

A Literature Review Study of the Role of Self-Help Groups (SHGs) in Community Development and Rural Women

Deepali Ravindra Chandramore

Research Student,
R.N.C. Arts, J.D.B. Commerce and N.S.C.
Science College, Nashik, India

Dr. Kanchan M. Sananse

Research Guide,
R.N.C. Arts, J.D.B. Commerce and N.S.C.
Science College, Nashik, India

ABSTRACT

Purpose: The terminologies related with women development, community development and self-help groups (SHGs) are frequently used. Many researches are published on the issue depicting the advantages as well as disadvantages of these SHGs, and undoubtedly, these SHGs have been successful in placing the women at the right place in social system as well as pushing forward the women participation in the Indian political and economic system. **Findings:** Many researchers are of the view that evidence showing about making the women members of SHGs self-reliant is not found but identified just as beneficiaries of that SHGs. Literature available shows as a phenomenon, SHGs has made its women members confident and hopeful by way of creation of positive energy or motivation in them. **Implication:** There are not sufficient proof about the transformation or enhancement in economic and mental independency of women members outside groups. In absence of such transformation complete potential of women can not be realized. Hence it is very necessary to actually know about the insights, scope and implications of the factors influencing on the rural women and community development. **Methodology:** This research work with the help of review of literature, tries to find the role of SHGs in community development and empowerment of rural women. **Originality:** This research work is purely done by the author and all the references are duly cited.

Keywords: SHGs (Self-Help Groups), Community Development, Rural Women, Women Empowerment.

INTRODUCTION:

India has a vision of an empowered future, in which women are having self-reliance, confidence and independence. But, because of many reasons like conservatism, ignorance and inertia, women's actual potential and role in society is neglected and specially rural women are prevented from providing their true and due contribution for the economic, social and political development of their own and of the nation in result. Rural women's self-development will lead to community development. Their empowerment is must. Through this empowerment they enhance their ability in shaping their own life and surrounding environment. Resultantly, enable them in realizing their potential, power and identity in all the spheres of life. Empowerment of women is actually the economic independence and development of women in such a way that barriers in a women's life can be defined, challenges can be accepted and overcome. In Urban cities, the development among women of families of upper class can be visibly seen, but in rural area the development is very low.

Global Gender Gap Report 2017, states that, in terms of earnings of women and economy participation, globally India is back down by 21 place, ranking behind Bangladesh and China. At global level, women's share of GDP contribution is averaged at 37%, while India is at a very low share of 17% only. (Arora, S, 2017)

On one hand report is warning about the continuous falling of women's participation level in economic activities, on the other, an assumption is there about Self-Help Groups (SHGs) impacting significantly and positively on the political, economic and social life of poor women. The current study with the help of literature review, tries to find out and understand the impact of role of SHGs in community development and empowerment of rural women.

Introduction of SHGs:

A Self-Help Group (SHG) is made up of a small voluntary association consisting of poor people generally having

the same socio-economic status. SHG may be all men or all group, it also may be a mixed group, which becomes enterprising with the availability of micro-credit. But, it is experienced that, the performance of women groups are much better as far as SHGs activities are concerned. Small savings are promoted by SHGs among its members and these savings are saved at bank in the name SHG.

This concept of SHG is about 20 years older and now it has become a well-known concept. SHGs help in enhancing the economic development of nation. SHGs are mainly consisting of women, hence with the help of participation in activities of SHGs the women are not only playing an increased responsible role in the economic development of country but contributing to their own economic independence and empowerment through entrepreneurial development and self-employment. (Nagesha B & Ajeya G, 2018)

Empowerment of Women and SHGs:

SHGs are viewed by the state as strategic tool for not only empowerment of women but for eradication of poverty also. There are about 6,87,717 SHGs in Maharashtra. (NABARD, 2013) The emergence, multiplication and rapid growth of SHGs having base of micro-finance and micro-credit is achieving importance in the context of development. SHGs work as channels for disseminating wide range of government sponsored schemes and messages related to development. For bringing under a common platform, SHGs are strategically being adopted by the NGOs. Important players viz, NGOs, donors, corporations and MFIs, having a direct or indirect keen interest in SHGs plunged in to the field.

As poor women must have a right to use and access, but fact is that, they face hurdles in getting credits from the commercial banks already existing. Muhammad Yunus, (Founder Grameen Bank, Bangladesh) recently in an interview to (Joshi, M., 2017) Joshi highlighted that, for strengthening the micro-finance system, the governments must establish banks exclusively for poor people through passing special legislation. CSR budgets of corporates can also be even channelized for setting up these banks. In spite of providing credit accessibility to poor women successfully the SHGs must ensure that poor women must be specially trained and support services are also to be provided in order to feel them empowered as an individual and as a group also.

Rural Community Development & SHGs:

SHGs help in achieving self-employment and increasing level of income and resultantly Improvement in standard of living of the poor people and entire community. Saving practice restrains the poor from any abnormal utilization of finance. Self-dependency increases self-confidence if rural people which in turn motivates the members. SHGs help in poverty alleviation by promoting entrepreneurial trends, creating self-employment, self-dependency, empowerment of community and rural people. SHGs help in enhancing the economic development of community and nation. SHGs are mainly consisting of women, hence with the help of participation in activities of SHGs the women are not only playing an increased responsible role in the economic development of community and country but contributing to their own economic independence and empowerment through entrepreneurial development and self-employment. It is experienced that, the performance of women groups are much better as far as SHGs activities are concerned. Small savings are promoted by SHGs among its members and these savings are saved at bank in the name SHG.

The SHGs have made the women members economically independent, for this, micro-finance has helped immensely by increasing standard of living and income of poor rural women. For meeting expenses the members transfer finance from friends, relatives and money lenders. SHGs provides for enhanced self-respect and self-confidence, it has created economic self-dependence in rural women. This has decreased stress in the family by increasing income and decreasing financial problems. This results in overall development of community after the individual and family development. (Nagesha B & Ajeya G, 2018)

Functioning of SHGs:

Basically there are five features (Ashwini Bhagwat & Sunil Ujagare, 2018) of functioning of SHGs as stated -

1. Target Group are Women
2. Small savings as pre-condition
3. Group approach adoption in achieving goals
4. Procedures and systems of micro-finance institution are followed
5. Meetings at every week, savings collection, passbook update, loans disbursement

Micro-Finance and Micro-Credit:

Micro-finance is providing financial services to poor or low income customers. This also includes self-employed and customers, who are basically not having access to services related with banks. At a more-broader horizon, it

is a movement with the object that, carving out a world where all the poor have regular access to high quality financial and allied services which may include transfer of funds, savings, credits and insurance. Persons promoting micro-finance are having belief that, micro-finance access will get poor out from poverty. Hence have emerged as a powerful tool for empowerment of women and alleviating poverty. It is such a broad type of services including micro-credit. In same sense, micro-credit is providing services related to credit to the poor customers. (V.S. Kannan Kamalanathan,, 2015)

LITERATURE REVIEW:

The SHGs are successful in making a strong bonding and sense of accountability in their members with the help of activities related to micro-finance. These groups are playing vital role in the transformation of lives of rural women and also rural community development. But, some important issues has remained and acting as hindrances for reaping further benefits accruing from the system. These issues are – a) Gender, b) Discriminations of caste, c) SHG federation dynamics and d) finance sanctioning etc. (MSRLM, 2014)

The issues related with empowerment of women were given top priority by the developmental programs of the government. In fact, Central Government's and State Government's many programs focusing on target groups, use SHGs as a tool for productive implementation of welfare schemes with a view to benefitting the disadvantaged and poor of society.

This study was conducted in Vellore district's 20 blocks and covered 450 respondents of 90 women SHGs. Study noticed that after joining the SHGs, there was active participation by women in family decisions and Village Councils (Gram Sabhas). It shows that they were socially and politically empowered due to their active participation. But, individual empowerment or self-reliant feeling inculcation is achieved by active participation or not is not mentioned. (Raya, R. P. & Rajendra K., 2011)

This study was done empirically on 170 ST and SC women. It concludes that political awareness and health status is improved in SHG participation by women. While working in group, improvement in individual empowerment was perceived by women. But, legal awareness improvement was not found in the study. (Gangadhar, S., Bhat, M.S., & Malyadri, P., 2017)

This study revealed that women are able to find better livelihood with due to SHGs. But, findings of the study suggested that earning potential of member directly affects on the education of children in terms of quality of life. Group as well as individual empowerment are not focused by this study. (Chatterjee, S., 2016)

This study made an inference that among group members positive changes regarding socio-economic empowerment are led by the financial services access and association with group. Additionally, it advices about providing opportunities of training at advance level in environment, health and preferred occupations to the members along with access of micro-finance. Study repeated that without imparting of training effectively, empowerment is just a dream at a far distance. (Lokhande, M. A., 2012)

This study told that after joining the SHGs, poor women's economic condition improved. But, perception of women about individual or group level empowerment was not covered by this study. (Krupa, V.D., 2017)

CONCLUSION:

SHGs proved to be very effective in improving the conditions of rural women but, an important point to be noted is that women feel empowered more at group level as compare to individual level. The SHG members expect that they should act beyond SHGs and adopt bigger responsibility as economically their potential have increased. SHGs are also playing an important role in nutrition and health status betterment of family members and members of these SHGs. Education is also significantly impacting in betterment of rural women and development of community. (Indrajit Goswami, Nigel D'Silva, & Vijeta Chaudhary, 2018)

In entrepreneurial business activities women not only accept challenges but, fulfil them also and lastly after achieving personal needs they become independent economically. They are able to making contributions towards society and family. Women SHGs are proving an effective device for bringing together the poor women for achieving and fulfilling their desire of becoming independent financially though the commencement of small business. By ushering informal economy towards formal part of economy, this in result also is benefitting the Indian economy. Being independent financially for women leads to providing them psychological satisfaction, economic and social safety also. These two factors lead women for their social and personal development. (Ashwini Bhagwat & Sunil Ujagare, 2018)

AUTHOR'S CONTRIBUTION:

Not applicable.

FINANCIAL SUPPORT:

There is no financial support and sponsorship for this research.

ACKNOWLEDGMENT:

Not applicable.

CONFLICTS OF INTEREST:

This is to bring to your kind consideration that this research work has no conflicts of interest.

REFERENCES:

- Arora, S. (2017, November 28). Empowering women through job creation. *An article published in Mint on November 28 (2017)*.
- Ashwini Bhagwat, & Sunil Ujagare. (2018, December). Women Empowerment through Self Help Groups in Rural Pune : A Review of Case Studies. *JETIR Journal of Emerging Technologies and Innovative Research*, 5(12).
- Chatterjee, S. (2016). Women empowerment through Self Help Groups: Cases from Telangana state. *IRA-International Journal of Management and Social Sciences*, 4(2), 324-338.
- Gangadhar, S., Bhat, M.S., & Malyadri, P. (2017). An empirical study on micro-finance and women empowerment in Karimnagar district of Telangana state, India. *C S Canada International Business and Management*, 14(2), 65-69.
- Indrajit Goswami, Nigel D'Silva, & Vijeta Chaudhary. (2018, January). The Role Of Self Help Groups In Women Empowerment In Maharashtra: An Empirical Analysis. *Research Journal of commerce and Behavioural Science*, 7(1), 65-71. Retrieved from www.theinternationaljournal.org
- Joshi, M. (2017, November 20). Run SFBs like a social biz: Grameen Bank's Yunus, An edited interview published in Mint on November 20, 2017.
- Krupa, V.D. (2017). Skill development training as an influencer of capacity building and economic empowerment of women Self Help Groups: A study conducted at Shimoga district. *Adarsh Journal of Management Research*, 10(1), 38-50.
- Lokhande, M. A. (2012). Micro financing through women self-help groups and its socio-economic impact- a case study of Konkan region of Maharashtra. *ArthPrabandh: A Journal of Economics and Management*, 1(9), 16-27.
- MSRLM. (2014). Maharashtra State Rural Livelihood Mission Study on SHGs, Federations and Livelihood Collectives, Mumbai.
- NABARD. (2013). Status of micro finance in India. *Report by National Bank for Agriculture and Rural Development, Mumbai*.
- Nagesha B, & Ajeya G. (2018, May -June). Role of Self Help Groups in Rural Development - A Study. *International Journal of Trend in Scientific Research & Development*, 2(4), 1454-1459.
- Raya, R. P., & Rajendra K. (2011). Does micro finance empower rural women?-A study in Vellore District, Tamil Nadu. *Indian Journal of Finance*, 5(11), 54-55.
- V.S. Kannan Kamalanathan,. (2015, july-Aug). Women Empowerment and Microfinance - A Study on Self help groups in Thane District of Maharashtra. *Scholarly Reseach Journal for Interdisciplinary Studies*, 4(25), 2449-2457.

