



## The role of self-help groups and women empowerment in India

B C Basavarajappa

Assistant Professor, Department of Political Science, Government First Grade College, Kadur, Chikkamagaluru, Karnataka, India

### Abstract

In recent year financial inclusion has been given top priority has financial development and economic growth are independent. Women constitute almost of half country's population and their work participation is also increasing and diversifying and impacting her family, neighborhood and the economy too. Self-help group is a small association of poor people, which from voluntary by the people from the same social and economic background. They have purpose to solve their common problems thought mutual help. These group promote small savings among its members and such savings are deposited in bank in the name of SHG as collective fund. Financial inclusion will be helpful for rural areas where people are unaware of banking services and the benefit associated with other financial services. Micro finance is also necessary to overcome social exploitation and create confidence for self-reliance among rural women and poor section of our society. Apart from the informal financial institutions, the formal and semi-formal sectors also are taking much interest providing micro finance to rural women. The objective of present study is to find out the role Self-help group towards women empowerment in rural area. The study has been carried out in Sagar taluk of Shimogga district. For the purpose of the study, both primary and secondary data has been collected. The data has been interpreted by using various statistical tools and conclusion draw at the end.

**Keywords:** self-help group, women empowerment, micro finance rural women

### Introduction

In the early decades, the concept of women development was totally out of mind and their condition was miserable. But with the changed scenario, the thinking of people has been changed due to education, awareness and now, the problems of women are looked upon as the problems of social welfare and are considered more seriously and ultimately solved in the form of other way round particularly in the past more than 15 years. Due to the development of new policies, Programs and even projects, the status of women has totally been changed as they provide assistance to the low income women. This concern for low-income women's needs has coincided historically with recognition of their important role in development. Various intervention approaches have been developed in order to address the needs of the women which ultimately reveal modifications not only in social policy approaches to third World Development, state policies relating to women but also in the overall economic policy of the country as a whole. The empowerment approach is the most recent and is aimed at empowering women through greater self-reliance and internal strength.

The development and growth of the Microfinance sector have been tremendous and eye-catching over the past few decades. Microfinance through SHG has become a medium of making formal banking services to the people from remote areas. A Self Help Group (SHG) is mostly a village – based financial organization usually composed of 10 - 20 local women. SHG agrees to save on a regular basis and convert their savings into a common fund known as 'group corpus'. The model has grown at a very rapid speed and has gained attention as a very innovative way of delivering microfinance services to the poor and the needy people, who

find it extremely difficult to reach the and gain access to formal banking services. By integrating their personal savings into a single deposit, SHG minimizes the SHG bank's transaction costs and create an attractive amount of deposits. Through SHG, banks can provide formal financial services to small rural Depositors while paying them a market interest rate. SHG is started by nonprofit organizations and also by Government organizations that generally have broad poverty reduction agendas. SHG is seen as instruments for a variety of goals, including giving control to women, increasing management ability among adverse people, increasing school enrollments, and improving diet and the use of family planning measures. SHG proves to be effective tools for poverty reductions and Capacity building of rural natives. It provides women an opportunity to become socially and economically self-sufficient. SHG provides them freedom express their views, feelings about the various societal and political concerns. SHG also helps to create knowledge among its members about social evils, the rights of women, about the laws and regulations of government in general.

The empowerment of women is vital for the economic development of a nation and also plays a key role in building a base for societal change. To improve the socio-economic conditions of the population of any country, it has become a prerequisite to empower women by enhancing and making certain their role to the optimal level. The development strategies could no longer achieve their targeted goal if it neglects the need for contribution and participation of women to the social activities. It's only when women are considered as equal partners in progress with men, overall development and harmonious development of any country would be attainable. Thus, the

liberation of women is a precondition for the nation's economic development and social upliftment and if equal economic and social opportunities for women are not provided, emancipation cannot really happen. Bringing women into the mainstream of development is one of the major challenges for developing countries like India. Self Help Groups (SHGs): A Self-Help Group is a group of people from the same socio-economic background up to 20 members. These groups are promoted by Government agencies or NGOs with the aim of solving the common problems of group members either financial or social through mutual help.

### Schemes

#### Financing of Joint Liability Groups (JLGs)

Financing of JLGs was introduced as a pilot project in 2004-05 by NABARD in 8 states with the support of 13 RRBs. The scheme was later mainstreamed for the banking system in the year 2006. JLGs are informal groups of 4-10 members who are engaged in similar economic activities and who are willing to jointly undertake to repay the loans taken by the Group from the banks. JLGs basically are Credit groups of small/marginal/tenant farmers/asset less poor who do not have proper title of their farmland. Regular savings by the JLG members is purely voluntary and their credit needs are met through loans from financial institutions and such loans from financial institutions and such loans could be individual loans or group loans against mutual guarantee.

#### NABARD Financial Services Ltd. (NABFINS)

NABARD, while promoting NABFINS has envisaged that NABFINS shall evolve into a Model Microfinance Institution to set standards of governance among the MFIs, operate with exemplary levels of transparency and operate at reasonable/moderate rate of interest. It is a NBFC-MFI which commenced its operations in November 2009

NABARD is the major shareholder of this MFI others being government of Karnataka, Canara Bank, Union bank of India, Bank of Baroda, Federal Bank and Dhanalakshmi Bank. NABFINS also extends loans to SHGs through its own trained Business & Development Correspondents (BDCs). NABFINS also extends loans to other second level organizations like Federations as well. NABARD is continuing its refinance assistance to NABFINS.

#### Micro Enterprise Development Programme (MEDPs)

NABARD since 2006 has been supporting need-based skill development programmes (MEDPs) for matured SHGs which already have access to finance from Banks. MEDPs are on-location skill development training programmes which attempt to bridge the skill deficits or facilitate optimization of production activities already pursued by the SHG members. Grant is provided to eligible training institutions and SHPIs to provide skill development training in farm/off-farm/service sector activities leading to establishment of micro enterprises either on individual basis or on group basis. Over the years around 4.68 Lakh SHG members have been covered through 16,406 MEDPs.

#### Collaboration with NRLM

NABARD continues close coordination with all stakeholders in SHG BPL sector. Collaboration with NRLM is being regularly maintained and enhanced for the support of SHG BPL. Coordinated efforts like conduct of National

level seminars and workshops, mutual dialogues and capacity building of stakeholders on SHG BPL have now become very regular. Coordinated efforts in following areas have particularly proved immensely fruitful.

### Review of Literature

Devi S. Kavitha (2014) <sup>[3]</sup> has reviewed on the topic "Micro Finance and Women Empowerment" in this article the presentation was a succinct and applicative manner of several decision making processes. The ability to generate and control their own income can further empower poor women. Research shows that credit extended to women has a significant impact on their families' quality of life. Of these methods micro finance providers tend to involve the husbands of their female clients when talking business, because his support is vital. Additionally, any plan to fight poverty cannot solely focus on one gender and circumstances therefore; many micro finance programs serve men as well.

Jatin Pandey and Rini Roberts (2012) write on "A Study on Empowerment of Rural Women through Self-Help Groups" in National Monthly Refereed Journal of Research in Commerce and management. The study is conducted at Chamarajnagar in Southern State of Karnataka. This study seeks to examine the impact of participation in Self Help Groups on the empowerment of women while conceptualizing any programme for rural women in the context of the great importance being given to the group approach.

Kundu K.K.et.al., (2006) <sup>[2]</sup> in their work attempted to study the efficiency of SHG bank linkage programme in Haryana and found that commercial banks facilitated the access of the rural poor to financial services in a cost effective and sustainable manner. They pointed out that through these rural poor, SHGs not only developed confidence in them but also cultivated the habit of thrift/saving and utilized collective wisdom to tackle their own problems.

Kolte *et al.*, (2010) in their study expressed that due to the emergence of SHG, women were able to see the outside world. They were able to understand the process involved in solving local problems through political participation. In SHGs, women found an opportunity to test their leadership skills. The SHGs proved themselves and had become an important element of women empowerment movement in rural areas.

### Statement of the Problem

Poverty and unemployment are the twin problems faced by the developing countries. In India, the financial institutions have not been able to reach the poor households particularly women in the unorganized sector. Structural rigidities and overheads led to high cost in advancing small loans. Economic development of a country means that the per capita income of that country moves increases. Similarly, to any other country of the world, India has been endowed with natural and human resources who need appropriate utilization by adopting recent technology for growth and development of the economy.

Self Help Groups have emerged as one of the major strategies for the convergence of services and activities different Self Help Groups in different states of the country have focused on: Skill development, Awareness generation, Gaining access to credit from financial institutional for micro enterprise projects and management of credit for the economically deprived sections of women and so on.

**Objectives of the Study**

The study is done with following objectives

1. To analyze the changes in the social conditions of the members of the self-help groups
2. To find out the benefits through Self Help Group
3. To analyze the income, expenditure and savings pattern of the Self Help Group
4. To find out the problems faced by the members of Self Help Groups
5. To analyze role played by Self Help Groups in fulfilling credit needs of rural women

**Research Methodology**

The present research has been conducted with the help of both primary and secondary sources. For the purpose of study primary data has collected, with the help of a well-structured interview schedule. Information was sought from 40 respondents who belong to rural area of sagara taluk. Secondary data has been from various journals, articles report as well as website. Convenient sampling method was followed while selecting the sampling units and the collected data has been interpreted with various statistical tools like, percentage, ranking technique and chi-square test.

**Data Analysis**

**Table 1:** Socio economic profile

Criteria	Frequency	Percentage	
Matriculation	10	25.00	
PUC	05	12.50	
Education	Graduate	10	25.00
	Post graduate	5	12.50
Marital status	Married	30	75.00
	Unmarried	10	25.00
Income	Up to 1000	05	12.50
	1000-2500	05	12.50
	2500-5000	20	50.00
	5000 and above	10	25.00

Source: Field survey

Table 1 shows the socio economic profile of the respondents. Out of 40 respondents 25 percent of the respondents are graduates and 75 percent of the respondents are married and 50 percent of the respondents come under the income group of Rs.2500 to 5000.

**Table 2:** Motivational Factor

Factor	Frequency	Percentage
Social security	15	37.50
Finance	10	25.00
Collective help	10	25.00
Any other	05	12.50
Total	40	100.00

Source: field survey

Table 2 Shows that, out of 40 respondents, 37.50 percent of the respondents are motivated by social security factor, finance requirement and benefit of collective help motivated 25 percent of the respondents and remaining 5 percent of the employees motivated by other than the above factors.

**Table 3:** Repayment of Loan

Period	Frequency	Percentage
Up to 6 month	05	12.50
6-12 month	05	12.50
12-18 month	20	50.00
Above 18 month	10	25.00
Total	40	100.00

Source: field survey

Table 3 shows that, out of 40 respondents, 12.50 percent of the respondents are given 6 months repayment period, another 12.50 percent of the respondents are given 6 to 12 months repayment period, 20 respondents are given 12 to 18 months, 10 respondents are given above 18 months repayment period by the SHGs.

**Table 4:** Satisfaction Level

Criteria	High Satisfaction	Satisfaction	Dissatisfaction
Loan amount	10	30	00
Terms of loan	00	40	00
Rate of interest	15	20	05
Policy & procedure	10	30	00

Source: field survey

Table 4 shows that, out of 40 respondents, 10 are highly satisfied and remaining 30 respondents are satisfied by the amount of loan given by the SHGs, all respondents have satisfaction about the terms of loan.15 respondents are highly satisfied, 20 respondents are satisfied and only 5 respondents are dissatisfied about the rate of interest charged by SHGs.10 respondents are highly satisfied and remaining 30 respondents are satisfied with the policy and procedure of SHGs.

**Conclusion**

In most of the developing countries today, more and more emphasis is laid on the need for women’s active participation in the main stream of development process. It is also widely recognized that apart from managing household, bearing children, rural women bring income with productive activities ranging from traditional work in the field of working in factories or running small and petty business.

The present study was an attempt to find out the socio-personal, economic, communication pattern and psychological characteristics of SHGs members. It was concluded that emergence of women at the grass root level was dominated by educated, middle aged and of reserved categories women with medium economic status. The economic progress of India depends on the productivity of both male and female workforces.

In order to analyze the role played by Self-Help Group(SHGs) in empowerment of women in creating social, political, cultural, financial and others awareness present study have been undertaken. It has been measured up to what extent the Self-Help Group have been successful to inculcate the qualities of women workforce.

**Reference**

1. Prakash Rao, Sowjanya Shetty V. Basil Hans, September 17,2017,
2. Kundu K.K.et.al, 2006.
3. Devi S. Kavitha, 2014.
4. Self Help Groups, financial inclusion and women empowerment.