

Determinants of Effectiveness of Women's Self-Help Group- A Conceptual Study

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Abstract: The concept of Self-Help Group has its origins in rural areas and it has been introduced along the rural and semi urban women to improve their living conditions. SHGs are an effective instrument to encourage rural savings and gainful employment. The success of SHG has gained wide pervasiveness and several banks have established SHG-Bank linkages as a medium of rural business expansion leading to rural entrepreneurship. In the recent years, SHG-approach has occurred to be one of the most aggressive and effective strategies for empowering women. SHGs have been evidently instrumental in bringing about structural changes in rural economy. SHGs are instrumental in providing a major driving force to sustainable rural growth of the nation. This paper aims at exploring the determinants of effectiveness of women's Self-Help Group.

Key words: Self-Help Group, Empowerment, Determinants

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I. INTRODUCTION

The beginning of Self-Help Groups (SHGs) is started in Bangladesh, which aims to start a new approach to rural credit in Bangladesh. In India NABARD started SHGs in the year 1986-87 but the real effort was taken after 1991-92 from the linkage of SHGs with the banks.

A SHG is a small economically homogeneous group of the rural poor voluntarily coming forward to save a small amount of money regularly, which is deposited in a common fund to meet the member's "emergency needs and to provide collateral free loans decided by the group. The SHGs have been recognised as useful tool to help the poor.

II. REVIEW OF LITERATURE

H.C. Sharma (2000) in his study "Forest Policy-Role of SHGs", studied the role of self helps groups in the development of the tribal people. According to him, self-help groups have a flexibility of approach and working, but they have failed to develop a work culture, which is acknowledged by the tribal themselves. He is of the opinion that better coordination is required from the voluntary agencies and the government departments for its better performance.

Laxmi Kulshrestha (2000) in his paper Micro finance: The New Development Paradigm for poor Rural women, points out that the lack of capital is a serious constraint to the development of rural women. Often, the barriers like legal provisions, loan policies and procedures make credit inaccessible to women. Studies have shown that credit can help women to take up farm allied activities and the income generated from credit given to women can be expected to be spent for well-being of the household. This novel innovative approach of microfinance emphasizes financial intermediation with self-sustainability of institutions.

A.P. Sebastian Titus (2000) in his study, "Promotion of women empowerment through self-help groups", examine the promotion of women entrepreneurs through self-help groups. According to him, the women entrepreneurs who have started small enterprises expand them into large scale units. Self-help groups have made readymade garments and export them. A women self-help group in Dindigal district run a unit providing agro services with a total turnover of Rs. 12 lakhs or more per annum. But most of the other self-help groups are not able to reach up to the expectations. Some of the reasons cited were non-availability of funds for investment, dearth of technical and managerial skills, inability to manage the labour force, dual role burden, back of professionalism, gender bias and the like.

Putnam (2000) Self-Help Groups have facilitated the formation of social capital teaching women to work together for a common purpose Little by little they have access to information and networks for developing economic activities getting links to wider movements for improving their position.

Dadhich C.L. (2001) in his study on micro finance: a panacea for poverty alleviation analyzed the performance of SHGs formed by oriental Bank of micro lending and underlined that the project has established beyond an iota of doubt that properly designed and effectively implemented microfinance can be a means not only to alleviate poverty and empower women but also be a viable economic and financial proportion. However, there is scope for further refinement. The positive and liberal approach adopted by the central banking authority of the country will surely facilitate the further improvement and development of microfinance system in India.

K. Ritu, R.K. Kushwaha and A.K. Srivastava (2003) in their study "Social-Economic Impact through self-help groups", examined the functioning of self-help groups in Kanpur Dehat District, twenty five women from self-help Groups were selected as sample for the study. The objective of the paper is to study the impact of the self-help groups on their socio-economic status. The results show that there is positive relationship between the self-help groups and the socio-economic status of women.

M. Sheik Mohamed (2004) in his article -Self Help group for the success of woman entrepreneurs stated that, as UNO Secretary General, Kofi Annan, has stated " Gender equality is more than a goal in itself. It is a precondition for meeting the challenge of reducing poverty, promoting sustainable development and building good governance." This recognition is currently missing in India.

Ms. Indira Kumari (2005) The Indian Bank field officer, in her study explained the details of SHGs especially the need for group cohesiveness for proper functioning of the group. Rural women members got an idea about SHG and awareness about thrift and credit system. The experience shared by officials and activists made the group understand that a strong group can instill in each member of the group a new sense of identity, dignity which in turn breed the confidence and the ability to overcome their problems both individually and collectively.

Suguna (2006) has pointed out Mahatma Gandhi's words, "Woman is the companion of man, gifted with equal mental capacities, she has the right to participate in the activities of man and she has the same right, freedom and liberty as he, she is entitled to a supreme place in her own place in her own sphere of activity as man is in bias.

Bimlasen (2007) mentions that the empowerment is an active process of enabling women to realize their identity, potentiality and power in all spheres of their lives. There are several indicators of employment. At the industrial level, participation in crucial decision-making process, ability to prevent violence, self-confidence and self-esteem, improved health and nutrition conditions and at the community level, existence of women's organization

Ganapathi and Sannasi (2008) highlighted the factors influencing the women entrepreneurs. The study highlighted the common features of women entrepreneurs, challenges faced by them while undertaking the entrepreneurial activities and the necessary strategies to overcome the challenges. The study concluded that women must be motivated to establish business in the interest of the family income in particular and national income in general.

Sankaran (2009) has made a study on the trends and problems of rural women entrepreneurs in India. The study highlights the conceptual aspects of trends and problems of rural women entrepreneurs in India. It concludes that women have creative ability, easy adaptability and ability to cope with setbacks.

Mahamood Khan and Dinesh (2010) analyzed that the participation of women are only within the PRI in name, but in reality, it is male family members who hold the power. Views on improving women's participation, education, and training for women members, public and family encouragement, government encouragement through provision of more powers of funds, and seats for women, and make their attendance in the meetings compulsory.

A study conducted by **DAC Network (2011)** also found that Women's economic empowerment was a prerequisite for sustainable development, pro-poor growth and the achievement of all the MDGs. Achieving women's economic empowerment not a "quick fix". It would take sound public policies, a holistic approach and long-term commitment from all development actors. More equitable access to assets and services - land, water, technology, innovation and credit, banking and financial services - will strengthen women's rights, increase agricultural productivity, reduce hunger and promote economic growth.

Garikipati (2012) found that women's loans were mainly used to improve households' productive assets and because these are typically owned by men, women's loans ultimately benefit them. Author says that men with wives in the credit program spend significantly more time in self-employment and less time in wage work when compared to others. It is only when the focus shifts to how women use their loans that the impact of microcredit on their time use becomes apparent. Women who use their loans to start or enhance their ownership of productive assets are seen to spend significantly more time in self-employment.

Raghurama and Shakira Irfana (2013) States that intervention of Self-Help Group Bank Linkage Programme (SBLP) has improved lives of the rural poor. There is a consensus that by joining SHGs, saving regularly and availing loans, women members have been able to reduce their dependence their loan portfolio.

III. DETERMINANTS OF EFFECTIVENESS OF WOMEN'S SELF-HELP GROUP

3.1 Decision-making within the household

The social impact of the SHG program can be measured through the involvement of women in the decision-making. SHG encourages women to participate in various decision like savings, investment and loan. The women have reported that they have savings in their name and it gives them confidence and increased self-respect.

3.2 Health and Family welfare

Second important parameter to determine the effectiveness of SHG is health and family welfare. Awareness of women regarding Children education, girl education, sanitation in members, birth control, maternity and immunization of children on time are few important determinants to check the effectiveness of SHG.

3.3 Saving and Financial Decision Making

One of the main objectives of participation in a SHG is the opportunity to save regularly, access formal savings institutions and participate in the management of these savings. Increase in income, accumulation of assets, increased savings and regular source of income can be indicator of effectiveness of women self-help group.

3.4 Employment: The implementation of SHG has generated Self-employment opportunities for the rural poor. After joining the self-help group, the women have developed various skills which gives them various employment and entrepreneur opportunities.

3.5 Political empowerment:

Political empowerment can be another important parameter to measure the effectiveness of women self-help group. Because of After joining the SHG, women know about the Gram Panchayats. It is a pertinent fact that many women have not only been elected to the Grama Panchayats but have become the role holders too.

3.6 Improvement in Knowledge & Skills

Self-help group have increased the women skills and abilities like communication, decision making and technical skills. After joining the Self-Help group member performs better in their jobs and roles. They use technical equipment, handle their customer and market their product in better way. Their improvement in level of various skills can be measured to know the effectiveness of SHG-Group.

3.7 Frequency of Interaction with Outsiders

in the Pre-SHG period women got lesser opportunity to interact with bankers, Government officials, NGOs and others. It can be observed that, after associating with SHGs, members are interacting with outside stake holder. This interaction helped them to articulate their problems and improved their self-confidence.

3.8 Status of Access to Facilities

Since SHG programme has economic as well social implications. Women status of using the various facilities and amenities like medical, sanitation, education, market, water supply can be measured to determine the effectiveness of SHG-Group.

IV. CONCLUSION

A SHG is a small economically homogeneous affinity group of the rural poor voluntarily coming together to save small amount regularly, which are deposited in a common fund to meet members emergency needs and to provide collateral free loans decided by the group. Self-Help Groups are major means of women's socio-economic empowerment. SHGs increase savings habits of women, helps women to raise loans, encourage women to start their income generating activities and it will in return increases economic freedom of women and increase the status of women in their family and society.

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