



## IMPACT OF SELF HELP GROUPS ON WOMEN BELONGING TO LOW INCOME GROUP

**Dr. Indira. B. Choudhary**

Associate Prof., Department of Social Work,  
Walchand College of Arts & Science, Solapur.

### ABSTRACT:

*Women empowerment is a process in which women challenge the existing norms and culture, to effectively promote their well being. The Self Help Groups (SHGs) has made a significant impact on their empowerment both in social and economical aspects. Women are subject to discrimination, though educated or un educated Women are subject to multiple socio-economic and cultural constraints; women face discriminations and many more problems throughout their life just because they are depended on others. In almost all societies, women have less power than men, have less control over their life decisions, have no freedom.*

**KEY WORDS:** Woman empowerment, SHG, standard, capacity building .

### INTRODUCTION

Emancipation of women is a prerequisite for the economic development and social up-liftment of any nation because women constitute 50 % of the total population and one-third of the human resources of every society in our economy. Yet women are more under privileged than men as they are subject to many socio-economic and cultural constraints.

Developing countries lay more stress on women development and their active participation in the main stream of developmental activities .Self-help groups have stories of women who not only are better off economically as a result of access to financial services, but who are empowered as well. It is widely recognized that apart from managing the household, rural women bring income by indulging in Productive activities ranging from traditional work in the fields to working in factories or running small businesses, etc.

The situation is more severe in the rural and backward areas. Women development activities must be given more importance to eradicate poverty, increase the economic growth and for better standard of living. Self Help Group (SHGs)-Bank Linkage Programme is emerging as a cost effective mechanism for providing financial services to the "Unreached Poor" which has been successful not only in meeting financial needs of the rural poor women but also strengthen collective self help capacities of the poor, leading to their empowerment. Rapid progress in SHG formation has now turned into an empowerment movement among women across the country .



### CONCEPT OF SHGs:

The origin of Self Help Groups (SHGs) was founded by Prof. Mohammed Yunus in 1975, in Bangladesh. In India

NABARD initiated SHGs in the year 1986-87, But the real effort was taken after 1991-92 from the linkage of SHGs with the banks. A SHG is a small economically homogeneous affinity group of the rural poor voluntarily coming forward to save a small amount of money regularly, which is deposited in a common fund to meet the members' emergency needs and to provide collateral free loans decided by the group.

#### **WHAT IS WOMEN EMPOWERMENT:**

"Women empowerment refers to increasing the spiritual, political, social or economic strength of women. It often involves the empowered developing confidence in their own capacities."

Women's economic empowerment refers to the ability for women to enjoy their right to control and benefit from the resources, assets, income and their own time, as well as the ability to manage risk and improve their economic status and well being.

#### **MEANING OF SHG:-**

Like self-help groups, there are also "support groups" & it is important to understand the difference between these two. Although some authors have called support groups "professionally-led self-help groups", the terminology has now been standardized so that support group members also can work but with supporting professionals (Kurtz, 1997), although participants may also share their experiences & support each other. Self-Help groups are, in theory, member-owned & independent from professional control, however, this does not mean that they do not have relations with them. On the contrary, successful self-help groups work in close cooperation with related professionals.

#### **STRUCTURE:-**

A Self-Help Group may be registered or unregistered. It typically comprises a group of micro entrepreneurs having homogenous social & economic backgrounds, all voluntarily coming together to save regular small sums of money, mutually agreeing to contribute to a common fund & to meet their emergency needs on the basis of mutual help. They pool their resources to become financially stable, taking loans from the money collected by that group & by making everybody in that group self-employed. The group members use collective wisdom & peer pressure to ensure proper end-use of credit & timely repayment. This system eliminates the need for collateral & is closely related to that of solidarity lending, widely used by micro finance institutions. To make the look-keeping simple enough to be handled by the members, flat interest rates are used for most loan calculations.

Self-help groups are seen as instruments for a variety of goals including empowering women, developing leadership abilities among poor people, increasing school enrolments, & improving nutrition & the use of birth control. Financial intermediation is generally seen more as an entry point to these other goals, rather than as a primary objective.

#### **The functioning of SHGs takes place by following certain norms:**

- Regular weekly meeting.
- Regular saving collection
- management of the funds
- Records keeping.
- Organising of Social action programs .
- Awareness & training about SHG
- Linkage with other developmental organizations and banks.

#### **Some of the common and very popular works taken up by SHGs are:**

0. Dairy Farming
1. Solid Waste Management

2. Tailoring, Fashion Designing, and beauty parlour training
3. Scavenging
4. Running Small Hotels, tea and coffee centers
5. Laying of bricks, etc which by some women SHGs are busy.
6. Production of Herbal based cosmetics.
7. Small Scale Industry
8. Making products by using Coconut fibers.
9. Running of Fair shops and small scale business etc.
10. Spinning and Weaving and many more.

Many self-help groups, especially in India, under **NATIONAL BANK FOR AGRICULTURE & RURAL DEVELOPMENT'S** (NABARD'S) through SHG-bank-linkage program, borrow from banks once they have accumulated a base of their own capital & have established a track record of regular repayments. volume of deposits. Through self-help groups the bank can serve small rural depositors while paying them a market rate of interest.

NABARD estimates that there are 2.2 million SHGs in India, representing 33 million members, that have taken loans from banks under its linkage program to date. This does not include SHGs that have not borrowed. The SHG banking Linkage Programme is seen a vast development especially in the southern regions of India.

The SHGs in India have come a long way, since its inception in 1992. The first effort was taken by NABARD in 1986-87, when it supported and funded an action research project on "Savings and Credit Management of Self Help Groups" of Mysore Resettlement and Development Agency (MYRADA). Then, NABARD launched a pilot project to provide micro-credit by linking SHGs with banks in 1991-92. The spread of SHGs in India has been phenomenal. It has made dramatic progress from 500 groups in 1992 to 16,09,586 groups that have taken loans from banks. About 24 Million poor households have gained access to a formal banking system through SHG-bank linkage program and 90% of these groups are only women groups. Each SHG consists of members who are poor, having low savings capacity and generally depend on moneylenders or private sources for meeting their consumption and emergency needs. The group members take collective decisions on all matters including those relating to terms of credit, viz. purpose, size, interest rate and repayment period. A close supervision on utilization of loans and repayment of loans promptly on time is also monitored. In other words, SHG can be referred to as a group of poor persons who own, manage and control a micro bank of their own. The NGOs, which are playing an active role in propagating the scheme, formation of the groups and monitoring the progress of the groups in rural areas, and acting as catalytic agents for the poor; Among the banks, the RRBs are taking a lead role in promoting SHGs. They have linked many of their schemes for the upliftment of the poor.

**WORKING OF THE SHGs:** The SHGs in India are small, informal and homogenous groups of not more than twenty members each. Among them a member is selected as a leader and two members are selected as representatives. The leader is selected for a period of two years. Members of the group meet every week. They discuss about the social and community programmes, group savings, rotation of funds, bank loan and repayment of loans. The group members are encouraged and counselled to make use of the money very carefully and not to waste the money or make a loss of their hard earned and saved money, These pooled resources are used to make small interest bearing loans to their members. This gradually builds financial discipline in all of them. Once the groups show their honesty and sincerity in financial behavior, banks are encouraged to make loans to the SHG in certain multiples of the accumulated savings of the SHG.

Its main aim is to empower the women economically, socially and also ensure skill development through training. The self help groups in the district are formed through NGOs, who help in the formation of SHGs, provide training and monitor the SHGs. The NGOs are provided formation cost and monitoring cost for the above activities.

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**CONCLUSION:**

The study shows that the main reason for joining SHG is not merely to get just loans but also to get empowered. After joining the self help group the women are economically and socially empowered, to get empowered one must be self generated in such a way that it enables them to take control over their lives and be self oriented. Through self help group women are getting an opportunity to get themselves Empowered by doing different types of self based business, jobs, etc. The self help group members are living a happy free life without being dependent and burden on others, through self help groups the women are getting vocational small trainings also which is not only beneficial for them alone, instead it is helpful for their whole family development. No doubt in our country Self Help Group movement is progressing in the right direction. Thus it is necessary to empower the women more and more in different fields.

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