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DOI: <http://ijmer.in.doi./2021/10.11.04>

ECONOMIC EMPOWERMENT OF WOMEN THROUGH THE DEVELOPMENT OF SELF-HELP GROUPS (SHGs)

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ABSTRACT

This paper deals with the Women Empowerment through the Development of Self-Help Groups (SHGs). In India, women constitute nearly 50 per cent of total population. Majority of them, especially in the rural areas, depend upon men for their livelihood and continue to be voiceless section, though economic value is not attached to women's role. Considering the huge number of poor discriminated and deprived women, there is need to encourage the women to become entrepreneurs on their own.

The Genesis of SHG in India can be traced to formation of Self-Employed Women's Association (SEWA) in 1970. The SHG Bank Linkage Project launched by NABARD in 1992 has blossomed into the world's largest microfinance project. NABARD along with RBI permitted SHGs to have a savings account in banks from the year of 1993. Self Help Group (SHG) is a voluntary association of women and it process by which a large group of women (10 to 20), with common objectives are facilitated to come together voluntarily to participate in the development activities such as saving, credit and income generation thereby ensuring economic independence. Self Help Group scheme is one of the significant schemes through which empowerment of women, in terms of better leadership, decision making, utility, and skill up gradation.

Keywords: Women Empowerment, Self Help Group.

Introduction

India is a country of over one billion people, of whom 26 percent live in poverty, when the national measure of a minimum calorie intake of 2,400calories per person in rural areas and 2,100 calories in urban areas is applied. The important institutional features of the poverty data for India are, very large regional differences in the incidence of poverty, mainly between the north and the south of India, with higher concentrations of poverty in the north and worsening income inequality, rising by 10 per cent in the 2000s. Finally, if the definition of poverty is broadened to include other indicators such as education and health, as the UNDP Human Development Index does, then the figure for India would be somewhat higher, with 32 per cent of households living in poverty in 2003 (UNDP 2008). But these figures tell us little about vulnerability, of who is falling in and out of poverty at any point in time.

The sources of vulnerability include shock-induced poverty, which is a result of household-level problems like income loss and asset destruction, and recovery problems, often called idiosyncratic vulnerability: these problems can come from disease epidemics, cost of health care, death and funeral expenses, theft and violence, and the shocks from globalization such as super-inflation, job loss, not getting paid, etc. There is also the vulnerability that whole communities face, often called covariate vulnerability, which includes floods, drought and the like.

Despite the rapid and impressive growth in India over the past 70 years, the issue of chronic poverty is still a serious problem, historically in rural areas where growth has not been able to match the rates in urban areas, due to a stagnation of investment in the rural sector by successive governments. In the early 2000s, however, chronic poverty was increasing in urban areas due to poor job security and higher costs of living. Despite the relatively weak rural sector in India there is still, however, a relatively low and slow level of urbanization, with only 28 per cent of the population urbanized and 60 per cent still living in villages of fewer than 5,000 people. Some of these structural issues have a lot to do with how village societies are organized, to which addressing the marginalized role of women in these societies is key.

In large areas of India, women carry the burden of neglect and discrimination, household work, looking after siblings and of work outside the home. As girls they live with the fear of not getting adequate attention, care, nourishment, medical attention and education. With adolescence comes the fear of being sold, sometimes sold in the name of marriage, and sometimes sold into child labour and prostitution. After marriage, a girl's status descends to an even lower level and her subservience becomes institutionalized. There is also fear of loneliness, maladjustments, not being allowed a personhood, mental torture and harassment, and occasionally even death-murder by her own people.

Women live with many of burdens and fears, and these play out to create what Amartya Sen call the 'missing women'; the women who otherwise should be alive. The social disadvantage suffered by women is by far a greater contributing factor. Some of the



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statistics that point to the extent of disadvantage are: the earned income for women is 34 percent of that for men; the adult literacy ratio for women is 70 percent of that for men; primary school enrolment for girls is 85 per cent of that for boys; high school enrolment ratio is 80 per cent; tertiary enrolment ratio is 70 per cent, and so on. These statistics point to an 'unequal allocation of food, lower wage rates and a lack of inheritance rights.

In short, it means poorer life outcomes for women relative to men. These gender biases go well beyond the household, as women have a lower level of both legal and normative entitlements to ownership and exchange of both land and produce. This leads to exchange failures for women in terms of the prices they receive for their produce and their labour; their social relations within the household and the village; and finally, in terms of the claims that women can make on the state for welfare and other benefits. As if this were not enough, there are also large differences in endowments between men and women to access assets and control their labour; as well as differences in their status, access to training to upgrade their skills, and access to inputs for agriculture and other income generation activities. While there have been improvements over the past decade, there is still some way to go to overcome the institutionalized disadvantage for Indian women.

Empowerment

The growing popularity of the term 'empowerment' has led to a broadening of the definition to the extent that the concept is becoming less clear and is shifting away from the central notion of power, from which it derives. Some authors argue that the use of the term has become ubiquitous to the point that it seems to have become another buzzword in development practice, merely to repackage old aid programmes for the purpose of obtaining funding. Development agencies often use the term 'empowerment' to refer to a range of activities, many of which have little to do with addressing the power relations among the various actors or groups in society.

'Empowerment is a construct that links individual strengths and competencies, natural helping systems and proactive behaviours to matters of social policy and social change'. Empowerment is about both groups and individuals, being group processes that lead to change in the lives of individuals. Not only do the group or collective processes provide a support or catalyst role for individual empowerment, these processes also provide a context through which individuals can become aware of the local realities, and in India the SHG can provide this role. This awareness occurs through the social cohesion the group brings, and the local networks to which the group exposes its members. For this process to occur, both individual and collective notions of empowerment must co-exist and prioritize the importance of control over resources. Control over external resources can give capacity for self-expression, while a change in personal agency can overcome barriers to accessing resources. Empowerment may be the balance between individuals accessing resources and their inner transformation. In India, it is a lack of understanding of this complex process that results in problems in both NGO and government empowerment programmes. Government programmes can falter because they focus on control over external resources, while NGO programmes can falter because they focus predominantly on inner transformations.

Women Empowerment

If we see the rationale of development interventions for empowerment, particularly women empowerment in a developing country context, there are three paradigms:

- i. An economic paradigm that promotes development interventions to improve women's capacity for increasing their income either through employment or micro-enterprises. This paradigm assumes 'reinforcing spirals' that occur as a result of increased income and economic independence, which in turn lead to social and political change and greater personal empowerment;
- ii. A poverty alleviation paradigm which focuses on decreased vulnerability and looks at 'mutually synergistic interests' at the household level. It takes the view that addressing practical needs, such as health or education, is the best way of addressing gender inequality and as a consequence, women are empowered; and
- iii. A feminist paradigm, which addresses gender subordination at the individual, organizational, and macro levels. Economic programmes are seen only as an entry point for wider social, political and legal empowerment.

These three paradigms are not mutually exclusive, but uneasily co-exist to varying degrees in development programmes, with women's empowerment as an assumed outcome in all three. The first two, the economic and poverty alleviation paradigms of empowerment rest on two assumptions: first, that there is an economic priority in people's lives; and secondly, that economic and physical well-being results in socio-political benefits through the increased choices that these benefits can bring.

When women were asked to rank their own indicators of empowerment according to their importance in their lives, economic change was rated lower than education for children. Empowerment for women is more than them gaining the ability to undertake activities; it is also the capacity to set their own agendas and change events. Empowerment involves women in an active role, not only in decision-making, but also an understanding of the factors that shape a situation and the nature of oppression itself. Empowerment



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entails a transformation of social relations, particularly gender relations and processes; and goes beyond choices to obtaining access to new spaces, and social transformation. It can be argued that one of the new spaces that empowered people should gain access to is the relationship with the patron NGO that may be facilitating empowerment.

Women Empowerment Schemes in India

Gender equality is guaranteed under the introduction of the concept of Women's Constitution of India which not only prohibits Component Plan whereby identified ministries discrimination on grounds of sex but goes were required to indicate the flow of funds to the beyond that and permits positive women's programmes and schemes. Further, our country is a signatory to the Convention on the Elimination of all Forms of Discrimination against Women (CEDAW) under which we have an obligation to work towards ensuring gender equality. Several constitutional provisions reiterate India's commitment towards the socio-economic development of women and uphold their right of participation in political and decision-making processes. As per Census 2011, the population of India is 1,210.19 million and comprising 586.47 million (i.e., about 48%) females. India has taken several measures to secure gender parity in all walks of social, economic and political life. The following are the important recent schemes initiated by the government of India:

1. **Beti Bachao Beti Padhao Scheme:** Since coordinated and convergent efforts are needed to ensure survival, protection and empowerment of the girl child, Government has announced Beti Bachao Beti Padhao initiative. This is being implemented through a national campaign and focused multi sectoral action in 100 selected districts low in CSR, covering all States and UTs. This is a joint initiative of Ministry of Women and Child Development, Ministry of Health and Family Welfare and Ministry of Human Resource Development. The objectives of this initiative are -- Prevention of gender biased sex selective elimination, ensuring survival & protection of the girl child and ensuring education and participation of the girl child
2. **One Stop Centre Scheme:** Ministry of Women and Child Development (MWCD), has formulated a Centrally Sponsored Scheme for setting up One Stop Centre. The One Stop Centre will provide support and assistance to women affected by violence, both in private and public spaces. In case girls under 18 years of age are referred to the Centre, they will also be served in coordination with authorities/institutions established under the Juvenile Justice (Care and Protection of Children) Act, 2000 and Protection of Children from Sexual Offence Act, 2012.
3. **Women Helpline Scheme:** The scheme of Women Helpline is exclusively designed to support women affected by violence, both in private and public spaces, including in the family, community, workplace etc. The Women Helpline will provide 24-hour emergency response to all women affected by violence both in public and private sphere. All the existing emergency services are integrated with this women helpline.
4. **UJJAWALA:** Government of India, Ministry of Women and Child Development formulated a Comprehensive Scheme for Prevention of trafficking and Rescue, Rehabilitation and Re-integration of Victims of Trafficking and Commercial Sexual Exploitation since 1st April 2016. The new scheme has been conceived primarily for the purpose of preventing trafficking on the one hand and rescue and rehabilitation of victims on the other.
5. **Working Women Hostel:** The Government of India being concerned about the difficulties faced by such working women, introduced a scheme in 1972-73 of grant-in-aid for construction of new/expansion of existing buildings for providing hostel facilities to working women in cities, smaller towns and also in rural areas where employment opportunities for women exist. Based on an evaluation, the existing scheme has been revised to promote availability of safe and conveniently located accommodation for working women who need to live away from their families due to professional commitments.
6. **SWADHAR Greh** (A Scheme for Women in Difficult Circumstances): Recognizing the need for transitional shelter, the Swadhar Greh Scheme is run by the Ministry of Women & Child Development in order to provide temporary accommodation, maintenance and rehabilitative services to women and girls rendered homeless due to a range of difficult circumstances. The Scheme envisions transitional shelter to women in need by creating an institutional framework that enables their empowerment and provides necessary access to support services. It envisages that shelter, food, clothing, and health needs as well as economic and social security are assured for such women.
7. **Support to Training and Employment Programme for Women (STEP) Scheme:** The Scheme is intended to benefit women who are in the age group of 16 years and above across the country. The grant under the Scheme is given to an institution/organisation including NGOs directly and not the States/ UTs. The assistance under STEP Scheme will be available in any sector for imparting skills related to employability and entrepreneurship, including but not limited to the Agriculture, Horticulture, Food Processing, Handlooms, Tailoring, Stitching, Embroidery, Zari etc, Handicrafts, Computer & IT enable services along with soft skills and skills for the work place such as spoken English, Gems & Jewellery, Travel & Tourism, Hospitality.
8. **Nari Shakti Puraskar:** The Ministry of Women and Child Development announce national level awards for conferring on eminent women, organisations and institutions in order to recognize the efforts made by women & institutions in rendering distinguished services for the cause of women, especially vulnerable and marginalized women. These awards will be called "Nari Shakti Puruskars".



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9. **Mahila Police Volunteers:** Government of India engage/nomination of Mahila Police Volunteers (MPVs) in all States and UTs who will act as a link between police and community and facilitate women in distress. MPVs are empowered, responsible, socially aware women for fostering leadership in local settings to facilitate police outreach on gender concerns. They will be an interface between the society and police.
10. **Mahila E-Haat:** The Ministry of Women & Child Development launched “Mahila E-Haat” a bilingual portal on 7th March 2016. It aims at financial inclusion and economic empowerment of women. This is a unique direct online marketing platform leveraging technology for supporting women entrepreneurs/SHGs/ NGOs for showcasing the products / services which are made/manufactured/ undertaken by them. This exclusive portal is the first in the country to provide a special, focused marketing platform for women. This was done keeping in mind that technology is a critical component for business efficiency and to make it available to the majority of Indian women entrepreneurs/SHGs/NGOs.
11. **Mahila Shakti Kendras (MSK):** Government of India has approved a new scheme namely, Mahila Shakti Kendra for implementation during 2017-18 up to 2019-20 to empower rural women through community participation and to create an environment in which they realize their full potential. It will provide an interface for rural women to approach the government for availing their entitlements also empowering them through training and capacity building.
12. **Nirbhaya Fund:** The Government has set up a dedicated fund – Nirbhaya Fund – which can be utilized for projects specifically designed to improve the safety and security of women. It is a non-lapsable corpus fund, being administered by Department of Economic Affairs, Ministry of Finance. The Ministry of Women and Child Development (MWCD) is the nodal Ministry to appraise/recommend proposals and schemes to be funded under Nirbhaya Fund. MWCD further has the responsibility to review and monitor the progress of sanctioned schemes in conjunction with the line Ministries/Departments.

Self-Help Groups

The poverty in India and the complex array of changes that have occurred politically, socially and economically has left NGOs, and their work in the early twenty-first century, set in a context of uncertainty and challenge. The main model of intervention for the majority of Indian NGOs working in rural areas on issues of gender and poverty is the self-help group. It is a form of savings-based microfinance, which is essentially a mutual-based model aimed primarily at women, and is now the preferred model for government, NGOs and multilateral agencies for community intervention in India. In 2006 there were over two million SHGs across India, with 33 million members and delivering services to well over 100 million people.

The basis of the SHG is that 10 to 20 women come together to form a thrift and credit group: each member puts a small amount of money each week into a common fund, and after a period of six to twelve months, small loans from the fund are then made to selected members, based on their savings level and a needs assessment. This fund is often supplemented on a matching basis from additional resources from an NGO, either as a loan or grant, or by loans from commercial or state financial institutions facilitated by the NGO. These loans are then applied to a range of uses, which are ideally for productive purposes in that they will be able to generate additional income to enable repayments. They can also be made for necessary consumption purposes such as health costs and school fees, as well as daily expenses during an emergency or unemployment. The model meets the demand of poor women for access to affordable credit, and it enables a broader social intermediation function by the NGO, fostering the notions of self-help and self-reliance that should lead to sustainability.

The participation of women in SHGs is very much about the gender relationships within their households (for instance, whether the women’s husband and/or extended families support or hinder participation in SHGs) and the social relationships and structures within the group, both of which, if not well managed, can add to the women’s burdens. But not only is the potential burden on women an issue, these programmes tend to be discriminatory against the landless as they tend to favour people with some assets, usually land. NGOs tend to avoid these difficult issues and promote the SHG model of microfinance as being relatively unproblematic.

Women Empowerment Through the Development of Self-Help Groups (SHGs)

In bringing up the family, their contribution is very significant. Since household health and nutrition are generally in the hands of women, the empowerment of them is necessary for ensuring their own welfare and also the wellbeing of the entire household. Real empowerment of women would happen only by adding more value on their contribution to the family and the society.

Women empowerment through Self-Help Group constitutes an emerging and fast-growing trend towards social and economic development of the nation. Self Help Groups (SHGs) are one of the innovative and much needed schemes to accelerate the women entrepreneurship, women’s self-employment and women empowerment. This concept was successfully implemented in Bangladesh and now in India. It has become the wise tool to improve the social and economic development. Government also provides various financial and non-financial assistance to promote the Self-Help Groups for women empowerment. Banks and financial institutions have also



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realized the impact of the Self-Help Groups. Hence, they are channelizing their funds for women and rural development through Self Help Groups.

The following table shows the Total SGHs, Women SGHs (Cumulative) and Savings with Banks in India during 2010-18 which indicates 87.44 lakh total SGHs were having savings with banks Rs. 19592.12 crores and 73.90 women SGHs were having savings with banks Rs. 17497.86 crores. Both total and women SGHs were declined during 2012-13, but savings with banks were declined during 2011-12. On the whole, there is a remarkable progress in terms savings of SGHs with banks.

Total SGHs, Women SGHs (Cumulative) and Savings with Banks in India

Year	No of Total SHGs In Lakhs	Amount Rs in Crores	No of Women SHGs In Lakhs	Amount Rs in Crores
2010-11	74.62 (7.3%)	7016.30 (13.2%)	60.98 (14.8%)	5298.65 (17.8%)
2011-12	79.60 (6.7%)	6551.41 (-6.7%)	62.99 (3.3%)	5104.33(-3.7%)
2012-13	73.18 (-8.1%)	8217.25 (25.4%)	59.38 (-5.7%)	6514.86 (27.6%)
2013-14	74.30 (1.53%)	9897.42 (20.45%)	62.52 (5.27%)	8012.89 (22.99%)
2014-15	76.97 (3.59%)	11059.84 (11.74%)	66.51 (6.38%)	9264.33 (15.61%)
2015-16	79.03 (2.68%)	13691.39 (23.79%)	67.63 (1.68%)	12035.78 (29.92%)
2016-17	85.77 (8.53%)	16114.23 (8.53%)	73.22 (8.26%)	14283.42 (18.67%)
2017-18	87.44 (1.95%)	19592.12 (21.59%)	73.90 (0.94%)	17497.86 (22.51%)

Notre: Figures in parentheses indicate increase/decrease over previous year.

Source: Compiled from the Annual Reports of NABARD.

Conclusion

Women empowerment aims at realizing their identities, power and potentiality in all spheres of lives. To reduce poverty by enabling the poor household to access gainful self-employment and skilled wage employment opportunities, resulting in appreciable improvement in their livelihood on a sustainable basis, through building strong grass-root institutions of the poor is now the main motive of the most of the employment schemes.

The Self-Help Group is an important in re-strengthening and bringing together of human beings. SHGs have been identified to alleviate poverty and women empowerment. The participation of women in SHGs has enriched their income, savings, and empowerment. The involvement of the women in the group considerably contributes to improvement and perfection in the quality of life, social status and confidence of the members. The SHGs are taking the lead and playing an important role in social transformation, infrastructure building and welfare activities. It may conclude that the economic activities of Self-Help Group are quite successful and SHGs have been showing the way ahead to alleviate the poverty of India along with women empowerment.

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