

SELF HELP GROUPS - FINANCIAL SECURITY FOR WOMEN

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Abstract

Self help groups are formed with a view to provide financial security to women. It is nothing but a guild system in ancient times. Poor rural women can earn herself and her family through the self help groups. The authors have examined this through a clinical study.

Objectives:

The authors have conducted this study by keeping following objectives in their mind

1. To focus on the formation of self help groups.
2. To lay emphasis on the functioning of self help groups. In North costal districts of Andhra Pradesh.
3. To draw the attention of the society towards the role to be played by self help groups.
4. To focus the role of women for the all-round development of this fellow community.

Methodology:

Both the authors have followed the empirical approach to complete this study. They have consulted experts and some of the women who are the members of a group in a village named Tummapala near by Anakapalli of Visakhapatnam district. They have consulted the literature available in form of secondary sources.

Hypothesis:

The authors have finished their study on the basis of tentative conclusions. The self help groups are formidable economic source for the poor rural women. The modern governments have encouraged the self help groups for the all-round development of women. Most of the women have generated income through the self help groups. The poverty level in the villages has been dicresed with resulted in the political, social, economic, social empowerment of women.

Significance of study:

The study on the self help groups in an important task to be accomplished. The concept of self help groups is a boon to the women of below poverty Line 32% of women in the north costal districts have generated their income through the self help groups. The DWACRA groups have involved in the manufactural sector and small scale industries to make income. Such a vital role is being played by the self help groups to boast the economy of both district and state.

For an instance in Tummapala village the members of self help groups have expressed different opinions. 40% of the women have fully satisfied with the self help groups. With provide them an opportunity to bring their family up from the below poverty line. 20% of women wanted the loans to be generated in a quick time to continue their business. 30% women have expressed their dissatisfaction over the grant of loans these problems should be overcome to strengthen the self help groups.

Theme of the paper:

In recent years financial inclusion has been given top priority as financial development and Economic growth are interdependent. Women constitute almost half of country's population and their work participation is also increasing and diversifying and impacting her family, Neighborhood and the economy too. Notwithstanding their numerical strength women are still confined to a secondary status in social life, economic activity and decision, making Process. The Draft National policy for women in agriculture April 2008 prepared by National commission for women's stated that an estimated 20 per cent of rural Households are defacto female headed due to widowhood, desertion or male out migration. This makes women economically vulnerable and both occupational and socially, the victim of Discrimination. Self reliance through solidarity and productivity seems to be the way out of this Human poverty. Financial inclusion therefore, could be a means to come out of poverty. Self help Groups are considered SHG movement in India at present is SHG Bank Linkages. Across regions And communication SHGs of women have improved their participation and saving capacity. When Women have finical means, they invest that money back into their families resulting in better economic security. However, we need to know whether this impact translates to better Social security intermediation is a half attempt at women empowerment. Time has come to the nobles of growth approach ability to cope with challenge expertise in group management rather than be complacent with past experience. The objective of this paper therefore, are to 1 critically examine the role and reach of SHGs towards empowerment, 2 discuss the issues and initiatives In establishing linkages between the socio economic dy-

namics and women s empowerment, and 3 explore some strategies that supplant or supplements the SHG initiatives and remove the Imbalance that still remains in accomplishing total empowerment of women.

India has a population of 1.27 billion out of which 40 per cent of rural population and 23.62 percent of urban population are estimated to live below poverty line. The urban and rural poor have been dependent. On money lenders for their financial needs, such as Marriage, other emergency needs because formal credit system of bank is Beyond the reach of poor. This provides an opportunity for money lenders in our economy. Yet women are the more poor and under privileged that man as they are subject to many Socio economic and cultural constraints. Financial inclusion alone can guarantee Economic security to poor woman. The Indian government and RBI have introduced a Policy of financial inclusion, as a part of this policy, the Indian bank s are required to Land to priority sectors, one of which is rural women. The SHG s are also popularly called DWCRA group s, and this Name become popular after the DWCRA program development of women and children in rural areas Areas which women s group were assisted initially. The SHG are not only restoring to thief but also Are taking small loans out of the corpus SHG is a homogeneous group of Rural people including women who decided to from volunteer organisation For small saving amounts , know s corpus . The group corpus consider of savings, government assistance and bank loan. Member s uses the Loans out of group corpus for their personal needs initially. However in the Long run such loans are utilized for income generation activities.

Origin of SHG:

SHG are formed with fifteen to twenty members with similar socio economic Background and from certain locality. Self help groups SHG originated in Bangladesh, founded by prof. Mohammad in 1975, who gave a new approach to rural credit in Bangladesh, Malayalam, Philippines, Korea, Indonesia and India. But India s Frist microfinance institutions shrisewa bank was set up as an urban co-operative bank, by self Employed womens association in 1974.NABARD intimate SHG in the year 1986-87. But the real effect the linkage of SHGs with the bank. But the Indian bank and Tamil Nadu corporation for development Of women linkage and select NGOs which implements SHG based poverty alleviation program Targeted rural women with International Funds for Agriculture development. But these are supplied side programs aided by corruption and leakage, which Achieve little ingnoring the demand side of economy.

Concept:

The self help groups are voluntary association of people to attain a collective goal. People who are homogeneous with respect to social background, heritage caste or Homogeneous come together for a common cause to raise and mange resources For the benefit of the group members. The group of people with a common objective are facilities to come together In order to participate in developing activity savings, credits generation. Is called group formation. Although the self help groups can be formed for any development Activity, from the financial institutions to use them as conduct for Banking activity be familiar with money management The concept of self help groups is based on following principal Self help supplements with mutual help can be a powerful vehicle The poor in their socio economic development.

- Participate financial services management is more responsive and efficient.
- poor need not only credit support, but also saving and other services.
- poor can save and bankable and SHG s as clients, results wider out reach , Lower transaction costs and much lower risk cost s for the bank .
- Creation of a common funds by contributing small saving on a regular basis.
- Flexible democratic system of working.
- loaning is done mainly on with a bare documentation and Without any security
- Amount s loaned are small, frequent and for short duration.

Micro finance programs are currently being promoted as a key Strategies for simulating addressed both poverty alleviation and Womens empowerment. Before 1990 s credit scheme for women were Almost negligible. There were certain misconceptions about the poor People that they need loans at subsidized of interest on soft terms, Earlier government efforts through various poverty alleviation schemes for self employment by providing credit and received little success . Since most of them were target based Involving various government agencies and bank

Working of SHG:

SHGs are working in democratic manner. The major involving financial intermediation by SHG is the SHG bank linkage program. This Program was launched by national bank for agricultural and rural development In 1992, the apex bank for rural development in India. Commercial bank, Regional rural bank, small industry development bank of India, housing and urban development corporation, including cooperative bank played an important role in providing refinance facilities and leading to SHG and federation of SHG.

SHG are necessary to overcome exploitation, credit confidential for economic Self reliance in poor, participate women who are mostly invisible in social structure.SHGs become the changes and bullied by relationship of mutual trust between the Promoting organisation and the rural poor through constant contact generation Credit delivery through thrift and create groups alternative to the extinction System of credit disbursement by the bank. SHG s has been found to help their Members sound habits of saving and banking.

Functions of SHGs:

- *Creating a common fund by the members through their regular savings.
- *Maintaining a flexible working system and pooling the resources in a democratic Why.
- *lending small but reasonable amount of loans so that it is easy to repay in time.
- *Keeping the rate of interest affordable, varying from group to and loan to Lone.

Empowerment of women through SHGs: Self help groups are as at instruments to change the Condition of women socially and economically. Once socio economic Development of women. SHGs enable, social, politics and psychological Empowerment of women.

Economic Empowerment: The economic conditions of women has been found to be related To her role and status in the society. The self help groups provide economic benefit to the women by providing income generation activities .Economic independent facilities in bringing about sexual equalit And increase in women income translates more directly into Family well being.

Social Empowerment: Self help group improve the status of women as Participate, decision makers and benefits in the social, democratic Economic and cultural sphere of life. SHG s ensure the equality of struts Of women as participate, decision makers and benefits in the democratic, Economic, social and cultural spheres of life.

Political Empowerment: SHG are active, articulate and organization citizens act on a range of Issue, holding the panchayats accountable in terms of the use, productions And distribution of public resources for the common skills to speak at the Gramasabha, public meeting, etc. social mobilization through SHG s is inevitably For political Empowerment.

Psychological Empowerment: Self help group the equality of women participate decision makers and benefits in the democratic, economic, social And cultural spheres of life. The SHGs inculcate a great confined in the Minds of rural women to success in their day to day life.

Suggestions for strengthening SHG movement:

*Implements of ICT based banking operations must be given priority.

*Skill development of SHG members should be given due attention.

*The Pradhan Mantri Jan DhanYojana should be well conceived as it encourages the poor Access to institutions to credit.

*Timely provision of credit at low rate interested is very essential.

*Enhanced of credit absolutely capacity of a regional is equal important

*Check on corruption and communication while sanctions and upgrade the loans

*Belter interracial between bank official and SHG members is essential

*For including growth, design financial inclusion, SHG s must strive for health inclusion,

Education inclusion, hosing inclusion, legal inclusion, equality inclusion, leadership inclusion , and Government inclusion too.

*To supplement SHG s effort s it must develop linkage with manufacturing, marking and Service units quality professional besides financial viability.

Conclusion:

There have been perception and wholesome change s in finance activity and economic security of the SHG members. The SHG linkage program is considered as a bench Mark in women empowerment and socio economic development of women, but it has long Why to you essential that SHG s are required to overcome the exploitation, credit confident for Self reliance among women. Micro finance still remains a powerful tool for development.It may be a few drops in the but it has helped people in becoming self sufficient the required it brings Drown the capital and the operating costs and the existing bonding between micro finance and The formal financial system.

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