



Research Paper

Self Help Groups - Gender Empowerment & Financial Inclusion

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ABSTRACT: Gender norms interplay with government policies for financial inclusion and Self Help Groups are a via media through which these dilemmas are answered. Even though it has total reversal of gender norms may not be possible, SHGs do have a significant impact on women's empowerment. They are promising vehicles for delivery of sustainable development, besides contributing towards financial literacy, autonomy and inclusion.

KEYWORDS: Self-help groups, financial inclusion, women's empowerment, social capital, gender norms

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I. INTRODUCTION

The whole idea of financial inclusion derives from the reality of some sections of society being excluded from the structural and ideological opportunities made available in society. If we concentrate on gender as a dimension of social inequality, various cultural norms and biases interplay with other macro factors in the environment, 'such as legal and policy barriers, as well as into the micro factors which play out in women's daily interactions'[1]. In the Indian case, in simple terms a Self-Help Group (SHG) could be a voluntary group of 15-20 poor local women who get to form an association for following some economic activity and reap benefits by pooling in their financial resources. Some of the functions of SHGs are to develop & enhance decision making capacity of women members who become part of these groups. It is also an effective way to increase literacy, including financial literacy among these women. They are able to get acquainted with the basic skills to enable them for money related transactions. They are given skill training for maintaining financial transactions also.

The concept as well as practice of Self-help Groups (SHG) has gained popularity for social scientists, especially those of developing countries, who are concentrating on working on development related issues. This, became a much used term 'especially after Muhammad Yunus won the Noble Prize for peace for his contribution towards eradication of poverty through Grameen Bank [2]. As part of the philosophy and plan of financial inclusion as well as economic development in India, SHGs are crucial ways to include women, and, they are the prime driver for the financial movement in India'[3].

One of the most technically sound studies, Datta's (2015) assessment of the JEEVika program in Bihar [4], finds that economically and socially marginalised groups can reap the benefits in a significant way from these kind of engagements by reduction in reliance on high cost sources of borrowing, as well as increased participation of women in household decision-making [5]. It was meant to be an initiative of the government of Bihar for alleviation of Poverty. This study problematized highly funded projects which would aim towards poverty alleviation but would be unable to plug the gap very much.

II. THE PROMISE

Unequal gender roles have implications for the most basic aspects of self-determination, dignity and freedom, which in turn influence financial inclusion - or lack thereof [6]. SHGs have also emerged as a new way of addressing rural as well as urban poverty. It demonstrates the importance of working together for a common cause. As an initial step, members of SHGs initially pool in small savings of fixed amount like Rupees 100 or 200/- only, in regular monthly intervals. The money contributed is subsequently used for productive purpose by buying raw material for making household consumption items or pieces of handicrafts such as papad, pickle,

agarbattis, candles, soaps etc. which is sold through organized marketing bodies or in local markets. This helps in recycling the money invested. Part of this profit is shared off and on. Books of accounts are to be maintained to record the contributions received, its utilization and return. After 6 months the SHGs can open account with a Bank and get loan facility with the bank of up to 10 times of the total savings contributed by all the members. It is important that all the members should contribute the same amount agreed upon initially and repay the loan taken from Bank to become eligible for higher loan in future. Members of SHGs can also take loan from the corpus of funds for consumption purpose which has to be paid in instalments as decided. All the members of SHG share in responsibility of ensuring repayment of such loan withdrawn from the collected corpus. This acts as a very important learning about saving and investment ethics for the members of SHG. SHG members gain immensely from common experiences of working together, it builds dependence on each other, there is better utilization of limited resources, and, it gives a wider entrepreneurial platform to all members, especially women. Most importantly it promotes financial independence, financial inclusion and financial literacy, besides generally improving people's economic conditions. SHGs are also best means for providing opportunity to women in order to explore the inner selves and to build their leadership capacity and share ideas with each other. Empowerment is a larger process to enable women to build capacity aimed to greater participation, effective decision making and build greater leadership in them [7].

There is enhanced social capital too, especially amongst women who had hardly ever networked amongst people, especially amongst banking, NGOs or government related agencies. Through their engagements in SHGs, women have been found to enhance their bonding skills, where they would have a sense of solidarity with other members. They would additionally be able to learn aspects of savings and credit management, something that was unimaginable in traditional patriarchal societies. These women have even been able to upgrade their social capital skills by forming links with banks and other government agencies [2].

III. NABARD

In India the National Bank for Agriculture and Rural Development (NABARD) acts as the Nodal Agency for Microfinancing to SHGs, JLGs and farmers Clubs by providing guidance as well as credit linkages with the Public Sector Banks. This bank's gender policy has been very proactive in promoting principles of equality and fair access to credit. Their idea and intention of inclusiveness has been translated into promoting gender-responsive budgeting. According to NABARD the objectives of SHG are as under-

- a) Focus on empowerment of women.
- b) Save people from the clutches of money lenders.
- c) Participation of women in economic activities
- d) Create a habit of savings.
- e) Elevation of economic standard of family members.
- f) Enable members to overcome social and economic barriers.
- g) Development of skills for economic empowerment.
- h) Promising & ensuring human rights to women at all stages of life.
- i) Generate self-employment.

As per NABARD report on status of Microfinance in India 2020-21 the SHG linkage program touches 13.8 crore households through more than 1.12 crore SHGs. SHGs together have deposits in Banks of Rupees 37477/- crores and the annual loan offtake is Rupees 58000/- crores. The total outstanding of loans in all the Banks given to SHGs is Rupees 103283/- crores [8]. Fostering an aggressive policy of financial inclusion they have even allocated a fund by the name of Financial Inclusion Fund. The basic purpose is to promote rural prosperity besides working towards the policy of gender equality. Besides small and marginal farmers, landless farmers and women in rural belts have been the bank's target. So, Self Help Group is a micro finance setup of 15-20 women and it is a village & urban based financial mediator. SHGs are based on monthly saving and are affiliated to NGOs and Banks. SHGs are not such robust organizational set-ups in India as yet, to enable unhindered welfare and empowerment of women. These groups become the best means for giving women the opportunity to explore their inner selves, potentials and to build leadership capacities. Empowerment is a larger process to enable women to build capacity aimed to greater participation, effective decision making and build greater leadership in them [7]. Self Help Groups are a very significant way to enable women to participate in the general development of the entire nation, besides their immediate community [9].

Undoubtedly, SHGs empower women by facilitating their micro /domestic business enterprises. In fact experience by lenders and banks have shown that have proved credit linkage programmes are very successful and the repayment rate is more than 95% [10]. Studies have indicated that SHG membership has positive impacts on evaluation of women's empowerment and lower 'the gap between men's and women's empowerment scores' [11].

IV. CRITIQUE

-Many studies have revealed that the strategies and coping mechanisms adopted by women can help to deal with patriarchal systems in their specific cultural and temporal concreteness and indicate 'how men and women resist, accommodate, adapt, and conflict with each other over resources, rights, and responsibilities' [12].

-A study which was undertaken in several states, involving over 1942 groups, concluded that caste played a very significant role in the inception and even functioning of SHGs. Almost 30% of the groups surveyed, responded that there were clear indications of different etiquette for different social categories and 'preferences of same caste could be seen in the selection of members of the respective group' [13].

- One notable limitation that has been observed in these schemes launched by governmental, non-governmental or financial bodies like public sector banks is that access to credit and other incentives may be routed for and through women, but actual beneficiaries might turn out to be their male partners or relatives. However, it may enhance the bargaining position of the women, leading to lesser extent of intra-household inequalities [5].

- In Bastar, many women were daily labourers and worked outside of the village the whole day. Thus, while some women occasionally skipped meetings due to agriculture or household work, those who had to leave the village for labour and livelihoods were consistently unable to attend [14].

-It has also been observed that poor women are unable to garner the requisite capital for start-ups or any small business even though lending mechanisms exist at the macro level. Many of the financial institutions may not even be oriented towards funding women [15].

V. CONCLUSION

Despite limitations, SHGs are promising vehicles for the delivery of sustainable development goals [5]. Besides financial inclusion, what is very evident is the role of SHGs in giving a voice to the marginalized sections, especially women. They also double up as some kind of pressure groups when it comes to finding some political participation from /for women against the evils of dowry, female infanticide, and resistance to girls being sent to schools, or, awareness campaigns for health and hygiene initiatives. Even tabooed subjects like menstruation have come out of the closet, courtesy financial incentives being offered for women to mass produce sanitary pads and sell them too, in villages and small towns, where periods were associated with pollution, secrecy as well as myths pertaining to boundary maintenance.

However, it has even been observed that total reversal of gender norms is a far-fetched dream as far as the impact of SHGs on women's empowerment is concerned. Attitudes and practices with regard to domestic violence and general respect accorded to women remain rather unchanged and it may be some time, before any paradigm shift takes place as far as gendered spaces as well as decisions are taken in India. Evidence with regard to women's empowerment suggests a mixed sort of result [11]. It is obvious that the most difficult to change are gender norms and SHGs would need to address them too.

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