

Rural Women Empowerment through Entrepreneurship

Volume I



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A STUDY ON EMPOWERMENT OF WOMEN THROUGH SELF HELP GROUP

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Abstract:

Women's empowerment has been visible in recent years as a focal topic in determining their status. In recent years, SHG's have become a significant movement in India. The Self-Help Group (SHG) movement in India has been working in the right direction in empowering women and eradicating poverty in the rural and urban areas. The main objective is to analyses the income, expenditure and savings pattern of the Self Help Groups members. To study the social and economical conditions of the SHG members.to analyse women empowerment through SHG's. The group members meet every week. They discuss about the group savings, rotation of sangha funds, bank loan, repayment of loan, social and community action programmes. Since women are the sole family caretaker, proper emphasis should be given to the women and for empowering the women finance is required. Microfinance to the SHG's is a way to raise the income level and improve the living standards and economic independence of the women.

Keywords: Women Empowerment- Self Help Group- Micro Credit- Saving Employment

Introduction:

Women play a very vital role in human progress and have a significant place in the society. They are not at all inferior to men. They are capable of sharing all the responsibilities of life. Man and woman have been rightly compared to the wheels of same carriage. They can have equal rights to participate in education, society, economics and politics. They are allowed to have higher education and treated in the way like men and they are the backbone for a progressing nation.

Empowerment of women is needed for the economic development that covers social, economic, and social well-being. The country has now been turned over by the rapid growth of SHGs. The form of SHG has laid the foundation to address the above aspects of women empowerment. SHGs enhance the social, economic social status of women. The fundamental principle of SHG is group dynamics. SHG is a small group of rural economically, socially backward people especially women, to bring out their talents, skills, and their capabilities which go to enhance their empowerment.



Objectives of the Study:

Even though the broad objective of the study is to examine the role and performance of SHGs in promoting women's empowerment, the study has some specific objectives. They are:

- To analyses the income, expenditure and savings pattern of the Self Help Groups members.
- To study the social and economical conditions of the SHG members.
- To analyse women empowerment through SHGs.

Working of SHGS:

It is working in democratic manner. Maximum 20 members among them one is selected as an 'animator' for two years and two members are selected as the representatives. The group members meet every week. They discuss about the group savings, rotation of sangha funds, bank loan, repayment of loan, social and community action programmes.

1. Formation

SHG is formed only for the sake of savings and credit activities. Motivation for the group formation and the profile of the leader is a major determinant of its strength. Women groups are better able to address the specific needs and problems of the members. The role of facilitator is critical in strengthening group process and truly instilling the concept of self-help group. Most SHGs have an elected chairperson, a deputy, a treasurer and other office holders.

2. Functions of SHGs

It creates a common fund by the members through their regular savings which will be pooled in a democratic way. It conduct periodical meetings to take needed decisions. It provide small and reasonable loan with affordable interest rate varying from group to group which helps Innovative Practices in IT, Management, Education and Social. Usually the interest fixed will be little higher than the bank rate but lesser than the money lenders.

3. Scope of SHG

Many organizations in India, including non-governmental organizations (NGOs), community based organizations, local and national government bodies, now recognize the enormous potential of SHGs. The activity for which the SHG movement is known is the rapid growth of rural bank-SHG linkage to support borrowings. The emphasize on capacity building helped to address the dynamic



and multifaceted nature of poverty, lack of skills, building knowledge and confidence to use finance to exploit opportunities, manage life cycle events and cope with crisis.

4. Gender Equity

Through resources and agency support rural women should be guided to join the SHGs to encourage formation of micro enterprises according to their interest, skills and need which empowers them to exhibit better roles as entrepreneurs, wife, mother etc. this freedom should measure their development. Focus more on enriching their capacity instead of providing welfare to improve their financial, social and political status by making them an agent for social change to enjoy joyful life.

5. Empowerment through SHGs

SHGs ensures economic independence by income generating activities , Its regular meetings and discussion on many live issues helps rural women in developing communication skills and build confidence to speak at the Grama Sabha & public meetings it burings success in their democratic, social and cultural spheres of life. Social development of women by creating equality of status encourage their participation, facilitate decision making and make them self-sustaining in the society.

6. Micro Credit from the common fund

Funds for credit activities are coming through regular savings deposited by all of its members on a weekly or fortnightly basis. Groups meet periodically to discuss their transactions. Limited amount of loan for short duration with a simple and flexible procedure are decided by consensus of members provided for various purposes, defaults are negligible. The judicious mix of Micro credit and other activities for development and empowerment have made it an effective weapon for holistic and integrated social and economic development of women.

Governmental Initiatives:

Government support accelerated SHG movement. World Bank (2001) Collaborative efforts by government, NGO's and SHG's to promote micro enterprises in the long run generates huge employment opportunity to rural women to reduce poverty in the rural areas. Following are some of the major initiatives of government towards SHG movement.



1. Development of Women and Children in Rural Areas (DWCRA)

Groups with maximum membership of 15 are formed by Department of Rural Development. The scheme focus on organization of women into groups to foster a collective approach to their problems and to enhance their bargaining power. The members can collectively use it for any income generating activity. Thrift is used as tool for entry and members are encouraged to save their money in a common fund and Training in leadership, attitudinal change, skills for income generation is provided under the scheme.

2. Anganwadi Groups

This group is formulated under the Department of Women Welfare at the habitation level for implementing health, nutrition, and literacy programmes for rural women. Micro finance facility is availed to the members for taking up income generating activities.

3. Joint Forest Management Groups

Village communities in notified forest areas are formed into Vana Samrakshana Samithis (VSS) to conserve forest wealth, social mobilization and village communities are exhorted to take up alternative income generating activities.

4. Watershed Management Groups

Farmers in the watershed areas are formed into groups for implementing improved techniques of watershed development with the intervention of a facilitating agency, normally an NGO. On-farm development activities are funded through grant support, these groups are also encouraged to take up microfinance with thrift as an entry point activity.

5. Rashtriya Mahila Kosh (RMK)

Group formed by NGO's and funded by RMK, a fund set up by the government of India for associating women to undertake income generating activity.

Need of SHG's:

The rural poor are incapacitated due to various reasons, because most of them are socially backward, illiterate, with low motivation and poor economic base. Individually, a poor man is not only weak in socioeconomic term but also lacks access to the knowledge and information which are the most important components of today's development process. However, in a group, they are



empowered to overcome many of these shortcomings. Hence, the role of SHG's is highly essential which in specific terms covers the following as under:

- To create awareness about rights that help in financial assistance.
- To identify problems, analyzing and finding solutions in the group.
- To act as a media for Socio- Economic development of the village.
- To develop linkages with institutions of NGO's.
- To help in recovery of loans.

Types of Empowerment through SHG's:

The term Empowerment refers to measures designed to increase the degree of autonomy and self-determination in people and in communities in order to enable them to represent their interests in a responsible and self-determined way, acting on their own authority. It is the process of becoming stronger and more confident, especially in controlling one's life and claiming one's rights.

- Economic Empowerment
- Social Empowerment
- Political Empowerment
- Psychological Empowerment

Elements of Empowerment:

- **Access to Information**

Informed citizens are better equipped to take advantage of opportunities, access services, exercise their rights, negotiate effectively, and hold state and non-state actors accountable.

- **Inclusion and participation**

Inclusion of poor people and other traditionally excluded groups in priority setting and decision making is critical to ensure that limited public resources build on local knowledge and priorities, and to build commitment to change.

- **Accountability**

It refers to the ability to call public officials, private employers or service providers to account, requiring that they be answerable for their policies, actions and use of funds.

- **Local organizational capacity**

It refers to the ability of people to work together, organize themselves, and mobilize resources to solve problems of common interest. Often outside the reach of formal systems, poor people turn to each other for support and strength to solve their everyday problems.



Benefits of SHG:

- SHG movement created an institutional framework.
- Participation of women in SHG's improved their access to credit.
- Culture of thrift and disciplined loan repayment
- Winning confidence of mainstream financial sector as credit worthy institutions.
- Interest rates in the informal credit sector decreased.
- Consumption needs and certain production needs met.

Scope of the Study:

The present study has been carried out to assess the empowerment of women through Self-Help Groups. It aimed to assess the Self-Help Groups, socio-economic conditions of Self-Help Group members, provided the facility of pooling their savings and access to credit, reasons for joining Self-Help Groups and also a humble effort to assess the socio-Economic empowerment of women through Self-Help Groups.

Suggestion:

- Since youths are more attracted towards the process of participation and collective action, the Government will motivate them by introducing some peculiar scheme for them.
- The literacy level among the SHG women is low hence efforts should be made to improve the literacy on priority basis because education provides opportunity for socio-economic development.

Conclusion:

Self Help Group is an important tool which helps the rural women to acquire power for their self-supportive life. SHG Programme clearly plays a pivotal role in the lives of the poor. Empowering women is not just for meeting their economic needs but also more holistic social development. Since women are the sole family caretaker, proper emphasis should be given to the women and for empowering the women finance is required. Microfinance to the SHGs is a way to raise the income level and improve the living standards and economic independence of the women.

Usually working women are being respected by the household members and the society. Now a days the women in the SHGs are also respected as they are independent in earning the income and they are contributing to household income, expenditure and savings. The strategy of micro-financing through SHGs can help in a big way in eradicating poverty and empowering women.



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