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Poverty Alleviation and Economic Empowerment of Women Through Self Help Groups

¹Ganipaka Rajkumar, ²Dr. Thatla Sambalaxmi

¹Department of Public Administration & HRM,

²Lecturer in Political Science, TSWRDC (W), Warangal West
Kakatiya University, Warangal – 506009

Abstract:

A social-economic phenomenon known as poverty occurs when a segment of society is unable to meet even its most basic needs. Food, clothing, housing, education, and other fundamental human needs are considered the minimum requirements. The targeted programmes can be divided into four major categories: I programmes for self-employment; (ii) programmes for wage employment; (iii) direct cash transfers to the targeted groups; and (iv) public distribution system (PDS). The concept of empowerment has many facets, dimensions, and layers. According to the Government of India's Country Report, empowerment is the transition from a position of imposed powerlessness to one of power. By allowing women to establish their own identities and social standing, economic empowerment is the key to opening up new channels for such power. It entails addressing women's issues resulting from gender bias and social limitations that Indian women face, ensuring that women have access to all basic amenities and services, and putting women in a position to take advantage of economic opportunities. Successful partnerships between SHGs and private microfinance institutions, as well as public microfinance institutions like RMK, NABARD, and SIDBI, have greatly aided in generating additional income, jobs, and small businesses for women. In order to achieve the goal of economic empowerment of women through the inter-sectoral convergence of schemes and programmes of partner ministries/departments, the National Mission for Empowerment of Women (NMEW) envisages a number of steps that are detailed below. It would bring about coordination between Central Government and State Governments for implementation of schemes for gender empowerment and equality.

Keywords: Self-help groups, empowerment, poverty alleviation, micro-entrepreneurship etc.

Introduction:

Poverty is a social-economic phenomenon in which a section of society is unable to fulfill even its basic necessities of life. The minimum needs are food, clothing, housing, education and other basic minimum human needs. Humanity faces pains and miseries if it does not attain a subsistence level of such needs. Poverty and inequality are closely related, and inequality appears to have been on the rise worldwide in recent decades at both national and international levels. More than 80 percent of the world's population lives in countries where income differentials are widening. The poorest 40 percent of the world's population account for only 5 percent of global income. On the other hand, the richest 20 percent account for 75 percent of world income, according to the United Nations Development Programme. Poverty essentially consists of two elements, narrowly-defined "income" poverty and a broader concept of "human" poverty. Income poverty is defined as the lack of necessities for minimum material wellbeing determined by the national poverty line. Human poverty means the denial of choices and opportunities for a tolerable life in all economic and social aspects recognising the

problem, the Millennium Development Goals of the United Nations also contain a commitment to halve the proportion of the world's population living in extreme poverty by 2015.

The poverty alleviation programmes of the government of India are briefly reviewed to acknowledge that the government machinery have been harnessing constantly to alleviate poverty in the country. The policies and programmes of the government, if briefly reviewed, it gives an understanding that they are designed primarily to tackle the three major vulnerabilities which could be briefly stated as occupational vulnerability, residential vulnerability and social vulnerability. Though these programmes were designed and implemented in isolation initially, the importance of community centric implementation and social mobilization have been identified as the key to success and the government in the recent introduced convergence of social development programmes on one end and also to achieve convergence and coordination between the state government departments so as to achieve the vision of inclusive growth as envisioned in the 12th Plan.

Poverty alleviation programmes

The programmes have been broadly classified into self-employment programmes, wage employment programmes, food safety programme and social security programmes. The focus is on the central government schemes only. It is not possible to map the special programmes of all the States. It must be noted here that some of the progressive States have added additional components or given further subsidy to enhance the benefits of the central schemes. For example, in the highly subsidized public distribution system of the BPL card holders were provided rice at Rs. 2 per kg.

According to the National Sample Survey results, people living below poverty line have dramatically come down during the post economic reform era. Poverty alleviation programmes have assumed relevance as it is proved globally that the so-called 'trickle-down effect' does not work in all the societies and India is no exception to this. Inclusive growth also focuses on productive employment for the excluded groups. Poverty alleviation programmes have been designed from time to time to enlarge the income-earning opportunities for the poor. The programmes and schemes have been modified, consolidated, expanded and improved over time. These programmes are broadly classified into: The targeted programmes fall into four broad categories: (i) self-employment programmes (ii) wage employment programmes (iii) direct cash transfers to the targeted groups and (iv) Public distribution system (PDS).

Empowerment of Women

Empowerment is a multi-faceted, multi-dimensional and multi-layered concept. According to the Country Report the Government of India Empowerment means moving from position of enforced powerlessness to one of power. Economic Empowerment is the key to open up avenues of such power by enabling women to gain personal identity and social status. It involves reaching women all basic amenities and services through broad based efforts, addressing their problems arising out of gender bias and social constraints that confront Indian women and help achieve linkage between women and available economic/social services and provide them with economic opportunities.

In the early decades, the concept of women development was totally out of mind and the condition of women was miserable since they were subject to many socio-economic, political and cultural constraints. The situation was more critical in the rural and backward areas. The role of women in economic development is related to the goal of comprehensive socio-economic development. Due to the development of new policies and programmes, the status of women has totally been changed as they provide assistance to the needy women.

The empowerment approach is the most recent and it is aimed at to empowering women through self-reliance and internal strength. Self Help Group- Bank-Linkage Programme has also emerged as an effective mechanism to help reach financial services to the unreached poor women segment of the society.

The term "empowerment" is a process by which people gain greater control over the resources, actively participate in the process of change and develop skills to assert themselves. It is a multi-faceted process, which includes many aspects such as enhancing awareness, increase access to resources. It can be viewed as a means of creating a social environment in which one can take decision and make choices individually and independently for social transformation. It strengthens the innate ability by acquiring knowledge, power and

experience. The World Bank has identified empowerment as one of the key constituent elements of poverty reduction and therefore, it is considered to be a primary development assistance oriented goal.

Women empowerment (WE) is the key to socio-economic development of the community. It is a dynamic and multi-dimensional process. It refers to increasing the social, economical and political strengths of women. The SHGs are groups of about 10 to 20 people who come forward with an aim of eradicating poverty and social development through their own contribution. It is a homogeneous class which uses the pooled resources to make small interest bearing loans to their members (NABARD, 2000).

Women Empowerment in India

The Indian Constitution, in its fundamental rights, has the provision for equality, social justice and protection for women. In spite of these rights, women are still discriminated and exposed to inequalities in all spheres of day to day life. The year 2001 had been declared by the Government of India as “women empowerment year” in order to focus on the vision where women are equal partners on par with men. Women of today are not like the early days. They readily come forward to identify their potentialities and achieve their desired goal. And the Government has provided the scheme - “Self Help Groups” in order to enable women to achieve economic independence through self employment, entrepreneurial development, etc.

Microfinance in India

According to the report lending to women was thought of as a better means of supporting the entire household. Women were supposed to have a heightened savings instinct and also were seen as more willing to attend to the overall needs of the entire family. Hence, the SHG movement prioritized women SHGs and trained these women to act in a concerted and coordinated manner so as to improve their social and financial status with a view to advance the gender sensitivities in several socio-political contexts and also provide women a clear voice in the family, the neighbourhood and in the local community. Of the more than 4 million SHGs in existence, about 85 per cent are reported to be exclusively of women.

MFI's engaged in forming joint liability groups (JLGs) of women clients to the exclusion of men. With more than 25 million clients across the country currently, MFI's report that 93 per cent of their clients are women. But the prominence given to women in the initial stages appears to have waned in several important aspects of microfinance. In the initial stages, NGOs had a significant number of women leaders and at senior levels of management. With the advent of larger numbers, inflow of equity and adoption of higher levels of technology in microfinance, women have been compelled to take a back seat. But at the base level, MFI's have recruited a number of women and enabled them to rise to higher positions. Wherever higher level structures such as clusters and federations have been formed, these are being captured by men. National Bank for Agricultural and Rural Development (NABARD), over the last two years, has been advocating that forming men into groups is as important as getting women into SHGs. In fact, farmer SHGs comprising men has been prioritized. In the current year, NABARD has gone further ahead and announced a programme of forming 100000 JLGs of farmers with a view to ensure that credit flow reaches small and marginal farmers. While as a policy objective this is unexceptionable, the resultant neglect of women's SHG movement is a cause for concern. In the case of MFI's, the higher level positions have been taken over by men.

The technology based work processes have become the preserve of men. Apart from being passive clients who do not participate in MFI's different processes, the women have nothing else to do in a mass based movement. They are more units of revenue in the hands of the MFI's rather than vibrant, dynamic constituents of a localized financial architecture that was thought of when microfinance was designed for the poor.

Self Help Group in India

SHG is a small voluntary association of poor people, preferably from the same socio-economic background who come together for solving their common problems through self-help and mutual-help. It is informal and homogeneous group of not more than twenty members. SHG promotes small savings among its members.

The SHGs, in India, have come a long way since its inception in 1992. At present, it is widely used as an instrument to empower women socially and economically thereby leading to overall development of women. The SHGs are the viable pathways for empowerment of women.

Review of Literature

Vinayagamurthy (2011), in a study titled “Women empowerment through self help groups. A case study in the north Tamil Nadu” analyzed the women empowerment through SHGs in the north Tamil Nadu and found that the income of the women has increased after joining the SHG thereby leading to considerable increase in their expenditure and a slow increase in their savings. The SHGs in Tamil Nadu are very successful to develop women empowerment in rural areas.

Venkatesh, J., and K. Kala (2010), in a study titled “Empowering rural women all the way through self help groups” analyzed the economic empowerment of women in the South Tamil Nadu and found that after joining the SHGs the income of the women members have augmented and the monthly household outflow has also been up lifted considerably. The SHGs in South Tamil Nadu are very victorious to extend women empowerment in rural areas.

Uma Narang (2012), in a study titled “Self help group: An effective approach to women empowerment in India” examined the women empowerment through SHGs and explained the position of women empowerment in India and found that the SHGs have been more successful in improving their living conditions thereby help alleviating poverty besides women empowerment.

Mahender, M. V. S., S. A. Reddy and M. S. Bhat (2011), in a study titled “A study on economic empowerment of women through self help groups in Mahabubnagar District of Andhra Pradesh” explored the role of SHGs in the empowerment of women in Mahabubnagar district of Andhra Pradesh and found that there was an increase in the income and savings level among the members of the SHGs thereby help increase in the purchasing power of the women members.

Objectives of the Study

1. To study the profile of members of SHG.
2. To assess the impact of the SHGs in enhancing the economic empowerment of women members of SHGs.
3. To evaluate the performance of SHGs
4. To analyse the impact of SHGs on women emancipation.

Methodology

Secondary data were used for the study. The present study is an empirical one to analyse the performance and impact of SHGs on women emancipation. However secondary data sources used to have a deep understanding of the topic. Official websites, and NABARD have been referred to for secondary data.

Performance of Microfinance through SHG

Out of the three models, SHG- Bank Linkage Programme (Model 1) emerged as most popular and successful over the years. About 73.41% of the credit linked SHGs (financed 81.12% of total loans) fell under Model-II followed by Model I (20%) as on 31 st March 2007. Only 5.67% of total SHGs fall under the Model III in which NGOs/ MFIs act as financial intermediaries. (RBI 2007- Report on Trend and Progress of Banking in India) SHGs work on democracy principles as *Dr. Sushil Kumar Mehta et al (2011)* had studied that SHGs movement comes from the people's desire to meet their needs and determine their destinies through the principle 'By the People, For the People and Of the People'

To spread the outreach of Micro Credit, NABARD has taken up intensification of SHG- Bank Linkage Programme in 13 identified priority states which account for 70% of the rural poor population viz. U.P. Maharashtra, Orissa, West Bengal, MP, Gujarat, Rajasthan, Chattisgarh, Jharkhand, Bihar, UK, Assam and Himachal Pradesh. The programme has now assumed the form of a Micro-Finance Movement in many parts of the country and has started making inroads in the resource poor regions of the country as well. As pointed out by Rutherford (1996) that provision of financial services to poor people need not only be for increasing income, empowering women, or starting business it may simply aim to help them “manage better what little money they already have”.



National Policies

The National Policy on Education-1986, revised in 1992(NPE) emphasises the need to use education as an agent of basic change in the status of women. The NPE proposes national education system to play a positive interventionist role in the empowerment of women, fostering of development of new values through redesigning of curriculum, text book, training and orientation of teachers, decision making and administrators and active involvement of educational institutions. These will be an act of faith and social engineering. Women studies will be promoted as the part of various courses and education institutions encouraged taking up active programs to further women's development.

The National Policy of Empowerment of Women of 2001 has endorsed the provisions of NPE 1986.

The policy prescribes:

- Equal access to education for women and girls.
- Special measures will be taken to eliminate discrimination.
- Universalize education.
- Eradicate illiteracy.
- Create a gender-sensitive educational system.
- Increase enrolment and retention rates of girls.
- Improve the quality of education.
- Development of occupation/vocation/technical skills by women.
- Reducing the gender gap in secondary and higher education.

Self Help Group and Micro Finance

- Formation and universalization of Sustainable SHGs
- Extent and volume of Micro-Credit Flow to SHGs through NABARD, nationalized banks, RMK, NSFDC, NBSFDC, NSKFDC etc.
- Skill upgradation through National Skill Development Mission
- Volume of savings mobilized by women's SHG's through NABARD, nationalized banks, RMK and other finance development corporations.
- Distribution and marketing linkages, whether product based or cluster based, by NABARD, TRIFED, RMK, KVICs etc.

- Forward and backward linkages with the markets
- Increase in quality of life and income levels of SHG members

Workforce Participation and Economic Empowerment

- Workforce Gender Participation Ratios and wage differentials and disparity
- Gender dimensions in unorganized and organized Sector
- Provision for conducive environment for women in work place (maternity leave, protection against sexual harassment, etc.)

Social Empowerment and Education

Education is the single most important instrument for social and economic transformation. A well educated population, adequately equipped with knowledge and skill is not only essential to support economic growth, but is also a precondition for growth to be inclusive, since it is only the educated and skilled person who can stand to benefit most from the employment opportunities which growth will provide. Improvements in education are not only expected to enhance the efficiency but also augment the overall quality of life. Education is an instrument of social change and eliminates gender disparities and ensures equal opportunities.

In this context, National Mission for the Empowerment of Women (NMEW) through its Social Empowerment and Education domain ensures gender mainstreaming in the education sector in-order to empower women holistically and through her the nation building. Social Empowerment and Education domain aims at converging and linking various schemes of Government of India focusing on women with special reference to the flagship programs of Ministry of Human Resource Development (MoHRD). The domain will review existing studies, policies, programmes, schemes and also commission research studies of various programmes/ schemes on education for better implementation. The MoHRD has appreciated the setting up of the NMEW and has expressed the view that the objectives of the NMEW are in consonance with the National Education Policy and the schemes of the MoHRD will be a vehicle of achieving the goals of NMEW.

Conclusion:

A social-economic phenomenon known as poverty occurs when a segment of society is unable to meet even its most basic needs. Food, clothing, housing, education, and other fundamental human needs are considered the minimum requirements. The targeted programmes can be divided into four major categories: (i) programmes for self-employment; (ii) programmes for wage employment; (iii) direct cash transfers to the targeted groups; and (iv) public distribution system (PDS). Women play a crucial role in a country's development, so they should be respected in both the family and the wider community. In India, women's empowerment has become a significant issue. The SHG model is essential to women's economic empowerment. Microfinance and women empowerment depicts that SHG based micro finance has contributed as a catalyst of the social change and empowerment of poor is proved to be a boon for the rural women in some states of India. Moreover it has created opportunities for promotion of income generating activities and have enabled them to come above poverty line. There is a geographic/Regional concentration of the SHG concept which needs to be scattered across the nation as poverty has a global concern. Poor people's access to formal banking system would act as a key to economic growth and sustainable development. are seen to confer many social and economic benefits which can be community platforms for women to become active in village affairs, stand for local election or take action to address social and community issues like – abuse of women, alcohol, the dowry system, the schools and water supply.

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