RESEARCH ARTICLE

SELF HELP GROUP AND WOMEN PARTICIPATION IN INDIA: AN OVERVIEW

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Abstract
The present study tries to examine the origin of the concept of Self Help Groups (SHGs) in India. Self Help Groups (SHGs) are basically self governed, informal voluntary associations of people which mainly comprise of 10-15 women who share the same economic background and urge to make certain contribution of their savings to uplift themselves. As far as the origin of Self Help Group is concerned, it was an NGO named MYRADA which was inspired by a Grameen Bank of Bangladesh took an initiative of forming self help affirmity groups in India. Owing to the increasing participation of people in forming self help groups, The Government of India took an initiative to promote Self Help Groups in the name of Swarna Jayanti Gram Swarojgar Yojana (SGSY) in the year 1999, which was renamed as Deen Dayal Antyodaya Yojana - National Rural Livelihood Mission (DDY-NRLM). Thus, the present study tries to look into how the concept of SHG emerged and turned itself into a women centric programme.

Keywords: Self Help Groups (SHGs), NABARD, SGSY, NRLM and Women.

1 INTRODUCTION

Gender equality is one of the most important constituents of development and the natural ramification for ensuring gender equality is the elimination of gender discrimination. With the growing globalisation, mainstream of women into new and emerging areas of growth is imperative. One such paradigm in social and economic upliftment of women is the advent of Self Help Groups. Inspired by the Bangladesh Grameen Experiment, the Self Help Group approach in India has taken a new terrain of women empowerment through economic and social upliftment. Self Help Groups, which emerged as a poverty reduction programme, the active participation of people especially women turned the programme into women centric programme. Self Help Groups (SHGs) are self governed, informal voluntary associations of people which mainly comprise of 10-15 women. The women with same socio-economic condition who believe that a small thrift can make a huge difference and a desire to collectively perform common purpose come together as a group to save whatever amount they can save conveniently out of their earning/savings from household activities, to mutually agree to contribute to...
a common fund and to lend to the members for meeting their emergent needs. These groups create the habit of thrift among the members. They believe that by collecting small savings, a huge amount can be raised. These groups advance loans to the needy members of the group.

NABARD defines Self Help Groups (SHGs) as “small, economically homogeneous affinity groups of rural poor, voluntarily formed to save and mutually contribute to a common fund to be lent to its member as per the group member’s decision” [1].

Rappaport (1965) asserted that self help groups offer the venue for, shared experiences; emotional support and social learning, can help constitute a social identity. Self Help Groups (SHGs) provide a unique opportunity for growth, social experiment and change. Emotional support, acceptance, sharing of feelings, collective endeavour, leadership skill, development of sense of community and collective empowerment are some of the outcome of Self Help Groups (SHGs) [2].

Mohanty (2013) describes Women Self-help Groups (WSHG) as “informal women groups from a similar class and region comprising 10 to 20 members, who organize, promote savings among themselves and use the pooled resources to meet urgent needs. They rotate the pooled financial resources to make small interest bearing loans to their members with a very small rate of interest”[3].

2 | FUNCTION AND CHARACTERISTICS OF SELF HELP GROUPS (SHGS):

The Self Help Groups (SHGs) have following characteristics:-

1. The Self Help Group (SHGs) is basically an informal voluntary association of people with same economic background and social status

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3 | ORIGIN AND GROWTH OF SELF HELP GROUPS (SHGS) IN INDIA:

The origin of Self Help Group (SHGs) is from the innovation of Grameen Bank in Bangladesh by Prof. Muhammad Yunus, an economist. With a view to eradicate poverty, he came with an idea of micro loan to the people. Therefore, in 1974, he conducted an experiment with 27 dollars from his pocket to 42 poor people of Jobra Village in Bangladesh. With the positive result of his experiment, the idea for Grameen Bank emerged and was launched in 1976[4]. Prof. Yunus believed that a small loan or micro loan could make a huge difference in daily lives of a poor. He also realized that a small loan would not just help them to survive but also create in them a spark of an entrepreneur and this could also empower them and help in pulling them out of poverty.[5] With the success of Grameen Bank, the concept of micro credit gained momentum in the various parts of the world. In India also, many
Non Governmental Organizations (NGOs) started to get involved in organizing Self Help Groups (SHGs) and started to serve as an agent between bank and the people.

In India, the pioneer in the field of self employment is Self Employed Women’s Association (SEWA), a trade union registered in 1972. Self Employed Women’s Association (SEWA) is an organization of poor, self employed women workers who try to earn their living through own labour or small business. Though started as a trade union for women, today SEWA glories of running the first women bank in the country and also emerged as the largest federation of co-operatives in the country. In India, many other organizations like PRADHAN (Professional Assistance for Development Action) – to help people especially women to develop their own skills and initiatives and to earn a decent living, MYRADA etc. have entered into the system of rural credit system in the country.

In southern part of India, an NGO named Mysore Resettlement and Development Agency (MYRADA) came into the scenario when it started to assist the co-operative societies. But during the early eighties (1984) when the larger cooperatives organized by MYRADA broke down due to the conflict, the Self Help Affinity Groups (SAGs) emerged naturally.[6] It was then MYRADA discovered that the degree of affinity i.e. mutual trust and support, existed among the member of these groups who have the spirit to take an initiative to borrow and return the money from the co-operatives. MYRADA approached and suggested the people to return the loan to “the group” not “the co-operatives” which were tentatively agreed by the people, which also helped to create a bond among the people and to share and learn from each other’s experience. MYRADA through various surveys and studies also realised that the main cause of rural poverty was dependency on the informal institutions, lack of faith and mutual support, etc. and a proper guidance and training could help deplete poverty. MYRADA then started to train and build mutual trust and support within and among the groups through various training modules which helped them to set a goal or a mission, a strategy to achieve it and a procedure to manage a group organized by them. By 1986, MYRADA succeeded in forming 300 Self Help Affinity Groups (SAGs) and then approached NABARD for a grant to start a pilot project to evaluate whether these groups could function as a genuine institution with functions other than saving and credit.

During 1989-91 several studies and survey were conducted by NABARD and MYRADA to ascertain whether the groups were indeed bankable and came up with the following results:-

- The Groups are capable of managing credit and savings.
- The credit system is indeed boosting up their confidence.
- The credit system helps to amplify the skill of the group.
- It is not just the provision of credit but the management of credit and savings that motivated the group to meet regularly.
- Hence, it was realised that the Groups are indeed bankable.

Based on these experiments and surveys and as a response to the above mentioned results, the financial institution like RBI (Reserve Bank of India) came forward to lend directly to the Self Help Groups (SHGs). NABARD along with RBI launched Self Help Group- Bank Linkage Programme/Model in 1992 which became a movement of formal financial system. Since then, NABARD has promoted and monitored SHG programmes throughout India, provided funds for various programmes and training activities like capacity building. The Annual Report of 1995-96 (NABARD) highlights the shift in loan pattern from non income generation to income generation activities from 24% to 74% and increase in savings rate. The report also highlighted 100 percent of recovery performance by the members. In order to further expand the programme and to meet the emerging challenges of SHGs in India, a separate department named Micro Credit Innovation Department (MCID) was set up by National Bank in June 1998. The main function of Micro Credit Innovation Department (MCID) is to formulate policies,
to coordinate with the government and government agencies etc, to monitor the programme of SHGs-Bank linkage programme, to promote bank to act as SHPIs, to facilitate training to bank officials, field staff of various NGOs and to provide financial assistance. The Year 1998-1999 registered a growth of nearly 200 percent over the disbursement of Rs.10.74 Crore during 1997-98, with a linkage of 18,678 additional Self Help Groups (SHG) entailed bank loan of Rs. 33.30 as against the target of 10,000 Self Help Groups (SHGs) conceived in the budget of 1998-1999. Similarly, the Union Budget of 1998-99 set a target to cover 40 Lakh families through 2 Lakh Self Help Groups (SHGs) over the next five years. However, the programme covered almost 2.5 Lakh poor household by March 1998 over the target of 2 Lakh families (Annual Report 1998-99, NABARD) [7].

During the speech delivered by the Hon’ble Prime Minister of India, Shree Atal Bihari Vajpai on the occasion of an award giving ceremony for the best performing cooperative Banks organised by National Bank at New Delhi on 7th of May 1999 said that “The concept of Self Help Groups is of immense importance in the realisation of our goals to take banking services to the doorsteps of the poor. They are especially useful for freeing the poor people from the clutches of moneylenders. I warmly compliment NABARD for over performance in reaching the target set for it. Last Year, against a target of 10,000 Self Help Groups, it covered 18,000. In the coming Year too, I am confident that it will surpass the enhanced target of covering 50,000 micro credit groups at the grass root level. I wish NABARD all the best in realizing its internal target of one million Self Help Groups in the next ten Years. Experience has shown that a vast network of vibrant grassroots cooperative organizations is the surest guarantor of socio-economic empowerment of the poor and especially of poor women”. [8]

With the success of Self Help Groups (SHGs) as an effective self employment and poverty alleviation strategy, the Government of India in order to promote Self Help Groups (SHGs) launched a scheme in the name of “Swarna Jayanti Gram Swarojgar Yojana (SGSY)” in the year 1999. The programme was started with effect from 01.04.1999 after reviewing and restructuring of earlier existing programme. The basic objective of the programme was to provide sustainable income and to help eradicate poverty basically the rural poverty by providing wage employment through various income generation schemes through bank credit and government subsidy. The objective was to be achieved by organizing poor especially the rural poor in to a group called “Self Help Groups (SHGs)”. The scheme has given more emphasis on group approach and participatory approach and the formation of group basically by women and weaker section. The approach of Swarna Jayanti Gram Swarojgar Yojana (SGSY) was to act as a financial intermediary to the Self Help Groups (SHGs) and at the same time to act as a vehicle of women empowerment. The scheme was implemented by District Rural Development Agencies (DRDAs), Panchayat Raj Institution, the Banks, the line department and the formation of the groups were facilitated by various Non Government Organisations (NGOs). Under the scheme, 50% of groups in each block should be exclusively of women. The funding to the SGSY was done by both Central and the State Government at the ratio of 75:25 (except NE States including Sikkim whose sharing ratio was 90:10).

As per the Report of the Ministry of Rural Development, Government of India (2009-10), there was an increase in the participation of women in forming Self Help Groups (SHGs). Out of the total Swarojgaris assisted, about 12.07 Lakh (2008-09) and 7.85 Lakh (2009-10) were women swarojgaris which constituted nearly 67% of total swarojgaris assisted. Increase in women’s participation and active involvement of women led this programme to emerge as women centric programme and contributed to the social and economic empowerment of women.

Although, Self Help Groups (SHGs) Under Swarna Jayanti Gram Swarojgar Yojana(SGSY) made a tremendous progress covering more than 31 Lakhs Self Help Groups (SHGs), only 22% of SHGs were provided with bank finances for income generating activities and at the same time, the bank assistance was also low leading to low level of investment activities.[9] Hence, in order to fulfill the strategy of achieving universalisation of coverage of SHGs and to strengthen the capabilities of poor by providing
self employment and to provide a proper linkages among various working agencies for the promotion of SHGs, there was a need to restructure the Swarna Jayanti Gram Swarojgar Yojana (SGSY). Under the recommendation of committee formed to restructure SGSY and on the basis of their recommendation, Swarna Jayanti Swarojgar Yojana (SGSY) was restructured and renamed as National Rural Livelihood Mission (NRLM) – a centrally sponsored scheme, in the year 2010. It was jointly funded by the central and the state government. The programme was restructured in order to universalise the Self Help Group (SHGs) concept by bringing all the rural poor or the BPL household under the umbrella of SHGs. The NRLM was restructured with the following basic objectives -

1. Decentralised planning through setting up of SHGs federation at different levels in order to develop reduce dependency and to develop forward and backward linkages.

2. State to act independently in making action plans.

3. To provide professional support at all levels from national to sub district level.

4. To provide package of Economic assistance like Revolving Fund, Capital subsidy at enhanced rate and introduction of interest subsidy.

5. To focus on promoting and establishing the existing livelihood activities and to promote towards collective sustainable livelihood of the poor.

6. Convergence with other MORD sponsored programmes to make the programme more effective.

7. Effort to develop Skill for Rural Youth through Rural Self Employment and Training Institute (RSETI).

4 | CONCLUSION

The concept of Self Help Groups (SHGs), is an innovation of Grameen Bank, Bangladesh and has become a successful poverty alleviation as well as women empowerment strategy in the present day. Self Help Groups (SHGs) are self governed, informal voluntary associations of people which mainly comprise of 10-15 women. In India, the NGO named MYRADA came forward to form people into groups and based on the experience of MYRADA, NABARD started lending directly to SHGs and launched SHG- Bank Linkage Programme in 1992 which brought revolution in formal institution. With the progress and higher participation of people into SHGs, the Government of India decided to promote SHG in the name of Swarna Jayanti Gram Swarojgar Yojana (SGSY) in the year 1999. The scheme was later renamed and restructured as National Rural Livelihood Mission (NRLM) in 2010 and later as Deen Dayal Antyodaya Yojana – National Rural Livelihood Mission (DDY-NRLM) in the year 2015. As of March 2017, 46.5 Lakh Self Help Groups (SHGs) were credit linked with bank under National Rural Livelihood Mission (NRLM) benefitting more than 510 Lakh poor households, with the goal to benefit about 7 Crore households by the next seven to eight years.[10] The larger participation and involvement of women turned the programme into women centric programme.

5 | REFERENCES


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