

ECONOMIC EMPOWERMENT OF SELF HELP GROUP MEMBERS THROUGH MICRO FINANCE

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ABSTRACT

Microfinance has evolved over the past quarter century across India into various operating forms and to a varying degree of success. The policy environment in India has been extremely supportive for the growth of the microfinance sector in India. Particularly during the International Year of Microcredit 2005, significant policy announcements from the Government of India and the Reserve Bank of India (RBI) have served as a shot in the arm for rapid growth. SHGs have spread rapidly due to their ease of replication. One such form of microfinance has been the development of the self-help group movement. Based on the concept of “self-help,” small groups of women have formed into groups of ten to twenty and operate a savings-first business model whereby the member’s savings are used to fund loans. The results from these self-help groups (SHGs) are promising and have become a focus of intense examination as it is proving to be an effective method of poverty reduction. The rise of SHGs and more formal SHG Federations coupled now with SHG Bank Linkage have made this a dominant form of microfinance in addition to microfinance institutions (MFI). SHG Bank Linkage has provided the capacity for SHGs to increase their capital base to fund more members and bigger projects.

The empowered women are an asset to any family, organization, society and the nation. Women empowerment is influenced by factors such as education, income, job, property right, technical skills and self-decision making. The welfare governments accord much the importance of women empowerment, this ensures the overall progress of women members. Many prominent thinkers like Swami Vivekananda, Raja Ram Mohan Rai, Periyar E.V.Ramasamy and Bharathiyar advocated for the empowerment of man and women should have access to education, quality food, health and freedom. Further this paper deals a microfinance in India, emergence of the SHG movement and SHG linkage and economic empowerment of women.

KEYWORDS: *Women Empowerment, SHG, Microfinance, Fertility Rates, Female Literacy, Poor, Poverty Gender Discrimination*