

# Women Empowerment through Self Help Groups in Tamil Nadu, India

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**Abstract**— Women have the right to live with dignity and freedom in the society. Empowered women contribute to the health and productivity of families and communities. In rural areas, empowering women is a challenge. Self employment is a crucial step to have a constant income and to remove the obstacles of poverty. A women entrepreneur is a recent phenomenon of late 1960's. Entrepreneurship can help women's economic independence and improve their social status. SHG acts as a media for the advancement of saving habit among the women by encouraging their involvement in entrepreneurial activities. They augment the fairness of women's status as participants, decision-makers and beneficiaries in the democratic, economic, social and cultural spheres of building empowerment.

**Keywords**— Women Empowerment, Self Help Groups

## 1. Introduction

*"I make no distinction between man and woman, women should feel just as independent as men. Bravery is not man's monopoly."* -M. K. Gandhi

Nowadays, the role of women is very important. In the industrialized countries, women over the years have improved the role in the society since the 20<sup>th</sup> century. The scheme of micro financing through SHGs has transferred the real economic power in the hands of women and has made them independent. The performance of SHGs across several countries in approaching towards the eradication of poverty in empowerment of women has been moderately successful. In India, during the 9th five year plan the government had given due recognition on the importance and the relevance of the Self-help group method to execute developmental schemes at the grassroots level.

## 2. Review of Literature

Ranjula Bali Swain and Fan Yang Wallentin in the study "Does Microfinance Empower Women? Evidence from Self Help Groups in India" (2007) contributed by arguing that women empowerment takes place when women challenge the existing social norms and culture, to effectively improve their well being. The study reveals that

on average, there is a significant increase in the women empowerment of the SHG members group.

Dr. Percy Bose in the study "A case study on Self Help Groups in North Tamil Nadu" (March 2013) analysed the economic empowerment of women through SHGs in the north districts in Tamil Nadu. In the study, it has been found that the income of the women increased after joining the SHGs. Since the repayment of loan is regular, it can be concluded that the economic activities of SHGs are quite success.

### 2.1 Origin of self help groups

In 1975, Grameen Bank of Bangladesh founded by Prof. Mohaned Yunus. In India, NABARD (National Bank for Agriculture and Rural Development) was initiated in 1986-87. But It was implemented only in 1992 for the linkage of SHGs to banks.

### 2.2 Concept of Self Help Group (SHG)

A small group (15-20 members) voluntarily formed and related by affinity for specific purpose, is a group whose members use savings, credit and social involvement as instrument of empowerment. TNCDW (Tamil Nadu Corporation for Development of Women) defines SHG as a small, economically homogeneous affinity group of rural poor, voluntarily formed to save and contribute to a common fund to be lent to its members as a per group decision and for working together for social and economic uplift of their family and community.

### 2.3 Characteristics of SHGs

- Ideal size of SHGs is 10-20 members.
- Group need not be registered.
- Only one member should join SHG from one family.
- The group consists of either only women or only men.
- Members have the same social and economic background.
- Meetings should be conducted regularly.

### 2.4 Functions of SHGs

The savings are regular and the members learn how to handle the savings which benefits them during the usage of bank loans. The savings are used as loans for members. It helps in opening savings bank account with bank. The group will find solutions faced by their members in every meeting conducted at regular intervals.

### 2.5 Formation of SHGs in Tamil Nadu

The SHG movement in Tamil Nadu started with IFAD assisted Women's development project from the year 1991-92. Over the past 20 years, the SHG movement has spread across the entire state.

Table 1: Status of SHGs (2012 – 2013)

No. of SHGs	5.56 lakhs
No. of SHG Members	85.70 lakhs
No. of Rural SHGs	3.72 lakhs
No. of Members in Rural SHGs	57.37 lakhs
No. of Urban SHGs	1.84 lakhs
No. of Members in Urban SHGs	28.33 lakhs
Total savings	Rs.3,374.60 crores
No. of SHGs credit linked	4.85 lakhs
Total Amount credit linked	Rs.15,633.83 crores

Source: Rural Development and Panchayat Raj Department Policy Note (2012-2013)

### Different Models of Microfinance:

Models of microfinance relating credit linkage with banks

#### SHG-Bank Linkage Model :

This model involves the SHGs financed directly by the banking agencies viz commercial Banks (Public Sector and Private Sector), Regional Rural Banks (RRB's) and Cooperative Banks.

#### MFI's Bank-Linkage Model:

This model covers financing of Micro Finance Institutions (MFIs) by banking agencies for on - lendig to SHGs and another small borrowers covered under Micro finance sector.

#### Self Help Group – Bank Linkage Model:

The SHG - Bank Linkage Programme is a major plank of the strategy for delivering financial services to the poor in a sustainable manner.

Model –I: SHGs formed and financed by Banks

Model–II: NGOs act as Facilitator-SHG's financed directly

Model–III: SHGs financed by Banks using NGOs as financial intermediaries-

The State-wise details on the number of SHGs having savings linkage with banks as on 31<sup>st</sup> march 2014 has been provided in the table 2. A total of 74,29,500 SHGs own saving bank accounts with remarkable savings of Rs.9,89,741.54 (lakhs). The table 3.2 shows that the State of Andhra Pradesh considered for the largest number of SHGs (19.09% of the total number of SHGs in the country), followed by Tamil Nadu (12.69%), Karnataka (9.55%), Maharashtra (9.32%), Kerala (8.09%), West Bengal (7.96%), Odissa (6.96%), U.P. (5.10%).

It less than one percent in some of the states like Arunachal Pradesh, Goa, Haryana, Himachal Pradesh, Jammu & Kashmir, Manipur, Meghalaya, Mizoram, Nagaland, New Delhi, Punjab, Sikkim, Tripura, Uttarakhand, Andaman & Nicobar islands, Puducherry, Chandigarh, Lakshadweep. This shows that regional disparities in the spread of SHGs in the country.

It is apparent from the table: 2 that the state of Andhra Pradesh recorded the largest percentage of savings (35.36% of total amount of savings in the country), followed by Karnataka (10.98%), Tamil Nadu (10.62%), West Bengal (8.22%), Maharashtra (7.56%), Kerala (5.75%) and Uttarpradesh (4.43%). More than 10 states in the country has registered less than one percent of the total savings of the country.

### 3. Women Empowerment through SHGs

The empowerment of women through SHG provides benefit not only to individual women but also for the family and community as a whole. The major focus of women empowerment includes social empowerment, economic empowerment, political empowerment and gender justice along with demographical justice. Even though many international agreements affirm their human rights, women are still likely than men to be poor and illiterate.

### 4. Conclusion

Ever since independence, eradication of poverty remains a major challenge for the Government. In order to succeed, the Government of India had launched various anti-poverty programs for generation of self employment in rural areas. Due to the inability to achieve their goals of removing poverty and increasing employment activities, SHG emerged as an instrument for women's empowerment. The SHGs have created a positive impact on empowerment of women.

Table 2: State –wise spread of the SHG-Bank Linkage programme-savings of SHG with Banks as on 31st March 2014.

States	SHGs	Savings (in lakhs)	% of SHGs	% of savings
Andhra Pradesh	1418676	349962.18	19.09	35.36
Arunachal Pradesh	2588	153.01	0.034	0.02
Assam	285327	11289.51	3.84	1.14
Bihar	268721	16466.57	3.62	1.66
Chhattisgarh	11184	18283.52	1.51	1.85
Goa	8170	1313.37	0.11	0.13
Gujarat	196510	16872.00	2.64	1.70
Haryana	43029	4539.47	0.58	0.46
Himachal Pradesh	37634	2732.43	0.51	0.28
Jammu& Kashmir	873	40.74	0.01	0.004
Jharkhand	86386	8932.95	1.16	0.90
Karnataka	709171	108757.29	9.55	10.98
Kerala	601325	56942.49	8.09	5.75
Madhya Pradesh	157481	13010.41	2.12	1.31
Maharashtra	692274	74805.53	9.32	7.56
Manipur	9039	94.92	0.12	0.009
Meghalaya	7230	536.65	0.10	0.04
Mizoram	187	4.46	0.002	0.00
Nagaland	2437	210.08	0.03	0.021
New Delhi	2901	660.57	0.04	0.06
Odisha	517391	45733.95	6.96	4.62
Punjab	23041	2283.98	0.31	0.23
Rajasthan	257262	17906.61	3.46	1.80
Sikkim	343	35.49	0.004	0.00
Tamil Nadu	942469	105145.21	12.69	10.62
Tripura	9148	558.00	0.12	0.06
Uttar Pradesh	379270	43858.84	5.10	4.43
Uttarakhand	37294	3903.04	0.50	0.39
West Bengal	591464	81406.51	7.96	8.23
A &N Islands	4824	115.58	0.06	0.01
Puducherry	24454	2406.41	0.33	0.24
Chandigarh	468	13096	0.01	1.32
Lakshadweep	229	648.81	0.003	0.07
Total	7429500	989741.54	100	100

Source: NABARD: Status of Micro Finance in India 2013-14

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