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ECONOMIC EMPOWERMENT OF WOMEN THROUGH SELF-HELP GROUPS

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ABSTRACT

According to the 2011 Census, there are 586.46 million women in India. It is an accepted fact that women play an important role in the socio-economic transformation of the country. The rural women whom we often call 'farm women' constitute almost 50 per cent of farm work force and play a significant role in the agriculture and allied activities as paid labourers, cultivators and managers. The female work participation rate which was 22.3 per cent in 1991 rose to 25.6 per cent in 2001 and 25.5 per cent in 2011.

KEYWORDS: *socio-economic, cultivators, agriculture, constitute*

INTRODUCTION

According to the 2011 Census, there are 586.46 million women in India. It is an accepted fact that women play an important role in the socio-economic transformation of the country. The rural women whom we often call 'farm women' constitute almost 50 per cent of farm work force and play a significant role in the agriculture and allied activities as paid labourers, cultivators and managers. The female work participation rate which was 22.3 per cent in 1991 rose to 25.6 per cent in 2001 and 25.5 per cent in 2011. Women's share in organized sector employment is merely 19 per cent. As regards the issue of non-recognition of time women spend, it has been pointed out that "The activities recognized by the System of National Accounting (SNA) expectedly are largely undertaken by men, while the share of women's involvement in what is termed as extended SNA activities, which refer to the unrecognized economic work, is very high. Within the SNA activities, however, the share of time spent on unpaid work by women is significantly higher. Of the hours spent by women in economic activities under SNA system, 51

per cent is devoted to unpaid work that largely remains unrecognized. The intensity of unpaid work and its unequal burden on women is high in Haryana."¹

Economic empowerment has been the initial aspect of women development. This means greater access to financial resources inside and outside the household, reducing vulnerability of poor women to crisis situation like famine, flood, riots, death and accidents in the family and significant increase in women's own income. Women acquire power to retain income and use at their discretion. They can have equal access and control over various resources at the household level. Moreover, financial self-reliance of women both in the household and in the external environment lead to empowerment of women in other spheres.²

The main objective of the national policy for the empowerment of women announced by the government on March 20, 2001 is to bring about the advancement, development and empowerment of women; to eliminate all forms of discrimination against women; and to ensure their active participation in all spheres of life and activities. This policy also prescribes affirmative action in areas such as legal system, decision-making structure, main streaming of gender perspective in development process, social empowerment. of women through, inter-alia, universalization of education, adoption of holistic approach to women's health, etc. and economic empowerment through increased access to resources like micro credit, better resource allocation through women's component plan, gender budget exercises and development of gender development indices.³

SELF-HELP GROUPS & ECONOMIC EMPOWERMENT OF WOMEN

The government has launched various programmes for economic empowerment of women through self-help groups. Before discussing the programmes of economic empowerment of women, it is necessary to understand the concept and features of SHGs. These are small informal associations of the poor created at the grass-root level for the purpose of enabling members to reap economic benefits out of mutual help, solidarity and joint responsibility. The SHG's ethos of joint responsibility overcome the problem of collateral security and provides in-built-mechanism of peer monitoring leading to better loan recoveries and production credit utilization.⁴ Self Help Groups (SHGs) are considered necessary to overcome exploitation, create confidence for economic self-reliance of rural poor, particularly among women who are mostly invisible in the social structure. Their role is recognized in differentiating between consumer credit and production credit; analysing the credit system for its implications and changes in the economy, culture and social position of the target group; providing easy access to credit and facilitating group organization for effective control; ensuring repayment and continuity through group dynamics; setting viable norms for interest rates, repayment schedules, gestation period, extension, writing off bad debts; and assisting group members in getting access to the formal-credit institution for meeting their economic needs. The main features of SHGs are: innovative development paradigm to tackle the problems of rural poverty; inculcating the habit of thrift, credit operation and saving; substituting for traditional financial source of moneylenders and users; flexible procedures for loan sanctioning, disbursement and recovery schedules; autonomous, independent and democratic way to decision-making in the group; improving managerial leadership and administrative skills of the participants; empowering and generating awareness; enhancing capacity building and entrepreneurial abilities for self-employment and

self-reliant projects; direct participation of the borrowers assuming that they know the best; and fostering right to development as a new approach to the development.

SWAYAMSIDHA

On 29th November 2001 an integrated scheme for women's empowerment known as swayamsidha was introduced by replacing the erstwhile Indra Mahila Yojana and subsuming the Mahila Samridhi Yojna. The programme is based on the formation of women into Self Help Groups (SHGs). It aims at more comprehensive and holistic empowerment and convergence of various schemes and its economic objectives are: establishment of self-reliant women's SHG's; creation of confidence and awareness among members of SHGs regarding economic upliftment and other economic issues; strengthening and institutionalizing the saving habits in rural women and their control over economic resources; and improving access of women to micro-credit.

SWA-SHAKTI PROJECT

The Swa-Shakti Project which is also known as Rural Women's Development and Empowerment Project was sanctioned on 16 October 1998 as a centrally-sponsored project with estimated outlay of Rs.186.21crore for a period of 5 years for achievement of objectives such as establishment of 7400 to 12000 self-reliant women's SHGs having 15-20 members each; developing linkages between SHGs and lending institutions to ensure women's continuous access to credit facilities for income generation activities, increased control of women, particularly poor women, over income and spending, through their empowerment in income generation activities which will help in poverty alleviation; enhancing women's access to resources for better quality and sensitizing and strengthening the institutional capacity of support agencies to pre-actively address women's needs. The project is implemented through the women development corporations and women's development societies. NGOs are involved to form SHGs. The Rashtriya Mahila Kosh (RMK) set up on 30th March 1993 as an instrument of socio-economic change and development facilitates credit support or micro-finance to poor women. It provides financial assistance by way of interest-free loan convertible into grant on the fulfillment of specific condition to the NGOs for formation, development, and stabilization of SHGs. Under the main loan scheme/loan promotion scheme of RMK, maximum amount of Rs.15, 000 per person is given. The loan can be given repeatedly. Under the scheme of SHG development, an amount of Rs.306.410Lakh was disbursed since inception up to 31st January 2002 and under the loan promotion scheme as many as 16, 110 borrowers were assisted with financial assistance of Rs.202.250Lakh. Council for Advancement of People's Action and Rural Technology (CAPART) also provided funds under its OB schemes to the voluntary organizations for the formation of SHGs in which women were also covered. Training under different trades was arranged and other infrastructure support was provided by the concerned V.O.

Swaranjayanti Gram Swarozgar Yojana (SGSY) launched on 1st April 1999 is a holistic programme covering various aspects of self-employment such as organization of the poor into Self-Help Groups, training, credit, technology, infrastructure and marketing. According to the provision, 50 per cent of the groups formed in each block have to be exclusively for women who will account for at least 40 per cent of the Swarozgaris. Women under the

Yojana are encouraged in the practice of thrift and credit which enables them to become self-reliant. The scheme through assistance in the form of revolving fund, bank credit and subsidy seeks to integrate women by providing increasing opportunities for self-employment. Emphasis is laid on activity cluster. Four/five activities are identified for each block with the approval of Panchayat Samiti. The Gram Sabha authenticates the list of families below the poverty line identified in BPL Census. Closer attention is paid on skill-development of beneficiaries.

REQUIREMENTS

According to the guidelines issued by the Union Ministry of Rural Development, each SHG may consist of 10-20 persons and half of the groups in a block should be exclusive for women. The members of the group should belong to the category of BPL households. Only one member from BPL household should be taken in the SHG. Each group is required to devise and develop procedures, guidelines, bylaws, and code of conduct for the members. The other requirements include drawing up of an agenda for each meeting and conducting meetings; building up of a fund through regular voluntary savings of members and using it to advance loans to members; developing of loan priorities, sanctioning, repayment scheduling and fixing of interest rate; monitoring of repayment from loans and operating of a group account with bank; maintaining of records pertaining to minutes, attendance, ledger, cash and pass book; getting the group registered; federating at village and block levels of develop a strong self-managed organizational base for participating of the poor; building up and processing of loan application forms; completion of documentation formalities; demonstrating of the capacity to manage thrift and credit as well as revolving fund to receive the assistance for taking up economic activities; monitoring of the management and income generation; submission of utilization certificate and repayment of loans.

Since 1st April 1999 up to March 2002, 9,50,078 SHGs were formed out of which 30,575 SHGs had taken up economic activities. Out of total 9,38,460 Swarozgaris assisted, 3,85,844 were women constituting 41.11 per cent. The total credit and subsidy disbursed to SHGs were Rs.1,32,963 lakh and Rs.20,991.871lakh respectively. Out of 11,95,023 groups formed up to December 2002, the number of women SHGs formed was 1,44,706. Thus due share has been given to women category.

THE NABARD AND SELF-HELP GROUPS

A pilot project has been started by the NABARD for linking banks with SHGs. The criteria designed for eligibility of SHGs to be linked with the bank are: active existence of groups for at least a period of six months; savings and credit operations from own resources; democratic working of the group wherein all members should have a say; proper accounts/records' maintenance; the bank has to be convinced that the group is not only for the sake of participation in the programme and availing the benefits but also for helping each other and work together; homogeneous background and interest of members; and the agency is helping the SHG by way of training and other support for skill up-grading and proper functioning. The growth of micro credit in India refinanced by NABARD clearly indicates that during 1992-93, 255 SHGs were formed and the bank loan and NABARD refinance was of Rs.0.289crore respectively. The

number of SHGs increased to 8598, bank loan to Rs.11.840crore and NABARD refinanced to Rs.10.650crore till 1996-97. During the next five years, there was steep rise as there were 4,61,478 SHGs with banks loan amounting to Rs.545.46crore and NABARD refinance of Rs.395.73crore during 2001-02. This shows record performance. The NABARD study (2000) covering 516 members across 223 SHGs spread over 11 states has shown significant changes in the living standard of SHG members in terms of increase in income level, assets, savings, borrowing capacity and income generating activities. More than 85 per cent SHGs are reported to be of women through which women empowerment is taking place their participation in economic activities is increasing. The SHGs are contributing to the Development of participants in a meaningful way.

It has been observed that women led SHGs in many parts of the country have achieved success in bringing the women to the mainstream of decision-making. Moreover, SHG is also a viable organized setup to disburse micro credit to the rural women and encouraging them to enter into entrepreneurial activities. A success story of women led SHGs in the villages of Purashottampur block of Ganjam district of Orissa state points out that these SHGs have successfully demonstrated how to mobilize and manage thrift, appraise credit needs, maintain linkage with the banks and enforce financial self discipline.⁵ In another study of Shahganj block of Jaunpur district, it has been found that altogether 195 SHGs were formed from 1999-2000 up to November of which, 55 were graded in the first stage. Further, out of 55 SHGs 34 SHGs were benefited by CCL. Out of these 22 SHGs, 8 were graded in the second stage and finally 2 SHGs were given bank loans to start economic activity. Thus, out of 195 SHGs, only 2 SHGs could be assisted in the final phase. The branch managers were reported to be non-cooperative despite initiatives taken by BDO and other DRDA officials.⁶

Although micro finance has enabled the beneficiaries to supplement their income to some extent yet its impact has not been uniform in all the states. The states like Maharashtra, Karnataka, Tamil Nadu and Gujarat have responded very well whereas Bihar and Orissa are yet to respond. It has been observed that NGOs are quite eager to avail of grant for various purposes, response for availing of micro credit, which is required to be properly utilized and repaid back, is not encouraging. The major constraints identified in effective and beneficial credit programming for women on a large scale are the lack of banking data desegregated by gender and lack of an adequate analytical frame work for integrating women into credit analysis. Solution to the problem is that the policy concerned for increasing women access to credit and generating a sustained, favourable impact on their socio-economic up lift can be transformed into practical reality only by achieving such integration.⁸

It has been aptly observed that some of the SHGs lack confidence because they fear as to whether they would get success in attaining sustainability. Organizational sustainability cannot be established in the absence of hard work, saving habits and good repayment record and effective accountability. The members blame one another if some loss is faced. Besides, they do not equally contribute to the performance of the work assigned. Instead of becoming self-reliant, they want spoon-feeding. Lack of entrepreneurship is a great hurdle in making them self-supported. Despite training skills they are not fully capable of facing the challenges. Generally, traditional type of activities are adopted as they prefer easily manageable schemes/ activities like dairy, poultry, agriculture and allied activities. Some members of SHGs imitate others in raising loans

without requirements. If someone is really in need of getting financial help others will copy them. There are several micro-financing institutions which lack viability because of their being tiny in nature not providing adequate scope for income generation. Income generation is closely linked to investment pattern, skill training, technology transfer and market avenues in the respective areas. To overcome the problems and weaknesses, some strategies have been suggested while focussing on awareness knowledge generation and sharing, resource mobilization, management guidance, building network of linkages and monitoring and evaluation.

AWARENESS GENERATION

For the proper grounding of SHGs, the prospective swarozgar is should be made fully aware of the concept and components of SHGs under the SGSY. At the outset, let it be made clear that helping the weaker sections to help themselves by getting organized around carefully planned economic activities for mutual benefits. Awareness campaigns should be launched by involving the extension functionaries, social workers, reputed voluntary organizations, N.S.S. volunteers, N.C.C. cadets Nehru Yova Kendras, literacy mission, active representatives of PRIs and the women study centres.

The trainers should keep in mind that a change in the attitudes of the poor women can be brought about with patience, by understanding and respecting their belief-system and their way of life, explaining and respecting and demonstrating to them the benefits of the programme they want to adopt and by showing sincerity of mission. Cluster wise camps should be organized during the lean season. In these camps, lectures and interactions should be organized to motivate and enthuse the BPL families for preparing them to get united. The benefit of adopting group approach should be brought to their notice in a very simple and specific manner. Those imparting training/interacting may highlight the significance by giving successful examples and narrating the related stories.

As leadership qualities are also required, therefore, role-playing method can be followed. The concept and all the qualities of a good leader should be told to them. They may also be learn about keeping watch and regular check on the leaders and should be warned about the possibilities of manipulation by the leaders. They should be advised to change their group leaders to prevent dominance. Imbibing important values, sense of sincerity, dedication, faithfulness, self-responsibility, mutual confidence and respect, equal treatment, etc., are also required, therefore, more emphasis should be laid on them. The language used by experts should be simple and easily understandable to the common masses. Video films specially prepared for the purpose should be shown. Literature in local languages should also be made available and distributed free of cost. Gradually the needy and genuine persons will start taking interest. At the second stage, knowledge about the formation of groups, their objectives, functions, and activities should be imparted so that the identified swarozgaris may not face any problem. Each norm should be brought into their knowledge.

The training contents be such as must make the trainees capable of devising and developing at their own the required procedures, guidelines, bye-laws and code of conduct for the members. Each group should be made well versed with drawing up of agendas for the meetings and successful conduct of meetings. Those who can read and write may be asked to demonstrate and

in case there are some mistakes, those should be corrected - and the trainees should be asked to repeat the exercise until they prove their ability.

To meet the requirement of building up of common fund through regular voluntary savings, the group members should be educated about the need and relevance of common fund. Besides they should be made aware of developing the habit of regular savings for not only contributing to the common fund but also for the rainy days. It should be made clear that every member's contribution in the shape of saving is mandatory. The group members should be trained about the advancing loans from common fund, loan prioritizing, sanctioning repayment scheduling; and fixing of rate of interest. The services of bankers can be utilized to train the members. After having trained some of the members, the fully trained members should further train the rest members of the group. The members who have raised the loans must repay in monthly installments not exceeding twelve in number.

The group members should also be imparted knowledge as to how closely monitor repayment of loans and operate a group account with the bank. The bankers should properly guide the groups about the maintenance of records. There is need of regular checking and rechecking of the so maintained records till the members acquire sufficient knowledge.

The performance status of the groups is judged through first and second grading. The first grading is done six months after the formation of a group. The second grading takes place six months after receiving the revolving fund to test the capacity of the group to manage the fund. Generally, it is found that at both the stages, some of the groups fail to prove their capacities and deviate from the right path. Here emerges the need for timely developing a sense of responsibility. Each member of the group has to be sincere in making contribution and regular repayment of loan installments. The defaulters can cause harm to the interest of other member of the group. Therefore, the members should be taught to be sincere in the effective management of funds and each member has to be vigilant against any type of manipulation either by the leader or the member(s) of the group.

The members of the group should be made fully aware of the fact that every transaction has to be through the bank. Entries relating to withdrawals and deposits should be got made in the bank passbook to keep it up to date. The bank balance must be brought into the notice of all the members in the regularly convened meetings of the group.

ECONOMIC ACTIVITIES

The success of self-employment units depend on the selection of the economic activities. This selection has to be need based and made with full involvement of the experts and the recipients/swarozgaris. The sustainability of each selected economic activity must be projected keeping in view the economic reforms, globalization, liberalization and enhanced competitiveness. Only such activities should be chosen as may enable the swarozgaris to face emerging challenges. Knowledge and information of other allied activities, which can be simultaneously adopted for additional income generation, should also be disseminated. It would help the recipients to get some other members of their families adjusted from employment point of view in the years to come. In case small/tiny industrial units are selected for the swarozgaris

more care should be taken of availability of finance, technical know-how, training and extension services, management skills, quality, cost of production, communication market information, availability of better quality raw materials, storage provisions, use of technology and promotional strategy.

TECHNICAL TRAINING

As updated technical training is the basic requirement, therefore, it should be arranged from the carefully chosen technically well-equipped and reputed organizations/institutes. This training should be imparted through such methods as can pass, on the required knowledge easily to the trainees. Modern educational technologies should be used with more emphasis on practical aspects of the training. The services of those trainers who have command over the subject concerned should be obtained. The training of trainers should also be ensured. Training should not be completed in a hurry and there should be no compromise on the standard of the training. The capability of the Trained persons must be tested and retested periodically to ensure that they have acquired sufficient knowledge and skills. The use of technical skills in the adopted technology should also be monitored by the concerned organizations/institutes. There has to be close contact and better rapport between the trainees and the training institutes. To keep pace with the fast changing technologies, special orientation training courses should be organized for the entrepreneurs. In order to reduce technological risks, entrepreneurship should be developed on group basis.

INTERACTION WITH OTHER SUCESSFUL GROUPS

The supporting agency should arrange interactions among the budding groups and the other successful groups showing excellent performance to provide opportunities to the formers to learn from the experiences of the latter. Mutual discussions over the pertinent issues and the problems among the members will prove useful. Those members who are hesitant in taking initiatives may be motivated and inspired. On the part of the officials there should be minimum interference in the interactions arranged for the group members. Conducive atmosphere should be provided for exchange of views and holding of free and frank discussions. To motivate the groups lagging behind, special rewards should be instituted for the groups having excellent performance. This will not only give recognition to such groups but also develop sense of competitiveness.

NURTURING OF GROUPS

No doubt, the process of women empowerment has already begun but still there is a wide gap between theory and practice. They are not equally treated and most of them lack self-confidence due to illiteracy and social barriers. The SHGs once created/formed would be needing nurturing. This requires constant interaction with them. Those who really or sincerely want to contribute in the task of poverty alleviation may adept the groups. No group should be left unattended; otherwise the motivated groups may loose ground. A close contact by the concerned line departments with the established groups should be made mandatory. The officials should guide them in the right direction. Adequate care should be taken with regard to such factors as have demoralizing effect on the SHGs. There should be effective coordination among the bankers line departments, local self-governing bodies and the voluntary organizations to provide required

support services to the SHGs. Marketing facilities should be provided and should be ensured that the groups should not always be dependent on the official support. Cooperative method may be used for better bargaining power and better marketing facilities provided by the cooperatives.

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