitha).

The Self Help Group Model

The Self Help Group (SHG) model, like almost all the other models in micro finance, has evolved in the NGO sector, SHGs are small (membership of 10 to 20 persons) informal groups that have socially and economically homogeneous membership of poor people drawn from the same hamlet or from nearer hamlets. The composition of membership is mostly exclusively male or exclusively female (as of now in India more than 90% of the SHG members are female only). The members are self selected, with the other potential members to build it into a strong social and financial institution.

Once the basic group is identified, the NGO facilitator builds processes and systems that make the SHG a viable, sustainable institution. The group meets regularly, mostly weekly, at an appointed time and place and carries out its financial transaction of need-based loans to the members (only) out of the pool of funds created. The rules and norms of the group are determined by the group member themselves. Thus while the SHG provides the members with financial services; the NGO provides them with support services, training, systems setting and in developing linkages.

Concept of Empowerment

Empowering means enabling people especially women to acquire and possess power resources in order for them to make decisions on their own or oppose decisions that are made by others which affect them. Participation and control over resources are considered as the critical indicators in the process of empowerment. Disadvantaged women especially in rural areas possess least proportions of resources and as a result they are powerless and dependent on the powerful. Historically, credit access and terms have discriminated against women (Manimekalai, 1999) due to various reasons such as inability to provide collateral, small-sized loans, high transaction costs for banks formalities. Microfinance through women Self-Help Groups is a significant medium of poverty alleviation and empowerment of women. SHGs formed by women in different places have proved that they could indeed bring about a change in the mindset of the very conservative and tradition-bound illiterate women in rural areas. The concept of group formation is the best strategy to enlighten women and provides necessary mental courage for self-employment. Grouping of women has increased their awareness and reduced the chances of exploitation by middlemen.

Empowerment of women is necessary for sustainable development. Empowerment is increasing the capacity of women to develop self-reliance in order to identify their problems. It emphasizes team spirit and collective action. Groups or communities act together in order to gain access to policies and decision-making arenas where their quality of life is determined. Development is a process of Empowerment.

Women's Empowerment

Naila Kabeer defines women's empowerment as the process by which those who have been denied the ability to make strategic life choices acquire such ability. This ability to ex-

ercise choices incorporates three inter-related dimensions: resources which include access to and future claims to both material and social resources; agency which includes the process of decision-making, negotiation, deception and manipulation; and achievements that are the well-being outcomes.

Measuring the Impact of Microfinance on Women's Empowerment

Given the complexity of foremost women's empowerment it is not surprising that only a few empirical studies have tried to examine the impact of microfinance on women's empowerment. For the most part, empirical research on microfinance's effect on women's empowerment has been conceptually ungrounded and tends to estimate an over-extended definition of empowerment or a truncated aspect of it. A number of these studies also suffer from methodological bias and flaws. In fact, only a few studies have successfully investigated this impact in a rigorous manner.

The interpretation of women's empowerment and its measurement varies across studies. Most researchers construct an index/indicator of women empowerment. However, measuring women empowerment by constructing indices is an inappropriate technique as it allows the use of accidental weights.

Most researchers, for instance, will agree that impact of a women's decision to buy cooking oil for the family is different in nature from her participation in a decision to buy a piece of land. Both these decisions have different implications and magnitude of impact on her empowerment. As such giving equal weight to both these decisions does not make sense. At the same time, suggesting an arbitrary weight for these decisions is also inappropriate, as it is not for the researchers to decide the factor by which the latter decision contributes more to women empowerment.

Other studies use Item Response Theory, where the element of analysis is the whole pattern of a set of binary indicators that substitute for woman's self-sufficiency, decision-making power, and participation in household and societal decision making. These studies have found that credit programs allow women to take a greater role in household decision making to have greater social networks and more bargaining power vis-à-vis their husbands; and to have greater freedom of mobility.

Microfinance and Self-Help Groups

A Self-Help Group (SHG) is a group that consists of about 10 to 20 persons of a homogenous class who come together with a view to address common problems. They collect voluntary savings on a regular basis and use the pooled resources to make small interest bearing-loans to their members. Collective wisdom of the group and peer pressure are valuable collateral substitutes.

A rural women's SHG enables members to become self-dependent and self-reliant and provides a forum for members to exchange ideas. It fosters a spirit of self-help and co-operation among members in members and gives them strength and confidence to solve their socio-economic problems. Women's participation in income-generating activities is believed to increase their status and decision-making power. The Group meeting also serves as a venue for other interventions such as adult literacy programmes. Micro-credit schemes are thought to be potent agents of social change in impoverished settings where women are disadvantaged by their lack of access to resources.

Entrepreneurship is challenging and requires capacity to take proper decisions and responsibilities. Entering into entrepreneurship independently could bring the desired change in attitude among the rural women, make them conscious of the oppression and induce them to take initiative and seize opportunities. Co-operative entrepreneurship through Self-Help Groups can encourage socio-economic development and promote employment.

FUNCTIONS OF SHGs

The following are the main functions of SHGs

1. The amount may be small, but savings have to be a regular and continuous habit with all the members. "Saving first –Credit later" should be the motto of every group members.
2. The savings to be used as loans to members'. The purpose, amount, rate of interest, etc. to be decided by the group itself. Enabling SHG members to attain loans from banks, and repaying the same.
3. Every meeting, the group will discuss and try to find solutions to the problem faced by the members of the group.

Another model has been piloted recently by NABARD. It facilitates formation of SHG for bank Linkage in areas without NGOs; instead, they use the services of committed individuals volunteers identified by banks branches.

Role of NGOs in the Promotion of SHGs

- NGOs play the crucial role of facilitators in group formation and development
- Quality of group can be influenced by the capacity of facilitator i.e., NGO
- NGOs also help in training and capacity building of facilitators being used by DRDAs
- DRDAs may support NGOs or Network of Community Coordinators who are engaged in the task of initiating and sustaining the group development process
- Community Coordinator take up the responsibility of managing 10-15 SHGs in a cluster consisting of 4-5 villages within a radius of 4-5 Kms.

It is quite a fact that the involvement of banks with grass root NGOs/SHGs also improves their appreciation of the problems of the poor in accessing formal credit and brings about change in their outlook, responsiveness and perception, NGO as financial intermediation, the success of microfinance is seen in the rural areas. NGOs can be expected to fast internalize the culture and practice associated with efficient conduct of the business if microfinance. The rise of NGOs doing business in microfinance has opened the floodgates of aid in at least in rural India.

Women empowering activities

1. Overcoming the resistance from husband and other members of the family to join the SHG;
2. Increased participating in decision –making within the household to issues that were usually considered outside the domain of women;
3. Improved status and increase in respect within the women;
4. Feeling fearless, open and confident
5. Adopting family planning procedures
6. Moving out of the house and the village more regularly;
7. Eradicating of Prostitution.

Self Help Group-Bank Linkage Programme

Though there are different models for pursuing micro-finance, the self help group (SHG)-Bank Linkage Programme has emerged as the major micro-finance Programme in the country. It is being implemented by commercial banks, regional rural banks (RRBs), and cooperative banks. Under the SHG –Bank Linkage Programme, as on 31 March 2012, 79.60 lakh SHG- held saving bank accounts with total saving of Rs6551 crore were in operation. By November 2012 another 2.14 lakh SHGs had come under the ambit of the programme, taking the cumulative number of saving –linked group to 81.74. As on 31 March 2012, 43.54 lakh SHGs had Outstanding bank loans of Rs36340 crore During 2012-13 (up to November 2012), 367 lakh SHGs were financed with an amount Rs 6664.15 crore

Progress of Micro-finance programme

Year	SHGs Financed by Banks during the year			Bank Loan Outstanding		
	No (lakh)	Amount (crore)	Growth (%)	No (lakh)	Amount (crore)	Growth (%)
2007-08	12.28	8849.26	-	36.26	16999.90	-
2008-09	16.09	12256.51	38.50	42.24	22679.85	33.41
2009-10	15.87	14453.30	17.90	48.52	28038.28	23.62
2010-11	11.96	14547.73	0.65	47.87	31221.17	11.35
2011-12	11.48	16534.77	13.66	43.54	36340.00	16.40

Source: NABARD

Conclusion

Rural women have sparks which can be fanned into flames with necessary guidance and training. There are innumerable possibilities for promoting profitable small enterprises by rural women and all efforts should be made to develop this nursery for entrepreneurship. Self-Help Groups of asset less women will have to be made sustainable through backward linkages to credit and technology and forward linkages with organized markets. The efficacy of SHGs would be considerably enhanced if a symbiosis could be worked out between SHGs and Panchayati Raj Institutions (PRIs) because by nature and mandate both these institutions have the same objective viz. of ushering people-centred development and through it to empower the development. It is difficult to say which factors are more important for empowering women. The differences in pace of empowerment might be a result of various factors: household and village characteristics, cultural and religious norms within the society, behavioral differences between the respondents and their family members; and the kind of training and awareness programs that women have been exposed to. For SHG programs, the results seem to indicate that the minimalist microfinance approach is not sufficient. Additional services like training, awareness raising workshops and other activities over and above microfinance programs that purely focus on financial services are also an important determinant of the degree of its impact on the empowerment process of women. Further research is needed to identify what factors in SHG programs have a greater impact on women's empowerment.

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