



# An Overview of Stepping up of Communities through Self-Helping Groups

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## Abstract

Empowerment of women has emerged as an important issue in recent times. The economic empowerment of women is being regarded these days as a Sine-quo-non of progress for a country; hence, the issue of economic empowerment of women is of paramount importance to political thinkers, social scientists and reformers. The Self Help Groups (SHGs) have paved the way for economic independence of rural women. The members of SHGs are involved in Micro – Entrepreneurships. Through that, they are becoming economically independent and providing employment opportunities to others.

**Keywords:** SHGs; Women Empowerment; Entrepreneurship; Savings; Employment; Microcredit

## 1. Introduction

The emergence of women entrepreneurs and their contribution to the national economy is quite visible in India. The number of women entrepreneurs has grown over a period of time, especially in the 1990s. Women entrepreneurs need to be lauded for their increased utilization of modern technology, increased investments, finding a niche in the export market, creating a sizable employment for others and setting the trend for other women entrepreneurs in the organized sector. While women entrepreneurs have demonstrated their potential, the fact remains that they are capable of contributing much more than what they already are. Women entrepreneurship needs to be studied separately for two main reasons. The first reason is that women's entrepreneurship has been recognized during the last decade as an important untapped source of economic growth. They create new jobs for themselves and others. They also provide the society with different solutions to management, organization and business problems as well as to the exploitation of entrepreneurial opportunities. The second reason is that the topic of women in entrepreneurship has been largely neglected both in society in general and in the social sciences. Not only have women lower participation rates in

entrepreneurship than men but they also generally choose to start and manage firms indifferent industries than men tend to do [1].

The universal fascination with Self-Helping Groups (SHGs) has also resulted in obscuring the potential role of alternative institutions like co-operatives, private sectors, etc. in poverty removal. The possessiveness of some of the implementers has resulted in the development to SHGs as stand-alone organizations without having any meaningful interaction with other schemes or community based organizations. As a result of this, the SHG members have not been able to access substantial development funds, which could otherwise have been available to them. It is also necessary for to adopt a more encompassing approach with various community-based organizations and programmes by laying far greater focus on processes, capacity building, convergence with various on-going programmes etc.

Development of the society is directly related with the income generation capacity of its members with agriculture, as the key income generation activity the entrepreneurship on farm and home can directly affect the income of a major chunk of our population. The growth of modernization processes such as industrialization, technical change; urbanization and migration further encourage it. Entrepreneurship on small scale is the only solution to the problems of unemployment and proper utilization of both human and non-human resources and improving the living condition of the poor masses [2]. SHGs can serve many different purposes depending on the situation and the need. For example, within the development sector, SHGs have been used as an effective strategy for poverty alleviation, human development and social empowerment, and are therefore focused on microcredit programmes and income generating activities.

“Co-operation” has been accepted as an important medium of regeneration of the country’s socio economic life. Rural development through co-operatives facilitates regional development of the areas neglected so far by the urban capitalists and industrialists and at the same time co-operatives also reduce disparities in income and employment because the resultant gains are not pocketed by a large number of people. It is only when the benefits accrued are shared by all people and mass participation in the process of developmental activities. According to MahalirThittam's advice, a SHG could prefer to keep the overall membership of each group between 15 and 20 people. This makes it possible for them to fully engage in all group activities and, as a result, to get assistance in promoting self-employment and reducing poverty.

## **2. SHGs from a historic point of view**

The Self-Employed Women's Association (SEWA), which was founded in 1970, is thought to have been the origin of SHG in India. The largest microfinance scheme in the world was born out of the SHG Bank Linkage Project, which NABARD began in 1992. Starting in 1993, NABARD and the RBI allowed SHGs to open savings accounts in banks. The SHG movement received a significant boost from this action, which also cleared the way for the SHG-Bank linkage initiative. The SwarnJayanti Gram Swarozgar Yojana (SGSY) was launched by the Indian government in 1999 with the goal of fostering SHG creation and skill development in rural areas. In 2011, the initiative transformed into a national movement

known as the National Rural Livelihoods Mission (NRLM), the largest programme in the world to combat poverty. In operation today are State Rural Livelihood Missions (SRLMs) in 29 states and 5 UTs (except Delhi and Chandigarh). The NRLM assisted the poor's access to affordable, trustworthy financial services such bank accounts, savings accounts, credit, insurance, remittances, pensions, and financial services counseling.

Man always inhabits a variety of groups. These social groups have social, political, and financial objectives. Farmers used to gather and pool their labor to divide the cultivable land, as in the cases of NBIMBE and JANANO (Zimbabwe). Other classic SHGs can be found in Asia and Sub-Saharan Africa, where people congregate together to borrow money, pool their labour, and purchase things in large quantities. Although it is not a new idea, it has only recently become widely used.

Micro-credit schemes have become crucial institutional tools for extending small loans to the rural poor in order to combat poverty throughout the world, but particularly in third-world nations. These initiatives were initially created and implemented in Bangladesh in the late 1970s. The inspiration for SHGS came from the Grameen Bank of Bangladesh, which was established in 1975 by Professor Mohammed Yunus of Chittangog University. This was established only for the underprivileged. "There must be a transformation in the society if women are given power"

Ella Ben Bhatt developed the idea of microfinance in India in 1970 as the SEWA (Self Employed Women's Association), which offered financing to help women become independent and self-sufficient. After SEWA's success, Mysore Resettlement and Development Agency (MYRADA) promoted Credit Management Groups (CMGs) in the year 1987 [3]. Dr. Muhammad Yunus of Chiittigong University in Bangladesh developed the idea for Grameen Bank in 1976. It offers loans to women so they can become self-employed.

The National Bank for Agriculture and Rural Development (NABARD) began supporting Self Help Groups (SHG) and offering microcredit to rural residents in the year 1992. SHG gained popularity after the government's establishment of the SwarnaJayanti Gram Swarozgar Yojana (SGSY) initiative on April 1, 1999 [4]. In accordance with SGSY, the government provides finance to rural landless people through SHG, enabling them to start their own businesses and improving their socioeconomic situation. These government initiatives turn into effective weapons for eradicating poverty and lifting the low-income population over the poverty line. In order to use the collective power of groups of impoverished women to overcome social barriers that have prevented them from engaging in income-generating activities and finding fulfilment in their own lives, the Government of India launched a programme called Development of "Women and Children in Rural Areas" (DWCRA) in the years 1982–1983 [5]. Due to the success of NABARD's pilot project in 1992 and the emphasis placed on SHG as a trustworthy tool for women's empowerment in the 9th five-year plan, the SHG movement has blossomed and spread throughout India. SHG is now seen as a key idea in India's effort to empower women. We come across this idea at least once a day in modern life.

In the context of development, the creation and quick expansion of SHG based on

microcredit is a phenomenon that is becoming more significant. There are currently more than seven million SHGs in the nation, and approximately 90% of those are women's organisations. After nearly two decades of testing, this is now doable. SHGs have evolved into a means of pursuing various developmental agendas. The SHGs have been a recurring element of the Indian financial system since 1996. Joint liability offers incentives for quick repayment and aids in the system's selection, monitoring, and enforcement functions. Credit linking numbers will be 234843 by 2000–01, per NABARD sources.

The microfinancing initiative launched by NABARD in 1992–1993 has revolutionised efforts to combat poverty (NABARD, 1993-94). Other educational initiatives, including as the IRDP, DWCRA, TRYSEM, and SGSY [6], have also been introduced. Self-help groups' contribution to socioeconomic growth was so acknowledged. It is anticipated that this socio-economic development may have had an impact on women's health. The impact of these micro-credit programmes through Self Help Groups (SHGs) has been effective in making positive changes towards their overall socio-economic development of all SHG member households regardless of direct borrowers of micro-credit programmes [7]. When examining the most common viewpoints on SHGs, it can be claimed that a variety of stakeholders have high expectations for them.

However, many microstudies show that SHGs have fallen short of those standards. This is due in part to inadequate support, a lack of vision, the absence of enabling elements, etc., and in part to attempts to use the SHG as a bandwagon for too many actions, regardless of its members' capacity or interests. When there are a variety of expectations placed on SHGs, various stakeholders also have varying understandings of what constitutes a high-quality SHG. However, there is a shared understanding of the fundamental qualities a SHG must possess. It is essential to locate this common ground and establish suitable standards for SHG activities.

### 3. SHGs in Kerala

SHGs have advanced significantly in Kerala. Early efforts by various NGO's were mainly restricted to a small area rendering the notion mostly unexplored and unreplicable. In Kerala, there are many church-based development organisations that support credit unions. The initial credit unions had sizable memberships of 150 to 200 people with a basic goal of assisting the underprivileged in meeting urgent needs. However, these unions lack SHGs's system of democratic decision-making. This disadvantage was recognised in the late 1980s, and with the help of NABARD, several voluntary agencies rebuilt their credit unions into more manageable and efficient SHGs.

Although SHGs can be found in various nations, particularly in South Asia and Southeast Asia, the majority of self-help groups are based in India. Over a few months, members make small, monthly savings contributions in order to build up the group's capital to the point where lending can start. The money might subsequently be repaid to the members or to other villagers for whatever reason. In India, a large number of SHGs are "connected" to banks in order to receive microcredit. SHGs are member-based microfinance intermediaries that sit between formal actors like banks and microfinance organisations, on the one hand, and informal actors like moneylenders, collectors, and Rotating Savings and Credit Association



(ROSCAs), on the other. They are motivated by outside technical assistance.

With assistance from the Government of India and NABARD, the Government of Kerala launched Kudumbashree, a state-level initiative to eradicate poverty, during 1998 and 1999. The phrases Kudumba and Shree, which together signify "family prosperity" in Malayalam, were combined to form the name Kudumbashree. In Kerala, SHGS have so far mostly ignored the process of arranging credit. This might be as a result of the state's greater literacy rate [8-10]. The SHGs have begun to take on an alternate institutional framework for constructive economic endeavour, losing the conventional role [11].

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**Table 1 Number of SHGs promoted by Diocesan Social Service Societies**

Sl. No	DSSs	District	No. of Men SHG	No. of Women SHGs	Total
1	Aleppey Diocesan Social Service Society	Alappuzha	480	914	1394
2	SulthanBathery-Sherayas	Wayanad	438	1717	2155
3	Calicut-Jeevana	Calicut	20	430	450
4	Changanasserry Social Service Society (CHASS)	Kottayam	240	950	1190
5	Cochin Social Service Society	Ernakulam	587	724	1311
6	Welfare Services Ernakulam(WSE)	Ernakulam	33	1491	1524
7	Highrange Development Society(HDS)	Idukki	67	226	293
8	Social Action Forum Irinjalakuda(SAFI)	Thrissur	42	533	575
9	KAIROS,Kannur	Kannur	109	755	864
10	Peermade Development Society	Idukki	283	2340	2623
11	Kothamangalm Social Service Society(KSSS)	Idukki	46	4 Credit Unions	50
12	Kottapuram Integrated Development Society (KIDS)	Thrissur	124	3249	3373
13	Kottayam Social Service Society(KSSS)	Kottayam	51	1054	1105
14	Waynad Social Service Society(WSSS)	Waynad	93	501	594
15	Chethana Integrated Development Society(CIDS)	Alappuzha	15	595	610
16	Smaridhy	Muvattupuzha	131	434	565
17	Neyattinkara Integrated Development Society(NIDS)	Trivandrum	272	2811	3083
18	Palai Social Service Society(PSSS)	Kottayam	267	822	1089
19	Palakkad-Peoples Service Society	Palakkad	62	598	660
20	Punaloor Social Service Society	Pathanamthitta	48	635	683
21	Quilon Social Service Society(QSSS)	Kollam	106	1449	1555
22	Tellicherry Social Service Society(TSSS)	Kasargode	-	475	475

23	Thamarassery-Centre for Over all Development(COD)	Calicut	86	434	520
24	Thiruvalla-Bodhana	Malankara	103	514	617
25	Trichur-Social Action	Malabar	-	504	504
26	Malankara Social Service Society(MSSS)	Malankara	569	2833	3402
27	Trivandram Social Service Society(TSSS)	Latin	78	1173	1251
28	Ernakulam Social Service Society(ESSS)	Latin	238	811	1049
29	Vijayapuram Social Service Society	Latin	217	810	1027
	Total		4965	30386	34591

Source: Annual Report of Kerala Social Service Forum

#### 4. Conclusion

Entrepreneurship is the only solution to the growing employment among rural youth. It helps to generate employment for a number of people within their own social system. The urban women who have volunteered to organize themselves into a group for eradication of poverty and also the empowerment of the women. They agree to save regularly and convert their savings into a common fund. The members of the group agree to use both this common fund and the other funds that they may receive as a group through a common management. The SHGs are presently promoted by Governments, Development Banks and Voluntary Agencies, with focus on social and economic issues, mainly thrift and credit programmes. This is more beneficial for women in rural areas as it enables them to add to the family income while taking care of their own home and livestock centered task.

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