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A study on role of SHG's in women empowerment

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Abstract

Women empowerment is a concerning issue on global stage. Women empowerment refers to the creation of an environment for women where they can make the decisions of their own for their personal as well as for the society women empowerment refers to the increasing and improving the social economic political and legal strength of the women. Women population constitutes around 50% of the world population. Rapid self-help group formation progress has given rise to the national movement for emancipation. Self Help Group SHG's could potential lead to a significant effect on women empowerment. Microfinance institution has a positive outreach on the women socio economic and political growth. This Paper focuses on the role of SHG's in women empowerment. The Government of India is supporting SHGs, Start-Up's and innovative organization established up for the welfare and empowerment of women. SHGs are also the ideal ways to provide women the chance to discover their strength, develop their leadership skills, and exchange ideas with one another. SHGs enhance the financial security and economic participation of women.

Keywords: Women empowerment, micro finance, self-help group, micro finance

1. Introduction

Empowerment is the process of enabling or authorizing an individual to think, behave, take action and control work in an autonomous way. It is the state of feelings of self-empowered to take control of one's own destiny. It includes both controls over resources (Physical, Human, Intellectual and Financial) and over ideology (Belief, values and attitudes) (Batliwala, 1994) ^[9].

1.1 Women Empowerment

As a country, India has been making an immense effort in the world for the protection of women right in recent years. Centre for Global Development Study found that policies made by the India have helped in a great way to empower women and reduce gender inequality. Nearly a century has passed and despite India's multidimensional growth, the concerns remain relevant today. Despite the fact that women constitute half of India's population of 1.2 billion, they are largely excluded from economic activities and decisions making as well as access to resources, such as health, nutrition and education. This exclusion and discrimination is reflected in India's low female labour force participation rate that is 22.3%. Despite the fact the women have the potential to contribute to the household finances, they frequently lack the agency to participate in decisions regarding avenues of income generations often pushing their families to the brink of poverty. In such a scenario Self-help Groups SHGs can serve as a bridge between women entrepreneurs who want to start a business but lack the resources to do the same. SHGs is a small group of women who meet on a regular basis to make contributions. SHGs have already made a significant contribution to the development of entrepreneurship aptitude among rural women by enhancing their skills and provide opportunities to participate in a variety of entrepreneurial activities. Particularly in recent years, India has become a global force for women rights. According to a research by the Centre for Global Development, India's policies have aided in emancipating women and reducing gender inequality. Women-led organizations are quickly replacing the paradigm of women development in India. India's G20 agenda continues to place a priority on women economic empowerment. "Global progress is not possible without women participation," Prime Minister Narendra Modi said at the G20 Summit in Bali, is a succinct summary of the issue.

1.2 Self Help Group

Self-help groups (SHGs) are generally informal associations of people who come together to achieve or fulfill their needs and to improve living standard. Generally, SHGs are financial intermediaries committee usually composed 10 to 25 women members from similar social and economic background. They make small regular savings contribute over a few months until there is enough money. Members can took loan from their collective savings in times of emergency or any important event of life. The forming rules and regulation and accounting the loan are done in the group by designated member.

The self-help group has its own foundation. The members are connected by a shared trait or characteristic, such as caste, subcaste, blood, community, place of origin, or activity. The intervenors, whether from an NGO, bank, or government, must have experience to recognise these "affinity groups" that are naturally occurring social groups. The root of a group's affinity is a shared caste or origin, even when its members are engaged in a comparable traditional occupation, like basket weaving.

Self-help group lays emphasis on activity cluster based on the recourses and the occupational skills of the people and availability of the markets.

At both the national and family levels, women form an essential component of the Indian economy. They account for one-third of the workforce in the country. Indian women, in comparison to their male counterparts, devote a far bigger portion of their income to providing for the necessities of their families, having a direct and positive impact on the prevalence and security of poverty

In spite of all of this, social norms and gender ideology prevent them from having access to and control over the resources that would allow them to boost their output. Women are the backbone of agricultural operations, and they make up the majority of agricultural labourers. Women carry out 70 to 80 percent of the fieldwork.

SHGs is essential for giving hope and independence to those who live below the poverty line. They can raise their income, their standard of living, and their social standing thanks to SHGs. It serves as a catalyst to integrate this group of people into society.

Many programmes have been put into place by the Indian government and several state governments to improve rural areas. Nonetheless, the nation continues to experience unemployment and rural poverty. This issue is getting worse and more urgent. According to the most recent figures on the Indian economy, the rural population makes up around 26% of the total population.

2. Objective of Self-Help Groups

1. To inculcate the savings and banking habits among members.
2. To secure them from financial, technical and moral strengths.
3. To enable availing of loan for productive purposes.
4. To achieve financial security through loans or credit.
5. To benefit from group intelligence when organising and overseeing their own finances and sharing the rewards among themselves.
6. To educate local women about the importance of SHGs and their role in their empowerment.
7. To foster a sense of female community.
8. To increase women capability and self-confidence.

9. To encourage women to make decisions as a group.
10. To help women develop the habit of saving and make it easier for them to build up their own capital resource base.
11. To encourage women to take on social responsibilities, particularly those that pertain to the advancement of women.
12. It serves as a forum for members to support and give each other space.

One of the chief reasons for rural poverty is the lack of access or limited access to credit and financial services. The Rangarajan Committee Report highlighted four major reasons for lack of financial inclusion in India. They are:

1. Inability to give collateral security
2. Weak credit absorption capacity
3. The insufficient reach of institutions
4. Weak community network

It is being recognised that one of the most important elements of credit linkage in rural areas is the prevalence of sound community networks in Indian villages. SHGs play a vital role in giving credit access to the poor and this is extremely crucial in poverty alleviation. They also play a great role in empowering women because SHGs help women from economically weaker sections build social capital.

3. Review of Literature

In the literature review of topic Competency women empowerment done under various headings: Offering micro-finance is one of several strategies aimed at empowering women and is of utmost significance. Many people have recognised micro-finance for underprivileged women as a method for their empowerment and broad economic growth. As previously stated, Self-Help Group-Bank Linkage Program dominates microfinance, intended to provide a method for financial services that is both efficient and affordable among the "unreached poor." based on the ideas of group pressure and peer pressure Savings as a replacement for collateral, the SHG initiative has not been successful.

In addition to addressing the unique requirements of the rural poor, strengthening the ability of the underprivileged to form collective Self-Help Groups at the local level, resulting in their liberation. The amount of literature on micro-finance is substantial. Several effects Assessment research has been conducted.

Richa Sharma (2021) ^[10] presented a paper to empowering women self-help group through microfinance during covid 19. This paper the role of SHGs in women livelihood during the covid 19 and their financial inclusion.

Eswaraih (2014) ^[11] presented a paper to make an attempt focusing on women empowerment through self help group in drought prone Ananthapurmu district in Andhra Pradesh. This paper examines the women empowerment through SHGs and also explain the women empowerment especially in spheres of social status, financial improvement and decision making power on various aspects of society and family.

Yogindar Singh (2013) ^[12] make an attempt to evaluate the nature of business and its performance carried out by women through SHGs and its impact on women empowerment in rural area.

Dr. Jagat Prakash Basu presented a paper to examine micro finance and women empowerment with respect to control of savings, control of income and control over loan.

Kappa Kondal (2014) ^[13] studied how self-help groups may empower women in the Gajwel Mandal in Andhra Pradesh's Medak District. Simple statistical techniques were used in the current investigation. The study's main conclusions, which were based on an analysis of the empowerment of women through self-help groups in Gajwel, showed that these organisations have a favourable effect on women empowerment in the Andhra Pradesh district of Medak's Gajwel Mandal.

Dhanalakshmi and Rajini (2013) ^[14] studied the literature pertaining to the self-help groups (SHGs) movement in India. Hopefully, it will be an Indian setting. The literature on the topic is reviewed in this study will be beneficial to other researchers who are conducting study in this field. It provides historical context for self-help organisations.

4. Role of SHGs in women Empowerment

Financial independence through self-employment opportunities also helps improve other development factors such as literacy levels, improved healthcare and better family planning.

- a) **Financial Inclusion:** Because SHGs guarantee returns, banks are encouraged to lend to underprivileged and excluded groups in society. SHGs have provided the underserved and voiceless segments of society a voice that they would not have otherwise.
- b) **Social Integrity:** SHGs work to combat a number of societal problems such as dowries, drunkenness, child marriage, etc.
- c) **Gender Equality:** By giving women the resources they need, SHGs assist the country move towards true gender parity.
- d) **Improving the effectiveness of government initiatives:** SHGs assist in the implementation and enhancement of the effectiveness of government initiatives. Through social audits, they also aid in the reduction of corruption.
- e) **Alternate source of livelihood/employment:** SHGs assist people in finding employment by offering training in various professions. They also assist in enhancing their current source of employment by providing tools, etc. Also, they lessen our reliance on agriculture.
- f) **Impact on healthcare and housing:** Better family planning, lower rates of infant mortality, improved maternal health, and better housing have all been made possible as a result of financial inclusion in SHGs. These improvements have also helped people fight diseases more effectively
- g) **Banking literacy:** SHGs promote banking literacy among the rural section.

The role of SHGs can be majorly classified in Economical Empowerment, Psychological Empowerment and Socio-Political Environment.

4.1 Economical Empowerment

Economic empowerment is the process of enabling those who have traditionally faced disadvantage to engage in economic activity that is mutually beneficial to them and the larger community. It is considered to be a more efficient and

affordable way to assist persons who would otherwise continue to rely on the social welfare system. There are others who argue against welfare, saying that it reduces the incentive to pursue work while making excessive treasury withdrawals. By encouraging people to develop, They are taken off benefit payrolls once they are financially or economically self-sufficient and become more useful contributors to society. Economic empowerment is frequently used to help women who have experienced discrimination in the workplace and in the workplace opportunities.

The following changes in the women have been noted by academics who have conducted substantial research on the contribution of SHGs to economic empowerment of women.

- a) Increase in the base of material resources (Deepti Umashankar, 2006) ^[1]
- b) The capacity for both big and minor purchases (Hashemi *et al.*, 1996) ^[15]
- c) Capable of launching micro and small businesses (Sanjay Kranti Das, 2012) ^[5].
- d) Smoothing of income and consumption (Sanjay Kranti Das, 2012) ^[5].
- e) Creation of resources (Sanjay Kranti Das, 2012) ^[5].
- f) Financial stability (Deepti Umashankar, 2006) ^[1]
- g) Possession of financial resources (Sanjay Kranti Das, 2012) ^[5].
- h) Having access to the resources they need to realise their goals (Mayoux, 2000) ^[16]
- i) Ability to invest in things like housing, education, health, and marriage, among other things (Deepti Umashankar, 2006) ^[1]

4.2 Psychological Empowerment

- a) An increase in bravery (Ghadoliya, 2004) ^[3].
- b) Developing self-awareness and a sense of the future (Deepti Umashankar, 2006) ^[1]
- c) Deserving of oneself (Ghadoliya, 2004) ^[3].
- d) Improvement in literacy level (Sanjay Kranti Das, 2012) ^[5].
- e) improvement of natural abilities and self-confidence (Deepti Umashankar, 2006) ^[1]
- f) Capable of overcoming shyness and speaking and acting with confidence in front of others (Deepti Umashankar, 2006) ^[1]

4.3 Social Empowerment

In order to improve the quality of life for individuals with disabilities, social empowerment is a continual process that also has a tangible outcome. Social empowerment can be attained through other areas of practise, such as inclusive education and socioeconomic integration, but it is also a specific area of practise where tools, methods, and approaches are available to promote social inclusion. One specific strategy for promoting social inclusion is individualised social support, in which a person is encouraged to succeed in their new environment.

- a) Contribution to the productivity and wellness of the entire family (Mukesh Arora, 2012) ^[4].
- b) A shift in the husband's, the family's, and society's perspectives (Deepti Umashankar, 2006) ^[1]
- c) Changes in gender relations in families and society at large (Thelma Kay, 2002) ^[7].
- d) Better bargaining position with other family members (Deepti Umashankar, 2006) ^[1]

- e) Participation in significant decision-making, such as buying property, rickshaws, or animals for earning goals (Hashemi *et al.*, 1996) ^[15]
- f) A decrease in gender-based violence (Mukesh Arora, 2012) ^[4].
- g) Visibility and social mobility (Deepti Umashankar, 2006) ^[1]

4.4 Political Empowerment

SHGs act on a variety of issues and hold the Panchayati accountable for the use, production, and distribution of public resources for the general welfare of society. SHGs are active, articulate, and organised groups of citizens. SHGs give women the opportunity to improve their communication skills so they can speak at public events like the Gram Sabha. With its regular meetings, when members participate, a SHG operates discussion of several relevant topics and transactional operations. Political change requires social mobilisation through SHGs.

- a) Developing their skills to realise their goals (Sanjay Kranti Das, 2012) ^[5].
- b) Improvement of group leaders' ability to plan, coordinate, make decisions, and manage money (Sanjay Kranti Das, 2012) ^[5].
- c) Social capital is created when people learn to cooperate for a common goal in a group or institution (Sanjay Kranti Das, 2012) ^[5].

5. Conclusion

Even in the twenty-first century, women lack influence. The most ubiquitous and enduring type of inequality in society is still gender-based violence against women and girls, as well as economic and educational discrimination, disparities in reproductive health, and damaging traditional practises. As a result of this, their lives with stress, low self-esteem, dependency, a lack of self-awareness and a lack of a future vision they lack the authority to even decide on matters affecting their own life, among other things women participation in SHGs has the power to alter this situation. Along the way, it gives women more power such as political, managerial, relational, psychological, and economic aspects. SHGs' contribution to empowerment is thus commendable.

"Arise away and stop not till the goal is accomplished," advised Swami Vivekananda. As a result, our nation ought to soar towards the horizon of women emancipation and bask in its beauty. In conclusion, women emancipation is not achievable without their participation in and support of self-empowerment. A strategy for feminine poverty reduction, women education promotion, and the prevention and eradication of violence against women.

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