

## Challenges on Women Empowerment Through Self Help Groups in Tirunelveli District

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### ABSTRACT

This paper deals challenges on women empowerment through Self Help Groups (SHGs). Women has been a common feature in India towards the aim of poverty alleviation under the micro-finance concept. Access to credit has not only strengthened the position of women economically, but it has also created a ripple effect which alters power dynamics to allow them agency to a large extent. Besides, SHGs have helped women to participate in the community affairs and in various instances, they have helped tackle the issues concerning public infrastructure, access to social entitlements, health and nutrition, and basic facilities such as safe drinking water, electricity and so on. Most importantly, the process of mobilization and collectivization has been a journey of reflexive empowerment and carving a space for the women self. Though there still stand challenges of enormous magnitude with regards to the participation of women in the political affairs of the country, but the SHGs for long have contributed towards developing women leaders at the grassroots level. The space infused confidence in several women and led them to participate in the local governance process. These women have the potential to shape up as strong contenders and actively get engaged in the local political field.

**KEYWORDS:** Women, Population, Self Help Groups.

## INTRODUCTION

A self help group is a village based financial intermediary committee usually composed of 10-20 local women. The members make small regular saving contributions for a few months until there is enough capital in the group for lending. Funds may then be lent back to the members or other villagers. These SHGs are then further 'linked' to banks for delivery of micro credit. It lays emphasis on capacity building, planning of activity clusters, infrastructure build up, technology, credit and marketing.

## HISTORICAL BACKGROUND:

Self help groups are the boon to the women to overcome their problems. The self help group was started in the year 1992. NABARD launched a pilot project for linking it with banks. Reserve bank of India (RBI) advised banks to actively participate in the project and provide finance to self help groups treating the loans as advances to weaker sections.

There are number of self help groups functioning in Tamil Nadu and the success of the women groups will result in higher income and higher standard of living of people particularly in rural areas. Women constitute one-third of the national labours force and compared to many others, Indian women contribute a large share of their earning to the basic family maintenance. The study on the women self help group will highlight the impact of the schemes and to exhibit the role and achievement of self help groups. The study entitled "Role of women self help group in Tirunelveli. A study attempts to depict the role and achievement of self help groups in Tirunelveli. In the study area Tirunelveli self help groups functioned from 17/11/1997 and it was launched by the Tamil Nadu Government through Tamil Nadu women development project implementation unit.

## MICROFINANCE:

Microfinance is emerging as a powerful instrument for poverty alleviation in the new economy. In India, microfinance science is dominated by self help group bank linkage programme, aimed at ensuring a cost effective mutation for providing financial services to the unrealized poor. Based on the philosophy of poor pressure and group saving a collateral substitute, the SHG programmer has been successful in not only designing financial products

meeting peculiar needs of the rural poor but also in strengthening collective self help capacities of the poor at the local level, leading to their empowerment. The role of financial sector is a process of economic development which has been well recognized. Thrust played by finance in stimulating substantial economic development was emphasized by the eminent economist like kaleeki Keynes Amarty Sen and mond, yunus. There after the relationship between financial development and economic growth has been attributed in the pioneering work of Goldsmith. Meckinnon, Sha and later by works of the endogenous growth school and many others.

#### **URBAN POVERTY ERADICATION:**

Poverty in India has been the focus of many debates and policies for decades. Most of this focus has been on rural poverty issues, but urban poverty being as prevalent as it is today seek equal attention. Urban poverty could not be ignored for very long as the cities and town are important vehicles for social and economic transformation unfortunately many of the benefits of the urban development are not shared by the poor. This shows that economic development even in prosperous states has not been translated into benefits for the urban poor.

#### **WOMEN EMPOWERMENT:**

Poverty and unemployment are the major problem of under developed countries. In India, at the end of ninth five year plan 26% of the population was living below the poverty in the rural area. 27% of the population lived under poverty. The overall unemployment rate is 8.5%. The rate of growth of women unemployment in the rural is 9.8%. This is because of the low growth rate of new and productive employment. At the end of the IX plan of growth implemented by various schemes was to reduce poverty and to promote the gainful employment more attractive scheme with less efforts (finance) in self help group. It is a tool to remove poverty and the rural development.

#### **RURAL DEVELOPMENT:**

The rural sector and rural women always remain the main component of the development process of India economy. The rural woman is the center of rural development

interms of alleviation of rural poverty. Therefore, the government has initiated woman self help group programme as a best participatory approach to rural development as well as the eradication of rural poverty.

### **ECONOMIC EMPOWERMENT OF WOMEN:**

Under the trickle down theory in planning process, it was expected that women will equally benefit along with men. This has been believed by actual development. The ninth plan documents recognized that in spite of development measures and the constitutional local guarantees women have lagged behind in almost all sectors. In the past decades, there have been various forces and pressures which are mostly dominant that those which have tried to push women towards growth and development. Though the Government has continued to allocate resources and formulated policies for the empowerment of women, it has become singly clear that political and social forces, that resist women's rights in the name of religious, cultural or ethnic traditions, have contributed to the process of marginalization and oppression of women. The participatory approach to development policies and programmes for women is enhanced.

### **MICRO CREDIT FOR RURAL DEVELOPMENT:**

Credit is playing a key role in sustaining the development of the rural area. Primary sector will continue to play an important role in the national economy to meet the increasing demand of a growing population and the industrial sector. Rural development thus depends on the amount of credit available in rural areas. In the process of rural development SHGs certainly have a future role to play.

### **OBJECTIVES OF THE STUDY**

The main objective of the study is challenges on women empowerment through Self Help Groups (SHGs) in Tirunelveli District.

### **REVIEW OF LITERATURE**

Microfinance and Rural Development in India' by Bas, S.K., Nanda B.P., Nanda Rath J. (2008), published by New Century Publications, New Delhi. In this study the micro finance

and self help groups programmes for women is being increasingly landed by development agencies as an effective intervention with a positive impact on economic growth and improvement in the social status of women.

Micro-Finance in India', by Karmarkar KG., 2008, SAGE Publication, has deals with basically self help groups and member's family and microfinance mechanism. In this study author finds out that Microfinance, however, has proven beneficial for women, availability of micro credit have provided them livelihood source. As a result their income on their household thus improved the living situation for their entire family, rates than children. Typically women have much higher repayment rates than men, making them a more sustainable, credit worthy investment.

Micro Finance and Self help groups' by Edwin, Gnanadhas M., Mahalekshmi M., (2011). The book introduce microfinance activities and development of self help groups in order to understand economic development. In this well research book, author analyses and describe the microfinance issues and social banking with the development gap in the economy.

### **THE PRESENT AND FUTURE CHALLENGES AND FOR WOMEN SHG**

SHGs have achieved remarkable success in empowering rural masses, especially rural women, both socially and economically. The government has been encouraging the micro-finance based model of poverty reduction. E.g. (NRLM) National Rural Livelihood Mission However, the prevailing model of SHG micro- finance and women SHGs, continue to face a myriad of problems. No doubt that the model has successfully inculcated financial training and discipline among the rural poor, more needs to be done to make this model a true harbinger of prosperity at the grass-roots level. The set-up of SHG Federations and launch of MUDRA Bank may prove to be a boon for these SHGs. The Women SHG has been playing a major role in both economic and social empowerment of women. They were primarily created to induce poor people to make small savings and to help in mutual aid by accessing banks and public services.

Major Problems Faced Are Listed Below:

- Recognition of women as an important and potential member in financially supporting her family during crisis situations reflects empowerment at family level.
- Gender bias was widely prevalent in the village. A girl child was usually not preferred and looked as a burden and they were married immediately after they attain puberty.
- Ignorance of Members/Participants: Even though the authorities take measures for creating awareness among the group members about the varied schemes valuable to them, still the majority of the groups are unaware of the schemes of assistance accessible to them. Several are Ignorant about the scheme.
- Inadequate Training Facilities: The training services given to the SHGs members in the specific areas of product selection, quality of products, managerial ability, production techniques, and packing, other technical knowledge are not adequate to compete with that of strong units.
- Problems Related to Finance: Women have little financial independence at home. Therefore, women SHGs often fail to augment their collateral corpus adequately. This makes banks reluctant to finance project lead by such SHGs.
- Problems of Marketing: Marketing is an important area of functioning of the SHGs. However, they face numerous problems in the marketing of items produced by them. Following are the major problems relating to marketing.
- Lack of Stability and Unity Especially among women SHGs: Enormous workload of women, especially on account of their family obligations, leads to poor productivity of women member of SHGs. In the case of SHGs dominated by women, it is found that there is no permanence of the groups as; many married women are not in a position to associate with the group due to the change of their place of residence. In addition to it, there is no unity among women members owing to personal reasons.
- Exploitation by Strong Members: It is also observed that in the case of many SHGs, strong members try to earn a lion's share of the revenue of the group, by exploiting the ignorant and illiterate members. This may lead to the isolation of the actual beneficiaries.

- **Weak Financial Management:** Model hardly focuses on investment perspective and development of skill level of the borrower, and the funds diverted for other personal and domestic purposes like marriage, construction of house etc. making credit available is not a panacea to rural problems.
- **Low Return:** The return on savings is not attractive in certain groups due to incompetent management, the high cost of production, an absence of quality consciousness etc.
- **Affinity:** The SHGs are formed, more often, to complete targets set by the government agency and NGO, which grossly lack affinity, the most important factor. This also leads to Lack of proper direction and professionalism about the proper routing of the funds. A need-based credit is not accessible rather an equal division of funds among the women leads to the improper utilization of funds. There is a need to focus on differential credit.
- **Because of emphasis of govt. On mostly opening bank accounts and financial inclusion, tapping the entrepreneurial energy has been left to the SHG. Thus, the innovative ways of financing are lacking. This also leads to conservative attitude amongst the women, which is not so good for any expansion of the business. The rigidity of the structure is a major weakness. A need-based credit is not available rather an equal division of funds among the women leads to the improper utilization of funds. There is a need to focus on differential credit. Because of importance is given by the govt. On mostly opening new bank accounts and financial inclusion, good for tapping the entrepreneurial opportunity has been left to the groups. Still innovative ways of providing formal financial services to the unreached poor are lacking. This also leads to conservative approach among the women, which is good for any business expansion.**

## **SUGGESTIONS FOR WOMEN EMPOWERMENT THROUGH SHG**

1. In order to solve the various problems and issues relating to the marketing of SHGs products, the state level authorities should expand the activities throughout the state instead of being limiting its operations in a particular area.

2. Various SHGs functioning in a particular Panchayat area can form a co-operative society. This co-operative society may be assigned with the job of marketing the products of different SHGs under a common brand name. Additionally, the society can also undertake some sales promotional activities and acquire rare inputs for the benefits of member SHGs.
3. Non-Government Organizations (NGOs) can play an important role towards empowering of women entrepreneurs by providing them basic education, motivational training, and financial help and so on.
4. All the members in the SHGs may not have the same knowledge and proficiency. NGOs should spot the incompetent members of the SHG and impart appropriate training to them in order to improve their competency. And for this purpose, short term guidance programs can be organized at the panchayat level.
5. Frequent awareness camps can be organized by the Rural Development Authorities (RDA) to make awareness about the different schemes of assistance accessible to the participants in the SHGs.
6. Lastly, arrangements may be made by the financial institutions/Banks for providing ample financial assistance to the SHGs strictly on the basis of their genuine performance without any kind of favoritism of caste, politics etc.
7. Measures should be taken to attract more and more people, especially the illiterate and the poorest section of the rural people to become members of SHG's.
8. Small responsible tasks and jobs to be done on behalf of the government can be entrusted to SHGs thus helping them to earn additional income.
9. In order to enhance the thrift of the SHG members attractive savings and insurance schemes can be introduced.

## **CONCLUSION**

Thus it can be concluded from the above study that microfinance is playing a vital role in the social, psychological as well as economic empowerment of women in India. The participation of women in SHGs has enriched their income, savings, and empowerment. The

involvement of the women in the group considerably contributes to improvement AND perfection in the quality of life, social status and confidence of the members, the SHG in the study area are taking the lead and playing an important role in social transformation, infrastructure building, and welfare activities. Though different studies conducted at various levels show different conclusions, it can be acknowledged from the present study that despite of bottlenecks, microfinance is capable of helping the poor to upscale themselves to a better living and playing a significantly positive role in upgrading women empowerment.

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