
MICRO FINANCE AND SELF HELP GROUPS A TWO DIMENSIONAL APPROACH TO WOMEN EMPOWERMENT

DR. R.H.PAVITHRA

Abstract: Women plays decisive role in the process of moving their families out of poverty. Around 30% to the rural, Indian households are estimated as headed by women. Even when there is a male earner, woman's earning forms a significant part of the income of the poor household. Yet they remain as most vulnerable, marginalized and excluded form the mainstream of the society, In spite, ' her contribution not being measured she continues to do her best in Contributing herself to the nation through the family. "Perhaps one would call her the unsugh heroine of our country who without any glare of publicity contributes her best to the progress of country" Even though half of India's population consists of women, they are subjected to all kinds of domination. It is only after the international year of women (1975) government paid focused attention to integrate them into national planning and progress by striving to have a closer look at their problems and potentialities. The early planning was oriented towards the welfare, form 70's there was a shift from welfare to development. In 1980's government of India laid stress on family welfare and social up lift. During 1990's more importance was given to political empowerment and now it is economic empowerment. This research article intends to explain the relationship between female literacy rate and their health status, it highlights the Self Help Group's and the bank loan, the main aim of this work is to link micro credit self help groups to women empowerment. It analyses that SHGs and micro finance will be a powerful vehicle of women empowerment if accessed well.

Keywords: Self Help Groups, Bank Linkage Loans, Micro credit, Empowerment.

Introduction: Women play a decisive role in the process of moving their families out of poverty. Around 30% to the rural, Indian households are estimated as headed by women. Even when there is a male earner, woman's earning forms a significant part of the income of the poor household. Yet they remain as most vulnerable, marginalized and excluded form the mainstream of the society, In spite, ' her contribution not being measured she continues to do her best in Contributing herself to the nation through the family. "Perhaps one would call her the unsugh heroine of our country who without any glare of publicity contributes her best to the progress of country" (Amarjit Kaur,1989). Even though half of India's population consists of women, they are subjected to all kinds of domination. It is only after the international year of women (1975) government paid focused attention to integrate them into national planning and progress by striving to have a closer look at their problems and potentialities. The early planning was oriented towards the welfare, form 70's there was a shift from welfare to development. In 1980's government of India laid stress on family welfare and social up lift. During 1990's more importance was given to political empowerment and now it is economic empowerment.

Left to ourselves a few of us think of the enormous contribution of women to the society. If we are to consider the value added by her to the society in terms of housekeeping home making, child care shaping the future citizens of our country etc. they are truly the builders of the society. With host of

social disabilities, economic deprivation she has been the personification of sacrifice surrendering her comfort for the wellbeing of he, family and children. Yet her contribution seldom noticed. What are our homes without the mother? And how often do we applaud her for all the good that she does? On the contrary perhaps many women at the end of the day seek shelter either in a shed or in the open air because of the torture of her husband. May be after a long day's work she will have to go to bed without a morsel of food and drink. Yet she goes on ... maybe she needs to assert herself sometimes. Women empowerment is absolutely essential for alleviating their gloomy conditions. Their status can be dignified only when they will be made economically and socially independent in the society. Economic growth and empowerment affects their status and well being. Freedom from the scourges of poverty is the pre-requisite for empowerment. According to Amarthya Sen "Poverty is a result is a result of capability failure". It is true of Indian women that they do not have the ability to enjoy the opportunities provided by the society. Historical, Social, Economic as well as genetic elements of the sections of the society prevent them from faking full benefits.

Women suffer from different types of powerlessness in social and economic sphere of life. Lack of power or disempowerment is reflected in lower attainment of education, health, income levels, lower control over their income, bargaining power in selling their produce and labour, lower participation in decision making employment etc.

The profile of Indian will tell us where they are:

Health & Education: Health and education 'enhance women's capacity to take advantage of the choices. Schooling increases heir voice in the family and the range of job options. But they rate very low in this indicator.

Year	Rural	Urban	Overall
1961	10.1	40.5	15.35
1971	15.5	48.8	211.97
1981	21.7	56.3	26.76
1991	30.6	64	39.29
2001	46.7	73.2	54.16

Source : National Institute of Rural Development

Table 1 shows that the literacy rate for rural women over the years is low in comparison with the urban. But we notice an encouraging indicator as it is increasing over the years. According to 2006 the total literacy rate was 61.7% for the country. 2.5% women were without any formal education, 8.8 were primary and 5.9% were with class XII. Only 4.8% were graduate and above. As per HRD 2010 India fares poorly when compared to countries like china and Sir Lanka in terms of parameters like per capita expenditure on health, number of physicians/hospital beds (per 10,000 persons), and IMR. In addition, within the country, the improvement has been quite uneven across/States, gender, rural/urban areas etc. Inadequate health-related infrastructure, including shortages of doctors and paramedical professionals has severely restricted the delivery of health services, particularly in rural areas. It is reported that 56.2% of women suffer from anemia.

Employment: Employment is believed to increase women's status and decision making power. With employment women do not remain as mere objects of social change but become agents to it. They cease from being mere consumers of economic goods and services and turn into producers (ILO, 1984). Gainful employment with decent working conditions leads to empowerment.

Politics: Women participation in politics also id very poor. Thus the glaring differences in society are more visible in cases like, education, health, employment and politics. Women are in need of organization and there is an innate need, a passion in them to come up, progress and get empowered. Self-help-groups provide a platform for such an aspiration to take shoot and flourish.

Self-help-groups: The aim is to nurture the ability of poor with a well-groomed support system and conducive environment. The approach is to build confidence that the poor. Given the opportunity, will not be dependent. Planners have also a realization that women bear the largest part of the burden of poverty as they are often deprived of the scope of earning as they have to take care of kids, the house

and related and activities. It has also been observed that women are most passionate and reliable agents of development if they are supported by capital and opportunities. This is the assumption by witch micro finance has started with the extension of small loans to groups of women, too poor to qualify for bank loans. "Micro-credit programmes have brought the vibrancy of the market economy to the poorest villages and the people of the World" says World Bank President, James D. Walfensohn M. Yunus, founder of Grameen Bank remarked, "Micro-credit helps to create self-employment and put the poor, particularly women in the drivers' seat." Thereby Self-help-groups are seen as viable vehicle of empowering women through micro credit and facilities offered through this forum.

SHG movement was sown in Indian soil way back in the 1970's as a small effort by the foreseeing people and organizations. The projection was that the development of marginalized and less privileged 'could be achieved through their own support and involvement. Hence they are called SHGs. SHG is a voluntary association of persons with common interests. Such groups are organized for mutual help and benefit: They come together for the purpose 'of solving their common problems through self help and mutual trust. These groups inculcate the habit of thrift among the members. They also mobilize the small saving from the members of group. These groups advance loans to the needy members. Today they are considered as effective instruments of rural development. These groups help in creating a self dependency and self sufficiency among the members. It has been realized that an effective way. to tackle poverty and to enable community to improve the quality of is through social mobilization of disadvantaged people. The concept of SHG id based on the idea of community participation, as sustainable community development requires the active participation of the entire community. The NABARD has recognized the importance of SGH's and has initiated the SGH-bank linkage programme,

which has emerged as the largest microfinance programme in the world.

Micro Finance: Microfinance can be considered as a pro-poor credit access method as against the formal financial institutions, who pose several practical difficulties to the poor to access credit, very specially women. The microcredit summit, 2007 defines micro credit as the extension of small loans to very poor people for self employment projects that generate income and allow them to take care of their families. This has proved as an effective and popular measure in the ongoing struggle against poverty, enabling the poor who do not access to lending institution at affordable cost to start any economic activity. Therefore the prime objective is to alleviate poverty through extended access to finance.

The defining criteria used includes

1. **Size:** they are very small in size! micro loans.
2. **Target user :** micro entrepreneurs and low income house holds
3. **Utilization :** the use of fund is mainly for income generating activities and enterprise development and community use (productive purpose)
4. **Terms and conditions :** are flexible easy to understand and suited for local conditions of the community

Hence micro finance is financial service of small quantity provide by the financial institutions to the poor. These financial services may include thrift savings, credit and insurance etc. i.e any financial service provided to meet the financial needs with the qualification that i) transaction value is very small and, (ii) customers are poor micro credit as a tool of poverty and empowerment has gained credence in development dialogue the world over provision of credit required the initiatives from the government and non government organization in making available smaller frequency of credit to the poor client without any collateral security on loans and also shorter repayment periods and amounts. The Poor need credit for small productive assets, working capital, housing, illness and emergencies The demand for credit here is not only large but also heterogeneous as well.

Micro Credit in India: In India the major objective of nationalization of banks was to improve the flow credit to the poor households. Priority sector lending was one of the most important goals. In spite having large net work of banks they were not able to connect to the poor and large number of poor remained outside the purview of banking system and continued

to be exploited by the money lenders. The poor impact of various programmes for the up lift of the subsidized credit not effectively reaching the poor. The results indicated that the poor need small and frequent doses of credit for consumption and emergency purposes. In response to this NABARD sponsored a research programme through an NGO, MYRADA, Encouraged by the results of the group based approach for lending to the poor NABARD in 1992 launched a pilot project linking SHGs with Banks. This could be considered as a landmark development in the history of microfinance for the poor in the country. Micro credit in India is largely linked with Self help groups. It has made remarkable advancement in India is considered as the largest microfinance programme in terms of outreach in the world. This rapid growth process has a boost to the rural poor particularly women to reach reasonable economic, social and political empowerment leading to a better life. It has given poor in India-specially women, an opportunity to become agents of change. The following table 1.2 depicts the cumulative progress of SHG's and the bank loans over the years.

We observe a rapid growth in the formation of SHG's every year as well as in the bank loan. As on 31 March 2010, there are more than 77 lakh saving linked SHG's and more than 42 lakh credit-linked SHG's and thus about 8.6 crore poor households are covered under the programme.

The table 1.3 reveals that as on March 30th 2009, in the total no. of 42 lakh and more SHG's, 32 lakh and, more were exclusively women SHG's. Women SHG's saving linked and credit linked with banks were 79.5% and 85.4% respectively. Further the percentage of loans outstanding of exclusive women SHG's to total SHG's which was 78.45% as on 31 March 2008 had increased to 81.93% as on 31 March 2009. All this is a clear indication that SHG's and micro finance has a lot to do with the poor in particular women in terms of their welfare and uplift.

Evidence show that serving women turns out to have stronger impacts on households. Khandker (2003) finds that a 100per cent increase in the borrowing by a women would lead to 5% increase in per capita household non food expenditure and 1% increase in food expenditure, while a 100 per cent increase in the borrowing by men would lead to just 2% increase in non-food expenditure and a negligible-change in the food expenditure.

Year	No. of SHG's Linked		Bank Loan	
	During the year	Cumulative	During the year	Cumulative
1992-93	255	255	0.29	0.29
1993-94	365	620	0.36	0.65
1994-95	1502	2122	1079	2044
1995-96	2635	4757	3.62	6.06
1996-97	3841	8598	5.78	11084
1997-98	5719	14317	11.92	23.76
1998-99	18678	32995	33.31	57.07
1999-00	81780	114775	135.91	192.98
2000-01	149050	263825	287.89	480.87
2001-02	197653	461478	545.47	1026.34
2002-03	255882	717360	1022.33	2048.67
2003-04	361731	1079091	1855.53	3904.2
2004-05	539365	1618456	2994.26	6898.46
2005-06	620109	2238565	4499	13397.46
2006-07	1105749	3344314	6570	199967.46
2007-08	1227770	4572084	8849.26	208816.72
2008-09	1609586	6181670	-	-
2009-2010	1586822	7768492	-	-

Source: NABARD Status of Microfinance in India 2008-09.

Particulars	Year	Total SHGs		Exclusive women		% age of women SHG to total SHG's	
		No	Amt	No	Amt	No	Amt
		Savings linked	2007-08	5009794	3785.39	3986093	3108.65
	2008-09	6121147	5545.62	4863921	4434.03	79.46	79.96
Loan disbursed	2007-08	1227770	8849.26	1040996	7474.26	84.79	84.46
	2008-09	1609586	12253.51	1374579	10527.38	85.39	85.91
Loan outstanding	2007-08	3625941	16999.91	2917259	13335.61	80.46	78.45
	2008-09	4224338	22679.84	3277355	18583.54	77.58	81.93

Source : NABARD, Status of Microfinance in India 2008-09.

The Link: When we attempt to link micro credit/Self-help-groups to women empowerment, we should look out for the following processes. Poverty of the households will have reduced if the poor household are able to maintain and reproduce themselves in a sustained manner. In other Words livelihood generated by micro credit intervention have to be sustainable over a long period of time. Women will have equal power with men to take decisions and increase women's bargaining power within the household.

The impact needs to be analysed in the light of past experiences, like -

1. What long term impact has micro finance had on the SHG's who were involved in thrift and micro finance activities?
2. How have the incomes of the households increased from the micro finance loans?

3. What are the major economic activities to which finance loans have been used?

4. How have micro finance empowered women against gender discrimination? And so on.

Self-Help-Groups! Micro finance' and Women empowerment

There are encouraging result as SHG's and micro finance movement continues to advance.

• Economic empowerment

1. It is undeniable that micro finance through its access to credit to the poor has helped them to escape from the clutches of money lenders. A study in the district of Bidar with 100 Self help group women revealed that micro credit and SHG loans have helped all of them to stop borrowing from money lenders. SHGs have brought about economic transformation through savings and loans. The study shows that 63% of the women

mainly the younger ones join SHG for the purpose of economic development alone. Rest have mixed purposes like social empowerment and personal development.

2. There is significant decline in poverty levels among the SHG members, Same study shows that 52% of women were able, to start income generating activity, which means they were able to be self-employed and 75% of them enjoy improved economic status now. The income generating activities started by them were dairy farming, goat rearing, tailoring shops, embroidery and designing, petty shops, cycle repair, timber business, bangle business, papad/pickle making, etc. It has eased their problem of hunting coolie work and the irritation from the landlords. The purpose of loan availed from the group by the women was utilized for income generating activity, children's education and for consumption purpose. and to increase the assets. Another study by Dr. Manjula in Mangalore city shows that micro financing is benefited women entrepreneurs to increase their family income. It also shows that micro entrepreneurs though face the problem of dual responsibility of household chores and providing child care have taken up entrepreneurial activity and have become economically empowered. They manage their finances on their own.
3. It has provided timely and adequate money to meet urgent and essential needs like to repair build houses, for consumption purpose, health and education. The study disclosed that all women in the sample sent their children to school. It was also reported that after joining the SHGs their consumption has increased, they have better intake of food.
 - **Political empowerment:** Two members from the group had contested and won the Panchayat elections. Majority of them after joining the SHG participate in the Grama Panchayat meetings; interact with the local authorities to meet their local needs. Collectively they were able to get safe drinking water facility for one colony and road to another.
 - **Social Empowerment:** As member of SHGs women felt that their relationship in the family has improved. There is a better understanding between the husband and wife, and their children. They have cordial relationship with their neighbours. They work as one unit and help one another in solving their problems, support and encourage one

another. Besides these it has built self-confidence, self-esteem, leadership abilities and decision making power and has improved knowledge, skill and attitude in women. Letting go off their superstitious belief, fear and low self esteem have developed self assertiveness, confidence and self-reliance.

- **Gender Empowerment:** Group lending in Micro finance involves peer monitoring by other members of the group. Hence it is likely to provide protection to women within their household. In particular violent acts and abuses by men against women are now being subject to third party. This will act as a warning against domestic violence. Increasing family income also may tend to decrease conflicts in the family. Some studies like Hashemi, Schuler, Riley (1996) and Kabeer (2001) report micro finance in Bangladesh has reduced violence against women. But the opposite results arrived by Rehman (1999) that as many as 70% women of Grameena borrowers declared that their involvement in micro finance has increased violence in the household, because men feel threatened in their role as primary income earners in traditional society.

Conclusion: Micro finance through SHG programme has provided women access to financial services. This service to a certain extent has improved their ability to harness their capacity. In this process of capacity building, they can uplift themselves. The result of the programme can be assessed in terms of converting non-creditworthy women into creditworthy women of small groups and also the high repayment rate and cost recovery. Women seem to be more reliable than when it comes to repaying their loans.

The SHG have proved to inculcate in women their self worth through economic, social, political and gender empowerment. Two decades ago majority of rural women lived in virtual isolation, unable to access even most basic services. But with the formation of SHGs these women are now achieving social and physical mobility. They have signaled the beginning of a new era by helping women in villages to improve their income, educate their children and buy assets. They have helped women campaign against oppressive social practices and become a force of development in their village. SHGs and Microfinance will be a powerful vehicle of women empowerment if accessed will. Thus SHG through community involvement help women for social empowerment and Microfinance will assist in economic empowerment.

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Dr. R.H.PAVITHRA/Assistant Professor /Department of Economics /
Karnataka State Open University /Mysore/9845659987