



Intermediary Banks' Contributions To SHG-Bank Linkage Initiatives And Women's Empowerment

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ABSTRACT

Self-help Groups (SHGs) are informal associations of people who come together to find ways to improve their living conditions. They are generally self-governed and peer-controlled. The formation of SHGs is not only a micro credit project but also an empowerment process. The important characteristic of micro finance is to provide financial services through groups of individuals. In this connection micro finance with self-help groups (SHGs) play an effective role for promoting women empowerment. Empowerment is an active multidimensional process to enable women to realize their identity and power in all spheres of life. This paper explains the current state of women's empowerment in India and looks at how SHGs empower women. The function of SHGs as a successful strategy for women's empowerment is the focus of this study. The sample was gathered from the 100 respondents in the district of Mysore. The sample was chosen using a simple method of random sampling. The most important means of enacting gender equality and socioeconomic change in our society is through self-help organizations.

Keywords: Empowerment, financial services, micro credit.

I. INTRODUCTION

In India, Self Help Groups or SHGs represent a unique approach to financial intermediation. The approach combines access to low-cost financial services with a process of self-management and development for the women who are SHG members. A self-help group (SHG) is a village-based financial intermediary committee usually composed of 10–20 local women or men. Members make small regular savings contributions over a few months until there is enough capital in the group to begin lending. Funds may then be lent back to the members or to others in the village for any purpose. In India, many SHGs are 'linked' to banks for the delivery of micro-credit. For the rural women, economic empowerment can be harvested through the concept of Self-Help Groups (SHGs)

based on group approach to rural development. SHGs are indeed a boon to the rural poor women who undertake viable economic activities on their own. SHGs are voluntary association of people formed to attain some common goals. A self-help group may be registered or unregistered. It typically comprises a group of micro entrepreneurs having homogeneous social and economic backgrounds all voluntarily coming together to save regular small sums of money, mutually agreeing to contribute to a common fund and to meet their emergency needs on the basis of mutual help. They pool their resources to become financially stable, taking loans from the money collected by that group and by making everybody in that group self-employed. The group members use collective wisdom and peer pressure to ensure proper end-use of credit and timely repayment. This system eliminates the need for collateral and is closely related to that of solidarity lending, widely used by micro finance institutions

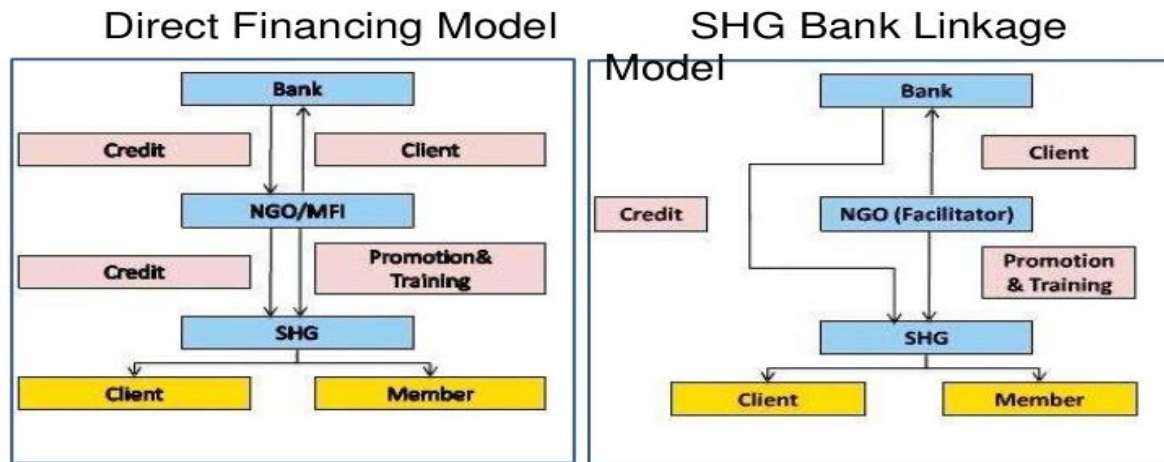
SELF HELP GROUP BANK LINKAGE PROGRAMME

Despite having a wide network of rural bank branches in India reaching the poorest, whose credit requirements were very small, frequent and unpredictable, was found to be difficult. This poses the biggest challenge to achieve hundred percent financial inclusions before Indian formal financial system. Therefore, need was felt for alternative policies, systems and procedures, savings and loans products, other complementary services and new delivery mechanisms, which would fulfill the requirements of the poorest. As a result NABARD launched the Self Help Group Bank Linkage Programme in 1992. The „Status of Microfinance in India“ report observed that a successful programme such as the SHG-BLP, which could link millions of rural poor to the formal banking system, could have been the main instrument for financial literacy and financial inclusion in the country. “There are a number of plausible ways by which matured SHGs could have been participants in the financial inclusion initiative, including being agents of



providing direct banking services to the poor at their doorsteps, as a low-cost and efficient alternative”.

FINANCING MODELS



WOMEN EMPOWERMENT

The word empowerment is defined as the process by which women take control and ownership of their choices. Empowerment is a process of awareness and capacity building leading to greater participation, to greater decision making power and control and transformative action. Empowerment of women signifies harnessing women power by conscientising their tremendous potential and encouraging them to work towards attaining a dignified and satisfying way of life through confidence and competence as person with self-respect, rights and responsibilities. The core elements of empowerment have been defined as agency (the ability to define one's goals and act upon them), awareness of gendered power structures, self-esteem, and self-confidence. Empowerment as a concept was introduced at the International Women's Conference at Nairobi in 1985. The conference defined empowerment as "A redistribution of social power and control of resources in favour of women. It is "the process of challenging existing power relations and of gaining greater control over the sources of power". Empowerment is a multi-faceted process which encompasses many aspects i.e. enhancing awareness, increasing access to resources of economic, social and political etc."In recent years women empowerment has become a subject of great concern for the nations all over the world especially

in poor and developing countries. The impact of globalization is seen eventually on position of women in some form or other in most of the developing countries with the variation of degree. The United Nations has also strived hard in an incredible way to draw the due attention of the World Community on this issue in the past years. Women Empowerment refers to an increase in the strength of women such as spiritual, political, social or economic. The most common explanation of "Women's Empowerment" is the ability to exercise full control over one's actions. Thus, women empowerment occurs in real sense when women achieve increased control and participation in decision making that leads to their better access to resources it often involves the empowered developing confidence in their own capacities.

II. Review of Literature

Mohanani (1998), the Self-Help scheme to bene the new strategy to combat poverty. To him, the SHG route is one of the cost effective methods of delivery of credit to the poor for whom modern capital is inaccessible. **Manimekali and Rajeshwari (2000)** have explained the role of SHGs in empowering women. The encouragement given by the SHGs help the organizers to form a group namely SEVAI. They have suggested giving training, which is linked with some kind of credit delivery mechanism whether formal or informal. **Soni (2001)** de process,



which should enable women to realize their full identity and power in all spheres of life.”**Soundari and Sudhir (2001)** reveals that the SHGs engage not only in productive economic activities but also in social empowerment and capacity building of rural dalit women. **Pattanaik (2003)**, in her study reveals that SHGs are continuously striving for a better future for tribalwomen as participants, decision makers and beneficiaries in the domestic, economic, social and cultural spheres of life. But due to certain impediments like gender inequality, social exploitation and physical and mental torture for which various SHGs are not organized properly and effectively. **Ranjula Bali Swain (2007)** stated that if SHGs in India work positively in the process of women empowerment and NGOs provide support in financial services there will be a positive impact on women empowerment. **Kour (2008)** suggested that the state agencies should formulate SHGs and development. **Sivachithappa (2008)** pin-pointed that SHG- based micro has better outreach and positive impact on poverty. **Olekar(2011)** observed that SHG has attracted tremendous attention in recent years. Microcredit is an alternative source of credit for the poor. This system provides credits for the development of the poor sections of the society. SHG programme is the right participatory approach for eradication of rural poverty and paradigm of rural development. From the aforementioned discussion, it is evident that SHGs are playing a vital role in the process of women empowerment.

Objectives

- To study the self-help group bank association program and savings mobility..
- To explain the function and significance of SHGs as a successful strategy for women's empowerment
- To ascertain the individual traits associated with SHG members using microfinance products for improvement

III. Methodology

Type of research: The study is based on simple random sampling and sampling frame work consists of members of self – help groups.

Sources of Data: The study is based on primary and secondary data. Secondary data are collected from various books, journals, articles, working paper, GOI, Non – Government Organization (NGOs) etc. Primary data are collected through a field survey in the study area. A structured interview schedule is prepared and used for collecting data from women members of self help groups. Both open ended and close ended questions are included in the schedule.

Area of sampling: This study is conducted in Mysore District.

Population and Sample size: The study consist of 100 women respondents of SHGs members.

Tools and techniques of data analysis: The data collected is represented with the help of Tabulation method.

PERSONAL PROFILE OF RESPONDENT

Personal profile	Particulars	Percentage
Age	18-25	15%
	26-30	25%
	31-40	40%
	41-50	15%
	50 & Above	05%
Education Qualification	Uneducated	45%
	Up to HSC	25%
	Diploma	15%
	Degree and above	15%
Monthly income	Less than 5000	20%
	5001-10,000	30%
	10000-15000	35%
	15000-25000	10%
	More than 25001	05%
Marital Status	Married	60%
	Unmarried	40%
Types of Business	Agro based	40%
	Service based	10%
	Self employed	35%
	Business based	15%



Community	FC	15%
	BC	35%
	MBC	25%
	SC/ST	25%
Area	Rural	70%
	Urban	30%
No of years of SHG	Less than 1 year	15%
	1-3 years	35%
	3-5 years	40%
	More than 5 years	10%
Use of Microfinance	Less than 1 year	25%
	1-3 years	45%
	3-5 years	20%
	More than 5 years	10%

(Source: Primary data)

ROLE OF SHGS IN WOMEN EMPOWERMENT

Factors	Role in women Empowerment	Score	Ranks
Personal Empowerment	590.3	59.03	2
Economic And Social Empowered	453.2	45.32	5
Political Empowerment	412.2	41.22	7
Women Economically Empowered	545.5	54.55	3
Increase In Saving	390.5	39.05	8
Social Status	375.3	37.53	9
Organizational Empowerment	348.2	34.82	12
Gender Equality	620.5	62.05	1
Community Empowerment	325.2	32.52	13
Environmental Empowerment	375.3	37.53	10
Digital Empowerment	366.3	36.63	11
Social Empowerment	537.2	53.72	4

IV. CONCLUSION

The women empowerment can be only esteemed when she is able to participation in social development activities. Women empowerment can be achieved only when they get education which is out of reach in India. According to census report, 2011, 82.14% literate person are male where as only 65.46% women are literate which shows the educated society is dominated by male in India. In rural India women are deprived of basic needs and education. So until and unless women are educated in the true sense, women empowerment will remain a distant dream. According to reports women constitute 48 % of the total population in India. And they perform almost two thirds of the works and produce 50% of our food commodities. Women earn one third of the remuneration and own only 10 % of the property of the country. From such kind of study, it is found that women are still a prey of

gender biasness in our society. The Self help groups are the most significant way of bringing about socio-economic change in our society. Personnel profile of the respondents clearly shows that age group of 31-40 years of age. 40% of respondent are uneducated, 35% falls in the range of 10000 to 15000. 60% of respondents are married, 40% are agro business is top among the other business activities. Backward community is highest compare to other community. 70% belongs to rural area, 40% of respondents are involved in SHGs activities for 3 to 5 years. 45% of respondent are accessed to micro finance product from 1 to 3 years. SHGs are crucial to women's empowerment through gender equality. Both income and savings have increased as a result. The most important means of enacting social and economic change in our society is through self-help groups.



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