

Self Help Groups In Rural Development

Megha Tiwari, Research Scholar,

Department of Management & Commerce, Jayoti Vidyapeeth Women's University, Jaipur



Abstract

India is a country where the maximum population lives in rural areas and they mainly depend upon agriculture due to lack of employment opportunities in rural areas which leads to poverty. We cannot neglect the main point it is education which makes them understand how to make progress in the economy and use innovative techniques, because of poverty they don't have sufficient funds to make development in itself. To make the progress it is an essential both male and female have to involved in the progress of economic development to involve them it is essential they should know how to operate the latest techniques and come to know about the schemes which is launched by the government, To achieve these motive government established Self Help Groups which can improve the condition of rural areas, government endeavor and provide full support to the Self Help Groups. Self Help Groups plays a crucial role by providing self-employment, training, social mobilization and government subsidy and in this way it ameliorates the standard living of rural people. Self HELP GROUPS is important because joined the low-income segments with the rest of the rural community. In this paper we show how self- help groups build economic self-reliance of rural poor, create confidence predominantly among women who are mostly unseen in the social structure, how these Groups are speeding up economic growth, solving unemployment issues what challenges rural people confronts while establishing enterprises in a rural area.

Keywords: Self Help Groups, Rural Development.

Date of Submission: 27-02-2020

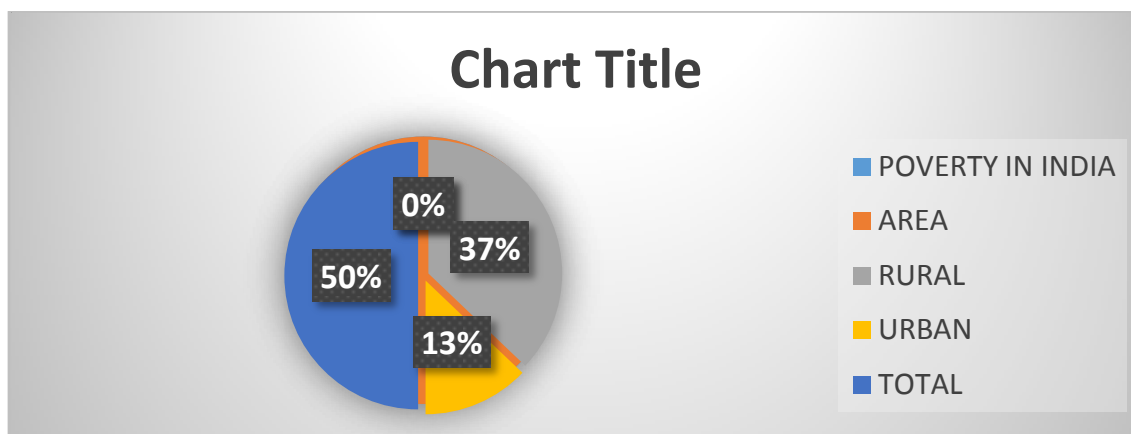
Date of Acceptance: 13-03-2020

I. Introduction

Over the year India confronts poverty and unemployment issues. Because of not having a job rural people have to depend upon agriculture and follow conventional agriculture practices because of not having funds to purchase the latest equipment. To resolve such issues government launches various schemes like poverty eradication programs to get rid of poverty but to implement this program it required huge financial investments. Considering a large number of people still living below the poverty line, therefore the resources used for poverty eradication and provision of subsidies in the name of the poor have not been much effective in achieving the goal of poverty alleviation. In the late 1990s evaluation reports of the Integrated Rural Development Programme (IRDP), a major program for creating self-employment opportunities in rural areas reflected the flaws in the implementation of the program. After that holistic program called Swarnjayanti Gram Swarozgar Yojana (SGSY) was announced by the Government of India. This program was based on group approach rural development where the rural poor were organized into self-help groups.

Even after more than 50 years of Independence India still has the world's largest number of poor people in a single country. Of its nearly 1 billion inhabitants, an estimated 260.3 million are below the poverty line, of

which 193.2 million are in the rural areas and 67.1 million are in urban areas. More than 75% of poor people reside in villages.



CONCEPT

Self Help Groups play a major role in poverty alleviation in rural areas. A growing number of poor people join this group which helps to generate employment opportunities and also encourage saving habits among them. It helps to create awareness about the economic condition and also offering women the possibility to break gradually away from exploitation and isolation.

SHGs are small functional groups in rural areas where 10-20 women and/or men join this group but in India, 90% of groups are formed by women. The initial operation starts with collecting savings from members by collecting huge amount can be given to the needy members.

The rural poor are not capable due to various reasons; illiterate, backward, poor economic base. Individually, a poor is not socially economic term but also a lack of knowledge and information which is the most important element of today's growth process. However, in SHGs, they are empowered to overcome many of this weakness.

FUNCTIONS

1. It encourages saving habits among the members
2. To build self- confidence.
3. To provide credit facilities in the hour of needs
4. To organize training facilities, create teamwork.
5. To develop leadership qualities.

EMPOWERMENT THROUGH SHGs: In India, nearly 50% woman constitutes of the total population, Majority of them especially in the rural area rely on men for their livelihood and continues to be voiceless section they did not have a right to take the decision and her role is not attached to the economic value. Since household health and nutrition generally in the hand of the women, the empowerment of them is necessary SHGs is an innovative tool which improves the situation of women socially and economically.

ECONOMIC EMPOWERMENT: SHGs resolve the issues of unemployment in the rural areas by generating employment opportunities that aid women to make her economically independent and bring equality and translate their income directly into the family well- being.

SOCIAL EMPOWERMENT: It improves the equality status by bringing women in the mainstream of the decision. It ensures the equality status of women in the democratic, economic, social and cultural sphere of life. It changes the view of the society in rural areas most of the women remain in the home she was not permitted to go outside and talked with an outsider. SHGs motivate rural people to join the group and make aware that both men and women have an equal role in society without supporting each other they cannot live a better life.

POLITICAL EMPOWERMENT: SHGs are the beginning of a major process of political empowering women where members perform their transactional activities. Political empowerment reflects the participation in Village Panchayats, Mandi Praja Parishads, And Zila Parishads. After the 73rd amendment act, 33% reservation of women is reserved in Panchayats. In general, we found the large numbers of women enter politics but it does not ensure that the women participation in politics and function as elected representatives because of lack of education she did not know how to perform their work and always suffered discrimination and lack of power as a consequences on behalf of her male members of the family perform her function. SHGs help to give former education to women and enable her to develop their communication skills, so she can properly convey her issues and discuss it in the public meetings.

PSYCHOLOGICAL EMPOWERMENT: When women become the members of the SHGs they automatically become partners in all the economic activities. In rural areas, most people are not aware of the medical facilities, sanitation, drinking water facilities which are provided by the government. With the help of SHGs, people can directly discuss their issues easily with the authorities. In rural areas, people are shy of going to medical practitioners for their treatments and they resort themselves to self-medication. SHGs make aware of the diseases which are spread of not having proper sanitation and also teach them about the benefits of taking proper treatment. SHGs creates confidence among members and encourage them to face any critical situation courageously, it enables the members to interact with others confidently and express their opinion freely.

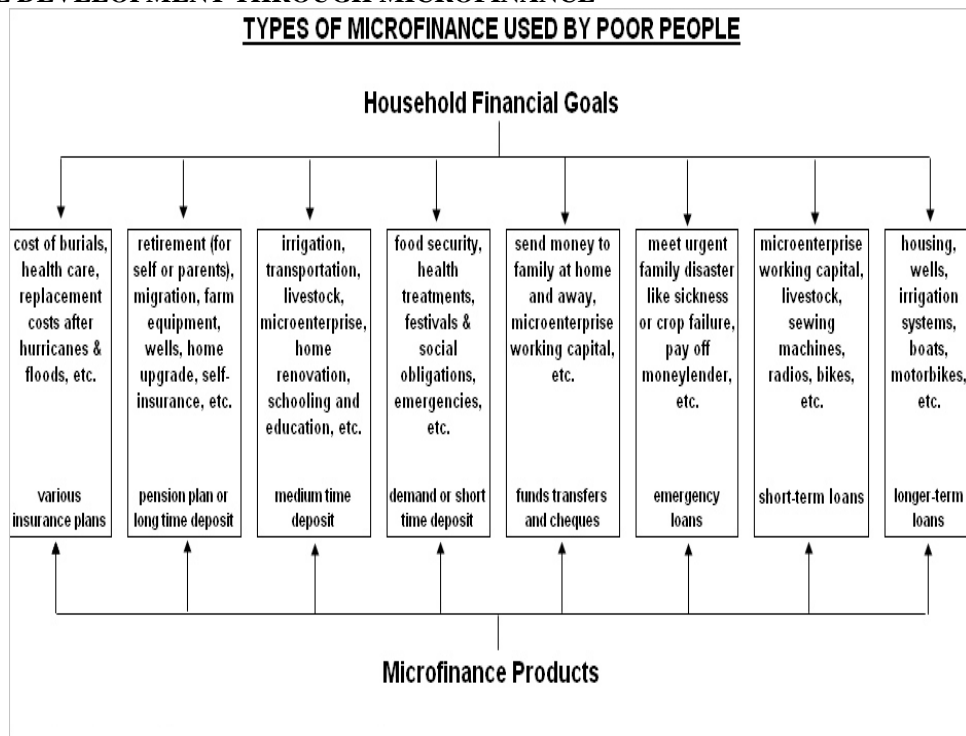
SHGS AND RURAL DEVELOPMENT

To improve the standard living of the rural people, SHGs play a crucial role in self-employment by raising the level of income and standard of living in rural people. It provides great opportunities by giving necessary training which enables them to contribute towards their community development. Various micro-enterprises like pickle manufacture, agarbati making, honey and food processing, spices production, dairy farming, group leaf plate making, etc. helps rural people to make products according to the local demand, which proves beneficial for those rural people who make their contribution in the socio-economic development.

In INDIA 66% population of the rural people depend upon on agriculture with the help of SHGs the agricultural extension programs of the Ministry of Agriculture could be effectively followed it also establishes link with the animal husbandry and dairy development so the rural people who mostly depend upon dairy, poultry farming, sheep breeding are preferred activities among rural people can take facilities which are provided by them. SHGs provide services for the eradication of diseases like Tuberculosis, Polio, and Acquired Immune Deficiency Syndrome (AIDS) which are common among the rural people through communicating them about the benefits of programs launched by the health ministry. Most of the rural people do not know about birth control pills SHGs try to teach them how to use it and what precaution they should take. SHGs give an adult education to the rural people so they come to know about the safe sex they can do through associating many NGOs and other development interventions.

The organizations like Khadi and Village Industries Commission, Small Scale Industries, Ministry of Textiles, Development Commissioner, Handloom, etc. have programs for the development of clusters in places where traditionally some activities have been going on. For instance, carpet weaving, handloom, pottery, wood-craft, stone carving cane , and bamboo, etc. are popular in some parts of the country. There is a need to identify all such activities that could be taken up in clusters covering the groups of rural artisans in various areas. The cluster approach has the advantage of bringing in economies of scale as well as developing backward and forward linkages.

VILLAGE DEVELOPMENT THROUGH MICROFINANCE



Rural finance is a matter of concern about 66% of our population depends upon agriculture and 46% of our GDP is contributed by the rural sector so it is necessary to provide credit facilities to the village folk. Finance is the lifeblood of business with the help of it micro-enterprises can easily set up new ventures or expand an existing one. In the 11th year plan given of inclusive development, we cannot think the self -employment and progress in the rural sector without consideration of Micro-finance and SHGs. SHGs generally pay interest rates that range from 30% to 70% APR, or 12% to 24% a year based on the flat calculation method. Nearly 1.4 million SHGs comprising approx. 20 million women now borrow from banks which makes the India SHGs Bank Linkage Model. SHGs organizing funds in such a manner so they can easily borrow funds from a local bank when they required to invest in small businesses or farm activities. Banks generally give credit up to Rs 4 for every rupee in the group funds.

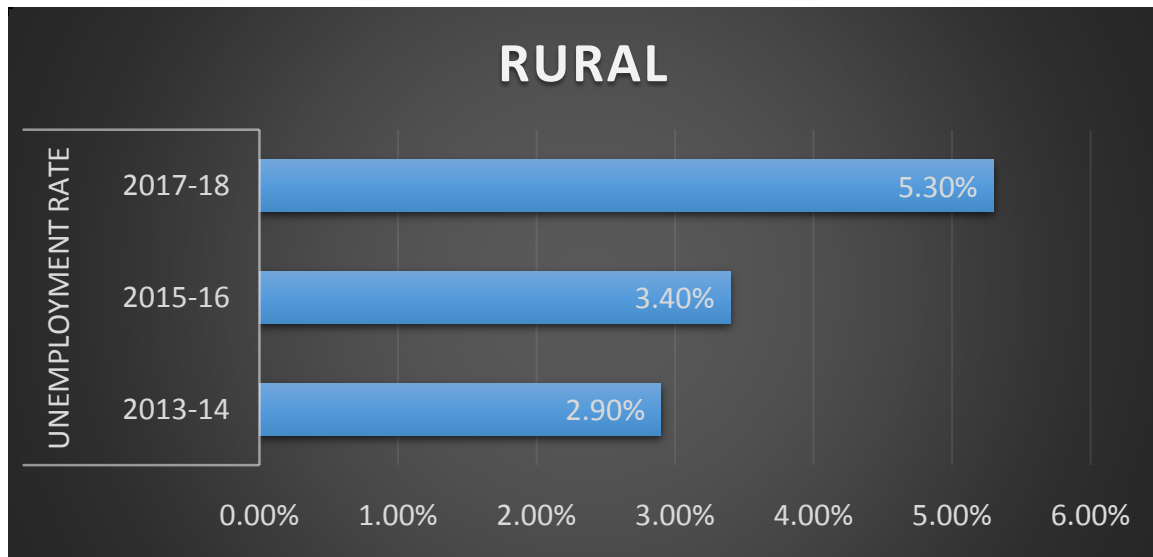
Microfinance is a tool that gives support to implement the poverty eradication program, it had been originated with the Grameen Bank in Bangladesh. It facilitates by providing credit to the backward rural people whose income is low without putting to put any collateral security. It has two models, the models are:

1. SHGs Bank Linkage Programme: It was begun by NABARD in 1992. It encourages saving habits among the members by contribution at regular intervals.
2. MICROFINANCE INSTITUTIONS: It provides services both financially or non-financially like training, remittance, counseling, savings, and remittance to the backward poor women and encourage them to form a group who seek a loan, It is the most effective tool to reduce the poverty in rural areas.

HIGHLIGHTS:

MICROLOAN RANGE BETWEEN 20,000 TO 30,000 ARE AVAILED THE MOST IN INDIA. HOWEVER, THE CATEGORY OF LOANS IS THE RANGE OF Rs 30,000 to 40,000 SAW A RISE OF 56% BETWEEN 2018-2019.

THE MICROFINANCE INDUSTRY HAS REGISTERED A GROWTH OF 44% AS ON 31ST MARCH 2019. VILLAGE DEVELOPMENT THROUGH SWARNA JAYANTI GRAM SWAROZGAR YOJANA



Since the first of April 1999, the Indian government has launched various scheme to eradicate poverty and empower rural people Swarnajayanti gram sarozgar yojana is one of the schemes of government which is designed to provide self-employment to the rural poor. Under these schemes most of the landless labors, educated unemployed, rural artisans and the disabled people has been focused, the scheme motive to provide training facilities according to the need of each Swarozgari. Its main objective to bring low- income families above the poverty line by supplying sustained income over a while time. This shall be fulfilled by managing and influencing poor people to join SHGs through the process of social mobilization, training capacity building, and provision of income generation activities.

II. Objective

- 1.To provide training facilities to the backward rural people so they can make development in the economy.
2. Rural people must be encouraged to join the groups to generate income and become independent.
3. Rural people must aware of the facilities provided by the government and build confidence in themselves so they can present their views in front of the authorities in the most convenient manner.

4. They must know how to implement the market policies and strategies in the business and in what manner resources should be organized effectively.
5. Different types of SHGs are required to established for different types of people.

III. Conclusion

SHGs is an informal group where rural people come together and work as a team which build a team spirit in them, it empowers women both socially and economically. SHGs create awareness and enforce them to make a fruitful contribution to the growth and development in rural areas. It is an effective strategy which brings evolution for backward rural woman, it leads them to implement the program launched by the government like poverty alleviation, swarnajyanti rozgar gram yojana and so on. Poverty arises due to unemployment and the government attempted to resolve such issues, but the benefits did not successfully reach the rural poor people the reason behind it that most areas had been neglected due to it the government cannot establish a direct link with them. To eradicate these issues SHGs make an effective approach to establish a direct link with the poor people it reaches to each block and influence them to join this group. Microfinance and SHGs are not just needed to resolve the issue of poverty but also for individual development. It is a way and brings the most neglected poor rural into the lit of zones. Despite various problems and constraints, it brings positive changes in the lives of poor people in rural areas. It is a movement that has been achieved a grand success by bringing women into all economic activities which give benefits not only individually but also family and community as a whole through collective action for the development.

References

- [1]. Manjunatha, S. (2013), "The Role of Women Self – Help Groups in Rural Development of Karnataka State, India", *International Research Journal of Social Sciences*, 2(9), 23-25.
- [2]. Narayanaswamy (2005). *Micro-Credit and Rural Enterprises*. Journal of Rural Development.
- [3]. Yojana Magazine, Wikipedia, the Hindu & the Google

Megha Tiwari. "Self Help Groups In Rural Development." *IOSR Journal of Business and Management (IOSR-JBM)*, 22(3), 2020, pp. 44-48.