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## Women Empowerment through SHGs

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### Abstract

Women empowerment includes the lives of women at multiple levels, family, community, market, & the state. The question surrounding women's empowerment, the condition and position of women have now become critical to the human rights based approaches to development. Empowering the women in social, political, economical and legal aspects is necessary to convert the idle society into self-sustainable society.

Women empowerment can be achieved through political power, education, employment, NGO and SHG. Among these, NGOs and SHGs dominate and fruitful success of the women empowerment needs to occur along multiple dimensions including: economic, socio-cultural, familial/interpersonal, legal, political, and psychological. Since these dimensions cover a broad range of factors, women may be empowered within one of these sub-domains. Human development report since 1999 demonstrated that practically no country in the world treats its women as well as men according to the measures of life expectancy wealth and education. Empowerment of women has emerged as an important issue in recent times. This paper deals with empowerment of rural women through SHGs. This paper seeks to explore some measures that should be adopted in order to (re) position rural women as equal players in entrepreneurship and economic development.

**Keywords:** Women empowerment, Family, Community, SHGs, NGOs, Society, Entrepreneurship, Economic development.

### 1. Introduction

#### 1.1 Concept of Women Empowerment

The concept of women's empowerment emerged from debates generated by the women's movement during the 1980s when feminists, particularly from third world countries, evinced dissatisfaction with the prevailing development discourse that was largely political and economist in its orientation. While Paulo Freire (1973) did not use the term, his emphasis on conscientization' provided an important backdrop for those social activists who were working with the poor and the marginalized groups. The mid 1980s therefore saw the emergence and spread of 'women's empowerment' as a more political and transformatory concept that challenged not only patriarchy but also the mediating structures of class, race, ethnicity and in the case of India, caste and religion. Feminists, particularly those from Latin American and South Asian countries, evolved their own approach, emphasizing the importance of consciousness raising, leading to organizing and building a movement for women's equality. According to this thinking, empowerment was a socio-political process that required shifts in political, Social and economic power between and across both individuals and social groups (Batliwala, One of the earliest definitions of empowerment can be found in *development, crisis and alternative vision- Third world women's perspectives*. In this work Sen and Grown state that women's empowerment is the transformation of the structures of subordinations, including changes in law, civil codes, property and inheritance rights, control over women's bodies and labor and the legal social institutions that endorse male's control. According to Sharma (1992) empowerment' in its simplest form is redistribution of power that challenges the male dominance. This does not however mean that empowerment process adopts an antagonist approach. It is only to enable women to supplement and co-ordinate with men. Batliwala (1994) observes that, women empowerment is the process by which women gain greater control over material and intellectual resources and challenge the ideology of the patriarchy and gender based discrimination against women in all institutions and structures of the society.2007).

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## 2. Some Fact about Self Help Groups

Generally Self-Help Group consists of ten to twenty women. The women save some amount that they can afford. It is small amount ranging from Rs. 10 to 200 per month. A monthly meeting is organized, where apart from disbursement & repayment of loan, formal and informal discussions are held, on many social issues also. Women share their experiences in these groups. The minutes of these meetings are documented and the accounts are written. The President, Secretary and Treasurer are three official posts in any SHG. If the SHGs are connected with some NGOs, they take part in other social activities of those NGOs. Of late, the organizational structure of various micro-financial groups is undergoing significant changes.

There are Thrift groups; Credit management groups, Income generating groups, Self-help groups and Mutual help groups. Sometimes the institute that promotes the SHG, itself provides loan facilities. It is called as Micro-finance Institute.

## 3. Review of Literature

Present paper tries to know the performance of SHGs on rural women. Hence, the related research studies in this line are reviewed.

Self-Help Groups have found an important place in new micro-financial management activities. Many studies, therefore, have been carried out on various aspects of SHGs, such as: organization of SHGs, financial activities and related processes carried over by SHGs, the place of SHGs in the overall economic activities of the society, economic and social empowerment of women through SHGs etc.

Empowerment of rural women through self helps groups – An Indian experience – by V. Puhazhendhi & K.L.S. Satyasai (National Bank News Review. April –June 2002) For the study the data were collected with the help of a structured questionnaire. The sample for the study was 223 SHGs functioning in 11 states representing 4 different regions across the country.

Bangladesh found improvements in women's physical mobility, economic security, ability to make own purchases, freedom from family domination and violence, political and legal awareness, and public participation (Schuler & Hashemi, 1994)

Gurumoorthy (2000) explained the Self Help Group (SHG) as a viable alternative to achieve the objectives of rural development and to get community participation in all rural development programmes.

Puhazendi (2000) revealed from the study that participation of women SHGs made a significant impact on their empowerment both in social and economic aspect. The women members were able to increase their income level manifold and contribute to the development of the family. In the process, many women members expressed that they were participating in the financial decision of the family, which they were not allowed during the pre-linkage period

Manimekalai and Rajeswari (2001) studied the socio-economic background of self-help group women in rural micro-enterprises in Tamil Nadu and examined the factors which had motivated the women to become SHG members and eventually as entrepreneurs.

Satyasai (2001) findings indicate that SHGs positively contribute to the economic and social empowerment of the poor.

Prasant Sarangi (2002) observed SHGs in Orissa state and reported that SHGs in our country have become a source of

inspiration for women welfare. Now days, formation of SHGs is a viable alternative to achieve the objectives of rural development programmes. SHGs are also a viable organized set to disburse micro-credit to the rural women and encouraging them to enter into entrepreneurial activities.

Manimekalai and Rajeswari (2001) in their paper highlighted that the provision of micro-finance by the NGO's to women SHG's has helped the groups to achieve a measure of economic and social empowerment.

Om Raj Singh (2003) analyzed the role of NGOs in fostering SHGs and stated that SHGs are necessary to overcome exploitation, create confidence for the economic self reliance of the rural poor, particularly among women who are mostly invisible in the social structure.

Sinha (2005) in his study has observed that micro-finance is making a significant contribution to both the savings and borrowing of the poor in the country.

APMAS, 2009 reported that the SHG programme has resulted in social and economic benefits to a significant percentage of the sample groups.

## 4. Origin of Shgs in India

In 1976, Prof. Mohammed Yunus of Bangladesh started women's groups in Bangladesh and developed thrift and savings among the poorest. Now it has developed into a bank named Bangladesh Grameen Bank. Its report in February 1998 states that the bank has 1138 branches and covers 39572 villages. It has 2367503 members of which only 124571 are men. The bank has disbursed a cumulative amount of US \$ 2714.61 Million whereas the savings of the members has reached US \$ 202.73 Million. With the success of BGB and similar organizations elsewhere, the concept of Micro credit has gained momentum in India. Based on this success many Non-Governmental Organizations (NGOs) in our country are involved in organizing SHGs and they serve as an agent between the bank and the poor. Self-help groups (SHGs) play today a major role in poverty alleviation in rural India. A growing number of poor people (mostly women) in various parts of India are members of SHGs and actively engage in savings and credit, as well as in other activities (income generation, natural resources management, literacy, child care and nutrition, etc.). The S/C focus in the SHG is the most prominent element and offers a chance to create some control over capital, albeit in very small amounts. The SHG system has proven to be very relevant and effective in offering women the possibility to break gradually away from exploitation and isolation. In our country the pioneer in this field is Self-Employed Women's Association (SEWA). Without the Grameen model SEWA was started in 1972. Though started as a Trade union for women in the unorganized sector, today SEWA boasts of running the first Women's Bank in the country. By the year 2000 SEWA has a membership of 209250. The SEWA Bank has 87263 depositors, and 41757 borrowers whose loan outstanding us Rs.887 lakhs 4 as on March 1998. SEWA has also networked many co-operatives and emerged as the largest federation of co-operatives in the country.

### 4.1 Structure of Self Help Group (Shg)

The SHG offers the canvas to conduct social intermediation, provide women the opportunity to acquire the ability and entitlement to their own lives, set their own agenda, gain skills, solve problems and develop autonomy (Meenai,

2003). Self-help assist the rural area people in their financial needs that ensures that unemployed a low level people get the better opportunity and they start to earn their livelihoods by themselves. The ideal size of an SHG is 10 to 20 members. From one family, only one member (More families can join SHGs this way). The group consists of either only men or of only women. (Mixed groups are generally not preferred) Women's groups are generally found to perform better. Members have the same social and financial background and compulsory attendance.

#### 4.2 Functional Areas of Shg's

The following are the main functions of SHGs: The members should participate actively in every activity conducted by it and the members should be responsible for the savings of its members. These savings can be provided as a loan to the members. Everything related to finances should be decided by the group itself. To resolve its member's problem, meetings should be conducted so that the members can share their problem openly.

#### 4.3 Performance of Shgs

Hoffmann von Fallersleben is quoted with the sentence "Self-help is worthwhile, because it does not demand anything from others". This sounds catchy; it is, however, wrong: Self-help groups ask for support, particularly for financial resources for the work of either individual, highly organized self-help associations or for general support of self-help groups via local contact and information centers ("contact points for self-help groups"). With this request for economic "investments" in self-help, the question arises whether this is profitable for the country, the local authority or the social health insurance. In principle, the initial answer to this is: yes, the work of self-help groups is worthwhile for a single person, but also for the larger community, as various kinds of services are provided by self-help groups and organizations.

#### 4.4 Self Help Groups: Path Ways Out Of Poverty in India

Self-help groups (SHGs) play today a major role in women empowerment in rural India. A growing number of poor people (mostly women) in various parts of India are members of SHGs and actively engage in savings (in actual term Thrift) and credit (S/C), as well as in other activities (income generation, natural resources management, literacy, child care and nutrition, etc.). The S/C focus in the SHG is the most prominent element and offers a chance to create some control over capital. The SHG system has proven to be very relevant and effective in offering women the possibility to break gradually away from exploitation and isolation. Almost all major donor agencies support SHGs in India in one way or another and many success stories are available, describing how membership in a SHG changed the life of a particular individual or group for the better. Many NGOs are promoting the SHG mechanism and linking it to various other development interventions. Whereas there is ample evidence that the SHG approach is a very effective, efficient and relevant tool for organizing and empowering the poor, do arise with design, development and introduction of programmes to promote income generating activities (IGAs) that will generate sufficient, sustainable and regular income. The approach towards poverty alleviation is based on the formation of self-help groups at the grass root level. This brings about the necessity for organizing them in a group by

which they set the benefit of collective perception, collective decision-making and collective implementation of programme for common benefits. This organization holds the power and provides strength and acts as an anti dote to the helplessness of the poor. The groups saving of self helps groups serve a wide range of objectives other than immediate investment. The approach has evolved over the years in India. Before understanding the strength of SHGs as a tool in Poverty Alleviation, it is imperative to understand the evolution of various Poverty Alleviation programs in India.

#### 5. Conclusion

SHGs programmes are premised on the belief that access to financial services will improve the ability of the poor to tie together their intrinsic capacity. In the process of capacity building they can uplift themselves above the poverty line. Literature has underlined that SHGs has made significant headway in extending low cost credit to the rural poor. Success of these programmes have been assessed in terms of repayment rates and cost recovery. But the primary goal of SHGs programmes is to improve client welfare. Credit delivery should be sustainable and should lead to increase in efficiency and equity by increasing their income and productivity boosting expenditure like those on health and education.

Therefore, SHGs programmes not only give women and men access to savings and credit, but reach millions of people worldwide bringing them together regularly in organized groups. Through their contribution to women's ability to earn an income, SHGs programmes can potentially initiate a series of 'virtuous spirals' of economic empowerment, increased well-being for women and their families and wider social and political empowerment.

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