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### Research Article

### Business Administration

## Self Help Group: An Effective Approach to Women Empowerment in India

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### ABSTRACT

The concept of Self Help Group has its roots in rural areas and it has been mooted along the rural and semi urban women to improve their living conditions. Though it is applicable to men in our country, but it has been more successful only among women and they can start economic activities through SHG movement. In India, this scheme is implemented with the help of NABARD as a main nodal agency in rural development. It is self employment generation scheme for especially rural women, who do not have their own assets. The word 'empowerment' means giving power. According to the International Encyclopedia (1999), power means having the capacity and the means to direct one's life towards desired social, political and economic goals or status. Empowerment provides a greater access to knowledge and resources, more autonomy in decision making, greater ability to plan lives, more control over the circumstances which influence lives, and freedom from customs, beliefs and practices. Thus, empowerment of women not just a goal in itself, but key to all global development goals. Empowerment is an active multidimensional process to enable women to realize their identity and power in all spheres of life. This paper examines the women empowerment through SHGs and also explains the current position of women empowerment in India.

**Keywords:** Empowerment, NABARD, Progress, SHG.

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### INTRODUCTION

In the early decades, the concept of women development was totally out of mind and their condition was miserable. But with the changed scenario, the thinking of people has been changed due to education, awareness and now, the problems of women are looked upon as the problems of social welfare and are considered more seriously and ultimately solved in the form of other way round particularly in the past more than 15 years. Due to the development of new policies, programmes and even projects, the status of women has totally been changed as they provide assistance to the low income women. This concern for low-income women's needs has coincided historically with recognition of their important role in development. Various intervention approaches have been developed in order to address the needs of the women which ultimately reveal modifications not only in

social policy approaches to third World Development, state policies relating to women but also in the overall economic policy of the country as a whole. The empowerment approach is the most recent and is aimed at empowering women through greater self-reliance and internal strength. problem becomes more severe as more women are affected with it as compared to men . It is estimated that about 20%-40% of maternal deaths in India are due to anemia and One in every two Indian women (56%) suffers from some form of anemia.

The word empowerment is defined as the process by which women take control and ownership of their choices. 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. The core elements of empowerment have been defined as agency (the ability to define one's goals and act upon them), awareness of gendered power structures, self-esteem, and self-confidence.

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 favor of women. It is the process of challenging existing power relations and of gaining greater control over the sources of power

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.

Women Empowerment refers to an increase in the strength of women such as spiritual, political, social or economic. The most common explanation of Women's Empowerment is the ability to exercise full

control over one's actions. Thus, women empowerment occurs in real sense when women achieve increased control and participation in decision making that leads to their better access to resources it often involves the empowered developing confidence in their own capacities.

The year 2001 had been declared by the Government of India as Women's Empowerment Year to focus on vision where women are equal partners like men. Because the Constitution of India grants equality to women in various fields of life. In the past, the position of women was miserable in the society and even women were not ready to undertake any assignment or job due to many reasons like fear, shyness, male dominance in the society and purda system but time has been changed now. Women of today are not like the early days. Now, they are always ready to come forward and want more economic independence, their own identity, achievements, equal status in the society and greater freedom. And Government of India has provided for Self Help Groups (SHGs) to them so that proper attention should be given to their economic independence through self employment, entrepreneurial development and well being that ultimately leads to its contribution. SHGs have been emerged as a powerful instrument in order to alleviate poverty and for the empowerment of women in the rural economy. SHGs through the network of commercial banks, co-operative banks, regional rural banks, NABARD and NGO's has been largely supply driven and a recent approach in the provision of financial services to the poor and further upgrading their status in the society. In this way, SHGs are important not only to reduce rural poverty, to promote rural savings but also to increase gainful employment. Keeping this in mind, the present study is to study the growth of SHGs and to analyse the current position of women empowerment and study the economic improvement of women after their joining SHGs. The information for the study has been collected from secondary sources i.e. various books, Journals, newspapers, published literature, websites, and annual reports.

Women and SHGs in many parts of the country have achieved success in bringing the women to the main stream of decision making. The SHG in our country has become a source of inspiration for women's welfare formation of SHG is a viable alternative to achieve the objectives of rural development and to get community participation in all rural development programmes. SHG is also a viable organized set up to disburse micro credit to the rural women and encouraging them together into

entrepreneurial activities. (Abdul, 2007). To alleviate the poverty and to empower the women, the micro finance, Self-Help Groups (SHGs) and credit management groups have also started in India

Self Help Group (SHG) is a small voluntary association to form a group. It is informal and homogenous group of not more than twenty members. SHGs consist of maximum 20 members because any group having more than 20 members has to be registered under Indian legal system. That is why, it is recommended to be informal to keep them away from bureaucracy, corruption, unnecessary administrative expenditure and profit motive. In fact, it is a home grown model for poverty reduction which simultaneously works to empower and shape the lives of its members in a better way. Groups are expected to be homogenous so that the members do not have conflicting interest and all the members can participate freely without any fear. Self-help groups (SHGs) movement has triggered off a silent revolution in the rural credit delivery system in India. SHGs have proved as an effective medium for delivering credit to rural poor for their socio economic empowerment.

#### **THE GENESIS AND GROWTH OF SHGS IN INDIA**

SHG's originated in the year 1975 at Bangladesh by Mohammed Yunus. In the eighties, it was a serious attempt by the Government of India to promote an apex bank to take care of the financial needs of the poor, informal sector and rural areas. And then, NABARD took steps during that period and initiated a search for alternative methods to fulfill the financial needs of the rural poor and informal sector. NABARD initiated in 1986-87, but the real effort was taken after 1991-92 from the linkage of SHGs with the banks.

In other words, the Self Help Group (SHG) in India has come a long way, since its inception in 1992. The spread of SHG's India has been phenomenal. It has made dramatic progress from 500 groups in 1992 (Titus 2002) to some 16, 18,456 groups that have taken loans from banks. About 24.25 million poor households have gained access to formal banking system through SHG-bank linkage programme and 90% of these groups are only women groups (NABARD2005). The NABARD (2006)homepage declares that more than 400 women join the SHG movement every hour and an NGO joins the Micro-Finance Programme every day. There are also agencies which provide bulk funds to the system through NGOs. Thus organizations engaged in micro finance activities in India may be

categorized as Wholesalers, NGOs supporting, SHG Federations and NGOs directly retailing credit borrowers or groups of borrower. The spread of the SHGs is highly concentrated in the southern part of the country with very few in the north and the east. Over half a million SHGs have been linked to banks over the years but a handful of States, mostly in South India, account for almost 60%. Andhra Pradesh has over 42%, Tamil Nadu and Uttar Pradesh have 12% and 11% respectively, and Karnataka has about 9% of the total SHGs. Since the advent of SHG in India, its growth rate has been very low in the states of Rajasthan, Bihar, Uttar Pradesh, Madhya Pradesh, Orissa and union territory of Andaman Nicobar Islands where the status of women is still very backward and pathetic. The formation of SHGs have benefited its members in numerous ways; not only have the assets, incomes and employment opportunities for the women but also enhance the equality of status of women as participants, decision-makers and beneficiaries in the democratic, economic, social and cultural spheres of life (Ritu Jain 2003). The basic principles of the SHGs are group approach, mutual trust, organization of small and manageable groups, group cohesiveness, spirit of thrift, demand based lending, collateral free, women friendly loan, peer group pressure in repayment, skill training capacity building and empowerment (N.Lalitha & Nagaraj B.S. 2002).

#### **SHG AS AN EFFECTIVE APPROACH TO WOMEN EMPOWERMENT**

One has to believe that the progress of any nation is inevitably linked with social and economical plight of women in that particular country. Empowerment by way of participation in SHG can one has to believe that the progress of any nation is inevitably linked with social and economical plight of women in that particular country. Empowerment by way of participation in SHG can bring enviable changes and enhancement in the living conditions of women in poor and developing nations. The underlying principle of SHG is to provide to the poorest of the poor and to achieve empowerment. Self Help Group (SHG) is a process by which a large group of women (1020), 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. SHG Phenomenon definitely brings group consciousness among women, sense of belongingness, adequate self confidence. In fact, what she cannot achieve as an individual, can accomplish as a member of group with sufficient understanding about her own rights, roles, privileges

and responsibilities as a dignified member of society in par with man. When she becomes a member of SHG, her sense of public participation, enlarged horizon of social activities, high self-esteem, self-respect and fulfillment in life expands and enhances the quality of status of women as participants, decision makers and beneficiaries in the democratic, economic social and cultural spheres of life. In other words, we can say that SHG is an effective instrument to empower women socially and economically which ultimately contributes in the overall development of the country like India wherein still large segment of women population are underprivileged, illiterate, exploited and deprived of basic rights of social and economic spectrum.

The experiences of SHGs in many countries have been proving great success as an effective strategy and approach in recent years. Group oriented efforts in the form of Micro-credit groups in different countries of Latin America, Africa and Asia are examples of current self-help efforts. The graven groups in Bangladesh, Local self help development efforts -harambee in Kenya, Tontines or Hui with 10 to 15 members involved in financial activities through cash or kind in Vietnam, self help efforts through credit unions, fishermen groups, village-based banks, irrigation groups etc in Indonesia, the self-help groups (SHGs) in countries like Thailand, Nepal, and Sri Lanka and India are successfully proving forms of micro-credit groups or SHGs. No doubt, The Fundamental Rights, The Directive principles of State Policy and Fundamental Duties etc. virtually assure equal status to women and provide special protection that leads to women development beyond the economic dimension and place emphasis on issues relating to equality, autonomy and self reliance at the individual level. As a group-oriented model, SHGs in India is a mechanism for women's development to bring in individual and collective empowerment through improvement in both „condition' and „position' of women. Now women in India are mobilized to protest against domestic violence, rising prices, legal discrimination, rape, child marriage, domestic violence etc. In this way, it aims to empower women with various forms of power.

Several factors and strategies have been provided by the SHGs that have made a positive contribution to the empowerment of women. These are full support and timely advice for balancing family and business responsibilities, leadership, experience in decision making and f SHGs have been increasing day by day.

### **Objectives of the study**

- To understand basic concept
- To analyse women empowerment in SGH
- To provide viable suggestion & recommendations

### **METHODOLOGY**

The study used primary data and secondary data for analysis according to the objective set out in the study. Primary data collected refers to the opinion of SHGs, which has been collected through structured questionnaire and observation. Secondary Data involves collection of data from books, journals, magazines and internet. Chi - Square method was used to analyze the collected data.

#### **Analysis**

SHG members in their socio-economic conditions and other related factor through the structured interview schedule collected by the researcher. For this purpose the study conducted for two hundred respondents of the SHG members were selected from various Self Help Group's In this part, the result of Chi –Square test, presented.

### **REVIEW OF LITERATURE**

During the course of the study, the study of several authors was referred and it is imperative that an outline of the literature survey is put to note and the following references are worth mentioning. According to Agarwal, Deepti (2001), Women need to be viewed not as beneficiaries but as active participants in the progress of development and change empowerment of women could be organized into groups for community participation as well as for assertion of their rights in various, services related to their economic and social well being

Manimekalai and Rajeswari (2002), conducted a study on Grass roots entrepreneurship through Self Help Groups (SHGs), with the objective to find out the factors which have motivated women to become Self Help Group members are eventually entrepreneurs and analyze the enterprise performance of Self Help Groups in terms of growth of investment, turnover, capacity utilization, profit etc. It is understand from the analysis that the Self Help Group entrepreneurs have improved a lot with respect to their enterprise performance. It is observed that the women have been depending only on agriculture and now have become independent. Apart from the improvement on the personal growth, the community as a whole has gained through the organization of the Self Help Groups.

Jaya Anand (2002), in her discussion paper titled Self Help Groups in empowering women; case study of selected Self - Help Groups and Neighborhood Groups (NHGs), gives a review of progress of Self Help Groups. She has attempted to examine the performance of selected Self Help Groups and NHGs and to assess its impact, especially the impact of micro credit programme on empowering women. It has been clearly established that delivering credit alone may not produce the desired impact. The supporting services and structures through which credit is delivered remaining from group formation and training to awareness raising and a wide range of other supporting measures are critical to make the impact of group activity strong and sustainable.

**Chi –Square Test**

Chi –Square test used to find whether the two attributes are associated or not. In other words this test is used to find one variable has a significant influence in the other. In this study the Chi –Square test is used between personal factor and study related factors. Chi –Square test is applied using the formula

$$X^2 = \sum \frac{(F_o - F_e)^2}{F_e}$$

Where:

F<sub>o</sub> = Observed Value

F<sub>e</sub> = Expected Value

Degree of freedom = (C-1)\*(R-1)

Where:

R = Number of rows

C = Number of columns

The calculated value of Chi –Square is compared with the table value at 5% level of significance and inferences drawn.

Hence it may be concluded that the statistical analysis that the test proved Not significant and hence the null hypothesis should be accepted at 5% level, that there are no significant relationship between age, education, occupation, monthly income and earnings in self help groups. The null hypothesis should be accepted at 5% level, there is significant relationship between marital status and membership period in self-help groups.

**Findings of Chi Square Test (Table 1)**

1. There is no significant relationship between age and membership period.
2. There is no significant relationship between educational qualification and membership period.
3. There is significant relationship between marital status and membership period.
4. There is no significant relationship between members occupation and membership period.
5. There is no significant relationship between members occupation and initial investment amount.
6. There is no significant relationship between monthly income and SHG members occupation.
7. There is no significant relationship between earning members and family benefits.

**Table 1 Findings of Chi Square Test**

Factors	Calculated Value	Table Value	Degree of Freedom	Result of 5% Level
Age and membership period in self help group	5.45	9.49	4	Not Significant
Education qualification and membership period in self help groups	1.40	5.99	2	Not Significant
Marital status and membership period in self help groups	10.56	5.99	2	Significant
Member occupation and membership period in self help groups	1.22	12.6	6	Not Significant
Monthly income and member’s self help group occupation	2.57	12.6	6	Not Significant
Earning member in the family and family benefits.	2.05	9.49	6	Not Significant

### Major Findings:

The SHGs have made a lasting impact on the lives of the women particularly in the rural areas of India. Their quality of life has improved a lot, as: 1) they could develop their skills and abilities in various productive activities. 2) There is an increase in their income, savings and consumption. 3) Increased self-reliance and self-confidence have improved the ability of women to mobilize various public services for their benefit. 4) They have become bold and can speak freely in front of a big crowd. 5) They can carry out any type of official work without any fear. 6) The social horizons of the members have also widened. They have made many friends and feel that now they are more popular and socially active. 7) The illiterate and semi-literate women have got a sense of satisfaction and wish fulfillment. Now they have become productive and the important members of the family. 8) They got high self-esteem which enhances their capacity to work. 9) With improvements in women's economic opportunities and their ability to take collective action, there has been a significant decline in gender based problems such as domestic violence, dowry, polygamy etc. Interestingly, some of them are motivating other women to form SHGs so that they also can reap the benefits. Thus the SHGs have achieved success in bringing women to the mainstream of decision making.

### Suggestions

- The self help groups and its importance must be implementing as lesson of text book among school; level education.
- Self Help Group is powerful tool to enrich the savings activities and poverty alleviation. In this context to support by the government and uplift the women through Self Help Group oriented developments
- More schemes can be introduced by the government and it has not be communicated and advertised proper way to reach the Self Help Groups. So the Non Government Organisations and other support agencies to deals with Self Help Group with periodical intervals. In the aspects, Self Help Group members more satisfied and benefited.
- In order to strength the women empowerment, female literacy has to be promoted .

- Rotation of responsibility has to be made compulsory, so that it will lead to women's empowerment.
- None of the voluntary agencies was found to be making efforts to develop a second line leadership to take up the leadership role. It was observed that a few women were dominating the show from year to year. A trend seemed to have emerged paving the way for the educated and the better off leader dominating the groups and getting reelected again and again.
- The group leader educates the entire team to manage the groups and maintain accounts and other record of the groups. It may lead to lopsided empowerment and not empowerment in the full sense.
- It is suggested that the Non Government Organizations should be prevented from interfering with Self Help Groups movement. Steps should be taken to keep them as voluntary organizations and they should not be allowed to use extraneous influences
- Since majority of the women are ignorant of their legal rights, legal literacy classes should be organized to enhance their awareness.
- In many of the Self Help Groups, the same person is continuing in the offices as group secretary. So, rotation of the group's secretary is necessary for equitable exposure to the banking transaction.

### CONCLUSION

SHGs have been identified as a way to alleviate poverty and women empowerment. 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. Although it is a gradual and consistent process, but women should build their mindset for taking additional effort willingly for their over all development. SHGs have the potential to have an impact on women empowerment Self Help Group concept has been mooted along the rural and semi urban women to improve their living conditions. Even though SHG concept is applicable to men also in our country, it has been more successful only among women. 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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