



Self-help group (SHG) in India: An overview

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Abstract

Women in India is victims of a multiple socio-economic and cultural factors. They 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. Emancipation of women is a pre-requisite for nation's economic development and social upliftment. Poverty is the main obstacle for the improvement of the women. The role of women and the need to empower them are central to human development programs including poverty alleviation. In spite of various programs relating to poverty alleviation has been started, it was observed that women in rural areas, especially from the poor families could be benefited. Rapid progress in SHG formation has now turned into an empowerment movement among women across the country. Economic empowerment results in women's ability to influence or make decision, increased self-confidence, better status and role in household etc. The formation of SHGs is not ultimately a micro credit project but an empowerment process. The empowerment of women through SHGs would give benefit not only to the individual women but also for the family and community as a whole through collective action for development.

Keywords: multiple, harmonious, upliftment, alleviation, community etc.

1. Introduction

A Self-Help Group (SHG) is a village-based financial intermediary usually composed of 10-20 local women. Most self-help groups are located in India, though SHGs can also be found in other countries, especially in South Asia and Southeast Asia. Members make small regular savings contributions over a few months until there is enough capital in the group to begin lending. Funds may then be lent back to the members or to others in the village for any purpose. In India, many SHGs are 'linked' to banks for the delivery of micro-credit. Micro-credit in common parlance refers to small loans that help the poor women to meet their immediate credit needs. A major rethinking on the existing strategies of rural development in general and women empowerment, in particular, led to the realization that a new approach is needed to 'help the women to help themselves'. Such an approach, particularly known as promotion of Self-Help Group (SHG) formation, was stated with the objective of meeting the micro-credit needs of the poor women.

2. Objectives of the study

1. To study the concept of Self Help Group.
2. To study the objectives of Self Help Group.
3. To study the role of self-help Group in Empowering Women.
4. To Study the Importance of Self Help Group in Development of Women.
5. To study the number of Self Help Groups in India.

3. Concept of self help group (SHG)

SHG is a holistic programme of micro-enterprises covering all aspects of self-employment, organization of the rural poor into self-help groups and their capacity building, planning of

activity clusters, infrastructure build up, technology, credit and marketing. It lays emphasis on activity clusters based on the resources and the occupational skills of the people and availability of markets.

Self-Help Group refers to self-governed, peer controlled, informal group of people with same socio-economic background and having a desire to collectively perform common purposes. Here poor people voluntarily come together to save whatever amount they can save conveniently out of their earnings, to mutually agree to contribute to a common fund and to lend to the members for meeting their productive and emergent needs.

4. Objectives of self help group in India

- To inculcate the savings and banking habits among members.
- To secure them from financial, technical and moral strengths.
- To enable availing of loan for productive purposes.
- To gain economic prosperity through loan/credit.
- To gain from collective wisdom in organizing and managing their own finance and distributing the benefits among themselves.
- To sensitize women of target area for the need of SHG and its relevance in their empowerment.
- To create group feeling among women.
- To enhance the confidence and capabilities of women.
- To develop collective decision making among women.
- To encourage habit of saving among women and facilitate the accumulation of their own capital resource base.
- To motivate women taking up social responsibilities particularly related to women development.
- It acts as the forum for members to provide space and

support to each other.

5. Role of self help groups in empowering women

The self-help groups empower women and train them to take active part in the socio-economic progress of the nation and make them sensitized, self-made and self-disciplined. The SHGs have inculcated great confidence in the minds of rural women to succeed in their day-to-day life. SHGs enhance the quality of status of women as participants, decision makers and beneficiaries in the democratic, economic, social and cultural spheres of life. The SHGs bring out the capacity of women in molding the community in right perspective and explore the initiative of women in taking the entrepreneurial ventures. SHGs also organize women to cope with immediate purposes depending on the situation and need.

Participation of women in SHGs makes a significant impact on the empowerment in social aspect also. Participation helps women come out in open and discuss their problems. It also helps to bring about awareness among rural women about savings, education, health, environment, cleanliness, family welfare, social forestry, etc. Researches also reveal that increased participation of women in decision making at all level will help to adjust the goals pursued through development.

6. Importance of Self Help Groups (SHGs) in women empowerment

The women and men can be organized into Self-Help Groups (SHG). The goal of this program is to promote savings and credit activities, and to promote micro-enterprise development. This can lead to a strong and permanent improvement of their socio-economic conditions in a number of ways:

- Initiation of savings and credit activities and promotion of income generating programs in these self-help groups will bring more economic development and independence to these women and their families. Because of the better welfare of these families, more children will be able to attend school instead of being forced into agricultural child labour.
- For the first time in their life, these disadvantaged rural women and men become organized into groups. The formation of these self-help groups will facilitate discussion of many issues pertaining to their socio-economic, educational and health status. Thus, the formation of this group provides a forum to initiate many participatory activities (including training and awareness camps).
- This process will also lead to increased confidence and social status, especially for women, in their communities. This will encourage these women to participate and contribute in general social and political matters in their respective villages, including women's rights.

7. Number of self help group in India

Table 1

Year	Number of SHGs	Growth Rate
2005-06	22,38,565	109.47
2006-07	29,24,973	30.66
2007-08	50,09,794	71.28
2008-09	61,21,147	22.2
2009-10	69,59,250	13.6

Source: Nabard Reports 2005-06 TO 2009-10

It is shown that how the number of SHGs are increased in the period 2005-06 to 2009-10. In 2005-06, 10, 68,697 SHGs were linked with the banks. In 2005-2006 the number of SHGs has been increased by 109.47 growth rate i.e. 22, 38,565. In the year 2006-07 growth rate was 30.66, in 2007-08 growth rate was 71.28 in 2008-09 growth rate was 22.2 and in 2009-10 Growth rate is 13.6. The variation is grater in growth rate.

8. Conclusion

The SHGs, by providing access to financial services and informing the women members about the various welfare programmers especially targeted to women and children, truly empower women by making them partners in bringing about the needed social and economic transformation. The efforts of SHGs are thus, to a very great extent, contributing to address the gender issues of economic development in India

9. References

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