

A STUDY ON SELF-HELP GROUPS- A CHANNEL FOR WOMEN EMPOWERMENT

Authors Detail

1.Name-Dr. Shobha B.G

Designation-Assistant Professor

Institution-Sivananda Sarma Memorial R.V. College

2. Name- Dr. Nagaraj M.S

Designation-Head-Dept. of Commerce

Institution-Sivananda Sarma Memorial R.V. College

3. Name- Preeyenka S

Designation-Student

Institution-Sivananda Sarma Memorial R.V. College

4. Name-Rahul S

Designation-Student

Institution-Sivananda Sarma Memorial R.V. College

5.Name- Aishwarya B. G

Designation-Student

Institution-Dayananda Sagar Academy of Technology and Management

Corresponding author

1.Name-Dr. Shobha B.G

Designation-Assistant Professor

Institution-Sivananda Sarma Memorial R.V. College

ABSTRACT: Self-help groups are India's most powerful channels for incubating and empowering women to move from subsistence to sustainability. Women empowerment is the important factor for the uniform growth of a nation. On this aspect the self help group plays a major role in deciding the women empowerment in the rural areas. SHG promotes the socioeconomic strength to the weaker section of the community and thereby promoting the uniform growth of the nation. Efforts are made in this article to understand the SHG, functioning of SHG and activities covered under SHG in Karnataka state.

Key words: SHG, Women empowerment, Rural area.

Introduction

Self Help Groups are considered as one of the most important tools in participatory approach for the economic empowerment of women. It is an important institution for improving life of women on various social components. The basic objective of SHG is that it acts as the platform for members to provide space and support to each other. SHGs Comprises very poor people who do not have access to formal financial institutions. It enables its members to learn to cooperate and work in a group environment. Today, in India, Self Help Groups (SHGs) represent a unique approach to financial intermediation. This combines access to low-cost financial services with a process of self-management and development for the women who are SHG members. SHGs are formed and supported usually by Non- Governmental organizations by Government agencies. Linked not only to banks but also to wider development programmes. SHG are seen to confer many benefits, both economic and social. SHGs are enable women

to grow their savings and access the credit which banks are increasingly willing to lend. SHGs can also be community platform from which women become active in village affairs, stand for local election to take action to address social. In India before introduce this scheme for rural women were largely negligible. But in recent years the most significant emerging system called Self Help Group is a major breakthrough in improving lives of womenfolk and alleviating rural poverty. However, the significant success of several SHGs show that the rural poor indeed efficient to manage credit and finance. Women participation in Self Help Groups have obviously created tremendous impact upon the life pattern and style of poor women and have empowered them at various levels not only as individuals but also as members of the family members of the community and the society as whole. They come together for the purpose of solving their common problems through self-help and mutual help. The more attractive scheme with less effort is “Self Help Group” (SHGs). It is a tool to remove poverty and improve the women entrepreneurship.

Origin of Self-help Group

The origin of self-help group can be traced is from Grameen bankof Bangladesh, which was founded by Mohamed Yunus. SGHs were started and formed in 1975. In India NABARD initiated in 1986-1987. The absence of institutional credits available in the rural area has led to the establishment of SHGs.

Objectives of SHGs

The SHGs significantly contribute to the empowerment of poor.

- To sensitize people of target area for the need of SHG and its relevance in their empowerment process.
- To create group feeling among to enhance the confidence and capabilities of members.
- To develop collective decision making among members.
- To encourage habit of saving among members and facilitate the accumulation of their own capital resource base.
- To motivate members taking up social responsibilities particularly related to development.

Benefits of SHGs

- Women Empowerment: Gender equality is considered themilestone of development because when women and men are equal in the society, the economy and health of the family improves reducing poverty.
- Social: India is a hierarchical society where people are ranked according to families, clans, castes, and religions. 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.
- Financial: All types of financial services such as micro loans, savings and insurance provided to low-income households and enterprises (less favored sectors of society). In this context, SHGs can be considered as a model or vehicle to deliver those products and services to the poor.
- Pressure Groups: SHGs work as pressure entities to address social issues such as education, health, lack of access to natural resources, et
- Awareness of Group: The group will create a awareness among the members and empowerment of members take place. The members will have to know the purpose of group formation, activities and operations, savings, credits etc.

Objectives of the study

The study has the following objectives

- To understand SHG and its role in women empowerment.
- To study SHG functioning in Karnataka.
- To know the Different activities undertaken by SHG in Karnataka.

Research methodology

Research methodology used for this study is descriptive method. The study is conceptual one to understand the SHG role in women empowerment.

Data collection method

This study is majorly based on secondary data. Data is collected from text books, national and international journals which focused on SHG..

SHG'S in India

In India, the first Self Help Group (SHG) emerged in 1985, with the initiative of the Mysore Resettlement and Development Agency (MYRADA), a nongovernmental organization (NGO) for promotion of self-help affinity groups; watershed, water and waste land management; forestry; community management of sanitation and drinking water, housing and habitat; improvement of primary school education; technical skills for School dropouts; microenterprise generation; preventive healthcare and HIV/AIDS prevention program. By 1986, there were 300 SHGs in MYRADA's projects. A SHG is a group of about 10 to 20 poor women or men, from a similar class and region, forming a savings and credit organization by pooling financial resources in order to extend loans to the members at low interest with far fewer procedural hassles. 'Savings first' is the prime ethic of SHG. The National Bank for Agriculture and Rural Development (NABARD), Reserve Bank of India (RBI), leading NGOs, and multilateral agencies like the International Fund for Agricultural Development, included SHG as strategic component to mitigate poverty by incorporating this approach in their annual plans since the emergence of SHGs. NABARD initiated an action research project in 1989 where grants were provided to other NGOs for initiating SHGs. In 1990, RBI accepted the SHG strategy as an alternative credit model and NABARD launched the SHG-Bank Linkage Programme in 1992 to lend directly to SHGs for capacity building and innovation, to create an enabling environment.

Self-help groups in Karnataka

The economy of Karnataka is essentially an agrarian and rural economy. It accounts for 56 per cent of workforce of the State. In addition it supports other economic activities such as industry, transport, trade and commerce, etc. The rural economy supplies food articles and home-made products to non-farm sector. The agriculture in Karnataka has many problems like low productivity, existence of unemployment and under employment, lack of storage and marketing facilities, insufficient credit, and transport amenities. Further, the pace of agriculture, rural and urban development is very much dependent on marketing of the produce of different products of rural and urban people.

The history of SHG promotion started with NGOs taking the lead in the mid-1980 and passing on to NABARD by the end of 1980s. After the SHG– Bank Linkage Programme was launched in 1991-92; the very first loans to SHGs in the country were given in Kolar district of Karnataka by the Vysya bank, Bangarpet branch to Venkateshwara Mahila Sangha of Muduguli on December 9th, 1991 and by Corporation bank, Andersonpet branch to Saraswathi Mahila Sangha of Boduguriki on January 30, 1992.

NABARD up-scaled the programme in Karnataka by initiating a series of measures that included training of NGO and bank staff, convening a regular meetings of all intervening agencies, analyzing reports and providing feedback for changes in operational systems to make them more user-friendly, and launching the first RRB (Regional Rural Bank), the Cauvery Grameena Bank of Mysore district, as an SHGs promoting institution (1994-95)¹⁰. In the 1990s, International Fund for Agricultural Development (IFAD), with World Bank collaboration and in partnership with the Government of India along six State Governments, including Karnataka, launched a similar programme titled Swashakti. This skill and knowledge encouraged Karnataka to launch a statewide programme called Stree Shakthi (Women's power) based on the SHG strategy. Together, the initiatives of various stakeholders, (the government, NGOs, Banks) and others increased SHG coverage in Karnataka significantly. At recent estimates, 40,295 Anganwadi workers (Department of Women and Child Development), 561 NGOs, 8 Regional Rural Banks, 20 District Central Cooperative Banks and many Commercial Banks are engaged in SHG promotion. Together they are estimated to have facilitated the creation nearly to 1, 95,000 SHGs in Karnataka.

Most of the Self-Help promoting institutions (SHPIs) in India have come in existence due to the drive to help the underprivileged people of society. Their key objective is to help small and marginal farmers, landless agricultural labourers, poor artisans, women and people drawn from the scheduled castes and tribes of the rural areas. Moreover, the goals of SHPI are to provide various financial services, empower people socially and support them in accessing various government programmes and incentives. In order to solve the economic and social problems of the poor and particularly women in the villages, SHPIs have chosen to support micro-finance programme as a major instrument of empowerment and alleviation of poverty. The basic hypothesis is that microfinance programme was to form SHGs and link the groups to the banks by which they would provide a vital development mechanism for improving the standards of living of rural women. Overall such micro-finance programmes are expected to contribute in an increase income, consumption and production activities of the SHG members and facilitate their access to adequate and sustainable financial services. Moreover, they open a window for the banking sector to expand their credit outreach by providing financial services to a large section of the rural population. Today, there are no villages in Karnataka without SHGs. The state government is the single largest SHG promoting institutions. In many government programmes, SHGs promotion is included and accounted to empower the women.

Stree Shakti in Karnataka

This programme was launched during 2000-01 and it is being implemented throughout the state to empower rural women and to make them Self-reliant. Stree Shakti groups are formed at village level to cultivate the habit of savings among the members for empowering the women economically. About 15 to 20 women members who are from below poverty line families, landless agricultural laborers, SC/ST women joining together. Stree shakti formed through anganawadi workers and taluk federations. At present, there are 1.40 lakhs groups functioning in the state. Approximately 20.00 lakhs women members are organized.

Income Generating Activities of SHGs

One of the most important factors affecting the sustainability of a micro enterprise would be the identification of right product ideas. We have to develop a framework for identifying products which could be produced by micro enterprises promoted by SHGs. Micro enterprises face several constraints such as the inability to invest heavily and low skill sets available. The framework addresses the issues of profitability, marketability and pricing. The framework explores issues such as space for a new entrant in the market place, the level of consumption, competition in the market, entry and exit barriers, brand loyalty, willingness to switch over to products of micro enterprises, possibility of niche marketing and

alternate channels of marketing, presence of substitute products, possible geographical reach, presence of other competing SHGs, possibility of marketing along with other products etc. There is need for ensuring the quality in production. By their basic nature, production under micro enterprises could be happening in different homes and ensuring uniformity and standards is a major problem. The work force has to be trained on the importance of quality standards and they have to be made aware that they are competing very often with organized players and only quality will ensure the very survival of the enterprise. There is a need to undertake detailed study of a) the market factors – competition, customer, b) the production factors – costs and quality and c) profitability, one can safely arrive at a decision as to consider a product idea for a micro enterprise or not.

The following income generating activities have been under taken by the SHG members:

Vermi Compost: The use of chemical fertilizer is increasing day by day in order to get higher crop production from their fields. The excessive use of chemical fertilizer is badly affecting the social health, to arrest this situation we are emphasizing to use organic manures such as compost, vermi compost, farm yard manures and green manure etc. **Buffalo Rearing:** Dairy development is a very good source of family income next to Agriculture; we are promoting this activity among SHG members.

Goatry: It is said that goat is a poor men's cow, the land less and marginalized farmers are rearing goats.

Piggery: Pig rearing is very good income generating activity, but people of all caste are not adopting this activity.

Poultry: We are motivating the group members to take up this activity of least at a smaller scale.

Agarbathi making: Agarbathi making is also a source of income to many women. Soap powder, Candle making, Wire bags, Tailoring is also the income generating activities of SHG members. **Petty Business:** The petty business shops are getting momentum in Karnataka.

Conclusion

In this era of liberalization, privatization and globalization, women are more conscious for their liberty, rights and freedom, security, social status etc, but till date they are deprived from same; hence, they should be provided with their deserving rights and liberties with dignity. SHGs play a very important role in the economic and social advancement of women from rural strata of society. Further, government programmes can be implemented through various SHGs. This will not only improve the transparency and efficiency but also bring our society closer to 'self governance' as envisioned by Mahatma Gandhi.

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