



SELF – HELP GROUPS AND ECONOMIC EMPOWERMENT OF WOMEN IN INDIA

Smt. Rathna Y. D, Assistant Professor in Economics, Government Arts College,
Hassan

ABSTRACT

This paper majorly focuses on how self- help groups are instantly support to empower the women in various fields. Self-help groups have been instrumental in empowerment by enabling women to work together in collective agency. Women's networks do not usually obtain business or political favours has the command few economic resources are frequently rely on time and non- monetized labour exchange. However, self-help groups, then combined with savings and credit, have enabled women to benefit economically by monetizing their contributions and in the process have empowered them to become agents of change.

Key words: Community, Self-help groups, Micro finance

Introduction:-

The biggest challenge to any civilized society is the economic deprivation of its bucolic part. The most potent tool against human deprivation is building human capital among the deprived, through sustainable development initiative, which is taken by the deprived themselves, "Self – realization and self-initiative are the two most powerful weapons to wash poverty out from the world map" this dynamic quotation of world's greatest economist CHANUKYA is been translated to one word that is SHG. Micro finance through SHG has become a ladder for the poor to bring them up not only economically but also socially, mentally and attitudinally. Starting from the Bancosol of Bolivia to India's NABARD all are the witness of the triumphant saga of micro finance.

India's economy is increasingly becoming a market driven economy. The state of affairs is such that unless micro entrepreneurial activities are not initiated a rural areas and finance is not properly channelized toward the activities, the rural poor will not be able to break the grinding cycle of poverty. In

this issue we have tried to examine the direction and importance of rural finance in terms of self-help groups which offer the easiest method of empowering the rural poor.

Objectives of the Study:-

The paper presentation is mainly based on the following objectives.

1. To analyze the concept of self –help groups and empowerment.
2. To analyze the relationship between self- help groups and economic empowerment of women at national and state level.
3. To examine the economic impact of self-help groups with reference to increase in saving, increase in employment generation, improvement in asset holding, effective utilization of credit, and impact on poverty levels.

Methodology:-

The methodology of the present study can be broadly outlined with the help of the secondary source of data and information of national and state level.



Progress and performance of self-help groups have been analyzed; the growth rate of self-help groups has also been estimated on the basis of available annual data. Secondary such as Government publications, reports of women and child development departments, various state level and national level journals and NGO's.

The concept of SHG:-

It is a voluntarily formed group the member size is 10-20. The group is basically homogenous in nature. They came together for addressing their common problem. They are encouraged to save in a regular basis. The amount of saving is within the range of Rs. 20 – Rs, 100. They rotate this common pooled resource within the members with a very small rate of interest. Each group has a leader who is called as the president and secretary. They usually maintain records of transaction in daily basis in written format and that has been kept with the president or the secretary. Not only from the internal resources the members also get loan in bulk amount from mainstream bank, different governmental and non-governmental organizations, donor agencies through MFI's.

SHG Functions:-

The important functions of SHGs are as follows:-

- * Group members usually create a common fund by contributing their small savings on a regular basis.
- * Groups evolve flexible systems of working and manage pooled resources in a democratic way.
- * Groups consider loan requests in periodic meetings and competing claims on limited resources are settled by consensus.

- * Loans are given mainly on trust with minimum paper with and without any security.
- * The loan amounts are small, frequent for short duration and are mainly for conventional purposes.
- * The rates of interest vary from group to group and the purpose of loan. It is higher than that of banks but lower than that of money lenders.
- * At periodic meetings, besides collecting money social and economic issues are also discussed.
- * Defaults are rare due to group pressure and intimate knowledge of the end use of credit.
- Differentiating between consumer's credit and production credit.
- Analyzing in the economies, culture and social position of the target group.
- Providing easy access to credit and facilitating group organization for effective control.
- Ensuring repayment and continuity through group dynamics.
- Setting viable for interest rates, repayment schedules, gestation period, extension, writing off bad debts and
- Assisting group members in getting access to the formal credit institution.

Concept of Empowerment:-

The concept of empowerment has been the subject of much intellectual discourse and analysis. Empowerment is defined as the processes by which woman take control and ownership of their lives through expansion of their



choices. Thus, it is the process of acquiring the ability to make strategic life choices in a context where this ability has previously been denied. The core elements of empowerment have been defined as agency, awareness of gendered power structures, self-esteem and self-confidence. Empowerment can take place at a hierarchy of different levels individual, household, community and societal and is facilitated by providing encouraging factors e.g. exposure to new activities, which can build capacities and removing inhabiting factors e.g., lack of resources and skills.

Two vital processes have been identified as important for empowerment. The first is social mobilization and collective agency, as poor women often lack the basic capabilities and self-confidence to counter and challenge existing disparities and barriers against them. Often, change agents are needed to catalyze social mobilization consciously.

Second, the process of social mobilization needs to be accompanied and completed by economic security. As long as the disadvantaged suffer from economic deprivation and livelihood insecurity, they will not be in a position to mobilize.

Awareness and recognition women's economic contribution within and outside the household. "Poverty has women's face of 1.3 billion people in poverty, 70% are women". Illiteracy on a large scale is a major obstacle to development and commenced the battle against equality and empowerment of women. Human development is process of enlarging choices for all people in the society. In this process most of the women are excluded from its benefit. If women are continually excluded, they

fail to play a part in economic, social and political decision-making and development.

Components of Empowerment of Women:-

Empowerment in this context can be observed in the following six components viz.

1. Access to economic resources and influence over their uses.
2. Participation in economic decision-making.
3. Opportunities for self-development.
4. Participation in socio-political decision – making and influence over local opinion making.
5. Scope for skill development.
6. Impact on general welfare of the family and community.

Self-Help Groups and Economic empowerment:-

Self-Help Groups intermediated by micro credit have been shown to have positive effects on women, with some of these impacts being ripple effects. They have played valuable roles in reducing the vulnerability of the poor, through asset creation, income and consumption smoothing, provision of emergency assistance, and empowering and emboldening women by giving them control over assets and increased self-esteem and knowledge.

Studies in several countries and point out that loans are sometimes used for consumption smoothing, not production. It has been pointed out that the poor often have short-term liquidity needs, which would normally be met by usurious money lenders if other financial sources such as micro credit were not available. During the Asian economic



crisis, self-help micro credit groups served as important cushions and safety nets. A high proportion of the funds made available for self-help micro credit schemes were utilized by women, enabling them to meet the subsistence needs of their families during those difficult economic times. Many self-help programmes have also incorporated elements of savings, which can be used for purposes such as health insurance and emergency loans, thereby serving as private safety nets.

One important indicator of empowerment is the ability to make decisions within the household. Where mobility outside the home is often restricted, women have reported increased mobility, simply having to inform male heads of household instead of soliciting their permission. Increased self-confidence was especially pronounced when women had been exposed to training on women's rights and social political issues.

Exclusion of poor women from land rights has been highlighted as contributory to their marginalization. Some self-help groups have reportedly been able to purchase or lease land or user rights to community forests and fishing ponds collectively, thereby laying the foundation for enhanced food security and agricultural productivity. As most Grameen members are women, one of the results is that women have had title deeds transferred to them, often from their husbands, to obtain these loans. This has also reduced the incidence of divorce since women as owners of their own homes cannot be easily evicted.

As women are an important part of the community, building their capabilities to manage community and community's projects should be

enhanced. One measure which has been taken with some success is to assign specific responsibility to women's groups in the community. There have been reports of women's self-help groups serving a social audit function and, in one instance, exposing corruption in the supply pipes and ordering replacements.

Path ways to Empowerment:-

Self-help groups have been instrumental in empowerment by enabling women to work together in collective agency. Women's networks do not usually obtain business or political favours' as they command few economic resources and frequently rely on time and non – monetized labour exchanged. Self-help groups, when combined with savings and credit, have enabled women to benefit economically by monetizing their contributions and in the process have empowered them to become agents of change.

Instead, this process of social mobilization should be conceptualized more broadly so that the groups can perform more encompassing roles. A promising example is the federating of self-help groups, where all such group in one village form an apex body consisting of selected representatives of each group. Women leaders in federated bodies have gained prestige and recognition, which has paved their path to elected office in local government. It is at the level of political decision-making that women can hope to have a voice in transforming society. In this regard, affirmative action, whereby women are allocated quotas in various decision-making bodies, can be an effective strategy.

Role of self –help Groups in the Empowerment of women:-

1. Access to economic resources and influence over this uses. The



unjustifiable concentration of economic powers is one of the key factors for the low prestige and weak bargaining position of women in the society.

2. Participation in economic decision – making. Economic roles are more influential in the present day living. In this direction, women’s abilities are required to understand, to access women empowerment.

3. Opportunities for self-Development. This latter is especially important since rural women, right from the time when they are young girls, are denied the opportunities to go to school.

4. Participation in socio- political decision making and influence over local opinion making.

5. Scope for skill-development. Skill, whether technical or managerial of a women, are specific ability to do something well.

6. Impact on general welfare of the family and community. Usually, a woman acquires the influential role primarily through her credibility and respect in the society.

Conclusion:-

Indian development planning has aimed at removing inequalities in the process of development to ensure that the fruits of development are an equal. Privilege of all sections of society, in recent years it has become increasingly evident that women are lagging behind a great deal both in availing of the benefits of development

and as participants in the process of development due to several socio-economic cultural political impediments. The strengthening of women’s economic empowerment requires actions in the area of recognizing women’s right to sustainable livelihood and employment, all policies for self-reliance, encourage economic empowerment of women, protect migrant workers in order to protect their dignity and develop mechanisms to promote dialogue on policies and programmes of government organizations and non- government organization.

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