

Self Help Group Of Women In Rural Sector

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ABSTRACT

A self-help group (SHG) is a village-based financial intermediary committee usually composed of 10–20 local women. A SHG 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.[1] To make the bookkeeping simple, flat interest rates are used for most loan calculations.

INTRODUCTION

A SHG is a small economically homogeneous affinity group of the rural poor who have volunteered to organize themselves into a

group for eradication of poverty of the members. The members of the group were coming together to save a 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. SHGs have been recognized as a useful tool to help the poor and work as an alternative mechanism to meet the urgent credit needs of poor through thrift. SHG is a media for development of savings habit among the women. It enhances the equality of women, as participants, decision makers and beneficiaries in the democratic, economic, social and cultural spheres of life.

More than 60,000 women spread in 2 Blocks of various Districts belong to the 'Below poverty line' category (ie. their annual income is less than Rs. 24000 (= \$500)). These women are from different caste groups such as Scheduled Caste (SC), Scheduled Tribes (ST), most backward Caste (MBC) backward caste (BC) and minority groups (Muslims). (1,2)

DISCUSSION

Most of them are illiterates/semi-literates. Only 15 percent of this population own economic assets, such as weaving looms, cows and goats, or a petty shop business. If they need money, they cannot go to a bank to get a loan, so often their only choice is to get a loan from a local money-lender, who usually charges outrageous interest rates (sometimes more than 100%!). Often such debts cannot be paid off in time, and the individual or the family gets in deeper poverty, and sometimes leads to suicide. The situation is especially poor for women, because they have often little or no economic status, and especially when their husband is working elsewhere, they have to face severe financial hardship. Occupation-wise they are landless laborers, agricultural laborers, construction workers, weavers and contract weavers and daily wage labor (coolie workers). The job availability in the agricultural sectors is roughly for 3-4 months a year and the rest of the period they travel usually to nearby areas for coolie work. They try to support their families with their little income. (3,4)

RESULTS

These women and men can be organized into Self-Help Groups (SHG). The goal of this program is to promote savings- and credit activities, and to promote micro-enterprise development.

This can lead to a strong and permanent improvement of their socio-economic conditions in a number of ways:

- Initiation of savings and credit activities, and promotion of income generating programs in these self-help groups will bring more economic development and independence to these women and their families. Because of the better welfare of these families, more children will be able to attend school instead of being forced into agricultural child labor.
- For the first time in their life, these disadvantaged rural women and men become organized into groups. The formation of these self-help groups will facilitate discussion of many issues pertaining to their socio-economic, educational and health status. Thus, the formation of this group provides a forum to initiate many participatory activities (including training and awareness camps).
- This process will also lead to increased confidence and social status, especially for women, in their communities. This will encourage these women to participate and contribute in general social and political matters in their respective villages, including women's rights. Examples include the use of these women as HIV peer

educators in our HIV programs (Perambalur Education and Prevention Program). (5,6)

CONCLUSION

The SHGs have made a lasting impact on the lives of the women particularly in the rural areas of India. Their quality of life has improved

a lot, as: 1) they could develop their skills and abilities in various productive activities. 2) There is an increase in their income, savings and consumption. 3) Increased self-reliance and self confidence have improved the ability of women to mobilize various public services for their benefit. 4) They have become bold and can speak freely in front of a big crowd. 5) They can carry out any type of official work without any fear. 6) The social horizons of the members have also widened. They have made many friends and feel that now they are more popular and socially active. 7) The illiterate and semi-literate women have got a sense of satisfaction and wish fulfillment. Now they have become productive and the important members of the family. 8) They got high self esteem which enhances their capacity to work. 9) With improvements in women's economic opportunities and their ability to take collective action, there has been a significant decline in gender based problems such as domestic violence, dowry, polygamy etc. Interestingly, some of them are motivating other women to form SHGs so that they also can reap the benefits.

Thus the SHGs have achieved success in bringing women to the mainstream of decision making.

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