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RESEARCH ARTICLE

A STUDY ON THE ROLE OF SELF HELP GROUP IN WOMEN EMPOWERMENT

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ABSTRACT

Empowerment is a process which generates changes in ideas and perceptions and creates awareness about one's rights and opportunities for self development in all important sphere of life. Women empowerment is a must for the betterment of our country's future, as women are better manager than men. They can properly manage both her house and office in a systematic way as compared to men. In India, Micro finance and Self Help Group (SHG) intervention have brought tremendous change in the life of women at the grass root level. The participation of women in Self Help Groups (SHGs) made a significant impact on their empowerment both in social and economical aspects. The aim of the paper is to identify the various activities of self help group and to analyse the financial help and govt support to their work and also to analyse the role of self help group in women empowerment.

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INTRODUCTION

Women in India are victims of a multiple socio-economic and cultural factors. They are an integral part of every economy. All round development and harmonious growth of a nation would be possible only when women are considered as equal partners in progress with men. The available latest statistics relating to the Indian Economy indicates that about 26% of the total population in the country belongs to the rural poor. Considering the gravity and intensity of the problem, many Voluntary Development Organisations (VDOs) have come forward with different programmes for the rural poor in the country. These agencies undertake various innovative programmes and schemes to address the issues of poverty and unemployment prevailing in our country. Among the various programmes "Swarna Jayanti Grama Swarojgar Yojana" (SGSY) is an important one. This programme was launched on 1st April, 1999, at 75: 25 costs sharing between Central and State Governments. The Self-Help Groups (SHPs) are the major component of this scheme. SHGs are novel and innovative organizational setup in India for the women upliftment and welfare. All women in India are given chance to join any one of SHGs for training and development, so as to be prospective entrepreneur and skilled worker. The SHGs are promoted by the Government as if women in India may not be resourceful enough to be entrepreneurs. When the SHGs arrange training facilities to carry out certain

kind of work which are suitable for women in India, bank must arrange financial assistance to carry out manufacturing and trading activities, arranging marketing facilities while the Governments will procure the product of SHGs, arrange for enhancing the capacity of women in terms of leadership quality and arranging for the management of SHGs by themselves so as to have administrative capacity. As SHG are small and economically homogenous affinity groups of rural poor, they are voluntarily coming together for achieving the following.

Objectives of SHG

1. To inculcate the savings and banking habits among members.
2. To secure them from financial, technical and moral strengths.
3. To enable availing of loan for productive purposes.
4. To gain economic prosperity through loan/credit.
5. To gain from collective wisdom in organising and managing their own finance and distributing the benefits among themselves.
6. To sensitize women of target area for the need of SHG and its relevance in their empowerment.
7. To create group feeling among women.
8. To enhance the confidence and capabilities of women.
9. To develop collective decision making among women.

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10. To encourage habit of saving among women and facilitate the accumulation of their own capital resource base.
11. To motivate women taking up social responsibilities particularly related to women development.
12. It acts as the forum for members to provide space and support to each other.

Thus the SHGs function on the principle of the five 'p's

- i) Propagator of voluntarism
- ii) Practitioner of mutual help
- iii) Provider of timely emergency loan
- iv) Promoter of thrift and savings, and
- v) Purveyor of credit

Literature review

Mahendra Varman (2005), in a paper titled, "Impact of Self Help Groups on formal banking Habits", makes a model attempt to examine whether there is any association between the growth of Self Help Groups and the increase in female bank deposit accounts and whether Self Help Groups have a tendency to influence account holding in formal banks among individual households. The analysis also reveals that being member in Self Help Groups and more importantly having leadership experience in Self Help Groups greatly influence the bank account holding. Leadership experience in Self Help Groups would also improve an individual banking habits.

Dr. Rajamohan in this study "opinion of the members of self help groups (2005) reveals that Self Help Group helps them to increase their status and aids to raise the standard of living of them. Women are becoming entrepreneurs with the help of Self Help Groups which avoids the exploitation of women and helps empowering them.

Mr. Vijayachandra Pillai and Harikumar (2006), in their research "SHGs is highly relevant to make the people of below poverty line" says the very existence of SHGs is highly relevant to make the people of below poverty line hopeful and self-reliant. SHGs enable to increase their income, improve their standard of living and status in society to the main stream ultimately, the nation reaps the advantages of socialism.

Objectives

- To identify the various activities of self help group
- To analyse the financial help and govt support to self help group
- To analyse the importance of self help group in women empowerment

METHODOLOGY

This study was compiled with the help of primary and secondary data. The primary data has been collected from 30 women, through a well-structured questionnaire. A survey method had been used to collect the data. Respondents have been selected from Malappuram district, Kerala state. The secondary data have been collected from various annual reports of NABARD, various progress reports of SHGs, Statistical Abstract of India, various publications of RBI etc

Data analysis

Villages are faced with problems related to poverty illiteracy, lack of skills health care etc. These are problems that cannot be tackled individually but can be better solved through group efforts. Today these groups known as Self help groups have become the vehicle of change for the poor and marginalized.

Working of self-help groups

There are no uniform rules and regulation for the SHGs, and they may vary from group to group. The promoter of the group formulates the rules and regulations, which may be suitable for the all groups, are summarized below:

1. Group Formation

The group formation is preceded by a village level household survey together the baseline area. To facilitate sustainability, the total number of members of the group should range between 12 and 20. The age limit for membership will be 21 to 60. The group must be a homogeneous one though not necessarily from the same caste or religion. The target group must be the poorest.

2. Meetings

The group must meet weekly or fortnightly for collection of savings and repayment of loan amount and for discussing all other matters. The group meetings need to be conducted at President's house, members of groups or Gram panchayat or temples, with a certain discipline in relation to regularity, time and items to be discussed.

3. Group Savings

The group members must be encouraged to save as much as each can without it being a uniform amount for all. Usually the SHGs start off with a minimum savings of all members. As the years pass, they may opt for optional savings according to the capacity of each member.

4. Group Common Fund

The amount such as fines imposed on members, grants from the NGOs, bonuses for various programmes and service charges on external loans should be put into the common fund of the groups. All common expenses related to the groups may be met from this common fund.

5. Rotation of Group Fund

All savings and excess of common fund would be rotated as short-term loans amongst the members at rate of interest decided by the majority members of groups and loan is given to needy members on the priority basis.

6. Books and Registers to be maintained

The books and registers to be maintained by treasurer/ literate members of group to ensure proper accounts are given below for transparency. Attendance register, Minutes book, Savings ledger, Loan ledger, General ledger, Cash-book,

Individual pass book, Receipt book and Payment voucher etc.

7. Training

The staff of NGO, DRDA and bank staff imparts training of skill development, self employment like fenile making, agarbatti making, soap making, making dairy products etc. through MICON and entrepreneurship development. So as to start his own business for the betterment of life.

8. Annual Auditing

A qualified auditor should audit the accounts of the groups annually. The Self-Help groups should meet the audit cost. But most of SHG could not audited annually.

Income Generating Activities (IGA): SHG members take up different income generating activities. SHPIs play an important role in taking up the suitable IGAs by the members based on the skills.

Ministry of Tribal Affairs. They assist SHG in the following ways;

i) Unit cost: NSTFDC provides financial assistane for Scheme(s)/ Project(s) having unit cost upto Rs. 25.00 lakh per SHG.

ii) Quantum of assistance: NSTFDC provides term loan upto 90% of the cost of the Scheme/Project subject to investment per member not exceeding Rs. 50000/- per unit. This is further subject to the condition that the Channelising Agencies (SCAs) contribute their share of loan as per their norms and arrange/provide the eligible subsidy. The SCAs may also endeavour to tie up financial assistance from other sources if any.

iii) Working capital: Upto 30% of the cost of the scheme/project is considered as part of the cost of project/scheme.

iv) Minimum contribution from SHG's: At the rate of 10% of the cost of the project/ scheme.

Table 1. Overall progress under shg-bank linkag (In table the amount is in Rupees crore and number in lakhs)

Particulars	2014-15		2015-16		2016-17		
	No.of SHG	Amount	No.of SHG	Amount	No.of SHG	Amount	
SHG savings with Banks as on 31 st March	Total no.of SHG	76.97	11059.84	79.03	13691.39	85.77	16114.23
	Of total, all Women SHG	66.51	9264.33	67.63	12035.78	73.22	14283.42
	% of women group to total	86.41	83.77	85.58	87.91	85.36	88.64
Loan disbursed to SHGs during the year	Total no.of SHG	16.26	27582.31	18.32	37286.90	18.98	38781.16
	Of total, all Women SHG	14.48	24419.75	16.29	34411.42	17.16	36103.13
	% of women group to total	89.05	83.53	88.92	92.29	90.42	93.09
Loans outstanding against SHG as on 31 st March	Total no.of SHG	44.68	51545.46	46.73	57119.23	48.48	61581.30
	Of total, all Women SHG	38.58	45901.95	40.36	51428.91	42.84	56444.24
	% of women group to total	86.35	89.05	86.37	90.04	88.36	91.66

Source : Status of microfinance in India report 2016-17,NABARD

Income Generation Activities of SHG

- Agriculture
- Chicken shops
- Animal husbandry
- Mess
- Hosiery
- Mid day meals
- Candle preparation
- Embroidery
- Cane items
- School uniform stitching units
- Carpets
- Brick making
- Khadi, leather items
- Pot making
- Spinning and weaving
- Saree business
- Basket weaving
- Candle making
- Woolen blankets weaving
- Agarbatti making
- Sale of fruits and pongamia seeds
- Pickle making
- Vegetable vending
- Fenile making

v) Interest rate: NSTFDC shall charge interest @ 5% per annum (on NSTFDC's share) from the SCAs and in turn SCAs may charge upto 8% p.a. from the SHGs.

vi) New/ existing profit making SHG's: SHGs shall be extended the financial assistance for the viable unit(s) by NSTFDC through the SCAs subject to fulfilling the primary condition of income limit for ST members.

Self Help Group – Bank Linkage Programme (SHG-BLP)

Based on the observations of various research studies and an action research project carried out by NABARD, the model of 'SHG-BLP' has evolved as a cost-effective mechanism for providing financial services to the unreached and underserved poor households. What started as a pilot to link around 500 SHGs of poor to the formal financial institutions during the year 1992-93 has now become the largest microfinance programme in the world, in terms of the client base and out-reach. The NGO sector has played a prominent role of working as a Self Help Group Promoting Institution (SHPI) by organizing, nurturing and enabling credit linkage of SHGs with banks. NABARD later coopted many others as SHPIs including the rural financial institutions (RRBs, DCCBs, PACS), Farmers' Clubs (FCs), SHG Federations, Individual Rural Volunteers (IRVs) etc. These stakeholders were encouraged to take up promotion of SHGs by way of promotional grant assistance from NABARD. This savings led microfinance model has now become the largest coordinated financial inclusion programme in the world covering almost 100 million households in the country. With more than 86% of

National Scheduled Tribes Finance and Development Corporation (NSTFDC), an apex Organization under the

the groups being exclusively women groups, the programme has provided the much needed push to empowerment of women in the country. NABARD has been playing the role of propagator and facilitator by providing conducive policy environment, training and capacity building besides extending financial support for the healthy growth of the SHG linkage programme over the years, various steps taken in this regard may be enumerated as under :-

Table 2. Reason for joining of self help group

S.No	Statement	No. of Respondents	Percentage (%)
1	To attain the economic independence	10	20
2	For passing time	4	8
3	To get recognition from the society	8	16
4	For Savings	20	40
5	To show the talents	6	12
6	Other	2	4
	Total	50	100

Source: primary data

1. Conceptualization and introduction of pilot programme in February 1992 for linking 500 SHGs with banks after consultations with Reserve Bank of India, Banks and NGOs.
2. Introduction of bulk lending scheme in 1993 for encouraging the NGOs which were keen to try group approach and other financial services delivery innovations in the rural areas.
3. Developing a conducive policy framework through provision of opening savings bank accounts in the names of SHGs (through they are informal groups), relaxation of collateral norms, simple documentation and delegation of all credit decisions and terms to SHGs.
 - Training and awareness building among the stakeholders.
 - Provision of capacity building support of NGOs/SHGs/Banks.
 - Mainstreaming the SHG linkage programme as part of corporate planning and normal business activity of banks in 1996 and internalizing, training, monitoring and review mechanism.
 - Encouraging banks (RRBs and DCCBs) for promotion of SHGs.
 - Financial support to NGOs for promotion of SHGs.
 - Encouraging rural individual volunteers in promotion and nurturing of SHGs and Close monitoring.
 - Constitution of High Powered Task to look into the aspects of policy and regulation of microfinance and suggest policy, legal regulatory measures for smooth and unhindered growth of microfinance sector.
 - Setting up a microfinance development fund in NABARD for meeting the promotional costs of up-scaling the microfinance interventions.
 - Initiating the credit rating of the microfinance institutions through accredited credit rating agencies of India by meeting 75 percent of the cost of the rating as grant. This is done to enable the microfinance institution to approach banks for

commercial borrowing and extending micro-credit to the poor.

Advantages of financing through SHGs

- An economically poor individual gains strength as part of a group.
- Besides, financing through SHGs reduces transaction costs for both lenders and borrowers.
- While lenders have to handle only a single SHG account instead of a large number of small-sized individual accounts, borrowers as part of an SHG cut down expenses on travel (to and from the branch and other places) for completing paper work and on the loss of workdays in canvassing for loans.
- Where successful, SHGs have significantly empowered poor people, especially women, in rural areas.
- SHGs have helped immensely in reducing the influence of informal lenders in rural areas.
- Many big corporate houses are also promoting SHGs at many places in India.
- SHGs help borrowers overcome the problem of lack of collateral.

Economic empowerment

According to the report by National Commission for Women (NCW) - (Status of women 2011), in India, women work for longer hours than men do. The proportion of unpaid activities to the total activities is 51% for females as compared to only 33% for males. Over and above this unpaid work, they have the responsibilities of caring for household which involves cooking, cleaning, fetching water and fuel, collecting fodder for the cattle, protecting the environment and providing voluntary assistance to vulnerable and disadvantaged individuals in the family. This shows that though there is still a long journey ahead towards women empowerment. Women's save small amount of money regularly and mutually agree to contribute a common fund. But this does not fulfill all their needs.

Social empowerment

The social empowerment means that the woman should get an important place in her family and society, and should have a right to enable her to make use of available resources. It has resulted in developing self-confidence, self-esteem and self-respect also. And uplift the living conditions of the poor household women's. As the woman has now increased presence in banks, Gram Panchayats, various Government committees etc., her social status is seen somewhat elevated. The social impact of the SHG program increased involvement in Decision-making, awareness about various programs and organizations, increased access to such organizations, increased expenditure on Health and Marriage events, there is a Change in the attitude of male members of the families, now they are convinced about the concept of SHG and encourage women to participate in the meetings and women reported that they have savings in their name and it gives them confidence and increased self-respect.

Conclusion

Self Help Group (SHG) is a process by which a large group of women (10 –20), with common objectives are facilitated to

come together voluntarily to participate in the development activities such as saving, credit and income generation thereby ensuring economic independence. 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. 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.

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