

Does SHG - Bank Linkage Programme Lead to the Women Empowerment

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Abstract- Women empowerment plays a vital role in the overall development of the society. In India various programmes and policies initiated by the government for the women empowerment and NABARD played an essential role in empowering women through the initiation of Self Help Groups and SHG-Bank linkage programmes and participation of women in SHGs created a considerable impact on their social as well as economic empowerment and brought a substantial change in the life of women at the fundamental level. The present paper is an attempt to analyze the contribution of Self help groups in women empowerment in India. As per the study the main reason behind the progress of Self Help Groups are: its credit linkage with poor and vulnerable people, it is very helpful in building up the financial status of its member households and above all, it has achieved success to develop the self dependence and confidence among poor and rural women which leads the development of the livelihood of the rural people especially women. Besides that the study also describes some of the constraints of women empowerment especially in rural areas and it is the utmost priority of the SHG programme and government to overcome the constraints to achieve inclusive growth through women empowerment

(Millennium project, 2015, Sahu & Singh, 2012). In India women empowerment is always a prime concern for the government, eighth, ninth, tenth, five plans of India are emerged with the priorities of women empowerment and development other than this Rashtriya Mahila Kosh also established to provide the economic help to the deprived women (Sinha, 2008) because women empowerment is very essential in rural areas and Self help group is doing its best efforts in improving socio economic position of women in the society. The condition of women in rural areas is not good because they lived their life in loneliness, even they cannot access the basic services but the establishment of Self help group is quite beneficial for the rural and poor women because it is helpful for the women to achieve the social and psychological motility in the society. (Yadav, 2010). SHG is the best way for the women empowerment and its impact upon women condition is quite remarkable which includes- economic sovereignty by increased level of income, increasing participation in households decisions which leads to the women's welfare (Yadav, 2010). Establishment of Self help groups under the movement of microfinance have brought remarkable transformation at the fundamental level by empowering women (Sahu & Singh, 2012).

SHGs are small groups which are established with the motive to provide the economic help to the poor and vulnerable people especially women which includes credit and saving facilities through mutual help and joint responsibility, SHG is a group based approach which facilitates the poor households to collect capital and also enables them to access the financial facilities. The basic motive of SHG is to reach the unreached or poor households specially women and empower them through credit and saving facilitation (Anand, 2002).

SHG is a best medium for the social and economic empowerment reason being it inculcates the habits of saving and banking among the members of the group. These informal groups of poor people having the objective to garner the economic help through mutual help and joint responsibility. SHG enables the group members to do small savings who are not able to do big savings. SHG creates the confidence and self dependence among the poor and rural people especially among the women who are ignored in the social composition (Anand, 2002).

Index Terms- SHG, SHG-BLP, NABARD, Empowerment

I. INTRODUCTION

Human development is always a prime concern for the government of every country even NGOs are also focusing towards the human development in many ways. Development has various extents like socio economic development, political development but the process of development is curtailed without the development of women of a country reason being, over all community can be developed through the development of women because participation of women and contribution of women in the society is very essential for the societal development but the sad part is that, women are not considered to be a part of the development and that is badly effecting their lives (Vijayanthi, 2002). Women empowerment is a vital tool for alleviating poverty because women comprised half of the world's population but still they are ignored and excluded from the social and economic development (Sinha, 2008). To counter the issue of women development, the government of all over the world are working and ensuring that maximum efforts can take place in the field of women empowerment, In India as well a lot movements are running for the women empowerment even in the Millennium development goals women empowerment is one of the agendas

II. SHG-BLP AND WOMEN EMPOWERMENT

In India SHGs and its linkage from the formal banking sector is the biggest promotion of Microfinance and it can be said that SHG is the fastest growing initiative of the microfinance programmes in India and it is doing exceptionally well in the

field of women empowerment instead of facing a lot of issues and limitations. Being an agricultural country in India female comprised an essential part of the labor force because most of the women are agriculture labor in rural areas and SHG tends to be the most effective way of women empowerment with having the objective of inculcating the habit of banking and saving in women and providing them alternative for credit so that they can be financial sustainable and this will encourage the confidence level of women to perform their responsibilities, to make it more worthy SHG- Bank linkage programme is a foremost programme which is providing financial services to the rural and vulnerable people specially for women (Suceena, 2016).

2.1 Progress of SHG Bank Linkage Programme

The Linkage between SHG and banks is an essential step towards conveying the financial services to the poor households. In 1992 a model was designed by NABARD within the partnership between SHGs, Banks and NGOs (Tripathi, 2013). SHG-BLP is a plan which is based upon the community and it is measured as the biggest programme of microfinance in terms of

overreach (Reddy & Malik, 2011). According to this model NABARD is united for the support to the banks in terms of refinance and promotion for SHG-BLP. There was a slow progress between 1993 to 1999 because only 32995 SHGs linked with the banks but after that the linkage programme has been growing speedily and specially since last eight years it was growing quickly from 5009994 in 2008 to 7697469 in 2015 (NABARD, 2015).

Besides that the amount of distributed loan has led to a progressive stage as in there is a continuous increment in average loans amount from 17,663 to 35,832 in the duration of 2008-2015. (Table-1) In spite of this, the growth of SHG-BLP designates decline in terms of linkage and loan amount as in the amount of outstanding loan in 2015 is 44,68,180 which represents the negative growth rate of 6.4% as compared to the growth rate of 2008 of 16.50%, correspondingly the amount of outstanding loan signify the rate of growth of 37% but it falls in 2015 by 20.07%.

Table-1 Number of SHGs linked with banks and amount of loan distributed as on 31 March.

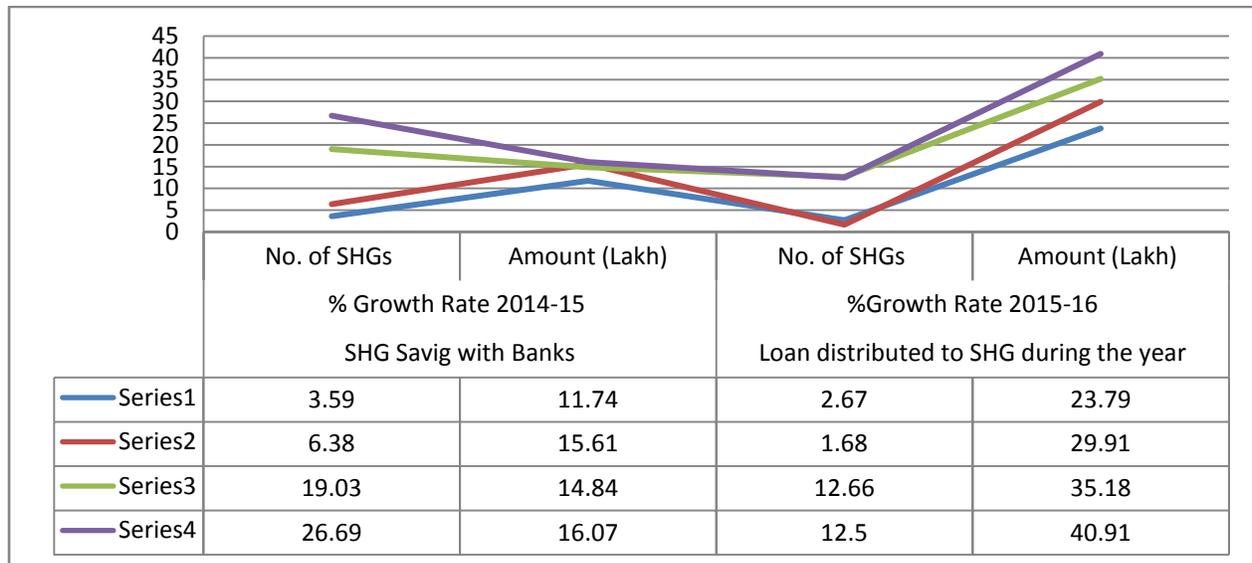
Year	SHG Avail Loan	Amount of loan	Amount of average loan
2008	1227770	884926.24	17663
2009	1609586	1225351.39	20018
2010	1586822	1445330.36	20786
2011	1196134	1454773.19	19495
2012	1147878	1653476.87	20771
2013	1219821	2058536.44	28131
2014	1366421	2401735.85	32327
2015	1626238	2758231.06	35832

Source: Status of Micro finance in India published by NABARD

During last three years there is a continuous improvement in the SHG-BLP programmes in India. In 2015-16 total no. of SHGs that are linked with banks are 79.03 lakh out of which 67.63 lakh tends to be the women SHGs and percentage of women group is also increased to 87.91% in 2016, total No. of SHGs that are distributed loan during the last year is also increased in past three years from 13.66% in 2013-14 to 18.32% in 2015-16 out of which 16.29% of SHGs are belongs to women,

other than that the amount of loan distributed by the total no. of SHGs is 37286.9 crore in 2016 out of which 34411.42 crore loan distributed to women SHGs, percentage of women group has also increased to 93% in 2016 from 84.3% in 2013-2014. Other than that the percentage of women SHGs also shows improvement in 2015-16 with 90.04% for last three years.

Figure-1 Progress of Women’s Self Help Group



Source: Status of Micro finance in India published by NABARD

With this it is quite clear that the ratio of women SHGs are continuously increasing in SHG-BLP programme and the major reason behind this progress is the trust and faith of rural and poor women on the SHG programme and its credit linkages because SHG programmes supported those rural and poor women who are ignored by the formal banking sector, other than this SHG programmes are also trying to redevelop the faith of their client in the formal banking sector through its linkage programme of SHG-BLP.

III. IMPACT OF SHG-BLP ON WOMEN EMPOWERMENT

There are certain indicators are there through which we can measured the women empowerment like: women’s who are the clients of SHG linkage programme had contributed 30% in total savings of the households while on the other side non client women had a low share of 28% in total savings, specially the women’s who belongs to the very poor class recorded the growth of 80% in their share in total savings of the household, SHG-BLP is quite helpful in transforming the life of poor and vulnerable women by providing them the credit and saving facilities which are very helpful to increase their income because with the support of linkage programme women can start their own work or small business like grocery store, teat shop, dairy etc. with this progress several women clients of SHG-BLP turned in to the successful entrepreneurs, SHG-BLP is also working for the development of the individual growth of a women by creating awareness about the programme, to give them a chance to be a leader in SHG-BLP programme which is quite beneficial in raising their confidence level, SHG-BLP also empowered women at household level because after the participation in linkage programme the joint ownership of the assets of women with men has perked up to 37% and the individual ownership of women in assets also been increased by 1% and reached at 27%, SHG-BLP is very helpful in the development of women enterprises because SHG-BLP is providing the ample support in the form of micro

credit to the women to establish or develop their own small enterprise and southern region is recorded that 47% women are involved in enterprise management. SHG-BLP is providing the support to the poor and needy women to increase their level of income and contribute in their family income and with this women are also taking part in family decision making.

IV. NABARD INITIATIVE TO PROMOTE SHG AND CREDIT LINKAGE IN BACKWARD AREAS FOR RURAL AND POOR WOMEN

To promote SHG scheme regarding women in backward districts NABARD initiated the economic support to the NGOs (the promoting agency of SHG) till 31 March 2016, the 20498.10 lakh amount sanctioned to 204981 SHGs but 5611.43 lakh amount availed or released to 188254 SHGs till 31 March 2016. Through this move NABARD is extending and promoting SHGs and SHG-BLP in the rural areas and backward areas so that the rural and vulnerable women make the most of the scheme and indulge themselves in to this scheme to enhance their Income generating activities and raise their living of standards.

NABARD is continuously doing efforts in this scheme for the backward districts in India in association with the Department of Financial Services of India and implement that scheme of SHG in the 150 backward districts in India so that the rural women can reap the benefits of the SHG programmes. The promoting agency of SHGs which means NGOs are not only working upon the promotion of SHG and credit linkages but they are also focusing on the outreach of banking sector to the rural areas, they also monitor the SHG working process and concentrate the repayment of loan to the banks by SHGs.

NABARD also launched LEDP, Livelihood Entrepreneurship Development Programme in December 2015 with the motive of livelihood promotion and uplifting the SHG members through various programmes of skill up gradation. The LEDP implemented in small groups for 150 SHG members in a

cluster of a village, LEDP focused towards the agriculture activities, allied activities and nonfarm activities which belongs to the rural areas (Status of Microfinance in India, NABARD, 2016)

V. CONSTRAINTS ON THE EMPOWERMENT OF WOMEN

There are several schemes and budget announced by the government for the women empowerment but still we cannot achieve the desired outcomes because of women's motility and if we really want to see the change in the condition of women than we must do something to change the women's motility, communal interface, than only we can see the true picture of women empowerment, other than this we try to change the women education system, their control over decision making in their families, we must providing support for their self employment and establishing SHG, to fulfill their needs of proper housing, health, nutrition but above all the community should change its view towards the women and persuade them for their development (Succena, 2016).

SHGs recorded a great success in the empowerment of rural people and especially for empowering women in rural areas and government also supported this programme of microfinance by its policies and schemes but still the women SHGs are dealing with some issues which are creating hindrance in women empowerment like: generally women are very restricted in their family regarding financial independence and because of that women are mostly fail to repay their collateral and that is the major reason behind the unwillingness of Banks to provide financial services to these SHGs, patricentric approach of the society is also one of the reasons behind the doubt on the women SHGs, the issue of literacy is also like a constraint of women empowerment reason being literacy level are generally low in the rural areas and especially in rural women and this will create hindrance in the progress of women SHGs (Savitha, Rajshekhar, 2014), rural women generally do not have any knowledge regarding the women right and that is hammering their empowerment.

VI. CONCLUSION AND POLICY SUGGESTIONS

Everyone needs finance as it is necessary for the socio and economic development of the rural and poor people especially for women and Self help group programmes has the positive impact on women empowerment because it has observed that women SHG members reported high score of women empowerment rather than the non participants because participation in the SHG programmes engross women in household action. Being a group member of SHG women needs to attend the group meeting time to time, they also need to be attend the meetings with the banking professionals for the linkage programmes other than this SHG also organized various training programmes for women by which they gain confidence and self dependence and also understand his position and rights in her family. SHG is working efficiently for empowering women, SHG transformed the status of women in the social composition but that is not enough to attain complete women empowerment. To achieve the highest note, women's itself needs

to understand their priorities, their right and values in the society only than women empowerment can take place. SHG create groundwork for the self dependence through institutions so that employment opportunity can be produced for the rural and poor people especially for women. Other than this government should also initiate some plans for empowering women like: entrepreneurship programmes for the women should developed by the government, providing financial services to the women entrepreneur at low interest rates, upgrading the education for women in rural and backward areas but only the initiation of government programme is not enough, community or society should erase the gender discrimination and develop a sense of equality for the uplifting women (Succena).

As Kofi Annan said, "There is no tool for development more effective than the empowerment of women."

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