



## THE RELEVANCE OF SELF-HELP GROUPS FOR EMPOWERING RURAL WOMEN IN INDIA.

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### ABSTRACT

*Though for ages the government has been implementing a variety of schemes and programmes for the poverty alleviation and employment generation in the rural area, but the economic condition of the rural people has not much changed as it has been expected. Hence, people started to look for other alternatives. One of the alternatives is that of formation of Self-Help Groups and eventually getting the self-employment. For this the rural poor people had to be motivated and given the advantages of remaining and participating in the SHGs. If the SHGs are linked with the banks, financial institutions, they are in the plus points. The author has highlighted the points which enumerate the enriching and empowering aspects of the women folk after they have formed and joined themselves in the SHGs. Their self-confidence has increased and the decision making power has rightly clicked to them. The author through this paper intends to give a message that the self-help groups and self employment are the approaches through which the rural poor people especially the rural women can be empowered socially and economically as well.*

### INTRODUCTION

Despite the consistent efforts in economic development since independence, the continuing population growth has inhibited poverty amelioration efforts in the country. Even among those who are supposed to be above the “poverty line”, there is large scale under employment and disguised unemployment making their position highly vulnerable. In other words, their capacity to continue above the poverty line and to further augment their economic status remains in serious doubts. The result is an awesome wastage of human resources and increased pressure on health and related issues.

The unfortunate stipulation is that the agricultural sector, the largest employer in the country, is facing an increasing deceleration in further employment generation as a consequence of a variety of factors which include changes in cropping pattern and technology. As far as the secondary sector is concerned, the potential to generate employment in the organized sector is limited. The manufacturing, services, and business activities in the

unorganized and informal sector, however, offer tremendous potential for employment generation. Most of these activities are also of the nature of self-employed activities while occasionally allowing absorption of additional manpower, at least the other members of the household.

### **THE OBJECTIVES OF THE SHGS**

- To attain the common goal through collective approach.
- To promote an active participation of women in all development processes and thus creating awareness about current affairs.
- To gain the economic independence, prosperity and strength through loan/credit,
- To inculcate the habit of thrift, banking culture in availing loans for productive purposes and repaying the same over a period of time,
- To have collective wisdom in financial matters in organizing and managing their own finances to distributing the benefits amongst themselves.

In other words, these groups are expected to play the roles of

- Money lenders by quickly providing small emergent loans without exploitation as the entire interest/services charges go to the group.
- A development bank, by providing small production and investment credit for their economic upliftment without going through long procedures, documents etc. and at much less cost.
- Cooperatives, without the ills of self-interest/interference by big brothers/money lenders, while ensuring group contribution, participation, wisdom and pressures with full flexibility.

This SHG approach significantly contributes in augmenting the available meager resources from members and propagate thrift habits. The moral strength derived through this approach help them to solve many of their domestic and minor problems, thereby their approach towards developmental process provides better economic and social prosperity.

### **CAUSES FOR THE INACCESSIBILITY TO THE FINANCIAL INSTITUTIONS**

- Lack of security to avail loans.
- Rigid lending policy of banks such as unit cost, repayment conditions/period/installments, interest rate etc.
- Unable to fulfill the formalities and procedures of financial institutions.
- Lack of documents required by the financial institutions.
- Time consuming and expensive process and procedures in availing the credit from banks.
- Past unpleasant experiences by the members with the banks.

However, the SHGs run on the collective funds. This fund is accumulated from the fixed monthly savings of each member of the group. The group fund is then utilized for internal lending with an interest, much less than that charged by private money lenders. Following a stabilization period of six months, the smoothly functioning groups become eligible to avail government schemes and can later even access credit from the banks and other private micro-credit institutions.

## NEED FOR LINKAGES OF SHGS WITH BANKS

The linkage model has the following four important stages

1. The first stage deals with the formation of SHGs by voluntary agencies, which have willingness to promote SHGs for various purposes.
2. The second stage relates to building up a strong mind set to motivate the members for saving habits. This habit must be ingredient to them. There should be financial discipline observed very systematically and strictly as per the norms.
3. The third stage relates to the building up of linkages between the SHGs and the banks for using the SHGs for providing production loans and consumption loans as well. This is one of the most important stages, which will involve constant interaction among members of SHGs themselves as well as with the representatives of voluntary agencies and the banks.
4. The stage no. 4, involves closer interaction with the members, who could handle themselves long term investment loans for acquiring income generating assets with the active co-operation of the SHGs and NGOs.

## SOCIO-ECONOMIC EMPOWERMENT OF SHGS

The social status of a woman has always been secondary to that of a man. In fact, her identity is derived either from her father, her husband or her male children. Before the introduction of SHGs, the condition of women was characterized as follows:

- Overworked, both at home and on the farm;
- Primitive hygienic condition;
- Poor health and low nutritional status;
- Very little access to health and educational facility;
- No personal savings;
- Little access to resources;
- Low perception of their personal capabilities;
- Lack of participation in the common social-economic activities;
- Lack of cooperation and understanding;
- No decision making power.
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## IMPACT OF SHG ACTIVITIES

After joining the Self-Help Groups, the members find positive changes in themselves.

1. The SHG members (esp. women) have started taking up the economic activities related to agriculture and allied activities.
2. Security and Self –earning.
3. Improved Socio-Economic Status.
4. Access to Financial Assistance.
5. Additional Income.
6. Increase in self-confidence.
7. Increase in General Awareness.

## CONCLUSION

If women are economically well off, it will facilitate them to be empowered. Hence, measures are required to expand satisfactory employment opportunities to improve their economic status. Besides, the necessary infrastructure should be provided as important and integral part of national and international development strategies. However, such experiments should be extended to other areas and the SHG tool should be promoted through incorporation of women as target groups in shaping policies for reform and development of their economic, social and political status.

Habits of savings, economic independence, self-confidence, asset ownership, freedom from debt, additional employment, etc. are the benefits derived by the SHG members. Thus, SHGs serve the cause of women empowerment, social solidarity and socio-economic betterment of the poor. The SHGs, which were initially formed as thrift and credit societies, have the platform for initiating development activities. For this reason, the government, as well as NGOs all over the country, indulge and involve themselves in forming and promoting women SHGs. The success of certain NGOs in the country, in terms of using these women SHGs to launch collective action for local development initiatives, is a great source of inspiration.

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