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Evolution Of Self-Help Groups In India: It's Need And Function.

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Abstract

Development of the self-help groups model of microfinance and social empowerment project. The paper relies on a qualitative research design and secondary literature to discuss the expansion, issues and effects of self-help genres in enhancing financial inclusion, alleviation of poverty as well as community development. Self-help groups have brought both the economic independence and social stature of the marginalized societies (especially women) by giving them access to funding, skills, and social support as indicated by the study. Another concept developed in the study is the concept, history, major properties, uses as well as the need of self-help groups, and the major barriers which may be faced by these organizations.

Keywords: Self-help, Evolution, Development, Community, Challenges.

1. Introduction:

The human agency, activity, and self-reliance are the social development strategies whose promotion Self-help group accomplishes. They distribute through a number of channels so as to offer various financial services. Self-help groups are now a strong tool of economic and social empowerment particularly in developing countries. The development of self-help groups is one of the available pieces of evidence that humans and communities collaborate to improve their lives and defeat challenges. The concept of self-help groups was initially developed in 1970s when the development of the informal groups aimed at mutual support and co-operation took place. Self-help groups have grown in size and scope over the years and have addressed various issues which include social injustice, financial marginalization and poverty. Governments, non-governmental organizations, as well as the financial institutions have supported the self-help organizations because they can contribute to the inclusive development. Self-help groups have enabled millions of individuals and particularly women to have access to social support, financial services and acquiring skills. They have enhanced health and education levels, improved community developments and have reduced poverty. Self-help groups progress being a dynamic and continuous process is determined by both needs and experience of its members. The self-help groups continue to impact in a positive way in communities worldwide as they grow in places and transform.

2. Objectives of the study:

i) With the aim of illuminating the development of the self-help groups in India.
ii) To find out the impact of self-help groups in women's empowerment.
iii) To examine how the self-help groups work in India.
iv) To determine the problems or the issues that self-help groups encounter.

3. Research methodology:

Research methodology depicts how the research has been set-up, the design of the research and the pattern of the research. The research design is a concern of the social research work. Research methodology serves as a blue print and planning sheet of the entire research work and it indicates the setup pattern and the design of the research. Design refers to coming up with a given plan, by which a researcher would be able to carry out his research task in a planned manner.

Research design:
Research design is not as imagined an actual logical and systematic plan that helps the researcher to carry out his plan. Any research is very important to have a proper research design as without good planning issues would come up. It is due to that reason that a sound research design can be termed as blueprint of the research work. A good research design spells out the goals of the research work and the planning of the methodology and techniques to be employed to achieve the goals. As part of talking about the changing nature of Self-Help Groups a qualitative research design has been adopted to study the matter. Such a strategy enables the investigation of the dynamics, challenges, and successes in social and economic development of self-help groups over time in India in a detailed way.

Collection method:
Secondary data: In this research study secondary data has been obtained by referring to various articles, thesis, book review, Government sources, newspapers and reports prepared by many surveys conducted by national, international and local organizations.

4. Analysis and Interpretation:

The self-help group is simply a small economically homogeneous group of 10 to 20 women related in a village formed by the village related women who constitutes a self-help group. The economic empowerment of women is most important in self-help groups. The groups of poor and marginalized women are mobilized so that they could lift their lives by ensuring that personal problems are solved. The groups receive members to contribute money, which they hand out to banks in exchange of low amounts of money as a loan that they utilize in undertaking businesses. Self-help group is actually founded on the conditions of mutual cooperation, mutual relationship, mutual trust and mutual respect to the members, in which the members get confidence and move towards a particular goal tout ensemble. Self-help group consists of a voluntary organization where the members address their own personal problems together by discussion and it develops a fund by their small savings. Everyone is headed by a leader who wears the president mantle and who is usually charged with the responsibility of keeping the books and accounts of the daily activities of operation. The members access the loans via internal and through the mainstream banks and also through the various governmental and non-governmental agencies. Then the members invest the money of that loan in different areas such as poultry, dairy etc.
To differentiate between different methods of treatment it is necessary to understand the origin of self-help groups.
The origin of self-help group was an idea of Grameen Bank that was started by Professor Economist Dr Mohammad Yonus in 1975 in Chittagong University, Bangladesh to give loans to the poor at low interest. He or she practiced the concept of self-help groups in offering financial support to the rural poor and establishment of economic and social development in the ground. On which he won the Nobel Peace Prize in 2006.He is termed as the founder of industry of microfinance.

Characteristics of self-help groups:
i) Less Number of Members: SHGs usually consist of 10-20 people, which makes it easy to make decisions and communicate.
ii) Voluntary Membership: Self-Help Groups attract members through common interests and mutual trust thus the members join voluntarily.
iii) Collective Savings: Member donate to a fund which is used to support and loan their fellow members in the organization.
iv) Revenue earning activities: SHGs are often employed in activities such as agriculture, handicraft and small enterprising ventures.
v) Skill Development: To improve members' employability and skill sets, Self-Help Groups may offer training and capacity.
vi) Decision-Making: SHG tend to be managed through group decision-making, in which members contribute in the deliberations and formulations.
vii) Financial Management: Self- Help Group members collaborate to manage their money and the fact is that they save and they repay loans.
viii) Social Support: SHGs help to solve social and personal challenges by providing the members with emotional help and with a sense of community.
ix) Empowerment: Self-help groups also aim at empowering their members especially women through nurturing social stature, self-confidence and financial freedom.
x) Records Maintenance: The groups have records of the membership register, loan book, savings book and so on.

Functions of self-help groups:
i) They work to increase the impoverished and marginalized groups' functional ability in the areas of employment and revenue generating activities.
ii) They also give them loans that are non-secured to some section of people that usually find it hard to get bank loans.
iii) The terms and conditions of loans and savings are often discussed between the members.
iv) They are also resorting to group leadership and mutual dialogue to resolve conflicts.
v) They also are a major provider of the microfinance services to the poor.
vi) Participants of self-help groups donate some of their income regularly to a general pool.
vii) They also instill the habit of saving to poor individuals.
They also resolve conflicts through group leadership and group discussion.
At least in the rural areas, they act as a conduit that allows the official banking services to venture to the poor.
x)Also, they encourage saving among the poor people.

The effect of self-help groups on women empowerment:

i) Personal empowerment: Gaining control over one's life, making wise decisions, and taking responsibility for one's own development is referred to as personal empowerment. This involves self-awareness, resiliency, self-assurance and self-independence. Talking about empowerment on an individual level, individuals can strive to be in control of their life and develop a sense of self-confidence that will allow them to achieve their goal.

ii) social empowerment: Social empowerment refers to the rising by offering people or groups the aptitude to control their lives, make sound judgment, and involve themselves in society in an adequate method. It included participation, promoted self-decision-making, higher self-esteem, acquired a positive perception of self-worth and self-confidence, enhanced accessibility to resources, and greater participation in social, economic and political matters. The social empowerment is needed in order to create more equitable and just society into which individuals and groups can thrive.

iii) Economic empowerment: Ability to make prudent financial choices and active participation in the economy by people or groups is called economic empowerment. It enhances financial stability, reduces financial insecurity, poverty and economic pressure, assist individuals in making prudent financial choices and assuming control of their financial destiny, and heightens education level, skills training, and career advancement opportunities. Economic empowerment can transform individuals, groups and civilizations and can increase economic growth and reduce poverty and general wellbeing.

iv) Political empowerment: Political empowerment is the capacity that allows women to participate actively in the politics to influence decision making. The means of political empowerment are political knowledge, participation in political events, political candidacy, enrolment in local organizations, positions of power, etc. They are also pressure groups that influence and shape the decisions and direction of politics and bring about new issues that relate to politics. Political empowerment is the ability to analyze, organization, and mobilization. The political empowerment necessitates the establishment of a democratic and inclusive society, whereby all women have a role and can participate in the decisions on their future lives.

v) Health related empowerment: The act of empowerment which involves women in taking care and control of their health and welfare is called health- related empowerment. It involves better health outcomes of women and their families, the reduced health inequities and disparities, and better quality of life. Empowering women to have control of their health will help with the overall well-being of women and their families, help with health outcomes, reduce health inequities, and more.

vi) psychological empowerment: At self-help groups women are in a position of controlling their lives by enhancing their self-esteem and confidence. Self-help groups involve the women in training to acquire new skills which lift their economic status and ability to be employed easily. Moreover, it also gives a supportive environment through which it can help women cope with stress and other mental issues.

Development of self-help groups:

The development of Self-Help Groups in India has played a significant role in development of financial inclusion and empowerment of disadvantaged population, particularly the women. It is possible to speak about three primary stages of the development of self-help groups in India. They have been stated as follows:

i) The years 1985-87: The concept of the Self-help groups evolved through Self-employed Women association of India (SEWA) which was founded by Ela Bhatt in 1972. The objective of SEWA is to mobilize the women in the informal sector and provide them with possibility to obtain loans, skills training, and market access. India was the first country with the help of Mysore Resettlement and Development Agency (MYRADA) which started its operations in 1968 under the Mysore Societies Registration Act 1960, SHGs started to form, as this was seen as a community based approach towards livelihood building and financial inclusion.

ii)Phase I(1987-92): The financing mechanism of the self-help groups was recognized as viable by the Reserve Bank of India in 1990 and NGO activities in support of self-help groups were supported by NABARD.

iii) Phase II (1992 onwards): The Self Help Group Bank Linkage Programme has been the biggest microfinance programs through this and was initiated in 1992 and has now served as the largest microfinance program in the world.

Self-help group concept was popularized in Bangladesh after which in 1987-88 in one of the non-governmental organizations was promoted in India under the name of Mysore Resettlement and Development Agency (MYRADA). In 1987 National Bank for Agriculture and Rural Development (NABARD) provided 1 million to MYRADA as a grant to facilitate the working of self-help groups. In 1990, the Reserve Bank of India (RBI) identified self-help groups as a form of micro credit providers and in the year 1993, the self-help groups were allowed by RBI to open their own bank accounts. Self-Help groups idea is several years past and it plays a significant role in the renewal of the rural economy. It was founded in association with NABARD in India sometime around 1986-1987 but it actually came to exist in 1991-1992 when banks were connected with the self-help groups to offer loans. This is referred to as Self Help Group Bank Linkage Program. India has found a modified version of self-help group program in Bangladesh. The overall goal of setting up self-help groups in India is to empower them economically. With the formation of small groups, the group members maintain some amount of money in the bank, as a result they seek a low interest loan facility for the group budget directly in the bank without bank guarantee. So, the members of the groups engage in economic activities due to mutual cooperation with bank loans. The then, it could be said that the idea of self-help group has brought about a silent revolution in the rural credit delivery system in various states of the world. It is uplifting the impoverished part of the society giving the path towards solving its problems.

Requirement of self-help groups:

Self Help Groups It is an informal group of people that meets to bring change in their living conditions. Self-help groups are very important, particularly in developing nations and there are several reasons behind the same. The following are some of the significant points with regard to the necessity of self-help groups that have been raised.

i) Women Empowerment: Self-help groups provide women with a way of meeting with each other, share their experiences, acquire self-confidence which boosts their independence and decision-making capabilities.

ii) Poverty Alleviation: The self-help groups can help the members to acquire loans, develop sources of income and increase their level of financial security.

iii) Credit Facilities: Self-help groups also provide its members with credit facilities to start their businesses or expand.

iv) Savings and Investing: The self-help groups motivate the members to save money and provide the secure in which they could save.

v) Emotional Support: Since joining a self-help group, members are in a conducive environment where they can discuss their problems and receive support of their fellow members.

Problems encountered by self-help groups:

In India, there are many obstacles that hinder effectiveness and sustainability of Self-help groups. Some of the greatest challenges include:

i) A lot of SHG members do not know how to manage their money well because they are oblivious of the banking and financial management.

ii) Lack of training and skills on SHG leadership often causes poor management and decision making.

iii) SHGs could also have sustainability issues in that they might over-rely on the help of a government or non-governmental organization.

iv) Member wrangles or insecurities can impede group dynamics as well as group decisions.

v)Many women are not in a position of coming out due to the patriarchal mentality.

5. Conclusion:

Self-help groups have achieved the excellent transformation of collectivity, perseverance and determination. Since their humble beginning to their widespread working currently self-help groups have been offering social support, finance provisions, and skill training to millions of people more so women. The self-help groups have been able to demonstrate skills in helping in inclusive development, poverty alleviation and community empowerment despite the challenges. Self-help groups continue to influence the positive change as they evolve and improve and aims to make a better and just society where everybody can prosper.

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