



ROLE OF SELF HELP GROUP IN EMPOWERMENT OF WOMEN

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ABSTRACT

Women in India are the victims of multiple socio-economic and cultural factors. Emancipation of women is a pre-requisite for nation's economic development and social upliftment. In this context, Self-Help Groups (SHGs) have emerged as the tool that wields power to create a socio- economic revolution in the rural areas of our country. SHGs have not only produced tangible assets and improved living condition of members but also help in changing much of their outlook, worldview and attitude.

Self Help Groups (SHGs) could be defined as the organised forum of people which is planned, shaped and structured by the people themselves to attain present/pre-identified goals and purposes. These groups are the agents of social change and catalysts for the entire empowerment and development process in a community. It is proved that the most sustainable groups in a society are the grassroots level community organisations which believe in empowerment, decentralisation, and participation.

Self-help groups (SHGs) play today a major role in poverty alleviation in rural India. A growing number of poor people (mostly women) in various parts of India are members of SHGs and actively engage in savings (in actual term Thrift) and credit (S/C), as well as in other activities (income generation, natural resources management, literacy, child care and nutrition, etc.). The S/C focus in the SHG is the most prominent element and offers a chance to create some control over capital. The SHG system has proven to be very relevant and effective in offering women the possibility to break gradually away from exploitation and isolation.

SHG is a powerful instrument for poverty eradication in the new economic era. As women are the most vulnerable section of the society the quick progress of SHG is an upward vehicle for women empowerment. SHGs have not only produced tangible assets and improved living condition of members but also helped in changing much of their outlook and attitude.

Introduction

Women empowerment is the most important instrument for the socio-economic development of a nation. Bringing women into the mainstream is one of the major challenges for every government. Women empowerment has become a meme in the global governance network. In this context, Self-Help Groups (SHGs) have emerged as the tool that wields power to create a socio-economic revolution in the rural areas of our country. SHGs have not only produced tangible assets and improved living condition of members but also help in changing much of their outlook, worldview and attitude. Women in India are the victims of multiple socio-economic and cultural factors. Emancipation of women is a pre-requisite for nation's economic development and social upliftment.

A series of development programmes have been implemented for the development of economy in general ignoring women who constitute 50 percent of the total population. Role of women in development is an indispensable factor. Development programmes no longer can achieve their target without the participation and contribution of women. The role of women and need to empower them are central to human development programmes including poverty alleviation. In spite of safeguards provided in many of poverty alleviation programmes, it was observed that women in rural areas especially from poor families could not be benefited. All provisions of the Constitutions and the spate of legislation enacted to empower women in the post independence

India has not been adequate to set women free from their traditional bondages, liabilities and restrictions. Till recent times, women's participation in the decision making processes especially in rural areas have remained very marginal. A whiff of change was caused by the 74th amendment to the Constitution of India, which has guaranteed women a substantial role in the local governance. Women empowerment is multifaceted concept that extends to the psychological, economic, social, cultural, political and institutional spheres of women's lives. SHGs are the tool for achieving social and economic empowerment through collective actions. It has led the women to understand their potentials, rights, entitlements and their responsibilities as mother at home, as labourer in different activities they engage with

and as a citizen in the country .The SHG is a viable organized set up to disburse microcredit to the rural women for the purpose of making them enterprising and encouraging them to enter into entrepreneurial activities. The formation of SHGs is not ultimately a micro credit project but an empowerment process.

Self Help Groups (SHGs) could be defined as the organised forum of people which is planned, shaped and structured by the people themselves to attain pre-identified goals and purposes. These groups are the agents of social change and catalysts for the entire empowerment and development process in a community. It is proved that the most sustainable groups in a society are the grassroots level community organisations which believe in empowerment, decentralisation, and participation.

Self-Help Groups are a small group of individual members who voluntarily come together and form an association for achieving a common objective. In most cases, SHGs are constituted by persons known to one another and coming from the same village community or neighbourhood. SHGs are small in size with membership ranging from 10 to 20 and are homogeneous. SHGs have certain pre- groups binding factor. These groups start with saving and not with seeking credit from the group, then uses its savings to extend loans to SHG members to meet their emergency and other attendant needs. The members factor in many parameters to prioritize loans like savings per member, maximum size of loans, guarantee mechanisms in loan sanctions. The empowerment of women through SHGs would gives benefits not only to individual woman but also for the family and community as a whole through collective action for the development. The SHGs have the common perception of need and impulse towards collective action. Empowering women not for economic need alone, but also for more holistic social development. The SHGs empower women both socially and economically. They encourage women to participate in the decision making in the household, community local democratic sectors and prepare women to take leadership position.

Origin of Self Help Groups

In 1976, Prof. Mohammed Yunus of Bangladesh started women's groups in Bangladesh and developed thrift and savings among the poorest. Now it has developed into a bank named Bangladesh Grameena Bank. Its report in February 1998 states that the bank has 1138 branches and covers 39572 villages. It has 2367503 members of which only 124571 are men. The bank has disbursed a cumulative amount of US \$ 2714.61 Million whereas the savings of the members has reached US \$ 202.73 Million. With the success of BGB and similar

organisations elsewhere, the concept of Micro credit has gained momentum in India. Based on this success many Non-Governmental Organisations (NGOs) in our country are involved in organising SHGs and they serve as an agent between the bank and the poor.

Self- help groups (SHGs) play a major role in poverty alleviation in rural India. A growing number of poor people (mostly women) in various parts of India are members of SHGs and actively engage in savings and credit, as well as in other activities (income generation, natural resources management, literacy, child care and nutrition, etc.). The S/C focus in the SHG is the most prominent element and offers a chance to create some control over capital, albeit in very small amounts. The SHG system has proven to be very relevant and effective in offering women the possibility to break gradually away from exploitation and isolation.

In our country the pioneer in this field is Self-Employed Women's Association (SEWA). Without the Grameena model SEWA was started in 1972. Though started as a Trade union for women in the unorganised sector, today SEWA boasts of running the first Women's Bank in the country. By the year 2000 SEWA has a membership of 209250. The SEWA Bank has 87263 depositors, and 41757 borrowers whose loan outstanding us Rs.887 lakhs 4 as on March 1998. SEWA has also networked many co-operatives and emerged as the largest federation of co-operatives in the country. In Southern India organisations like PRADAN, MYRADA, ASSEefa, MALAR etc. Have entered into this rural credit system. PRADAN has a membership of 7000 women who have availed 40000 loans worth \$ 600000 as on March 1997. MYRADA has 62769 members who have saved RS.48 Lakhs and availed loan to the tune of Rs.2.90 Crores. MALAR has a membership of 15000 women who have saved RS.86 Lakhs and availed loan to the tune of Rs.2.23 Crores.

NABARD refinances the banks, which lend to SHGs. As per NABARD's Annual Report 1998-99, banks have financed 30447 SHGs with a finance of Rs. 53 Crores as on 31st March 1999. The repayment is excellent. The Finance Minister in his budget speech has asked NABARD and SIDBI to increase the number of SHGs to 100000. Even this number will be minuscule as it will cover only 2000000 people in our country which has nearly 38 crores of people below poverty line. MALAR has emerged as a new self-reliant model for our nation. An offshoot of the Total Literacy Campaign in Kanyakumari District, MALAR has emerged as an organisation of poor women who share the interest income to sustain a full time structure, office and training schedule. This has kindled a new hope. Already 10 districts in Tamil Nadu have undergone training at MALAR and started similar organisations for micro-credit.

Revamping of the rural credit system has already started. The banks Regional Rural Banks, Co-operatives and SHGs linked with Non-Governmental Organisations (NGOs) have a role to play. There is need for closer study to support the system. So that the country can eradicate poverty at least in the beginning of the next millennium. NABARD introduced a Pilot Programme for starting and lending to SHGs in 1992 based on the experience of BGB and MYRADA. Now seeing the success in repayment many banks are eager to lend to SHGs and because of the pressure from Govt. NABARD has started giving targets to Banks.

NABARD also provides training support, Grant cum Aid support for micro credit under its different schemes. SIDBI has entered this field late but now SIDBI has formed a Micro-credit foundation, which gives loans to NGOs after rating them by an external agency. The minimum loan is Rs.50 Lakhs and it is to be used only for micro enterprises. Rashtriya Mahila Kosh - an organisation promoted by Govt. Of India also gives direct loans to NGO's for on lending with incentives for proper repayment. All Banks including co-operative Banks and Private Banks lend to SHGs based on their savings at the ratio of 1:1 initially and this can go up to 1:4. Suddenly World Bank and IMF have found a way to reach the poor through NGOs and they see this as an opportunity to reduce poverty and also to prevent the poor from agitation because of the ill effects of their Economic policies.

Government of India, under IMF and WB guidance, has launched schemes scrapping Integrated Rural Development Programme, Scheme for Urban Micro enterprises, Prime Ministers, Urban Poverty alleviation programme and TRYSEM. The Schemes are known as (1). Swarnajeanthi Gram Swarozhar Yojana – SGSY. (2). Swarnajeanthi Sahahari Swa Rozhar Yojana – SJSRY

The former is for Gram Panchayats and the latter for Town Panchayats, Municipalities and corporations. According to this scheme, the Panchayats will select the good group with assistance from BDO, Bank and NGOs and provide Rs.10000/- as revolving fund - free of Interest and then banks will provide loan to the group - seeing the performance. There is an individual subsidy of 30% for those who do individual enterprises and 50% subsidy for Group enterprises. After the introduction of this scheme NGOs and Panchayat are forming groups or trying to get control of the Groups and funds. The scheme has a trap. If the repayment under this scheme is less than 70% in a Panchayat, nobody will get loan in this panchayat.

After the Micro Credit summit held at Washington WB, IMF and many foreign funding agencies have directed their projects towards micro-credit. Now Govt. of India has also directed CAPART and other funding agencies to focus on micro credit because of which

all NGOs are running after people to for SHGs so that they can get funds. Thus a slow and steady SHG movement started during 1990s in India truly representing the concerns of the poorest of the poor.

Functions of Self Help Groups

SHGs being the facilitators of social development, they have undertaken multi-dimensional activities including:

- Development of perspectives at local level;
- Identification and organisation of developmental activities;
- Ensuring effective participation in the development activities;
- Documentation and dissemination of success and failure in development;
- Engaging in networking/collaboration and linkage with developmental institutes;
- Promoting people's organisations; not only as a 'project' but also as a process
- Capacity building;
- Leadership development, participatory research and analysis;
- Participatory monitoring and evaluation;
- Access to information;
- Improving livelihood;
- Advocacy.

Need of Self Help Groups

Reports indicate that self help programmes often in the form of savings and credit or microcredit schemes have succeeded in changing the lives of poor women in enhancing their incomes and increasing their self esteem. Therefore, it is appropriate and necessary to promote such empowered groups in the present situation. The various grounds for SHG formation are:

- As women are an important part of the community, it is necessary to build and enhance their capabilities to manage community projects;
- SHGs have been instrumental in empowering women by enabling them to work together as a collective agency;
- The participation of women in such groups is serving as an incubator for community leadership;
- SHGs have played valuable roles in reducing the vulnerability of the poor through asset creation, income and consumption smoothing, provision of emergency assistance, and

empowering and emboldening women by giving them more control over assets and increasing their self-esteem and knowledge. (Zaman, 2001) Above all, individually, a person tends to be insecure but group membership reduces the insecurity, makes him/her a more reliable borrower and provides access to community assets. Thus, the formation of a group would ensure best participation and the approach towards poverty alleviation should be 'self help'. This brings out the need for organising them into groups by which they get the benefit of collective perception, collective decision making and collective implementation of programmes for common benefit. This collective effort results from the balance between the driving forces that push for change and restraining forces that act against change. In order to make change happen, the balance of these forces must be altered so that the equilibrium moves.

Effectiveness of Self-help Groups

The emergence of self-help groups can be seen as a response to industrialization, the breakdown of the kinship system, and the decline of the community (Katz & Bender, 1976; Humm, 1997; Kessler et al. 1997), although alternative views see it as a reflection of an ineffective, inefficient and dehumanizing formal system of care (Gartner & Riessman, 1977). Currently, the increasing interest in providing services that are family-centered is also considered a factor contributing to the increased number of self-help groups (Rosenbaum et al., 1998). Despite the variety of explanations for the self-help phenomenon, the consensus is that there is a need for a new model to supplement and complement professional services, and that self-help groups are growing at an unprecedented speed worldwide. For example, about two percent of Canadians belonged to self-help groups in 1987 (Gottlieb & Peters, 1991), approximately 10 percent of Israel's population, was estimated to have some type of involvement in a self-help group (Ben-Ari & Azaiza, 1995), and cancer self-help groups were found to be prevalent in major cities in China (Mok & Zhang, 2001). In the United States, self-help group participation amounted to 10 million in 1996 (Kessler et al., 1997) and it was recently noted that more Americans try to change their health behaviours through self-help than through all other forms of professional programs combined (Davison et al., 2000). The proliferation of self-help groups in various countries can be seen as an initial indication of self-help group effectiveness, because groups will cease to exist without value.

The self-help movement is becoming a global phenomenon. In some countries, self-help groups already exist for every medical condition listed by the World Health Organization (Riessman, 2000a), and they are serving people who encounter almost every

physical, behavioural and emotional problem (Humphreys, 1997; Kessler et al., 1997). In spite of the rapid growth of self-help groups in India, the full potential of utilizing self-help groups remains untapped. One of the reasons may be attributed to the lack of systematic research and solid methodological foundations. Little was known about how helpful self-help groups are to members, and what kind of social impact they have brought about. The research component of the self-help phenomenon has clearly been left behind by the self-help movement itself.

Theoretically and empirically, the effectiveness of self-help groups has been widely documented in global context. The “helper-therapy principle” postulated by Riessman (1965) pointed to the process by which helping others has a therapeutic effect on the helper, and the self-help group provides the context for members to gain the unique benefits that may arise from helping someone who has the same problem as the helper. Rappaport (1993) asserted that self-help groups, which offer the venue for, shared experience; emotional support and social learning can help constitute a social identity. Along the same line of thinking, Yalom (1995) contended that self-help groups provide a unique opportunity for growth, social experimentation and change. Past research has also identified several major outcomes of self-help groups. These include: emotional support, acceptance, empathy, affirmation, spirit of hope, and sharing of feelings; provision of factual information and sharing of experiential knowledge; development of a sense of community; and individual and collective empowerment (Gottlieb, 1982; Kurtz, 1988; Borkman, 1976; Levy, 1979; Gartner & Riessman, 1977; Katz & Bender, 1976; Gidron et al., 1991; Jacobs & Goodman, 1989; Bennett et al., 1996; Humphreys & Rappaport, 1994).

Role of self help groups in alleviation of poverty

Self-help groups (SHGs) play today a major role in poverty alleviation in rural India. A growing number of poor people (mostly women) in various parts of India are members of SHGs and actively engage in savings (in actual term Thrift) and credit (S/C), as well as in other activities (income generation, natural resources management, literacy, child care and nutrition, etc.). The S/C focus in the SHG is the most prominent element and offers a chance to create some control over capital. The SHG system has proven to be very relevant and effective in offering women the possibility to break gradually away from exploitation and isolation. Almost all major donor agencies support SHGs in India in one way or another, and many success stories are available, describing how membership in a SHG changed the life of a particular individual or group for the better. Many NGOs are promoting the SHG

mechanism and linking it to various other development interventions. Whereas there is ample evidence that the SHG approach is a very effective, efficient and relevant tool for organizing and empowering the poor, do arise with design, development and introduction of programmes to promote income generating activities (IGAs) that will generate sufficient, sustainable and regular income.

The approach towards poverty alleviation is based on the formation of self-help groups at the grass root level. This brings about the necessity for organizing them in a group by which they set the benefit of collective perception, collective decision-making and collective implementation of programme for common benefits. This organization holds the power and provides strength and acts as an anti dote to the helplessness of the poor. The group saving of self helps groups serve a wide range of objectives other than immediate investment. The approach has evolved over the years in India. Before understanding the strength of SHGs as a tool in Poverty Alleviation, it is imperative to understand the evolution of various Poverty Alleviation programs in India.

SUGGESTIONS

SHG programme is the right participatory approach for eradication of rural poverty and paradigm of rural development. From above discussion, it is evident that SHGs are playing a vital role in the process of women empowerment. For more effectiveness the following suggestions are offered:

1. Periodical training at regular interval to group members on self management aspect may be imparted with the help of experienced resource persons.
2. SHG services can be utilized to fight against social evils like child labour, dowry system, to promote small family norms, infrastructure development and in other useful social works.
3. Instead of officials or village leaders, motivating the women to form into group to its members, people should come together on their own volition.
4. Attendance at meeting should be made mandatory to inculcate the group cohesiveness among all the members.
5. NGOs and Government should take necessary steps for marketing the goods produced by SHGs.

Conclusion

SHG is a powerful instrument for poverty eradication in the new economic era. As women are the most vulnerable section of the society the quick progress of SHG is an upward

vehicle for women empowerment. SHGs have not only produced tangible assets and improved living condition of members but also helped in changing much of their outlook and attitude. It has been found that SHGs have served the cause of women empowerment, social-solidarity and socio-economic betterment of poor rural women. SHG serves as a democratic tool for grass root development for women. SHG promotes self reliance by generating its own funds. It breaks the vicious cycle of debts. It is an effective agent for change and serves as a solid platform for women empowerment.

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