

Self-Help-Groups Playing Transformative Role In The Women Empowerment In India

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Abstract: Self-Help-Groups has become the important institution for the rural transformation and gender empowerment. They have become one of the basic institutions at the grassroots to empower people especially women. Now government is looking to harness their collect strength to achieve tasks like financial inclusion and livelihood promotions with them. Deen Dayal Upadhyaya Antyodaya Yojan has become the flagship programme to provide these Self-Help – Groups with new vision and strength to fulfil the task of empowerment of women.

I. INTRODUCTION

Mary Parker Follet was the first modern managerial thinkers which stressed on the importance of Group functioning. She advocated the principle of 'integration' and non-forceful power-sharing. This is based on "power with" paradigm rather than 'power-over.' She exhorted participatory management, decentralized decision-making, integration role of groups and humanistic approach to management. We think that the modern Self-Help Groups are based on the same philosophy of harnessing the potential of the group. Self -Help Groups are based on the philosophy of collective management which is 'power with' in its design rather than being on bureaucratic conception of 'power over'.

Self- Help-Groups (SHGs) has been playing a very transformative role in financial empowerment of especially woman and rural sector. During colonial rule and in the initially decades after independence banking sector and other financial institutions could not reach at the grassroots. Despite Indira Gandhi's efforts of Bank Nationalization, Lead Bank Approach and subsequent Priority Sector Landing its impact could not be felt at the lives of deserving people. Creation of Regional Rural Banks and even the NABARD could not create a reach within rural folks. Self Help Groups has focussed on the group which is consist of women of the villages and helps them by providing credit and loan for the livelihood generation. This is also help in generating group capability among these women to perform diverse tasks.

They can also be trained to work with Integrated Child Development Scheme, Primary Education Department, Forest department and Health department (creation of sanitary napkins, contraceptives and other hygiene related issues) for providing further outreach for their missions and schemes. Self-help groups can play a very essential role in organizing people into small productive groups. Self-help groups (SHGs) has now attained the status of basic unit for microfinancing in India. Usually women of similar socio-economic backgrounds are organized into (SHGs) self-help groups. This naturally helps in setting a collective target of saving small amount of money to create larger amount which help them in future in further landing and borrowings. Self-help groups can also help in skilling and transforming people. Traditionally person with low and unstable income background used to find it very difficult to get credit. Self-help Groups in their collective strengthen has more capacity to borrow from financial institutions. The collective ethos of the group also works as a force in keeping every member punctual & sincere in their financial responsibilities towards the group.

II. BANK SUPPORT TO SHGS TO BOOST FINANCIAL INCLUSION

In 1990s policy makers decided to promote SHGs for further increasing the access of the rural poor to institutional finance. This task was essential to fulfill the task of poverty

reduction and sustainable development. At that time participation of the rural poor in bank credit was very low because lending to them have been considered very risky by the formal credit institutions. Therefore to increase the level of trust collect identity of group was created in the form of Self Help Groups. National Bank for Agriculture and rural development (NABARD) has started SHG-Bank Linkage Programme since 1992 with the support of RBI. Self Help Groups can borrow from banks once they have accumulated a base of their capital from this Linkage Programme. This is a major blank of the strategy for delivery financial services to the poor in India and facilitate the realms of building financial capabilities and self confidence in the rural poor ,through internal saving and leading from own funds of the SHGs .This unique initiative has about 3000 partners and is the most cost effective and fastest growing microfinance initiative in the world ,enabling more than 100 million poor household access to sustainable financial services from the banking system.

Since the linkage of targeted 500 SHGs under pilot programme had been achieved, SHGs bank linkage was a mainstreamed in 1996 and it was decided to extend the SHG linkage programme beyond the pilot phase as a normal business activity of banks to improve the coverage of the rural poor by banking sector” As on 31st March, 2020 there were 56.77lakh SHGs with loans outstanding of Rs 1.08 lakh crore under SHG-BLP.

III. NATIONAL RURAL LIVELIHOODS MISSION AND DEEN DAYAL ANTYODAYA YOJANA

National Rural Livelihoods Mission (NRLM) has been started for fulfilling the task of inclusion of the rural poor. This is a new avatar of Swarnajayanti Grameen Swarojgar Yojana of 1999 to promote the creation of Self Help Groups (SHGs) and harness their potential of self –employment.. This mission tried to provide the rural poor financial services like credit, saving, insurance, payments and remittance facilities. This mission helps in opening of saving bank accounts for the SHGs of the poor. It will facilitate their access to bank credit for consumption and production purpose. It would help in developing insurance and pension products for its members.

Gradually financial exclusion was identified as a crucial reason for the prevalence of poverty according to the World Bank. Financial inclusion has relation with at least seven out of the 17 goals which are mentioned in *Sustainable Development Goals (SDGs)*. This is the reason why the World Bank was the prime lender for National Rural Livelihood Mission. In 2015 *Deen Dayal Upadhyaya Antyodaya Yojana (DAY)* has become the new version of this scheme and it focuses on both urban and rural sectors. Presently the NDA govt. is supporting women self-help-groups (SHG) under the *Deendayal Antodaya Yojana- National Rural Livelihoods Mission (DAY-NRLM)*. Govt. has released capitalization support funds to the tune of 1,625 crore to more than 4 lakh SHG's. Govt. has also issued 25 crores as seed money for 7500 SHG's members under the *PM Formalization of Micro Food Processing Enterprises (PMFME)* scheme of the ministry of food processing industries and 4.13 crore as funds to 75 *Farmer Producer Organizations(FPOs)* being prompted

under the mission. Govt. has taken an important decision to raise the loan amount for SHG's from 10lakh to 20lakh with any guarantees in August 2021 to give further boost to their loaning capacity the PM minister in his address to SHG's has pointed out that presently more than 4 lakh crore rupees unsecured loans has been made to SHG's but their NPA (non-performing assets) has come down for nine percent to anywhere between two-three percent. Govt. is thinking about empowering them in directly purchasing product from farmers like paddy and repack them for home delivery to customer. There is now presently 42crore Jan Dhan Account (JDA) approximately out of which 55% is held by women. They have made their access to make their formal credit from banks very easy. According to Prime Minister's Office (PMO), *DAY-NRLM* aims at mobilizing rural poor households into SHG's in a phased manner and provide them long-term support to diversify their livelihoods, improve their incomes and quality of life. Most of the mission's interventions are being implemented and scaled up by the SHG's women themselves. There will be provisions to train multiple *community resources persons (CRPs)* dealing with different issues like - krishi sakhis, pashu sakhis, van sakhi, bank sakhis, bima sakhis and banking corresponding sakhis. Banking Correspondence Sakhi and Bank Sakhi has during the Covid-19 Lockdown has done the work of money distribution in the villages in different states of India. This has resulted in working of 8800 BC Sakhi and 21600 Bank Sakhi in providing the banking services in the rural India. Van Sakhis has started helping and organizing women in collecting and selling minor forest produce which will help in increasing their income. Kirshi Sakhis has been trained in adopting better agricultural practices and food processing by which they can help in uplifting the livelihoods of the people. Pashu Sakhi are appointed by the Self Help Group which are sent for further training to increase her and other families animal husbandry potentials of the entire village. BC sakhi is bringing transformation in the banking facilities, Banking Sakhi has been giving them at their doorstep facility of saving and drawing money, old age pension, insurance and MNRGA money and these sakhi are selected out the Self Help Groups and they are given proper training and gradually they are supported to established their own village kiosk to provide these facilities at the village level.

IV. DEMONETIZATION AND DIGITIZATION IMPACT ON SELF HELP GROUPS

Demonetization initially starved these institutions of funds and there emerged a threat of failure .But subsequent opening of 50 million new *Pradhan Mantra Jan Dhan Yojana (PMJDY)* accounts by Oct 2017 and it accelerated the digitalization of retail payments during the fourth quarters of 2019-20 out of total disbursement by NBFC-MFIs 92% became cashless, which is the classic example of adoption of technological innovations like online payment options. In August 2021 Jan Dhan accounts has reached 43 cores in 7 years and these accounts have approximately 1.46 lakh crore, this is biggest outreach of the formal banking facilities to the poorest sections of Indian society. This has made a

fundamental transformation in the functioning of Self- Help – Groups because now not only the group but its members also have basic banking facilities and it will make its monetary transactions transparent. Digitization of money will also help in making the funding swift to the group and group can also distribute loan swiftly to its members.

V. SHGS ROLE IN EDUCATION SECTOR

SHGs has been funded by commercial banks ,regional rural banks and cooperative banks for their different activities .The SHGs have proven their worth in uniting people to combine their efforts to reduce poverty. Different studies on the functioning of Self Help Group have proved that group made is better delivery developmental strategies, therefore it would be better if educated members of Self Help Groups are organized, trained and committed with the taste of spreading basic education in the neighborhood. This basic education could include basic literacy skills, hygienic, awareness and economic literacy and awareness about government schemes. Members of the SHGs should also be allowed to avail educational loan for their children with minimum interest payments. Here is a genuine need to use Self Help Groups especially in rural areas for spreading educational awareness in its all dimensions. Role of Self Help Groups in providing education loans for its members on minimum interest payments should also be to deed into of micro-finance in India. Those female members of the Self –Help –Groups which show interests in Nursery and Primary education can be trained and motivated to work for teaching students after the school.

VI. USE OF ONLINE PLATFORMS FOR SHGS PRODUCTS- NEW AVENUES FOR SELF-EMPOWERMENT

India will launch an e-commerce platform for products made by women SHGs in villages this was announced by the Prime Minister Modi on the occasion of his 75th Independence Day Address. He said this will provide their products market at national and international level via online platform.

Chhattisgarh's Rajnendgaon district has given one practical example of this idea. Chhattisgarh had earlier started a scheme 'Godhan Nyay Yojana' to buy cow dung from dairy farmers at 2 Rupees kg to offer them financial support. Chhattisgarh's Rajnendgaon district administration has started to sell their products online. Cow dung products such as manure, cow dung cakes (as fuels), diyas (lamps) and flowerpots made by 4000 women of 354 self-help-groups are now available on online platforms. Rajnandgoan has become the first district of the state to sell products made of cow dung online platforms.

VII. CONCLUSION

Success and importance of Self- Help- Groups is the clear example of strength in the group action. This also affirms the social nature of human beings and their capacity to work as team despite at times having diverse interests. This also justifies the success of a communicative approach towards governance rather than on bureaucratic apparatus for success. Self – Help- Groups are true example of empowerment which comes with the sense of participation and financial autonomy.

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