

## CHAPTER - I

### INTRODUCTION

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#### *“SHGs saving for the present, securing the future”*

“These women needed opportunity, not charity – They want chance, not bleeding hearts” –**Prof. Mohammed Yunus**

As by nature, women take intensive care and attention for a time of about nine months, they are rightly called the creation of the generation. Hence, it is but natural that the progress of women leads the families, villages and nation towards development. If women are uplifted then only the social progress can be meaningful. So the progress of a nation can only be possible when women are developed and even equal in partnership and in position to men in the society (Saha and Banerjee, 2001).

Under different Government programmes and under the new thought, SHGs have registered a notable success in empowering the poor women. Strengthening women can save them from hunger, poverty and unemployment on the earth. Rural women though constitute half of the population; only 33% of women participate in labour force. Thus, 67% of the female population are not gainfully employed.

In order to utilize these valuable human resources, the Government has adopted schemes for enabling women into productive employment. One such effort is the

DWACRA programme introduced in early 1980s. The main aim of the scheme initially was to support joint action by the groups towards achieving sustainable livelihood and promoting savings. Later, bank loans have been given to such groups for helping them to become micro-entrepreneur.

Women related matters are continuously a subject of serious concern. Over a period of time, women's role has changed significantly. The changes in social, economic, psychological and cultural aspects of living has influenced women's role. Woman role is more significant as different roles like mother, wife, sister and worker in and outside the family. Now they realize their importance in the entire endeavours and like to be independent.

Without women's access to basic needs, livelihood, and knowledge and in politics, it is difficult to reach the goals of poverty alleviation, economical progress, nature sustainability etc. The empowerment of women and promotion to gender equality needs a high level political commitment.

In the six<sup>th</sup> five year plan and the subsequent five year plans, some special schemes for development of women have been included to take part in national development. India's eleven<sup>th</sup> five year plan (2007-12) points out women not only as equal citizens, but also as the agents of financial and societal growth. The concept of equality in gender must be provided with basic commitments in favor of women.

These groups are a straight campaign on poverty at micro level and empowering women at grass root level, the creation of SHG is need based economic activity planned deliberately towards productive purpose and progress of the rural sector. SHGs have now become a modern weapon for the deprived women to raise their voice against poverty and economic depression and are considered most effective instrument against human deprivation.

SHGs have become a staircase for economically, socially, mentally and attitudinal empowerment of group members and that is straightway concern with the progress of the nation, so such development of rural women is of paramount importance.

## **Establishment of NABARD**

About 10 years of 80s saw launch of several anti-poverty programmes like IRDP with the hope that banks should participate by lending required help to the needy beneficiaries at affordable rates. However, it was seen that the banks were not delivering the required credit services due to different problems and demand side constraints. This reached to realization that there was requirement for providing financial agency to promote farming and village life development, combining the part of supervision, monitoring, refinance, and even market intervention. Thus, NABARD with effect from 1982 is prominent agency for the institutions to help for business and credit in village areas.

The following 10 years of 1990s, saw a fast and rapid SHG movement. The establishment of NABARD and SHG Bank-Linkage by NABARD played an important role for the SHG's development. By overlooking the performance of such groups, the RBI permitted the Banks to provide credit to such groups.

## **SGSY**

During this period, the strategy shifted in the progressive programmes moving from individuals to a group that is SHG. In 1999, the Government introduced programme covering all the aspects of self-employment, known as “Swarnajyanti Gram Swarojgar Yojna”, a single cell of self employment for the rural areas.

## **NRLM**

Later on, the department of Ministry of Rural Development, Government of India reformed and replaced the SGSY by introducing the NRLM scheme in 2011 for the progress of village sector. NRLM works for organizing the needy into SHGs and enable them to link them with microfinance and sustainable livelihoods and on both need and helps for financial inclusion. NRLM offers economical awareness among the rural women and supplies catalytic amount to groups and their federations. For this, NRLM coordinates the economic sector to provide economic help and related services to SHGs. As required under the plan of NRLM, the state of Gujarat implemented the scheme named “Mission Mangalam” and GLPC (Gujarat Livelihood

Promotion Company) as its implementing agency for the mission of developing the livelihood in the countryside.

## **Requirement and Significance of SHG**

SHGs are essential to reduce exploitation, gain confidence for the financial self-dependence of the needy rural women. These groups unify the poor village women to become empowered to deal with exploitation of various kinds and to become a base for action and change and to make relationship of trust by constant, genuine efforts. The SHG groups play a significant role in verifying between customer credit and production credit for changes in economical, cultural and social status of target groups by providing help to easy loan and facilitating for control in repayments, setting visible interest rates and thus helping the group members in getting easy access to the credit.

Thus, the SHGs avails micro credit to rural women to make them active enterprising women. This way the group tries to give the equal status to the rural women in the area of participation, decision making and makes them beneficiaries in the area of democracy, economy, society and culture.

## **Concept of SHG**

**NABARD** defines “Self-Help Groups as a homogenous group of rural poor voluntary formed to save whatever amount they can conveniently save out of their earnings and mutually agree to contribute and emergent credit needs”.

India has a tradition of people uniting voluntarily for making different social, cultural, spiritual and financial activities jointly. SHG is a group of women united to attain particular collective goals. The SHGs is the most powerful means for providing credit support to the needy village women. The poor SHG women members have been showing extra ordinary dynamism in collecting themselves for the joint activities, in income generation, in bargaining power and in reforming of the quality of life.

Self Help Group may be registered or unregistered having social and economic backgrounds for voluntarily meeting together, to save regularly and agreeing to share a group balance and to meet to emergency needs by mutual help.

SHG is a composition of 10-20 local poor women, recognized as a means to help the needy and to help them to meet the emergency needs through group savings. (V. M. Rao 2002). The main objective of the SHGs are collective approach, mutual trust, organization of groups, group cohesiveness, lending of loan and its repayment, training for capacity building and empowerment of the poor women (N. Lalitha). By SHG, they extract their income to become economically secure, taking loans from the group fund and make them self-employed.

The group applies collective wisdom in taking decisions regarding all money matters like crediting loans and time to time repayment. The group also emphasis on organizing the poor rural women in groups by social mobilization process, on training the members and giving them the bank credits and the Government subsidies.

The SHGs are framed by the women coming from the BPL listed homes, one each from a family and focuses on the skill development training based on present need. Directly or indirectly, the SHG has achieved a space in contributing to the financial improvement of rural sectors in countryside. Mostly the SHGs require SHPIS (Self-Help Promoting Institutions) to promote and to nurture themselves including various NGOs, Banks, farmers' clubs, Government organizations, self-employed individuals and federations of SHGs. While some of the SHGs formed by them.

## **Emergence of SHG in India**

By taking inspiration from Mohammed Yunus of Chittagong University in Bangladesh in 1975, a thought of forming SHGs emerged. The person prominently known as the father of micro-credit system (concept of Grameen Bank) which serves the doctrine of, “for the people, by the people and of the people”. India has accepted this in a modified form.

The micro-finance has come out as a capable means to reduce poverty and to empower the women and thus the number of SHG has increased in the country along with micro-finance and credit management groups. Now days in India, banks are the leading agency for delivery of micro-credit. Ilaben Bhatt, founder of ‘SEWA’ (Self Employed Women’s Association), in 1970 developed a concept of ‘women and micro-finance’. The NABARD promoted groups have followed the way set down by

‘SEWA’, a registered group of poor, self employed women workers along with the Annapurna Mahila Mandal’ in Maharastra and ‘Working Women’s Forum’ in Tamilnadu. The ‘Credit Management Groups’, promoted by MYRADA are similar to SHGs.

In 1991-92 NABARD began to start to promote the SHGs on a wide scale and it was the turning point for the SHG movement. In different places of the country, such groups were linked with the banks through 92 pilot projects launched by NABARD in 199-92. In July 1991, RBI instructed the banks to accept the pilot project and to expand finance to such groups following the norms and guidelines of NABARD and then after in February 1992, the RBI issued detailed guidelines to the commercial banks, explaining the modalities of the pilot project.

In 1993, the RBI also allowed SHGs to transact through the banks. Easy accessibility of bank services was a major one to the movement in nourishing the SHGs in the states of Gujarat, Maharashtra, Andhra Pradesh, Rajasthan, Tamilnadu and Kerala with nearly 560 banks like NABARD, SBI, Cooperative Banks, RRBs, the Government institutions, DRDA, Municipal corporations and more than 3,024 NGOs involved in the promotion of the SHG movement. The NABARD guidelines for implementation of the pilot project allowed flexibility and innovative responses at the grassroots level positions. Here, the goals of the NABARD providing credit to the SHGs through the banking system, with limited documentation and simple procedure. The SHGs promoted by NGO, can access of its savings in the form of loan funds or a cash credit limit from the local rural bank, with a minimum savings period of 6 months prior to the availability of bank credit. For the SHG members, credit availability starts from the parity of the SHGs’ savings and can access to eight times on the level of SHG savings, with cheapest and most direct source of funds.

## Development Path of SHG

Sr. No.	Stages of Development	Time (Month)	Focus
1	Pre - formation	1 – 2	Identifying the needy members through participatory methods in small villages.
2	Formation	2 – 6	Names of groups and bye-laws, regularizing group meetings, pooling of savings, crediting and repayments of small loans, discussion and adjustment, system of accounts.
3	Stabilization - I	6 – 12	Stabilization of dealing of group money related transactions independently, clusters interaction
4	Stabilization - II	12 – 18	Initiation of productive activity, linkages with banks; cluster associations; beginning of help for new groups.
5	Growth	18 – 24	Establishing a chain with banks and cluster associations; expansion of IGPs; addressing community issues.
6	Expansion and Diversification	> 25	Funds for the group members; inspiring the concept and promoting of new groups; creation of block level federations.

## Different Models of SHGs

Particularly in India, banks, NGOs and different Government agencies have adopted three models of SHG - bank linkage programmes that have been proved the major credit avail system and have been evolved by time.

### **MODEL - I. SHGs created and financed by banks**



Here, the bank plays a role as SHG promotion institution (SHPI), taking care from beginning in making the groups, nurturing them and then providing credit to group after satisfying itself about their maturity to take credit.

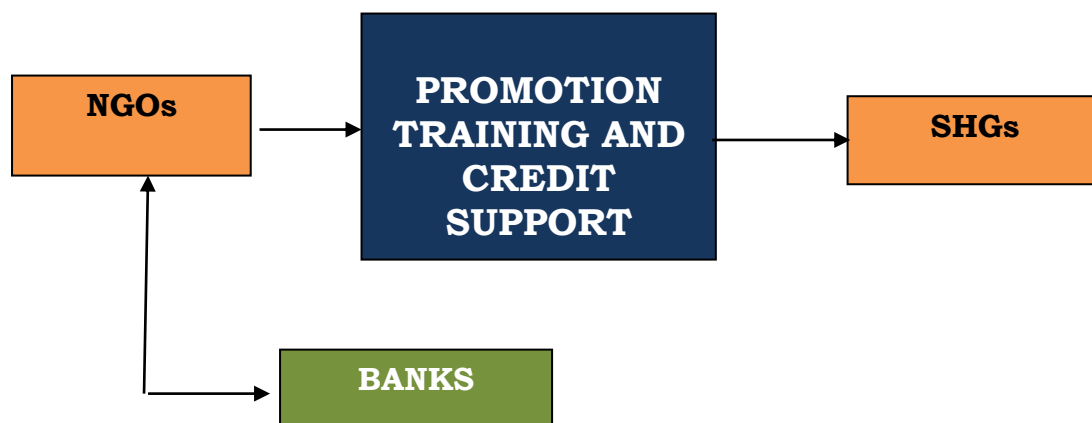
### **MODEL - II. SHGs created by NGOs and other organizations but straight way financed by the banks**



Here, most of the groups are created either by NGOs or by Government Agencies and are trained by such agencies and then such agencies avail credit directly to these groups after having observed their administrations and capability to get credit. During the direct loan transaction between the banks and SHGs, the facilitating agencies remain in continuous interactions with the SHGs. Having the experience those NGOs performing a main role, this model has become more popular and adoptable to banks. About 75% of all the SHGs have come under this model. While 20% SHGs are under the first and 8% under the third model.



### MODEL - III. SHGs financed by banks using NGOs and other such agencies



Having different reasons, in some areas, the banks are not in a condition to finance the SHGs. Then the NGOs play as facilitator and micro finance mediators. They promote the groups, nurture & train them & then approach the banks for bulk loans the SHGs.

### Organizational face of SHGs

These are the basic organizational features of SHGs namely a) savings, b) meetings, c) book keeping, d) leadership and e) fines

- a) **Savings:** Kinds of savings: two kinds of savings: i) compulsory and ii) voluntary. Most groups have only compulsory savings where the group members save an equal amount while some groups have both voluntary and compulsory savings, and the members are free to save any amount as voluntary savings after depositing the compulsory amount.
- b) **Meetings:** Regular meetings of SHGs determine whether they are active or dormant. The SHG meetings serve many purposes like meeting place, learning platform, exchange ideas, taking decisions after discussing on group activities etc. SHGs have formed norms for meetings- venue, meeting time, attendance, agenda, recording of meeting minutes etc. All this reflects the quality of SHGs.
- c) **Book keeping:** Book keeping is a key indicator to scale the performance of a group. The quality of a group can be checked by the set of books that are

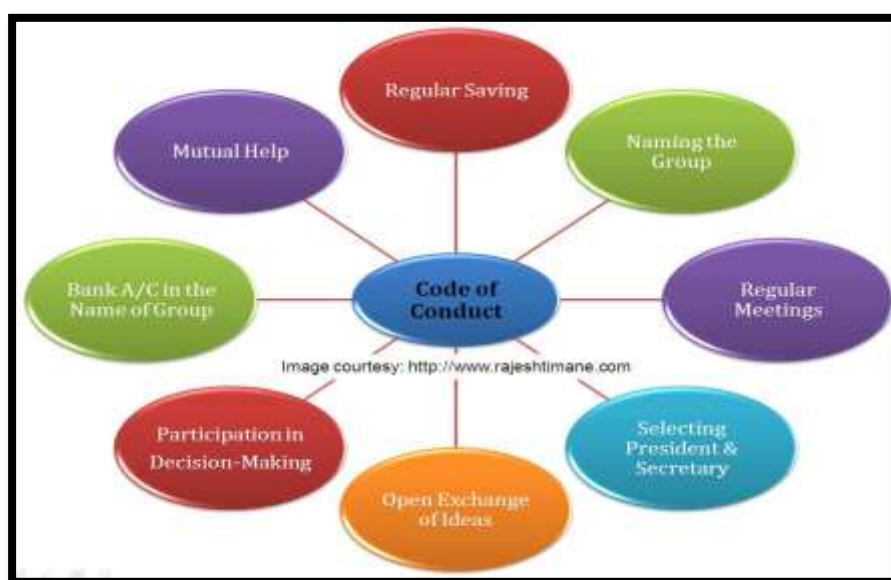
maintaining whether up-to-date or not, whether there is complete information or not and there is overwriting or not.

- d) **Leadership:** Criteria for the leaders' selection: Each group selects two or three members, who are called as 1st and 2nd leaders or 'President', 'Secretary' and 'Treasurer'. For the selection, the SHGs have formulated certain rules and regulations to select the leaders, roles and responsibilities of the leaders and term of leadership, etc. No group follows only one criteria to select their leaders or representatives. The groups consider multiple criteria.
- e) **Fines:** This is the chief methods used to check the conduct of members for the smooth running of SHGs. The SHGs have specific norms relating to fines. The fine and penalty depends on group terms and conditions, and can be differ from group to group.

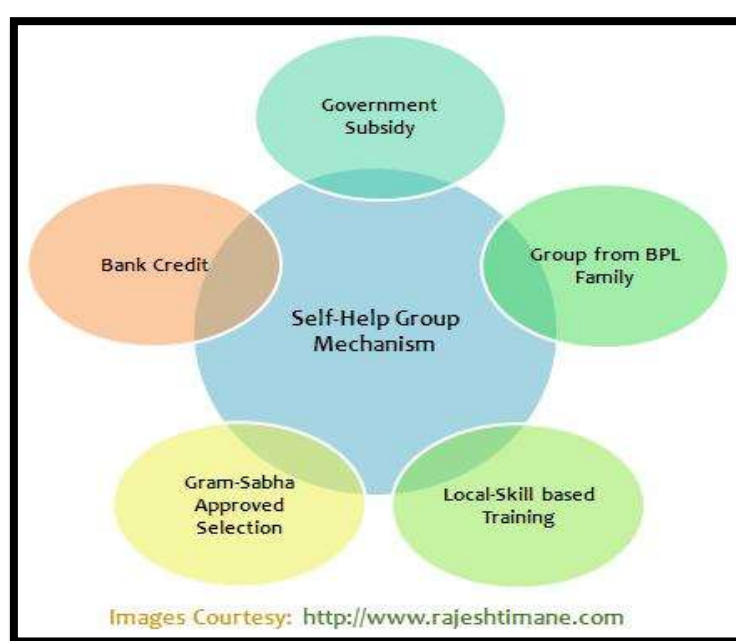
### **Characteristics of SHG**

- a) Creating a general fund by contributing regular savings.
- b) The groups accept a flexible system of functions usually with the help of the NGOs and manage their general linked resources in a democratic way.
- c) Groups consider consensus loan requests of greater needs with competing to limited resources in their periodical meetings.
- d) Crediting loans is on the base of needs and trust and with limited documentation and with less security.
- e) Generally, the credited loan amounts are small and for a short period of time.
- f) From group to group, rates of interest can be differ and depend upon the reason of loans, interest rates are higher than banks but less than the moneylenders.
- g) Collection of money and present rural social and economical problems are discussed in regular meetings.
- h) Recovery problems are less and the reason is, group pressure and intimation to the borrowers and due to providing a knowledge about the credited loan against the borrowers' position.

## SHG Mechanism according to Code of Conduct



The groups are formed by the women coming from the BPL listed homes; one each from a family and main focus is on the skill development training based on present need. The members should follow the code of conduct like assigning name to SHG, regular attendance in meetings and behave in a democratic way, discuss with open mind and thoughts, participate in taking decisions, keep a bank account under the SHG and to select the leaders of the SHGs, deposit the group fund in the common account.



After the six months, from the creation of the group, enters the third stage where the group can be eligible for receiving a Revolving Fund from DRDA and banks. The groups which are regular in its lending and recovering the loans successfully can utilize this revolving fund and bank loan proposal for such group are forwarded for approval.

### **Functioning of SHG**

- a) The group functions with two compulsory bearers elected as the president and the secretary while the third office bearer is optional that can be a treasurer or any member of the group.
- b) The ideal rotation of the leader is once in a year and the common rotation is once in at least two years, depending on the availability of capable one as a secretary.
- c) SHG should arrange meetings regularly at fixed intervals, to discuss and for the solutions of issues and the problems of the members, the group, the community and about business transaction.
- d) Full attendance is required and involvement of all members of the group at every meeting is necessary.
- e) The decisions are taken by the consensus of the group members.
- f) Business and transaction of the group should be taken in the meetings and not at the residence of the leaders.
- g) All the income and savings of the group should be kept in the group bank account and it is to be deposited by the 10<sup>th</sup> of every month or as early as possible. Of course in newly sanctioned loans, the fund or the collection can be used for loaning again instead of depositing in the bank. But the income received in the form of loan interest, group profit and fines, is advisable to deposit in the bank account and then withdraw the same for loaning as early as possible. This type of dealing would create a good level of the groups' administration and regularity.
- h) Nominal groups' administrative costs like stationery, travel, refreshments for meetings, any training fees etc. are collected from the each member of the group and such collection of amount should be added in separate contribution register after entering it in the cash book. But the corpus of the group in the form of savings, fines, interest or any group profit should not be used for such expenses.

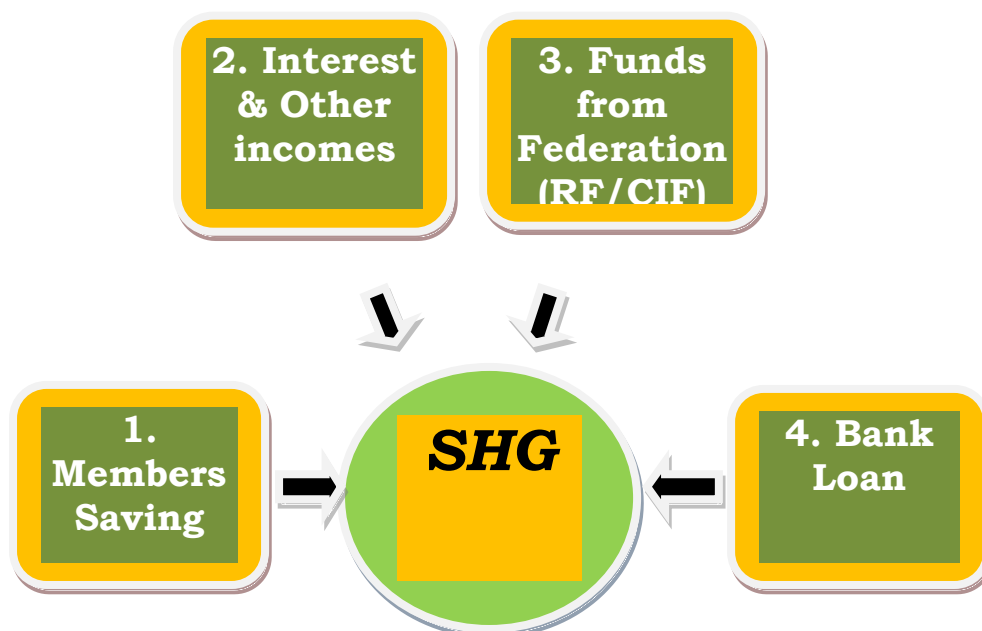
- i) Cash is kept in a cash box until depositing it in the bank account. And such cash box is kept in the custody of the leader while the key to the box is kept with the Secretary or any group member decided by the group.

### **Records / Registers and Accounts Books**

- Savings Register
- Cash Book
- Bank Book
- General Ledger/ Individual's ledger, savings ledger, contribution and expense ledger, interest ledger etc.
- Loan ledger
- Proceedings record book
- Attendance Register
- Daily diary
- Monthly Trial Balance
- Record of loan applications and repayment schedules of loans
- Individual member's passbook

### **Sources of Funds for SHGs**

The SHGs have multiple ways of funds as depicted in below figure. The group is required to be guided and prepared to take the Mission funds they are entitled to. Considerably, the group is required to be guided to accessing bank's services regarding credit and some financial support with continuity on a continuous basis.



## Financial help to the Groups

**Revolving Fund (RF):** The SHG which follow '*panchsutra*'- regular meetings, savings, lending, loan recoveries and books, accounts, records and registers needs to be up to date, would be provided revolving fund by NRLM after the 3 or 6 months from the existence. Every SHG can receive the support of RF only for ones and the amount is Rs. 10,000 and maximum of Rs. 15,000.

**Community Investment support fund (CIF):** SHGs undertaken the joint socio-economic activities/cluster level groups/federations will be available advance loans.

**Interest Income:** Loan lending and recovery of repayments will contribute to higher income from interest charges. If the SHGs undertake lending of loans and loans repayments, the interest income would exceed the total member savings.

## Advantages of SHG

- 1) **Lending:** The SHGs not only instill the financial discipline among members but also provide loans of smaller amounts from the available corpus from savings, government help and bank loans in the group. Out of such group corpus, members avail the loans initially for personal needs and then utilize for productive activities.

- 2) **Bank Habits:** Rural population have limited income and lack of knowledge of available banking facilities drove the people away from inculcating the banking habit. SHG movement has the capacity to lessen the issues of inadequate access of offering banking services to the poor. Now, with the emergence of SHGs, poor rural women can take the benefit of formal banking services and this trend is likely to influence and augment their savings.
- 3) **Leadership Development:** SHGs greatly help in building healthy and strong leadership skills among the group members. Nothing succeeds than self empowering. In course of time, leadership qualities blossom, discipline, prevails and true democracy will start to function.
- 4) **Participation in Government programmes:** Women members inspired to take part in several developmental activities.
- 5) **Community activities:** The rural women are taking interest in community activities like planting trees, construction of water harvesting structures, help to the needy at the time natural calamities, movement against social evils, like dowry, early-age marriage, untouchability, HIV/ AIDS etc.

### **Institutions' role and Microenterprise Development of the SHGs:**

Growth in enterprise is mostly a financial function including production, marketing and distribution and consumers. The enterprise needs legal sanctions and approval for its establishment and operations. The table here under indicates the agencies concerning the SHGs and their micro-enterprises. The Government as well Non Governmental agencies supports the groups.

## Involving agencies and their works in the District

Sr. No.	Institutions	Status of the Institutions	Functions
1	DRDA	District level Government Department	Mission Mangalam Programme implementation, co-ordination, subsidy support, infrastructure development, funds.
2	NABARD	A National resource organization on SHGs - RBI's representative	SHG Bank-Linkage Programme, Share with NGOs and help to form SHGs, trainings to Banks, financial help to bank.
3	NGOs	Voluntary developmental organization, promoting of civil societies.	Close to people and informal ways to discuss with villagers and built the SHGs.
4	Banks	Formal financial institutions - credit provisions	Micro-finance provision to SHGs, financial inclusion programmes.

These institutions perform very important roles in accordance with their objectives, strengths, resources, skill and capabilities to help the SHGs micro-enterprises promotion and empowerment.

### Role of DRDA:

The DRDA is a Government organization. It is originally an NGO formed by the Government and managed by its officials. It implements villager's upliftment and poverty reduction schemes in the area. DRDAs get monetary support from the Government. It works as the NGO in the area with other concerning departments and agencies. Although DRDA is an NGO, the staff and administration is managed and controlled by the Government department.



DRDA has no direct concern in the making up of SHGs, but with the support of VDOs, elected panchayat members, Anganwadi workers etc., helps in forming of SHGs. This is an authentic agency to sanction subsidy to the beneficiary of SHGs. Only after having repayment of the loans, the beneficiaries are eligible for the share of subsidy. This is done after the second stage of the gradation and the amount of such subsidy is deposited in the SHG bank account. The agency also has some funds to create marketing assistance to the SHGs.

It organizes the visits of groups for their involvement in various exhibitions and trainings in different cities arranged by the rural development ministry. In Vadodara District, due to lack of staff, DRDA cannot work much and are not able to give valuable inputs to SHGs to develop.

### **Role of NABARD:**

The thought of SHGs was promoted by NABARD in 1991-92. The goal is to reach the economic needs of the poor women by linking with SHGs. NABARD provides financial help to the SCARDBs, the SCBs, the RRBs and other related organizations approved by the RBI. The benefit holders of NABARD could be personalized, joint concerns, institutions, State-agencies or co-operative societies.

To widen the concept of micro-credit, NABARD has intensified SHG-Bank Linkage Programme in 13 prioritized States which deal for 70% of the rural poor viz. Uttar Pradesh, Maharashtra, Orissa, West Bengal, Madhya Pradesh, Gujarat, Rajasthan, Chattisgarh, Jharkhand, Bihar, Uttaranchal, Assam and Himachal Pradesh.

The activity has expected the form of a micro-finance campaign in some parts of the nation and has making internal link in the resources for the needy areas of the nation.

NABARD is accepting the following policy to expand the far reaching of SHG-Bank Linking Programme.

- a) Extending partial sharing and strength of the far reaching of the Programme with district-oriented scheme and approach.
- b) Developing district-wise plan of action/approach in concerning with present stakeholders aiming to higher and linking of at least 500 SHGs in each district per year.

- c) Training and disclosure programmes for the employees.
- d) Providing promotional help to related co-agencies for promoting and developing the SHGs mainly an add-on basis.
- e) Extending the choices of SHG promoting institutions.
- f) Planning of the training programmes for the regional or zonal managers of involving banks in linking with their central offices.
- g) Encouraging the co - operative banks to take part in financial matters with SHGs with co operative base.
- h) Keeping a concern with villagers to encourage them to take interest in the programmes such as the SHG promoters.
- i) Rising in the quality of the present SHGs by spreading self-rating tools.
- j) Large-scale spreading of the thought and approach among the villagers.
- k) Encouraging the NGOs to reform the areas wise imbalances regarding SHG-Bank Linking Programme.

### **Role of Non-Government Organizations:**

Since the XI five year plan, NGOs have been formally accepted as partners for implementing the Government's development programmes. In the rural development approach, NGOs help to take the process further due to their close relation with grassroots than government machinery.

The criteria of NGOs are related to soft inputs like awareness creation, training and education, organization and mobilization, referrals and developing linkages, providing guidance and support. The role is comprehensive but their performance is not quantifiable. This is so not with the DRDA and banks. Their works are classified in grades on the basis of the amount sanctioned, disbursed, and the subsidy sanctioned and disbursed. Hence among the stakeholders, the status of NGOs is seen at a lower level and their work often goes unrecognized. A necessity is there to change this attitude as soft inputs are as important as the hard ones.

## **Role of Banking Institution and SHGs in the District:**

The roles of the banks in SHG have been made compulsory by the RBI. Once a SHG is formed, it is compulsory for them to open an account with a bank. This is necessary to qualify for finance from the bank. Such service can be proposed by the nationalized banks, District credit cooperative banks (DCCs) and RRBs. Thus, banks are a significant stakeholder agency in the promotion and expansion of the SHGs. They provide loan facilities to the groups, and by doing so, they are able to manage their bank related transactions by themselves. The 'Grammen Bank of Bangladesh' has established a fact that group financing is profitable, when the beneficiaries are poor and it also impresses RBI to form a policy to involve the poor marginalized. RBI accepted SHGs as an approach for the overall development of the rural women.

Some Banks like e.g. SBI, BOI, and RRBs promote SHGs as their policy. Banks mostly assist to have bank accounts, carry out gradation wise loan facilities to the SHGs.

## **Role of SHGs in overcoming the village problems**

The major problems of the villages are poverty, illiteracy, lack of skills, lack of medical facilities etc. and can be better solved by group attempts than the individual. At present, the SHG which are now become the major source of income for the rural women. SHG is a way of collecting the villagers' together to solve their day to day problems. This same is used by the Government, NGOs and others. By collecting their fund, the poor save it in bank and receive loans with at affordable interest rate to start their micro unit enterprise. Poverty is an obstacle to a standard life. Self reliant is an important step to have steady earnings and get rid of poverty.

## **SHGs as an approach for Women's Empowerment**

The socio-economic growth of a nation cannot be fully realized so long as its women are confined to subordinate position and their talents remain unexplored. Women entrepreneur is becoming a reality now-a-days due to pull and push factors. Between the pull and push factors, the women take this as a real challenge with a passion to do somewhat new and take up an independent occupation. Women establish business enterprises to overcome the financial problems of self and family. Over the years, the

women entrepreneurs have been mostly seen only to metropolitan cities and bigger towns in India. To reach the matter of social justice, it is required to harness the latent skills and potential of women, especially the poor villagers. These groups perform considerable role in the rapid and sustained financial growth of the villagers and the ultimate prosperity and growth of the nation.

The villages in India also play a predominant role in the growth of the economy. In the village areas, rural women comprise half of the population. They have been neglected from enjoying even their fundamental rights. Since 1947, the Government has been introducing several schemes for their all-round development, but the results are not to the mark. The Indian women still perform only their traditional work in their houses and in agriculture. During this period, still the poor rural women have not been taking a significant role in the economic activities without the support of their men.

Unless women contribute economically, progress cannot be made by the nation. The women's position is deeply concerned with their economic position, which in turn, relies upon their access to productive sources of the nation and the opportunities for participation in economic activities.

These have to be eliminated by forming voluntary associations like Self-help Groups (SHGs). SHGs are suitable to make the strengthen women. SHGs have started a leading role for the development of the rural women. SHG is a group of women who have voluntarily joined together under one banner. They pay some subscription towards savings and with this accumulated amount; credit is given to members with a low interest to start a new business.

## **Entrepreneurial Growth of Women**

SHGs' major activity is to generate savings for setting up productive activities in the village. The SHGs benefit the people in each and every aspect of their day to day life. Enabling the group members to help themselves through entrepreneurship, it raises the self-worth, making them even more eager to be productive society members. These benefits indicate the worthiness and viability of assisting entrepreneurial women with the changing world, though multiple challenges still exist, greater and

constant help for entrepreneurial activities is needed to further improve the position of women and their communities.

**The World Bank Report (1991)** observed that "women are the centre to success of the attempts for overcoming the poverty in short, medium and long run". The aims of poverty alleviation and strengthening of women can be notably gained if such women form a group for the same goal and for assertion of their rights in various services concerned to their financial and social well-being. According to 2011 Census, out of a total population 121 core, the women population was 58.6 core accounting for, 48.4 % of the total numbers. However, their role in economically productive activities is often underestimated. Women workforce in outdoor earning sector is very less compared to the overall employable population of women. Hence, it is necessary to encourage and guide women to organize business and services to make capable to join business and services in large numbers.

### **From SHGs to Micro-Enterprises**

As in March 2010, there were 48.5 lakh credit-linked SHGs in the country. The primary requirements of savings and credit for expenses and production of these SHGs are being met by the banking system. Such SHGs are able to get loan for more than once. It is being emphasized that an older SHG member is now in a condition to graduate into micro-enterprises by taking up productive activities. It is complicated to find viable micro-enterprises for poor women in village areas. Though micro-enterprises is not a solution for difficult problems like joblessness and poverty, yet their promotion is notable and effective approach to gain a significance in incomes and capital of the rural women.

However, without any particular hand holding approach to provide monetary support in intimated manner, development of the SHG to micro-enterprises has not been easy. Therefore, NABARD has undertaken a mission for promoting the SHG members to the stage of small enterprises in selected districts. NGOs have been District-wise selected for implementing the pilot projects.

## **“Women Entrepreneurs”-Opportunities**

Many countries are economically developed because of the increase of women's involvement in business and production. It is because of guidance and counseling availed to the group members to improve their hidden entrepreneurial capabilities by providing skills, knowledge, adaptability and making them aware about their socio-economic position in the society.

A woman facing problems adventures and with a need to be financially self-reliant can change herself into an entrepreneur. Such entrepreneur can make the family, community and the society a valuable one. In India, such entrepreneurs are growing into the male heading arena as garment producers, land owners, business women with setting up firms like home lodge, milk dairies, provision stores etc.

### **Category of Micro Entrepreneurs**

<b>Sr. No.</b>	<b>Category</b>	<b>Activities under taken</b>
1	<b>Cultivators &amp; Manufacturers</b>	All production made by farming, appropriate and traditional for the local land and other production that manufacture in small firms especially the milk products.
2	<b>Sellers</b>	Handle the marketing for the sale of the collected production.
3	<b>Managers</b>	Handle the responsibility of managing over the production and manufacture, over marketing and over money related activities.

### **Advantages of Micro-Enterprise among SHG members**

Empowering village women is a complex task. Small business through SHGs can assist to overcome such difficulties. Micro enterprises enhance productivity of nation and create employment and help to grow financially and self-reliant.

Other advantages are:

- a)** Economic empowerment
- b)** Improvement in living standard
- c)** Confidence
- d)** Improve knowledge
- e)** Sense of success
- f)** Improved social interaction
- g)** Participation in political activities
- h)** Inspired to take part in Gram Sabha
- i)** Capabilities in leadership
- j)** Initiation in solving challenges related to women and community
- k)** Capable to take decisions in family and community

## Constraints of Women Entrepreneurs

Sr. No.	Constraints	Reasons	Solution
1	<b>Lack of Confidence</b>	Traditional societal norms, Lack of confidence, poor decision making power, lack of support from the family members etc.	Development of the women entrepreneurs can be developed by making the solution, of the reasons given herein.
2	<b>Over burdenness due to dual roles</b>	As the women playing dual role as a wife and a mother, they are overburdened and unable to find sufficient time, concentration and proper effectiveness to the enterprise.	By taking their responsibilities, the other family members can make the women free more concentrate on an enterprise.
3	<b>Rigid and male dominated market conditions</b>	Over dependence on men, male dominated market business, lack of awareness, lack of experience and less capacity of lobbying are some of the major reasons of that affect the success of women entrepreneurs.	The family members, NGO's GOS by providing information about available market opportunities, conditions and services.
4	<b>Lack showing</b>	Socialization with less physical capacity, over bareness, priority to son birth and restriction on going out of home, are some of the drawback of the Indian women.	Self inspiration, family support, positivity of Government agencies, timely investment and appropriate surrounding to set up business can be significant to solve the obstacles.
5	<b>Lack of appropriate training</b>	The traditional Indian culture mostly trains a girl to be a good wife than to be an entrepreneur and restrict her to deal a business with men, considering that as a sin and bad culture.	Equal opportunities in training, in skill growth and independence to set up their own business.
6	<b>Lack of financial support</b>	Traditionally, the Indian women are not assisting to deal with right in property, loan, schemes, incentives etc.	Full support from family members at every stage of their life, equal right in hereditary property and help to deal with Government and private sectors for loans, can be the solution.
7	<b>Lack of information</b>	Lack of education, restriction on outdoor dealing, lack of lobbying and unawareness can be some of the reasons.	Education, information, proper training and economical support for the enterprise and market facilities.
8	<b>Lack of supporting resources</b>	Withdrawal nature, societal zero paradise, hesitant nature	Capacity-buildings, identification of their priorities, shedding down hesitations and find a way to grab all sources.



## **Recent trends in Micro Entrepreneurs**

To sustain and develop the business activities and Indian economy it is high time that the women have to deviate from the traditional enterprises and handle the non-traditional enterprises like:

(1) Mobile Selling Shops (2) Managing Super Markets (3) Tele Communications (4) Computer Centers (5) Food-stuffs procession (6) Dairy Farms (7) Milk Preservation Centers (8) Preparing Milk Products (9) sericulture (10) Aqua Culture (11) Agro Culture (12) Health Centre (13) Floriculture etc.

Women require only managerial expertness and other technological knowledge which can be borrowed from the technical experts. Slowly, women can build the technical skills to develop their enterprise and for their own sustainable development. Apart from this, they have to utilize all the resources required for the steady and sustainable growth of their enterprises like different training facilities, take help from electronic and print media to disseminate their products and organize trade fairs, exhibition cum sale, selling units in the busy market areas, networking through friends, relatives, officials to attract more customers. Besides women, micro entrepreneurs should be free from all discrimination and atrocities. That can be done when mind-set of the family members especially male members is positive towards the women micro-entrepreneurs' deeds.

## **Financial Implications of the SHG**

The SHG has a close relation to the financial and social status of its members. The group - activity will usually be a link to improving the financial status of the group members. What types of income generation activities are selected? Such activities considered by SHGs in Vadodara District, for example, are listed here.

1. Making and marketing of craft-items
2. Starting of Milk-dairy
3. Starting a Grocery-shop
4. Running Beauty-Parlour
5. Garment shop (Sari, dress materials, dupattas)

6. Production and sale of rakhadi and friendship belt
7. Production and sale of imitation jewelry
8. Production of cleaning items like phenyl, washing powder, shampoo, soap, etc.
9. Production and sale of food products namely: Papad, Pickles, Mathiya, Chorafali, Wafers (Banana, Potato), Spices powder making
10. Tailoring and selling of readymade blouses.
11. Making Vermi-compost
12. Animal husbandry
13. Construction of household sanitary latrines in the village
14. Production of pouches, handbags and files for schools, banks and Honda showroom.
15. Handva and “Papadi lot” stalls
16. Production and sale of ‘Bidi’ etc.

All such activities will add to the income of the group-members and support them in improving their living standard.

## **Financial and Social Benefits**

Direct beneficiaries are those who are actively involved in the group activities. They directly get benefits like higher earnings or loans for production and consumption. The indirect benefits are equally important. As the term “indirect financial benefits” suggests, the family-members are indirectly benefited. As the earning increases, enough food is purchased and consumed by the family members. Cases of malnutrition are reduced. This is an instance of earnings being used for consumption rather than production. Better medical help is possible to the family. They can send their children to school. These benefits for them are not directly concerned with group activities. A member of a group, with the support of the group members, can take certain decisions. Such decisions are difficult to take individually. For instance, a woman may decide to educate her girl child. Her group members would support her decision and help her to break the resistance to sending girls to school. This action will change the mentality of the villagers. Thus, the community will be benefited with better attendance of girls in school. Such types of benefits are vital to women’s development.

## **Micro-Finance**

Micro-finance has defined as “the provision of thrift, credit and other financial services to the poor in rural, semi urban and urban areas to help raise their income levels and improve their living standards”(NABARD 1999).

Micro-finance concerned with a set of economical access namely credit, savings and insurance to the poor individual or household. It is regarded to be an important mean to support the needy to reduce vulnerability and foster social and economic empowerment.

Micro-finance is a necessary part of the sustainable development of the poor women. Micro-enterprises are the sources for securing balanced livelihood for the poor women. With all sources like manpower and stamina, knowledge, hardworking etc., the rural women are related to agriculture, sericulture, aquaculture etc. as their daily course but they are kept away from the financial resources. Such women need determination, training, access to finances, market facilities to change themselves as entrepreneurs that can prove their capacities and increase their personal as well as community status with the help of micro credit and micro-enterprise.

## **SHGs and Micro-Finance**

Micro finance to Self Help Groups may be an important source to meet the economical need of the poor rural women and the society. The 9<sup>th</sup> and the 10<sup>th</sup> five - year plan emphasized on empowering of rural women through the SHGs.

The significance of the rural banking and micro-finance in the economic development of a nation cannot be kept aside. According to Mahatma Gandhi, “the rural economy is the backbone of the economy of the country”.

The SHG a voluntary group of the poor village women coming from the same background. Having social mobilization, the SHGs work to set up a successful enterprise to earn a sustainable living that helps the beneficiaries to lift themselves to APL category. Micro-credit helps the poor rural women with the intense of transforming them as enterprising women.

Launching a pilot project linking SHGs to banks by NABARD was a landmark in the movement of the SHGs members to be recognized themselves as bank-clients/customers. Then, after the RBI instructed the banks to lend credit loans to the SHGs with other rural credit operations/lending and thus the linkage between the SHGs and banks are created. NABARD has been performing a helping role by refinancing banks, arranging training programmes for NGOs, Banks and the SHGs for improving skills for smooth administration of linkage between SHGs and banks. The Government elements are consciously making efforts to help SHGs by Revolving Fund and other credits under different schemes. Through this programme, along with the saving, the SHGs are also receiving loans from the group fund which consists of savings, government help and bank loan. SHG members take loans from the group fund and initiate their enterprise.

## **Women's Empowerment**

The Indian Government announced the year 2001 as “**Women Empowerment Year**”, an initiative that enable them to leads to a better society, where women are equal to men. It providing powers and act them to become independent society builders with potential challenges to the future generation. We cannot omit the women contribution to the socio-finance growth of the nation. Empowerment of women in all sphere of life is necessary to transform the idle society into self reliant. Out of others, the SHGs are a prominent and meaningful success of the women empowerment which is a process that enables individuals and groups to realize their full identity.

This process provides opportunities for greater access to knowledge, skills and resources. Here, Empowerment of poor women is assumed from social, economical, political and psychological empowerment.

### **1) Social Empowerment:**

At the individual level, the poor women can be empowered by increasing their knowledge, skills, attitude, self reliance, confidence etc. While at the group level such women can be empowered by improvement in discussions and decision making within the SHG and within the family. Thus, from the individual level the empowerment can be reached up to the community level and that can result in the improvement in taking part in discussion and decision making, participation

in programmes organization and initiatives in social action, within the SHGs, family and community.

## **2) Economic Empowerment**

Economic empowerment of women is a main objective of this study, the role of the SHGs for the economic empowerment refers to gaining power, group bargaining, control on production and participation in decision making regarding economical aspects. It can be seen by this study that the approach of women in earning and saving have been notably increased after their joining to the SHGs and thus they became economically empowered.

Economic empowerment depends upon the saving habits and having banks accounts of the respondents, receiving and utilizing loans from and through the SHGs. Such loans can be mainly of three kinds like for the expense purpose, for education and for health and for local functions like marriage. The loans can also be received for the production purpose, for household items and to repay the money taken from the moneylenders.

### **Importance of Economic Empowerment**

A large portion of Indian population suffer from mal-nutrition, unemployment and poor health care due to poverty it mostly be seen in weaker sections like women, children, SCs and STs. In our country, the rural women need to be improved by high rate of illiteracy and low economic condition. This can be made by income generating assets. Employment is a way to improve their food quality, health, literacy and social status.

## **3) Political Empowerment**

Along with social and economic empowerment, the political empowerment is also an important factor. In the political empowerment such capabilities are included like membership in organization, taking part in Gram Sabha, contesting elections, taking responsibilities in committees of Gram Panchayat, active involvement in village level meetings, decision making capacity, to manage the SHGs efficiently and so on.

## **Psychological Empowerment**

The psychological empowerment makes the poor rural women to become strong in taking part in all matters and activities related to individual, village and the SHGs. Through psychological empowerment, the members are better off in consciousness, high self esteem, self-reliance, awareness of rights, determination, positive approach, capacity to face issues, knowledge, new ideas and skills.

## **Meaning of Sustainable Development**

Several developmental programmes have been initiated to empower the women on sustainable base but such initiatives do not prevail for long because of such programmes and projects are ceased with the completion of their duration period and the approach of overall development mostly seen a missing element and that can be a major problem in sustainable development of the poor rural women.

**According to an UNDP Report (1994:4),**“Sustainable Development is development that not only generates economic growth but distributes its benefits equitably; that generates environment rather than destroying it; that empowers people rather marginalizing them”. It stresses to the poor, widening their choices and chances and empower them in decision making related to them. “It is development that is pro-poor, pro-nature, pro-jobs, pro-women and pro-children (Srivastava 1998:25)”.

**According to Barbier (1987:14),**“Sustainable Development is one which is directly concerned with increasing the material standard of living of the poor at the grass root levels which could be quantitatively measured in terms of increased food, real income, educational services, health care, sanitation and water supply, emergency stock of food and cash etc. and only indirectly concerned with economic growth at the aggregate national level”.

As specially, sustainable development aims at minimizing the poverty by providing sustained and secured livelihoods that reduce depletion, environmental degradation, traditional interference and social incapability.

For sustainable development of rural women, it should be focus on developing the ability of women by the empowering their economic, social and decision making levels. This has been achieving up to a large extent through setting up of the SHGs.

### **Sustainable Development of Women through Institution of SHGs**

In nearest past, Sustainable Development of women has come out a note-worthy issue. It was taken as a milestone of development for the nation; thus economic sustainability is of utmost significance to social scientists, economists, policy makers, reformers and NGOs. The SHGs have prepared a way to poor women for financial sustainability and liberty.

The micro entrepreneurship can strengthen the sustainable development of women and sets the gender equalities. The SHGs provide micro-credit to its members to start a small scale enterprise to overcome the poverty and to make up the sustainable development of the society. Rural women are playing a role both in farm operations and domestic chores. Besides they are capable to handle the entrepreneurial activities with their thrift and are capable to improve the income levels of their families, and community.

Rural women achieve sustainable development by keeping associated with the technical knowledge for how to get along with dynamic scenario of the production field. By acquiring new skills they are able to start their own business for their sustainable development and their capability to develop other women of their villages.

They are not only developing with sustainable economy but also eligible to make other women financially sustainable by providing job opportunities. They, with the sustainable economic development are eligible to contribute to the family's, community's and the nation's development.

### **Sustainable Development Goals & SHGs**

The UN General Assembly adopted the 2030 Development Agenda titled, transforming our world: the 2030 Agenda for Sustainable Development. The Official Agenda for Sustainable Development adopted on September 2015 outlines the 17 Sustainable Development Goals.

SHGs play a very important role in attaining the Sustainable Development Goals. SHGs could be pre-microenterprises for a majority of rural poor and there was existence of strong synergies between micro-savings, micro-credit and micro-enterprises.

- Goal 1: No Poverty
- Goal 2: Zero Hunger
- Goal 3: Good Health and Well-being
- Goal 4: Quality Education
- Goal 5: Gender Equality
- Goal 6: Clean Water and Sanitation
- Goal 7: Affordable and Clean Energy
- Goal 8: Decent Work and Economic Growth
- Goal 9: Industry, Innovation and Infrastructure
- Goal 10: Reduced Inequalities
- Goal 11: Sustainable Cities and Communities
- Goal 12: Responsible Consumption and Production
- Goal 13: Climate Action
- Goal 14: Life Below Water
- Goal 15: Life on Land
- Goal 16: Peace, Justice and Strong Institutions
- Goal 17: Partnerships for the Goals

Out of this goals No Poverty, Zero Hunger, Good Health and Well-being, Quality Education, Gender Equality, Reduced Inequalities are achieved through SHGs. Research studies done on SHGs show that they have been able to achieve economic, social and political empowerment. Economic empowerment and Banking behaviour has clearly occurred in the SHGs. The fallout of economic empowerment has lead to social empowerment. This is reflected in their awareness regarding social problems facing women particularly poverty, domestic violence and child marriages. However, political empowerment of women is yet not much visible. Thus, political empowerment will have to be boosted by encouraging women in public life at least in Local Governance Institutions.



## SHG - Bank Linkage Programme

SHG-Bank Linkage Programme (SBLP) has started before about 20 years. Aimed at ‘reaching the unreached’ and ‘improving access of weaker and other society-sectors. To institutional finance’, the SBLP is a **frontalattack on financial exclusion** through social engineering with a tag line, ‘*banking with the poor.*’ By the time, the programme could meet the requirement of unbanked people to evolve supplementary credit access for to reach the poor in villages like agricultural laborers, in a cost effective way. In February 1992, NABARD has launched its pilot phase of the SHG bank Linkage Programme which was a milestone development in banking with the poor that has the following objectives.

- To create trust and confidence between the villagers and the bankers.
- To link with sensitive, flexible and positive responses of credit system with the strength of capacity of the management, of technical and of economical sources of the financial institutions.
- To enlarge credit flow/ financial services to the poor village women with minimum charges.
- Empowerment of the women by alleviating poverty.

### **The two key steps in promoting SHG-Bank Linkage are:**

- Opening of SHG Saving Bank Account; and
- Facilitating Credit Linkage to SHG

SHG should form a saving Bank account into a nearest Bank Branch, ideally within two months of creation of the Group.

**The steps should be followed as under to open a saving bank account.**

<b>Step - 1 SHG Resolution</b>	Passing of resolution, with the signs of all the members to open a bank account.
<b>Step - 2 Office Bearers</b>	As part of the resolution, SHG should select three members of the group with a condition that any two can operate the SB A/C.
<b>Step - 3 Application to open SB A/C</b>	Guide the SHG in filling up a form to open a saving bank account; the form should be signed by all the office bearers selected by the SHG.
<b>Step - 4 SHG Seal &amp; photograph</b>	Each SHG requires to have its stamp, the colour photos of the selected bearers with photocopies of ID and address proof documents
<b>Step – 5 Bank-visit</b>	To open a bank saving account, the SHG members should go to the bank with all required documents.
<b>Step – 6 No - Frill account</b>	The SHGs may also open ‘no frill a/c’ with ‘zero balance’.
<b>Step – 7 Regular Banking</b>	SHG should be encouraged for regular transaction to preserve good relation with the bank.

(Source: *Handbook on SHG - Bank Linkage*, NRLM)

## **Credit Linkages of SHG**

Preparation for a link of credit to SHG should ideally start in the fifth month of creation of the Group.

### **Eligibility Criteria as per NABARD Guidelines**

SHGs fulfilling following criteria are eligible for availing first credit linkage:

- SHGs completing six months of existence;
- SHGs following ‘*panchsutras*’; (regular meetings, internal loaning, timely repayment, proper book keeping).
- Mandatorily trained SHGs.
- The recovery of all loans should not be less than 85%.

## Interest Rate Structure under SBLP

Particulars	Existing Interest Rate (percent per annum)	Revised Rate
NABARD Refinance	6.50 %	No Change
Banks to SHGs	12.00 %	As decided by Banks
Banks to NGO	10.50 %	As decided by Banks
NGOs to SHGs	12.00 %	As decided by Banks
SHGs to members	As decided by SHGs	No Change

(Source: NABARD)

### Bank Loan:

The funding support from the Mission is essentially intended to play as a catalyst for the groups to borrow larger amounts from the banks in a steady way such that in about 5 to 6 years, each SHG is able to receive a credit of Rs. 10.00 lakhs. The circular issued by RBI in this connection recommends the following amounts of loans:

- **First Dose:** A loan amount equal to 4 to 8 times the SHG-saving or Rs. 50,000/- whatever is higher;
- **Second Dose:** A loan amount equal to 5 to 10 times the present savings and future saving within twelve months or Rs. 1.00 lakh, whatever is higher;
- **Third Dose:** A minimum loan of Rs. 2.00 lakh, depended on the Micro Investment Plan and
- **Fourth Dose onwards:** A loan of Rs. 5.00 to 10.00 lakh, depended on the Micro Investment Plan.

### Principles of SHG-Bank Linkage

- a) Savings and then crediting.
- b) Bank loans to the members through SHG.
- c) Deciding the credit by SHG to lend the group members.
- d) Rate of interest, terms and conditions for lending to members, are decided by the SHG.
- e) Ratio between savings and credit can be increased on a good repayment record.

f) Small loans and credit cycles are to be defined clearly.

## **Benefits of SHG Bank-Linkage Programme**

### **Benefits to the Banks**

A valuable village credit system, minimizing of transaction charges, enhancement in recovery, beneficial offer as 100% refinance from NABARD at less rate, simple loaning procedure & documentation, pool of savings linkage with rural poor, fostering rural publicity that builds/improves bank linkage and the rural poor's confidence on banks.

### **Benefits to NGO**

Facilitates developmental attempts, carries up the social programmes to economic programmes, credit plus approach can outreach to the needy, NGOs become agents for socio-economic change, an economical intermediation for unbanked and backward areas, coming out of NGOs as a chain between banks and the poor and spreading of a new credit delivery.

### **Benefits to SHGs**

A media for improvement of saving habit among the poor, cover-up a wide quantum of sources, availability of expense or production credit at the door, measuring of financial operations, support to different promotional help, freedom, equality, self- reliance & empowerment and a way to better technical or skill up gradation.

## **Effectiveness of Self-Help Groups in Indian Context**

The SHGs are fast coming out as powerful mean of economical empowerment of the poor village women. It is a small body formed by the poor rural women to meet some objectives, especially to financial access. The SHGs are originally formed on the base of endowment of bonding existing capital of society. The SHG can provide the social capital production by forming of new linkages, by strengthening the cooperative ability to reach to success of group management. The SHGs grow to articulate the needs of the society as the groups are aware of their rights and attitude to bureaucrat ate with officials and thus the SHGs become better responsive to the requirements of the society. At a time, the SHGs were initiated to provide financial benefits to the group members now became a co-operative frame work for collaborative actions/functions. Consequently some other community level institutions come out where in SHG members are selected. In SHGs, the group members are required to save and to have the

hereditary saving ability regularly. Assessment of credit is better than cheap subsidization of credit which involves intricate bureaucratic procedures; the poor are the best judge of their credit needs and are good users and re-payers of credit when formed in group. A notable feature of the group is that before its linkage with any financial institution, credit discipline is imbibed through SHGs with banks has improved the socio-economic condition of its member, impacted on income, saving, and self-confidence. SHGs have succeeded in addressing the interests of women in a sustained manner. They are extremely useful in generating savings and ensuring successful credit assistance to individual women. In addition, they serve as an ideal mechanism for bringing women come out of homes, being more articulate and honoring their leadership qualities and their skills as motivators.

## Last three years progress of the SHG - Bank Linkage programme

(No. of SHGs in lakh, Amount in crore)

Particulars		2014 - 15		2015 - 16		2016 - 17	
		No. of SHGs	Amount	No. of SHGs	Amount	No. of SHGs	Amount
SHG balance in Bank account as on 31 <sup>st</sup> March	<b>All Women SHGs</b>	76.97 (3.59%)	11059.84 (11.74%)	79.03 (2.68%)	13691.39(23.79%)	85.77 (8.53%)	16114.23 (17.69%)
	<b>% of women Groups</b>	86.41	83.77	85.58	87.91	85.36	88.64
	<b>% of NRLM Groups to total</b>	39.65	40.00	43.74	45.61	43.65	46.87
Loans credited to the SHGs during the year	<b>No. of SHGs extended loans</b>	16.26 (19.03%)	27582.31 (14.84%)	18.32 (12.67%)	37286.90 (35.18%)	18.98 (3.60%)	38781.16 (4.01%)
	<b>All women SHGs</b>	14.48 (25.69%)	24419.75 (16.07%)	16.29 (12.50%)	34411.42 (40.92%)	17.16 (5.34%)	36103.13 (4.92%)
	<b>% of women groups</b>	89.05	83.53	88.92	92.29	90.42	93.09
	<b>% of NRLM Groups to total</b>	39.54	34.40	44.54	45.02	46.69	44.70

(Figures in parentheses indicate increase/decrease in compare to past)

**NABARD is proud to say that the “Self Help Group - Bank Linkage Programme, which is largest Micro-finance programme in the world, today touches 10 crore households through more than 85 lakh SHGs with deposits of about 16114 crore and annual loan offtake of 38800 crore and loan outstanding of nearly 61600 crore”.**

(Source: Status of Microfinance in India 2016-17: A NABARD publication)

## **Social Work Relevance in SHGs**

The current time is known as era of teamwork, cooperation, correlation and coordination. Nothing can exist in isolation. Every branch of knowledge is connected, interdependent and has derivation of development and growth.

Self Help Group, as a development modality, is self initiated, locally development efforts based on the principle of working collectively. As it is explained in Larkin (2004), “Social work is a profession that is geared toward helping underprivileged members and addressing the well being of the society as a whole”. Thus, the basic concept of SHGs and the fundamental idea of Social Work have close working relationship.

Villages are faced with problems related to poverty, illiteracy, lack of skills, health care etc. These problems cannot be tackled individually but can be better solved through group efforts.

### **Case Work Approach**

Case work is when you are involved individually with a client who has a problem. It involves interaction with client or a family unit. It involves identifying the problem, sharing the task of problem-solving with client, and setting a deadline for achieving the goals.

The researcher help the SHG members personally to come out of the world as they are plugged by illiteracy and ignorance and also help the families in solving their problems to make it possible to lead satisfying and useful life. This method shall be used to solve problems of domestic violence, women’s health issues, lack of women’s participation in community etc.

### **Group Work Approach**

The group work approach, involves interaction between a social worker and a group of people with the same needs. SHG is a group concept which requires social group work method to deal

with issues of group meetings, repayment of loans, internal misunderstandings, motivate to undertake various income generation activities etc.

The group approach helps the people specially the poor and marginalized women in getting justice, self-reliance and inclusiveness by mobilizing their internal strength and social reciprocities.

### **Community Organization**

The role of the social worker in community development is important. This method helps the community to identify their needs, and find ways of satisfying them. This involves a lot of planning, hard work and good communication skills. Many schemes are available for development of community women. Hence, it is necessary to make them aware about the schemes.

### **Social Work Research**

Social Work Research would help to find purposeful solution for the problems faced by self help groups such as economic exploitation, problems in identification of proper enterprise, unemployment, insufficient earning, school dropout, girl's education, addictions, malnutrition etc.

### **Social Action**

With the help of this method, the members of Self Help Groups can voice their view on village level and social problems like child marriage, school drop out, domestic violence, proper drainage facility, proper supply of water etc.

Self Help Groups, as the strategic intervention, has brought changes in the life of women which was revealed during the study. The improvement was observed in their capacity, confidence, attitude and self-worth in the life of the women members under study. The SHGs provide them the platform for regular interaction which strengthen mutual trust, cooperation and networking among them. It in turn helps in building and bridging of social capital in the local communities.

Considering the above mentioned points, Self Help Groups, Micro-Enterprise and Women Empowerment would be an ideal field of practice for social work professionals because of the existence of abundant social problem.



Self Help Group is such a platform where the professional social worker might play a multidimensional role. Thus, the concept and process of SHGs has greater relevance with Professional Social work practice in terms of the core values, approaches and philosophical foundations.