

Empowering Rural Women through Self- Help Groups in India

Pawanjot Kaur¹ & Rooppal Kaur²

Abstract

Empowerment in the context of women’s development is a way of defining, challenging and overcoming barriers in a woman’s life through which she increases her ability to shape her life and environment. Today, globalization has presented new challenges for the realization of the goal of women’s equality, the gender impact of which has not been systematically evaluated fully. The Government of India and state authorities alike have increasingly realized the importance of devoting attention to the economic betterment and development of women in India. In India, self-help groups represent a unique approach to financial intermediation. Self help groups are novel and innovative organizational setup in India for the women up-liftment and welfare. This paper highlighted the role of self help groups in empowering women and discusses its importance for the economic development of women of the country.

Key words: Self help groups, women empowerment, NABARD.

1. Introduction

Empowerment is the process of obtaining basic opportunities for marginalized people, either directly by those people, or through the help of non-marginalized others who share their own access to these opportunities. Empowerment of women signifies harnessing women power by promoting their tremendous potential and encouraging them to work towards attaining a dignified and satisfying way of life through confidence and competence. The empowerment of women is crucial for the development of the country. In India, where population maintain equal ratio of males and females the emergence of women entrepreneurs have great relevance and importance otherwise it will be amounting to neglecting 50 per cent of the entrepreneurial talent of the country. Creative entrepreneur is the backbone of a nation’s industrialization and economic development (Reji, 2013). From the Fifth Five Year Plan (1974-78) onwards there has been a marked shift in the approach to women’s issues from welfare to development. In recent years, the empowerment of women has been recognized as the central issue in determining the status of women. The National Commission for Women was set up by an Act of Parliament in 1990 to safeguard the rights and legal entitlements of women. In India, since independence, the gap between women and men is severe as far as education level is concerned showing 82.14% of adult men are educated whereas only 65.46% of adult women are known to be literate in India. (The Registrar General & Census Commissioner of India, 2011).

2. Self Help Group Scheme

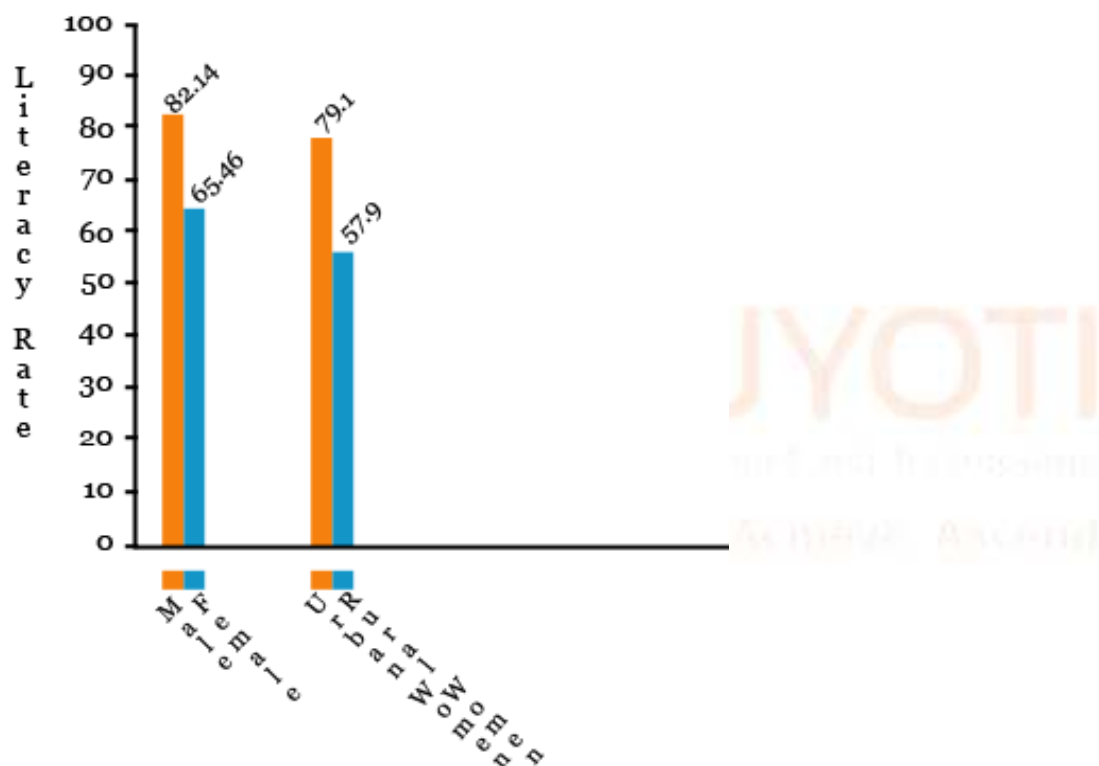
In India, Self Help Group Scheme was initiated by NABARD main rural development body emphasizing self employment generation for the women living in rural and semi – rural areas. Self-help groups (SHGs) movement has triggered off revolution in the rural credit delivery system in India by proving an effective medium for delivering credit to rural poor

¹ Research Scholar, Punjabi University, Patiala. E-mail: jotpawan@ymail.com

² Research Scholar, Punjabi University, Patiala. E-mail: rupal.kaur22@gmail.com

for their socio-economic empowerment. A self-help group (SHG) is a village-based financial intermediary committee usually composed of 10-20 local women or men. Self-help groups are started by non-governmental organizations (NGOs) that generally have broad anti-poverty agendas. In India two broad approaches prevail in case of micro financing viz. self help group –bank linkage and micro finance institutions. NABARD has been supporting the SHG-Bank linkage programme since 1992 (Lokhande, 2013). These groups are seen as instruments for achieving variety of goals including women empowerment, developing leadership abilities among poor people, increasing school enrolments, and improving nutrition and the use of birth control. The SHG system uses existing marketing channels, the banks, to bring formal financial services to a new market segment, the poor and particularly women.

Literacy Facts of Women in India



*Literacy rates relate to the population aged 7 years & above

Fig.1 showing literacy facts of women in India

(Source: <http://www.womenempowermentinindia.com/>)

3. NABARD's 'SHG Bank Linkage' programme

In India, under NABARD's *SHG Bank Linkage* programme, self help groups borrow from banks once they have accumulated a base of their own capital and have established a track record of regular repayments. 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 (Sundaram, 2012). This model has attracted attention as a possible way of delivering micro-finance services to poor populations that have been difficult to reach directly through banks or other institutions. According to NABARD estimates there are 2.2 million SHGs in India,

representing 33 million members that have taken loans from banks under its linkage programme. The SHG Banking Linkage Programme since its beginning has been predominant in certain states, showing spatial preferences especially for the southern region – Andhra Pradesh, Tamil Nadu, Kerala and Karnataka. Over a period of more than 15 years up to 2011–12 NABARD sanctioned an amount of Rs. 184.17 crore for promoting 675,661 SHGs. A further Rs. 45.62 crore was sanctioned for promoting and credit linking 97,862 SHGs during 2012–13. However, only Rs.55.28 crores (or less than 30 per cent) was released for promoting 417,053 SHGs, at an average of Rs. 1,325 per SHG as against an estimated promotional cost of more than Rs. 10,000 per SHG (as per NABARD’s Women Self-Help Group (WSHG) scheme and that of Rural Development Department, Government of India. As of March 2012, less than 5 per cent of the total number of savings-linked SHGs had been promoted with financial support of NABARD (NABARD, 2013).

4. Growth of SHGs in India

The journey of the Self Help Group–Bank Linkage Programme starts from linking a pilot of 500 SHGs of rural poor two decades ago. It now boasts of the world’s largest microfinance initiatives with over 7.4 million SHGs representing 97 million rural households. The number of saving linked SHGs now stands at 74.3 lakh with a membership of over 96.6 million poor households showing a marginal increase of 1.53% (73.18 lakh SHGs as on 31.3.2013). The number is still substantially less than 79.60 lakh SHGs reported during 2011-12 (with coverage of 104 million households). The savings balance of these SHGs with banks, however, shot up by over 20% during the year (Rs. 9897 crore against Rs. 8217 crore a year back). All except the North and North Eastern region recorded higher savings bank balance with western States recording nearly 34% increase while the Central region reporting 27% and Southern region recording an increase of 23%. The average savings bank balance of SHGs with banks as on 31.3.2014 was Rs.13322, with southern region reporting an average of Rs.16878 while the North Eastern states having an average saving of only Rs.4073 per group. (NABARD Report 2014)

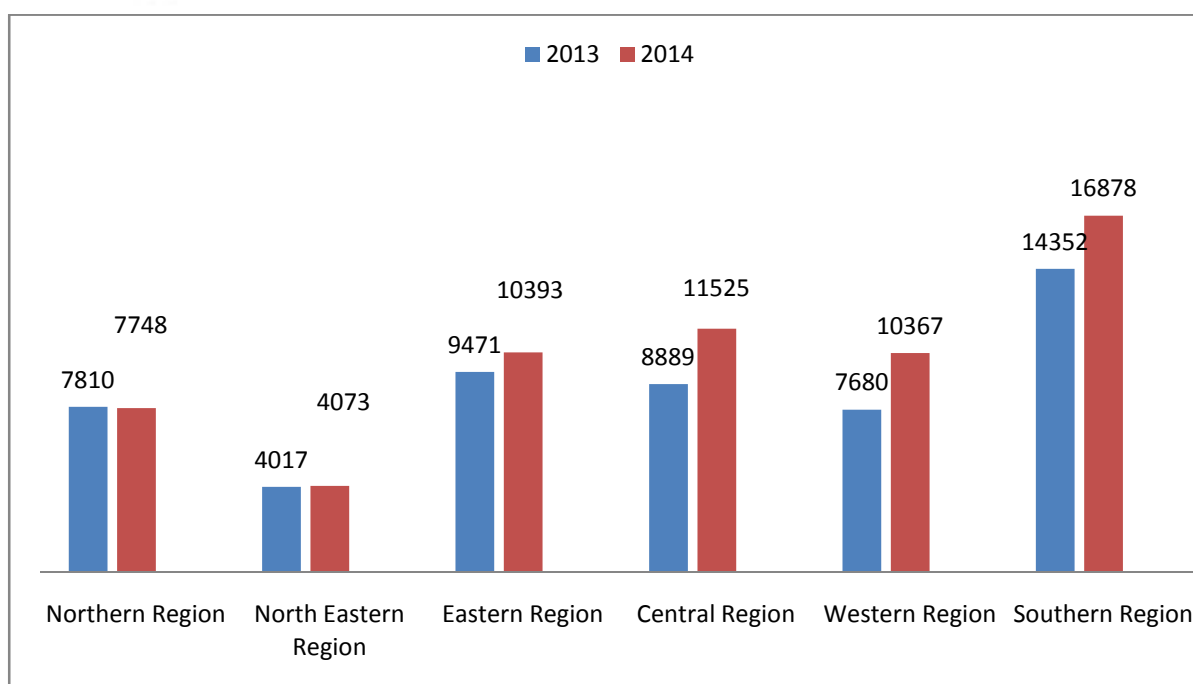


Fig. 2 Region-wise savings balance of SHGs and growth rate (Year 2013-2014)

5. Engagement of Women in SHGs in India (2013-14)

The Self-Help Group programme has become a well known instrument for bankers, developmental agencies and even for corporate houses which leads towards the developmental process. Earlier less emphasis paid upon involvement of women in the economic activities but with the help of SHGs programme the members are able to expand their horizon of productive activities.

SHGs are not only limited to providing financial services but also they have turned out to be focal point for purveying various services to the poorest of the poor in many ways. The empowerment of women through Self Help Groups (SHGs) would lead to benefits not only to the individual women, but also for the family and community as a whole through collective action for development. Self Help Groups have linkages with NGOs (Non- Government Organizations) and banks to get finance for development (Thangamani & Muthuselvi, 2013). In this way, SHG concept is getting greater support from women as well as from the financial institutions.

The progress of the women SHGs during the year 2013-14 has been presented in table 1 below.

Table 1: Progress of Women SHGs as on 2013-14

Particulars	Total SHGs (lakh)	Women SHGs (lakh)	%age of Women SHGs to Total SHGs	Total Amount (crore)	Women SHGs Amount (crore)	% age of Women SHGs Amount to Total SHGs Amount
Saving linked SHGs	74.30	62.52	84.15	9897.42	8012.89	80.96
Credit Linked SHGs	13.66	11.52	84.33	24017.36	21037.97	87.59
Loan Outstanding	41.97	34.06	81.15	42927.52	36151.58	84.22

Source: Status of Micro Finance in India 2013-14, NABARD

Table 1 indicates the details of total number of women SHGs showing saving linked SHGs, credit linked SHGs and loans outstanding for the year 2013-14. It is seen that the total number of saving linked and credit linked exclusive women SHGs with banks were 84.15 percent and 84.33 percent, respectively. Further the percentage of loans outstanding of exclusive women SHGs to loans outstanding of total SHGs was 81.15 percent as on 31st March 2014. It shows that majority of women SHGs increased their participation in saving and credit is increasing out of total number of SHGs.

6. Conclusion

As Women contributes to the larger part of population in India. The existing scenario is that women form an important part of the labor force and the economic role played by them cannot be isolated from the framework of development. But, there are still quite a few areas

where women empowerment in India is largely lacking. As majority women lack assets that help contribute to their empowerment and well-being, economic independence through self-employment and entrepreneurial development. The Government should take various initiatives to empower Women of the country and Five year plans also need to lay emphasis on the women sector. Although the paper above shows the involvement of women in SHGs quite increase in number from earlier years but yet there is need to encourage the rural women so that they come forward to join the hands as it is not the duty of only government but at certain level everybody has to take initiatives. The paper also highlighted the various facts and figures regarding growth of SHGs which still considered as less as compared to the population the country.



References

- Reji D.R. (2013), “Economic Empowerment of Women through Self Help Groups In Kerala”, *International Journal of Marketing, Financial Services & Management Research*, 2(3), 97-113.
- Lokhande, M.A. (2013), “Micro Finance for Women Empowerment - A Study of Self-help Groups-Bank Linkage Programme”, *International Center for Business Research*, 2(2), 1-8.
- Manjunatha, S. (2013), “The Role of Women Self – Help Groups in Rural Development of Karnataka State, India”, *International Research Journal of Social Sciences*, 2(9), 23-25.
- NABARD (2013), “Microfinance India - State of the Sector Report 2013”, Retrieved from <https://www.nabard.org/SOS Report 2013>
- NABARD (2014), “Status of micro finance in India 2013-2014”, Retrieved from <https://www.nabard.org>
- The Registrar General & Census Commissioner of India (2011), “Report on Census of India 2011”, Retrieved from censusindia.gov.in/
- Sharma, P. and Varma, S.K. (2008), “Women Empowerment through Entrepreneurial Activities of Self Help Groups” *Indian Res. J. Ext. Edu.* 8(1), 46-51.
- Sundaram. A (2012), “Impact of Self-help Group in Socio-economic development of India”, *IOSR Journal of Humanities and Social Science*, 5(1), 20-27.
- Thangamani, S. and Muthuselvi, S. (2013), “ A Study on Women Empowerment through Self- Help Groups with Special Reference to Mettupalayam Taluk In Coimbatore District”, *Journal of Business and Management*,. 8(6), 17-24.
- WomenEmpowermentInIndia.com (2014), “Women Empowerment in India: A Burning Issue”, Retrieved from <http://www.womenempowermentinindia.com/>