



Women Self-Help Groups in India - A Comprehensive Overview for Achieving Self-Sufficiency¹.

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Abstract: The empowerment approach is a powerful tool for women to increase their independence and ability to rely on themselves. This approach recognizes the important roles that women play in their households, communities, and workplaces while working towards gender inequality through grassroots action. Many financially struggling women lack access to resources that could improve their standard of living. One solution to this issue is establishing Self-Help Groups where members gather and pool resources towards shared goals which provides valuable support for isolated individuals handling challenges. Micro-credit initiatives have also been successful in improving financial circumstances among female populations such as Bangladesh by providing small loans and financial aid making it possible for them to start businesses or invest in education.

Keyword: Empowerment, SHG's, poverty, Micro-Credit, government Initiative, women's autonomy.

1 Introduction

The empowerment approach is a potent tool for enhancing women's autonomy this approach acknowledges the triple role that women often play in their households, communities, and workplaces, and seeks to challenge gender inequality through grassroots mobilization efforts. However, despite their resourcefulness, many impoverished women lack access to financial assistance that could help them improve their standard of living. Self-Help Groups aid women by pooling resources and goals. Micro-credit programs help diminish poverty among females and empower them with leadership positions. Overall, the empowerment approach represents an essential stride towards combating gender inequality by recognizing unique challenges faced by women worldwide while working towards solutions that promote autonomy and self-reliance; consequently creating a more equitable society for all.

2. World Approach

Muhammed Yunus, a professor at Chittagong University in Bangladesh, is credited with pioneering the concept of Micro Finance in 1976. In response to the famine that struck Bangladesh two years prior and left many impoverished individuals without access to funds for basic necessities, he established Bangladesh Grameen Bank by organizing these individuals into groups.

Prior to this initiative, members of the community were forced to rely on moneylenders who imposed exorbitant interest rates and unreasonable loan conditions, effectively enslaving them. Profoundly impacted by their plight, Professor Yunus generously donated \$27 from his own pocket to save forty-two families from these oppressive circumstances. The overwhelmingly positive feedback from those whom he helped inspired him to expand the program by connecting other impoverished individuals with nearby banks; however, these financial institutions were hesitant due to fears of nonpayment. To address this

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challenge head-on as well as alleviate concerns held by lenders regarding repayment capabilities among borrowers without collateral security or credit history verification requirements, Yunus acted as guarantor himself and convinced banks accordingly. These loans enabled impoverished families' access income-generating activities (IGA), allowing them not only repay debts but also improve their socio-economic standing across various indicators such as improved nutrition, better housing and sanitation facilities alongside lower birth rates and increased educational opportunities. Gradually "Micro-Finance" emerged globally recognized innovative tool for providing financial services since its establishment in 1983 at Grameen Bank in Bangladesh through its success story. In conclusion the World Micro Credit Summit held in Washington marked an important milestone towards ensuring delivery of credit especially among women entrepreneurs through collateral-free lending schemes aimed at promoting self-employment opportunities within low-income households worldwide.

3. Indian Initiative

The Indian Government has introduced numerous development programs and welfare initiatives aimed at improving the status of women. These efforts are implemented through various entities including banks, NABARD (National Bank for Agriculture and Rural Development), NGOs, etc. NABARD launched its Micro Finance Institution (MFI) which offers small-scale financial services such as thrift, credit, and other products to those living in rural, semi-urban, and urban areas. This enables them to increase their income levels and improve their standard of living. SHGs (Self-Help Groups) have been operating since the late 1980s/early 1990s as new MFIs that have spread throughout the country. There are three types of MFIs: cooperatives; SHGs; and NBFCs (Non-Banking Financial Companies). Cooperatives have supported disabled rural poor for about a century while NBFCs provide credit/financial services at attractive interest rates under RBI's control. SHG movement was initiated by NABARD in 1986-87 when it funded an action research project on "Saving and Credit Management of Self-Help Groups" conducted by Mysore Resettlement and Development Agency (MYRADA). The concept behind SHGs is centered around self-realization/self-initiative being powerful weapons against poverty worldwide. SHGs are informal groups of like-minded individuals who come together voluntarily to share common concerns and benefits. They aim to encourage thrift and banking habits among rural poor who previously did not save money and provide mutual support, confidence, coping mechanisms, and economic benefits through solidarity, sharing responsibility, and exchanging experiences.

4. Definition of Self-Help Groups

SHGs are self-governed, peer controlled informal association of people with similar socio-economic background and having a desire to collectively perform common purpose and mobilise small savings from the poor either on weekly or monthly basis and lend it within the group to meet the needs of the group members. This savings is pooled into a common fund and lend this with minimum security are the key features of SHGs. In the initial stages, the common fund pooled will be substantially low. As the common fund may be substantially low, they have to depend on external sources like loans from Banks or support from NGOs-who promote the SHGs. The credit need of each member is assessed periodically in group meetings on the basis of which, the group lend loan without any security. The defaulters have to pay severe penalties but the chance of occurrences of the default is rare as there is peer pressure from the group members for repayment. In 1991-92 NABARD launched a pilot project to provide micro-credit by linking SHGs with bank through NGOs. During the project period, some NGOs like Association of Sarva Seva Farms (ASSEFA), People's Rural Education Movement (PREM), Professional Assistance for Development Action (PDAN) and Community Development Society (CDS) have done excellent work in promotion of SHGs and mobilisation of thrift and disbursement of credit*. Later in the year 1999, the Reserve Bank of India had set up a Micro-Credit Cell to make it easier to micro-credit providers to pursue institutional development process. Therefore, Micro-credit system had been considered as an important instrument to provide credit for self-employment and other financial and business services, including savings and technical assistance to the deprived.

5. Initiatives by the government

Females, who account for half of the entire populace, are frequently underemployed due to their restricted authority over resources. Consequently, the Government has implemented various programs to alleviate poverty among rural women. The introduction of DWCRA was a noteworthy initiative that unfortunately failed and paved way for the Self-Help Groups scheme, which is a sub-programme under Swarnajayanthi Gram Swarozgar Yojana (SGSY) and Launched on 01-04-1999, the objective of SGSY is to elevate families under this scheme (Swrozgaris) above the poverty line by ensuring a sustained level of income through income-generating activities over an extended period. This goal will be achieved through social mobilization processes such as training and capacity building while providing income-generating assets. Utilizing SHG's approach allows impoverished individuals to build self-confidence via collective action leading ultimately to socio-economic betterment and improving their collective bargaining power in society.

6. Concept of Self-Help Groups

Poverty results from low income, savings, and productivity. The government and NGOs must act on production, distribution, and redistribution. Education and skills training are essential for employment and Basic Minimum Services (BMS) provision. Empowering women through Self-Help Groups (SHGs) is vital. MYRADA started SHGs in India in 1985 with NABARD's support. SHGs promote saving habits and provide skill development programs. They operate voluntarily, without discrimination based on education or occupation. Women's welfare is encouraged through the SHG movement in India across various fields. The movement has positively impacted impoverished communities by gradually improving their quality of life standards towards sustainable growth.

7. Government initiatives of Self-Help Groups

Poverty is the result of low per capita income, inadequate savings and consequently low capital formation, as well as low productivity stemming from unemployment, underemployment and insufficient earnings. To address poverty, active involvement is required from both government and non-governmental organizations on two fronts: production, distribution and redistribution. It is crucial to provide gainful education and proper skill development training to enable rural people to be employed while also emphasizing the provision of Basic Minimum Services (BMS). Poverty alleviation programs were not adopted until the Fifth Five-Year Plan when economic planning made it one of its principal objectives. Empowering women can occur in several ways such as giving political reservation or engaging in income generating activities through community participation; however Self-Help Groups (SHGs) are considered a vital instrument for empowering women that have gained popularity worldwide especially in developing countries. In India, SHGs were initiated by Mysore Resettlement and Development Agency (MYRADA), an NGO in 1985 with almost 300 SHGs involved initially. With active support from NABARD (National Bank for Agriculture and Rural Development), MYRADA developed a research project on Self-Help Groups which led APRACA to agree to further action aimed at increasing credit access for the poor. In 1991-92 MYRADA together with NABARD launched a pilot project for linking SHGs with banks after consultation with RBI (Reserve Bank of India), commercial banks, RRBs (Regional Rural Banks) and NGOs. This initiative was then promoted by NABARD who urged all other financial institutions including Commercial Banks, RRBs, and Cooperatives etc, to extend micro-finance loans as per their guidelines. Self-Help Groups are usually informal voluntary groups where members share mutual insight into collective needs requiring action taken jointly. Promoting saving habits among members, pooling resources into working funds that meet emergent consumption & productive needs forms another key objective. In democratic fashion, the group decision-making process requires full member participation. Sharing similar characteristics terms like education level, occupation, income levels, & sex composition keeps these groups homogeneous but long term stability depends mainly on member loyalty & adequacy satisfying growing member demands and source of incitement for women's welfare comes through SHG programme.

These smaller size groups range between 10-20 members operating voluntarily without any political affiliation. They focus mainly on similar socio-economic backgrounds. Regular capacity building/ skill

development programs help them better package products while implementing standardisation measures regarding ingredients pricing/marketing skills. It instills thrift, sense of belongingness/discipline among themselves. SHGs actively participate in social welfare programmes focusing on dowry, AIDS awareness, nutrition/poverty alleviation programmes. The concept of self-monitoring has been introduced by the SHGs towards educating their own members about institutionalising sustainability via networking. Even those belonging to lowest strata have started savings paving way towards decision-making power within family units thus leading towards more visible roles within society. A Self-Help Group refers to "self-governed peer controlled informal group of people sharing similar socio-economic background having desire collectively perform common purpose". By mobilizing small weekly/monthly savings contributions from poor women who otherwise would not have any savings, Savings habit gets imbibed amongst them. Small pooled up savings form working fund used later recycled among its various participating members meeting respective productive/emergent credit requirements. An individual group will establish rules/regulations regarding meetings thrift loan leadership promoting participatory democratic functioning. Objective remains overall development & empowerment of poor women across economic, social cultural political arenas. This has transformed into nationwide movement gaining recognition even at state governmental level. As promoters, NGOs & Banks identify & nurture new potential candidates providing requisite training/counsel along linking them nearby banks usually within six months post formation period. Initial collection involves small pooling up personal contributions forming initial working fund/savings account opened up scheduled bank depositing thrift contribution. After six months, banks support these groups accordingly extending micro-finance loans based upon set guidelines established earlier.

8. Importance of Self-Help Associations.

Self-Help Groups (SHGs) empower rural women to unite and cultivate mutual trust and confidence, enabling them to overcome exploitation from various sources. This solidarity fosters self-reliance in rural communities, while also promoting mutual trust between the impoverished population and sponsoring organizations through facilitating accessibility to formal credit institutions. SHGs additionally ensure repayment of loans, establish viable norms for interest rates, and manage bad debts. Ultimately, SHGs provide vital credit support to both urban and rural women entrepreneurs, thereby enhancing their decision-making power as well as their social, cultural and economic status.

9. Role of Self-Help Groups

Self-Help Groups (SHGs) aggregate the meager savings of impoverished individuals and lend them to members for both consumptive and productive purposes. SHGs operate on the principle of prioritizing savings before credit, thereby compelling non-receivers to exert peer pressure for timely repayment as these repayments serve as the source of loans for others.

Regular savings form a resource base that is utilized to meet emergent needs among the poor, while also aiding in securing additional loans from promoting agencies since fund generation during initial stages is nominal. The fundamental objective of SHGs is cultivating a saving habit within low-income communities, which subsequently reduces dependence on formal financial institutions and moneylenders. Therefore, SHGs provide cost-effective banking services tailored towards serving underprivileged groups. SHG culture fosters democracy by allowing all members to actively participate in decision-making processes. Homogeneity among groups with respect to income level, education background, occupation etc, increases group cohesiveness while collective work efforts coupled with leadership positions fixed at set tenure periods promote mutual trust and cooperation - driving forces behind long-term stability within SHGs. As such, SHGs play an essential role in achieving economic and social self-reliance by meeting credit demands for both consumption and production purposes - reducing dependency on institutional or non-institutional sources alike. Promoting organizations offer assistance throughout documentation procedures required for obtaining credit from banks; this helps ensure prompt loan repayment facilitating swift recovery by lending institutions while NGOs provide training aimed at utilizing extension services alongside government support effectively. Common infrastructure development benefits members through shared resources built upon group dynamics fostering leadership qualities that enable realization of personal potential alongside self-belief promotion amongst individual or collective Income Generating Activities (IGAs). Successful mobilization of rural women's

meager savings demonstrates how effective appraisal methods can aid in creating socio-economic revolutions across rural India via contributions made by Self-Help Groups (SHG).

10. Formation of Self-Help Groups

In society, various forms of common bonds such as community, blood relations, place of origin, activity and economic status serve to link different categories of people. Facilitators must identify these homogeneous groups - commonly referred to as 'Affinity Groups' - which is critical for the progress and success of Self-Help Groups. To do so effectively, facilitators are required to stay with the people in order to establish rapport and gain a proper understanding. Therefore, when forming groups, facilitators must recognize the natural bonds and affiliations that exist within society. Individuals residing in a neighborhood are motivated to form groups and initiate collective or group action. Information relating to their income level and borrowing capacity, repayment capability, skill set for income-generating activities as well as attitude towards group activities are collected. As SHGs form the core of all micro-level activities they require facilitation at every stage by organizations such as NGOs or banks. The four important stages involved in the formation of SHG's include:

1 Pre-formation phases.

The initial phase involves various tasks such as identifying the village, pinpointing target group members and persuading them with compelling arguments on the efficacy of Self-Help Groups (SHGs). In order to address any concerns or apprehensions that potential members may have, discussions are initiated around their fears, suspicions and anxieties. Encourage habit of meetings intro meeting at member's place to ease doubts.

2 Development Phase.

In the initial stage, the facilitator expounds upon the conceptual framework of self-help groups (SHGs) to a selected cohort of women who are willing to form a group. A set of procedures and rules that must be followed by both SHG members and leaders is developed after intense discussion, as well as bylaws outlining their responsibilities and is initiated by promoting agencies such as NGOs or bank representatives. Once formed, SHG members jointly suggest the name, number of participants, and leadership roles within the group. Any member violating these rules can be terminated from membership. After being convinced about this concept's efficacy, they provide their names; some even make an initial contribution to support facilitators' efforts. The group then selects its name while also choosing leaders from among themselves who will receive training when needed. Each member receives a passbook while undergoing accounting training provided by facilitators with savings accounts opened in nearby banks where collected funds are deposited. Initial lending period takes 1-6 months and Fixed amounts collect to generate working funds before lending.

3 The Storming Phase.

In this stage, a conflict arises between individual interest and group interest. Here, the members demand the group to distribute their savings as loan. The facilitators must clearly educate the members that the SHG is a continuous process, which will not be wound up after a certain period. Some of the members who joined the group with the intention of loan will withdraw at this stage. The group members are ensured that every one is the owner of the group so each member have the sole authority to decide how much is the thrift, what amount have to be distributed as loan, who must be the members, who will take the leadership, what activities are to be undertaken for community development, how to avail credit from the banks, how to design the repayment schedule etc. Any problem arises will be solved within the group by discussions.

4 Worming Stage

A mutual trust is being established in this stage through discussions and frequent meetings. Once mutual trust is established they will give positive responses about the group to others. Thus, through group cohesiveness, group morale and dynamics found emerging in this stage. In this stage, members want to internalize the concept of

Self-Help Groups. Collective decision-making gains prominence.

5 Performing Stage

At this phase, the group engages in savings and lending while assuming an implicit responsibility for repayment if the SHG is confident regarding its ample resources, it proceeds to lend to members for their consumption and productive needs. Since resources are insufficient to meet all members' requirements, the SHGs offer loans to those most in need present approach helps borrowers recognize credit's value and importance of timely repayment.

The loan repayment along with interest and regular thrift collection enhances working funds and expands lending opportunities. However, the generated working fund may not suffice credit needs of all members SHGs seek additional credit from financial institutions. The financial institutions assess the SHG's ability to handle credit as well as that of its members, record-keeping mechanisms followed by accounting systems used within the SHG etc., before extending a short-term loan if satisfied with these factors. Now both members and SHG have joint liability in ensuring prompt loan repayments; therefore, SHGs take initiative in selecting monitoring committee members who approach banks for further assistance while making proper repayments during group meetings remitted back to banks. SHGs discuss familial societal problems besides giving due importance to social obligations at this stage where they prove effective mechanisms for social-economic empowerment through active participation. Moreover, groups undertake non-credit services such as health-hygiene issues training programs against women abuse among others besides serving their respective member communities. Thus at this stage groups mature enough function independently on their own accord offering greater socio-economic benefits than merely being lenders or savers alone.

11. Organisational Structure

The SHG organization is comprised of a group of individuals who work together towards a common goal. Among this group are the key executives, including the President, Secretary, and Treasurer. These individuals are selected from within the larger group to perform important functions on behalf of the organization. As leaders, they are responsible for overseeing various aspects of SHG's operations and ensuring that everything runs smoothly. Their hard work and dedication are essential to the success of SHG as a whole.

12. Guidelines followed by Self-Help Groups

- i. A Self-Help Group typically comprises a cohort of 10 to 20 individuals, although in regions characterized by sparse populations such as deserts or hilly terrain, this figure may be reduced to between 5 and 15 participants. It is the responsibility of facilitators to identify these areas, and only then will such allowances be granted.
- ii. Most members of self-help groups are below poverty line, but some slightly above can join if accepted. This helps excluded occupational groups become members, but they can't get subsidies or hold office positions. Only one member per family allowed.
- iii. The collective ought to establish protocols that govern its conduct in relation to scheduled gatherings, involvement in the decision-making procedures, appointment of leaders, accumulation of savings, allocation and reimbursement of loans, among other matters.
- iv. Create an itinerary for each meeting, noting discussion points. Attendance is mandatory and non-attendance has consequences. Record minutes and have them endorsed by the President or Secretary.
- v. Group needs regular minimum savings from members to ensure financial stability and growth funds form corpus fund for operations and saved in bank prioritizing member contributions builds foundation for success and sustainability.
- vi. Use group corpus and bank-raised funds for loans to members. Each group should have their own financial norms for loan process, repayment, and interest rates.
- vii. Group members must participate in decision-making for loans, interest rates, and thrift management during meetings.

- viii. The group must prioritize loan applications, establish repayment schedules, determine suitable interest rates for the loans disbursed and diligently oversee payee installment repayments.
- ix. The self-help groups (SHGs) deposit the residual balance left after disbursing loans to its members into their bank account.
- x. Keep important documents like Minutes book, Attendance register, Loan ledger, General ledger, Cash book, Bank passbook, and verified individual passbooks. Members get passbooks while the President stores the rest of the documents.

13. Records and Documentation procedure of SHG's

Three registers are maintained in SHGs, including an Execution Register prepared by the Secretary that documents agendas, minutes, and all actions taken during meetings. The Loan Register is kept with the cashier or treasurer and contains information related to loan amounts sanctioned and repayments made. Finally, the Savings Register is maintained by the Secretary and includes details of savings/thrift accumulated at the group level. Additionally, each member is issued a passbook that is updated during meetings and verified by the treasurer, containing details of their thrift contributions and loan particulars. Animators receive comprehensive training before being assigned these responsibilities.

14. Group Stabilization

The thrift collected from each member is utilized to create a working fund, which in turn serves as the basis for raising credit and building group corpus. The group utilizes this corpus to provide internal loans to its members, thereby affording them opportunities to develop skills related to prioritizing scarce resources, assessing individual strengths, determining loan timeframes and repayment schedules, as well as establishing interest rates. Additionally, the group institutionalizes penalties for any delays in repayments or failure to make timely payments towards thrift contributions; arriving late or being absent from meetings also incurs penalties.

15. Strategic Planning for Groups.

Women face economic and social discrimination, making group strategies important. Women's groups provide visibility and create micro power pockets through sharing skills and ideas. This helps women voice their demands, leading to better grass-roots plans for deprived women. Grouping women for economic empowerment is significant for overall empowerment.

16. The Self-Help Groups - Bank Linkage Programme.

The SHG-Bank Linkage Programme is a successful strategy for providing financial services to the poor. NABARD connects SHGs with formal lending institutions and facilitates refinance facilities for banks to lend directly or through NGOs. Credit allocation must be proportional to SHG savings, ranging from 1:1 to 1:4 depending on capacity.

Various Self-Help Group Credit Linkage Models

1. Banks create and fund SHGs in their initial model.

Banks act as advocates for Self-Help Groups in this framework, promoted by the Self Help Group Promoting Institution (SHPI). The SHPI trains and assembles women to form these groups, provides awareness seminars, opens savings accounts, and offers loans. Banks directly finance SHGs, reducing transaction costs by having group members select beneficiaries and assess creditworthiness. This linkage aims to promote SHGs, eradicate poverty, and empower individuals.

2. SHGs formed by NGOs, but directly financed by banks.

Popular model: NGOs, govt agencies, and community-based orgs form groups. NGOs facilitate by organizing poor into groups. They introduce savings habits, help with income-generating activities, provide inputs and marketing facilities, and link SHGs with banks. Banks directly provide credit to SHGs. Many NGOs and state governments participate as facilitators through development agencies like DRDA and DW CRA.

3. SHGs financed by banks through NGOs

NGOs promote SHGs and provide finance from banks. They help the rural poor organize and create employment to reduce poverty. NGOs act as financial intermediaries, with banks providing loans to them for lending to SHGs. They are legally responsible for repayment and bear the risk of non-payment.

Their knowledge about borrowers has a positive influence, and people participation is significant in this model.

4. Assessing an SHG for Linkage

SHGs are assessed before getting credit based on collateral security and group dynamics such as cohesion, leadership, repayment capacity, meetings, and discipline. NABARD has a rating scale for evaluating SHG-Bank Linkage.

5. The Banks evaluate SHGs based on the subsequent criteria

(i) SHGs that score over 120 out of 150 may qualify for credit linkage.

(ii) NABARD helps SHGs improve scores and links them to banks and have a Microfinance Development Fund to boost the program and build capacities. SHGs below 120 must improve their scores.

17. Advantages to Banks

Banks can lend higher amounts of loans to numerous borrowers, mobilize savings, and increase their deposit levels. Transaction costs decrease since assessing credit needs, sanctioning credit, and supervising are done by promoting agencies or SHG members themselves. Moreover, timely repayments by the SHGs result in faster recycling of funds.

18. Advantages to SHGs

SHGs get larger loans for income-generating ventures, with autonomy in thrift and credit management. Studies show SHGs help poor women save and improve economically, leading to empowerment. NGOs and Government support has positive impacts on moral women's empowerment.

(i) Accessibility to credit

Banks and NGOs provide collateral-free loans to rural poor for consumption and production needs, guaranteed by SHGs, leading to women's empowerment.

(ii) Increased capacity to save

SHGs pool small savings from rural women to create a working fund for credit. This promotes regular savings and empowers the poor.

(iii) Timely repayment of loan

Financial institutions grant collateral-free loans guaranteed by SHGs. Repayment capacity and credit worthiness of members are studied before credit is sanctioned. Peer pressure ensures timely loan repayment, leading to improved loan recovery and increased confidence in SHGs. This empowers women and leads to more loans being provided.

(iv) Engaging in Income Generating Activities

Women fund raise to repay loans and save, leading to Income Generating Activities at group or

individual levels, ultimately empowering them.

(v) **Improvement in standard of living**

Rural women participate in community development and income generation, interact with officials, learn banking, purchase assets, and experience social, cultural, and political changes.

19. Constraints faced by SHG members

Self-help groups (SHGs) serve as critical tools for micro financing and have made significant strides in promoting social and economic development among their members. Nevertheless, despite their widespread success, SHGs face several challenges:

(i) **Limited scale of operation** - SHGs pool small savings to form a working fund from which commercial banks grant loans. However, this amount is often insufficient to meet the needs of all members. To increase credit availability, SHGs must upscale their operations and financial institutions now evaluate them based on efficiency, productivity, and opportunity cost rather than repayment capacity.

(ii) **Low succession rates** - Although most group members engage in income-generating activities at the individual or group level, they struggle to find markets for their products due to cutthroat competition with branded goods. This makes it difficult for them to repay debts without borrowing from moneylenders at high interest rates, leading to declining succession rates.

(iii) **Lack of sustainability and self-sufficiency** - Many SHGs rely on external sources of financing such as government subsidies or grants from promoting agencies instead of lending money to financially sound borrowers.

(iv) **Poor management practices** - The lack of clearly defined roles and responsibilities among executives and office bearers leads to inappropriate fund management by some well-off educated members who dominate the majority of the SHG population. Additionally, many SHGs struggle with poor record keeping practices.

(v) **Problems with financial institutions** - As more groups become linked per branch through the established SHG-bank linkage program, monitoring becomes increasingly challenging resulting in falling recovery rates. Furthermore delays in loan processing cause problems within functioning groups when there are changes in branch staff that lead repeat loans being sanctioned within 3-6 months causing larger issues for overall functionality.

Conclusion

Self Help Groups (SHGs) have proven to be a crucial player in the fight against poverty and the advancement of women's empowerment worldwide. These groups represent one of the most efficient and effective microfinance endeavors, providing financial assistance to those who would otherwise be excluded from traditional banking systems. Recognizing their importance, governments around the world have been working tirelessly to promote sustainable microfinance methodologies, such as connecting SHGs with financial institutions through initiatives led by organizations like NABARD. Despite facing numerous challenges, SHGs have emerged as indispensable players in facilitating rural women's empowerment. By providing access to financial resources and support networks, these groups have helped countless women achieve greater economic independence and social mobility. In addition to their immediate benefits, SHGs also contribute to broader societal goals such as poverty reduction and gender equality. Overall, it is clear that Self Help Groups are essential components of any strategy aimed at promoting inclusive economic growth and empowering marginalized communities. By fostering sustainable microfinance initiatives and supporting the development of these critical organizations, we can create a brighter future for all individuals, regardless of their background or circumstance.

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