

Strong Women, Thriving Villages: The Self-Help Group Movement

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Abstract:

Rural women empowerment is not only for gender equality but also mandates achieving the sustainable development goals of the United Nations for the upliftment of the entire society. Women are the real architects of society who change the entire landscape drastically. To accelerate the growth of the society and upliftment of rural background, Self Help Groups play a significant role. This study tries to analysis the impact of self-help groups on the socio-economic status of rural women and finds the problems and challenges faced by self-help group members during the operative activities of the group. According to a study SHG-Bank Linkage Program has saved the existence of many SHGs from ending. Bank-linked SHGs have increased significantly from 255 in FY 1992-93 to 144.22 lakh in FY 2023-24, along with the credit disbursed to SHGs increasing from 29 lakh in 1992 to 209286 crores till 31 March 2024. The savings of SHGs are gradually increasing each year. In addition to SHGs, they face many problems like challenges of the market, low-quality products, conflicts among group members, and many more. In spite of all the flaws, SHGs are a driving force for the rural economy to overcome people from the vicious cycle of poverty.

Key Words: Self-Help Groups, Rural Upliftment, Sustainability, Women Empowerment, Micro-Credit.

1. Introduction

Empowering rural women entails giving them the strength to assert their rights and enhancing their economic, social, political, and legal standing. Women's roles, responsibilities, and interactions are growing daily across all domains and classifications. In rural or underprivileged areas, entire villages flourish when women have access to leadership positions, resources, and opportunities. Women's empowerment not only spurs their own development but also advances society as a whole by enhancing social fairness, economic conditions, health, and education. The government has launched extensive programs and initiatives to empower rural women. Self-help groups, also called SHGs, are one way to protect women's socio-economic rights with less effort.

Prof. Mohammed Yunus founded Grameen Bank of Bangladesh in 1976, and it is the bank that came up with the idea of SHGs. SHGs are informal groups created voluntarily by people with similar interests. They agree to save money in an organized way, turn it into a shared fund, and manage it jointly. Their savings are gathered and kept in banks. In exchange, individuals have simple access to low-interest financing to start their micro business. One of the primary characteristics of SHGs is their cohesiveness

and homogeneous group. Numerous developing nations around the world have shown evidence that the weaker segments of society can benefit from self-help groups (SHGs).

The Indian government made a concerted effort in the eighties to support microcredit services for women in rural regions and members of the scheduled caste (SC) and scheduled tribe (ST), who are particularly vulnerable. In order to address the financial needs of the disadvantaged class in rural areas, NABARD then started looking for other solutions. Despite NABARD's first attempts in 1986–87, the SHGs–bank linkage program (SHGs-BLP) made a healthy effort after 1991–92. The Self Help Group-Bank Linkage Program is becoming a viable and affordable way to offer financial services to the "Unreached Poor." It has been successful in both serving the financial requirements of rural impoverished women and enhancing the poor's collective self-help capabilities, which has resulted their empowerment. The Indian government has recently made a number of actions to support and improve the SHG strategy.

Formation of SHGs:

SHGs are small, voluntary groups of impoverished people, usually consisting of 10–20 members, who band together to address common issues by utilizing a system of self-support and mutual aid. One self-help group cannot have more than 20 participants. It is better to have a smaller group size since members cannot actively participate, and the span of control does not function well in larger groups. SHGs are fully supported and assisted by both governmental and non-governmental organizations for the group's advancement.

2. Literature Review

Kondal(2014) explains in the study that People who are destitute and unable to access conventional financial institutions are included in self-help organizations. It helps its members collaborate, learn, and work in a team setting. According to the study, self-help groups in Andhra Pradesh have a beneficial effect on women and provide a guarantee for social and economic self-reliance overall. According to the study, self-help groups significantly contribute to women's empowerment by strengthening their social and economic ties by saving and investing for the future. According to Sahu and Singh (2012) study, the creation of self-help organizations under the microfinance movement has empowered women and brought about a profound development. Lalitha and Nagarajan (2002) in their study highlighted the facts that SHGs were people's organizations, and with their help, women could march toward self-determination and the groups could encourage both individual and collective income-generating endeavors. Hunt, J & Kasynathan, N (2002) found that, microfinance has improved women's mobility and assisted them in preventing domestic abuse. They saw that women only need a little assistance and opportunity to forge their own path to empowerment. They have been able to elevate their status and decision-making ability inside their household by having access to credit facilities and group support systems. Manimekalai and Rajeswari (2001) proposed, Self-help organizations are a potential way to empower and motivate under privileged women to save and use money to increase their confidence and self-reliance as well as provide them more access to and control over resources.

Objectives of the Study

- To study the impact of self-help groups (SHGs) on the socio-economic status of rural women.
- To investigate the issues and difficulties that members of SHGs encounter.

- To make some suggestions for actions that will improve and sustain SHGs.

3. Materials and Method

The primary sources of information used in this research work are secondary sources. The influence of Self-Help Groups (SHGs) on poverty and vulnerability in rural areas is the primary focus of the current study. We gathered secondary data from government websites, government-published publications, and non-government public sources, such as books, magazines, research papers, and articles published in journals etc.

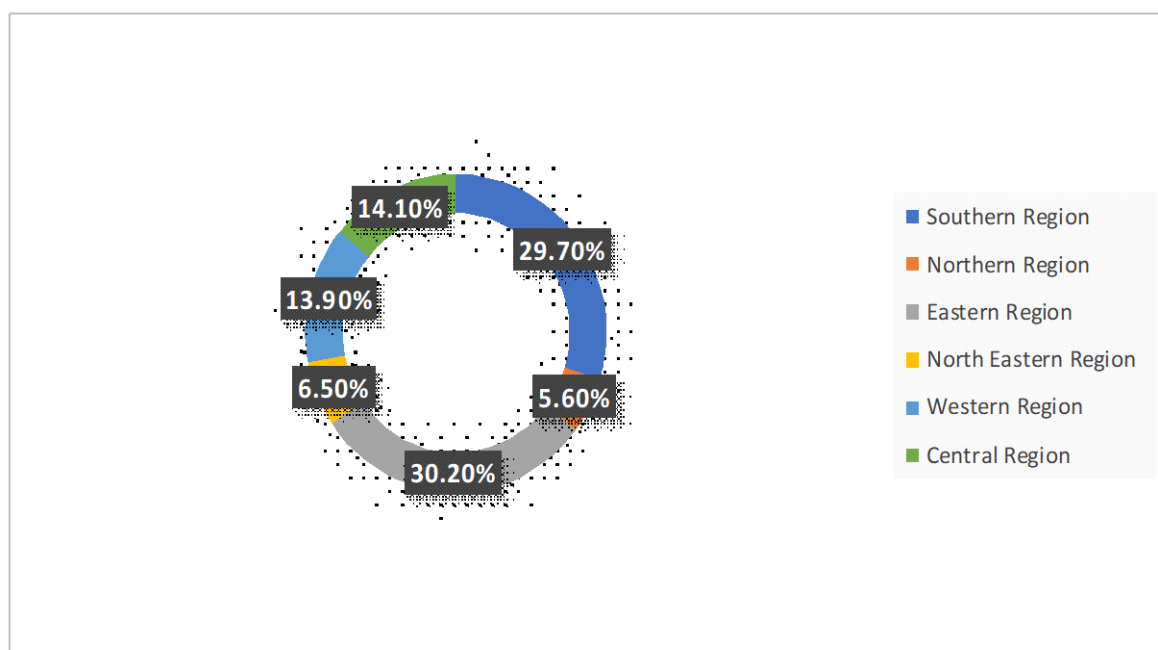
Socio-Economic Status of Rural Women in the aftermath of the SHGs: -

Economic Empowerment:-Women's economic empowerment serves as the cornerstone for their increased efficiency and pragmatism in all areas of life. Economic vitality gives them the chance to prosper in the current economic environment, which will enable them to drive our economy. Additionally, SHGs allow them to consistently earn money, save a small portion of it, and collectively agree to contribute to a common fund for shared needs, all of which can help them become economically strong. Women can live contentedly with their families and use the money to meet their necessities.

Social Empowerment:-Social empowerment entails giving women a significant role in their families and communities as well as the authority to decide how best to use the resources that are available to them. Healthy social norms, high-quality education, and safeguarding women from exploitation, unfair treatment, and persecution are all common ways to achieve social empowerment. Women are unable to realize their true potential because of these social evils. Social empowerment increases women's capacity to be engaged in all fields. If women are socially empowered and improve the living conditions of low-income households, SHGs can assist them find a safe place in society. SHG programs have a positive social impact by increasing decision-making participation, fostering self-esteem, self-worth and confidence, as well as raising awareness of developmental and welfare initiatives.

Upliftment through SHG-Bank Linkage Program (SHG-BLP):-The world's largest microfinance program, the SHG-Bank Linkage Program, was launched by NABARD in 1992. The SHG-BLP's fundamental idea is to connect informal or unorganized groups with the official banking industry. These folks are mostly from lower-income groups and used to rely on a few unofficial sources of money at higher interest rates to cover their necessities. Under SHG-BLP, self-help groups opened savings accounts with banks through NGOs, government agencies, the Federation of Self-Help Groups, farmer's clubs (VVs) and other organizations known as self-help group promoting institutes (SHPI). The SHPIs serve as a financial bridge connecting SHGs and banks. SHGs can receive financial assistance from banks under SHG-BLP at a minimal interest rate and without collateral security. According to STATUS OF MICROFINANCE IN INDIA 2023-24 report published by NABARD, Bank Linked SHG has increased significantly, from 255 in FY 1992 to an astounding 144.22 lakh in FY 2024. At the same time, the amount of credit disbursed to SHGs increased from ₹29 lakh in 1992 to ₹2,09,286 crore as of March 31, 2024. The eastern region has the highest share 30.20 % in number of savings linked SHGs and northern has the lowest with 5.6%.

Fig 1: Region wise share in number of savings linked SHGs



Source: STATUS OF MICROFINANCE IN INDIA 2023-24

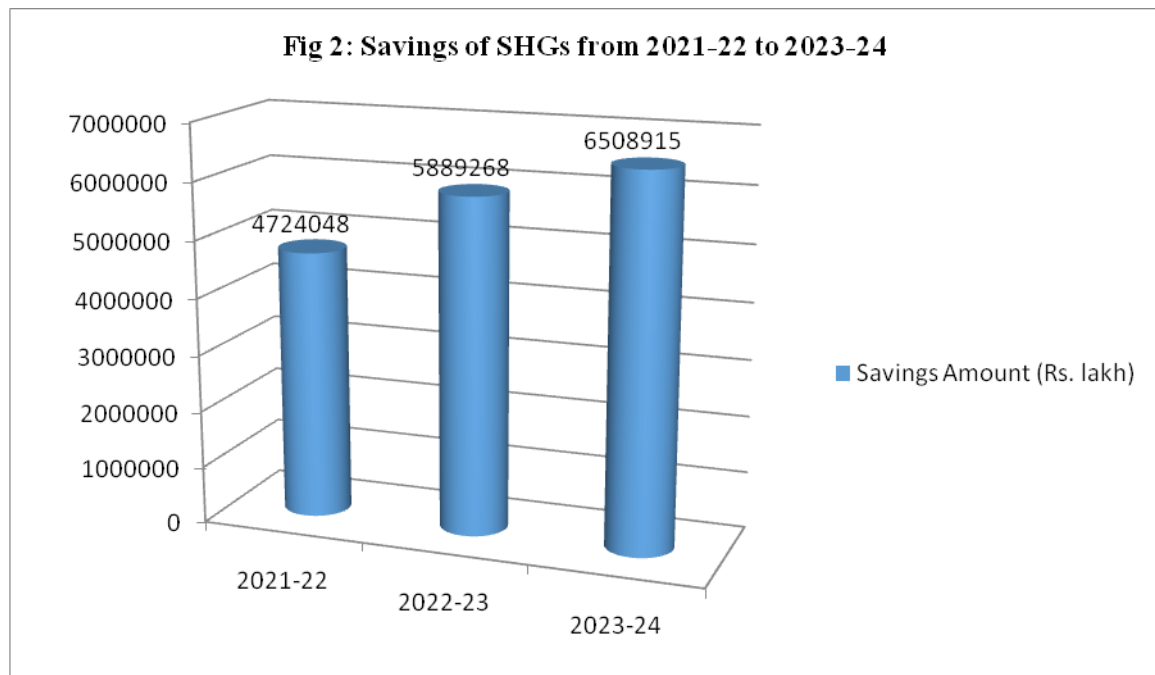
Table 1.1: Progress Table under SHG-Bank Linkage Programme (2021-22 to 2023-24)							
(number in lakh/amount in crore)							
Particulars		2021-22		2022-23		2023-24	
		No. of SHGs	Amount	No. of SHGs	Amount	No. of SHGs	Amount
SHG savings with banks as on 31st March	Total SHG nos.	118.93	47240.48	134.03	58892.68	144.22	65089.15
	All women SHGs	104.05	42104.77	112.92	52455.48	120.44	55227.68
	% of Women	87.45	89.13	84.25	89.07	83.52	84.85
Loans disbursed to SHGs during the year	Total No. of SHGs extended loans	33.98	99729.22	42.96	145200.2	54.82	209285.87
	All women SHGs	31.5	93817.21	41.42	139315.7	53.2	202716.08
	% of Women Groups	92.7	94.07	96.42	95.95	97.04	96.86
Loans outstanding against	Total No. of SHGs linked	67.4	151051.3	69.57	188078.8	77.42	259663.73
	No. of all Women SHGs	62.65	142288.61	65.15	179468.4	72.29	246895.32

SHGs as on 31st March	linked % of Women SHGs						
		92.95	94.2	93.65	95.42	93.39	95.08

Source-STATUS OF MICROFINANCE IN INDIA
2023-24

In the above table the advancement of women SHGs with banking sector from financial year 2021-22 to 2023-24 under the SHG-Bank Linkage Programme is presented.

Savings habits in SHGs members:- The ability to routinely save, use formal banking, and take part in the administration of these savings is one of the main goals of joining a SHG. They regularly put their funds into their personal bank accounts, which they own.



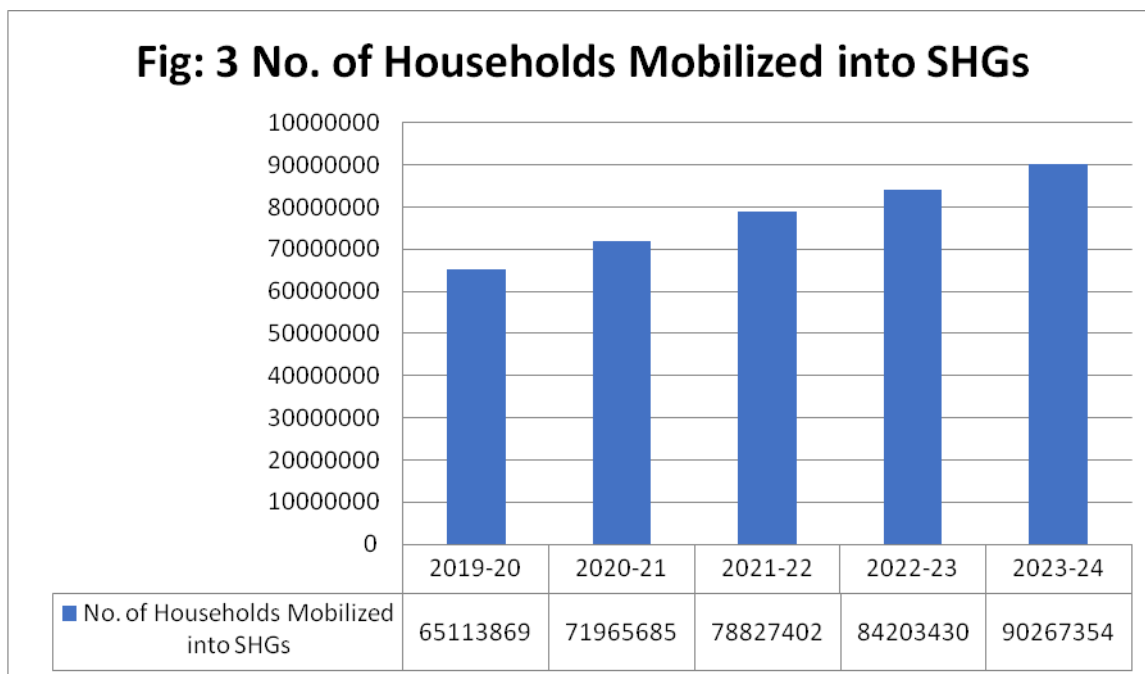
Source-STATUS OF MICROFINANCE IN INDIA 2023-24

According to data savings of SHGs in each year gradually increase. Members of SHGs are greatly impacted in terms of saving their hard core income.

Employment Opportunity:-

The movement for Self-Help Groups (SHGs) has been quite successful in creating opportunities for self-employment in rural areas. So far, they have created a significant number of self-employment opportunities to address social and economic issues. On April 1, 1999, the Indian government established the Swarnajayanti Gram Swarozgar Yojana (SGSY), which was renamed the National Rural Livelihood Mission (NRLM) in 2011. The program's primary goal was to create a large number of rural employment microbusinesses and raise the poverty level of impoverished rural households by providing them with sources of income through microfinance and government subsidies. Many externalities result

from a financially independent woman working for herself, including an improvement in her standard of living, social standing, health care, literacy, and decision-making abilities. SHGs have been viewed as the driving force behind self-employment in rural areas.



Source: Ministry of Rural Development (<https://nrlm.gov.in/>)

Access to Micro-credit:- Microfinance has emerged as one of the most talked-about instruments for poverty reduction and rural development in recent years. For low-income people or groups without access to other financial resources, the bank offers microfinance. Rural impoverished individuals can become self-employed and financially independent with the aid of microcredit. One of the main reasons for India's slow economic growth rate is the lack of financial resources in rural areas. The chronic poverty syndrome is reinforced by a vicious cycle of declining capital resources. Therefore, in order to give rural women access to sufficient resources, a low-cost microfinance scheme through SHGs was designed. For rural women, microcredit via SHGs has been a turning point in their social and economic advancement. In order to promote health and nutrition and raise living standards, they utilized the credit for income-earning activities and spent the money they made on expanding the activities of the SHGs and family members.

4. Problems and difficulties of SHGs members:

Access to credit is limited- although access to micro credit for SHGs is like hit a home run. Small credit may be sufficient for small SHGs, but when the self help group is becoming large than the different credit structure is required to fulfil the requisitions of the group for their growth and upliftment of the groups.

Meet the Challenges of markets- Problems of selling products in digitalization – in the era of digitalization, when all the entrepreneur shifting towards e- commerce, most of the SHGs selling their products offline with limited reach through intermediaries like small entrepreneurs, commission agents,

mom- and-pop shops etc. While e-commerce has enormous potential to improve the reach of SHG products but due to lack of awareness of technologies and education, SHGs have not been able to take full advantage of the online selling opportunities.

Product sustainability issue- The propensity of Self-Help Groups to produce sustainable goods is a key problem that affects the SHGs' long-term survival as well as their capacity to reach the mass and compete with big players in the market. Environmental and economic factors to skills development and market access are the biggest obstacles for sustainable products.

Non cooperative attitude of the financial institutions- Micro financial institutions are the Stepping stone to break the vicious cycle of poverty and gender inequality in rural areas. They had the potential to change the socio- economic status of the rural women through micro financing but many micro financial institutions are not cooperative with these groups and sometime deserving person could not benefited by FIs, due to which the development and growth of self help groups is hinder.

Internal conflicts within groups- It is often seen that when self help groups became larger in size and financially strong than conflict start arising in the groups. Disagreement may arise over management, decision making, distribution of resources or personal issues which affect the participation of the members and functioning of the groups.

Inferior quality product leads to less profitability- Mostly it has been observed, self help groups procure the inferior raw material from local areas instead of high quality raw materials, which leads them towards limited market access, reduce the competitiveness, less profit margins due to low prices and deprecating the loyalty of the customers. Overall producing inferior quality product by self help groups (SHGs) significantly impact the profitability and sustainability of the groups.

5. Conclusion and Suggestions:

SHGs have been extremely important to the empowerment and advancement of women. The goal of women's empowerment is to acknowledge their identities, abilities, and potential in all domain of the society. Where SHGs are like a lamp of hope for rural women, making every effort to bring them from darkness to light. The study shows self help groups made them social and economical empowered. With the help of SHGs they are more confident for decision making and fostering their self- esteem to break the ceiling of the glass in the patriarchy. Moreover, SHGs- Bank linkage program (SHG-BLP) has proven as panacea to link the rural women of self help groups into main stream banking. The findings are indicatives of the last three financial year SHGs savings with banks and loan disbursed by bank increasing tremendously. SHGs- BLP promotes the rural women to save small amount gradually to collect the pool for venture. According to research, Self help groups (SHGs) mobilized the 9,02,67,354 households in the financial year of 2023-24 which is 7% more from the previous financial year. Rural women of self help groups get the opportunity to eliminate poverty and come into the main stream with sturdiness and drastic contribution with the aid of micro- credit. Notwithstanding the fact that, self help groups facing obstacles of the limited credit, which clipped their wings to do as much as possible. Further, SHGs could not exploit the opportunity of e-commerce and faces the challenges of market due to lack of tech-education and product sustainability issue , which leads them towards less profitability, limited market presence and to sink into the abyss. Therefore government must be introducing some training and programs for the group's member to increase the technical education and awareness to meet

the requirement of the market. Moreover credit limit must be extended for the larger group for their growth and sustainability. SHGs members also get training from the experts of the market, B-Schools and institutions to understand the nuances of the marketing so that they can independently handle their marketing activities. Furthermore government must encourage and organizing the workshop for self help group members to make quality product and access the national and international market through online and offline mode.

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