

Women Empowerment Through SHGs

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Mahatma Gandhi states that the position of women in the society is an index of its civilization. **“Train a man and you train an individual, Train a woman and you build a nation”**

What is Empowerment?

- Empowerment is the process of increasing the assets and capabilities of individuals or groups to make purposive choices and to transform those choices into desired actions and outcomes (World Bank, 2002).
- Empowered people have freedom of choice and action. This in turn enables them to better influence the course of their lives and the decisions which affect them.
- Empowerment can be viewed as a means of creating a social environment in which one can take decisions and make choice either individually or collectively for social transformation. It strengthens innate ability by way of acquiring knowledge, power and experience.

Key Elements of Empowerment

- **Access to Information:** Informed citizens are better equipped to take advantage of opportunities, access services, exercise their rights, negotiate effectively, and hold state and non-state actors accountable.
- **Inclusion and participation:** Inclusion of poor people and other traditionally excluded groups in priority setting and decision making is critical to ensure that limited public resources build on local knowledge and priorities, and to build commitment to change.
- **Accountability:** It refers to the ability to call public officials, private employers or service providers to account, requiring that they be answerable for their policies, actions and use of funds.
- **Local organizational capacity:** It refers to the ability of people to work together, organize themselves, and mobilize resources to solve problems of common interest. Often outside the reach of formal systems, poor people turn to each other for support and strength to solve their everyday problems.

Empowerment: Focus on Poor Women

- Women are an integral part of every economy. All round development and harmonious growth of a nation would be possible only when women are considered as equal partners in progress with men.
- However, in most developing countries, women have a low socio and economic status. In such countries effective empowerment of women is essential to harness the women labour in the main stream of economic development.

Empowerment: Focus on Poor Women

- Although women constitute half of world's population yet they are the largest group which is excluded from the benefits of social and economic development.
- Women constitute a strong labour force which needs to be mobilized and encouraged to make an effective contribution to the development process.
- In India, the work participation rate for women is less than half that of men.
- Despite efforts made towards economic empowerment of women, majority of the active female population continue to be confined to micro, small scale enterprises and the informal sector.

Empowerment: Focus on Poor Women

- Women have been the vulnerable section of society and constitute a sizeable segment of the poverty-struck population.
- Women face gender specific barriers to access education, health, employment etc.
- The poor women are most disadvantaged –they are characterized by lack of education and access of resources, both of which is required to help them work their way out of poverty and for upward economic and social mobility.
- Since women's empowerment is the key to socio economic development of the community; bringing women into the mainstream of national development has been a major concern of government.
- Ministry of Rural and Urban development has special components for women in its programmes. Funds are earmarked as “Women's component” to ensure flow of adequate resources for the same.

Empowerment: Focus on Poor Women

- The XI and XII Five-year Plan (2012-2017) also undertook steps to further strengthening of self-help groups and community based organizations for the empowerment of women.
- Special attention needs to be given to increasing employment opportunities and productive resources of women through special financial intermediaries, building women's competitiveness and increasing economic exchanges among women entrepreneurs.

Evolution of SHGs

- The SHGs and micro-credit organizations have a long history.
- In Vietnam, tontines or Hui with 10-15 members involved in financial activities in cash or kind have been in existence for generations.
- In Indonesia, Credit unions, Fishermen groups, village-based bank like institutions, Irrigation groups etc., have been in existence since long.
- In Bangladesh, the success story of Grameen Bank is well-known (Pitt and Khandekar, 1998).
- Other countries like Thailand, Nepal, Sri Lanka and India have also initiated Self-help groups in uplifting the socio-economic conditions of poor, particularly women (Rekha, 2002).
- In India, these self-help groups were promoted by NGOs, Banks and Co-operatives. The NABARD launched a pilot project for linking SHGs in February 1992. The NABARD gives 100 per cent refinance to the Banks on their lending through SHGs.

SHG-Bank Linkage Programme

- Facilitating SHGs to access credit from formal banking channels.
- SHG-Bank Linkage Programme has proved to be the major supplementary credit delivery system with wide acceptance by banks, NGOs and various government departments.

Self help Groups (SHGs)

- The Self help Groups (SHGs) are essentially informal voluntary associations of people formed to attain a collective goal.
- People who are homogeneous with respect to social background, heritage, caste or traditional occupations come together for a common cause to raise and manage their collective savings for the benefit of all the group members.
- Usually, the focus is on poor and that too on women.
- The SHGs can be formed for any common cause or development activity. Normally it is found that initially though the groups are formed for a specific activity, gradually they diversify and take up more than one development activity in the area.
- SHGs practicing saving and credit along with other activities have been more successful and sustainable generally.
- The various types of possible groups are: (i) Savings and Credit Groups, (ii) Social Forestry Groups, (iii) Water Users' Groups, (iv) Watershed Development Groups, (v) Farmers' Interest Groups, etc.

Why Women?

SHGs are constituted with women members in view of the following criteria.

- Women and children constitute 68% of the urban poor.
- Women are not so far involved in the country's developmental process though they constitute about 50% of the population;
- The problems of women and children are better understood and better managed by women themselves.
- If a man is educated or motivated, he alone is educated. But if a woman is educated, the whole family is educated.
- House-wife is a home-maker and is more affected and concerned due to lack of basic social services.
- Women are subjected to exploitation by men in the poor families due to their lack of education and freedom;
- Women are considered the best educators of other women on personal and domestic hygiene, sanitation and other facilities.
- The status of women can be improved or raised effectively by empowering them and they can join the main stream of society and come out of backwardness only by shouldering responsibilities.
- Traditionally the Indian woman will not be able to express herself freely in the company of males, it being a male dominated society. Men may also be associated in advisory capacity in special cases.

SHG –A tool for Empowerment

- Forming and nurturing small, homogeneous and participatory self-help groups (SHGs) of the poor has today emerged as a potent tool for human development.
- This process enables the poor, especially the women from the poor households, to collectively identify and analyse the problems they face in the perspective of their social and economic environment. It helps them to pool their meagre resources, human and financial, and prioritise their use for solving their own problems.
- The emphasis on regular thrift collection and its use to solve immediate problems of consumption and production not only helps to meet their most urgent needs, but also trains them to handle larger financial resources more skillfully, prudently and with a more lasting impact.
- Encourage SHGs to become a forum for many social sector interventions.

The concept of SHGs

- The concept of SHGs moulds women as a responsible citizen of the country with social and economic status. It leads women to develop the habit of raising loans, form savings, inculcated with a sense of belongingness, habit of thrift and discipline among themselves.
- Groups actively take part in social welfare programmes focusing on dowry, AIDS awareness, nutrition, legal literacy, multiple roles of women and poverty alleviation programmes.
- The concept of self-monitoring has been introduced by the SHGs in a phased manner with the aim to make women totally own their movement and institutionalize its sustainability through networking.

Benefits of SHG models

- SHG movement created an institutional framework.
- Participation of women in SHGs improved their access to credit.
- Culture of thrift and disciplined loan repayment
- Winning confidence of mainstream financial sector as credit worthy institutions.
- Interest rates in the informal credit sector decreased.
- Consumption needs and certain production needs met.

Basic Principles of SHGs

- The basic principles on which the SHGs function are:
 - I. The members of the groups should be residents of the same area and must have an affinity. Homogeneity of relationship could be in terms of caste/occupation/gender or economic status (which is critical).
 - II. Savings first, credit thereafter
 - III. SHGs should hold regular meetings
 - IV. SHGs should maintain record of financial and other transactions
 - V. They should have norms regarding membership, meetings etc.
 - VI. Group leaders should be elected by members and rotated periodically
 - VII. Transparency in operations of the group and participatory decision-making
 - VIII. Rates of interest on loans should be decided by the group
 - IX. Group liability and peer pressure to act as substitutes for traditional collateral.

Mission for the Elimination of Poverty in Municipal Areas - (MEPMA)

- As part State Government's focus, attention and priority to address urban poverty alleviation in an integrated and comprehensive manner, the government decided to adopt the mission-mode approach to deal with various aspects of poverty.
- The Government of Andhra Pradesh set up MEPMA to address all aspects of urban poverty alleviation including provision of basic services, social and economic development, reduction of vulnerability, facilitation of shelter provision, etc., with the support and partnership of related government departments and other agencies.
- The activities taken up under the above programme are called Indira Kranthi Patham (IKP) – Urban activities.

Indira Kranthi Patham (IKP) – Urban

- IKP, a path breaking mission mode approach was conceived and adopted by the government to improve the quality of life in urban areas.
- The objective of IKP is to promote and strengthen self sustainable institutions of the poor and through them address all poverty issues like access to credit, financial freedom, health, disability and vulnerability.

Strategy

- Set up state level, district, level and ULB level support institutions for the poor.
- Build strong self managed and self reliant organizations of the urban poor like SHGs and Federation at various levels where the members take all decisions collectively and implement them to addresses all issues of their poverty.
- Mobilization of other vulnerable sections of the society like the disabled, adolescent girls, old aged and the destitute for harnessing their potential and rehabilitation.
- Build the capacities of the organizations of the poor to access the resources and broaden the livelihood base of the members.
- Build the capacities of the organizations of the urban poor to achieve convergence of all the anti poverty progrmmes and other services available both in Govt and in the open market for their social and economic development.
- Involve ULBs in implementation of all anti-poverty programs and build the capacity of all stake holders in ULBs to make them pro-poor.
- Take up placement linked/market tied up skill development programs for developing employability among the educated youth from BPL families and promoting entrepreneurship among the poor.

Mission

- Facilitating all poor women to form into SHGs
 - Creation of highly trained social capital at grass root level in all poverty aspects like Health , Education, Livelihoods, vulnerability etc.,
 - Facilitating interface between CBOs of the poor and bankers – constitution of Town Level Bankers committee with representative of poor in the committee
 - Taking up livelihood programmes/skill development programmes on placement assured/market tie up basis
 - Formation of CBOs of the disabled persons at lane/poor settlement/town level and enabling the vulnerable sections to live with more dignity and self respect
 - Facilitating the interface between the poor and vulnerable sections with the service providers/donors/voluntary agencies
 - Mainstreaming all the children into schools
 - Enabling the poor to access better medical and health facilities
 - Establishment of resource centers at all levels for servicing the needs of the poor

Impact/outcome indicators

- All the poor families are organized into self managed Community based organizations
- Incomes of the poor increased
- Improved access to basic services like education and health
- Increased access to credit and social security services and reduced dependence on private money lenders
- The poor become the partners in implementation of the poverty reduction programmes through their self reliant, self managed and strong organizations
- Health education and other related programmes are implemented through CBOs of the poor
- Poor have a platform at all levels to voice their problems
- Other vulnerable sections in the society improve their quality of life through their organizations.
- All the children are mainstreamed into schools
- The poor take their own decisions which affect their lives and livelihoods

Formation and strengthening of Self Help groups and federations

- The poor are facilitated to form into self help groups.
- “The Self Help Concept” would enable them to create a platform to organize, make their voices heard, build capacities and increase their relative strengths.
- The seed of self help would instill self confidence to identify and sort out their problems with the help of one another.
- Government of Telangana & Andhra Pradesh has, for the last few years been focusing to organize the poor into self help groups.
- There are around 128462 SHGs in Telangana

Bank Linkage

- As per a study conducted by the Ramnathan Foundation, only 0.8% of credit needs of the urban poor are reportedly met by commercial banks and rest by other sources like private money lenders.
- The poor are enabled to access 10-15% of their credit needs from nationalized banks at affordable rate of interest. So far 128462 groups are linked to banks with an amount of Rs. 389406.14 . This has reduced interest burden from Rs.1644/- to Rs.137/- per family per annum.
- Through the bank linkage, the poor could save up to Rs.5000/- per year per family. The debt burden on account of money lender therefore reduced. The initiative strived for effective linkage of SHGs to meet credit needs of the poor and thereby assured easy access to credit

Pavala Vaddi – Incentivisation of Best Performing Groups

- The Government through a novel “Pavala Vaddi Scheme” intended to reduce the interest burden and bring the poor out of the clutches of money lenders and encourage repayment which would in turn make the programme sustainable.
- The Self Help Groups (SHGs) had to initially pay the loan instalment to the concerned banks promptly and the interest incentive in respect of active loans will be released to the groups once in six months based on the loan repayment performance duly recorded, and recommended by the concerned banker.
- The interest subsidy will be adjusted to the account of SHGs directly through banks.
- The pavala vaddi scheme helped in establishing link with banks and enabling direct loan access for the poor. The rate of recovery is enhanced and it enabled the self help groups to access more credit from banks.
- **VADDI LENI RUNALU**
- No of SHGs accessing VLR - 38878
Amount in Lakhs 4846.76

Total Financial Inclusion (TFI)

- TFI is aimed at releasing the poor from the clutches of private money lenders, and meeting the total credit needs of the poor from the nationalized banking sector. SHGs of selected slum areas, where the repayment of SHGs and functioning is smooth, will be taken up. The total credit requirement of SHGs based on their family budgets will be facilitated through bank linkage without any collateral security under pavalavaddi. The process of TFI is as follows:
 - Identification of poor settlement
 - Sensitization of Municipal staff along with the Bankers
 - Capacity Building of group members
 - Assessing the debt burden and amount required for livelihood activities
 - Monitoring the recovery through Community Based Recovery Mechanism
- The impact of TFI has led to a saving of up to Rs.25000/- per year per family and dependence on money lenders reduced to zero.

Placement Linked Skill Development Training Programme

- The Government has formulated an innovative scheme called UPADHI (Urban Programme for Advancement of Household Income) with a vision to focus and provide livelihoods to the poorest of the poor in slum areas.
- The uniqueness of UPADHI is provision of 100% placement after completion of training (placement linked training).
- The goal is to provide the potential livelihood options for poor urban youth between the age group of 18-35 through skills building as per market requirements.

Addressing Vulnerability

- **I. Empowerment of disabled people in urban areas**
- Reducing vulnerability of the urban poor is one of the objectives of IKP by empowering the disabled through
 - Formation of SHGs
 - Building their capacities
 - Facilitating linkages with Banks & service providers
 - Community based rehabilitation managed by CBOs
 - Promotion of sustainable livelihoods
 - Provision of barrier free environment

Social Security – Insurance to the poor

- The Government of Andhra Pradesh has taken up an initiative of facilitating affordable life insurance with optimal coverage of risk to people below the poverty line. Around 1.6 lakh people are covered under Janashree Bhima Yojana/Siksha Sahayog Yojana. Self Help Groups are motivated to the LIC of India. The premium to be paid per member is Rs.90/- per year.
- Risk coverage :
 - Natural Death of member : Rs.30,000/-
 - Accidental Death/ Permanent disability of member : Rs.75,000/-
 - Partial Disability of member: Rs. 37,500/-
 - Death of Spouse of member: Rs.10,000/-
- The Insurance scheme has helped in risk preparedness to avoid the vicious circle of poverty. There is coverage of scholarship for 2 eligible children @Rs.1200/- per annum under Siksha Sahayoga Yojana and reduction of girl child vulnerability through increasing literacy and age of marriage.

Food Security

- To address the issues of malnutrition and food security for urban poor families, provision has been made to enable SHGs to procure the 5 essential food commodities viz., rice, dal, chilli, tamarind & oil at cheaper rates in bulk for distribution among themselves.
- Around 60,000 families were facilitated to procure the above commodities in bulk in the harvesting season.
- The impact of food security has resulted in – scarcity to security, saving of Rs.100/- to 300/- per month per family and access to quality food items.

Family Counseling Centres

- To empower women in legal matters and rights of women, the Family Counseling Centres (FCCs) are established to provide training to poor urban women to enable them to resolve their family disputes by adopting various methods of counseling and thereby save expenditure on court litigations.
- The process includes identification of paralegal workers, formation of Social Action Committees and Capacity Building of paralegal workers. The impact of FCCs has been that the number of disputes have been reduced resulting in happy families.

Deployment of highly trained Nagardeepikas

- The Nagardeepikas are active and experienced members of the Self Help Groups trained in various aspects like SHG concepts, Insurance, Family budget plans, solid waste management .
- These Nagardeepikas have been trained and positioned in ULBs. These Nagardeepikas who are knowledge workers and change agents are readily available for taking up various community based services like Insurance, recovery mechanisms etc.

Citizen Resource Centre

- To sensitize the urban poor about their needs, a citizen resource center is set up in each town wherein all kinds of information can be made available and disseminated. The functions of the centre are as follows:
 - Drop in facility
 - Learning centre
 - Meeting place for social gatherings
 - Venue for various trainings and
 - Centre of information and knowledge on services available with the Govt and NGOs

SNAPSHOTS







MISSION FOR ELEMINATION OF POVERTY IN MUNICIPAL AREAS (MEPMA)
ಸಿಟಿ ವಾರ್ಡ್ ಗ್ರಾಂ ಪಂಚಾಯತ (IKP - Urban), ಆರೋಗ್ಯ ಭವನ ಸಂಘ

ಮನ ಜೀವಾಳು ತಿರುದ್ದುಕುಂದಾಂ
4 DAYS TRAINING OF
Health Core Resource Persons of
MEPMA on HIV/AIDS
Cooperation with
MEPMA
Organized by
District AIDS Prevention & Control Committee
Kudalasangam











“సంపూర్ణ ఆర్థిక చేకూర్పు ద్వారా” లక్ష్యాసాయి స్వయం సహాయక సంఘం
లంగాల వ్యాపారము - నెట్టునగర్ - సిరిసిల్ల



