

SELF-HELPSGROUPS-FINANCIAL SECURITY FOR WOMEN

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Abstract

A self-help group (SHG) is a voluntary association of women in similar economic conditions. The members of the group make small savings for a duration of time until they have enough capital in the group to start their own lending process. These funds can then be utilized for lending purposes (to members or other people). In India, many SHGs are linked to banking institutions for the delivery of micro-credit.

A self-help group (SHG) financial intermediary committee usually composed of 10–20 local women. Most self-help groups are located in India, though SHGs can be found in other countries, especially in South Asia and Southeast Asia. Members also make small regular savings contributions over a few months until there is enough money in the group to begin lending. Funds may then be lent back to the members or to others in the village for any purpose. In India, many SHGs are 'linked' to banks for the delivery of micro-credit.

INTRODUCTION

Self-Help Group or SHGs is now a well-known concept. It is now almost two-decade old. It is reported that the SHGs have a role in hastening country's economic development. SHGs have now evolved as movement. Mainly, members of the SHGs are women. Consequently, participation of women in the country's economic development is increasing. They also play an important role in elevating the economic status of their families. This has led boost to the process of women's empowerment.

Self-help groups are started by -governmental organizations (GO) that generally have broad anti-poverty agendas. Self-help groups are seen as instruments for goals including empowering women, developing leadership abilities among poor and the needy people, increasing school enrolments and improving nutrition and the use of birth control. In countries like India, SHGs bridge the gap between high-caste & low-caste members.

EMPOWERMENT:

The term empowerment refers to measures designed to increase the degree of autonomy and self-determination in people and in communities in order to enable them to represent their interests in a responsible and self-determined way, acting on their own authority. It is the process of becoming stronger and more confident, especially in controlling one's life and claiming one's rights. Empowerment as action refers both to the process of self-empowerment and to professional support of people, which enables them to overcome their sense of powerlessness and lack of influence, and to recognize and use their resources.

In social work, empowerment forms a practical approach of resource-oriented intervention. In the field of citizenship education and education, empowerment is seen as a tool to increase the responsibility of the citizen. Empowerment is a key concept in the discourse on promoting civic engagement. Empowerment as a concept, which is characterized by a move away from a deficit-oriented towards a more strength-oriented perception, can increasingly be found in management concepts, as well as in the areas of continuing education and self help.

CREDIT FOR EMPOWERMENT:

Credit for empowerment is about meeting daily consumption need of the poorest. It entails trying to build capacities of a large number of individuals, usually collectives, to increase credit absorption and undertake sustainable livelihoods. The SHG is conceived as a sustainable people's institution, which provides the poor with the space and support necessary for them to take affective steps toward achieving greater control of their lives in society. The focus is on mobilizing the poor to pool their own funds, building their capacities, and empowering them to leverage external credit. In other words, credit for empowerment is about organizing people, particularly around credit and building capacities to manage money.

WOMEN AND ENTREPRENEURSHIP:

Entrepreneurship refers to a creative approach in business. Exploring and discovering new business opportunities, managing the enterprise exactly, taking risks and successfully introducing innovations are the entrepreneurial function. Women entrepreneurs may be defined as a woman or groups of women who initiate, organize and run a business enterprise. Women entrepreneurship makes them economically strong and gives the freedom to take decisions since women entrepreneurs initiate, organize and operate the business enterprise. The Government of India has defined women enterprise as an industrial unit where one or a group of women owned at least 51 per cent share in the capital and at least 51 per cent employment generated by the enterprise should be for women only. Women entrepreneurs, who were confined to traditional

areas like food, fruits, vegetables, pickles, tailoring etc., have shifted to non-traditional areas like engineering, jewellery, handicraft, electronics, manufacturing etc. SHG- banking linkage model is an important model of micro-finance which helps their members to start their own business. SHGs in rural area have empowered illiterate and poor women by linking them to the mainstream banking system. Most women remain deprived of employment opportunities as wage workers because of their family responsibilities, social and cultural barriers. In this context, self-employment or setting up enterprise of their own may become an opportunity for women, to get an income and to acquire financial security in this regard Self Help Groups can play major role and development of entrepreneurship can help reduce the problem of unemployment and several social problems in the society that go with it.

DEVELOPMENT OF SHGS:

Self Help Groups are considered as one of the most significant tools to adopt participatory approach for the economic empowerment of women. It is an important institution for improving the life of women on various social and economic components. The basic objective of an SHG is that it acts as the forum for members to provide space and support to each other and get financial sustainability through adopting micro-enterprises based on availability of resources, prevalent skill and availability of markets for sale of products. Group entrepreneurship is ideal for weaker sections of the society and it is an instrument which helps the poor women to overcome their poverty. It gives employment opportunities for illiterates.

SHGS AND MICRO-FINANCE IN INDIA:

The Indian state of Andhra Pradesh, one of India is poorest, has used development self-help groups (SHGs) extensively as a primary tool of poverty alleviation and empowerment. A SHG is a small group of persons who come together with the intention of finding a solution to a common problem such as medical issues, livelihood generation or watershed management, with a degree of self-sufficiency. However, in Andhra Pradesh, the groups largely are the conduct through which micro credit is routed to the poor in the belief that it will serve as a catalyst in helping them to pull out of poverty.

First official interest in informal group lending in India took shape during 1986-87 on the initiative of the National Bank of Agriculture and Rural Development (NABARD). As a part of this broad mandate, NABARD initiated certain research projects on Self-Help Groups (SHGs) as a channel for delivery of micro-finance in the late 1980s. But by then micro-finance by "non-formal" financial organization had already started. Self-Employed Women's Association (SEWA) owned by women of petty trade groups was established on cooperative principle in 1974 in Gujarat. NABARD started a pilot project of SHG-bank linkage in 1992. The project objective was to facilitate access of the poor to formal credit institutions. The pilot project envisaged banks to lend to the SHGs without collateral on the principle of trust-banking. The Reserve Bank of India (RBI) issued policy guideline in the year 1996, treating SHG finance as a priority sector advance. Government of India also introduced the SGSY scheme in 1999. This program aiming at self-employment and poverty alleviation replaced the Integrated Rural Development Program and other allied programs targeting the rural poor. The rationale behind the introduction of the SGSY scheme was to increase the percentage of people living above poverty line by providing assistance to poor families, promoting micro-level enterprises, inter-alia organizing the poor into SHGs.

ADVANTAGES:

1. An economically poor individual gains strength as part of a group.
 2. Besides, financing through SHGs reduces transaction costs for both lenders and borrowers.
 3. While lenders have to handle only a triple SHG account instead of a large number of small-sized individual accounts, borrowers as part of an SHG minimize expenses on travel (to and from the branch and other places) for completing paper work and on the loss of workdays in canvassing for loans.
 4. Where successful, SHGs have significantly empowered poor people, especially women, in rural areas.
 5. SHGs have helped immensely in reducing the influence of informal lenders in rural areas.
 6. Many big corporate houses are also promoting SHGs at many places in India.
- SHGs help borrowers overcome the problem of lack of collateral. Women can discuss their problem and find solutions for it.

CONCLUSION:

Micro-finance program are important institutional devices for providing small credit to the rural people in order to alleviate poverty and SHG bank linkage, have the potential to minimize the problems of inadequate access of banking services to the poor. Many studies highlighted that SHGs have inculcated saving habits in poor. Many studies reveal that increased availability of micro-credit to the poor through SHG bank linkage program will help rural people to take up larger productive activities, empower the poor women, and decrease the dependence on money lenders. But, In spite of the impressive figures of micro-finance in India as have exposed in tables. It is still too small to create a massive impact in poverty alleviation. However; Indian experience in the case of Micro-finance and SHG is shown that this strategy is suitable strategy for developing and underdeveloped countries.

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