

## **SHG as an Effective Approach to Women Empowerment**

**Subir Kumar Chowdhury.**

*Assistant Professor of Commerce, Sonamukhi College, Sonamukhi, Bankura.  
West Bengal  
Corresponding Author: Subir Kumar Chowdhury.*

**Abstract:** All round development of a nation would be possible only when women are considered as equal partners in progress with men, as women are the integral part of every economy. Today women empowerment is one of the most vibrant issues in the sector of social development. Empower of women is the process of upliftment of economic, social and political status of women, traditionally underprivileged in the society. It is the process of guarding women against all form of violence. Microfinance enables the women to save, to improve their confidence, to take decisions, to uplift the status and to improve household security. Rapid progress in SHG formation has been turned into an empowerment movement among women across the country. Formation of women SHG is not ultimately a project of micro credit but an empowerment process of women. This process would not only give benefit to the individual but also for the family and community through the collective action for development.

**Key words:** Empowerment, Microfinance, SHG, Upliftment, Community.

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### **I. Introduction**

Women are critical to a nation's economy and social growth. About 70% of people in India live in village areas. The women people become important for prospering rural economy. These women people are considered as unrecognized workers who work from birth to death. Yet, it is terrible that rural women are not treated equally and even they are deprived some of their basic human rights. India is faithful to empower the women. Empowerment to women is a process whereby women become able to organize themselves to increase their self confidence to assert their independent rights to make choices and to control resources which will help in challenging and eliminating their own subordination. Women SHGs initiated nearly three decades ago are doing all what they can do to empower women in rural area and they are acting strongly as the support system having many aspects. SHGs have been emerged as a powerful instrument in India to alleviate poverty and for the employment of women in the rural economy. SHGs through the network of commercial banks, regional rural banks, co-operative banks, NABARD, NGOs has been largely supply driven and a recent approach in the provision of financial services to the poor and further upgrading status in their society, So SHGs are not only important to reduce poverty and to promote savings among the rural but also to increase gainful employment.

### **II. Review of Literature:**

Sen (1998) has argued that poverty led to rejection of rights and opportunities to poor for full participation in society kind of social segregation, there is need for improving their capabilities and entitlement, which is nothing but empowerment.

Nayak et al. (2009) focused on the status of women empowerment in using the NFHS-3 data. Study reveals that the decision making power of women in house varies directly with their age, educations and their husband's educational level and earnings. Employed women are likely to have more decision making power in household than the unemployed women. Although, in urban area and in nuclear family, women enjoy relatively better autonomy in household decision making process.

Hashemi et al (1996) observes that participation in micro credit programmes is positively associated with the empowerment level among the women, This empowerment is defined as a function of relative physical mobility, economic security, ability to make various purchases of her own, freedom from domination and violence within family, political and legal awareness and participation in public life.

Pitt (2003) stated that out of total SHG clients, 90 percent clients are women in Gramin Bank of Bangladesh. Their consumption expenditure increased 18 taka for every 100 taka borrowed by women. Such type borrowed improved measurement of health, nutrition and educational status of their children. Gramin Bank of Bangladesh has earned an honour as a pioneer of credit facilities to rural poor throughout the country. Also it is observed that repayment status of the SHG clients is 98 percent.

### **III. Objectives of the study**

1. To growth of savings made by the women SHGs and their position in total savings in India under SBLP
2. To study the microcredit disbursement to Women SHGs and their position in total disbursement under SBLP.

#### **Methodology:**

The study is descriptive in nature and based on secondary data. For the purpose of data analysis, the data pertaining to the number of SHGs financed by bank, Bank Loan and savings of SHGs are collected from the reports of NABARD, books and journals. For better understanding at a glance, statistical bar diagrams are used,

#### **Women Empowerment and the Women SHG:**

As women is an integral part of every economy, so development of an economy and harmonious growth of a nation would be possible only when females are considered as equal partners with men. But most of the developing countries, women have a low social, managerial and economic status.

Indian women of today are not like earlier days. Now they want to express themselves and to get more power on account of economic independence, own identity, achievements, freedom etc. The Government of India has declared the year 2001 as 'Women's Empowerment Year'.

A women SHG is a voluntary alliance of women belonging to the same socio-economic strata of the society. It is informal and homogenous group of not more than twenty members, as group having more than twenty members has to be registered under Indian legal system. After formation, SHG contributes a fixed amount for a particular time period until the group has sufficient capital to start its loan lending process. Then this fund is utilized for lending to other women to help and empower them through support, encouragement and financial assistance to satisfy their personal and professional goals for a better future. It is expected that the members do not have conflicting interest and all the members can participate freely without any fear. Objectives of the women SHG are –

- To encourage habit of savings among women and facilitate the accumulation of their own capital resource based.
- To enable availing of loan for productive purposes.
- To gain the capabilities from collective wisdom on account of organizing, managing the self finance and distributing the benefits among themselves.
- To develop collective decision making process among the members.
- To create group feelings among themselves.
- To enhance confidence and capabilities i.e., enhancement of positiveness.
- To motivate women taking-up social responsibilities especially related to women development.

#### **Progress of Women SHGs (2006-07 to 2008-09)**

Particulars (1)	Total SHG's (lakh) (2)	Women SHG's (Lakh) (3)	Percentage of col. 3 to col. 2 (4)	Total Amount (crore) (5)	Women Shg's Amount (crore) (6)	Percentage of col. 6 to col. 5 (4)
<b>2006-07</b>						
Savings linked SHGs	40.61	32.71	78.62	3512.71	3024.98	86.11
Loan Disbursed	11.06	9.58	86.62	6507.03	5677.36	87.25
<b>2007-08</b>						
Savings linked SHGs	50.10	39.86	79.57	3785.39	3108.65	82.12
Loan Disbursed	12.28	10.41	84.77	8849.26	7474.26	84.46
<b>2008-09</b>						
Savings linked SHGs	61.21	48.64	79.46	5545.62	4434.03	79.96
Loan Disbursed	16.09	13.74	85.59	12253.51	10527.74	85.92

Source: status report of NABARD report. Percentages are calculated by the writer.

The above table shows the number of saving linked women SHGs stands at 48.64 lakh (79.46% of the total) in the year 2008-09 which may have membership of over 632.32 lakh poor women household (considering at an average 13 members per SHG). The figures in the period 2006-07 are 32.71 lakh women SHGs (78.62% of total SHGs) in the country with the membership of 425.23 lakh in the country. Amount of savings maid by the women SHGs are Rs.3024.98 crore, Rs. 3108.65 crore and Rs. 4434.03 crore for the periods 2006-07, 2007-08 and 2008-09 respectively and respective share of women SHGs for those different years are

86.11%, 82.12% and 79.96% respectively. Not only is this, in all the years, average savings made by women SHG more than the average savings considering the all.

Table also discloses that loan disbursed to women SHGs in India in numbers were 9.58 lakh, 10.41 lakh and 13.74 lakh for the period 2006-07, 2007-08 and 2008-09 respectively and which are 86.62%, 84.77% and 85.59% of the total SHGs taken loan of the respective year. Share of loan disbursement by the formal agency (commercial banks, regional rural banks and co-operative banks) is always more than 80% in all the years. In the year 2006-07, loan disbursed by the banks to the women SHGs is 5677.36 crore which is 87.25% of the total loan disbursement. Similarly share of women SHGs in the year 2007-08 and 2008-09 are 84.46% and 85.92% respectively. Relative position of women SHGs are shown by the following bar diagrams.



#### IV. Findings

The position of women SHGs during the study period has maintained good progress both in number and in amount of savings. Average savings made by women SHG is always more than the average considering all the SHGs. The change in women SHGs in number, credit in amount rupees and per SHG credit also in amount rupees is more than the overall basis. Here, it is a interesting observation that a tremendous progress was made by the women SHGs.

#### V. Conclusions

There is a remarkable mobilization of women taking place due to the growth of SHG movement. This movement has a great potential to contribute towards more access of economic resources, more confidence and self motivation, more strength, more recognition etc. There is a great responsibility on all those involved in SHG promotion and development to intensify their efforts to enable SHGs to reach a mature stage. In order to make SHGs as real tool for women empowerment emphasis has to be given on education, literacy and capacity building process. Then only these groups can really become the effective tools of women empowerment and poverty alleviation.

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