

An Analytical Study of Women Self- help Groups in Rural Area

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Abstract:

Women Self-Help Groups (SHGs) play a crucial role in promoting socio-economic development and empowerment in rural areas. Their significance stems from various factors that contribute to community resilience, poverty alleviation and women's empowerment. SHGs empower rural women by providing them with a platform to come together, build unity and collectively address socio-economic challenges. Participation in SHGs enhances women's decision-making abilities, confidence and leadership skills, challenging traditional gender norms and promoting a sense of self-reliance.

The present study of Self-Help Groups highlights their role in enabling poor individuals to save a portion of their income, which is then utilized to generate capital. Through SHGs, people can start small-scale or micro-businesses, helping to improve their standard of living. This study incorporates both primary and secondary data for analysis. The findings indicate that in many cases, groups are being formed primarily to avail government schemes and subsidies. In some areas, individuals who are aware of these schemes form groups solely to take advantage of the benefits by including their employees and other associated members. However, SHGs are not always fully accountable and members often face difficulties in fulfilling the required documentation.

Through collective action and mutual support, SHGs strengthen social networks, build trust and foster a sense of belonging among members. By creating a supportive environment where women can share experiences, exchange knowledge and offer encouragement, SHGs promote social cohesion and harmony within rural communities.

Keyword: Self-Help Groups, Micro Finance, Employment Generation, Poverty Alleviation, Women Empowerment, Socio-Economic Development.

Introduction:

Women Self-Help Groups (SHGs) have emerged as powerful tools for socio-economic empowerment and community development, particularly in rural areas. SHGs play a crucial role in promoting socio-economic development and empowerment by providing rural women with a platform to come together, build unity and collectively address socio-economic challenges. Their significance stems from various factors that contribute to community resilience, poverty alleviation and women's empowerment. Participation in SHGs enhances women's decision-making abilities, confidence and leadership skills, challenging traditional gender norms and promoting self-sufficiency.

SHGs facilitate access to financial services, including savings, credit and insurance, which are often inaccessible to rural women through formal banking networks. They promote a culture of savings and entrepreneurship, enabling members to start small businesses, invest in livelihood activities and generate

additional income for their families. By encouraging income-generating activities and providing access to credit, SHGs contribute to poverty alleviation and economic upliftment in rural communities. Members utilize loans for productive purposes such as agriculture, animal husbandry, handicrafts and micro-enterprises, leading to improved livelihoods and a better standard of living.

Women SHGs serve as platforms for social unity, mutual support and collective action, fostering a sense of community ownership and solidarity among members. Through collective decision-making and collaborative initiatives, SHG members tackle common challenges such as access to healthcare, education, sanitation and infrastructure. Additionally, SHGs promote skill development and capacity building among rural women through training programs, workshops and exposure visits. Members acquire various skills related to entrepreneurship, financial management, agricultural practices, healthcare and literacy, enhancing their employability and resilience to economic challenges.

Women SHGs contribute to advancing gender equality and women's rights by challenging patriarchal norms, promoting women's participation in decision-making and advocating for gender-sensitive policies. Through collective support and awareness campaigns, SHG members address issues such as domestic violence, child marriage, gender-based discrimination and unequal access to resources.

Furthermore, Women SHGs play a crucial role in community development and empowerment by initiating and implementing development projects that address local needs and priorities. SHG-led initiatives span various sectors, including agriculture, health, education, sanitation, environment and social welfare, thereby contributing to holistic human development in rural areas.

This analytical study aims to investigate the role, impact, challenges and future prospects of Women SHGs in rural communities.

Highlight the historical evolution and growth of Women SHGs in India's rural Areas

The historical evolution and growth of Women Self-Help Groups (SHGs) in India's rural landscape represent a transformative journey marked by policy interventions, grassroots initiatives and community empowerment efforts. The timeline below highlights key milestones and developments in the establishment and expansion of Women SHGs:

1970s to 1980s

Informal women's groups, often initiated by non-governmental organizations (NGOs) and social activists, began to emerge in rural areas. These groups focused on issues such as savings, credit, and collective action to address socio-economic challenges.

1990s

The National Bank for Agriculture and Rural Development (NABARD) launched the SHG-Bank Linkage Program in 1992, aiming to promote financial inclusion and empower rural women. This initiative facilitated partnerships between banks and SHGs, enabling members to access credit, savings and other financial services.

2000s

The SHG-Bank Linkage Program witnessed significant expansion, with millions of Women SHGs established across India's rural landscape. State governments, NGOs and development agencies actively supported SHG formation and capacity-building initiatives. The Government of India recognized the crucial role of Women SHGs in rural development and poverty alleviation. Various policy measures and schemes were introduced to strengthen SHG networks, enhance institutional support and promote women's empowerment.

2010s

Women SHGs expanded their activities beyond microfinance, engaging in livelihood promotion, skill development, entrepreneurship and community development initiatives. These efforts contributed to economic empowerment, poverty reduction and sustainable rural livelihoods. The adoption of technology, including mobile banking, digital literacy programs, and e-commerce platforms, enhanced the efficiency and effectiveness of SHG operations. Digital initiatives improved financial access, record-keeping and communication within SHG networks.

Present Day

Women SHGs continue to expand in India's rural areas, with millions of women participating in collective empowerment initiatives. The SHG model evolves to adapt to changing socio-economic contexts, incorporating innovations such as federations, producer companies and value chain linkages. Women SHGs gain recognition as powerful agents of change, driving inclusive growth, gender equality and community resilience. Research studies and evaluations highlight the positive impact of SHGs on women's empowerment, poverty reduction and rural development outcomes.

Review of Research and Development in the Subject:

International Status: There is a deep divide between the rich and the poor and the ratio between production and stakeholders is also highly skewed. 94% of production benefits only 40% of the wealthy population, while the remaining 6% is shared among 60% of the population. In response to this economic disparity, the United Nations (UNO) passed a resolution in 2000 to reduce poverty by 50% of its then-current status.

Dr. Mohammad Yunus has been actively working to eradicate poverty in Bangladesh since 1982. He established a savings group—a Self-Help Group (SHG)—of 10 women in a small village called Jobra in 1982. With the success of these SHGs, he went on to establish the Grameen Bank of Bangladesh in 1983. Today, this bank serves as the backbone of Bangladesh's economy. With the support of this bank and Self-Help Groups, poverty in Bangladesh has been significantly reduced.

National Status: Many nations worldwide have initiated and promoted Self-Help Groups (SHGs), using Bangladesh's Grameen Bank as a model. India has also been actively promoting SHGs as a strategy to eradicate poverty and generate employment. Around 70% of India's population resides in rural areas, making rural development equivalent to national development. SHGs have emerged as a powerful tool for rural transformation.

Inspired by the Bangladesh Rural Bank (BRB) model, India established its first Self-Help Group in Karnataka during 1991-92. NABARD (National Bank for Agriculture and Rural Development) also played a significant role in promoting and supporting SHGs. This initiative was validated by the Reserve Bank of India (RBI) in 1993. As of March 31, 2008, there were approximately 30 lakh SHGs in India, benefiting around 5.4 crore stakeholders through SHG-linked loans.

In Maharashtra, the Government of Maharashtra established the Women's Commission in 1993, prioritizing the promotion of Self-Help Groups. Today, the SHG movement is at its peak in Maharashtra, significantly contributing to women's empowerment and economic development.

Origin of the Research Problem

Several factors have led researchers to study the impact of Self-Help Group savings units. These units

play a crucial role in poverty eradication, women's empowerment and economic and social inclusion in India. Economic credit societies now recognize SHG savings units as essential partners in financial inclusion.

The connection between SHGs and the banking sector has strengthened over the past decade. As of March 31, 2007, there were 416,058 SHG accounts across various banks. However, this growth is unevenly distributed, benefiting only certain cities and regions in India. In Maharashtra, only a select group of individuals have benefited from SHG initiatives, while political parties have begun viewing SHGs as potential vote banks.

A Self-Help Group is a community of individuals who trust and support each other and share a common goal of mutual aid and economic improvement. The number of women-led SHGs is rising, significantly improving the living conditions of rural women. This movement is proving to be an effective tool for rural development.

The SHG movement plays a crucial role in poverty alleviation, yet challenges in implementation, sustainability and policy execution persist. As a result, research in this field is vital. This research aims to analyse women-led SHGs in Rahata Taluka, offering valuable insights for SHG development in both rural and urban areas.

Significance of the study

Self-Help Groups (SHGs) enable poor individuals to save a portion of their income, which in turn creates capital for future use. These groups allow members to start small or micro-scale businesses, utilizing the accumulated savings. This process helps improve the standard of living for economically disadvantaged people. The role and importance of SHGs, particularly in savings and financial empowerment, can be understood through the following aspects:

Microfinance

Approximately 50% of women save money from their daily expenditures and use it when needed. However, these savings often remain outside the formal economic system. When collected within Self-Help Groups, these small individual savings accumulate into a substantial capital pool, which can be used to finance micro and small-scale industries.

Employment Generation

SHG savings are linked to banks, allowing them to access loans against their collective savings. This financial support helps members start small-scale industries, either individually or collectively. By doing so, SHGs not only generate income for their members but also enhance decision-making abilities, ultimately leading to greater economic and social empowerment.

Objectives of the Study:

The objective of this research is to analyse how the Self-Help Group (SHG) movement is transforming the family, economic and social status of women, particularly in rural areas, with a specific focus on Rahata Taluka.

Specific Research Objectives:

1. To study the changes in the living conditions of rural women due to their participation in SHGs.
2. To examine the problems and challenges encountered during the implementation of SHGs.

Research Methodology

This study involves two types of data sources: primary data and secondary data.

Methods of Data Collection:

Primary Data

Researchers have conducted surveys to collect quantitative data on various aspects of Women SHGs, including membership demographics, financial transactions, livelihood activities and socio-economic indicators. In this study, the survey method has been used to collect primary data from SHG members in Rahata Tehsil. A close-ended questionnaire was utilized for interview schedules, focusing on marketing and economic challenges faced by SHG members.

Secondary Data

Secondary data has been collected from various sources, including books, journals, reports, research studies, articles, surveys, magazines and websites.

Sample Selection Method

Sampling Technique

The study employs quota sampling and convenience sampling methods to select the sample.

Sample Size of the Study

The researcher has selected SHGs in Rahata Tehsil, Ahmednagar District for the study. There are a total of 60 villages in Rahata Tehsil, out of which 10 villages have been selected for analysis.

Data Analysis:

In order to analyse the data following formula are used.

Weight score ranking method:

The data is analysed using weighted score method. The formula is used as follows.

Weighted score ranking

Weighted Score = Ranking Factor x no. of respondents

Ranking Percentage

Total of weighted score \times 100 / Ranking factor

Ranking Percentage = -----

No. of Respondents

Simple Average Method:

Simple average method is the measurement of central tendency. It is used for summarizing the features of the series and in enabling data to be compared.

Average = Total Value of the Items / Total Number of the Items

Role of Women Self Groups (SHGs) in Rural Development:

Economic Empowerment

SHGs empower women economically by providing access to credit, savings and financial services. Women can invest in income-generating activities such as agriculture, livestock rearing and small-scale enterprises, leading to increased household income and economic self-sufficiency.

Poverty Alleviation

Women SHGs contribute to poverty reduction by promoting savings, entrepreneurship and livelihood diversification among rural women. By facilitating access to financial resources and helping members build asset bases, SHGs enable women to break the cycle of poverty and improve their standard of living.

Skill Development and Capacity Building

SHGs offer training programs and capacity-building initiatives to enhance members' skills, knowledge and capabilities. Women acquire skills in financial management, entrepreneurship, agriculture and vocational trades, enabling them to pursue diverse livelihood opportunities and overcome socio-economic barriers.

Social Empowerment

Participation in SHGs fosters social empowerment by building solidarity, self-confidence and leadership skills among women. Through collective decision-making, women develop a sense of agency and autonomy, challenging traditional gender roles and societal norms in rural communities.

Access to Social Services

SHGs serve as platforms for accessing essential services such as healthcare, education and sanitation. Women mobilize resources and advocate for community needs, leading to improvements in health outcomes, school enrolment rates and hygiene practices in rural areas.

Community Development

Women SHGs initiate and implement various community development projects that address local needs and priorities. These projects may focus on infrastructure development, environmental conservation, women's empowerment and social welfare, contributing to overall human development in rural communities.

Empowerment Through Collective Action

Through collective action, SHG members can tackle common challenges and seize opportunities together. By pooling resources, sharing knowledge and supporting one another, women strengthen social networks, build mutual trust and foster a culture of cooperation and solidarity.

Women's Leadership and Decision-Making

SHGs provide opportunities for women to assume leadership roles and participate in decision-making at the household, community and institutional levels. Women develop negotiation skills, assertiveness and advocacy abilities, enabling them to influence policies and programs that impact their lives and livelihoods.

Resilience to Shocks and Challenges

Women SHGs enhance community resilience by providing a safety net during times of crisis. Members mobilize resources, offer mutual support and implement coping strategies to mitigate the impact of natural disasters, economic downturns, or health emergencies on their households and communities.

Gender Equality and Social Justice

Women SHGs promote gender equality and social justice by challenging discriminatory practices, advocating for women's rights and integrating gender perspectives into development interventions. By empowering women as change agents, SHGs contribute to building more inclusive, equitable and sustainable rural societies.

Findings

After analysing the information collected from the survey, the following conclusions were drawn:

1. Group formation is increasing in quantity rather than quality.
2. The survey revealed that groups are often formed only to avail themselves of government schemes and subsidies. In some cases, individuals who are aware of these schemes form groups solely to take advantage of benefits by including their employees and other acquaintances.
3. Many groups are not formed in accordance with the core principles of SHGs, leading to a lack of awareness among women regarding the true purpose of self-help groups. Such groups are less likely to be sustainable in the long run.
4. Self-help groups often struggle with proper financial documentation and record-keeping, making it difficult for them to comply with formal requirements.
5. Bank participation in SHG formation remains low. Rural bank branches, often short-staffed, lack the resources and time to engage consistently with SHGs in their daily operations.

Recommendations:

1. Sustained government support and investment in SHG programs are essential to enhance their impact and long-term viability. Policies should align with women's empowerment, financial inclusion and community-led development initiatives in rural areas.
2. Capacity building for SHG members and leaders through training, mentorship and skill development programs is crucial for improving the efficiency, effectiveness and sustainability of these groups.
3. Collaboration between government agencies, NGOs, financial institutions and other stakeholders is necessary to maximize the reach and impact of SHG interventions. Strategic partnerships can help mobilize resources, expertise and networks to tackle complex development challenges more effectively.
4. Robust monitoring and evaluation mechanisms should be implemented to assess the performance, outcomes and impact of SHG programs. Data-driven insights can facilitate evidence-based decision-making, programmatic improvements and continuous development efforts.

Conclusion:

1. Women Self-Help Groups (SHGs) have emerged as transformative agents of change, driving socio-economic empowerment, community development and gender equality in rural areas. Through collective action, unity and innovative initiatives, SHGs have made significant contributions to the well-being and success of women and their communities.
2. Women Self-Help Groups play a crucial role in promoting comprehensive and sustainable rural development by empowering women, fostering economic resilience, promoting social cohesion and advancing gender equality. Their significance lies in their ability to mobilize communities, harness local resources and empower women as agents of change in rural societies.
3. The historical evolution and growth of Women SHGs in India's rural landscape reflect a dynamic process of empowerment, innovation and collaboration. From grassroots beginnings to widespread adoption, the SHG movement has transformed the lives of countless rural women, enabling them to take control of their destinies and actively participate in the development process.
4. Women SHGs play a multi-layered role in rural development, contributing to economic empowerment, poverty alleviation, skill development, social empowerment, community development and gender equality. Their transformative impact extends beyond individual members to entire communities, fostering inclusive and sustainable growth in rural areas.

5. SHGs empower women by providing them with a platform to voice their concerns, make decisions and take control of their lives. By fostering leadership skills, self-confidence, SHGs enable women to challenge traditional gender norms and claim their rights as equal members of society.
6. Access to credit, savings and financial services through SHGs has enabled women to engage in income-generating activities, start small businesses and improve their economic status. By promoting entrepreneurship, skill development, and livelihood diversification, SHGs have contributed to poverty reduction and economic resilience in rural communities.
7. SHGs act as catalysts for community development, initiating and implementing projects that address local needs and priorities. From infrastructure improvements to environmental conservation efforts, SHGs play a vital role in enhancing the quality of life and well-being of community members.
8. Through collective action and mutual support, SHGs strengthen social networks, build trust and foster a sense of belonging among members. By creating a supportive environment where women can share experiences, exchange knowledge and offer encouragement, SHGs promote social cohesion and harmony within rural communities.
9. SHGs challenge gender-based discrimination, advocate for women's rights and promote gender equality in rural areas. By empowering women as leaders, decision-makers, and change agents, SHGs contribute to dismantling patriarchal structures and advancing social justice for all.

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