

## **Empowerment of Women Through Self-Help Group : Indicators and Impact**

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### **Introduction:**

As per 2011 census India has a population 1.21 billion out of which female population is 586.5 million. The Constitution of India guarantees equality, liberty and dignity to the women of India. The Fundamental Rights, The Directive principles of State Policy and Fundamental Duties etc virtually give surety equal status to women and provide special protection. After independence, a gamut of laws have been passed and some have been altered so as to award the same share to women in property as well as to eradicate some of the injustices meted out to women. By and large undoubtedly more than six decades of hard work since Independence by the government and spell of fights and struggle under the immense pressure of women lib activists in the country have indeed brought certain changes in social, psychological and economic and political spheres of life. Consequently it becomes an imperative need to look into problems and issues and their implications upon underprivileged women thereby to explore appropriate strategies and approaches uplifting women in all spheres of life in India. In India, the emergence of liberalization and globalization in early 1990s aggravated the problem of women workers in the unorganized sectors from bad to worse as most of the women who were engaged in various self-employment activities have lost their livelihood. Despite the tremendous contribution of women to the agricultural sector, their work is considered just an extension of household domain and remains non-monetized. In 1992 Government introduced Micro Finance facilities through Self Help Group (SHG) Launched by NABARD. With the small beginning as Pilot Programme launched by NABARD by linking 255 SHGs with banks in 1992. However in 2009-10 the programme has reached to linking of 69.5 lakh saving-linked SHGs and 48.5 lakh credit-linked SHGs and thus about 9.7 crore households are covered under the programme. Out of this woman saving-linked SHGs is 5310436 and credit linked women SHGs is 3897797 and loan distributed to these groups is Rs. 23030.36 crore which is 82.1% of total loan outstanding up to the year ended on 31.03.2010.(NABARD Report)

### **Objectives of study:**

The principal objectives of the study as under:

1. To study the concepts of Women empowerment, Micro finance.

2. To study the how the Micro finances can be prove women become empower.

## Methodology:

The above objectives clears that the research paper is conceptually in nature. To examine above objectives the data can be collected through reading subject related reference books, various national and International issues, Journals on Micro finance, articles in leading news papers and publications, discussion with experts in this field and study of various reports, articles and information on web sites.

## Women empowerment:

Empowerment is a process of awareness and capacity building leading to greater participation, to greater decision making power and control and transformative action. Empowerment of women signifies harnessing women power by conscientising their tremendous potential and encouraging them to work towards attaining a dignified and satisfying way of life through confidence and competence as person with self-respect, rights and responsibilities. Empowerment as a concept was introduced at the International Women's Conference at Nairobi in 1985. The conference defined empowerment as **“A redistribution of social power and control of resources in favour of women. Empowerment is a multi-faceted process which encompasses many aspects i.e. enhancing awareness, increasing access to resources of economic, social and political etc.”** In recent years women empowerment has become a subject of great concern for the nations all over the world especially in poor and developing countries. The impact of globalization is seen eventually on position of women in some form or other in most of the developing countries with the variation of degree. The United Nations has also strived hard in an incredible way to draw the due attention of the World Community on this issue in the past years. One loan officer at Sinapi Aba Trust in Ghana defined empowerment as “enabling each person to reach his or her God-given potential.” Some clients have used the terms self-reliance and self-respect to define it. According to UNIFEM, “gaining the ability to generate choices and exercise bargaining power,” “developing a sense of self-worth, a belief in one's ability to secure desired changes, and the right to control one's life” are important elements of women's empowerment.

## Micro finance:

Nobel Prize winner Bangladesh's Economist **Mohammed Yunus** gives worldwide gossip to word micro finance. They say that “before the seventy the word Micro finance does not exist but now it has a buzz word among the development practitioners”. Various authorities give variant meaning of micro finance. Some important definitions of micro finance as under.

Micro finance has been defined in the micro finance summit 1997 is “Programmes extend small loans to very poor people for self employment projects that generate income, allowing them to care for themselves and their families.

According to Otero (1999) Micro Finance means “the provisions of financial services to low income poor and very poor self employed people. In the words of Lodgewood (1999) “An attempt to improve access to small deposits and small loans for the poor households neglected by the banks”.

One another definition of Micro finance is “provision of thrift, credit and other financial services and products of very small amounts to the poor in rural, semi-urban areas for enabling them to raise their income levels and improve living of standards”

Yet another comprehensive definition of Micro finance is created by Robinson and Marguerite is “Micro Finance refers to small scale financial services for both credits and deposits that are provided to people who farm or fish or herd, operate small or micro enterprises where goods are produced, recycled, repaired or traded, provide services, work for wages or commissions, gain income from renting out small amounts of land, vehicles, draft animals or machinery and tools and to other individuals and local groups in developing countries, in both rural and urban areas”.

The above definitions clarifies that micro finance is an instrument in the hands of financial institutions, Govt. society to uplift the poor specially women from financially adverse situation.

But the Nobel Prize winner Mohammed Yunus the pioneer of operating the concept of micro finance in Bangladesh in seventieth decade used word ‘Grameen Credit’. He says that “Whenever I use the word ‘Micro finance’ I actually have in mind Grameen type of micro finance or Grameen Credit.” Mhd. Yunus has given some features to clear the concept of micro finance.

These features are as under.

- It promotes credit as a human right
- It mission is to help the poor families to help themselves to overcome poverty
- It is not based on any collateral or legally enforceable contracts, but it is based on ‘Trust’
- It is offered for creating self employment for income generating activities and housing for poor’s
- It was initiated as a challenge to the conventional banking which rejected the poor’s by classifying them to be “not credit worthy”
- It provides service at the door step of the poor based on the principal that the people should not to go the bank, but bank should go to the people.
- In order to obtain loans a borrower must be join a group of borrowers.
- Loans can be received in continuous sequence, new loan available to borrower if her previous loan is repaid
- All loans can be repaid in installments (Weekly, Monthly)

- It comes with both obligatory and voluntary savings programmes for borrower
- These loans can be provided through nonprofit organization or through institutions owned by borrowers
- Efforts are to make to keep interest at level which is close to a level commensurate with sustainability of the programme rather than bringing attractive return for the investors.
- There is no legal instrument between the lender and the borrower.

The above explanation can give clear meanings of micro finance.

## Indian Scenario

We know that from 1992 in India Government introduced Micro Finance facilities through Self Help Group (SHG) through NABARD, launched a pilot phase of Self Help Groups with Bank linkages. The following table shows the position of SHG and its loan distribution.

**Table – 1 Growth of SHG in India and its loan distribution**

Year	Total No. of SHG	Total Loan distributed (Rs. In Crore)
1992-1993	255	0.29
1993-1994	620	0.65
1994-1995	2122	2.44
1995-1996	4757	6.06
1996-1997	8598	11.84
1997-1998	14317	23.76
1998-1999	32995	57.07
1999-2000	114775	192.98
2000-2001	263825	480.87
2001-2002	461478	1026.34
2002-2003	717360	2048.67
2003-2004	1079091	3904.20
2004-2005	1618456	6898.46
2005-2006	2238565	11397.55

2006-2007	2924973	18040.74
2007-2008	3625941	16999.91
2008-2009	4224338	22679.84
2009-2010	4851356	28038.28

**Source:** NABARD website

Above table shows the progress of No. Of SHGs and its loan distribution. When the movement was started (1992) only 255 SHG linked with Bank which loan distributed of Rs. 0.29 crores only but at the end of year 2009-10 No of SHGs are 4851356 [19025 times increase from 1992 to 2009-10] and loan distribution is 28038.28 crores [96683 times increase from 1992 to 2009-10]

## Coverage of Women SHGs

The details of total number of women SHGs saving linked, credit linked and loans outstanding for the last two years are given in table 2:

**Table: 2 – Position of Women SHGs (Rs in crore)**

Particulars	Year	Total SHGs		Exclusive Women SHGs		% age of women SHGs to total SHGs	
		No	Amount	No	Amount	No	Amount
Saving linked SHGs	31.03.2009	6121147	5545.62	4863921	4434.03	79.5	80.0
	31.03.2010	6953250	6198.71	5310436	4498.66	76.4	72.6
Loans disbursed	2008-09	1609586	12253.51	1374579	10527.38	85.4	85.9
	2009-10	1586822	14453.30	1294476	12429.37	81.6	86.0
Loans Outstanding	31.03.2009	4224338	22679.84	3277355	18583.54	77.6	81.9
	31.03.2010	4851356	28038.28	3897797	23030.36	80.3	82.1

It may be seen that of the total number of saving linked and credit linked SHGs, exclusive Women SHGs with banks were 76.4 per cent and 81.6 per cent, respectively. Further, the

Percentage of loans outstanding of exclusive women SHGs to loans outstanding of total SHGs which was 81.9 per cent as on 31 March 2009 has increased to 82.1 per cent as on 31 March 2010.

## How can Micro finance prove to women Empowerment?

**Psychological Empowerment:** The participation of women in SHGs enables them to acquire an inimitable psychological benefit to rise up psychologically powerful which is an essence for women empowerment in any socio-cultural and economic environment and situations. As a member of SHG women have getting psychological benefits including self awareness, high self esteem, self confidence and courage, understanding about own rights, privileges, roles and responsibilities, power of self determination , Positive attitude , Risk taking ability , Power to face challenges of daily life, gaining knowledge and new ideas and skills, great relief from mental stress and anxiety, General Knowledge, New ideas and communication skills, leading a happy and satisfied life and so on.

**Social Empowerment:** The women who participate in SHGs garner a lot of social benefits including awareness about society and existing social problems, good recognition and image in the family and community, role in family decision making on important matters, plan and promote better education for their children. Able to take care of health for children and aged. Participation in public and political life, chance to serve the community including fighting for the basic amenities and welfare needs of village community such as safe drinking water, street light, public sanitation etc, chance to help weaker section like aged and differently able. Able to resist social evils like dowry, violence against women, gender discrimination and other social injustice in the family as well community, sense of responsibility for collective action and solidarity etc.

**Economic Empowerment :** The members of SHGs are really privileged to enjoy many economic benefits including savings, liberation from debt trap, economic independence , economic skills for income generation, able to contribute towards prosperity of the family, able to contribute for education of children , able to meet the healthcare needs, accumulate economic assets including house, land, jewels other valuable things, economically strong to meet unexpected financial challenges and able to save reasonable amount for safety and security and so on.

## Vision 2020

Taking into consideration vision 2020 the following suggestions and recommendations have been made in the interest of welfare women of India in general.

- The Concerted efforts should be made to form SHGs for women as much as possible in rural and tribal villages and slums to uplift womenfolk particularly in very

backward states and Union territories by government agencies, Educational Institutions, NGOs and other service organizations of civil societies.

- Government both state and Central should work hand- in -hand to promote the concept of SHG without political biasness and selfish motives taking into account the welfare of the womenfolk in general by incorporating as an important strategy for women empowerment in the national policy and allocating more grant in the budget and developing effective implementing machinery.
- NGOs, Educational Institutions and Social Service organizations etc engaged in the works of promotion and development of SHGs should be encouraged at all levels with sufficient financial grants and appreciation and awards.
- Conducive atmosphere and harmonious network should be established among Government Agencies, Banks, NGOs, Other service organizations for effective functioning of SHGs to avoid overlapping and duplications.
- Banks and other financial institutions should work with open-mind and service motives to promote SHG among women particularly downtrodden communities like scheduled caste and scheduled tribes, marginalized groups in order bring them into main stream of development and growth of India.
- SHGs should be strictly encouraged to undertake economic activities/income generating activities for sustainable income to the group.
- SHG can be encouraged to form cooperative societies to promote Village, Cottage and Other industries for which raw materials and resources available abundantly in and around rural and tribal areas.
- SHG may be encouraged to involve in manufacturing products such as electronic and electrical goods, readymade garments, handicrafts to fetch market in Third –World countries, European countries, and USA and Latin American countries
- In order to promote SHGs for women empowerment Mass media such New papers, TV, radio etc can play a significant role by creating awareness in the public and also among women about the merits of SHGs by publishing success stories of SHGs ,case studies, achievement of NGOs and Government efforts etc.

## Conclusion:

The outcome of the study clearly indicates that, being members of SHGs have benefitted considerably in terms of psychological, social and economic development. Women participation in SHG have obviously created tremendous impact upon the life pattern and style of poor women especially in rural areas and empowered them at various level not only as individual also as member of family, member of community and society as whole. It can be concluded that the SHG strategy is undoubtedly a convivial experiment for women empowerment in India as it opens up flood gates of opportunities to enhance capacities and capabilities in their development and growth in total perspective. It is evident from the study undertaken by the researcher that women particularly in rural, tribal and slum areas can be empowered psychologically, socially and economically with the concerted application of SHG as an effective strategy and doable approach. It is also understood from the study that Indian women have adequate potential sparks which can be well fanned into flames with necessary guidance and training through SHGs thereby bringing them to live in par with men in all spheres of human life in our society. Therefore as a group-oriented model, SHGs in India can be evolved as mechanism or movement for women's development to bring in individual and collective empowerment through improvement in both 'condition' and 'position' of women in India or else where the plight of women is miserable and pitiable.

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