



## THE STUDY OF THE CONTRIBUTION OF SELF-HELP GROUPS IN WOMEN EMPOWERMENT

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**Abstract:** Nobel Laureate Professor Mohammad Yunus, who brought alive the concept of 'self-help group' as 'Bangladesh Grameen Bank' to solve economic problems in the lives of the poor and the lower strata of society during the 1970s in Bangladesh. The contribution is unforgettable. Even today self-help groups are very relevant. Through these groups, all members provide loans from their collective savings fund to the needy members at the lowest rate of interest, thereby shaping their entrepreneurship for earning a livelihood through local economic activities.

Self-help groups for developing countries are a major means of economic empowerment of grassroots people. On the other hand, this concept is not only adopted by the common people but also government and non-governmental organizations around the world understand the importance of self-help groups.

During the economic liberalization (1991-92) in India, self-help groups were given special encouragement and NABARD played a major role in this process. At the same time, self-help groups were used in the implementation of grassroots developmental plans during the Ninth Five Year Plan (1997-2002) of India. This research paper has been written with the aim of finding out what is the contribution of self-help groups to women empowerment.

**Keywords:** Self-Help Groups, Women Empowerment, Economic Empowerment

### I. INTRODUCTION

Only six thousand villages in the country have branches in banks in thirty thousand villages. Only 40 percent of the country's people have accounts in banks. And about three-quarters of farmer families need organized financial services. Only two percent of people have bank credit cards. In such a situation, where do people go besides moneylenders to fulfill their small fat requirements? Actually, they do not need to go anywhere. There is a need to form self-help groups by organizing self and neighborhood near you.

In this scheme called Self Help Group or Self Help Group, the first ten to twenty people form their own group and collect some money by collecting funds among themselves. Then these people give and collect loans from that money among themselves.

Self-help organizations train them in this work and then open a group account by connecting to a nearby bank. After completion of all the formalities, banks decide their cash credit limit or loan credit. Then the group disburses debt from that money. The group is responsible for paying the installment to the bank.

The Ministry of Rural Development is committed to improving the economic and social status of the rural poor especially women members of self-help groups. The ministry has implemented Deendayal Antyodaya Yojana - National Rural Livelihood Mission, which aims to make rural women self-confident, aware, and self-reliant. Saras Aajeevika Mela is an effort to provide a direct marketing platform to rural women producers so that rural women producers can get fair prices for their products without any middlemen. The ministry encourages rural Markets to provide platforms to women and other producers of self-help groups to sell their products.

Out of the five crore women associated with the scheme, about 1.5 crore women have direct bank contact. The loan of women self-help groups has been increased to Rs 63 thousand crores, which was Rs 23 thousand crores in 2014-15 and the NPA (unproductive asset) for this loan is just 2.6 percent. Women from difficult Naxalite areas are coming forward to take advantage of the scheme and writing new stories of development like the e-rickshaw initiative of the Dantewada district of Chhattisgarh.

Deendayal Antyodaya Yojana - National Rural Livelihoods Mission (DAY-NRLM) is the lead program of rural poverty alleviation of the Ministry of Rural Development, Government of India. The objective of this program is to activate self-managed community institutions (self-help groups, rural organizations, cluster level federations, producer groups/companies) of all rural poor women in a phased manner. The mission aims to encourage financial inclusion of community institutions and strengthen the livelihood resources of female member families.

The mission was launched in 2011 and has now grown to 4456 blocks in 584 districts across 29 states and five union territories. The mission has activated 39.9 lakh self-help groups of 4.7 member families, which have further increased to 2.20 lakh village organizations and 19,000 cluster level federations. As part of the Financial Inclusion Program, the Mission provided a bank loan of Rs 151,000 crore to the women self-

help group, which has an NPA of about 2.6 percent in the entire women's support group portfolio. The sub-scheme named Mahila Kisan Sashaktikaran Pariyojana (MKSP) is supporting about 33 lakh women farmers in increasing agricultural productivity and giving a diverse asset base to livelihood. Self-help groups across the country are being enabled to prepare village poverty reduction plans for consolidation of gram panchayat development schemes.

#### **Data Collection Method Used For Research:**

Data for the research paper has been collected from books, newspaper, magazines, reports, and websites

#### **The Objective of Research:**

The main objectives of the research presented are as follows.

- 1) To study the contribution of self-help groups in women's empowerment.
- 2) To find out the benefits and challenges of the self-help group.
- 3) To examine the role of government in the development of self-help groups.

#### **Contribution of Self-Help Groups in Women Empowerment:**

The self-help group movement was started to uplift the economic condition of educated and poor educated women by making them self-sufficient through small and domestic industries. Self-help groups in India have been instrumental in enhancing the economic status of women through self-help groups as well as empowering other women to create jobs. The role of government agencies has been to help. Along with the cooperative movement in the country, the self-help group movement is being mentioned. Financial empowerment of women is taking place as easy financing is being done through self-help groups.

Women empowerment is not just a scheme but a latent revolutionary movement for women empowerment, empowerment, and empowerment. Self-help groups have created awareness about organizational power, self-development, and social development in women. The state government announced a Women's Empowerment and Empowerment Policy in 1994 with the objective of making women self-reliant through SHGs. It was with this policy that women's self-help groups started. For this, important initiatives have been taken with the State Government's District Rural Development Agency, Mahila Economic Development Corporation (MAVIM), Panchayat Samiti, government agencies, social organizations, and the District Bank.

Self-help groups have helped women in various trades such as vermicompost, agriculture, and agro-based industries, cottage industries, mass farming, poultry, goat and buffalo farming, threshing machines, agricultural mechanization equipment, garments, parlors, nurseries, computer labs, household items. Provided financial assistance to women. Has been self-created. Such self-help groups have created home-based employment for small scale industries as well as many women. As each self-help group consists of 10 to 50 women, currently millions of women have become financially competent through self-help groups.

At present, about 36,000 savings are taking various products due to the availability of loans ranging from Rs 1 lakh to Rs 7.5 lakh. It includes rural and urban women and the products of many women self-help groups have reached the national level. The exhibition of self-help groups from the taluka level to the state level has made women economically prosperous and self-reliant.

Ten-fifteen years ago, the work of self-help groups was seen in the production of pickles, papads, and household items. But in recent times, the nature of self-help groups has changed. The nature of the business has changed from primary milk institutions, farm implements, vermicomposting, parlors, nurseries, and clothing. The changed occupations have certainly benefited the economic condition of women.

The government of India is making efforts to achieve 75 lakh SHGs / SHGs by 2022. It is the goal of the Government of India to add more than 14 lakh SHGs to achieve the scheme. The announcement was made by Union Agriculture and Farmers Welfare Minister Narendra Singh Tomar on 8 March. Women's self-help groups are the backbone of poverty alleviation programs. It focuses on the Departments of Agriculture, Cooperation, and Farmers Welfare and Rural Development and Panchayati Raj and is oriented towards the emancipation of women. SHGs play a major role in the broader development process in the rural landscape.

60.8 lakh self-help groups increase more than 63.73 million women across the country. The Ministry of Rural Development goals to create a total of 75 lakh self-help groups by 2022 to enable more women to get a livelihood. The government provides numerous funds and training to self-help groups for livelihood missions, connecting them with banks for easy credit flow. The Ministry of Rural Development has instituted awards to encourage self-help groups to perform better. In the last six years, more than Rs 2.75 lakh crore has been provided to self-help groups to make women self-reliant. Under the Mahatma Gandhi National Rural Employment Guarantee Scheme, more than five crore people are employed annually. Women constitute 55% of the workforce under MNREGA. Deen Dayal Upadhyaya Grameen Kaushalya

Yojana has more than 4.66 lakh women covered under the scheme. In addition, the Swarn Jayanti Gram Swarozgar Yojana has been included, Deen Dayal Upadhyaya Antyodaya Yojana, and National Rural Livelihood Mission. The government aims to reach about ten crore poor rural families through this scheme. The Swachh Bharat Mission provided dignity to women and also enhanced the safety of women by constructing 9.5 crore toilets across the country.

Microfinance institutions are called companies that provide loans at affordable interest rates to people from lower-income groups to set up their business. The Reserve Bank of India calls those companies microfinance institutions registered under the Companies Act 1956 and whose total assets are less than 5 crores. Microfinance companies provide loans to low-income customers through self-help groups so that they can carry out self-employment. These institutions also provide loans to large investors by depositing small savings from the domestic sectors. This promotes savings activities in the country and creates an investment climate in the country. The boom in the microfinance sector in the last few decades increased. Today it has developed into a vibrant industry that reflects many forms of business models. Microfinance institutions (MFIs) exist in India as NGOs (registered as societies or trusts), Section 25 companies, and non-banking financial companies (NBFCs). Commercial banks, regional rural banks (RRBs), cooperatives, and other large lenders play an important role in providing refinance facilities for MFIs.

According to recent research conducted by the World Bank, India is home to about one-third of the world's poor (equivalent to one dollar per day for a living). Although much central government and state government poverty alleviation programs are currently active in India, microfinance plays a major contribution to financial inclusion. It has helped alleviate poverty significantly over the last few decades. The report states that those who have taken small finance have been able to increase their income and standard of living.

Nearly half of the Indian population still does not have a savings bank account and is deprived of all banking services. The poor also need financial services to meet their needs such as consumption, asset creation, and crisis. Microfinance institutions act as a supplement to banks and in some sense are also a better option. These institutions not only offer small loans but also provide other financial facilities like savings, insurance, remittances, and non-financial services like personal counseling, training, and starting your business on your own and most importantly in a convenient way. Microfinance in India is operated through two systems:

1. Self Help Group - Bank Linkage Program
2. Micro Finance Institute (MFIs)

**Self Help Group** This is a bank-led microfinance system launched by NABARD in 1992. Under the Self Help Group (SHG) model, members, usual women in the village, are encouraged to form groups of 10–15. Members of SHG keep contributing their savings from time to time in the group and by this contribution; small loans are given to the group members. Bank loans are generally made available to these self-help groups in the later period for the purpose of income generation. Whenever group members have to collect new savings in the group, the members have to recover the previous loan, and also meet for the disbursement of the new loan from time to time. Self-help groups have not only played an important role in the development of rural India but also in empowering women.

Through self-help groups, all members provide loans from their collective savings fund at the lowest interest rate to the needy member, thereby shaping entrepreneurship for earning livelihoods through local economic activities. Self-help groups for developing countries are a major means of economic empowerment of the people at the grassroots. On the other hand, this concept is not only adopted by the common people but also government and non-governmental organizations around the world understand the importance of self-help groups.

Self-help groups contribute significantly to the socio-economic development and empowerment of women in rural India. Self-help groups have proved to be helpful in promoting social entrepreneurship. Self-help groups are developing entrepreneurial, managerial qualities such as leadership and decision-making ability among people. Self-help groups are producing value-added goods through economic activities. Self-help groups are promoting innovation and creative industries. Self-help groups have proved helpful in eradicating the poor from employment, self-employment, and entrepreneurship.

Various foods produced by women self-help groups such as pickles, papad, oatmeal, flour, incense sticks, marmalade, etc. have contributed significantly to the nutrition and development of women and children. Women's self-help groups are promoting voluntary savings and financial inclusion. Statistics of the last few years show that female participation has increased in this, due to which there is a positive change in their situation. So far, more than 6 thousand self-help groups have been formed by women. Self-help groups are also playing an important role in the implementation of government schemes in rural areas. According to statistics, these groups have played an important role in bringing about 7 crore families covered under the National Rural Livelihood Mission, 2011 under this scheme. Thus self-help groups have

played an important role in the direction of women empowerment. These groups have given unprecedented growth in their skill development, confidence, self-reliance, autonomy, and social status by encouraging women for small business and self-employment.

Recently Government of India in the budget 2019-20 to expand the interest subsidy programs to self-help groups in all districts to promote self-help groups (SHGs) and to ensure women's participation in the country's development process. In addition, an overdraft facility of up to Rs 5000 will also be provided to each woman SHG member of the Self Help Group with Jan Dhan bank account.

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#### **Self-help group goal:**

- To contribute to school education.
- To improve nutrition.
- Controlling birth rate.

Many self-help groups borrow from banks like NABARD's Self Help Groups Bank Linkage Program, a model that has served to extend services to the poorer population.

NABARD estimates that there are 2.2 million self-help groups in India, representing 33 million members. Self-help group's bank linkage program has also been started in some states, such as Andhra Pradesh, Tamil Nadu, Kerala and Karnataka.

Women self-help groups in various states of India like- Chhattisgarh, Odisha, Madhya Pradesh, Jharkhand, Bihar, Andhra Pradesh, Tamil Nadu, Karnataka, Kerala, West Bengal, and Telangana, etc. are doing amazing work in various fields.

If seen in the last few years, women are taking part in the women self-help groups, due to which positive changes are seen in their status in society. Members of self-help groups create a fund from their regular savings and use that fund for their collective purpose in an emergency. Self-help groups also start rural-based micro or small scale industries with the help of their funds, which creates new employment opportunities. Leadership is given to only one of these groups who do all the management works. These groups are funded by banks, which facilitates financial transactions. The formation of self-help groups reduces financial dependence on other organizations.

There are also some challenges before women self-help groups. At the rural level, there is a lack of awareness among people because people working in self-help groups are mostly illiterate. Talking about facilities in rural areas of India, there are only 1.2 lakh banking branches in 6 lakh villages, which is less than the average. Also, public sector banks are not ready to provide financial services to self-help groups quickly. A patriarchal mindset in India, especially in rural areas, discourages women's participation in self-help groups. The issue of sustainability and quality of self-help groups has always been the main issue as well as the members of the groups have no answer on who should take responsibility for their security. The self-help group is only able to enhance microfinance and micro-entrepreneurship which limits their economic resources. The work of self-help groups is still related to the primary sector which shows their low skills. There is a scarcity of qualified people in rural areas. Due to lack of qualifications, the members of these self-help groups do not get training properly, besides there is a lack of an institutional mechanism for capacity building and skill training. Self-help groups are heavily dependent on NGOs and government agencies; they collapse as soon as their support is withdrawn by these institutions. Due to the scarcity of resources in rural areas, there is difficulty in transporting finished goods by self-help groups to the market.

## **II. CONCLUSION:**

In this era of globalization, the concept has changed in terms of women. The contribution of the self-help group movement in this is unique. The country cannot progress without the pulse of economic development in the hands of women. The Self-Help Group Movement is truly a women's liberation movement,

alternatively a movement for rural development and national upliftment. Therefore, in the era of globalization, the self-help group movement that emerged in collaboration with poor rural working women would prove to be a ray of hope for poor Indian society.

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