*THINK INDIA JOURNAL*

ISSN:0971-1260

Vol-22-Issue-10-November-2019

# Impact on Performance of Women Empowerment through Self Help Groups in Tiruvannamalai District

Naveen Kumar. A
MBA, Department of Management Studies
Bharath Institute of Science and Technology,
Bharath Institute of Higher Education and Research
Department of Management Studies,
Selaiyur, Chennai, Tamil Nadu 600 073

**ABSTRACT**

The present study is an attempt to analyze the role and performance of SHGs in promoting women's empowerment in Tiruvannamalai District of Tamil Nadu. The broad objective of the study into analyses the operating system of SHGs for mobilization of saving, delivery of credit to the needy, management of group funds, repayment of loans, in building up leadership, establishing linkage with banks and examines the social benefits derived by the members. In order to collect and gather primary data, field observation and structured questionnaire survey methods were employed. In addition, information was also collected through discussions and interviews with local NGOs and government's grass roots level workers. The study reveals that SHGs had set a new agenda for financial intermediation by banks in the form of micro-credit. By the formation of SHGs, credits are demanded for various purposes (domestic, health, festivals, repayment of old debts, investment, etc.). Similarly different economic activities are undertaken by theSHG members after joining the group. Habits of savings, economic independence, self- confidence, social cohesion, asset ownership, freedom from debt, additional employment, etc. benefits are derived by the SHG members. Thus, SHGs have served the cause of women empowerment, social solidarity and socio-economic betterment of the poor for their consolidation. Microfinance programs like the Self Help Bank Linkage Program in India have been increasingly promoted for their positive economic impact and the belief that they empower women. However, only a few studies rigorously examine the link between microfinance adwomen's empowerment. This paper contributes by arguing that women empowerment takes place when women challenge the existing social norms and culture, to effectively improve their wellbeing.

**KEY WORDS:** Self-Help Group, Woman Empowerment, Rural Empowerment, Shantin156O\iketan, Self-Reliant Village Economy, CDP, Direct Attack on Poverties Classification Code: ROO

## 1. INTRODUCTION

Self Help Groups are widely used as an instrument to empower women socially and economically. Once socio economic empowerment is achieved, it would have an impact on the overall development of women. The economic contribution of women has been found to be related to their role and status in the society. Economic independence facilitates in bringing

ISSN:0971-1260

Vol-22-Issue-10-November-2019

about gender equality, and an increase in women's income translates more directly into the family wellbeing. Therefore, enhancing job opportunities through the formation of Self Help Groups is a viable path for the empowerment of women. Self Help Groups are a promising alternative to achieve the objectives of

societal development, especially women's empowerment. Through the Self Help Groups, micro credit is disbursed to women for the purpose of making them enterprising and encouraging them to enter entrepreneurial activities. The credit needs of women can be fulfilled totally through Self Help Groups.

This paper contributes by arguing that women empowerment takes place when women challenge the existing norms and culture, to effectively improve their wellbeing. Since women empowerment is unobservable it is measured as a latent variable. In contrast to previous studies, the measurement model does not treat the latent variable as observed. Moreover, it employs appropriate techniques to treat the ordinal variables in the structural equation models. The general structural model estimates the mean women empowerment for2000 and 2003, to measure the impact of the SHG program on women empowerment.

The concept of empowerment is defined as the process by which women take control and ownership of their choices. The core elements of empowerment have been defined as agency (the ability to define one's goals and act upon them), awareness of gendered power structures, self-esteem, and self-confidence. Empowerment can take place at a hierarchy of different levels –individual, household, community and societal – and is facilitated by providing encouraging factors. In this connection Micro-finance with Self Help Groups play an effective role for promoting women empowerment.

It is not only an efficient tool to fight against poverty, but also as a means of promoting the empowerment of the most marginalized sections of the population, especially women. According to Ellie Bosch it is just old wine in a new bottle. It consists of a group of people of three to eight persons on the condition that each of them would be assuming responsibility for the development of all.

**THESHG SYSTEM**

A SHG is a group of about 20 people from a homogeneous class, who come together for addressing their common problems, they are encouraged to make voluntary thrift on a regular basis they use this pooled resource to make small interest bearing loans to their member, the process helps them imbibe the essentials of financial intermediation including prioritization of needs setting terms and conditions and accounts keeping this gradually builds financial discipline and credit history for themselves, as the money involved in the lending operations is their own hard earned money saved over time with great difficulty.

This is warm money, they also learn to handle resources of a size that is much beyond their individual capacities the SHG members begin to appreciate that resources are limited and have a cost, once the groups show this mature financial behavior, banks are encouraged to make loans to the SHG in certain multiples of the accumulated savings of the SHG, the bank loans

ISSN:0971-1260

Vol-22-Issue-10-November-2019

are given without any collateral and at market interest, banks find it easier to lend money to the groups as the members have developed a credit history ‘cold (out size)money gets added to the own warm money in the hands of the groups which have become structures, which are able to enforce credit discipline among the members, the member have experienced the benefits of credit discipline by being able to save and borrow regularly without many hassles.

**STATUS OF SHG IN INDIA**

The informal delivery system, more precisely the self-help group (SHG), has come a long way since its modest beginning during 1992-93, it is now increasingly recognized as an effective mechanism for reaching a large number of the hitherto unbanked sections of the rural poor with minimal transaction and risk costs, the SHG- bank linkage programmers has been one of the major

initiatives of NABARD, which has made a difference to millions of poor in contributing to the process of economic growth in the rural areas, today, this unique initiative in Indian, with more than 2800 partners, has bloomed into the fastest growing and most cost effective micro finance initiatives in the world, enabling 6,21,147, SHGs were having savings account with outstanding saving of Rs 5,54,562 lakes, the banks have now recognized SHG bank linkage as a new dimension of quality lending, A part from banks, other institutions office are also associating themselves with the movement with the movement.

**SHGS IN TAMIL NADU**

Tamil Nadu the SHGs were started in1989 at Dharmapuri District. At present 1.40 lakh group are functioning with 23.83 lakh members. Multifold activities of SHGs have paved the way for improving village economy. Creating avenues for skill development, including leadership qualities and enabling economic independence are major functions of the 'MahalirThittam', a five-year project of Tamil Nadu Women Development Corporation (TNWDC) aimed at empowerment of women. Tamil Nadu doing well on the SHG front has resulted in the state today boasting of more factors. SHGs have, in fact, emerged as one of the major strategies for the convergence of services and activities.

The SHGs across states have focused on skill development, facilitating generation, gaining access to credit from financial institutions for micro enterprises/ projects, inculcating of thrift: and management of credit for the economically deprived sections of women. The SHG is a homogenous group of rural people including women who decide to form voluntary than 3 lakhs SHGs with a membership of more than 54 lakhs. This includes 2.61 lakhs SHG directly covered by the Tamil Nadu Women Development Corporation through the successful Fostering of savings habit and promptness in loan repayment. Three years ago, women were reluctant event attend Gram Sabah meetings; of-late the Attendance of women at the meetings went up by65 per cent. The message of the importance of social audit was disseminated through the training for the SHGs. The Women began attending the meetings and learnt representing their grievances. They are able to prioritize their needs and to reorganize themselves into networks

 

ISSN:0971-1260

Vol-22-Issue-10-November-2019

at the Panchayat level to decide their agenda. SHGs have become the tool for institutionalizing convergence between various welfare Departments.

Measuring women empowerment by constructing indices is an inappropriate technique as it allows the use of arbitrary weights. Most researchers, for instance, will agree that impact of a woman
decision to buy cooking oil for the family is different in nature from her participation in a decision to buy a piece of land. Both these decisions have different implications and magnitude of impact on her empowerment. As such giving equal weight age to both these decisions does not make sense. At the same time suggesting an arbitrary weight for these decisions is also inappropriate, as it is not for the researchers to decide the factor by which the latter decision contributes more to women empowerment.

## WOMEN EMPOWERMENT CONCEPT

The concept of empowerment traces its history in the mid-17$^{th}$ century with the legalistic meaning to invest with authority‘. Thereafter it began to be used with an infinitive in a more general way meaning "to enable or permit. Its modern use originated in the civil rights movement, which sought political empowerment for its followers.

This idea of empowerment is an offshoot of the discourse on human development and it came into prominence after 1980s. Its linkage with feminist discourse went a long way in shaping the idea of women‘s empowerment. However, these concepts are still not clearly defined and demarcated from closely related.

## THE CONCEPT OF EMPOWERMENT

The concept of empowerment is defined as the process by which women take control and ownership of their choices The core elements of empowerment have been defined as agency (the ability to define one's goals and act upon them), awareness of gendered power structures, self-esteem, and self-confidence (Kabeer,2001). Empowerment can take place at a hierarchy of different levels –individual, household, community and societal – and is facilitated by providing encouraging factors (e.g. exposure to new activities, which can build capacities) and removing inhibiting factors (e.g. lack of resources and skills). In this connection Micro-finance with Self Help Groups play an effective role for promoting women empowerment. Empowerment is a process by which women gain greater control over resources (income, knowledge, information, technology, skill and training), challenge the ideology of patriarchy, and promote leadership and decision making processes; enhance their self-image to become active participants in the process of change and develop the skills to assert them.

Empowerment is a process of awareness and capacity building leading to greater participation, to greater decision-making power and control, and to transformative action. It is "the process of changing the existing power relations and of gaining greater control over the sources of power". The goals of women empowerment are to change the ideology of patriarchy and to transform the structures of image. The economic projects sponsored by the SHGs cover an extensive range of income generating activities such as goat rearing, shops and small business, vegetable cultivation, Sericulture, biogas etc., which have had a positive impact on them. The benefits are not merely economic, but have also helped the women gain qualities of leadership, attain self-confidence and self-respect and lead a decent life in the society.

## WOMEN EMPOWERMENT IN VARIOUS ASPECTS

The emerging changes in the values and attitudes of the members of the SHGs are a clear manifestation of socio-economic empowerment intervention yielding relatively quicker results. The socio-economic programme reinforces each one in the group and promotes all round development of the children, women in the households and the society at large. SHGs have a greater vision of empowerment of rural women for over all human development. The group as a whole commits the repayments of the loan to the bank the repayment of loans by SHGs is 98% in Tamil Nadu.

## EDUCATIONAL EMPOWERMENT

Education is the key which opens the door to life, develops humanity and promotes national development. Education can be an effective tool for women empowerment. It enables women to acquire new knowledge and technology required for improving and developing their tasks in all fields. Hence, no amount of effort will solve the problem unless and until women themselves are initiated into a thinking- reflecting-questioning-acting process. This cannot be achieved until women are hauled out of their acceptance of the anachronism of tradition to demand a better deal from family and society. The literacy has gained importance only recently with the introduction of industrialization, technological advancement, migration, knowledge revolution, higher standard of living etc. Though one's own prosperity is not associated with literacy, one's empowerment depends on the level of literacy.

## ECONOMIC EMPOWERMENT

Available studies show that most of the women have started self-employment (income generating activities) after joining the SHG by taking advantage of the pooled resources in the group. In this context, one of the major constraints faced by women while opting for any economic activity is lack of information and skills of how to select the activity. It underlines a need for training of women in identification of opportunity for viable economic activities and making available resources for the same. At the same time, when the purpose of loan is focused too much in the SHGs, it may shift away from the 'poor' to the 'better off' members in the group. Once economic empowerment is achieved in terms of easy access to credit facilities, better bargaining power has an influence on the overall social empowerment (Lalitha and Nagarajan 2002). Hence, collective economic strength in the group leads to enhanced access to new information, skills, knowledge about resources and collective action. It also results in improving their ability to participate and take decisions both at home and in the community.

ISSN:0971-1260

Vol-22-Issue-10-November-2019

## SOCIAL EMPOWERMENT

A study by Gopalakrishnan (1998) has shown a positive change towards child care, environment, sanitation, drinking water, public speaking and child education. It indicates involvement of women as a group in the overall development of the local community and also in the empowerment process, as a result of enhanced awareness among the women in the group. Thus, the SHG strategy provides women with a chance for educative programmes, awareness creation on issues such as drinking water and sanitation, family planning and literacy. Creating awareness of the present social position is an important role. Because majority of the group members are illiterate, the NGO arranges training to improve the awareness level of the SHG members. At the time of training visuals, charts, picture stories, awareness songs (especially on social themes like child marriage, dowry system, female infanticide and general hygiene) and games are used.

## POLITICAL EMPOWERMENT

Political empowerment of women has been continuously neglected since independence, even though the country is wedded to the democratic system and the women constitute nearly half of its total population. For a long time, the participation of women in the political process at different levels was very marginal. Due to various constraints they could not occupy the positions of power and assume leadership roles. They were also denied opportunities to participate in the administration, even in the making of decisions that affect their own lives and welfare (Anjuly and Kaushik 2007). SHGs have been working with marginalized women for the past 10 years to bring about social change and economic independence. In addition, the ultimate aim has been to bring SHG women into the political process, so that they can assert themselves as a decision maker in the local self-government institution.

## PSYCHOLOGICAL EMPOWERMENT

The emphasis of Self Help Group is on enabling people to help themselves, i.e. self-reliance. The role of SHG, its organizations and their leadership is to create political spaces within which organizations create alliances with other agencies. Building of capacities is based on sharing experiences and increasing the exposure of different sectors to each other. It means building their capacities to move from opposition of marginality to one of centrality in the decision making process. Another aspect is recognizing that SHG women learnt most effectively from their peers through an experimental methodology. They have gained a great deal of self-confidence. Many SHGs have placed demands with GramaSabha for drinking water, street lights, SGSY loans etc. Through these actions their self-esteem is being elevated.

The Annapurna “MahilaMandal” in Maharashtra and ‘Working Women’s Forum’ in Tamil Nadu and the National Bank for Agriculture and Rural Development (NABARD)-sponsored groups have followed the path laid down by ‘SEWA’. In 1991-92 NABARD started promoting self-help groups on a large scale. And it was the real take-off point for the ‘SHG movement’. In

1993, the Reserve Bank of India also allowed SHGs to open saving accounts in banks. Facility of availing bank services was a major boost to the movement.

## RURAL DEVELOPMENT AND WOMEN EMPOWERMENT

The Indian government limits the meaning of the concept of rural development only to anti-poverty programmes. But the rural development is a comprehensive programme of activities which include agricultural growth, development of social and economic infrastructure, fair wages, housing, public health, education, village planning, nutrition and communication. So it is an effective instrument for rural rejuvenation for the poor rural house-holds. This instrument is blunt-weapon unless the rural society is authorized to access the development process. The authorization or empowering of rural society or villages in the fields like social, political, economic, academic, means of production and production technology is rural empowerment. The rural rejuvenation and transformation inclusive of self-sustained growth of village-community is possible only through such authorization. So the concept of rural empowerment is wider than rural development.

## 2. SUGGESTIONS AND CONCLUSION

Self- employment is better suited to women. If she is her own master of any of her work schedule, she can adjust her work. At present women have broken the monopoly of men and proved that they are not inferior to men. Over the past few decades the women has been breaking traditional role of

a mother or a house wife. It is clear from the study that women entrepreneur of SHGs has good work force, under the dynamic setting of business, if women entrepreneur is given a proper guidance and training to enhance the profitability of the enterprises the future will be bright and prosperous.

- Literacy and numeric training is needed for the poor women to benefit from the micro-credit schemes.
- Training in legal literacy, rights and gender awareness are important complements to microcredit for the empowerment of women. The members should be given necessary training and guidance for the successful operation of the group.
- The members of the SHG should be more active, enthusiastic and dynamic to mobilize their savings by group actions. In this process NGOs should act as a facilitator and motivator. The office bearers managing the group should be given nominal financial benefits, which will enable them to be more involved in the activities of the Group.
- The bank should advance adequate credit to the SHG according to their needs. Uniformity should be maintained in formation and extension of financial assistance to them by banks in all blocks. The procedure of the banks in sanctioning credit to SHG should be simple and quick.

ISSN:0971-1260

Vol-22-Issue-10-November-2019

- Marketing facilities for the sale of products of SHG may be created. Periodical exhibitions at block-level may be organised where the products of SHG can be displayed. Meetings and Seminars may be organised where the members will get a chance to exchange their views and be able to develop their group strength by interactions.
- Active intervention by district administration, professional bodies and voluntary organisation sis precondition for the successful conception of micro enterprises in terms of skill training, designing products, providing new technology and access to market.

## 3. REFERENCES

[1] Bosch, Ellie (2010), Micro-finance: New Wine in a New Bottle, A Supplementing Role for

[2] Cordaid and IICO,

[3] Cheston, Susy and Lisa Kuhn (2002), "Empowering Women through Microfinance", Unpublished Background Paper for the Micro-credit Summit 15, New York, 10-13 November

[4] (www.microcreditsummit.org).

[5] Dasgupta, Rajaram (2005). "Microfinance in India: Empirical Evidence, Alternative Models

[6] and Policy Imperatives", Economic and Political Weekly, 19 March.

[7] Kabeer, N. (2010), "Resources Agency Achievements: Reflections on the Measurement of

[8] Women's Empowerment – Theory and Practice", SIDA Studies, No. 3.

[9] Kapoor, Pramilla (2001), Empowering the Indian Women, Publications Division, Ministry of Information and Broadcasting, Government of India.