

A Discussion on SHGs and Women Economic Empowerment in India

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ABSTRACT: This article describes the impact of SHGs on empowering women. Empowerment of women concerns about gaining power and control over their own lives. Among the different aspects of empowerment, we suppose economic empowerment to be the most important because it makes women economically independent. Economic empowerment puts women in a stronger position and gives them power to participate together with men in the shaping of society, to influence development at all levels of society and to make decisions that promote their families and wellbeing. It is considered that the provision of microfinance to women is the major strategy for empowering women. Microfinance has the potential to improve the wellbeing of poor women in developing countries. The outreach of microfinance programme is considered to be a means of economic opportunities among the women section of the population and thus have its far reaching implications to the empowerment of women. Microfinance system would strengthen the process of financial inclusion in India and thereby would promote women's empowerment. In India, microfinance dominated by SHG has provided an effective mechanism for providing financial services to the "unreached poor" and also strengthening underprivileged and discriminated women in the society and thus significantly contributing to gender equality and women empowerment. Rapid progress in SHG formation has now turned into an empowerment movement among women across the country. Microfinance is necessary to overcome exploitation, create confidence for economic self reliance for the rural poor particularly among rural women. The results from these Self-Help-Groups are promising and have become a focus of intense examination as it is providing to be an effective method of poverty reduction and economic empowerment. Mainly, on the basis of secondary data analysis, this paper attempts to highlight the role of SHGs in the economic empowerment of women in India. The results demonstrate that there is significant increase in the empowerment of women in the SHG member group. SHGs-Bank Linkage Programme in India has been increasingly promoted for their positive economic impact to empower women.

Key Words: SHGs, Economic Empowerment, SHGs-Bank Linkage Programme.

INTRODUCTION:

Women Empowerment is most significant issue in India at present. It has become a social movement with the aim to uplift the status of women in the field of education, economic affairs, direct political participation, involvement in policy making and so on. Empowerment of women means self esteem-self reliance-self confidence. Women Empowerment refers to the process of change that gives individuals greater freedom of choice and action. It has been seen that empowering women is the most effective way to enhance the socio-economic growth of the country. Women play vital part of the economy, as they are nearly 1/3 of workforce and a major contributor of the family. Empowerment of women concerns about gaining power and control over their own lives. Among the different aspects of empowerment, we suppose economic empowerment to be the most important because it makes women economically independent. Economic empowerment puts women in a stronger position and gives them power to participate together with men in the shaping of society, to influence development at all levels of society and to make decisions that promote their families and wellbeing.

EMPOWERMENT INCLUDES:

- Ability to make decisions about personal/collective circumstances;
- Ability to access information and resources for decision-making;
- Ability to consider a range of options from which to choose
- Ability to exercise assertiveness in collective decision-making;
- Ability to learn and access skills for improving personal/collective circumstances;
- Increasing one's positive self-image and overcoming stigma;

The empowerment can be achieved by Educational empowerment, Social empowerment, Economic empowerment and Technological empowerment.

Discussion of different Five Year Plans on Empowerment of Women:

- First Five Year Plan (1951-56): In 1953 a central social welfare board sets up to promote women welfare work through voluntary organizations, charitable trusts etc
- Second Five Year Plan (1956-61): Supported development of mahila mandals to work at the grassroots.
- Third, Fourth and Interim Plan (1961-74): Provisions for women's education, pre-natal and child health services etc
- Fifth Five Year Plan (1974-78): A major shift in the approach towards women from welfare to development.
- Sixth Five Year Plan (1980-85): Thrust on women health, education and employment
- Seventh Five Year Plan (1985-90): Objective of bringing women into the mainstream of national development
- Eighth Five Year Plan (1992-97): More importance are given on education, health and employment of women
- Ninth Five Year Plan (1997-02) and Tenth Five Year Plan (2002-07): Women Empowerment as strategic objective.
- Eleventh (2007-12) and Twelfth Five Year Plan (2012-17): Special measures for gender empowerment and equality "growth with equal opportunities".

SHGs IN INDIA:

In India, microfinance, dominated by Self Help Group (SHG) has provided an effective mechanism for providing financial services to the "Unreached Poor" and also strengthening underprivileged and discriminated women in the society and thus significantly contributing to gender equality and women empowerment. SHGs were started first in the eighties by NGOs which disbursed small loans to groups of poor women as a tool to empower them socially, politically as well as financially (Morduch and Rutherford, 2003).

A Self-Help Group (SHG) is a financial intermediary usually comprise of 10-20 local persons from the homogeneous poorer section of the society. It is controlled and managed by the members. The regular saving contribution to corpus fund is eligibility to join the SHG. The mutual trust is the spirit of the organization. Most SHGs are women's group and have well defined rules and by laws hold regular meeting, self managed institution characterized by participatory and collective decision making. SHGs are formed as the instruments for a variety of goals including empowering women, developing leadership ability, increasing school enrolment and use of birth control measures. The purpose of forming SHG is to build the functional capacity of poor and marginalized in the field of employment and income generating activities. Most SHGs are women's group and have well defined rules and by-laws, hold regular meeting, self-managed institutions characterized by participatory and collective decision making.

SHG-BANK LINKAGE PROGRAMME: A STUDY

NABARD in 1992 had started programme of linking SHGs of rural people with banks. The SHG-Bank linkage programme implemented by commercial banks, RRBs and Cooperative banks has emerged as the major micro-finance programme in the country. There are three models of credit linkage of SHG with banks- (1) SHGs formed and financed by banks, (2) SHGs formed by formal agencies other than banks but financed by banks and (3) SHGs financed by banks using NGOs and other agencies as financial intermediaries.

SHGs are increasing in numbers and contributing a lot for women empowerment and poverty alleviation over time. Table-1 depicts the progress of SHGs-Bank linkage programme during the period 1992-99 to 2009-10.

Table-1 shows the number of SHGs financed by banks has increased during our study period. During the year 1999-00, 0.82lakh SHGs were linked with banks as against 0.33 lakh SHGs during 1992-99. In 2009-10, the numbers of SHGs have substantially increased to 15.87 lakh as compared to 0.33 lakh in 1992-99. The amount of loan disbursed increased according. The notable features of the programme are active participation of women and timely loan repayment.

Table-2 shows the total number of women SHGs savings linked, credit linked and loans outstanding for the years 2008-09 and 2009-10. It is observed from the table that the percentage of women SHGs to total SHGs of savings linked and loan disbursed in 2009-10 were 76.4 and 81.6 respectively and percentage of loans outstanding of exclusive women SHGs to total SHGs were 81.9% on 31.03.2009 and 82.1% on 31.03.2010.

CONCLUSION:

In India the welfare of poor in general and poor women in particular can be improved through SHGs. The numbers of poor women are enrolling in SHGs all over rural India has been increasing remarkably. The Self Help Group model with bank lending to groups to poor women without collateral has become an accepting part of rural finance and women empowerment. SHG based microfinance has become an important alternative to traditional lending in terms of reaching the poor. The economic status of SHG women has improved as they have taken up various economic activities. SHG women have come together breaking the caste and communal barriers. It has improved the confidence and communication skills among its members. Through the SHG experience, women learn how to conduct a meeting. They meet with local government officers and members of panchayat boards. Some of them especially the group leaders learn how to make monetary transactions in a bank.

Table-1: Progress of SHGs-Bank linkage Programme

Year	Number of SHGs (in lakh)		Bank Loan (Rs. Crore)	
	During the Year	Cumulative	During the Year	Cumulative
1992-99	0.33	0.33	57.1	57.1
1999-00	0.82	1.15	135.9	193.0
2000-01	1.49	2.64	287.9	480.9
2001-02	1.98	4.61	545.5	1026.3
2002-03	2.56	7.17	1022.4	2048.7
2003-04	3.62	10.79	1855.53	3904.21
2004-05	5.39	16.18	2994.25	6898.46
2005-06	6.20	22.39	4499.09	11397.55
2006-07	11.06	28.95	6570.39	12366.49
2007-08	12.28	36.26	8849.26	16999.90
2008-09	16.09	42.24	12256.51	22679.85
2009-2010	15.87	48.52	14453.30	28038.28

Source: Data compiled from Economic Survey 2002-03 to 2010-11 and NABARD

Table-2: Position of Women SHGs

Particulars	Year	Total SHGs		Exclusive Women SHGs		Percentage of Women SHGs to total SHGs	
		NO.	Amount	No.	Amount	No.	Amount
Savings linked SHGs	31.03.2009	61.2	5545.62	48.64	4434.03	79.5	80.0
	31.03.2010	69.53	6198.71	53.10	4498.66	76.4	72.6
Loans Disbursed	31.03.2009	16.09	12253.51	13.75	10527.38	85.4	85.9
	31.03.2010	15.86	14453.30	12.94	12429.37	81.6	86.0
Loans Outstanding	31.03.2009	42.24	22679.84	32.77	18583.54	77.6	81.9
	31.03.2010	48.51	28038.28	38.98	23030.36	80.3	82.1

Source: Status of Microfinance in India 2009-10, NABARD

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