



## REVIEW ARTICLE

### SELF-HELP GROUPS AS CATALYSTS IN EMPOWERING RURAL WOMEN: THE INDIAN SCENARIO

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#### ABSTRACT

Women represent 50 percent of world population and receive 10 percent of the world income and own even less than 1 percent of the world's property. They suffer many disadvantages as compared to men in terms of literacy rates, labour participation rates and earnings. Empowerment of women has emerged as an important issue in recent times. The major strategies of women empowerment include social empowerment, economic empowerment, political empowerment and gender justice along with demographical justice (rural and urban). Empowering women particularly rural women is a challenge. Women are economically empowered through small scale entrepreneurship programme with the help of Self-Help Movement. Economic empowerment of women has led to the empowerment of women in several aspects such as socio-economic opportunity, property rights, political representation, social equality, personal rights, family development, and community development and at last the nation development. For rural women, economic empowerment through the concept of Self-Help Groups (SHGs) based on group approach to rural development is indeed a boon to the rural poor women who undertake viable economic activities on their own. Self-help groups (SHGs) are small voluntary association of the rural women from the same socio-economic background who work together for the purpose of solving their problems through self help and mutual help. The women organize themselves at the grass root level to find innovative solutions to the specific problems which develops self- esteem, self-reliance and self-confidence among them. It is the need of the hour to recognize the importance of SHGs and create awareness among the rural women in this regard. Thus, the present study highlights the role of SHGs as catalysts in empowering the rural women.

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#### INTRODUCTION

In the history of human development, woman has been as important as man. In fact, the status, employment and work performed by women in society are the indicator of a nation's overall progress. Without the participation of women in national activities, the social, economic or political progress of a country will be stagnated. The fact is that most of the women's domestic role is combined with economic activities and utilization of their skill and labour to earn the extra income for the family, which makes the difference between a reasonably decent survival and humiliating poverty. Among total Indian population of 1027.10 million, women constitute 495.73 million. Therefore, "women constitute nearly 50 per cent of population, perform two-thirds of the work and produce 50 per cent of food commodities consumed by the country. They earn one third of remuneration and own 10 per cent of the property or wealth of the country"

(Reddy *et al.*, 1994). Women are regarded as the "better half" of the society and at par with the men. But in reality, our society is still male dominated and women are not treated as equal partners both inside and outside the four walls of the house. In fact they are treated as weak and dependent on men. As such Indian women enjoy an unfavourable status in society. Rural women in India constitute 77 per cent of the female population (Jhamtani, 1995). They share abundant responsibility and perform a wide spectrum of duties in running the family, maintaining the house hold activities like rearing, feeding, attending to farm labour, tending domestic animals and the like, even then they suffer from being both economically and socially invisible. Within the framework of democratic policy, our laws, development policies, plans and programmes have aimed at women's advancement in different spheres. Since independence a number of innovative schemes have been launched for the upliftment of women in our country. The social welfare department reported that, the status of women in 1974 highlighted the total lack of implementation of the concept of gender equality established in Indian constitution and indicated that Indian women remained

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deprived economically and socially. Empowerment is a multi-dimensional process, which should enable women or group of women to realize their full identity and power in all spheres of life (Surekharao and Rajamanamma, 1999). It consists of greater access to knowledge and resources, greater autonomy in decision making to enable them to have greater ability to plan their lives, or to have greater control over the circumstances that influence their lives. In the present century the terms women empowerment, women welfare, gender justice have come to light in the social, economic and political development perspective of both developed and developing nations. Traditionally women in all most every society have remained a second grade citizen. Hence, neither they are allowed to get themselves educated nor they were given legal rights in the property, government and in administration. "Empowerment comes from Women's groups who seek to empower themselves through greater self-reliance. They have right to determine their own choices in life. They also seek to gain control and access to resources". Empowerment is process, which helps people to gain control of their lives through raising awareness, taking action and working in order to exercise greater control. Empowerment is the feeling that activates the psychological energy to accomplish one's goals (Indiresan, 1999). The Government of India and state authorities alike have increasingly realized the importance of devoting attention to the economic betterment and development of rural women in India. The Indian Constitution guarantees that there shall be no discrimination on the grounds of gender. In reality, however, rural women have harder lives and are often discriminated against with regard to land and property rights, and in access to medical facilities and rural finance. Women undertake the more onerous tasks involved in the day-to-day running of households, including the collection of fuelwood for cooking and the fetching of drinking water, and their nutritional status and literacy rates are lower than those of men. They also command lower wages as labour: as rural non-agricultural labourers, women earn 44 rupees per day compared to 67 rupees for men. Women's voice in key institutions concerned with decision making is also limited. In 2007, only 8 per cent of all seats in the national parliament were occupied by women.

### What are Self-help groups?

A Self-Help Group is an informal association of 10-20 persons, who have voluntarily come together for the business of saving and credit and to enhance the members financial security as primary focus and other common interest of members such as area development, awareness, motivation, leadership, training and associating in other social intermediation programmes for the benefit of an entire community (Gangaiah et al. 2006). NABARD defines it as a group of 20 or less people from a homogenous class who are willing to come together for addressing their common problems. They make regular savings and use the pooled savings to give interest-bearing loans to their members. The process helps them imbibe the essentials of financial intermediation including prioritisation of needs, setting self-determined terms for repayment and keeping books and records. It builds financial discipline and credit-history that encourages banks to lend them in certain multiples of their own savings and without any demand for collateral security. The size of 20 has been made mandatory because any group larger than this would need to be registered under the Indian legal system. These groups are expected to create a democratic culture with participations in debate and the decision-making

process, which is possible only in small groups. Self-help groups are generally facilitated by NGOs, and increasingly advise and train members in a variety of on- and off-farm income-generating activities. Indeed, in a number of recent projects, NGOs were substituted by trained facilitators and animators drawn from self-help groups. Through promoting self-help group, IFAD-funded projects have contributed to improving the overall status of women in terms of income, empowerment, welfare, etc. In the Tamil Nadu Women's Development Project, 50 per cent of women self-help group members reported that, for the first time in their lives, they had visited new places and travelled longer distances, while 90 per cent had interacted with institutions such as banks, NGOs and project agencies. The impact study on the Jharkhand and Chhattisgarh Project reveals that access to finance through group savings and lending to members had allowed women to become increasingly involved in economic activities such as the collection and sale on local markets of non-timber forest products.

### Objectives of SHG's

The primary objective of SHG includes economic and social empowerment and also the skill development.

- Economic Empowerment
- To inculcate the habit of saving
- To meet the small and emergency credit needs of their own
- To use the credit for the right purpose and to repay the loan regularly
- To enhance the income of the family

### Social Empowerment

- To create among the women to have a feeling of "We for Ourselves"
- To improve the status of women in the society and in family, distribute the responsibilities of decision-making power to all.

### Skill Development

- To create self-confidence

### Different Models of Self-Help Groups

**The SHGs have been classified into five categories in the present paper and are defined as follows**

- **Model I:** SHGs formed and financed by banks SHG are formed directly by banks under this model, the banks themselves act as SHPIs in forming and nurturing groups, opening their savings accounts and providing them with bank credit.
- **Model II:** SHGs formed by NGOs and formal agencies but directly financed by banks These are called as NGO Facilitated SHGs. It appears to be the most popular model amongst bankers. Under this model, NGOs and formal agencies in the field of micro finance act as facilitators. They propagate the message, organize groups, train them in thrift and credit management and nurture them over a period. Banks in due course, link these groups by directly providing

loans to them. More than 70 percent of the SHGs are linked through this model.

- **Model III:** SHGs financed by banks using NGOs as financial intermediaries. In this model, NGOs take on the dual role of facilitators and financial intermediaries. They help in formation of SHGs, nurturing them, training them in thrift and credit management. Eventually, the NGOs approach banks for bulk loan assistance for on lending to these SHGs.
- **Model IV:** NGO Guided but self-supported SHGs. This category of SHGs are entirely formed and supported by the group members, neither getting any assistance or support from bank nor from NGOs. By observing the group formed in the neighbourhood areas, these groups have initiated themselves and function as other models mentioned above.
- **Model V:** Completely Self-Supported SHGs. Yet another category of SHGs which are very rarely found are the SHGs formed and initiated by the NGOs, guided by them on the rules and regulations, accounts to be maintained etc. But no financial support either directly or through the linkage with banks is arranged but only the savings of the members is used for internal lending as well as for starting an enterprise. Of all the four groups mentioned above, this group seems to be different, self-dependent and accordingly may be encouraged.

#### Common Characteristics of SHGs

- Each group should contain 15 to 20 members.
- The members of this group should live below the poverty line.
- It has identical interest/common occupation/social heritage, homogeneity and affinity.
- This group creates self-help, awareness, and economic and social empowerment to the poor.
- The self-help group inculcates the thrift and savings habit among the members of each group.
- SHG have full support from Government as well as non-government organisation to enhance it.
- Each group maintains simple records and documents, which exhibit meetings, savings, and expenditures and store other extracurricular activities.
- This group has a principle of collective leadership and mutual discussions.
- This group get loans in micro-level from banks and some social service organisation.

#### Self Help Groups in Haryana

In Haryana, Self Help Groups are promoted under different programmes/projects by various departments and agencies. The Women and Child Development Department has promoted SHGs under the Programme for Advancement of Gender Equity (PAGE) and Swayamsiddha. Women's Awareness and Management Academy (WAMA) has promoted the Swashakti project while the Forest Department has been promoting SHGs under the Haryana Community Forest Project (HCFP) and Integrated Natural Resource Management and Poverty Reduction. Banks are promoting SHGs under NABARD's SHGs-Bank linkage Programme; DRDA is promoting SHGs under Swarnjayanti Gram Swarozgar Yojana (now NRLM) and Mewat Development

Agency (MDA) is promoting SHGs under the IFAD programme in Mewat district. Besides government departments and agencies and banks, some international, national and regional NGOs are also involved in this work. Major problem issues in the state are less effective implementation by various government agencies due to being overburdened with other responsibilities and inadequate manpower, element of subsidy is main attraction, main focus on quantity than quality, highjack the movement by SGSY, less diversify income generation activities, etc.

#### Challenges

Apart from weak market linkages in the context of income-generating activities, there are also a few other concerns in relation to women's empowerment. First is the capacity building of self-help groups, which are in need of support in accounting, financial management, and organisational development. The second concern is about the gender focus in rural financial services. Despite the focus in project design, there were gaps during implementation. In Maharashtra Rural Credit Project, women tended to be small borrowers and were able to capture only 32 per cent of the bank credit that was provided. Therefore gender focus in designing and implementing rural microfinance services should be enhanced. The third challenge is about how to link self-help groups to agricultural activities, which are of key importance for the livelihoods of small farm holders in India, but at the moment self-help groups have not taken much agricultural activities, as the decisions on agriculture are mainly taken by men.

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