

A STUDY ON ECONOMIC EMPOWERMENT OF SELF-HELP GROUPS IN TAMILNADU

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Abstract: *The present SHGs concept is an alternative strategy to achieve the objectives of rural development and to mobilize community participation in all rural development programmes. The empowerment process may be broken down into five dimensions: social, economic, educational, psychological and political, which reinforce each other. While the economic aspects would include an increase in women's access to control over tangible and intangible resources. An SHG is a group of about 15-20 women from a homogeneous caste or class who come together to address their common problems. They are encouraged to make a voluntary thrift on a regular basis. The empowerment of the women leads to the development of the family and of the community at large. Empowering women through micro-enterprise creation may lead to financial empowerment and all other forms of empowerment-social, political will follow. The Self-Help Groups have acted as the real change agent and the medium of dissemination of various information and the services to the development. Their services may be utilized in the implementation of various social welfare programmes. Gain from collective wisdom in the financial matters in organizing and managing their own finance and distributing the benefits among themselves. Provide space and support to each other in doing the activities which increase their skill and economy.*

Key Words: *Micro-finance, Rural development, Economic development, Empowering women, Social welfare programmes.*

1. INTRODUCTION:

“Self-help is when a person takes responsibility for themselves but
We cannot take responsibility for ourselves in a vacuum”

- Besty Wilson

Self-help groups are formed as small functional groups in rural areas to increase the resource base of the members through the act of thrift and credit among themselves. The present SHGs concept is an alternative strategy to achieve the objectives of rural development and to mobilize community participation in all rural development programmes. SHG is a viable organized set up to disburse microcredit to the rural women for the purpose of making them enterprising women and encouraging them to enter into entrepreneurial activities. Credit needs of the rural women can be fulfilled totally through the SHG. To create quality groups, rural participation plays a pivotal role in identifying its members who are brought in the SHG-fold through the process of social mobilizations. SHGs can be defined as supportive, educational, usually change-oriented, mutual aid groups that attend to the problems of life and works for benefit of all the members or condition commonly shared by all members. Its purpose may be personal or to change the entire society or both.

SHGs play a significant role in mobilizing substantial amounts of savings and providing loans to the members. SHGs have also been able to bring about a positive improvement in a number of social indicators such as literacy and health. The economic empowerment process may be broken down into five dimensions: social, economic, educational, psychological and political which reinforce each other. While the economic aspects would include an increase in women's access to control over tangible and intangible resources, such as wealth, property, employment, knowledge, and information social aspect would include changing the existing discriminatory ideology and culture. The political process will increase women's presence and influence in the power structure. Political ability to bring about changes in women's legal status, to direct resources to women and to get access to positions of power is of crucial importance. Further psychological empowerment deals with will power and strong determination of women in terms of knowledge, competence, and capacity to tackle the different situation.

2. SHG AND ECONOMIC EMPOWERMENT OF WOMEN IN TAMIL NADU:

The SHGs are being framed as tools to bring about holistic empowerment of the poor rural women. Micro-credit has been advocated as the new universal remedy for reduction of poverty especially when it is done through SHGs. Micro-credit has thus undoubtedly emerged as one of the entry points in engaging self-help groups of poor women. Which reveals that women are empowered when savings, credit, and enterprise are used as tools for mobilizing and building the capacities of women at the grass-root level. The SHGs are able to cater to the immediate

and emergent credit needs of the individual members. The group has the freedom to decide its member's credit needs. This process also helps them to acquire the confidence to manage credit, use problem-solving skills, prioritize needs and function in a democratic manner.

The women take loans from the group corpus and invest it in their business from time to time. In the process, they earn some money and add it to their family income. Once the families are financially sound to some extent, the women start showing interest in different issues like their own health, nutritious food for the children, initiative to send both boys and girls to school and so on. The saving and credit groups also provide a base for poor women to organize themselves, expand options for livelihoods and to participate actively in development. The SHGs thus often provide a platform for women to become functionally literate, to sharpen their communication and conflict-resolution skills, and acquire skills.

The SHGs have been conceived in the form of saving and credit groups, joint farming groups, social forestry groups, trader groups and the like with an emphasis on thrift cum-credit. The registered or unregistered SHGs are allowed to open saving bank accounts with banks and decision has been communicated to all the banks as to undertake saving activities at least for a period of six months, prior to the establishment of credit linkage. The group members take a collective decision on all matters keeping in view the welfare and prosperity of the members. More often lending decisions like purpose, size rate of interest and the duration of the repayment of loans are decided case by case, paramount consideration being given to needs and aspirations of individual borrowing members. The procedure for sanction of loan adopted by the group is very simple and the loans are provided on the basis of mutual trust among the members. Gain economic prosperity by doing income generating activities and self-employment.

3. STATEMENT OF THE PROBLEM:

Economic development of a country means a process by which per capita income of that country moves upward over a period of time. Like any other countries of the world, India has been endowed with rich natural and human resources who need proper utilization by adopting modern technology for growth and development of the economy.

Self – Help Group is an instrument to empower women socially and economically. Most of the women in rural areas are illiterate and unaware of the availability of credit facilities, banking procedures and the policy of the banking institutions. Hence the study attempts to find out the impact accruing to the members of the SHGs.

The role of SHGs is important in the poverty alleviation in rural India. It is also recognized as a people's movement at grass root level to fight against poverty and accelerate the various dimension of women empowerment. Studies have shown that participation of women in SHGs made a significant impact on their empowerment variables. However, there is also a need to develop scientific tools to popularize research in this field. The various dimensions of empowerment need to be analyzed in order to develop integrated strategies for the uplift of the rural people. Therefore, an analytical study will help to formulate policies and programmes for their overall empowerment.

The government of India launched a new programme known as SGSY for developing the women entrepreneurship and creating self-employment opportunities. Tamil Nadu is a state where unemployment is very crucial. The implementation of these types self-employment programmes assumes due relevance. This study titled empowerment of women through SHG's make an analysis of the economic empowerment of women in industrially developed Tiruvannamalai district and the backward district is very relevant.

4. REVIEW OF LITERATURE:

Anil Kumar (2003) Economic Status of Women is significant on education, housing facilities, exposure to mass media, occupation, size of holdings and material possessions. Only a few aspects were found to be a non-significant value that is caste and type of family. Micro Credit which provided the rural poor access to finance without the burden of collateral through SHGs has empowered the women folk economically and socially. Empowerment of rural women through local Self-Government in developing Countries". Further, he opined that progress of empowerment. It is also necessary to recognize the issue of empowerment of women as a need of development and an essential input for the progress of society and development of human resources. Though the credit provided is micro, in mature it has produced macro changes in the lives of the women who received it.

Vinayagamoorthy (2007) in a study titled "Women Empowerment through Self-Help Groups: a Case Study in the North Tamil Nadu", focused on the economic engagement of women through SHGs in the northern districts of Tamil Nadu. The study is related to economic empowerment of women in the northern Tamil Nadu and has covered the three villages from north districts viz., Ponneri village of Vellore district, Koodamalai village of Tiruvannamalai district, and Paparpatti village of Dharmapuri district. These three villages were selected because the SHGs in these villages were functioning very successfully.

5. Function of SHGs in Tamil Nadu:

Regular meetings, compulsory attendance, and savings are the features of the self-help group in Tamil Nadu. These meetings are conducted at the group leader's house either weekly or fortnightly or monthly depending on the

convenience of the members. There is a penalty for late attendance or absenteeism. Thus, there is hundred percent participation. Regular transactions like collective savings, issuing loans and collection of repayment take place at convenient intervals in the meeting where all the members of self-help groups are present and collectively take decisions.

6. Benefits of SHGs:

- The SHG approach has proved successful not only in improving the economic conditions through income generation but also in creating awareness about health and hygiene, sanitation and cleanliness,
- They help the poor women to come up well, socially and economically.
- They help the rural women to act with self-confidence and promote unity among them.
- By joining in SHGs, women become increasingly aware of their rights and duties and follow small family norms.
- They are prevented from being exploited by their family members and money lenders.
- SHGs help women to save money and thereby enabling them to meet out the expenses from their own savings.
- To empower women by bringing them into the mainstream of development and improving their economic status; and
- To provide new employment opportunities by way of income generation, self-employment and entrepreneurship to women from different socio-economic aspects.

7. POLICY SUGGESTIONS:

- SHG is the strength of support for women in the time of difficulties. It is believed that women as a group can achieve what they cannot achieve as an individual.
- Resistance from the family to send girls to schools, fear of insecurity in villages, lack of facilities like accommodation, transport and medical facilities, a distance of schools from home, fear of alienation of girls from their environment are some of the other factors for low literacy level among rural women.
- SHGs enhance the equality of status of women as participants, decision-makers, and beneficiaries in the democratic, economic, social and cultural spheres of life.
- Social empowerment may be achieved by Promoting women's education to achieve full literacy of women.
- The development of women enables society to understand and appreciate their abilities. It enhances their status and leads to the integration of women in nation building and economic development.

8. CONCLUSION:

The Self-Help Groups have instilled a sense of confidence in the minds of rural women to succeed in their day-to-day life. Self-Help Groups occupy a pivotal role in the economic development of the society and help in the economic empowerment of women members. The impact of SHG on women in socio-economical, education, political and the self-front is positive. The participation of women in SHGs made a significant impact on their empowerment both in social and economic aspects. Economic development plays an important role in the development and growth of any society. Most of the women were able to increase their income level manifold and contributed to the development of their family. In the process, many of the women reported that they were participating in the financial decisions of the family; the importance of promoting women to engage in economic activities is being increasingly realized in all the developing countries.

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