

## SELF HELP GROUP: THE KEY OF WOMEN EMPOWERMENT IN RURAL AREAS

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Dr. Deepak Kumar\*

### ABSTRACT

*Since the day of independence, India is trying for socio-economic development with the assistance of Planning commission. Accordingly India launched several programs for poverty alleviation and increasing employment opportunities in five year plans. Ekatmik Gramin Vikas Yojana' was the primary micro financing scheme in India, while from April 1999 India began to motivate or inspire for formation of self help groups (SHGs). Through SHG it began to sanction loans and grants to below poverty line peoples. At the same time planning committee also seeks towards Swayamsevi Shanstha, Non-government association's poverty removing work. Particularly within the Seventh Plan Self Help Group (SHGs) is taken into account the effective means of saving and plan for the poor and below poverty line peoples. Within the year 1980 NABARD permitted to SHG. NABARD introduced SHG project within the year 1986-1987 with the assistance of Mysore Re-establishment and Development Agency. Within the year 1989-1990 on special request from Government of India Dr. Mohanmmad Yunus came from Bangladesh in Delhi and delivered a speech on SHG concept at Jawaharlal Nehru University. But within the beginning, establishment of SHG was neglected because of not be taken immediate step for establishment of SHG and it get postponed.*

**Keywords:** *Self Help, Alleviation, Poverty, Sustainable, Associations, Socio-Economic Development.*

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### Introduction

Today the deep concern is ever increasing poverty and there's urgent need of empowering, enabling the foremost neglected sections of the society, through organized and intensive financial policy support to any or all poverty alleviation programmes. Considering the scarcity of funds to poor women, government should provide substantial credit supply to the needy poor women enabling them to undertake entrepreneurial activities through NGOs and GOs. it's need of hour to eradicate poverty ensuring sustainable livelihood by providing easy and affordable access of credit and other contemporary services, for the event of rural and concrete poor community. SHG is taken into account as a possible instrument for combating poverty in a sustainable manner. In it, the arena of NGO has begun to occupy a pivotal role within the development process in developing societies, as promotional agencies, which serve the role of catalytic agents. The agencies involved within the scheme were NABARD, banks, NGOs and SHGs member. It's been documented that almost 53 developing countries including India, have obsessed this movement on large scale. In 1997, World Micro Credit Summit held at Washington converged the developed and also the developing countries to tackle the intense problems of poverty by using micro-credit as efficacious tool to empower the poorest section of the society. a world movement has been launched to succeed in 100 million of the world's poorest families by the 2005.

### Empowerment of Women

Empowerment could be a process of community or a gaggle gaining autonomy and control over one's life. As a results of the empowerment, the empowered should become agents of their own development, exercising choices selecting their own agenda and improving their status within the society. Power isn't commodity to be transacted; nor can it's given away as aims. Power needs to be acquired, it must be exercised sustained and preserved. We classify the empowerment of the women's in two categories which is Economic Empowerment and Social Empowerment.

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\* Department of Commerce, Magadh University, Bodh Gaya, Bihar, India.

Economic empowerment of women can only be achieved by eradication of poverty as women form the bulk of population observed below poverty line. By implementing new perspectives to strengthen the prevailing micro-credit mechanism and micro-finance institutions and involve them in designing and implementing macro-economic and social policies by institutionalizing their participation in such processes to enhance women life. Economic empowerment of women's can only be achieved by alleviation of poverty, because majority of the population below the poverty level. Therefore, poverty eradication programmes will particularly address the necessity and problems of poor and neglected women. Once we offer adequate financial access to such women, which are help to eradicate poverty. Once eradicate poverty, economic empowerment automatically follows. Briefly no economic empowerment of women's is feasible, unless make them free from poverty.

Social empowerment of girls can only be achieved by eradication of their illiteracy and providing adequate health facilities to needy poor women. It's possible only offer having equal access to education particularly to poor neglected and backward women and girls. Government of India takes it on agenda and makes an efficient arrangement of quality instruction to women making them socially empowered. In keeping with Devdutta Choudhary, "By education to the women's and eradication of illiteracy, social discrimination is treated we've got to form a gender sensitive educational system, increase enrolment and retention rates of women's and improve the standard of education to facilitate life- long learning in addition as development of accusation / vocation / technical skills of women." Many women's die annually of some or other causes which are fortunately reversible. Many women's die for lack of healthcare facilities so there's a requirement for extra attention for the expansion of health in women for social empowerment, providing adequate and safe housing and accommodation, shelter for girls including single women also. All kinds of violence against women, physical and mental, whether at domestic or society level, including those arising from custom, traditions or accepted practices shall be addressed effectively with a view to eliminating molestation to figure place and customs like dowry etc. and provides equal value to women. Therefore women empowerment is more important for overall development of girls.

#### **How Women can Achieve Empowerment**

If women acquired certain principles of empowerment, it's possible to realize empowerment. Therefore empowerment as a personal and collective process is predicated on the subsequent five principles. These Principles includes Self reliance, Self awareness, Collective mobilization and organizations, Capacity building and External exposure and interaction. Empowerment could be a long so complex process. It's to submit to different stages. Within the first stage, women should be trained to appear into things from a unique perspective and recognize the facility relations that perpetuate their oppression. At this stage, the women's share their feelings and skill with one another and build up a standard vision and mission. Within the second stage, the women tried to alter things by bringing a few change within the gender and social relations. Within the third stage, the method of empowerment makes them more mature to comprehend the importance of collective action. SHGs movement assumed more appropriate and suitable for women's empowerment. It's difficult to make empowerment of women's, because there's no single method or formula for measuring it. The empowerment is a lively further as multidimensional process which enables women to understand their full identity and awareness of power all told spheres of life.

#### **The Concept of Self Help Groups (SHGS)**

It's mainly concerned with the poor and it's supported principle of for the people by the people and of the people. SHGs being a mini voluntary agency for self-help at the micro level mainly target the weaker sections of the society particularly women for his or her social defense. The concept of SHG serves the most principle of "by the women, of the women and for the women". The emergence or origin of SHG movement from the main child of GRAMIN BANK OF BANGLADESH, Prof. Mohammed Yunus of Chittagang University within the year 1975. This was exclusively established for the poor. Within the 1980s policy makers took notice and take initiative to figure with development organizations and bankers to debate the chance of promoting particularly saving and credit groups, which are helped to SHGs movement across the country like India. They are available together particularly for addressing their common problems. They're encouraged to form voluntary thrift on a daily basis. They use this pooled resources to create small interest bearing loans to enhance their socio-economic status. NABARD, defined the concept of SHGs as "Small, economically homogenous affinity groups of rural poor. Voluntarily formed to avoid wasting and mutually contribute to a standard fund to its members as per the group member's decision." This

definition emphasizes only 1 important aspect of the functioning of self help groups (SHGs). Definitely, the target of SHGs was to hold on saving and lending activities particularly between all members of SHGs, with a main motive of promoting and enhancing their socio-economic status in addition as women empowerment.

#### **How Self Help Group Creates Value**

SHGs has great potential in creating awareness about day-to-day activities , promoting saving habit, developing self and community assets, increasing the income level, increasing the social-power etc. Indeed SHG generates confidence, self-security, self strutting, self-awareness and self-reliance and ends up in socio-economic development especially weaker section people within the country. An SHG may be a group of about 10 to twenty, people from a homogeneous class, who close for addressing their common problems. They use this pooled resources to create small interest bearing loans to their members. This gradually builds financial discipline all told of them. They also learn to handle resources of a size that's much beyond their individual capacities. The SHG member begins to understand that resources are limited and have a value. Once the groups show this mature financial behavior, banks are encouraged to create loans to the SHG leading to accumulated savings of the SHG. The bank loans given with none collateral security and at market interest rates. Banks find it easier to lend money to the groups because the members have improved a credit history. The groups still decide the favorable terms for loans to their own members. Since the accumulated savings of the group assumed as a part of the combination loans made by the group to its members, peer pressure ensures timely repayment and replaces. A component from financial help in time of need the groups provide social insurance to its members.

#### **Fund Management in Self Help Group**

Group fund generally comprises member thrift, interest earned on internal loans, fines and penalties imposed on defaulting members. Efficient cash management in a meeting reflects the fund management capabilities of the group idle funds are a tangle on the group. To manage the funds avoiding underutilization of the aptitude of the group fund. This helps in using the available funds fully extent. The another activity is Responsibility sharing in cash management at each meeting on rotating basis for assisting the group leaders won't only promote transparency but also enhance and improve the fund management competence among group members. Day to day transactions on saving account with local branch is another important area in fund management. All cash collections made at a meeting should be deposited in to the bank and withdrawals made for disbursing the loans. Preparation of micro credit plans by the group itself improves considerably the credit absorption capacity because it entails acquisition of designing and financial skill among group leaders specifically all members normally. Within the initial stage merely short term loans are extended, usually for periods starting from 3-12 months to enable sizable amount of ensuring good access to credit facility from the group. Groups must have a policy on interest rates most of the groups charge interest rates that are linked to contemporary market rates. However rate of interest should be reasonable and affordable to the members. Generally interest isn't paid to the members on the compulsory saving, but they're entitled to share in income of the group. Few groups are charging differential interest rates to their borrowers keeping visible the aim of loan which might be considered good. Members must be made responsive to their cumulative thrift contributions and loan outstanding time to time. Investment of pooled savings in a very unproductive asset, blocking internal funds will after all run counter to the target of giving sustainable credit access to poor households. Groups incurring regular expenditure towards the price of bank transactions, honorarium to book keeper etc. could this could not be happen within the group at the price of members. Collecting additional amounts monthly from their members to avoid erosion of loaning funds, protecting the interest of individual members and group itself. A number of the groups are holding monetary fund balance say of 200/- to Rs.300/- to present hand loans to members for meeting emergent credit requirements.

#### **Conclusion**

As per the current study the formation of ladies Self Help Groups created a replacement sense of self-confidence, self awareness, and Self reliance within the women, which is able to certainly lead them to figure hard and generate income for a livelihood. Once women are available to group become alert to their rights and responsibilities that effect socio-economic empowerment automatically follows. Little question is that the Micro finance recognized as a conspicuous tool to eradicate poverty, generating income activities and employment opportunities especially within the developing countries. Indeed micro finance in recent times has recognized as a strong tool for socio-economic empowerment

of rural poor women within the world. Microfinance is recognized and accepted joined of the new development paradigms for alleviating poverty through social and economic development resulting in empowerment of rural poor people, with a main objective of empowering the agricultural poor women. The concept micro-finance was introduced for overcoming the prevailing constraints and providing significant credit supply to the poor by following an easy procedure. The system of micro finance has been viewed as a robust and result oriented tool for uplifting the condition of the asset less poor people through group approach that ensures greater involvement of beneficiaries in programme implementation. It is Recommended that Government should see that no SHGs will discontinue from economic activities. Hence immediate steps to be taken to increase bank credit a minimum of in equal proportion of increase in number of SHGs, ensuring efficient and effective working of SHGs having for reaching impact on economic development of the country.

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