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## ROLE OF SHGS ON WOMEN EMPOWERMENT AND RURAL DEVELOPMENT

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### ABSTRACT:

Nowadays the women have contributing to the larger part of population in India. The existing scenario is that women form an important part of the labour force and the economic role played by them cannot be isolated from the framework of development. But, there are still quite a few areas where women empowerment in India is largely lacking. And in the other side rural women are key agents for development. They play a catalytic role towards achievement of transformational economic, environmental and social changes required for sustainable development. In the same time SHGs approach is an enabling, empowering, and bottom-up approach for rural development that has provided considerable economic and non-economic externalities to low-income households in developing countries. SHGs approach is being hailed as a sustainable tool to combat poverty, combining a for-profit approach that is self sustaining, and a poverty alleviation focus that empowers low-income households as well as women empowerment. As majority women lack assets that help contribute to their empowerment and well-being, economic independence through self employment and entrepreneurial development. In that backdrop the paper has been made an attempt to study the role of self help groups in women empowerment and rural development and the paper also highlighted the various facts and figures regarding growth of SHGs in India as per the availability of secondary level of information.



**KEYWORDS:** SHGs, Women, Empowerment, Rural, Development.

### INTRODUCTION

Throughout the changes of history, women have collectively struggled against direct and indirect barriers to their self-development and their full social, economic and political participation. The women's organization started to struggle for women's rights in the early part of the 20th century. At present women's movement focuses its attention

on equality and influenced policy and planning of the government for development and empowerment. Women's movements in general are directed by objectives to promote better understanding of the process of social, technological and environmental changes to contribute to the pursuit of human rights and to develop alternative concept, approach and strategies to bring

out necessary changes for bettering the life of women with autonomy, freedom and full rights of the citizens. In order to understand the activity of SHGs in the frame work of movement it is found that SHGs are organized to manage their economic activities better and are gaining empowerment in directions which are appropriate to their needs, interests and constraints (Suguna 2006).

Empowerment can serve as a powerful instrument for women to achieve upward social and economic mobility and achieve power and status in society. The conceptual framework of self help is a tool for empowerment. The Self-Help Group (SHG) is not a static institution; it grows on the resources and management skills of its members and their increasing confidence to get involved in issues and programmes that require their involvement in the public and private spheres. It is a very effective means of empowering the poor women (Moinqazi 2005). Self help groups are a potential source to empower and encourage marginalized women to save and utilize savings to build self-reliance and confidence and provide greater access to and control over resources. These small groups also help women to establish a common participatory platform to voice and solve their problems. SHGs enhance the quality of status of women as participants, decision makers and beneficiaries in the democratic, economic, social and cultural spheres of life (Sunderraj 2004). And it also helps to rural development in the sense of economic development as well as improves rural manpower through self employment activity along with financial accumulation. Therefore, in this paper we have discussed the role of SHGs on women empowerment as well as rural development as per the availability secondary level information.

**OBJECTIVES AND METHODOLOGY OF THE STUDY:**

The study is mainly based on the following objectives: i. To examine the relationship between SHGs and socio-economic development of rural community in general and women in India. ii. To overview the SHG bank linkage programmes India. iii. To study the role self-help group approach for the empowerment of women as well as rural development. iv. To suggest suitable measures for the effective improvement of functioning of SHGs in improving the socioeconomic conditions of the rural people. In this study we have used secondary data of information and it has been collected from sources of existing literature and data in websites, various publications of Central and State government census reports and documents, and other sources like books, journals reports, articles are used for the study.

**WOMEN POPULATION GROWTH IN INDIA**

In India, women constitute nearly 50 per cent of total population. In bringing up the family, their contribution is very significant. Since household health and nutrition are generally in the hands of women, the empowerment of them is necessary for ensuring their own welfare and also the well being of the entire household. Women, therefore is a powerful part of social and economic setup of the country. Government encourages the women as independent and self sustainable persons in the society. The traditional society like India measuring of the women population is also an important component therefore looking their population is also very important it is clear from below table-1,

**Table 1: Women of Population, Literacy and Sex Ratio in India from 1901 -2011**

Census Years	Female population	Female Sex Ratio	Female Literacy
	India	India	India
1901	49.29	972	-
1911	49.07	964	-
1921	48.92	955	-
1931	48.71	950	-
1941	48.57	945	-
1951	48.6	946	7.9
1961	48.47	941	12.9
1971	48.18	930	18.7
1981	48.3	933	29.8
1991	48.1	927	39.3
2001	48.26	933	53.7
2011	48.46	940	<b>65.46</b>

Source: Census of India (2001) and 2011 Census

It is evident from the table -1 that the decade wise women population over a period from 1901 to 2011 the female percentage has been slightly declined from 1901 to 2011, but it was crossed 50 percent in 1971. On the other hand, the percentages of women population in country level almost balanced and slightly comedown from 1901 to 2011. The observing of sex ratio (females per 1000 males) from 1901 to 2011 has been declined in the number of female for male in the country. But it has been increased 2001 to 2011 is 933 to 940 respectively. In the other the literacy is a fundamental skill to empower anyone to take control of their own lives, to engage directly with authority and give them access to the wider world of learning. It shows that the women literacy has been significantly increased from 1951 to 2011 as 7.9 percent to 65.46 respectively in the country.

**SELF HELP GROUPS (SHGS) IN INDIA**

Women empowerment through self help group constitutes an emerging and fast growing trend towards social and economic development of the nation. Self Help Groups (SHGs) are one of the innovative and much needed schemes to accelerate the women entrepreneurship, women’s self employment and women empowerment. This concept was successfully implemented in Bangladesh and now in India. It has become the wise tool to improve the social and economic development. Government has also provides various financial and non-financial assistance to promote the Self Help Groups for women empowerment. Banks and financial institutions have also realized the impact of the Self Help Groups. The Self Employed Women Association (SEWA) is considered as one of the pioneers of the movement, which was started as a trade union for women in the unorganized sector in 1972. On the other hand, the NABARD promoted microfinance through SHG Bank Linkage Program in 1989 and it is now considered to be the biggest microfinance program in the world. In 1996, NABARD launched a nationwide pilot project to link the SHGs to the banks. In 1998, NABARD started *Rural Financial Institutions Programme*, which aims to improve the access of rural populations to sustainable, quality financial services in support of the SHG bank linkage program. The total number of bank-linked SHGs in India grew from 4,757 in March 1996 to 1,374,917 in March 2007. A report by NABARD (2008) suggests that by March 2008, the SBLP covered more than 70 million poor households across India. About 5,009,994 SHGs were maintaining savings accounts with the banking sector and about 79.6 percent of these SHGs were all-female. India’s southern region had the largest percentage of SHGs having bank savings accounts (48.0 percent), followed by the eastern region (21.4 percent), central region (12.9 percent), western region (9.4 percent), northern region (4.2 percent), and north-eastern region (4.1 percent). Among the three types of banks involved in promoting and disbursing loans to SHGs in India, the commercial banks had the largest share of SHG savings accounts (56.1 percent), followed by regional rural banks with 27.7 percent and cooperative banks with 16.2 percent NBARD (2010). The physical and financial performance of SHG – Bank Linkage Programme in India has been shown in the table- 2.

**Table-2: Cumulative Progress in Self-Help Groups- Bank Linkage Programme in India 1998-1999 to 2015-2016. (Amount: Rs. in Billion)**

Years	No. of SHGs Linked	Bank Loan	Refinance Assistance
	During the year	During the year	During the year
1998-99	18678	0.33	0.31
1999-00	81780	1.36	0.98
2000-01	149050	2.88	2.51
2001-02	197653	5.45	3.96
2002-03	255882	10.22	6.22
2003-04	361731	18.56	7.05
2004-05	539365	29.94	9.68
2005-06	620109	44.99	10.68
2006-07	1105749	65.70	12.93
2007-08	1227770	88.49	16.16
2008-09	1609586	122.54	26.20
2009-10	1586822	144.53	31.74

2010-11	1196134	145.48	31.74
2011-12	1147878	165.35	30.73
2012-13	1219821	205.85	39.17
2013-14	1366421	240.17	37.46
2014-15	1626238	275.82	44.93
2015-16	1832323	372.87	69.06

Sources:

<https://www.indiastat.com/socialandwelfareschemes/27/ruralschemes/247/selfhelpgroups/18063/stats.aspx>

Table-2 shows that, Cumulative Progress in Self-Help Groups- Bank Linkage Programme in India 1998-99 to 2015-16. It reveals that over a period of time the number of SHGs bank linked during the period of 1998-99 to 2015-16 is 18678 to 1832323 SHGs respectively and the bank loan during the same period is 0.33 to 37287 billion rupees of amount loaned and refinance assistance has made 0.31 billion to 69.06 billion rupees of Amount during the period of 1998-99 to 2015-16 respectively in the country. It also clearly shows that Self-Help Groups- Bank Linkage Programme as well as bank loan and refinance has tremendously increased over a period of time in the country.

**Table-3: State wise Number of Self Help Groups (SHGs) and Amount of Savings under Self Help Group Bank Linkage Programme in India 2012-2013-2016-2017**

(Rs. in Lakhs)

States/UTs	2012-2013		2013-2014		2014-2015		2015-2016		2016-2017	
	No. of SHGs	Savings-Amount	No. of SHGs	Savings-Amount	No. of SHGs	Savings-Amount	No. of SHGs	Savings-Amount	No. of SHGs	Savings-Amount
Andaman and Nicobar Islands	5217	145.74	4824	115.58	4998	125.27	4475	660.49	4874	872.82
Andhra Pradesh	1421393	254179.23	1418676	349962.18	884508	262949.95	901517	414561.96	848721	529124.96
Arunachal Pradesh	5033	412.09	2588	153.01	3351	255.66	4617	417.33	5460	1141.91
Assam	271072	10750.76	285327	11289.51	292071	9943.07	333686	11128.22	347505	10446.64
Bihar	270890	16967.64	268721	16466.57	224469	29666.98	278608	36006.37	441309	62658.38
Chandigarh	609	95.11	468	130.96	90	4.21	225	127.85	1292	104.51
Chhattisgarh	98493	6135.96	111884	18283.52	148293	17954.14	160461	16046.37	179496	20090.86
Goa	9889	660.74	8170	1313.37	7445	1199.15	7541	1543.95	7408	1940.42
Gujarat	208410	17555.05	196510	16872.00	215839	17543.01	221350	18414.23	247773	26411.25
Haryana	42580	4030.73	43029	4539.47	41653	3651.08	42921	15891.44	40615	3431.00
Himachal Pradesh	53242	4277.92	37634	2732.43	37838	2648.99	44185	3411.12	45735	5061.57
Jammu and Kashmir	5796	970.49	873	40.74	6214	378.44	8386	2410.50	16862	2184.56
Jharkhand	85334	7689.92	86386	8932.95	82138	8492.52	99326	9558.45	130350	14991.55
Karnataka	645695	115618.92	709171	108757.29	734304	130241.10	962446	144242.13	1031733	131181.48
Kerala	581325	51758.93	601325	56942.49	585471	64524.57	272859	62907.18	279527	51268.95
Lakshadweep	27	7.17	229	648.81	231	648.90	2	0.10	4	0.30
Madhya Pradesh	159457	12321.19	157481	13010.41	225615	23901.55	248618	24831.13	238496	27310.38
Maharashtra	687717	51370.41	692274	74805.53	717860	90380.82	789158	85745.68	885420	110344.60
Manipur	12656	235.24	9039	94.92	10702	196.92	13620	356.98	15470	336.50
Meghalaya	9573	515.66	7230	536.65	7910	862.70	8196	937.77	8442	961.08
Mizoram	3117	612.21	187	4.46	7481	312.95	8072	497.14	8737	562.03
Nagaland	8478	185.85	2437	210.08	2880	273.01	11432	698.20	13019	1275.90
New Delhi	3787	348.05	2901	660.57	3290	694.83	3668	535.87	4480	1119.06
Odisha	522837	41827.81	517391	45733.95	452068	49703.80	486686	48587.72	431487	62745.06
Puducherry	20053	1731.58	24454	2406.41	16641	1558.52	14763	4089.71	22340	2224.28
Punjab	35060	3635.48	23041	2283.98	25870	2235.11	29971	3978.20	31486	3135.34
Rajasthan	231763	15760.74	257262	17906.61	245903	14379.43	264119	18659.06	316729	34640.24
Sikkim	3529	79.48	343	35.49	1368	231.09	1542	396.42	4211	1575.67
Tamil Nadu	873012	84966.77	942469	105145.21	987282	103456.83	852034	92003.16	909492	106575.55
Telangana	0	0.00	0	0.00	511184	98761.00	542275	149130.09	632781	159282.18
Tripura	10438	219.34	9148	558.00	8218	946.49	48658	4594.27	50043	6655.97
Uttar Pradesh	403932	39200.82	379270	43858.84	392276	35475.66	363979	38206.29	383592	32146.94
Uttarakhand	40316	4763.57	37294	3903.04	51067	5038.41	42595	5024.88	46930	4349.94
West Bengal	586821	72694.87	591464	81406.51	760941	127347.93	831011	153538.75	945056	195270.76
<b>India</b>	<b>7317551</b>	<b>821725.47</b>	<b>7429500</b>	<b>989741.54</b>	<b>7697469</b>	<b>1105984.07</b>	<b>7903002</b>	<b>1369139.01</b>	<b>8576875</b>	<b>1611422.64</b>

Sources:

<https://www.indiastat.com/socialandwelfareschemes/27/ruralschemes/247/selfhelpgroups/18063/stats.aspx>

In India, more than 60 per cent of total SHGs are in Southern India mainly in Andhra Pradesh, Tamil Nadu and Karnataka. According to NABARD (2010), around 61.21 lakh SHGs are functioning and an amount of Rs. 5,54,561 lakh savings with the banks. Accordingly, southern region accounts for highest outreach (46 per cent), followed by Eastern region (20 per cent). North Eastern Region accounts only for four percent of total outreach of SHGs and two percent of total loan disbursement. In Central Region, only six percent of total loans were disbursed among the 11 percent of the outreach achieved under SBLP. Western Region accounts for 13 percent of total outreach of SHGs and 12 percent of total loan disbursement. North Region accounts for three percent of total outreach and four percent of total loan disbursement. Except Central Region, commercial banks have linked majority of SHGs across all the other regions. In Central Region, RRBs have linked the highest number of SHGs. Overall it can be concluded that growth of SBLP is lopsided and southern States in India continue to be the growth centres (Guha. 2010). In the other hand the total State wise number of Self Help Groups (SHGs) & amount of savings under SHG Bank Linkage Programme in India 2012-13-2016-17 has been clear from above table -3.

### MICROFINANCE AND WOMEN EMPOWERMENT:

Women's participation at grass root level is increasingly recognised as crucial to the betterment of women. Hence the major thrust as well as focus of development theory and practice during the last couple of decades has been on women's participation and empowerment. SHGs have a great role to play in changing the mind setup of women and bring them to the fore of economic activities. One of the important objectives of microfinance is the promotion of income and employment generating activities among the rural poor women for sustainable livelihood. There is abundant literature and empirical evidences, which show that microfinance through SHGs programme have a great bearing on women empowerment.

Micro credits through SHGs have been shown positive impact on women in reducing the vulnerability of the poor through asset creation (Zaman.2001). Sharma in 2008 has observed that the self-help groups and microfinance in north Bihar has played an important role for rural women's empowerment. Manimekalai and Rajeshwari in 2001 in their study highlighted that the provision of micro-finance to women SHG's has helped the groups to achieve a measure of economic and social empowerment. According to them the micro finance has developed a sense of leadership, organizational skill, management of various activities of a business etc, among women. Sharma in 2001 observed that the participation of women in the economic activities and decision-making at the household has increased after the membership with SHGs and micro finance.

The following few success story cases from Karnataka illustrate that the SHGs micro finance has how impact on the poor women in rural areas.

#### Success Story - 1:

*Lakkavva Ningappa Heggade, a middle aged woman belongs to poor family joined the Shri Sharada Stree Shakti SHG group of Metaguda village, Bagalkot district. Initially she took a small loan amount of Rs.1,000 from SHG for bought a sheep, which gave birth. Soon after, she sold the sheep and lambs at a small profit. Further, she added it to another loan of Rs.3,000 that she took from her group, and bought a milch cow. She sold milk and milk products to repay her loan. A third loan of Rs.5,000 enabled her to purchase a buffalo which she managed in the same way. She then took a loan of Rs.7,000 to buy a small house site. Her fifth loan of Rs.8,000 was taken to release her father-in-law's mortgaged lands and the sixth loan of Rs.6,000 helped her husband and father-in-law to re-start farm cultivation. She regularly repays all her loans and has become a model of how a poor woman can overcome poverty with planning and determination backed by SHG support.*

### Success Story - 2

*Sundramma, a SHG member lives with her husband and two children in Holalkere village of Chitradurga district. The family is landless and lives in a rented house, in front of which they have set up a small grocery shop. After six months of regular savings in SHGs, got a loan of Rs.5,000 from her group, to expand her petty shop business. After repaying this loan, she took another Rs.10,000 for investment on business and to buy a cow. Further, she took a loan third time to buy six sheep, which soon expanded to a group of 12. Of which, she sold seven sheep for Rs.10,000 and same has invested in a chit fund since she still owed some money to the SHG and was not yet eligible for a fourth loan. With the chit fund amount, she purchased a small site for house construction and leased a two acre coconut plot for one year. Her husband started selling tender coconuts. By then, she had repaid her earlier SHG loan and got another loan of Rs.15,000, of which she used Rs. 5,000 to buy a buffalo, Rs.5,000 to further expand her shop, and Rs.5,000 to purchase wholesale bakery items that her husband then started selling, along with the tender coconuts. She continues to be a responsible SHG member and her family now has assets worth Rs.1 lakh.*

### ROLE OF SHGS ON RURAL DEVELOPMENT

Development of a nation is very much dependent on the development of rural people. Today, the real problem faced by every developing country like India is the poverty. The finance requirement is one of the basic needs of the poor rural people of the society for their socio-economic upliftment. Microfinance to self help groups (SHGs) may be considered as a vital tool for meeting finance requirement of that poorer section of the society living in the rural areas. Since, 1999, over 2.25 million self – help groups have been established with an investment of Rs. 14,403 crores, profiting over 6.697 million people. The objective to bring the poor families above the poverty line by ensuring appreciable increase in income over a period of time, is to be achieved through a process of social mobilization, skill development training based on local requirement, and capacity building along with the provision of income – generation assets through a mix of bank credit and government subsidy. Therefore the SHGs made vital role to contribute for the rural development in the following manner.

**Inculcate saving habit:** under the groups in the SHGs helps to inculcate discipline on groups members in developing saving habit, it increase the self confidence level of the women , and savings serve as cushion during calamities like food, cyclone or any abnormal happenings in which there is requirement of funds.

**Increasing income and standards of living:** in order to the change the face of socio- economic scenario, micro enterprises and SHGs are playing significant role in the self employment by raising the level of income and standard of living of the rural people

**Alleviate poverty and promote economic independence:** Microfinance is playing a significant role in alleviation poverty, and rural development. Microfinance to the rural SHGs is a way to raise the income level and improve the living standard of the rural women. The Self help Groups have proved the way for economic independence of rural women. The participants seem to transfer the loan from friends and moneylenders to SHGs loans to meet these expenses.

**Increase self confidence and self respect:** SHGs movement is supposed to build economic self reliance of rural poor, overcome misuse and create confidence. SHG members have saving in their name and it gives them confidence and increases self respect. Involvement with SHG has reduced family violence due to reduction in economic difficulties.

**Generate Self employment opportunities:** the implementation of SHG programme has generated self-employment opportunities for the rural poor. The progress of the programme since inspection assisted 1.24 crore, swarozgaris in establishing their own micro- enterprises. From dairy to mechanised

farming, weaving, poultry, food processing units, mushroom cultivation, rural India has been busy setting up micro-enterprises by forming SHGs.

**Decision Making and Political leadership:** the social impact of the SHG program increased involvement in decision – making, awareness about various programs and organization. The group formation brought out the hidden talent and leadership qualities among the members.

**More access to amenities:** after joining the SHGs the member have improved in getting access to amenities like medical, sanitation education, market, water supply, transport. Awareness of health related issues, personal hygiene, communicable diseases; effects of malnutrition, environment issues, and sanitation have also increased as result of training programme and their participation in the related projects.

Thus, the Self- help Groups have been playing considerable role in training of Swarozgaris, infrastructure development, marketing and technology support, communication level of members, self confidence among the members, change in family violence, frequency of interaction with outsiders, change in the saving pattern of SHG members, involvement in politics, achieving social harmony, achieving social justice, involvement in community action, etc. And it has manly focused on socio-economic impact of SHGs on rural development is self employment- rise in income level- better standard of living- women empowerment – self reliance – Poverty alleviation (Jeyanthi.2013)

## CONCLUSION

SHGs have done well in the country to alleviate poverty and empower rural people. The emergence of small enterprises and its activities have made a considerable contribution in the socio-economic development of rural poor in the society. The bank linkage programme would be fulfilling their minimum needs at the right time to getting loans through SHGs as well as their socio economic conditions are also improving and empowering through SHGs related microfinance system. On the basis of empirical success story evidence and studies, women were now slightly improving their condition in rural areas as urban areas. In the other side the SHGs are making vital role on rural development in India. Lowing to overall the study we suggested that adequate training must be provided to the members. Moreover, income generating activities at the individual and group level has to be promoted. Formation of federations, regional level committees etc. are very important for monitoring, training and evaluating the groups. Nowadays suitable market for the products of SHGs is a major challenge. Products, produced by the groups suffer greatly in the influx of multinational companies and their marketing systems. Therefore creating market facility is very essential for further improvement of SHGs product and their development as well as rural development in the present situation.

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