



Impact of Government Scheme Self Help Group (SHG) Formation for Women Empowerment in Jharkhand

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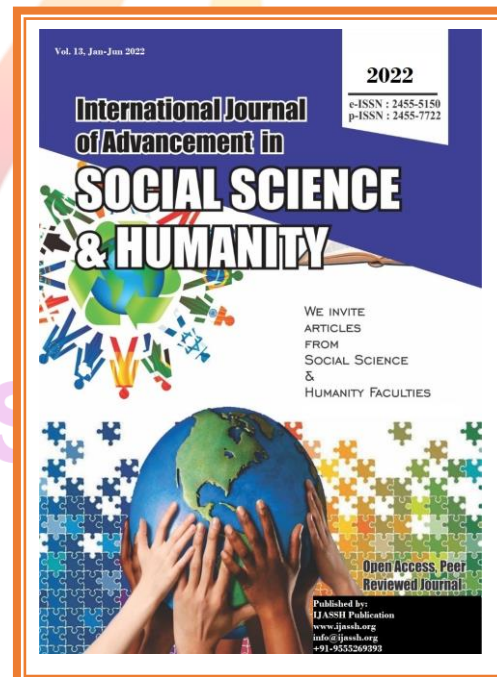
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ABSTRACT

In any society the role played by women is of crucial significance and an important indicator for a nation's over-all progress and without the active contribution of women in the economy any society is not expected to prosper. People of similar economic and social backgrounds associate generally with the help of any NGO or government agency and try to resolve their issues and improve their living conditions. Self-help Groups (SHGs) are informal associations of people who come together to find ways to improve their living conditions. They are generally self-governed and peer controlled.

People of similar economic and social backgrounds associate generally with the help of any NGO or government agency and try to resolve their issues and improve their living conditions. The origin of SHGs in India can be traced back to the establishment of the Self-Employed Women's Association (SEWA) in 1972. Even before, there were small efforts at self-organising. For example, in 1954, the Textile Labour Association (TLA) of Ahmedabad formed its women's wing in order to train the women belonging to families of mill workers in skills such as sewing, knitting, etc. NABARD, in 1992, formed the SHG Bank Linkage Project, which is today the world's largest microfinance project. The SHG is group of rural poor who have volunteered to organise themselves into a group for eradication of poverty of the members. They agree to save regularly and convert their savings into a common fund known as Group Corpus. The members of the group agree to use this common fund and such other funds that they may receive as a group through a common management.

Keywords: *Women empowerment; Self-help groups; Information & Communication Technology (ICT); Socio-economic status; India.*

INTRODUCTION

Self-help Groups (SHGs) are informal associations of people who come together to find ways to improve their living conditions. They are generally self-governed and peer controlled. People of similar economic and social backgrounds associate generally with the help of any NGO or government agency and try to resolve their issues and improve their living conditions. Keshab Chandra Mandal committee on female empowerment could be defined in five separate categories:

social, educational, economic, political, and psychological. Social empowerment might be one of the most prominent forms of empowerment shown in the mainstream media. It strengthens women's social relations and their positions in social structures, giving them more of a purpose outside of the home.

Importance of Women Empowerment:

Equality of access to and attainment of educational qualifications is necessary if more women are to become agents of change. Literacy of women is an important

key to improving health, nutrition and education in the family and to empowering women to participate in decision-making in society.

The Emergence of Self-Help Groups – Origin and Development in India

The origin of SHGs in India can be traced back to the establishment of the Self-Employed Women's Association (SEWA) in 1972. Even before, there were small efforts at self-organising. For example, in 1954, the Textile Labour Association (TLA) of Ahmedabad formed its women's wing in order to train the women belonging to families of mill workers in skills such as sewing, knitting, etc. Ela Bhatt, who formed SEWA, organised poor and self-employed women workers such as weavers, potters, hawkers, and others in the unorganised sector, with the objective of enhancing their incomes. NABARD, in 1992, formed the SHG Bank Linkage Project, which is today the world's largest microfinance project. From 1993 onwards, NABARD, along with the Reserve Bank of India, allowed SHGs to open savings bank accounts in banks. The Swarn Jayanti Gram Swarozgar Yojana was introduced in 1999 by GOI with the intention of promoting self-employment in rural areas through formation and skilling of such groups. This evolved into the National Rural Livelihoods Mission (NRLM) in 2011.

Evolution Stages of Self-Help Groups in India

Every Self-help group usually goes through 3 stages of evolution stated below:

1. Formation of group
2. Funding or Formation of Capital

3. Development of required skills to boost income generation for the group

Many self-help groups are formed with the assistance of Self-help to promote agencies.

The various types of Self-help promoting agencies are stated below:

1. Non-governmental agencies
2. Government
3. Poverty management programmes
4. State & commercial banks
5. Microfinance institutions
6. SHG Federations
7. SHG leaders/Entrepreneurs

Functions of Self-Help Groups

- They try to build the functional capacity of poor and marginalised sections of society in the domain of employment and income-generating activities.
- They offer collateral-free loans to sections of people that generally find it hard to get loans from banks.
- They also resolve conflicts via mutual discussions and collective leadership.
- They are an important source of microfinance services to the poor.
- They act as a go-through for formal banking services to reach the poor, especially in rural areas.
- They also encourage the habit of saving among the poor.

Need for Self Help Groups

- One of the chief reasons for rural poverty is the lack of access or limited access to credit and financial services.
- The Rangarajan Committee Report highlighted four major reasons for lack of financial inclusion in India. They are:
 - Inability to give collateral security
 - Weak credit absorption capacity
 - The insufficient reach of institutions
 - Weak community network
- It is being recognised that one of the most important elements of credit linkage in rural areas is the prevalence of sound community networks in Indian villages.
- SHGs play a vital role in giving credit access to the poor and this is extremely crucial in poverty alleviation.
- They also play a great role in empowering women because SHGs help women from economically weaker sections build social capital.
- Financial independence through self-employment opportunities also helps improve other development factors such as literacy levels, improved healthcare and better family planning.

Objectives of Self-Help Group :

i. To build the functional capacity of the poor and the marginalized in the field of employment and income generating activities.

ii. To resolve conflicts through collective leadership and mutual discussion.

iii. To provide collateral free loan with terms decided by the group at the market driven rates.

iv. To gain economic prosperity through loan/credit.

v. To gain from collective wisdom in organising and managing their own finance and distributing the benefits among themselves.

vi. To sensitize women of target area for the need of SHG and its relevance in their empowerment.

vii. To create group feeling among women.

Advantages of Self-Help Groups

- Financial Inclusion – SHGs incentivise banks to lend to poor and marginalised sections of society because of the assurance of returns.
- Voice to marginalised – SHGs have given a voice to the otherwise underrepresented and voiceless sections of society.
- Social Integrity – SHGs help eradicate many social ills such as dowry, alcoholism, early marriage, etc.
- Gender Equality – By empowering women SHGs help steer the nation towards true gender equality.
- Pressure Groups – SHGs act as pressure groups through which pressure can be mounted on the government to act on important issues.

- Enhancing the efficiency of government schemes – SHGs help implement and improve the efficiency of government schemes. They also help reduce corruption through social audits.

- Alternate source of livelihood/employment – 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.

- Impact on healthcare and housing – 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.

- Banking literacy – SHGs encourage people to save and promote banking literacy among the rural segments.

Problems of Self-Help Groups (SHGs)

- Need for extending this idea into the poorest families, which is not necessarily the case at present.

- Patriarchal mindset prevailing which prevents many women from coming forward.

- There are about 1.2 lakh branches of banks in rural areas as opposed to 6 lakh villages in the country. There is a need to expand banking amenities further.

- Sustainability and the quality of operations of such groups have been questionable.

- There is a need for monitoring cells to be established for SHGs across the country.

- The SHGs work on mutual trust. The deposits are not safe or secure.

Way Forward for Effective Self-Help Groups

1. The Government should create a supportive environment for the growth and development of the SHG movement. It should play the role of a facilitator and promoter.

2. SHG Movement should be expanded to Credit Deficient Areas of the Country – such as Madhya Pradesh, Rajasthan, States of the North-East.

3. Financial infrastructure should be expanded (including that of NABARD) by adopting extensive IT-enabled communication and capacity building measures in these States.

4. Extension of Self-Help Groups to Urban/Peri-Urban Areas – efforts should be made to increase income generation abilities of the urban poor as there has been a rapid rise in urbanization and many people remain financially excluded.

5. Government functionaries should treat the poor and marginalized as viable and responsible customers and as possible entrepreneurs.

6. SHG monitoring cell should be established in every state. The cell should have direct links with district and block level monitoring system. The cell should collect both quantitative and qualitative information.

7. Commercial Banks and NABARD in collaboration with the State Government need to continuously innovate and design new financial products for these groups to meet their needs.

Self Help Groups in India

Kudumbashree in Kerala

The Kudumbashree project was started in Kerala in 1998, as a community action to eradicate poverty. It has become the largest women-empowering project in India. There are 3 components namely, microcredit, entrepreneurship and empowerment. Kudumbashree is a government agency.

Mahila Aarthik Vikas Mahamandal (MAVIM) in Maharashtra

SHGs in Maharashtra were unable to cope with the growing volume and financial transactions and needed professional help. Community managed resource centre (CMRC) under MAVIM was launched to provide financial and livelihood services to SHGs. CMRC is self-sustaining and provides need-based services.

The government of India has taken the safety and empowerment of women and children into serious consideration. The growing injustice towards women had to be minimised, and these schemes are the solutions to the major problems related to women in India. Aspirants should also know that Women Empowerment Essay is a probable choice in UPSC Mains. So, making use of these schemes, aspirants can easily draft a good Women Empowerment Essay.

There are multiple other Government Schemes in India launched for the betterment of people in the society and for the overall development of the country. Aspirants can visit the linked article and learn in detail about the various schemes and campaigns introduced by the Government.

On the 25th Anniversary of the Fourth World Conference on Women, Union Minister for Women and Child Development Smriti Irani said at the United Nations that India recognises the centrality of gender equality and women's empowerment in all aspects of developmental agenda. The minister for Women and Child Development Smriti Irani highlighted that more than 200 million women have been brought into the formal banking system through the Government's Financial Inclusion Initiative. Innovative use of digital technologies has provided equal opportunity for women to access insurance, loans, and social assistance. Microsoft on Wednesday announced recently it has collaborated with the National Skill Development Corporation (NSDC) to impart digital skills to more than one lakh underserved women in India. This initiative is an extension of Microsoft's partnership with NSDC to provide digital skills to over 1 lakh youth in the country. The programme will curate a series of live training sessions and digital skilling drives to help create opportunities for young girls and women, particularly first-time job seekers and those whose jobs may have been impacted by COVID-19, to join the future workforce. Women's empowerment in India has received more attention in recent years, and one NGO is working to help disadvantaged Indian women achieve financial independence with one specific method: an all-women cab company. The Azad Foundation's Women on Wheels program empowers impoverished women in India by providing them with a stable source of income and a safe environment where women can travel without fear of being harassed.

Role and Functions of Self-Help Group (SHG) in Jharkhand:

The reasons behind choosing Ranchi among the 24 districts in the Jharkhand state is that being the state capital, Ranchi has a relatively greater number of women SHGs as compared to other districts and further, there is a network of renowned NGOs like Nav Bharat Jagriti Kendra (NBJK), NEEDS etc. which have been working with the SHGs in the region for a considerable length of time. Moreover, though various studies have been conducted in this region related to SHGs and their impact upon the socio-economic status of participating women, there has not been even a single study that explored the linkage between ICT tools and the effectiveness of SHGs. This study aims to fill in this research gap.

Self Help Group in Jharkhand As the figures suggest that Jharkhand has 89603 number of SHG's by March 2012 and its number should have been increased by now to some fold mainly due to financial inclusion policy of Government and initiative by NGO's. And total amount Rs. 6721.75 lakh has been saving amount by March 2012 and there is steady rise in that, and it is basically very small amount of total number of SHG's (7960349) and total amount (Rs. 655141.45 lakh) is there as savings in financial institution to the SHG's nationwide so it suggests that Jharkhand as a state need to do more to improve upon it. Figures say that Jharkhand has 12040 numbers of SHG's by March 2012. Commercial banks have been more active, and they have big share of microfinance sector. And total amount Rs. 12741.07 lakh has been loan amount by March 2012. And it is basically very small amount of total number of SHG's

under microfinance (1147878) and total amount (Rs 1653476.87 lakh) disbursed by financial institution to the SHG's nationwide. As table suggest that Jharkhand has 63336 number of SHG's by March 2012 and its number should have been increasing and doing well in terms of outstanding amount remain to Financial institutions which has been Rs. 35955.95 /- lakh to the commercial, Regional and Cooperative banks. It is very small amount compared to the grand total amount (Rs. 3634000.18 /- lakh) to total numbers (4354442) of SHGs outstanding to other states and nationwide. As above table says that cooperative banks are not active as much, they should be Jharkhand in microfinance sector. As NABARD report 2011-12 says that savings of SHGs and SHGs under SGSY Scheme in different public sector banks and how public sector banks have been helpful in implementing financial inclusion policy of Government. It is not surprising to see State bank of India is prime lending and saving institution for SHGs but interestingly Bank of India is also doing well microfinance sector in Jharkhand. Banks such as IDBI bank and Punjab & Sind Bank has negligible presence in Jharkhand in Microfinance sector. There are 697419 members in 58856 SHGs and Rs. 5133.13/- lakh has been the total saving in public sector banks in Jharkhand which is miniscule if it one compare with other states like Andhra Pradesh or Maharashtra. It also constitutes very small part of total saving nationwide in all public sector banks. Numbers does explore that only Jharkhand Gramin bank and Vananchal Gramin Bank as regional rural banks active in Jharkhand which shows that lack of participation of sister regional banks of public sector banks in Jharkhand in context

of microfinance and savings in Jharkhand. According to NABARD public sector banks are working in Jharkhand how much loan has been disbursed by banks in Jharkhand. It has already shown by other table and above one as well that State bank of India and Bank of India are the major banks that are working in microfinance sector in context of loan disbursement and other banking activities which is working towards financial inclusion and rural development. Total numbers of 6245 SHGs are there who has taken loan from the public sector banks in Jharkhand and loan amount is up to Rs. 6404 lakhs have been disbursed through banks and it is improving day by day. As figures shows that how public sector banks are working in Jharkhand and loan has been outstanding by banks within Jharkhand. It is also can be seen by other table and above one as well that State bank of India, Bank of India and Allahabad bank are the major banks that are working in microfinance sector and maximum amount has been outstanding to them. There are numbers of NGOs are working in Jharkhand in Microfinance sector which include SHGs empowerment and rural development. And to be specific by March 2012 there are 135 NGOs are working in Jharkhand towards SHGs empowerment and rural development.

Functions of the SHG

- i. It looks to **build the functional capacity** of the poor and the marginalized in the field of employment and income generating activities.
- ii. It **resolves conflicts** through collective leadership and mutual discussion.

- iii. It **provides collateral free loan** with terms decided by the group at the market driven rates.
- iv. Such groups **work as a collective guaranteed system** for members who propose to borrow from organised sources. The poor collect their savings and save it in banks. In return they receive easy access to loans with a small rate of interest to start their micro unit enterprise.
- v. Consequently, Self-Help Groups have emerged as the most effective mechanism for **delivery of microfinance services** to the poor.

CONCLUSION

The SHG is group of rural poor who have volunteered to organise themselves into a group for eradication of poverty of the members. They agree to save regularly and convert their savings into a common fund known as Group Corpus. The members of the group agree to use this common fund and such other funds that they may receive as a group through a common management.

Generally, all members of the group should belong to families below the poverty line (BPL). However, if necessary, a maximum of 20% and in exceptional cases, where essentially required, up to a maximum of 30% of the members in a group may be taken from families marginally above the poverty line (APL) living continuously with BPL families and if they are acceptable to the BPL members of the group.

This will help the families of occupation groups like agricultural

labourers, marginal farmers, and artisans marginally above the poverty line, or who may have been excluded from the BPL list to become members of the SHG. However, the APL member will not be eligible for the subsidy under the scheme.

The group shall not consist of more than one member from the same family; a person should not be a member of more than one group. The BPL families must actively participate in the management and decision making, which should not ordinarily be entirely in the hands of AIM, families. Further, APL members of the SHG shall not become office bearers (Group Leader, Assistance Group leader or Treasurer) of the group. The group should devise a code of conduct (Group management norms) to bind itself. This should be in the form of regular meetings (weekly or fortnightly) functioning in a democratic manner allowing free exchange of views, participation by the members in the decision-making process. The group should be able to draw up an agenda for each meeting and take up discussions as per the agenda.

The members should build their corpus through regular savings. The group should be able to collect the minimum voluntary saving amount from all the members regularly in the group meetings. Tiu-savings so collected will be the group corpus fund. The Group Corpus Fund should be used to advance loans to the members. The group should develop financial management norms covering the loan sanction procedure, repayment schedule and interest rates.

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