

Role of SHG's In Woman Empowerment by Microfinance

¹Mrs. Neeti Mathur, ²Dr. Tapan Kumar Bhadviya, ³Mr. Himanshu Mathur,
⁴Miss Trapti Pandya

¹Research Scholar, Department of Accounting, Shramjeevi College, J.R.N.V. University, Udaipur

²Lecturer, Government Girls Collage, Nathadwara Rajsamand

³Financial Analyst HSBC Global Solutions, Kolkata

⁴Research Scholar, Department of Banking and Financial Management Shramjeevi College, J.R. N.V. University, Udaipur

Abstract: Microfinance is small size financial service which covers micro savings, micro credit and micro insurance. This innovative service help in woman empowerment by providing finance and assistance to the woman, which helps them in income generation, self-development and it is a social action process that promotes participation of woman, organization and community in gaining control over their lives in their community. The formation of woman Self Help Group and financing will not only enhance their socio economic position but also increase self confidence in them.

The aim of this study is to analyse the role of SHG's in woman empowerment through microfinance. The study reveals that SHG's provide a platform to the woman for their social, economic and psychological empowerment. The research is confined to the rural area of Udaipur district, data is collected by interview, reports ,journals and questionnaire .The data analysis reveals the importance of woman empowerment and it gives us an insight to strengthen the functioning of SHG's for woman empowerment.

Keywords: SHG's-Self Help Groups, Woman Empowerment, social empowerment, economical empowerment, psychological empowerment, group cohesiveness.

1. INTRODUCTION

Microfinance is small size financial service which covers micro savings, micro credit and micro insurance. It is a financial innovation which comes into existence to overcome the shortcomings of the traditional financial system. As the traditional system is constructed in such a way that large number of population remains untouched from the mainstream of socio-economic development. Especially the rural woman who is illiterate, do not in touch with outside world, do not involve in even family decision making.

It is fact that 50% of total population is female, our policy makers realised that the goal of overall socio-economic development can only achieve by empowering women. The another important fact is that the benefits provided to woman not only empower woman but also to her family and community as whole. Mohammad Yunus says "We focus on women because we found giving loan to them always brought more benefits to the family".

2. WOMEN EMPOWERMENT

Woman Empowerment is a social action process that promotes participation of woman, organization and community in gaining control over their lives in their community. The formation of woman Self Help Group and financing will enhance their socio economic position in the society.

Small loans provided them can make good business sense among the rural woman. It helps them in income generation, membership of SHG's provide them loan, resources and market for their produce. Especially the woman members are benefited a lot from micro-finance because it gives them means of generating of wealth and becoming independent and confident and become part of main stream of society. It is observed that majority of rural women who are educated and self-employed are much confident, participate in decision making, contribute in household income, much aware about their children health, education and take household decisions about expenditure and other issues. We find that there is improvement in attitudes of society towards women's role and its status. Now with empowerment she is playing an important role in social, economical and political development.

The Constitution of India guarantees to all Indian women equality (Article 14), no discrimination by the State (Article 15(1)), equality of opportunity (Article 16), equal pay for equal work (Article 39(d)). In addition, it allows special provisions to be made by the State in favour of women and children (Article 15(3)), renounces practices derogatory to the dignity of women (Article 51(A) (e)), and also allows for provisions to be made by the State for securing just and human conditions of work and for maternity relief (Article 42).

Microfinance has helped in enhancing perceptions of women's contribution to household income and family welfare thus increasing women's participation in household decisions about expenditure and other issues and leading to greater expenditure on women's welfare and more general improvement in attitudes to women's role in the household and community.

The Government of India declared 2001 as the Year of Women's Empowerment. The National Policy for the Empowerment of Women was passed in 2001.

3. LITERATURE REVIEW

According to UNIFEM (2000), women's empowerment consists of "gaining the ability to generate choices and exercise bargaining power developing a sense of self-worth, a belief in one's ability to secure desired changes, and the right to control one's life."

Nobel Laureate Amartya Sen (1993) explains that the freedom to lead different types of life is reflected in the person's capability set. The capability of a person depends on a variety of factors, including personal characteristic and social arrangements.

Malhotra (2002) constructed a list of the most commonly used dimensions of women's empowerment, drawing from the frameworks developed by various authors in different fields of social sciences. Allowing for overlap, these frameworks suggest that women's empowerment needs to occur along multiple dimensions including economic, socio-cultural, interpersonal, legal, political, and psychological.

The World Bank defines empowerment as "the process of increasing the capacity of individuals or groups to make choices and to transform those choices into desired actions and outcomes."

Rahman (1999) notes that the success of the Grameen Bank in Bangladesh is also due to the bank's understanding of cultural factors embodied in women as their main client.

B. Suguna (2008) in his book Empowerment of woman through SHG All over the world there is a realization that the best way to tackle poverty and enable the community to improve its quality of life is through social mobilization of poor, especially women into Self Help Groups.

Rao, Jitendra Ahir (2009) in his article - "Rural women empowerment through microfinance", explains how the small loans can make good business sense among the women. The microcredit provided to woman, help them in income generation and enhance their confidence level, help them in fulfilling their financial needs.

IIPO Economic Intelligence Unit (2010) in its studied "self help groups (SHG) : means of women empowerment", conclude that growth of SHGs are essential for the member as they ensure better standards of living and their by the individual, family and social empowerment.

4. OBJECTIVE OF RESEARCH STUDY

1. Identification of need of woman empowerment.
2. To understand role of SHG in woman empowerment.
3. To analyse whether social, economical, psychological empowerment takes place of woman by microfinance through SHG.
4. To suggestions for the betterment of women's empowerment in SHG.

5. RESEARCH METHODOLOGY

The area of study is Udaipur District. It is qualitative research. To conduct systematic study multi-stage sampling technique is used according to this technique five out of seven subdivision of Udaipur District were considered. From these seven subdivisions five tehsils were chosen on random basis, from these five tehsils two villages were taken into consideration, so total ten villages were chosen to study. From each village one SHG and from each SHG four members were selected randomly.

Sample Size: 40 samples have been collected for the research from all the 10 SHG of 10 villages as 4 woman members from each SHG from the rural areas of Udaipur District.

Statistical tools used: Tabulation and percentage analysis has been used to analyze and interpret the data.

Method of Data Collection:

1. Primary data collection from the rural SHG women members who are benefited from microfinance by observation and interview schedule.
2. Secondary data collected by Journals, Reports of NGO's, Periodicals, Planning Commission Reports.

6. LIMITATIONS OF STUDY

1. The study is confined with the rural areas of Udaipur. Hence the results may not be applicable to urban area.
2. Will have to rely on the collected data.
3. Some people might not express their feelings freely.
4. It is assumed that samples selected will truly represent the population.

7. ANALYSIS OF DATA

Data received will be suitably coded, tabulated, analyzed and interpreted to draw the conclusion.

IDENTIFICATION OF NEED OF WOMEN EMPOWERMENT:

Woman empowerment is needed for equal and inclusive development. As she is not aware about how to get benefit of economic growth, financial instruments and how to reach to the banks and funding agencies they remain in home and do household work do not participate in economic activity. To achieve balanced economic growth it is desired that this segment of society be linked with the economic mainstream.

Microfinance provides women with the financial support they need to start business ventures and actively participate in the economy. It gives them confidence, improves their status and makes them more active in decision-making, self-confidence, encouraging gender equality, improve their social and economic status.

ROLE OF SHG'S IN WOMEN EMPOWERMENT:

1. The SHGs consists of members who are the poor, having low saving capacity and who depend on money lenders for meeting their consumption needs and social obligations.
2. Formation of individuals into self-help groups paved a way to develop their economic standards.
3. Availability of micro-credit helped SHG members a lot and many members came forward and established micro enterprises, at present a number of NGOs and financial institutions have been offering microfinance especially to rural women micro entrepreneurs.

International Journal of Novel Research in Interdisciplinary Studies

Vol. 2, Issue 2, pp: (1-7), Month: March - April 2015, Available at: www.noveltyjournals.com

4. They motivate people by conducting training programmers and thus contribute to develop their entrepreneurial skills and capacities. SHG memberships develop self-confidence, decision making power and leadership quality in the members.

5. The NGO's are associated with SHG so knowledge about health, hygiene, education, social issues is provided to them in their training programs and SHG member them self-discuss these issues in meetings it create awareness and understanding in them.

6. Social, economical and psychological development takes place in the members.

DIMENSION OF WOMEN EMPOWERMENT:

Economic empowerment: Women's access to savings and credit gives them a greater economic role in decision-making through their decision about savings and credit . When women control decisions regarding credit and savings, they will optimize their own and the household's welfare. Economic empowerment includes income generation, employment, contribution to family assets and land, access to and credit, access to macro-economic markets and entrepreneurship development.

Social empowerment: Women's literacy and access to higher education, education to daughter with other male children, making social network, no discrimination between male and female child, awareness about health and sanitation etc., these changes are reinforced by group formation and group discussion. Micro savings and micro credit help in economic development and dissolve their worries related to funds .Which motivate them for positive social change. (According to Maslow's Hierarchical model)

Psychological empowerment: Take part in decision-making, improvement in self confidence ,improvement in courage ,leadership quality develop are the psychological changes occur due woman empowerment.

ECONOMIC, SOCIAL AND PHYSICOLOGICAL CHANGES AMONG THE SHG MEMBERS:

ECONOMICAL CHANGES IN SHG MEMBERS

	Changes in SHG members	Opinion			Total
Economical Changes		Yes	No	No comment	
1.	Increase in income level	26 (65%)	6(15%)	8 (20%)	40(100%)
2.	Development in saving habits	27 (67.5%)	6(15%)	7 (17.5%)	40 (100%)
3.	Fulfilment of economic needs and effective fund management	28(70%)	4 (10%)	8 (20%)	40 (100%)
4.	Entrepreneurship development	26 (65%)	5(12.5%)	9(22.5%)	40(100%)
5.	Provision of help like Training toolkits and employment.	28(70%)	4 (10%)	8 (20%)	40 (100%)

SOCIAL CHANGES IN SHG MEMBERS

	Changes in SHG members	Opinion			Total
Social changes		Yes	No	No comment	
1.	Enhancement in social networking	30(75%)	1(2.5%)	9(22.5%)	40(100%)
2.	Awareness about health	24(60%)	6(15%)	10(25%)	40(100%)
3.	Awareness for not following social evils like child marriage.	29(72.5%)	4(10%)	7(17.5%)	40(100%)
4	Improve literacy level	28(70%)	5(12.5%)	7(17.5%)	40(100%)

PSYCHOLOGICAL CHANGES IN SHG MEMBERS

	Changes in SHG members		Opinion		
Psychological Changes		Yes	No	No comment	
1.	Increase in self confidence	30(75%)	2(5%)	8(20%)	40(100%)
2.	Develop decision making quality	30(75%)	4(10%)	6(15%)	40(100%)
3.	Leadership quality develop	24(60%)	6(15%)	10(25%)	40(100%)
4.	Courage and self esteem increase	24(60%)	7(17.5%)	9(22.5%)	40(100%)

8. FINDINGS OF STUDY

1. From the above study it is evident that the rural woman get several benefits from the SHG's which provide microcredit, tool kits, training, that helps them to get employment, increase saving habits in them, increase income level, fulfil their economic need, they are utilising the funds provided as credit in better manner ,training and toolkits are provided to them.
2. From the above study it was found that by the membership economic as well as social change found in members like enhancement in social networking, awareness about health ,awareness for not following social evils like child marriage and improvement in literacy level.
3. From the above study it was found that psychological changes like increase in self-confidence, develop decision making quality, leadership quality along with it courage and self-esteem increase in the SHG members.
4. SHG provides a platform to the rural people not only to discuss their own problem but also the social issues related to the village. SHG plays an important role in rural empowerment.

9. SUGGESTIONS

On the basis of above study a need for the following was observed to further strengthen SHGs.

1. Try encourage rural women to become SHG member, so that no female remain untouched from the main stream of socio economic development .
2. The panchayat and other governing bodies should link with SHG's to resolve the social issues related to village as the SHG bank linkage program.
3. A system should be developed to ensure regularity in meeting, attendance, penalty to latecomers or absentees, or rewards to the punctual and regular member to encourage the members maintain discipline in the SHG to increase the effectiveness of SHG.
4. Active participation of members in meetings should encourage.
5. Some social issue like child marriage, child labour, health, education, infrastructure development should be raised so that overall development of village and community takes place.
6. The government and NGO's should provide market to the farm and handicraft products produce by SHG to encourage the members in increasing their income.
7. Periodical assessment of microfinance and other benefits provided to members should done to find out whether they are sufficient or not..

10. CONCLUSION

1. Woman empowerment is very essential for socio-economic development of any nation.
2. The SHGs plays a significant role in socio-economic development of the woman of villages by providing microcredit ,training and toolkits to the rural woman .
3. As the woman grouped to become SHG member they feel strength and group cohesiveness .
4. They discuss about the social issues in the meetings which create awareness among them about education ,health and hygiene .
- 5.This study reveal that the SHG members feels that their income level increases, saving habits develop, toolkits and training provided to them help them to start small business and micro credit provided to them helps in fulfilling their economical needs.
5. Microfinance help in increasing their social status, decision making power and awareness about social issues.
6. It is evident from this study that the microfinance with SHG linkage has better reach than traditional financial system and are effective in poverty reduction, employment generation and over all woman empowerment.

REFERENCES

- [1] Akula Vikram, " Microfinance is more than credit", Microfinance World July 2009
- [2] A.M., Sen Gupta, (1996) : Who takes the credit? Gender, power and control over loan use in rural credit programmes in Bangladesh. World Development, 24 (1), 45-63
- [3] B. Suguna(2008) in his book Empowerment of woman through SHG Discovery Publishing House, 2006
- [4] C.R Kothari (2007) - Research Methodology Methods & Techniques, Second Edition, New age International publishers, New Delhi.
- [5] Dadhich, C.L., "Microfinance a panacea for poverty Alleviations, Indian Journal of Agricultural Economics", Vol. 56, No. 3, July-Sept. 2001, pp 420-425.
- [6] Das, Rimjhim Mousumi, "Microfinance through SHGs - A boon for the rural poor", Kurukshetra, February 2004, pp 43-48.
- [7] Garumurthy, T.R., "SHGs - Economics Empowerment Through Self reliance", Social Welfare, Vol. 49, No. 7, October 2002, pp 14-17.
- [8] Hashemi, S., R. Schuler and A. Riley (1996) Rural credit programs and women's empowerment in Bangladesh. World Development 24 (4): 635-653.
- [9] Karmarker K.G., (4th edition) "Rural Credit and Self Help Groups", (Microfinance needs and concept in India), Sage Publication India Private Ltd., New Delhi, 2003
- [10] Lalitha, N. and B.S. Nagarajan, (2002) : Self-help Groups in Rural Development (New Delhi, Dominant Publishers and Distributors).
- [11] LakshmiKandon, K.R., "Self Help Group in the life of Rural Poor : A Philibhit Case Study", Women's Link, April-June 2000, pp. 9-14.
- [12] Lekshmi, R. Kulshreshta, "Microfinance: The New Development Paradigm for Rural Women", Kurukshetra, Vol. 49, No. 2, November 2000, pp. 22-25.
- [13] Manimekalai, N. and Rajeshwari, G., "Employment of Women through self help Groups", MARGIN, Vol. 32, No. 4, July -Sep. 2000, pp. 74-76.
- [14] Puhazhendhi, V., "Evaluation study of self help groups in Tamil Nadu", National Bank for Agriculture and Rural Development, Mumbai, 2000.

International Journal of Novel Research in Interdisciplinary Studies

Vol. 2, Issue 2, pp: (1-7), Month: March - April 2015, Available at: www.noveltyjournals.com

- [15] Puhazhendhi, V. and Satyasai, K.J.S., "Microfinance for Rural People : An Impact Evaluation", National Bank for Agriculture and Rural Development, Mumbai, 2000.
- [16] Ritu, J.R.K. Kushawaha and Srivastava, A.K., " Socio-Economic- Impact of Through Self Help Groups", Yojana, Vol. 47, No. 7, July 2003, pp 11-12.
- [17] Sarma Dilip, "Emerging Self Help Groups- Instrument for promoting microfinance credit system", Rastriya Gramin Vikas Nigam.
- [18] Sebastin Titus, A.P., "Promotion of Women Empowerment Through Self Help Groups", Khadi Gramodyog, the Journal of Rural economy, Vol. XXXIX, No. 2, November 2002, pp 68-72.
- [19] Sundari, S. and Geetha, N., "Poverty Credit and Micro-credit", Kurukshetra, Vol. 49, No. 2, November 2000, pp. 26-32.
- [20] T. Thansky Francis, "Impact of SGSY on SHG: Bank Linkages", pp188-215, Microfinance in India, Sage Publication India Private Ltd., New Delhi,
- [21] Venkatesh, J. and Kala, K., "Self Help Groups : Tools to Boost up Women Empowerment", Management and labour studies, Vol. 35, No. 1, February 2010, pp 75-83.
- [22] Verma S.B. Rural Management, Deep and Deep Publication pvt. Ltd., New Delhi-110027

Websites:

- [23] www.microfinancegateway.org.
- [24] www.planetfinance.org.
- [25] www.grameenfoundation.org.
- [26] www.wikipedia.org.
- [27] www.investopedia.com.
- [28] www.gdrc.org.
- [29] www.microfinance.com.
- [30] www.microcreditsummit.org.
- [31] www.cgrp.org.
- [32] www.microinsurancecenter.org.