

Self-Help Groups and Women Empowerment: Evidence from India - Review of Literature

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Abstract:

Self-Help Group (SHG) is defined as a voluntary group valuing personal interactions and mutual aid as a means of altering or ameliorating the problems perceived as alterable, pressing and personal by most of its participants (Smith and Pillheimer, 1983). Self-help Groups (SHGs) are playing a major role in removing poverty in the rural India today. The group-based model of self-help is widely practiced for rural development, poverty alleviation and empowerment of women. Self-help as a strategy for social development places emphasis on self-reliance, human agency and action. It aims to mobilize people, to give them voice and build people's organisations that will overcome barriers to participation and empowerment. Central to the idea of self-help is the formation of groups, concept of a community and the development of egalitarian relationships that will promote people's well-being. Self Help Groups serve as a medium of delivering micro credit to the members. A SHG is a small economically homogeneous affinity group of the rural poor voluntarily coming together to save small amount regularly, which are deposited in a common fund to meet members emergency needs and to provide collateral free loans decided by the group. They have been recognized as useful tool to help the poor and as an alternative mechanism to meet the urgent credit needs of poor through thrift. SHGs enhance the equality of status of women as participants, decision-makers and beneficiaries in the democratic, economic, social and cultural spheres of life (Ritu Jain, 2003). The basic principles of the SHGs are group approach, mutual trust, organization of small and manageable groups, group cohesiveness, spirit of thrift, demand-based lending, collateral free,

women friendly loan, peer group pressure in repayment, skill training capacity building and empowerment. Self-Help Groups are major means of women's socioeconomic empowerment. SHGs increase savings habits of women, helps women to raise loans, encourage women to start their income generating activities and provide bank linkage so as to gain banking facilities and services. By doing so, they increase economic freedom of women and increase the status of women in their family and society. Much of the research and developmental activities are going on women empowerment through Self-Help Groups and many of the information sources are published. The present study is made to analyse the publications that are published in different research journals on women empowerment through Self-Help Groups in twenty-first century.

Key Words- Self-Help Group, Women, Empowerment, Rural development, Growth

Research Methodology:

The objective of the present article is to make a review of the origin, development and growth of micro credit programme in India. For the purpose of this the paper reviews existing literature to highlight the role of SHGs on women entrepreneurship. The scope of the study includes research articles published in peer reviewed national and international journals.

Origin of micro credit system in India for women Empowerment-

National Bank for Agriculture and Rural Development, 1999- Though from last two decades the foundation of rural bank and its widely spreader network of different branches in India had a motivation behind its existence is specifically design different programs for alleviation of poverty and development of giving self-employment opportunities through its credit from bank, the large number of poor have stayed away from availing the benefits out of this formal banking system.

So, the quench for alternative policies, systems and procedures, savings and loan products, other complementary services, and new delivery mechanisms, came in to existence which would fulfil the requirements of the poorest, especially of the women members from the society of such households. As a result, National Bank for Agriculture and Rural Development (NABARD) in India launched its pilot phase of the Self-Help Group Bank Linkage programme in February 1999

Krog, (2000)- Credit is usually provided to groups of individuals or village organisations that use joint-liability to enforce loan repayment. Through group savings and loans, poor people often increase their economic security and wellbeing. Over the past two decades micro credit programs have emerged as one of the leading strategies in the overall movement to end poverty. Micro credit programmes have become a major tool of development and found to be the only practical and most appropriate solution to alleviate poverty. Micro credit programmes have been employed in developing countries for some years, and their effectiveness in the development and poverty alleviation is increasingly acknowledged.

Vijayanthi (2000)- She did research on women empowerment through SHGs from Five slum area of Chennai. In her study she has explained the process of empowerment of women. For this she has emphasised on women's decision-making skills, creation of awareness and its level of awareness and SHG been a reason for self and group empowerment.

Bhatt and Thorat, (2001)- Over half a million SHGs have been linked to banks over the years

but a handful of states, mostly in South India, account for over three-fourth of this figure with Andhra Pradesh being an undisputed leader. In spite of the impressive figures, microfinance in India is still presently too small to reate a massive impact in poverty alleviation, but if pursued with skill and opportunity development of the poor, it holds the promise to alter the socioeconomic face of the India's poor.

Juliet Hunt and Nalini Kasynathan (2002)- The researcher suggested that it remains powerful issues for equity and efficiency argument that to target women to avail the benefits of credit. If a credit is given to women it is like to target for that whole family as the women control the income and saving in family when compared to men in a family.

Vasanthakumari and Sharma, (2002) - Attempt to explain the different models of SHG's. According to her throughout the South East Asian counties are following the Group model developed by Bangladesh Grameen Bank and she has added to her research that India has adopted somewhat a similar model to Bangladesh Grameen model.

Puhazhendhi and Badatya, (2002)- Micro credit programmes extend small loans to poor people for self-employment projects that generate income, allowing them to care for themselves and their families. Micro credit has come to be recognised and accepted as one of the new development paradigms for alleviating poverty through social and economic empowerment of the poor, with focus on empowering women

Dr. Mohanan Sankaran Vol. 1, No. 1, (2005)- The Asia-Pacific region is home to many micro credit institutions, and the majority of programs are directed at women in rural areas. Targeting women as clients of micro credit programs has been an effective method to ensure that the benefits of increased family income are directed towards the general welfare of the family, and particularly the children. Experiments in various developing countries proved that poor can be helped by organising them into small self-help groups. To touch the core of poverty, women are the best agents. Hence women self help group have become the ray of hope to the developmental practitioners. Self-Help Group (SHG) is a small voluntary association of poor people, preferably from the same socio-

economic background. They come together for the purpose of solving their common problems through self-help and mutual help. The SHG promotes small savings among its members. The savings are kept with a bank. This common fund is in the name of the SHG. Usually, the number of members in one SHG does not exceed 20. Once the like-minded members come together, they open an account in either bank or post office. Every group will have its own set of rules and regulations like amount of savings by members, interest rate on savings, basis on which loans are to be prioritised, interest on loans and penal interest on defaulted amount. Every group decides frequency of group meeting, when and where to hold meeting. Best SHGs meet once in a week, but normally any SHG should meet at least once in a month. A poor woman coming out of her house and attending meeting as a stake holder itself is a step towards empowerment.

Rajesh Chakrabarti -Within India the microfinance movement in Western and Southern India have received most attention, both in the media as well as in academic research. The poster boys among the Indian microfinance NGOs –SHARE, BASIX, SEWA, MYRADA and PRADAN, for instance –have deservedly received attention from academicians, media-persons as well as the government. Andhra Pradesh, in particular, has witnessed a remarkable growth in microfinance activities and its success stories have been widely reported as well. The biggest challenge in development, however, is the simultaneous development of investment potential and improvement of skill levels of the borrowers. A glut of low-skilled services is an unwelcome substitute for scarcity of credit. As microcredit alleviates the credit availability problem, the need for micro-consulting, business planning and services like marketing, are being felt with greater acuteness. Microcredit cannot be expected to be a panacea to rural developmental problems. In some sense, its role is similar to that of credit in the general economy. It is a string that can hold back progress, but it is almost impossible to push on a string. There is a very real need of investments that yield higher returns than the sustainable microcredit interest

rates for the microcredit initiative to be truly successful.

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Bansal, (2003)-The NABARD led Pilot Project commenced with the support of the Central Bank of the country, i.e., Reserve Bank of India, from 1992 onwards aimed at promoting and financing 500 SHGs across the entire country, the SHG-bank linkage strategy has come a long way. The strategy includes financing of SHGs promoted by external facilitators like NGOs, bankers, socially spirited individuals and government agencies, as also promotion of SHGs.

Sunita Kishor and Kamla Gupta (2004) Exposed that compare to men, averagewomen in India are dis-empowered, and eventually there had been a modest transformation in her empowerment. The authors examined that there were numerous logical and serious reasons for evaluating, promoting and monitoring the level of women's empowerment in India, out of that the household health and nutrition was not the least preferred but is in the hands of women. So, for the wellbeing of women's household it is necessary to ensure her welfare through women's empowerment. Researcher emphasized that empowerment was significant for the development of India, as it improves the quality and quantity of human resources available for development.

H.S.Shylendra (2004)- Attempt has been made that by making use of SHG's programmes by providing these services in cost effective and sustainable manner bringing the rural poor in to the formal credit system and for this MF improves the access for these poor. Given the extensive sexual category prejudice existent in India, the SHG growth is contributing in signifying a immense common level enlistment of poor rural women into small informal associations proficient of forging links with the formal systems, to help access financial and other services needed for their socio-economic improvement. Linking the SHGs to banks has become a workable way of channelizing microcredit to the poor.

M.Vatts (2005) in a study seminar on Gender and Society, organized by Women's Studies and Development Centre, University of Delhi held

the view that women survived and nurtured up in a male conquered society and mainstream of Indian women's place was strictly within the family. The paper discussed various phases of women movement in India.

Lalitha K and Prasad G (2011)- the study revealed that women empowerment through economic activities is surrounded by many elements who contribute difficulties. Women in self-help group are large in number and they have a group to make decisions but they generally fail and exhibit poor decision-making capacity for their self-development. It was marked from the study that Most of the SHG women have been occupied only in the micro credit savings. The NGOs (Non-Government Organizations) derisory loom is the cause behind active participation from poor women from SHG in economic activities was narrowed.

Ashok K. Pkhril, Rekha Rani, Jaya uniyal (2014)- The researcher has focused on how traditionally the women are marginalized and they are financial dependent and large in number. Researcher explained that 70% of world's poor are women and they are not having an access to credit and other financial services. So, microfinance generally focuses on women. The women from poor households are empowered by microfinance. From last so many years the various governmental and nongovernmental organizations are promoting women empowerment. But these poor women are not having an excess of financial services from commercial banks but the microfinance banks offer various schemes and products often below market interest rate. In his research, researcher has checked various Schemes under which microfinance tool has been applied and the progress of these programmes are achieved for this the data provided by government and other institutions is studied. At the end researcher has given some suggestions to the financial agencies and institutions that they should strengthen and expand their support to resource poor women along with this it is suggested that the education facilities and family protection should be provided to poor women in correct and proper way.

Ms. Madhavi Kodamarty (2016)- The researcher tried to explain that the microfinance

definitely has a positive impact on women's lives. She has studied some important predictors for all dimensions for women empowerment like Socio-economic variable, Political engagements, Education level, personality development etc. This indicates women's growth after taking help of microfinance. She even discussed some negative attributes which reduce the impact on women empowerment which are insufficient institutional support, traditional values, superstitions and socio-cultural factors.

K Swapna(2017)- Research has explained that the role of women in entrepreneurship has increased noteworthy. She has mainly focused on women empowerment through women entrepreneurship. Study focuses on women entrepreneur's problems and opportunities. The study further focuses on rural women entrepreneurship and to be successful in her venture researcher has discussed how accessibility to loan, certification procedure, technical support, family support, motivation, awareness about government programmes are necessary.

Researcher further discusses that investing in women offers the most effective means to improve health, nutrition, hygiene, and educational standards for families and consequently for the whole of society. Thus, a special support for women in both financial and non-financial services is necessary. Here the microfinance playing an important role since last one decade by helping to reduce poverty and empowering rural women to be self sufficient.

Concluding Remarks: Above discussion made it clear that many of the research papers were already published on basic concepts of Women Empowerment and Self-Help Groups. Even the case studies were highlighted the problems and prospects of women empowerment. Further, it is noted that a few of the papers have also thrown light on significance of Bank Linkages to Self-Help Groups. But it is noted that, none of the studies were highlighted women entrepreneurship or women members of Self-Help Groups who are engaged in income generating activities. Hence, in this regard, it is essential to conduct necessary research.

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