

Role of Self-Help Groups in Socio-Economic Empowerment of Women – A Review

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Abstract: Microfinance has been suggested as a potential means of reaching the greatest number of rural poor people and reducing their poverty, particularly those from disadvantaged backgrounds such as women, small and marginal farmers, and landless farmers. India is fourth globally in terms of financial exclusion, with 135 million people. National Bank for agriculture and Rural development (NABARD) introduced a program in 1992 to combine impoverished individuals into groups of ten to twenty and connect those groups with banks. In general, the plan was identical to Bangladesh Grameen Bank. With the aid of banks, non-governmental organizations (NGOs), and Panchayat members, the impoverished, especially women, were able to organize into Self-Help Groups (SHGs). The banks that financed these SHGs were then qualified for concessional refinancing by National Bank for agriculture and Rural development. Self-help groups are thought to be the means of empowering women and reducing poverty. What was once a trial experiment has evolved into a social empowerment movement, especially for impoverished rural women. Though there hasn't been a uniform implementation of the program across the country, a lot of research has been done on the idea. This paper will aim to examine the numerous facets and effects of self-help groups, which have been the subject of numerous studies on women's socioeconomic empowerment.

Keywords: microfinance, SHGs, women, empowerment, poverty alleviation.

1. Introduction

After certain modifications, India embraced Bangladesh's SHG model, mainly to lower poverty and give rural women more influence. The Indian government made a concerted effort to encourage the top bank to meet the financial needs of the underprivileged, rural, and informal sectors in the early 1980s. Then, in order to meet the financial demands of the underprivileged, rural, and informal sectors, National Bank for Agriculture and Rural Development took the initiative and developed alternative approaches. India's rural development has benefited greatly from the work of NABARD.

A Self-Help Group (SHG) is a small group of villagers that meet together, ideally with similar socioeconomic backgrounds. They join together in an attempt to find solutions to their shared issues. The SHG assists its members with their financial situation. Members of the SHG are encouraged to save tiny amounts of money, which are held in a bank. Typically, a Self-Help Group (SHG) can only have 20 members. The

majority of SHG members are female. The Self-Help Group (SHG) facilitates women's participation in both home and societal matters.

SHGs have advanced significantly since their inception in 1992. From a status of 500 groups in 1992 (Titus 2002) to about 16,18,456 groups that have taken out bank loans, self-help groups have come a long way. 24 million families in need now have access to the formal banking system thanks to the SHG bank connection initiative. Among these groups, "only women" make up 90%. An NGO (Non-Governmental Organization) joins the Micro-Finance Program every day, and over 400 women join the SHG per hour. Through NGOs, SHGs receive large financing from a number of agencies. Over the years, banks have been connected to about 500,000 Self-Help Groups. There are very few related states, most of which are in South India (almost 60%).

The economies of nearly every nation are seeing significant growth in the number of women-owned enterprises. The increasing awareness of women's roles and economic standing in society has led to a gradual shift in the hidden entrepreneurial potential of women. The main reasons for women to pursue entrepreneurship are skill, knowledge, and adaptability in the business world.

One of the most significant tools in the participative approach for women's economic empowerment is the Self-Help Group (SHG). It is a significant institution that works to improve women's lives in a variety of social contexts. The fundamental goal of SHGs is to serve as a forum where members may support and encourage one another. Extremely impoverished individuals without access to official financial institutions make up the SHGs. It gives its participants the opportunity to practice teamwork and collaboration in a group setting. Today, in India, Self Help Groups (SHGs) represent a unique approach to financial intermediation. For the women who are members of SHGs, this combines the provision of low-cost financial services with a process of self-management and development. Government agencies typically organize and support Self-Help Groups (SHGs) through Non-Governmental Organizations. There are numerous perceived social and economic advantages to SHGs. Through SHGs, women can increase their savings and get access to the credit that banks are more and more prepared to give. The SHGs can also be community platform from which

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women get active in village affairs, stand for local election to take action to address issues. Before this programme was introduced, rural women's rights in India were essentially nonexistent. The most important new system that is now being developed is the self-help group, which has significantly improved women's lives and reduced rural poverty. It is clear that women's participation in self-help groups has had a significant positive influence on the patterns of life and lifestyle of low-income women. It has also given them a greater sense of empowerment on many levels, not just as individuals but also as members of their families, communities, and society at large. They meet together in order to use mutual aid and self-help to solve their shared difficulties. Self Help Groups are a more appealing system that requires less work. (SHGs). It is a tool to end poverty and enhance women's financial support and entrepreneurship in India.

With this backdrop this paper attempts to review the literature on microfinance activities of Self-help groups mainly to understand the dynamics of women empowerment

2. Objectives

Main purpose of this paper is to review the publications on role of self-help groups in socio-economic empowerment of women; the specific objectives are;

- 1) To review the research works on SHGs and Women Empowerment by the earlier researchers.
- 2) To understand the various dimensions of rural women empowerment by microfinance activities.

3. Methodology

The present paper is based on secondary information, reviewing the literature, in the sense, analyzing different research works on SHGs moment. The researcher compiles these resources from a variety of sources, including books, journals, articles, and other materials. An analysis of this kind of literature could convey the information actually or it could synthesize a lot of data and arrange it thematically for comprehension. The paper focuses on studies related to socio-economic empowerment, including the advancement of women's economic and social standing in the family and community, as well as the political, leadership, and decision-making capacities of Indian women through self-help groups (SHGs).

4. Review of Literature

Literature review offers a wealth of knowledge on the subject under investigation as well as the numerous studies that have been conducted in the area over time. Although it can merely be a straightforward synopsis of the sources, it typically follows an organizational structure and incorporates both synthesis and summary. All of the material has been condensed and presented in a brief manner.

A review of literature is an anthology of past scientific works that have been published as books, monographs, journal articles, or other formats. A review of the literature is the first step in any scientific research. Working with the literature is

actually a crucial step in the research process since it fosters creativity, aids in the formulation of important questions, and is crucial to the research design process.

It enables the researcher to understand different aspect of the study or the problems to be investigated. Few studies are available on SHGs, micro-finance and women empowerment. The selected literatures available on the subject have been reviewed as below.

Surekha Rao S., Padmaja G. (1998) makes a study focusing to evaluate the status of women involved in income generating activities, their income, expenditure and saving pattern and also to understand nature of participation of the women in SHGs. Rayalseema Seva Samithi in Tirupati (A.P.) is Non-Governmental Organizations promoting thrift among women. The income generating programme by RASS an voluntary organization is operated for initiating savings among women through SHGs. The researcher carried out the study on the involvement of women in income generating programme under RASS. Dhubhi colony which is situated in Tirupati is taken for selecting the sample as the oldest groups are operating in this colony from the starting of this project. From 10 groups, 5 groups have been selected and from each group the researcher selected 10 women beneficiaries and altogether 50 women beneficiaries were selected for the sample by adopting the method of simple random sampling.

The study observes that women were very active in participating in the group and saving money. Most of the women expressed that the programme staff are kind enough and they are cooperating very well to run their groups. Most of the women started self-employment ventures like petty shops, canteens, tailoring units, milk business etc from the loans taken from the groups. All the women were very satisfied in being members of the group.

Puhazhendhi (2000) in his study examines the progress of the SHG-bank linkage program in Tamil Nadu and assesses the socio-economic impact of the program on the group members. The study was conducted by the NABARD in Tamil Nadu and covering 70 SHGs. Researcher opines that the impact of the micro-finance activities of the SHG on social-economic conditions of women is impressive in Tamil Nadu.

Myrada (2001) makes study with the aim to know to what extent by enrolling the membership in SHGs have impacts on the social status and empowerment of the women members. The researcher had interaction with two Self-help groups one with three years old and another one a year old, that could permit comparisons to be made and conclusions to be drawn on the influence of group processes. It was found that in old Group, 89.0 percent of the members reported that their financial position had changed for the better. More members in the older groups than in the younger groups reported a positive influence on their share in the family income during this period.

Galab S and Rao N. C. (2003), In a paper based on the review of some relevant studies, discusses on strategy for poverty alleviation and women empowerment has been discussed. Study found that government of Andhra Pradesh has provided considerable space for women's self-help groups. This paper attempted to address some of the issues, mainly what are the

characteristics of the women-based group models of poverty alleviation and women empowerment that are being implemented in the state? How are the poor women organized in to groups? How do the groups' function? And what has been the contribution of these models to poverty alleviation and women empowerment? In this paper detailed analysis of the formation, functioning and impact of the models on poverty and women empowerment is done. Author concluded that the participation in SHGs has improved the access of women to credit.

Das and Rimjhim Mousumi (2004), in his paper observed that micro finance has now become a medium financial weapon for the poor to fight against poverty. Many big and small institutions are taking part in this revolution of microfinance vigorously. Still, it has a long way to become successful. Many programmes from 'Garrebi Hatao' to IRDP were started by the government enthusiastically but they were not able to achieve their objectives. The reason behind this is poor follow up, lack of management and inadequate participation from the government as well as people. No programme can ever get its desired result unless and until there is co-ordination and cooperation between the government and the beneficiaries.

Randhawa.V and Mann S. K. (2007), analyzed the functional aspects of SHGs. The main objectives of their paper was to explore the functional aspects of SHGs in promoting micro saving and inter loaning activities. This paper is based on survey research design covered all the 17 Districts of Punjab. Their paper focused on tracing the genesis and structure and evaluate the functional aspects of SHGs. The major findings revealed that majority of SHGs were promoted by government organizations and there were few SHGs promoted by NGOs. The results of the study revealed that conduction monthly meetings were their regular feature and majority of SHGs was using saving for inter loaning purposes. Further, majority of the SHGs were performing badly in terms of capacity building of members. Therefore, future focus of SHG must be on capacity building and skill up gradation of rural women.

Venkatesh J and Kala. (2010): In this article the author focuses on the economic improvement of women after joining SHGs. The main objectives of the articles is to study the income, expenditure and savings of the members after joining SHGs. In this article has discussed about the group savings, rotation of sangha funds, bank loan, repayment of loan, social and community action programs. The authors found after joining SHGs the income of the women has been augmented. So, the monthly household outflow also has been lifted considerable level. The paper concludes that the economic activities of SHGs are quite success. In this way SHGs in North Tamil Nādu are very victorious to extend women empowerment and rural areas.

Kumar V. (2011): The study analyzed, the economic gains, social benefits, the functioning of SHGs, credit access, handling of group fund, loan recovery, enabling of leadership, and setting up linkage with banks. Researcher adopted multi-stage purposive random sampling method and the number of the respondents is 1/3 of selected sample villages i.e. 877 (3Villages). It was pointed out that 43.33 percent of respondents

joined the groups for loan, 14.82 percent of the members joined for raising their earnings and 32.83 percent respondents for achieving social status, Group members have moved to higher income group. The group members after joining the SHGs are earning reasonably as they have become economically independent and contribute to total family income.

It was noticed that the household expenditure has been raised because of the raising of family income of the SHG members. It is pointed out that the loan borrowing capacity of the group members has increased from 5000- 20,000 Rs. with regular repayment of loan in time. Along with this, after becoming SHG member, all the 30 respondents have decision making power, reduction in domestic violence, about 50% of respondents felt economic independence while majority of the respondents have gained self-confidence. 60% of members voted for social cohesion and habit of saving.

Tarakumari P., Masenamma (2011) in their study examines the socio-economic conditions of women and the impact of SHGs on their empowerment in the study area. The four groups which were taken randomly, are Bhramramba group, Dhanalakshmi group, Jayalakshmi group and Muthyalamma group. All the 50 members were taken as a sample for the study with an exclusive questionnaire method for data collection. Besides the, researcher interviewed all the sample respondents personally by using interview schedule. It is observed that socio-economic conditions are generally similar in all groups, with few exceptions. The age group of 25-30 years has remained with high numbers of women respondents. Most of them were living in own 'pucca' houses. The Group members are better in earning more income; most of them are able to earn an annual income ranging between Rs. 20,000 to 30,000. These hints are necessary for undertaking programmes like upliftment of poor rural women to make them all-round developed and empowered and for that SHGs have become an effective and impressive group for the empowerment of such women.

Gupta and Hanagandi (2012), in their study examined the intervention of microfinance through SHG-Bank Linkage Program had a positive impact on empowerment of women, in terms of increase in social awareness and participation, asset creation, confidence development, savings ability and loan repayment, earnings, employment opportunities, inculcates leadership qualities and decision-making ability. Microfinance through the SHG-Bank Linkage Program had empowered poor women to get access to various financial products and services. The self-help group initiation provided social recognition to the women in a rural society. They author suggested that greater emphasis had to be given to provide training, education, and creating awareness among the members of the group.

Jain and Jain (2012) found that self- help groups (SHGs) had been successfully empowering rural women through entrepreneurial activities. Increased in savings habit of rural women, income, expenditure was also observed. The self-help groups had main impact on social and economic life of rural women. The findings of the study revealed that SHGs helped the rural women in getting easier and quicker loans and diminishes the ill effects of taking loan from money lenders. There was increase in self- confidence and social recognition in

society.

Thangamani S and Muthuselvi (2013), in their research paper analyzed and observed that women empowerment is a process in which women challenge the existing norms and culture, to effectively promote their well-being. The participation of women in self-help groups made a significant impact on their empowerment both in social and economic aspects.

This study addresses women empowerment through self-help groups in Mettupalayam District of Tamil Nadu. The information required for the study has been collected from both the primary and secondary sources. A random sampling method has been followed. Average and percentage analysis was carried out to draw meaningful interpretation of the results. Chi-square test used to find whether the two attributes are associated or not. Garret ranking technique was used to find the reasons for joining the self-help group.

The results of the study revealed that the SHGs have had greater impact on both economic and social aspects of the beneficiaries. They suggest that the self-help group is powerful tool to enrich the savings activities and poverty alleviation. In this context to support by the government and uplift the women through self-help group-oriented developments. The study found that the socioeconomic factor has been changed after joining the self-help groups. But the saving is increasing at earlier stage of life. They also observed that the economic activities of self-help group are quite successful.

Meenu Maheshwari and Shobhna Goyal (2014) in their study reviewed that care should be taken to ensure that the members socio-economic status is homogeneous as they form SHGs. There has to be systematic formation of SHGs. distribution of SHG experiments throughout rural India, rather than national SHG concentration. The SHG model has helped rural women start up micro-enterprises, including agricultural and non-farm activities, trade and service units. Researchers Study conducted in Tamil Nadu on the impact of SHGs and found that more than 60.0 percent of SHG members were SC/STs showing that the concept is popular among the weaker sections of society and that they are inclined to social and economic upliftment with the help of the government.

Maheshwari & Goyal (2014) in their study stated that SHG serve as a vehicle for women empowerment and poverty alleviation, creating opportunities to promote income generating activities and enable women to move above the poverty line. There is a need to integrate women's empowerment, improvement of their status and economic roles, into economic development programs, as the development of a country is linked to the status and development of women.

Vinodhini & Vajayanthi (2017): The main purpose of this study was to know the status of SHG in rural India and its impact on socio-economic development of women from 2012-2015. The data is collected from secondary sources from state of microfinance in India (NABARD). The study reveals that the SHGs helped these women by financial facilities for sending their children to school and access to the day to day living amenities. The key reasons for the success of SHG are its link with the poor people, its innovative practices, its capacity to enable people's participation in development and trust building

at different level. SHG also helped to develop self-confidence and independence among rural women which in turn increased the livelihood of the rural people.

Saikia (2017), In a study found that the beneficiaries/members of SHGs took loan or credit and the majority of the them took a loan from the SHGs and very few took a loan from the bank. Out of 70 samples, 25 members of the SHG utilized their loan for their general household expenditure and 20 members use the loan for the education of their children which shows the importance of education among women.

The researcher suggested that Government and Non-Government organizations should jointly make efforts to encourage the members of SHGs for proper utilization of loans. The researcher also recommended that effective supervision over the utilization of loans should also be done which would be useful in the achievement of term long goals.

Thanikaivel and Priya (2018), in their paper made an attempt to analyze the impact of economic empowerment of women in India. The economy and development of the country is purely based upon women's empowerment. Economic empowerment is very important to all women. Many women are socially, mentally, and morally reliant. Although the percentage of women's schooling and literacy rises, they need economic empowerment. Economic empowerment of women is one of the most important factors contributing to the gender equality. Women's development is the development of a homeland, society and nation.

Finally, they conclude that Empowerment of women depends on its economic empowerment. Their abundance of potential, knowledge, skill, sincerity and dedication will yield better results for all. The Government should take the necessary steps to defend, assist and direct.

Krishna prasad Rao (2018) in their study examined that Women 'economic empowerment is one of the world's 's most promising areas of investment, biggest emerging markets, talent pools and demographic dividends to be tapped. Women have the capacity to speed up the country's economic growth if their workforce participation is increased through its various skills development programs, the Government of India provides young people with skills such as DDU-GKY by reserving seats in vocational training institutions, Stand Up India to turn job seekers into job creators, especially women, and SC / ST and NRLM, which provide a forum for mobilizing women in SHGs to raise their voices and raise their families from the clutches of poverty.

Shireesha (2019), in a study examined that Women's participation in self-help groups has obviously had a tremendous impact on poor women's way of life and style and has empowered them at various levels not only as individuals but also as members of the community's family and society as a whole. They come together to solve their common problems via self-help and mutual assistance. The more attractive scheme is "Self Help Group" (SHGs) with less effort. It is an instrument for eradicating poverty and improving entrepreneurship and financial support for women in India. It has been concluded that most respondents join for purpose of saving.

Rajput (2021) observes that in recent years, microfinance has grown in importance as a development effort for the poor and as a tool for poverty alleviation. In India, the Self-Help Group and Microfinance Institutions are the two methods used to provide microfinance services to the country's financially disadvantaged people. The southern part of the country has the highest concentration of microfinance activities. Formal financial institutions and the backward microfinance industry have little coverage in the North-Eastern regions. With access to a well-functioning financial system, economically and socially marginalized people can be more integrated. It has the potential to actively contribute to development while also protecting the poor from economic shocks.

5. Conclusion

The review of literature on SHGs movement makes it evident that certain research was released on the fundamental ideas of women's socioeconomic empowerment via self-help groups. Based on some research, people who joined SHGs in various parts of India reported significant positive changes in their life. Additionally, it has made it possible for people to raise their standard of living and promoted income-generating activities. Numerous studies have also shown that women now feel more confident and economically and socially independent. Better access to resources, infrastructure, healthcare, basic education, independent decision-making authority, and economic activity was provided to women working in Self-Help Groups (SHGs). Though the majority of respondents are content with this, certain studies have noted that some of them experienced issues with poor training facilities, a lack of market connections, a lack of managerial skills, social and personnel issues, etc. Overall, SHGs have a greater beneficial impact than a negative one. Women have long been members of the socially marginalized class, but it is now imperative that they be given the right justice to overcome this obstacle.

The SHG-Bank Linkage Program has substantially improved rural underprivileged people's access to financial services and has a good impact on their socioeconomic circumstances, reducing poverty among SHG members and their households. Additionally, it has significantly improved the empowerment of female members and helped them exhibit more positive behavioral changes and higher levels of self-confidence in the post-SHG period than in the pre-SHG period.

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