



## Role of Self-help Groups in Women Empowerment Vinita Ghangas “Dept. of Commerce”

**Abstract:** Women empowerment has now become a buzzword in India. The last decade witnessed very active and comprehensive efforts in various national and international forums for achieving equality, sustainability and empowerment with a special focus on women. The pace of development regarding females at state level is considered by mainly three aspects e.g. social, political and economical participation. These three factors are deeply intertwined and interlinked that even if “one dimension remains absent the momentum generated by the other components cannot be sustained. It is only when all the three factors are simultaneously addressed and made compatible with each other than the woman being truly may be empowered. For this ballistic development of woman, the social, economic and political aspects impacting women’s life must be taken into consideration. As per the 2011 Census, women as an independent group constitute 591.4 million out of the country’s total population of 1.22 billion”. Women are also playing a significant role in development. Our constitution defines the importance of women in our country. Constitution gives the equal opportunity to all rather they are male or female and also give directions to states regarding women empowerment. After that many schemes and programs have been launched by the both government such as state and central government regarding social and economical development of females and out of these microfinance was one of them of empower the women financially especially deprived women. In this research paper we will be discuss about the women empowerment in Haryana.

**Keywords:** Women empowerment, development, political aspect of women, economic strength of women.

**Introduction:** Women empowerment has now become a buzzword in India. The last decade witnessed very active and comprehensive efforts in various national and international forums for achieving equality, sustainability and empowerment with a special focus on women. The pace of development regarding females at state level is considered by mainly three aspects e.g. Social, political and economical participation. These three factors are deeply intertwined and interlinked that even if “one dimension remains absent the momentum generated by the other components cannot be sustained. It is only when all the three factors are simultaneously addressed and made compatible with each other than the woman being truly may be empowered. For this holistic development of woman, the social, economic and political aspects impacting women's life must be taken into consideration. As per the 2011 Census, women as an independent group constitute 591.4 million out of the country's total population of 1.22 billion”. Women are also playing a significant role in development. Our constitution defines the importance of women in our country. Constitution gives the equal opportunity to all rather they are male or female and also give directions to states regarding women empowerment. After that many schemes and programs have been launched by the both government such as state and central government regarding social & economical development of females and out of these microfinance was one of them to empower the women financially especially deprived women.

During nineties, “NABARD conducted a serious of research studies independently and in association with MYRADA (Mysore Resettlement and Development Agency), a leading Non-government Organization (NGO) from southern India, which showed that despite having a wide range of network of rural bank branches serving the rural poor, a very large number of poorest of the poor continued to remain outside from the benefit of the financial inclusion”. The recommendation of the studies depicts that current banking framework was not much strong and not beneficial for deprived women. This system does not meet the requirement of deprived women’s. They have the opinion that the deprived actually requires superior way of financial services, instead of low interest rates loans. Beside the approach, there is a requirement of different mechanism for saving & loan product with additional complimentary actions that fulfill the needs of deprived people, particularly female participants of such families. The focus was shift from the microfinance concept rather providing micro credit facility to deprived women. They ease the process of loaning facility for all people specially deprived section of society.

Microfinance concept plays a vital role in improving the condition of deprived people. This notion grown as an appropriate innovation in removing the poverty and empower the deprived women financially. Many other programs and schemes have been launched by the government to remove the poverty. But the success of the plan is relying on the proper execution of schemes and programs. Therefore, it becomes necessary to execute the plan in the root level. “People’s participation, the latest innovation in credit delivery, recovery and linking of formal credit institutions to borrowers through the Self Help Groups (SHGs) have been recognized as a new mechanism for providing credit support to the poor. National Bank for Agriculture and



Rural Development (NABARD) has pioneered the concept and implemented the SHG Bank Linkage Programme (SHG-BLP) since 1992 for providing easy access of institutional credit to the deprived section of the society.

**Origin of NGO:** “NGOs became popular in India only in the 1980s, the voluntary sector has an older tradition. Since Independence from the British in 1947, the voluntary sector had a lot of respect in the minds of people - first, because the Father of the Nation Mahatma Gandhi was an active participant; and second because India has always had the tradition of honoring those who have made some sacrifice to help others.<sup>5</sup>The major advantages that NGOs bring to this role include flexibility, ability to innovative, grass-roots orientation, non-profit status, dedication and commitment.

In Independent India, the initial role played by the voluntary organizations started by Gandhi and his disciples was to fill in the gaps left by the government in the development process. The volunteers organized handloom weavers in villages to form cooperatives through which they could market their products directly in the cities, and thus get a better price. Similar cooperatives were later set up in areas like marketing of dairy products and fish. In almost all these cases, the volunteers helped in other areas of development - running literacy classes for adults at night, for example in the development process by the government. There are many examples of voluntary organizations of this kind running very successfully in India for the last five decades. Perhaps the most celebrated example would be the treatment centre for leprosy patients run by Babaamte in central India.<sup>6</sup>One of the major strengths of NGOs is their ability to maintain institutional independence and political neutrality.

In the 1980s, however, the groups who were now, known as NGOs became more specialized, and the voluntary movement was, in a way, fragmented into three major groups. There were those considered the traditional development. NGOs went into a village or a group of villages and ran literacy programmes, crèches for children and clinics, encouraged farmers to experiment with new crops and livestock breeds that would bring more money”. These groups help the people to sell their product in the market efficiently to take high profits. Therefore they become the part of the society in the selected area mainly in rural area of the country. They do many efforts to fill the gaps which are left in the society.<sup>7</sup>“NGOs have shown leadership in promoting sustainable community development. Due to their particular ideology and nature, NGOs are good at reaching out to the poor and remote communities and mobilizing these populations.

The heterogeneous cluster of the people is known as non government organization. The list of NGO’s term is very long which is given below:

- “GONGOs –It is a government operated NGOs, Which may have been set up by. Governments to look, like NGOs in order to qualify for outside aid or promote the interest of the government in question”.
- “TANGO - short for technical assistance.NGO”.
- “CSO - short for citizen sector organization or citizen society organization”.
- “DONGO - Donor organized NGO”
- “TNGO - Short for transnational NGO”
- “GSO - Grassroots support organization”
- “MANGO - Short for Market Advocacy NGO”<sup>10</sup>

There is a very long chronicle has been present for the nation that how much they do social activities for the societies. Several voluntary organizations work for the rural development with the help of international agencies.

**Evolution of SHGs Indian Concept of Microfinance:** “The socio-economic development of a country cannot be fully realized so long as its women are confined to subordinate position and their talents remain unexplored. In order to achieve the objective of social justice, it is necessary to harness the latent skills and potential of women, especially rural women since they play a key role in the rapid and sustained economic development in rural areas and the ultimate prosperity and development of a nation.

**Salient Feature of Microfinance:**



- A. Lenders are belongs to deprived group or low income cluster.
- B. Credits are collateral free and offwith littlesum.
- C. Short duration credits.
- D. “High frequency of repayment”.
- E. “Loans are taken for income generation” as well as consumption purposes.

**Routes of Microfinance in India:** In India, there are two routes through which micro credit is provided to borrowers. The first is the SHG-Bank linkage Programme by which NABARD and commercial banks promote the formation of SHGs and the second route is the Micro Finance Institution model (Das, K. 2013). The present study analyses the socio-economic activities of SHG through both of the routes.

**Definition and SHGs Working of SHGs:** SHG is an independent organization which works in the concept of the participants such as of the members, for the members and by the members. “SHGs are voluntary organizations which disburse micro credit with macro vision to the members and facilitate them to enter into entrepreneurial activities. They save whatever amount they can save every month and mutually agree to contribute to a common fund to be lent to the members for meeting their productive and emergent credit needs. The SHGs are linked to the banks once their activities are stabilized. In India SHGs are promoted by NGOs, banks and co-operative societies. The groups continue to decide the terms of loans to their own members. The peer pressure ensures timely repayment and replaces the collateral for the bank loans (Sajeev et al., 2011). The NABARD gives 100 per cent refinance to the banks on their lending through the SHGs. Each self-help group consists of 10-20 members. The members meet once or twice a month. There is a President, a Secretary and a Treasurer in each SHG. The term of office bearers is on rotation basis, normally one year. All the groups maintain records such as membership register, minute’s book, cash book, savings, and loan ledger. They prepare action plans after detailed discussions of the proposed activities. Every member of the group gets an opportunity to put forth her views. Opinion of the majority is considered while arriving at important decisions. No doubt, this sort of internal democracy has paved the way for the success of SHGs in bringing women to the main stream of the society.

The loan amount is utilized by the women to meet the urgent needs. SHG is the platform for the development of saving habit among women which increases the equality of status of women as participants, decision makers and beneficiaries in the democratic, economic, social and cultural spheres of life. 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”.

**Functions of SHGs:** The following are the function of SHGs to conduct normal meetings; “compulsory attendance and savings are the common features of the self help group. These meetings are conducted at the common place either weekly or fortnightly or monthly bases depending on the convenience of the members. There is a problem of absenteeism. Thus, there is hundred per cent participation”. Issuing credit, collection of saving and repayment activities is communicate in the meetings with the other participants and choose the appropriate time of doing these activities and decision were taken collectively.

**Role of Self-help Groups in Women Development:** “The development of women entrepreneurship is very low in our country. Women in India still perform only traditional roles in their houses and in agriculture. They do not engage in any of the economic activities without assistance from their men folk due to socio-cultural reasons, traditional practices and conventions and taboos. This is absolutely true in case of rural women, though urban women are enjoying a better status in the society. Though women represent 50 percent of the total population of the country, women entrepreneurs constitute a meager 10 percent of the total entrepreneurial base. Economic development plays an important role in the development and growth of any society. The importance of promoting women to engage in economic activities is being increasingly realized in all the developing countries. The need is twofold:

- To empower women by bringing them into the mainstream of development and improving their economic status; and
- To provide new employment opportunities by way of income generation, self-employment and entrepreneurship to women from different socioeconomic sectors.



Self Help Groups can help women's economic independence and improve their social status. Automatically the women get empowered once they attain economic independence. The development of women enables society to understand and appreciate their abilities. It enhances their status and leads to integration of women in nation building and economic development.

The Self Help Groups aim at promoting awareness among the poor about the on-going development programmes. The poor should know how best to use existing programmes, and also the legal provisions, meant for the disadvantaged sections of the rural communities. SHGs enhance the equality of status of women as participants, decision makers and beneficiaries in the democratic, economic, social and cultural spheres of life. They encourage women to take active part in the socio economic progress of our nation. They remove social limitations of women such as superstition, dormant role in decision making. The Self-Help Groups have instilled a sense of confidence in the minds of rural women to succeed in their day-to-day life”.

**SHGs and Economic Development:** The level of economic activity in a country will have a direct bearing upon the development and growth of its economy. It is often said that an increasing participation of women in labour force has far reaching economic significance in that it has resulted in an upward shift in the Phillips Curve in many developed countries of the world.

The “SHGs have been referred as human agents needed to mobilize capital, to exploit resources, to create markets and to carry on trade. They enrich the eco system, boost the economic growth and increase the per capita income. The participation by people in SHGs not only sustains their families, but also makes major contributions to the socio-economic progress of a developing country like India”. In order to embark on an economic activity, the members get loans from banks and repay it with interest periodically. This sort of rotation of funds actually increases the financial strength of the banking sector and the SHGs act as a via-media for the implementation of various women-centered plans of the Government. The savings of the SHG members increases the capital formation of the country. The formation of SHGs helps in alleviating the poverty of the rural masses.

**Development of SHGs in Haryana:** “Microfinance services have different delivery methodologies (joint liability groups, individual banking, Self-Help Groups etc. and channels (apex financial institutions like NABARD, SIDB and government owned societies like Rashtriya Mahila Kosh, formal sector financial institutions, commercial banks, regional rural banks, in addition to member-based institutions like cooperative, mutually aided cooperative societies, SHG Federations and private sector companies like specialized NBFCs, NGOs, societies, trusts, etc.). They make regular savings and use the pooled savings to give interest-bearing loans to their members. 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.

In Haryana, Self Help Groups are promoted under different programmers / 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 & 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”. NGOs has played imported role in the development of women empowerment in haryana. Before the NGOs the position of women in thr progress of society has not well. But when the NGOs have tried to improvement the position of women.

**Conclusion:** At present NGO's performs a vital part in the world. They do many activities such as spreading information about different policies, give legal advices and provide safeguard against exploitation. To know the information about NGO’s is very interesting thing as there is a huge scope of knowledge about their activities. The genesis of NGO’s is very significant and the present condition of them is very fine. In the initial period of the NGO’s the main aim was to spread information about education. They only work on the some issues related to societies. After some decades they work on the different field and become the consultancy firm of different companies and they work as expert in the consultancy. In the period of 90’s NGOs were on the peak and they become the crucial associates in many international agreements. They become more standard, appreciated and companies also scared from them and think about to do exploitation of anyone and in any mode.



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