

Self-Help Group Bank Linkage Microfinance Model- An holistic approach towards empowering women

Nishtha Pareek¹, Preety Pandey^{2*}

¹Associate Professor, WISDOM, Banasthali Vidyapith.

²Research Scholar, Banasthali Vidyapith.

*Corresponding Author

Preety Pandey

Research Scholar, Banasthali Vidyapith.

Article History

Received: 12.03.2024

Accepted: 21.03.2024

Published: 05.04.2024

Abstract: Women who volunteer in local, self-help organizations have a favourable influence on women's social, political, and economic lives. It is regarded as a vital instrument for rural development. Numerous social and economic issues might be resolved by empowering women. Since women's socioeconomic advancement is at the forefront of national development, it stands to reason that the government has been deeply concerned about it. For this reason, 2001 was proclaimed the "Year of Women Empowerment." A powerful tactic for empowering women in many areas is the self-help group. Participation enhanced the family's income, decision-making, level of education, capacity for taking risks, and ability to escape poverty. The study primarily focuses on the socioeconomic growth of SHG members and makes an effort to comprehend the difficulties they encounter. After participating in this program, the self-help group members felt more powerful and attained a higher status by developing certain abilities inside themselves.

Keywords: Women Empowerment, Self Help Group, Microfinance, Uttarakhand, India.

Introduction

India, with most of its people living in villages, may be considered a country of villages. Approximately 72.2% of the nation's population resides in these settlements throughout the nation. Since women make up half of the agricultural population, the nation's social and economic goals depend heavily on the advancement and empowerment of women. Furthermore, because poverty is more common in rural areas, rural development is essential to determining India's future development path. A self-help group might be an unofficial gathering of people from the same socioeconomic background. In India, several self-help groups have asked banks to give microfinance, and thereby presumably operate tools of change for the poor and oppressed. (SHGs) are prepared to mobilize weekly or monthly contributions from individuals who were not anticipated to have any savings. For the members of the organization who have emerging credit needs, they must generate resources. They gather an average amount of money and lend it to members in need. Self-help groups are considered as means for accomplishing objectives including empowering women, fostering leadership qualities, promoting education enrollment, and enhancing nutrition and contraceptive usage. They are established by government agencies with wide anti-poverty agendas. SHGs in India bridge the caste divide between upper and lower castes. Instead than being the main purpose, financial intermediation is typically viewed as a means of achieving other objectives. The procedure aids in their assimilation of the fundamentals of financial intermediation, such as need priority, self-determined payback periods, and bookkeeping and record-keeping. By developing their credit history and financial discipline, it enables banks to lend to them at multiples of their own savings and without requiring collateral security.

Definition of Self-Help Groups (SHGs)

Self Help Groups are the groups of 10-20 members of the women (Vulnerable Sections of the society) A Self-Help Group (SHG) is a cohesive group made up of 10–20 people from low-income households that share similar goals, ambitions, and aspirations. The group was established on the self-help tenet of empowering people by group efforts to improve income, facilitate access to loans and other resources, and strengthen their negotiating position. It is possible for male members, female members, or both to create SHGs. The impoverished in this group voluntarily join together to improve their socioeconomic circumstances.

Objectives of the study

1. To assess the women's social status of India.
2. To know economic and social empowerment of the women members of the groups.

1. Assessing the women's social and developmental status of India.

Studies on behavioural modification indicate that over 70% of female participants experienced a noteworthy enhancement in their capacity to handle any issue. Overall, the results show that women participating in different SHG activities have become better decision-makers since the pre-SHG era, whether it is about their kids' schooling, buying assets, getting married to their daughters, and other matters. Members also reported that their spouses' negative behaviours were improving (George, 2019). The Kudambashree project's active female engagement was emphasized during Kerala's panchayat elections. In a different instance, the Chattisgarh government delegated PDS outlets to panchayats, SHGs, and community-based groups during the Public Distribution System. SHG has shown to be helpful in efficiently mobilizing the

community's unused resources. Self-assistance organization Engaging in different SHG programs can help members hone their mentoring abilities (Kapoor, 2019). Additionally, it has been noted that such group members are regularly selected to serve as Panchayat Pradhans. Encouraging women's position and full involvement in social development as decision-makers is the United Nations Millennium Development Goal along with many out of 17 Sustainable Developmental Goals. Various studies mentioned that women members who join SHGs have seen various development in different segments of their life socially as well as economically along with politically and psychologically.

2. Economic and social empowerment of the women members of the groups.

Numerous studies have demonstrated the value of Self-Help Groups (SHGs) for the economic empowerment of impoverished rural women in India. Numerous research on how rural poor women think and behave in the post-SHG era have been carried out by NABARD, the National Council of Applied Economic Research, and the Institute for Social and Economic Change (ISEC). Microfinance through an unofficial group approach has produced a number of benefits, such as the poor being able to access credit, the supply and demand of credit structure being able to be seen, the recovery greatly improving, and the beginning of a new era of credit devoid of corruption and subsidies (Dasgupta, 2001). The availability of microfinance through different non-governmental organizations (NGOs) has reinforced social and economic empowerment. The availability of microfinance through different non-governmental organizations (NGOs) has reinforced social and economic empowerment (Anjugam and Ramasamy, 2007). The primary objectives of Self-Help Groups (SHGs) are to reduce poverty by offering banking services to the underprivileged and by increasing job and income possibilities by lowering the proportion of impoverished families from 58.3% to 33.0%. At the national level, the yearly rate of poverty reduction is 10.0%. 20.16% of respondents' incomes were from \$1,000 to \$1,500 prior to group participation; after joining, that number rose to 18.83 %. Descriptive research on the financial situation of 134 SHG members from the southern regions of Tamil Nadu (Venketesh, 2010). The data was analysed from a number of angles, including age, the motivation for joining the SHGs, and the monthly income both before and after joining. They came to the conclusion that women's standing increased and they all became better after joining SHGs. The study surveyed 80 members of self-help groups in the Madhya Pradesh district of Indore using a questionnaire to learn more about the problems these groups are facing, the income-generating activities these members started, and the role self-help groups play in empowering women (Mehra, 2010). The majority of rural women still rely on males for financial support, and the majority are either independent contractors or part-time agricultural laborers (Srinivastava, 2012). (Yadav, 2019) found that during the COVID-19 epidemic and the migratory problem in Haryana, India, women from the Self-Help Group were providing assistance to migrants. Members realized that the group's true strength was its effective canteen model, which addressed people's problems during the epidemic. Adult mortality as well as acute malnutrition have decreased. 21 examined the effects of COVID-19 and investigated how group members may be empowered by offering them several ways to earn money. According to the report, where necessary, organizations also took part in community awareness initiatives. The study found that self-help organizations are educating people

on how to guard against the COVID epidemic. In addition to trying to provide the market with masks, hand sanitizers, and other necessities, they are also assisting individuals in receiving direct transfers of pension funds and account credits. Across the nation, women from self-help organizations manage communal kitchens to provide food for the impoverished, the vulnerable, and stranded workers. Her creativity and kind nature were much appreciated.

Conclusion

A helpful resource for boosting social, political, and financial empowerment is a Self Help support group. Members of the Self-Help Group undoubtedly deal with a variety of issues. These issues include infrastructure, marketing, and sources of income, among others. The majority of research done to far on the contribution of self-help groups to women's empowerment indicates a favourable trend. The women have improved access to independent decision-making, economic development, and health care. Even yet, the group's negative aspects have not been well researched. Overall, the benefits of self-help groups outweigh the drawbacks. The report recommends encouraging literacy among participants, keeping an eye on things, managing groups properly, organizing them, and placing a strong emphasis on mobilization, sensitization, and capacity building.

Suggestions

To increase benefits, new programs might be implemented. In order to assume the leadership position, the volunteer organizations should endeavour to cultivate a second line of leadership. It was noted that a select group of women were always taking centre stage. It appeared as though a pattern was developing that would allow the intelligent and "better off leader" to rule the groupings and win repeated elections. The group leader instructs the whole team on how to run the groups, including keeping track of accounts and other documentation. It can result in total empowerment. Legal literacy programs should be offered to women as the majority of them are unaware of their legal rights. Every women member should be assigned different tasks and to promote innovative ideas among the group members.

Reference

1. Dasgupta, R. (2001). An informal journey through self-help groups. *Indian Journal of Agricultural Economics*, 56(3), 370-386.
2. Kapoor, S. (2019). Entrepreneurship for economic and social empowerment of women: A case study of a self help credit program in Nithari Village, Noida, India. *Australasian Accounting, Business and Finance Journal*, 13(2), 123-142.
3. George, J., & Priya, S. (2021). A socio economic impact study of rural women self help groups in Methukummal Village in Tamil Nadu. *International Journal of Social Science and Economic Research*, 6(8), 2669-2683.
4. Anjugam, M., & Ramasamy, C. (2007). Determinants of women's participation in self-help group (shg)-led microfinance programme in Tamil Nadu. *Agricultural Economics Research Review*, 20(2), 283-298.

5. Venkatesh, J., & Kala, K. (2010). Empowering rural women all the way through self-help groups. *International Journal of Management*, 1(2), 156-163.
6. Heena, Q., & Hassan, T. (2013). Empowerment of Women through self help groups in Jammu and Kashmir. *International Journal of Interdisciplinary Research and Innovations*, 1(1), 22-25.
7. Srivastava, N., & Srivastava, R. (2010). Women, work, and employment outcomes in rural India. *Economic and political weekly*, 49-63.
8. Yadav, S. K. (2021). Self-Help group (SHG) and COVID-19: Response to migrant crisis in Haryana, India during the pandemic. *Social Work with Groups*, 44(2), 152-158.
9. Pradeep, M. D., & Rakshitha Rai, R. P. (2016). Women Empowerment through Self Help Groups-Interventions towards Socio-Economic Welfare. *International Journal of Management, IT & Engineering*, 6(1), 424-441.
10. Puhazhendhi, V., & Satyasai, K. J. S. (2001). Economic and social empowerment of rural poor through self-help groups. *Indian Journal of Agricultural Economics*, 56(3), 450.
11. Verma, G., Manju, A. G., Sharma, R., & Chauhan, A. (2022). Impact of self help group on women empowerment in India. *Scientist*, 1(3), 5201-5205.