

SHGs Members and Socio- Economic life

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Abstract: The rural economy has recently been showing clear positive signs for the microenterprise opportunity, especially for women through SHGs. The loans are then used for creating self-employment opportunities for the poor. It is with this bank loan that self-employment is created for the members of the group and their families there by dependency on formal sector employment become less pressure, thereby increasing their standard of living, health investment opportunity. SHGs are working in rural India and have greatly helped in taking out poor farmers from debt-traps and helping them lead a life of dignity. The prospects of micro entrepreneurship are many in a few subsectors such as trade, transport, construction and service. The loans provided by SHGs are at nominal interest rates, which is agreeable to everyone, which is lower than that charged by the informal sector of the group of people and this group they also become eligible to take govt. subsidy. This paper tried analysing the self-help group and socio-economic status for their members.

Key words: SHGs, Karnataka, Socio-Economic development, Women, People.

Introduction

Self-help groups are informal groups of people. SHGs are also sometimes referred to as mutual-help groups, they are groups in which members share the same issue, condition, or situation and thus are in a position to provide help and support to each other based on regional condition. The SHG is helping to changes in socio-economic status, decision making and women participation in outdoor activities. SHGs are not only helping outdoor participation but also helps in the social institutions and extending ideas to people by motivating living in society. The SHG approach is a new paradigm into the field of Socio-economic development. Self-help groups can serve many different purposes, depending on the situation and need. They are encouraging to increase the well-being of the poor people, provide access to financial resources and credit, increase self-confidence, self-esteem, and increase their creditability. One of the important characteristics of self-help groups is the idea of mutual support among all members of the group.

Statement of Problem

In the process of socio-economic development to it is critical to address the role of SHGs, the first question raised in this study is for what purpose are the SHGSs are functioning? In the process of effective functioning of ideal credit and asset management needed. When they function through the different services of SHGs can interact among all stakeholders, this will enhance the quality of services rendered for rural development, easy to reach and they can also increase efficiently and effectiveness with different types of members. Thus, this research

explores the role and responsibilities of SHGs in the process of rural development. The main purpose of this research is to expand on existing rural development research literature and create greater scope for further research, this study also explores the relationship between the effects of good benefits and to the people at the village level according to their local credit requirement.

Research Questions:

1. Which is the most important challenging issue in SHGs at rural level?
2. Why Govt. is taking more serious about rural development through SHGs?

Objectives of the study.

This study is focused on the following objectives

1. Highlight the Role of SHGs in Socio-Economic status of members.
2. Enlist challenges and issues of SHGs in promoting income-generating activities in rural household members.

Methodology

Interpretative phenomenological analysis (IPA) of qualitative method is used, this paper is primarily based on secondary sources of data and direct interview data. This study focuses on Karnataka self-help group's impact and movement. Secondary data were collected from Karnataka State Rural Livelihood Mission, Annual reports, the statistical supplements, and operational statistics of Karnataka State, Government Website, published sources include Government publications, and other publications like research articles published in the journal available. The study was conducted among the different districts of Karnataka and of some selected SHG members to understand issues and challenges faced by SHGs on Socio-Economic status of Members.

A review of the literature on SHGs.

The SHG program implementation task has been assigned to NABARD has been championing SHGs since the early '90s, and projects such as the NRLP and NRLM accelerated the formation of SHGs. There are also more than a hundred national and regional non-profits—self-help promoting institutions (SHPIs)—whose main programmatic intervention has been to promote SHGs has been taken through various literature. According to the study by BIRD, 2007 on coverage of SCs/STs in SGSY, which covered 10,848 Swarozgaris and non-Swarozgaris (control sample), mentioned exclusion of SCs and STs in the following ways and for the following reasons. Physical exclusion – by not being accepted as group members, financial exclusion by denial of their due share either by group leaders or by implementing a bank or block officials, Exclusion because they are already

covered under some state government sponsored programs (often implemented by state (ST/SC corporations) and in many cases are already defaulters of bank loans (BIRD, 2007). It was launched in Kerala in 1998 to wipe out absolute poverty through community action. It is the largest women empowering project in the country. It has three components i.e., microcredit, entrepreneurship and empowerment. It has three tier structures - neighbourhood groups (SHG), area development society (15–20 SHGs) and community development society (federation of all groups). Kudumbashree is a government agency that has a budget and staff paid by the government. The three tiers are also managed by unpaid volunteers. SHGs in Maharashtra were unable to cope with growing volume and financial transactions and needed professional help. Community managed resource centres (CMRC) under MAVIM was launched to provide financial and livelihood services to SHGs. CMRC is self-sustaining and provides need-based services.

Back ground of SHGs

SHGs became more prevalent in the 1960s, because of the influence of the Civil society Rights Movement, this movement was an organized effort by Black Americans to end racial discrimination and gain equal rights under the law. It began in the late 1940s and ended in the late 1960s. which showed how powerful people can be when they join forces and support each other. The concept evolved over decades and was pioneered by Noble laureate Mohammad Yunus as self-help groups (SHGs) in the 1970s. In the 1990s, online self-help groups became available, which facilitated communication between people regardless of location or distance. Self-help groups, both online and in person, are currently available around the world, and they are largely considered beneficial and efficient supplements to medical and mental health treatment. SHG movement in India gained momentum after 1992, when NABARD realized its potential and started promoting the importance of SHGs. In southern India, Andhra Pradesh (undivided), Karnataka, Tamil Nadu and Kerala established separate organizations (Society for Elimination of Rural Poverty in AP) led by a senior bureaucrat as a continuation of SHGS. In 1999, India's Government, introduced Swarn Jayanti Gram Swarajgar Yojana (SGSY) to promote self-employment in rural areas through the formation and skilling of SHGs. The program evolved as a national movement in 2011 and became National Rural Livelihoods Mission (NRLM). It is a poverty alleviation project implemented by Ministry of, Government of India. This scheme is focused on promoting self-employment and organization of rural poor of India. The important focus of this program is to convert the poor people into SHG (Self Help Groups) and make them capable of self-employment over the period of time. it is world's largest poverty alleviation program. Today, State Rural Livelihood Missions (SRLMs) are operational in 29 states and 5 UTs (except Delhi and Chandigarh).

Analysis of SHGS in Socio -Economic Empowerment.

Self-Help Groups are kind of informal association of people who choose to join together to find ways to improve their socio-economic conditions. It can be defined as self-governed, self-controlled information group of people with the same socio-economic background and having a desire to collectively perform common purpose to enhance their socio-economic conditions of the people. Self-help groups playing a critical role in the people dealing with substance use issues, bereavement support for family members, and chronic mental health issues any kind. However, while self-help groups have positive effects on those who participate in them, they are not typically considered a form of therapy or treatment because they are not led by a trained professional but advised on the basis of experience. It is often advised that individuals experiencing a mental health concern attend self-help groups as a supplement to therapy or other treatments rather than as a primary intervention as result there was some changes are occurring with as intervention of SHGs. The Social capital of SHGs could be an asset for solving various social issues by mutually agreeing themselves the issues like i.e., based on race, gender-based discrimination, dowry system, casteism, employment, etc. The opinion revealed that after joining Self-Help Groups, the women participated extensively in the group saving habit and increased their income and improve their living standard by performing various economic activities independently at family level. SHGs are a homogeneous unit, but at the village level and cluster level, women meet regularly and work together in harmonious way almost all SHGs. This growing social capital can be channelled to iron out existing social menaces and bringing social harmony. SHGs are also playing significant role in reducing poverty and vulnerability of the poor by increasing in small savings /capital/asset formation at the household level, by this way improving household income and increase in capital availability to small and medium enterprises, at the same time enhancing the capacity of individuals and households to mitigate risk at the gross root level, expanding employment opportunities by the way of increasing entrepreneurial abilities. Keeping significant contributions in the mind India's government is planning to create 75 lakh Self-Help Groups by 2022 to enable more women to get a livelihood. Women's Self-Help Groups are the backbone of poverty alleviation programs and the entire focus of the department is oriented toward women's emancipation. The emphasis should be given to promote livelihoods through a convergence approach to enhance their incomes. Deendayal Antyodaya Yojana has been supporting women led and managed enterprises in farm and non-farm sectors. The mission has supported 169 Producers enterprises that have supported over two lakh 78 thousand women farmers, there are more than 66 lakh SHGs across the country mobilizing more than seven crore 73 lakh women. Government is providing funds and training to them for livelihood missions and linking them with banks for easy credit flow. according to the data available with the Department of rural development of Karnataka total number of SHGs are 216024 out of which 200968 SHGs unemployed member details and 214557 SHGs are aged and disabled member details recorded in their membership. To encourage social empowerment SHGs is taking important steps to encourage the woman should get an important place in her family and society, and should have a right to enable her to use available resources. It has resulted in developing self-confidence, self-esteem, and self-respect too. Additionally, uplift the living conditions of the poor household women's family at large. SHG also encourage

women to participate in the meetings and women reported that they have savings in their name and it gives them confidence and increased self-respect at all social institutions. SHG is the opportunity to all its members, to access formal savings institutions and participate in the management of these savings and their credit requirements. According to NSSO report, unemployment in India among the workforce was 7.49 million in 1992–93 and the same has increased to 11.24 million in 2004–05. The people below the poverty line in India are around 20% of the total population. All the above factors apply equally to the study area. Bangalore District, which is one of the commercial districts of North Karnataka. About 18 lakh SHGs availed credit support of `37,287 crore from various banks during 2015–16, on an average of `2.03 lakh per SHG. During 2015- 16, there was a net addition of 2.06 lakh SHGs with savings linkage. (Annual Reports, NABARD, March 2017) The number of households benefited under SHG program is more than 32.98 million. The outstanding of the SHGs of bank loans during past three years (2015–17) in Karnataka were progress under microfinance and their saving of SHGs with banks on Commercial Bank, Regional Rural Bank and Cooperative Banks in March 2017 the total no. Of SHGs 1031733 and Savings of Amount Rs. 1, 31181.48 lakhs. SHG is having a good impact on members, in their ability to save their hard-earned money also this has been linkages with the other Govt. Schemes so, that all subsidies can be easily credited into their account. As a result, the financial strength of the members in participation the SHG has improved the quality of life, Employment, asset creation, Education, Social standard, repayment of loans, health, nutrition food with all successful groups. Overall, many families were able to address their basic needs better than before becoming the members of SHGs. In the option of survey Karnataka, rural women's Self-Help Groups formed under the NRELM have played a key role in COVID-19 pandemic containment measures launched by the State Government in the process of controlling covid-19. The scheme is implemented through Karnataka State Rural Livelihood Promotion Society in the name of 'Sanjeevini'. The Sanjeevini women across the state played an active role in rural areas by producing covid-19 controlling produces, masks, sanitizers and went door to door to create awareness about social distancing and other preventive measures even for the purpose vaccination. Disability keeps many people in the state from achieving their full potential. The important Challenges posed by lack of financial resources and accessible infrastructure keep eager children from being able to attend school in the direction SHGs play with friends and enjoy an independent existence and give support. Physically challenged adults face drastically limited employment opportunities and are largely dependent on family and friends as role model SHGs are playing in supplying funds to the needy one. SHGs encourages collective efforts for combating practices like dowry, alcoholism SHGs empowers women and inculcates leadership skill among them. Empowered women participate more actively in gram sabha and elections. There is evidence in the state as well as elsewhere that formation of Self-Help Groups has a multiple effect in improving women's status in society as well as in the family leading to improvement in their socio-economic condition and also enhances their self-esteem in the society. Priority Sector Lending norms and assurance of returns incentivize banks to lend to SHGs. The SHG-Bank linkage programme pioneered by NABARD has made access to credit easier and reduced the dependence on traditional money lenders and other non-institutional sources. And reducing corruption through social audits. It Alternate source of employment SHGs eases dependency on agriculture by providing support in setting up micro-enterprises

e.g., personalised business ventures like tailoring, grocery, and tool repair shops enabled the participating households to spend more on education, food and health than non-client households. The financial inclusion attained through SHGs has led to reduced child mortality, improved maternal health and the ability of the poor to combat disease through better nutrition, housing and health – especially among women and children. They encourage and motivates its members to save and act as a conduit for formal banking services to reach them this is way in which they are rural area of the state. The important challenge before SHPIs is to ensure sustainable supply of financial resources to its members. If the SHGs operates as a formal association, it can levy a certain service charge for disbursing funds to its members, and this potentially generates revenue for the SHGs to manage its operations at the same time whatever money is given in the name of credit should be more preattentional with ought having ang any hindrance. The SHGs work on mutual trust and confidence of the members. The deposits of the SHGs are not secured or safe Only a minority of the Self-Help Groups are able to raise themselves from a level of micro-finance to that of micro-entrepreneurship.

Measures to make SHGS Effective

To make SHGs more efficient system of association. The present SHGs has to play the role model facilitator and promoters of the system, to create a supportive environment for the growth and development of the SHG movement is needed. Model SHGs has identify and show them as model in the place of credit deficit areas. In this area needed to adopt extensive IT enabled communication and capacity building measures. Even in the urban area poverty is so chronic Urban SHG are need to be encouraged. Government should treat the poor and marginalized as viable and responsible customers and as possible prospective entrepreneurs. Need to establish a separate SHG monitoring cell in every dist. The cell should have direct link block level monitoring system. The cell should collect both quantitative and qualitative information Commercial Banks and NABARD in collaboration with the State Government need to continuously innovate and design new financial products for these groups to become more effective.

CONCLUSION

Money is important to every business unfortunately, rural women are facing fiancé problems to run their family business. Since women are the sole family caretaker, proper emphasis should be given to the rural women and for empowering the rural women finance is required. .Microfinance is playing a significant role in alleviate poverty and rural development. A close look at the pattern of lending shows that, credit facilities were availed for meeting the charges on crop cultivation, purchase of milch animals, sericulture activities, purchasing of tailoring unit and also repayment of loan. Thus, most part of the credit was used for improving the sustainability of their agriculture and economic status. SHGs have given a voice to the otherwise underrepresented and voiceless sections of society's help eradicate many social ills such as dowry, alcoholism, early marriage, by empowering women SHGs help steer the nation towards true gender equality. SHGs act as pressure groups through which pressure can be mounted on the government to act on important issues. SHGs help implement and improve the efficiency of government schemes.

They also help reduce corruption through social audit. SHGs help people earn their livelihood by providing vocational training, and also help improve their existing source of livelihood by offering tools, etc. They also help ease the dependency on agriculture. Financial inclusion due to SHGs has led to better family planning, reduced rates of child mortality, enhanced maternal health and also helped people fight diseases better by way of better nutrition, healthcare facilities and housing. Microfinance to the rural SHGs is a way to raise the income level and improve the living standards and economic independence of the rural women.

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