

## ROLE OF SHG'S IN EMPOWERING RURAL WOMEN

Upasana<sup>1</sup> & Rajkumar Singh<sup>2</sup>, Ph. D.

<sup>1</sup>Research scholar, Department of Applied Business Economics, Faculty of Commerce,  
R.B.S College, Agra.

<sup>2</sup>Assistant Professor, Department of Political Science, Govt. PG College Fatehabad, Agra.

### Abstract

Women also plays an important role in the economy of the country, that is why it is best said by Pt. Jawahar lal Nehru that " If you want to see the condition of any nation than see the status of its women". It is very important for any nation to have its women empowered. Since independence, to bring the women in mainstream, the Government of India is enforcing & implementing many laws and programmes to empower women in all aspects, especially the rural women who were suppressed in all ways i.e economically, socially and politically. The main reason behind it was their illiteracy and no participation in financial inclusion, because of this they were fully depended on the head of the family or on the person who is earning the livelihood. Government being aware of importance of women empowerment have started many programmes. From many of the programmes introduction of SHGs have proved to be an applaudable programme in order to empower women in many aspects. SHG is the informal group of 10 -20 members who collectively come together to help each other by contributing small savings on the regular basis to accumulate the fund and than lend this pooled fund to its members as the need arise. SHG's after completing the period of six months of their establishment are eligible to be linked to banks to get more fund to start their own small business or to engage themselves in the productive activities. Through SHG many of the rural women have become financially independent and are able to take their own decision and have gain the leadership ability. SHGs are doing their best in many areas and making rural and poor women self dependent, these SHGs are promoted by government as well as by many NGOs. But still there are many areas and villages where rural women have no awareness about such programme ,so there is a need to spread awareness in rural women to join such group to enhance there standard of living. The present paper focuses on the importance of SHGs in the lives of rural women.

**Keywords-** SHG (Self Help Group), Women Empowerment, Financial Inclusion, Participation.



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### Introduction

Participation of women plays an important role in the economy, that is why it is best said by Pt. Jawaharlal Nehru that " if you want to see the condition of any nation than you see the status of its women". For any nation it is very important to be its women empowered. Since independence Government of India is focusing on the development of rural India, it's economy

and welfare & upliftment of rural and poor women in its every five year plan but from fifth five year plan(1974-78) onwards there was an remarkable change in the approach to women issue from welfare to development. From many of the programmes, the initiation of SHGs to alliviate poverty and empower rural women, was much more inspired by the concept of Grameen Bank of Bangladesh. This bank provide microfinance to the poor to meet their emergency needs and to start their own small business. This concept was initiated by Mohammad Yunus of Bangladesh and for this he was awarded the noble prize.

**Women empowerment** - Mere having bank account and the property on the name of women does not mean the women empowerment but in true sense, women empowerment is to make them able to develop themselves in a way so that they can define, challenge and overcome the barriers of their life and can increase their ability to shape their own life and surroundings. Empowerment of women implies harnessing the women power by promoting their tremendous potential and encouraging them to work to achieve a dignified and satisfying way of life through confidence and competence. The empowerment of women is very crucial for the development of the country. Empowerment as a concept was introduced at the International Women's conference at Nairobi in 1983. Although women constitute half of worlds population yet they are mostly excluded from the benefits of social & economic development, mostly in developing countries. In India work participation of women is less than that of men. Many efforts made towards economic empowerment of women have engaged many active female population to micro, small scale enterprise and in the informal sectors, inspite of all this the rural women remain excluded from engaging themselves in self employment because of their illiteracy and non availability of finance to start up their small business. The eleventh five year plan (2007-12) undertook the main step to further strengthen the SHGs and community based organisation to empower the rural women and to provide them microfinance to start their small business. In past few years women empowerment has become a subject of great concern for the nation's all over the world especially in poor and developing countries, because without women's contribution and women empowerment no nation can be a developed nation.

**Self Help Groups(SHGs)**- SHGs are playing an effective role and acting as an effective tool in eradication of poverty and in social upliftment of women. SHG is usually an association or an informal group of 10 – 20 members belonging to homogeneous socio economic background. They come together to solve their common problem with the help of each other. SHGs may be registered or unregistered. The SHGs are registered under Societies Act, State cooperative or as a partnership firm.

SHGs are small economical homogeneous affinity group of rural women, voluntarily formed to save and mutually contribute to a common fund to be lent to its members as per group discussion. (source:NABARD)

SHG movement in India gained a growth after 1992, when NABARD realised the potential of SHGs and start promoting it. In 1999, Government of India introduced Swarn Jayanti Gram Swarojgar Yojna(SGSY)to promote self employment in rural areas especially for women through formation and skilling of SHGs. This programme became a national movement in 2011 and become NRLM- world largest poverty alleviation programme. Now it is renamed as DAY(Deendayal Antyodaya Yojna- NRLM) with effect from March 29, 2016.

### ***Review of Literature***

**Reji (2013)** in“Economic empowerment of women through SHG in Kerala” states that majority of the respondent’s income after joining SHG was higher than the income before joining SHG in both Ernakulam and Idukki district and come to know that in both the district SHGs are playing a vital role in empowerment of the women, as these institutions are improving the life on various aspects of social, political and economical, and helps in the eradication of the poverty.

**R. K. Yadav (2014)** In “significance of microfinance institution in rural development of India” found micro financial institutions are leaving an economic and social impact as it provides both saving and loan facilities to the poor. It provides the much needed funds to the potential entrepreneurs of the rural India.It solve problem of insufficient housing and rural services which are the integral part of poverty alleviation program and empower women and poor to play a vital role in the society. Thus microfinance in developing country like India plays a vital role in economic growth of the country through poverty alleviation and engaging poor in their own productive activities.

**V. M. Kadrolkar (2014)** in “microfinance and inclusive growth- a study of SHG on women in India”, he concluded that SHGs are the major source for generating the finance. Women constitute the majority of the SHGs in which they save mutually and then used for granting loan for mutual help. Older the SHG higher is the saving and higher is the performance. The sizes of SHG also have a positive relation with the saving as higher the member the larger are the savings and vice versa. Members received training and engage themselves in income generating activities.He concluded that SHG have a positive impact on the members of the SHG especially women.

**S. Kaur (2015)** her research evaluates the impact of microfinance program on poor people and also on women participants in Patiala District of Punjab. The study recognizes the microfinance as having a positive impact on women empowerment and also on the small business operators who are struggling for finance to fund their business. But it is note that the available microfinance institutions are lending loans for the consumption purpose and charging a high rate of interest which make it difficult for women to borrow loan for their business purpose. So NABARD should take steps to eliminate the hurdles faced by the SHG leaders at a time of bank linkage and should promote women to participate in the SHG program.

**Indrajit Goswami and Nigel Dsilva (2018)** in "The role of SHG in women empowerment in Maharashtra:an Empirical analysis" stated that undoubtedly SHGs are playing a significant role to provide women their rightful place in the society and have increased their inclusion in both economic and political system in India. Their objective were to know the self reliance among the SHG members, to determine factors of women empowerment and to explore their awareness with respect to laws, policies and programme. study concluded that more initiatives are need to support the members and found that SHG are playing great role in preventing gender discrimination.

#### **Objectives of study-**

To describe the objective of SHGs and it's function.

To study the factors that determine women empowerment.

To study the role of SHGs in empowering rural women.

**Methodology-** This paper is descriptive in nature . The main objective is to find out the role and impact of SHGs in empowering rural women. For this study secondary based data has been used from the report of NABARD , research paper and articles and sites

#### **Functions of SHGs and its objectives-**

- To build mutual trust and confidence between bankers and rural poor women
- Encourage banking activities in a segment of population in which formal financial institution failed to cover.

#### **Factors determining women empowerment through SHG-**

- Make rural women aware of their basic rights.
- Help rural women in getting employment.
- Boost self confidence and enhance social status of rural women.
- Increase community participation of rural women.
- Spread awareness about social issues.

## Conclusion

SHGs are playing a considerable role allevating poverty and empowering the rural womens. SHGs helps in training the *swarozgaris*, infrastructure development, marketing and technology support, communication level of members, self confidence, decrease in violence, frequency of interaction with outsiders, change in saving pattern of SHG members, involvement in politics, in achieving social harmony. This microfinance allows the poorer section of the society to get loans at cheaper rates which help them to start their own source of income.

When compared to the wider SHG bank linkage movement in India, the private MFIs have a limited outreach to the poor than SHGs. In India mostly the women SHGs are found in which only women are the members because mix gender group is less preferred in India

In a nutshell it was found that SHGs are playing a vital role in the lives of rural poor women to empower them by providing microfinance, to fulfill their important needs and to purchase the productive assets to engage themselves in income generating activities. It was also seen that SHGs are mostly functioning well in the states of south and north India. In spite of their formation in all over the country they are well performing in some states only so need to further research in those areas to know the fuctioning and reason for less development of SHGs in those areas.

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