



# Women Self Help Group (SHG) in India: A Study

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## ABSTRACT

India is developing country with Rural background, poverty and unemployment constitute a vicious cycle. Unemployment is caused by poverty, while poverty is caused by unemployment. These groups do a tremendous lot for rural communities, including improving the quality of life and generating employment through microcredit. Economic empowerment (financial growth) and social empowerment are required to empower the poor. Empowerment will result from expanding mental and non-mental spaces that enable action and voice to enhance life quality. Planners and policymakers demand strategic planning for rural women's social and economic empowerment in the country's states, as most women joined SHGs for economic empowerment and family welfare. Reviewing articles, theses, and books yielded the findings of this study. India's best lesson is to employ SHGs for anti-poverty and women's empowerment which social workers can serve significantly.

**Key words:** self help group , social empowerment, economic empowerment , poverty reduction

## INTRODUCTION

WOMEN'S SELF-HELP Groups (SHGs) have become the panacea for every problem related to poverty, and the overall well-being in rural India. The formation of SHGs of poor women, and the consequent pumping of credit to these groups, has helped eradicate poverty. Women are believed to be more judicious and are more inclined to think of their family's needs, and are, therefore, likely to utilize the available funds judiciously. That women are prudent and take care of their families is true. However, it is difficult to imagine that a structural problem such as poverty can be eradicated only by easy access to credit. Deep-rooted structures of gender, caste, class and religion, which aggravate poverty, can hardly be challenged when SHGs are formed with the purpose of credit delivery alone. Access to credit serves only a tiny part of the big problem. In many cases, it fails as well. However, the SHG credit linkage model is now being

replicated all over India and women's SHGs are being formed and nurtured across the country with an agenda of poverty alleviation through access to credit. Having worked in the development sector, I have learned from my experience that SHGs can do wonders if formed with the purpose of solidarity and mutual help, and supported with finance, as per the credit needs of the poor women. However, it is difficult to imagine such groups being effective if formed with a short-lived agenda of credit delivery alone. This was already proved by the implementation of Swarna Jayanti Grameen Swarojgar Yojna (1999–2012). The scheme was, at best, only a moderate success.

## The mainstreaming of SHGs

Twenty years down the line, the scenario has changed. The SHG has become the mainstream strategy of socioeconomic progress. Promoting SHGs, linking them

to banks for credit services and giving women the knowledge and skills for expanding their existing livelihoods and establishing new livelihoods are being done to scale. Heartening it is to see so many women in the public space, negotiating with public institutions and transacting in thousands and lakhs of rupees. However, it is disheartening to see them talk only about transactions, disregarding transformations that have taken place. Why does this happen? The main reason is that SHGs are now being promoted in hundreds of thousands within a very short time by mobilizers, leaving very little space for women to decide and act on their own. Large amounts of money have been pumped into SHGs from the very beginning, not allowing the women to build self-reliance. Bank linkages are planned and done on a large scale for a prescribed amount, as decided by the bankers, without taking into cognizance the needs of the women and their capacity to repay. The process of mutual help, joint development, acceptance and internalization of SHG rules and norms are now, largely, missing. Yes, credit is certainly a lifeline for rural women. However, managing credits in groups, under the present terms and conditions, requires a different orientation altogether. At least, the opinion of each woman in the group should count. They should also have a say in the timing of the linkage and in the amount that the groups are allowed to avail of through the linkage. However, both the decisions are taken as per the convenience of bank managers rather than that of SHG members. Second, credit access is not backed by service delivery. Poor women are left to themselves to avail of services such as dairy farming or poultry and goat rearing, to strengthen their livelihoods.

If we aim at strengthening livelihoods through credit linkage, we must take into account the need for end-to-end services. There may, of course, be some outliers that could excel without this support. But what about the large mass of poor women, who need substantial hand-holding to succeed? Not only the required services and hand-holding, but the approach of SHG promotion to scale also leaves very little space for capacity-building programmes essential for such decentralized organizations to grow, to take decisions and to deliver on their own capacities. Without that capacity-building, vibrant villages and vibrant decentralized democracies cannot be imagined. The problem gets compounded when the collectives are seen

as mere instruments of political mileage. Our political leaders leverage votes quite easily, either through legitimate means of credit linkage or by reaching huge numbers through the use of technology. Crores of rupees are spent on events, to which SHG members are transported for the sake of publicity. Several government programmes are now being planned for implementation through SHGs. So that village infrastructure can be improved. The village children would get nutritious food. But it is unfortunate that, more often than not, there are disadvantages. Often, these timebound projects force women into corruption. The burning example is the toilet construction for SHG members. Because this has to be done within a short time span, SHGs are bound to depend on contractors, who charge heavy bribes to finish the toilet construction on time. And as a result, poor quality infrastructure is being constructed with the hard-earned money of the poor women. Another example can be given to illustrate this. A few years ago, in a small village of Odisha, SHG members were assigned the work of pond renovation. As per the provision, they mobilized labourers, completed the work and called the engineer-in-charge to come and complete the measurement work. However, the engineer-in-charge took four months to come to the site and measure the work, and that was after the rainy season. As a result, due to heavy rain, the earthwork measured by the SHG and the earthwork measured by the engineer showed a difference and, ultimately, the poor women incurred loss. The women asked me if they should bribe the engineer to get the measurement done correctly. We discussed the issue and I then left it to the women to decide. They decided not to use bribes, no matter how much loss they had to bear. But it was not an easy decision, when the choice was loss to individual members vis-à-vis bribing. The big question this gives rise to is: after giving money to the SHGs, either for credit or for any developmental project, who is to ensure that the engineer, the veterinary doctor, the school teacher are available to help the women when they need it? In the absence of the required support, the women fail to repay the loan and implement the project and, in the end, they become demoralized. The social capital mobilized for sociopolitical transformation also loses confidence and energy for positive change. The power game completely demolishes a relationship of the community and establishes the relationship of winner

and loser, receiver and gainer. The governance machinery at the grass roots will remain dysfunctional if the last bastion of independent collective voices in the villages is co-opted, with the grass-roots women's collectives turning into an extended arm of service delivery, a service delivery that is already itself riddled with corruption and leakages.

## CONCLUSION

In this scenario, the big question is, "What is the right way?" Should SHGs merely become a conduit to deliver credit or political mobilization and not be a pathway to empowerment? This is a pertinent and a very important question in the context of the most marginalized in our society: the poor women in our villages. SHGs have the potential to be the pathway for development and empowerment. However, in the absence of proper handholding, space for independent voices and required service delivery systems (government and non-government), the result is diluted. Promoting agencies forget that SHGs are living organizations and should grow organically along their natural self-driven path rather than be directed by outsiders, aspiring only to economic growth. We must work for the day when SHGs become truly empowering agencies rather than mere tools for implementation.

## Conflict of interest statement

Authors declare that they do not have any conflict of interest.

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