

# Socio-Economic Development of Women through Self-Help Groups (SHGs) in India

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## Abstract:

SHGs are working in India since 1999 and it was entered in various sectors. SHGs are a voluntary and self governing group of women in the same conditions. SHGs are providing opportunities to improve the financial situation of its members and improve their socio-economic status. The Swayamsiddha is an important programme started in 2001 and after this programme the provision of women has been recognized as a key factor in determining their status. It contributes not only provides for the equality of women but also gives the state the power to take action against their discrimination in any way. Swayamsiddha, as the name implies, aims to empower women and give them enough self-confidence to support themselves.

Keywords: Self-Help Groups, Swayamsiddha, Women Empowerment, Equality of Women, etc.,

## Introduction:

Self Help Groups (SHGs) of India came into operation from April 1999, entering various sectors such as dairy farms, fishing grounds, grocery stores, handicrafts, farming, rainwater harvesting etc. Women are an important part of the whole economy. All the roundabout development and concomitant growth of the nation is possible only when women are treated as equals and men equally. However, in many developing lands, women are denied social and economic opportunities. In such countries the effective provision of women is essential for the employment of women in the broader economic development sector.

The Self-Help Group is a voluntary and self-governing group of poor women in the same social and economic conditions who keep a certain amount that contributes to a common fund where small loans are given to members to meet their productive and urgent needs. This model emerged in the 1980s and 1990s with the support of the Indian government, national governments, the National Bank of Agriculture and Rural Development (NABARD), the banking sector and the private sector and is widespread across the country especially in rural areas where 70% of India's without access to productive goods and financial resources, with high levels of illiteracy, inadequate health care and limited access to public services.

Women's participation in SHGs has improved their income, savings and empowerment. The SHG provides an opportunity to improve the financial situation of its members which has led to an increase in socio-economic status. It serves as the basis for moral power. It also promotes access to credit for profit. It promotes the practice of saving and utilizing banking facilities obtained from government and institutions and contributes to economic and quality efficiency. Empower and develop better women's decision-making skills by providing the public with better public and professional information. Encourage them to build and

develop a better future for themselves and their families. The Self Help Group is one of the most important women's empowerment schemes, in terms of better leadership, decision-making, empowerment and skills development.

In 2001, the National Women's Empowerment Policy was introduced and in mid-February of that year (celebrated as the Women's Economic Empowerment Month), the Integrated Women Empowerment Program (IWEP) or "Swayamsiddha" was also established and a national women's rights conference was organized by the Government. . This program is important because in recent years the provision of women has been recognized as a key factor in determining their status. The principle of gender equality is enshrined in the Indian Constitution in its original texts, in the Basic Works and in the Executive Director. The Constitution not only provides for the equality of women but also gives the State the power to take action against their discrimination in any way. Swayamsiddha, as the name implies, aims to empower women and give them enough self-confidence to support themselves. The program has put pressure on women to fully understand social, economic and political issues. The program will bring together groups of people with similar goals and objectives. IWEP has a vision to empower powerful women who will have the courage to claim their rights in families, communities and governments as well as those who can and will manage resources, social and political. It aims to improve awareness and improved skills for women with an economic reputation. One of the main goals of the IWEP is to improve women's access micro credit and to strengthen the practice of saving among rural women.

Women can form Self Help Groups, voluntarily solve their common problems, help and help each other. SHGs here in India provide women's forums, especially from the poorest sections of society, to improve the environment and support each other. SHGs provide cost savings primarily to meet the needs of members. It also offers effective ways to bring small loans to its members. SHGs and bank connections are designed to address the poorest sectors of society for women. But this does not mean that only poor women can develop SHGs. SHGs can be developed by poor women alone or through a combination of women from higher levels of society who can provide much-needed support.

The Guidelines for Self Help Groups (SHGs) focus on organizing the rural poor, especially women, into small groups through the process of social inclusion, training and lending and government support. The main purpose of the SHG concept in India is to promote women's economic development and to create an environment conducive to social change in the promotion of gender discrimination in the workplace and in the home. In India, SHGs are doing everything possible to grow the country's economy. The growth and growth of the Small Business sector has been huge and eye-catching in the last few decades. The small amount of money generated by SHG has become a place for official banking services for people from far away.

Empowerment is something that happened in the nineties and the name became popular in the development sector, especially in relation to women. Empowerment has been a major solution to many social problems such as massive population growth, environmental degradation and the low status of women. It is a multi-faceted process, which allows individuals and groups to see their identity and power in all stages of life.

Without economic empowerment, women's development could be at a very low ebb and level of women's empowerment.

Women's contribution to human development is a sign of health satisfaction. For this reason, the empowerment of women is unavoidable and it is evident through business development that women play many roles in the family, society and the economy. According to Amartya Sen, in India two social failures are found; one is about gender inequality and the other is illiterate. Women are deprived of many things, which their partners enjoy. It applies to all aspects of daily Indian life. Problems affecting women are as old as human society itself, with men over the years socially and economically advanced but women, especially in the third tier, are far behind. In developing countries, the status of women is low and their economic and social status is higher than that of men. In many countries in South Asia gender inequality and discrimination occur in all areas of women's social and economic life. As on 2019-20, SHGs number their target to disburse amount and actually achievement was given below

Status of SHGs their targets and Achievements as on 2019-20

S.No	Particulars	Target	Achievements	Achievements in Percentage
1	Total No. of SHGs	3,092,721	3,421,516	100%
2	Total Disbursement Amount	6,707,690.00 Lakh Rupees	7,090,324.61 Lakh Rupees	100%
3	Total Outstanding Amount	10,098,696.00 Lakh Rupees	9,314,103.68 Lakh Rupees	92.23%

Deen dayal Antyodaya Yojana – National Rural Livelihoods Mission (DAY-NRLM), under Ministry of Rural Development, across the country in a mission mode with the objective of organizing the rural poor women into Self Help Groups (SHGs) and continuously nurturing and supporting them to take economic activities till they attain appreciable increase in income over a period of time to improve their quality of life and come out of abject poverty. The programme aims to ensure that at least one woman member from each rural poor household (about 9 crore) is brought into the fold of women SHGs and their federations within a definite time frame. The programme is being implemented in all the States and Union Territories, except Delhi and Chandigarh, in a phased manner. As on 31<sup>st</sup> May, 2019, 5.96 crore women have been mobilised into 54.07 lakh women Self Help Groups (SHGs) under the programme.

Under DAY - NRLM programme, Revolving Funds (RF) @ Rs.10,000-15,000 per SHG and Community Investment Support Fund (CISF) @ maximum of Rs.2,50,000 per SHG is provided to Self Help Groups (SHGs) and their Federations to take up self-employment for income generation. SHGs are also linked to banks for availing loans for taking up various livelihood activities. In addition, capacity building and

technological support is also provided to the target households for taking up income generating activities both in farm and non-farm sectors.

Deendayal Antyodaya Yojana – National Urban Livelihoods Mission (DAY-NULM) under Ministry of Housing and Urban Affairs aims to reduce poverty and vulnerability of urban poor households on sustainable basis. The mission, inter alia, is mandated to build strong grassroots level institutions of the poor. Under Social Mobilization and Institution Development (SM&ID) component, the mission envisages universal social mobilization of urban poor into Self-Help Groups (SHGs) and their Federations by bringing at least one member from each urban poor household, preferably a woman, under the SHG network. These groups serve as a support for the poor, to meet their financial and social needs. Under the Self-Employment Programme (SEP), interest subvention over and above 7 percent rate of interest is available to all SHGs accessing bank loans. An additional 3 percent interest subvention is also available to all women SHGs who repay their loan in time

### **SHGs and Women Empowerment**

- ❖ Make rural women aware of their basic rights: SHGs help rural women in getting educated and knowing their basic fundamental rights and laws.
- ❖ Help rural women in getting employment: The women SHGs play an instrumental role in arranging for various kinds of trainings for rural women relating to improved farming practices, livestock development, sewing, bookkeeping and general management. These trainings open up various employment opportunities for the rural women.
- ❖ Boost self-confidence and enhance social status: SHGs help rural women become financially independent which in turn builds their confidence and also enhances the social status of the family to which the women belong.
- ❖ Increase community participation of the rural women: Not only women SHGs educate the rural women but also increase their community participation.
- ❖ They help the rural women in knowing their right to vote and even motivate them to take part in the local governance and village development process. This helps in their political empowerment.
- ❖ Spreads awareness about social issues: Rural India is still plagued by social evils like dowry system, child marriage, caste system, domestic violence, alcoholism, etc.
- ❖ SHGs take the task of eliminating these evils by creating awareness, by promoting girl child education, conducting campaigns and meetings with the families of the rural women to bring about a social change.
- ❖ SHGs help in inculcating the habit of saving and using banking facilities among the members. The saving habit thus strengthens the bargaining capacity of the women and they are in a better position to acquire loans for productive purposes.
- ❖ The women gain from collective wisdom in managing their finances and distributing the benefits among themselves.
- ❖ The SHGs play a major role in sensitising more women to form SHGs and in making them realise its importance in their empowerment.



- ❖ SHGs help in changing the gender dynamics of power within a family and ultimately the society at large. They now have greater say in the family matters and also are seen as stakeholders and partners in taking the community forward. The financial independence has eventually paved the way for societal upliftment of women and their voices.

### Conclusion:

SHGs have identified ways for women empowerment and reduction of poverty. They have contributed by developing their social and economic status. They also empower women by increasing their income, expenditure and saving habits. The key reasons for the success of SHGs are its link with the poor people, its innovative practices, its capacity to enable people's participation in development and trust building at different levels between stakeholders. SHGs also help in the financial status of the households. They have developed self-confidence and independence among rural women, which in turn increased the livelihood of the rural people.

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