

ECONOMIC EMPOWERMENT OF WOMEN BY SELF HELP GROUPS THROUGH MICRO CREDIT-A STUDY

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Abstract

Economic empowerment is the capacity of women and men to participate in contribute to and benefit from growth processes in ways that recognize the value of their contribution respect their dignity and make it possible to negotiate a fairer distribution of the benefits of growth. Economic empowerment increases women's access to economic resources and opportunities including jobs, financial services, property and other productive assets, skills development and market information. Women's economic empowerment is a prerequisite for sustainable development and for achieving the millennium development goals, And economic empowerment is also right .There is no quick fix: women's economic empowerment takes sound public policies, a holistic approach and long terms commitment from all development actors. Donors can increase their investment. During the planning era several efforts were made by the government of India to increase the role of women and to improve the status of women .Self-Help group are increasingly becoming very important methods of organizing women to take action and transfer their situation .The inability of formal credit institutions to cover rural poor generally attributed to high cost of administering the large number of small loans .This has promoted large number of non Government Organizations to enter the rural credit scheme for organizing the poor into informal groups. But still poor have financial crises. Their poverty still persists .In this context study is proposed to carry out further stuffy in micro financing .To solve this problem non-government organization need to play a significant role in empowering women entrepreneurs by providing basic education, motivation training and financial help & so on. It is of considerable interest to study the role of Self-Help Group the socioeconomic status of women in Amravati city.

Key Words: Economic Empowerment, Sustainable Development, Financial Crisis, Governance Structure.

1.1 Introduction:

Women's economic empowerment as the process by which women increase their right to economic resources and power to make decisions that benefit themselves, their families and communities .economic empowerment is the capacity of women and men to participate in contribute to and benefit from growth processes in ways that recognize the value of their contribution respect their dignity and make it possible to negotiate a fairer distribution of the benefits of growth.

Around 2billion poor people around the world particularly women are financially excluded and women and girls make up the majority of the poorest people in the world today .women continue to earn an average only 60 to 75 % of what men earn Laws in many countries restrict women's economic opportunities , dictating the types of jobs that women can do ,or giving husbands the right to prevent their wives from accepting job.

The disadvantage and discrimination faced by women and girls severely limits women's and girls' ability to lift themselves out of poverty. As a result ,women are more likely to work in informal ,low wage jobs with exploitative and unequal working condition , and have restricted access to affordable ,quality financial products and services ,like a saving account or small loan. Women gain basic financial services such as bank accounts and to business skills training .combined with efforts to strengthen women's economic decision making power and develop a more supportive environment in both the household and the community , this enables more women to start businesses, leading to financial independent .

1.2 The History of SHG

Encouraged by the results of the studies of the SHGs experience, the NABARD in consultation with the RBI, the Commercial Banks (CBs) and the NGOs, launched the pilot project of linking the SHGs with the commercial banks in 1991-92 and issued detailed guidelines in February 1992. The RBI advised the commercial banks in July 1991 to extend finance to the SHGs as per the NABARD guidelines, subsequently, the linkage project was extended to the RRBs and the cooperatives. The linkage philosophy was based on the informal credit system, that is, the moneylenders were holding their away over the rural poor because of their responsiveness, flexibility and sensitivity to the credit needs of the poor. The poor require credit very frequently in small quantities without much hassle and for the activity of own choice. The moneylenders is always there at his doorstep for supplying the credit promptly, but with an exorbitant rate of interest, forcing the poor to cough up all his surpluses/ income and making him/her, thereby move downhill along the poverty line. The moneylender has a vested interest in the perpetuation of poverty.

The formal credit system has the resources, manpower and technical capability to handle any volume of credit dispensation. The pilot project on linking the SHGs with the Banks was launched aiming at combining the positive factors of both the system and ensuring advantages to both the formal credit system and the SHGs. The traditional attitude of a banker that the poorest of the poor is not reliable and the banks are not meant for them is a myth to be dispelled. The distinct advantages envisaged under the project for the banks and the SHGs are that Banks are advised to win the confidence and trust of the rural poor. Though the pilot study is intended to find the impact of the SHGs with the Banks, however, during the pilot phase of the project, a number of other studies have also been conducted aiming at comparing the advantages expected and the reality.

1.3 Need and Importance of Self Help Group

Self help groups are necessary to overcome exploitation, create confidence for the economic self-reliance of rural people, particularly among women who are mostly invisible in the social structure. These groups enable them to come together for common objective and gain strength from each other to deal with exploitation, which they are facing in several forms. A group becomes the basis for action and change. It also helps buildings of relationship for mutual trust between the promoting organization and the rural poor through constant contact and genuine efforts. Self help groups plays an important role in differentiating between consumer credit and production credit, analyzing the credit system for its implication and changes in economy, culture and social position of the target groups, providing easy access to credit and facilitating group/organization for effective control, ensuring repayments and continuity through group dynamics; setting visible norms for interest rates, repayment schedules, gestation period, extension, writing of bad debts; and assisting group members in getting access to the formal credit institutions. Thus, self help group disburses microcredit to the rural women for the purpose of making them enterprising women and encouraging them to enter into entrepreneurial activities. Credit needs of the rural and urban poor women are fulfilled totally through the SHGs. SHGs enhance equality of status of women as participation, decision-makers and beneficiaries in the democratic, economic, social and cultural spheres of life. The rural poor are in-capacitated due to various reasons such as; most of them are socially backward, illiterate, with low motivation and poor economic base. Individually, a poor is not weak in socio-economic term but also lacks access to the knowledge and information, which are the most important components of today's development process. However, in a group, they are empowered to overcome many of these weaknesses, hence there are needs for SHGs which is specific terms are as under:-

- To mobilize the resources of the individual members for their collective economic development.
- To uplift the living conditions of the poor.
- To create a habit of savings, utilization of local resources.

- To mobilize individual skills for group's interest..
- To create awareness about right.
- Entrepreneurship development.
- To identify problems, analyzing and finding solutions in the groups.
- To act as a media for socio-economic development of village.
- To develop linkage with institution of NGOs.
- To organize training for skill development.
- To help in recovery of loans.
- To gain mutual understanding, develop trust and self-confidence.
- To build up teamwork.
- To develop leadership qualities.

2.1 Research Methodology:

In the field of research , the research “method” entails different interventions, strategies ,and plans that was used by the researcher to do her job. It is like an action plan full of short-and long term goals .It is also a set of actions- an action plan. Research methodology deals with a range of ways to make the most out of solving key research problems. It is a composite of philosophies, ideals and foundation that drive the action, the methods that was used. The empirical study is a way of gaining the knowledge by mean of direct indirect observation and experience.

2.2 Research Objectives:

1. To study the management practices and governance structure adopted by SHGs.
2. To study & examine the impact of microfinance programme on employment and income level of participants in Amravati city.
3. To study & analyze the ability of SHGs to deal with risky situations faced by the households.
4. To study & understand the problem of SHGs and to provide alternate strategies to make SHGs effective.
5. To study appropriate measures for effective functioning of SHGs for empowerment of women.

2.3 Research Design:

For the above mentioned objectives, the exploratory research design was used by researcher.

A research design is arrangement of condition for collection and analysis of data from a given population .It refer to the technique to the procedure adopt in selecting item for the sampling design .The research was used descriptive research design for research 50 self administer questionnaires was administer on the respondent and they brief about the purpose of the study and given enough time to fill up the questionnaire.

2.3.1 Data Sources & Method:

2.3.1.1 Primary Data:

The primary data was collected through,

- Questionnaires

- Interview

2.3.1.2 Secondary Data:

The secondary data was collected through,

- Websites
- Books
- Articles
- Magazines

2.3.2 Sampling procedure:

Universe: The universe of the study was Amravati city only.

Sampling Unit: The sampling unit of women of SHGs through micro credit with special reference through Amravati city.

Sampling Methods: Non probability sampling method (convenience sampling).

Sample Size: 50

3.1 Utility Of Research:

This study attempts to focus on economic empowerment of women's by SHGs. Self Help group are help to build social capital among the poor ,especially women. The important functions of Self Help Group are (a) to encourage and motivate its members to save ,(b)to act as a conduit for formal banking services to reach them. The researcher will try to find out rural poor are incapacitated due to various reasons in Amravati city such as; most of them are socially backward, illiterate, with low motivation and poor economic base. Individually, a poor is not weak in socio-economic term but also lacks access to the knowledge and information, which are the most important components of today's development process. However, in a group, they are empowered to overcome many of these weaknesses, hence it needed for SHGs which is specific terms are as under :-

1. To create a habit of savings, utilization of local resources.
2. To create awareness about right.
3. Entrepreneurship development.
4. To gain mutual understanding, develop trust and self-confidence.
5. To build up teamwork.
6. The research paper will become the helping hand to the research scholars as well as student for their further studies in respective area.

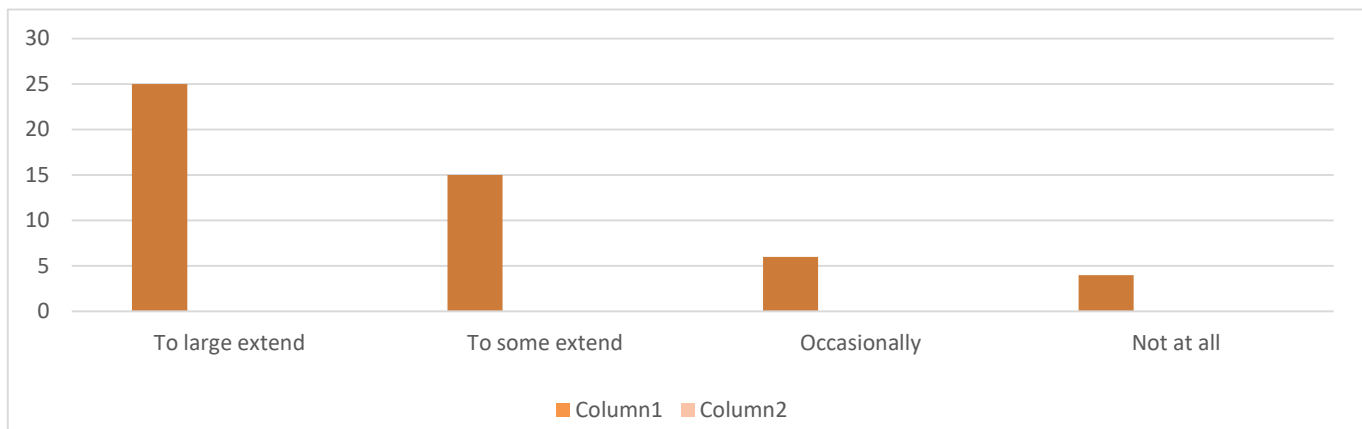
4.1 Limitations of the Research:

1. The research was restricted only to Amravati city.
2. The data which was collected from the respondent of Amravati city only applicable to Amravati city not another city.
3. The study was restricted only to economic empowerment of women's by SHGs.

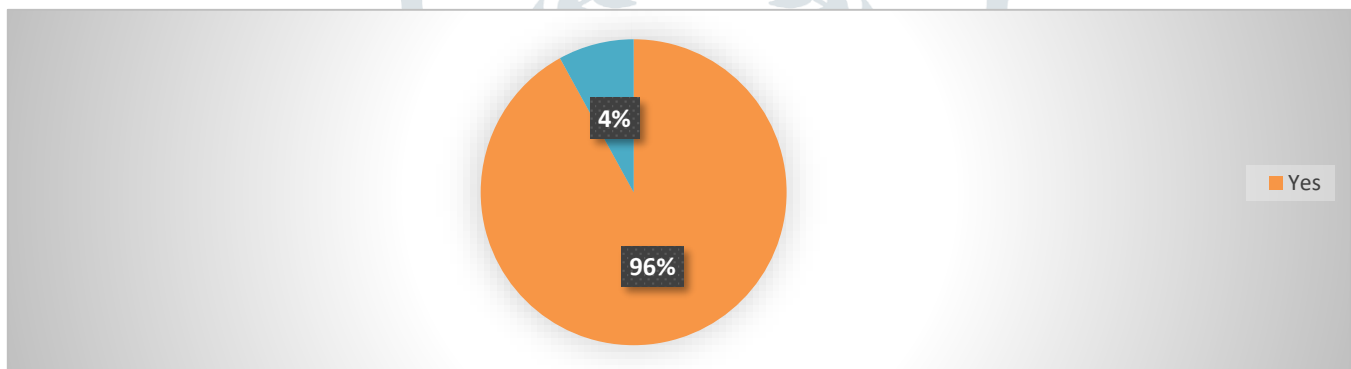
5.1 Analysis and Interpretation of Data:

Data analysis is also known as analysis of data or data analysis, was a process of inspection ,cleansing ,transforming and modeling data with the goal of discovering useful information, suggesting conclusions and supporting decision making. All information which gathered property and tabulated by using theoretical techniques. It refers to examine status and strengths of women. SHGs members in their socio-economic conditions and other related factor through the structured interview schedule collected by the researcher.

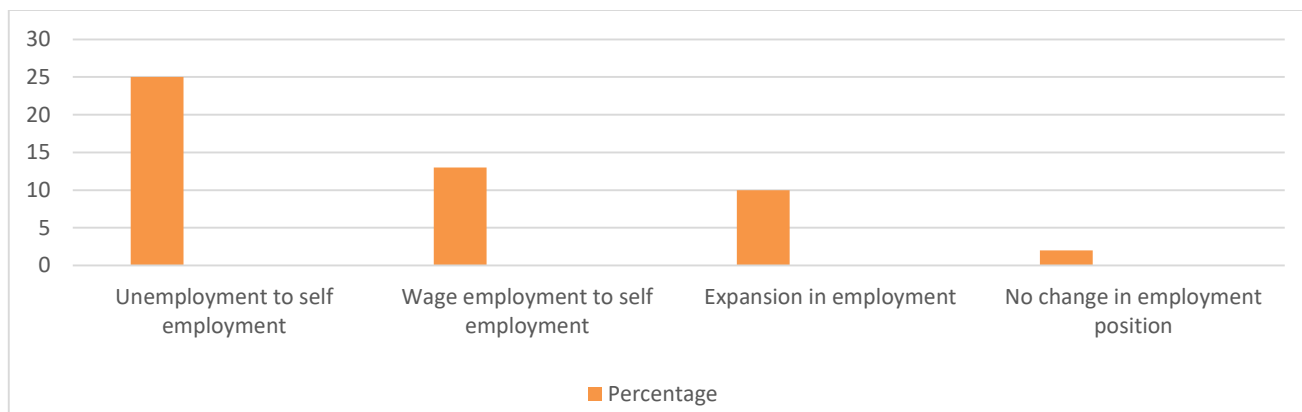
Graph No.1: Respondent started taking financial decisions



Graph No.2: Respondents get training after joining SHGs



Graph no.4.18 Respondents impact of loan on employment status



6.1 Findings:

1. Maximum number of respondents age group is 40 & their percentage is 60.
2. Maximum number of respondents marital status is 46 & their percentage is 92.
3. Maximum number of respondents level of qualification 10th & below is 25 & their percentage is 50.
4. Maximum number of respondents is from OBC category is 20 & their percentage is 40.
5. Maximum number of respondents occupation farmer is 30 & their percentage is 60.
6. Maximum number of respondents monthly income 1000 to 2500 is 25 & their percentage is 50.
7. Maximum number of respondents domestic decision takes in family by husband & wife is 20 & their percentage is 40.
8. Maximum number of respondents introduced SHGs by friends and relatives is 20 & their percentage is 40.
9. Maximum number of respondents perceive benefits in all social, financial and domestic is 20 & their percentage is 40.
10. Maximum number of respondents are joined the SHGs from 6 years and above is 25 & their percentage is 50.
11. Maximum number of respondents motive behind the joining of SHGs is financial help is 25 & their percentage is 50.
12. Maximum number of respondents improved all communication, confidence and management skills is 27 and their percentage is 54.

7.1 Suggestions:

1. The group should devise a code of conduct (Group management norms) to bind itself. This should be in the form of regular meetings (weekly or fortnightly) functioning in a democratic manner allowing free exchange of views, participation by the members in the decision making process.
2. The group should be able to draw up an agenda for each meeting and take up discussions as per the agenda.
4. Government should encourage export of goods which are produced by the groups members.
5. Literacy level of women are low & hence effort to enhance literacy level in the area should be given priority.
6. In order to solve the various problem relating to marketing of SHGs the state level organisation should extend the activities its operations in a particular area.

The SHGs broadly go through three stages of evolution such as:

- I. Group formation.

II. Capital formation (through the revolving fund).

iii. Skill development and taking up of economic activity for income generation.

As SHG are formed under the Swarna Jayanti Swarojgar Yojana (SGSY), for SHGs subsidy would be 50 percent of the project cost subject to a ceiling of Rs. 1.25 lakh or per capital subsidy of Rs. 10,000 whichever is less. There is no monetary ceiling on subsidy for minor irrigation projects for SHGs as well as individual swarojgaris (self employed).

The SHGs may consist of 10-20 members and in case of minor irrigation, and in case of disabled persons and difficult areas, i.e. hilly, desert and sparsely populated areas, this number may be a minimum of five. Self Help Groups should also be drawn from the BPL list approved by the Gram Sabha.

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