



Study about Empowerment of Women through Self help Group

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Abstract : Empowering means enabling people especially women to acquire and possess power resources in order for them to make decisions on their own or resist decisions that are made by others which affect them. Participation and control over resources are considered as the critical indicators in the process of empowerment.

Disadvantaged women especially in rural areas possess least proportions of resources and as a result they are powerless and dependent on the powerful. Historically, credit access and terms have discriminated against women (Manimekalai, 1999) due to various reasons such as inability to provide collateral, small-sized loans, high transaction costs for banks formalities.



Key Words : Microfinance, Self-Help Groups, Empowerment of Women

Introduction : Microfinance through women Self-Help Groups is a significant medium of poverty alleviation and empowerment of women. SHGs formed by women in different places have proved that they could indeed bring about a change in the mindset of the very conservative and tradition-bound illiterate women in rural areas. The concept of group formation is the best strategy to enlighten women and provide necessary mental courage for self-employment. Grouping of women has increased their awareness and reduced the chances of exploitation by middlemen.

Empowerment of women is necessary for sustainable development. Empowerment is increasing the capacity of women to develop self-reliance in order to identify their problems. It emphasizes solidarity and collective action. Groups or communities act together in order to gain access to policies and decision-making arenas where their quality of life is determined. Development is a process of Empowerment.

Concept of Microfinance:

The concept of micro credit can be traced back to portions of the Marshall Plan at the end of World War II in the middle of the 20th century or even back to the mid 1800s and the writings of abolitionist / legal theorist Lysander Spooner who wrote concerning the benefits of numerous small loans for entrepreneurial activities to the poor as a way to alleviate



poverty. It is also tied to New York's Provident Fund. However, in its most recent incarnation it can be linked to several organizations starting in the 1970s and onward.

Micro Finance in India:

The Government of India is ruling some regulation for the Microfinance / Micro credit industry in India and in his budget speech on 28 February 2006, the Finance Minister P Chidambaram said "I had proposed major initiatives in respect of micro finance in the last Budget; RBI has since issued guidelines to enable banks to appoint banking correspondents and banking agents. A window to access ECB funds has also been opened. A bill to provide a formal statutory framework for the promotion, development and regulation of the micro finance sector will be introduced in this session.

Self Help Groups

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 neighborhood,. 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.

The Present Status of SHG in INDIA:

Even after more the 67 years of planning various poverty alleviation programme, official estimate around 26.1 percent of total population still lives below poverty line in India .the financial requirement is one of the basic needs of the poor rural people of the society for their socioeconomic upliftment. According to official census of India 2011 ,Kerala was the first



state in India having 139225 number of SSI units, followed by Tamilnadu ,Karnataka , Maharashtra , Andhra Pradesh and Utter Pradesh and so on.

The SHG movement in Maharashtra. The concept of SHG was not new to Maharashtra. Beginning with a tiny amount of only 25 paise, the women of Maharashtra from Amravati District had established one SHG long back in 1947. Further in 1988 Chaitanya Garmin Mahila Ball Yuvak Sanstha started promoting Pune district informally. In southern part of India “SADHAN”, “DHAN” foundation and “ASA”, worked to promote SHGs. But their thrust was on economic aspects only where as in Maharashtra the NGOs not only have catered to the economic needs of the participants but also involved in the process of social development the aim of ‘Chaitanya is also the same to empower the women in both ways economically and socially. Presently numerous NGOs govt institution promote SHGs on a large scale.

Self-help group in Himachal Pradesh: The mushrooming of Self Help Groups in the countryside is fast changing the life style of rural women in Himachal Pradesh. More than nine thousand such SHGs have become operative here and are covering more than 50 thousand rural women belonging to BPL and other poor families under the ongoing National Rural Livelihood Mission.

The mission has been implemented in five blocks in the State in the first phase and the rest would be covered in the next stages in coming four years, said an official spokesman here on Sunday. In order to strengthen and provide greater financial support to the poor families with the goal of poverty alleviation through social mobilization, institutions and capacity building, financial inclusion, saturation approach, skill generation and a portfolio of sustainable livelihoods, the NRLM has been made operational in the hill State from April, 2013. The State was given Rs. 14.92 crore for initiating the programme.

The SHGs have been linked with Banks for micro financing. Under the programme, the Banks would provide a loan of Rs. 2 to 3 lakhs on seven per cent interest to each SHG for initially starting its venture which would be repeated up to Rs. 10 lakh depending on the performance of the SHG.



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