



AN EVOLUTION OF SELF-HELP GROUP AND ITS CONTRIBUTION IN INDIAN SCENARIO

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ABSTRACT

Self-Help Organizations (SHOs) play a critical part in the improvement of India's economic situation. Economic development is expected to benefit greatly from their efforts at all levels of company. Entrepreneurial success depends on a variety of aspects, including social, economic, religious, cultural, and most crucially, psychological ones. The "Swarnjayanti Gram SwarajgarYojana" (SGSY) was created in April 1999 as a consequence of widespread agreement on the necessity of revising the Integrated Rural Development Program (IRDP). SHGs, skill upgradation, ability building, technology, lending connection, infrastructure, and product marketing and development were all part of this project. It can be inferred that the economic performance of sample SHGs in PurbaMedinipur district on savings habits, loan usage, asset value, linking activities and the loan portfolio had greatly improved over the research period. After joining SHGs, the economic well-being of the families of SHG members was shown to have risen dramatically. The survey also revealed that SHG members have gained economic autonomy as a result of their involvement in income-generating activities through SHGs.

Keywords: Self-Help Group. Economic, Contribution, Development

1. INTRODUCTION

As a consequence of widespread consensus on the demand for modifying the Integrated Rural Development Programme (IRDP), "Swarnjayanti Gram SwarajgarYojana" (SGSY) was implemented in April 1999. This effort was focussed on development of the rural impoverished into SHGs, skill up-gradation, ability building, technology, lending linkage, infrastructure, and product marketing and development. SGSY has been created with a clear purpose to lift up the families that comes in the category of BPL by giving financial help and so make them to live higher standard living, with active engagement in micro-enterprise.



This course is intended for rural women for those with talents and need for skill training to be a competent entrepreneur. SGSY is intended microfinance and micro credit incorporating micro enterprise makes the rural women into SHGs to improve skills, offer job possibilities, to generate a noticeable shift in infrastructure, technology, market accessibility and credit. The SGSY is framed to include the following 3 main methods. The notion of self-help group can be traced back to the late 90s when small informal group of individuals create an organisation and save funds on a monthly basis for the future needs and services. These rural credit systems are guarantee-free, self-governed and peer monitored. Groups are generally homogenous that is, established by persons of similar economic cultural and social backgrounds.

2. SHGS IN INDIA

There have been more than two million self-help groups in India since 1985 because to the Self-help Affinity Groups organised by the Mysore Resettlement and Development Agency, which were established in 1985. (MYRADA). A total of about 300 SHGs worked on Myrada's projects between 1986 and 1987. A lack of trust in the leadership and bad administration led to the dissolution of many big cooperatives, which gave rise to SHGs. Myrada was approached by a number of members in locations where cooperatives had disbanded, requesting that the credit system be revived. There were typically 15 to 20 of them congregating at a given time. After being reminded of loans they had received from cooperatives, they volunteered to return them to Myrada, but not the cooperative since they thought it was run by a small number of people. Only Myrada received the reimbursements. Staff employees at Myrada who knew they needed training in meeting planning came together to form a task force to spearhead the project. The way they acted demonstrated that they had a level of trust and support for one another that was evident in their interactions. In terms of both their socioeconomic status and the type of employment they held, they were generally comparable (for example, agricultural labourers). As a result of this, affinity and economic homogeneity played a more important role in certain mixed groups than in others. Effective government assistance for SHGs in India began only in the late 1990s with the introduction of Swarnjayanti Gram Swarozgar Yojana (SGSY), a comprehensive programme. The goal of this initiative was to enhance rural regions by using a group-based approach to



rural development. People in rural regions who are economically disadvantaged can form Self-Help Groups (SHGs) and Microenterprises (Microenterprises) with the support of the Sustainable Microenterprise Scheme (SGSY). The SHG strategy has been a part of the Indian government's yearly plans since 2000. In the aftermath of the global financial crisis, this decision was taken. The National Bank for Agriculture and Rural Development (NABARD), sponsoring banks, non-governmental organisations (NGOs), licenced research teams, and other institutions all give follow-up support to self-help groups in India. For Indian SHGs, the Internet provides a vast range of self-help materials. Haryana Community Forest Project created a guide for rural SHG formation and a workshop instruction manual for SHGs aimed toward microenterprise. The Haryana Community Forest Project wrote both of these guides for the public's use. In contrast to the Integrated Child Development Scheme (ICDS), which employs over 1200 self-help groups to prepare food as part of the Supplementary Nutrition Program (SNP), the District Rural Development Authority (DRDA) in Haryana's Hisar district has registered 500 self-help groups (SHGs) under the SGSY to work in bead-making, shoe-making, dairy production, as well as tailoring and embroidery. In contrast, the DRDA has registered 500 SHGs under its umbrella (National Informatics Center, Hisar 2008). There were 10 SHGs functioning under the DRDA in Mangali, and there were ten SHGs under the ICDS in those places studied as a case study. SHG members hoped to improve their family's financial situation by raising their income, according to the findings of the studies (and saved). They emphasised the importance of economic incentives, personal motivation, and psychological advantages in the long-term management of small businesses (satisfaction due to improved status in the family or community). However, challenges including a lack of raw materials and insufficient market access for product sales must be solved if microenterprises are to continue expanding. One of the program's goals is to assist alleviate poverty by supporting small enterprises that, in turn, raise household income and savings and, as a result, reduce poverty. Developing micro-enterprises may help people gain a greater sense of self-worth and self-reliance, as well as a sense of community and belonging (MED). It contributes to the development of communities that are economically disadvantaged or jobless by creating new sources of income and employment.



3. NEED AND IMPORTANCE OF SELF-HELP GROUPS

Self-help organisations have grown in popularity because of the unequal distribution of income and the concentration of wealth in the hands of a few people. The absence of a bank credit system in rural regions has led to widespread poverty, widespread unemployment, and deplorable living circumstances. With the support of these organisations, the poor and women may take charge of their own economic well-being, get valuable work-related experience and education, and progressively improve their standard of living. This is a way for them to get their businesses off the ground.

4. FUNCTIONS OF SELF-HELP GROUPS

- Unformal organisations of self-employed women and other underprivileged people exist.
- All departments of the bank government should have access to active mediators.
- To instil a thrifty mentality in the members of the group
- To a certain extent, a means of eliminating poverty.
- Boosting the country's economy and manufacturing output.
- Disseminating information about legal rights, expertise, and resources to ensure that businesses run smoothly
- Encourages rural folks to work together and feel a part of the community.
- The ability to make better decisions and to live a more fulfilling lifestyle
- Encouraging followers to become self-reliant and self-reliant.
- Allowing all those who are economically disadvantaged, impoverished, and reliant on others to participate in this mutual cooperation in order to better their own situation and propel their own growth.
- Group members meet regularly to discuss community issues and examine credit and fund-related topics.
- Financially and socially enhancing all group contributors so that everyone benefits from their voluntary engagement in the group by using methods and availing programmes.



- Advises on commerce, endorsements, and merchandising through an expert advisory council
- Setting the maximum number of new members a group can accept.
- Encouragement and inspiration for members to work together for similar goals and pool their funds until they are able to lend money from the pooled capital themselves.
- Unifying, faith, and self-confidence in group members so that they may face their own issues with mutual support and be a driving force for growth are some examples of this type of training.
- Affiliate the disadvantaged and impoverished population with group assistance for self-help purposes.
- Increasing the knowledge, skills, and abilities of group collaborators with careful consideration.
- Providing support in grasping the fundamentals of statistics and trade in general, as well as expanding their knowledge of transactions and commerce.

There are five Ps related to it, which are as follows:



Figure: 1 Functions Figure 1 of SHG



- **Propagator of Voluntarism:** Self-help groups are selfless in nature. They use it as a recruiting tool to bring in more and more new members. Because self-help organisations are made up of people who volunteer their time and effort to help others, there are no barriers to admission or departure.
- **Practitioner of Mutual guide:** Unlike corporations, self-help organisations do not have formal structures in place. The members of self-help groups have equal rights and guide each other in making significant decisions on the group's day-to-day and long-term operations.
- **Provider of convenient Emergency mortgage:** In times of crisis, self-help organisations can serve as a shock absorber for its members. Members of a self-help organisation volunteer to aid and rescue their fellow members through difficult times.
- **Promoter of Thrift and financial reserve funds:** Help for members in credit and thrift is provided through self-help organisations. Small contributions and loans to the most in need members are the foundation of this system.
- **Purveyor of credit score:** Credit and thrift self-help groups often keep track of borrowers' credit scores and make them available to other parties if necessary.

5. PRINCIPLES OF SELF-HELP GROUPS

When there is a lack of resources, knowledge, direction, infrastructure and facilities in distant places where people are living in poverty, they may still make a positive change in their lives by working together to generate employment elements and productive fruitful conditions. This little but potentially powerful progress toward a transformation and eradication of poverty is made possible by the combined strength and effort of everyone involved: allowing for a fair distribution of income and a higher quality of life for rural dwellers.

- In order to ensure the proper operation of these organisations, it is essential that they keep accurate and updated records and accounting.
- There should be a rotational leadership method that allows everyone to experience the roles of supervisor, guide and service provider.
- Having at least 15 to 20 members in your self-help group will assist you achieve your pre-determined goals and objectives.



- In order to make the groups more effective, regular meetings and debates, as well as careful financial management, are required.
- Balance and stability are achieved in the working of the group when the members' social and cultural backgrounds are homogeneous. Members of the group will not be discriminated against or disadvantaged in any way.
- To ensure the group's success, all choices must be taken in unanimity, and this includes the active engagement of women in decision-making, ensuring that all members get equal weight.
- Rules and regulations for self-help groups should be flexible, adaptable and productive in order for them to be successful.
- The outcomes should move towards achievement of goals with all the rules stated and intentional efforts and endeavours.

6. KEY FACTORS IN SHG CONTRIBUTION TO DEVELOPMENT

In order for society to progress, self-help relies heavily on the efforts of individuals. This campaign's goals include, but are not limited to, raising the voices of the poor and creating organisations that reflect their interests. The self-help movement is built on a foundation of group formation, belongingness, and the building of relationships based on mutual respect. As part of the social action theory, people are taught to take ownership of their actions. Humans are not only passive recipients of the social standards that society imposes; they are also active participants in their creation. A person's interpretation of a particular scenario may differ from another person's interpretation of the same event. SHGs can only be successful if all of these components are present. In a SHG, there are several elements that might either encourage or impede the growth of microbusinesses. The following are a few of these elements: The following are some of the things to keep in mind: Full engagement by all group members, homogeneity among group members, and transparency in group activities and functioning are among the elements that Singh and Jain say encourage group formation. [Reference required] (1995). (which fosters trust, faith, and confidence in oneself) People are more inclined to participate in a programme if they have a say in the decisions that are made at every level, according to Ranadive (2004). This is good news for everyone concerned. According to Anand (2002), a group's success is also influenced by its membership's



homogeneity. A group's homogeneity may be defined as the presence of people from the same social or economic background. It has been suggested that people with similar social backgrounds may be better able to help one another deal with stressful situations since they share coping techniques for stress, according to Suguna (2006). Being aware of your responsibilities as well as having an established framework or process with clearly defined processes and regular feedback and information updates (goals and other pertinent information) may both help you succeed. Understanding the expectations of others and adhering to an established procedure with clearly defined phases can help to ensure your success (clear and simple directives). For a goal to be considered the collective aim of a group, there must be a sufficient number of members of the group who want to carry it out. "Research shows that group goals must be clearly defined, leaders must have specific leadership training and skills, and they must take into consideration members' expectations about the group, willingness to participate, and cultural expectations and values when designing a group and implementing a specific intervention," wrote DeLucia-Waack et al (2002). There's evidence to back this up in the article "Research suggests that clear definitions of group goals." As a result, those who understand the organization's aims and reasons are more likely to participate in the group's planned activities. Participation is at its optimum degree of efficacy when participants understand that their efforts should be focused on expanding the organisation.

7. CONCLUSION

Rural women's feelings and sentiments must be taken into consideration when offering help to SHGS. Any support that is supplied should be respectful of their sentiments, presented at the right time, and not be invasive. Women's self-confidence has to be bolstered through a specialised method. This strategy also necessitates allowing the groups to mature in their own time. The creation of a fissure may occur if external factors interfere with the growth process. Institutions as well as people benefit from natural growth. Especially in rural areas, people typically lack the systematic psychological capacities necessary to deal with a wide range of stressful events. In terms of physical and financial performance, the trajectory of SHGs over the eight-year period has been very encouraging, such as the formation of groups registering an increase of over 114 percent, growth of savings-linked SHGs of 111.67



percent, growth rate of credit-linked SHGs of 129.88 percent, involvement in economic activities of 5742.21 percent, growth rate for accumulation of savings of 1237 percent, and growth rate of c In the PurbaMedinipur district of West Bengal state (India), it shows that rural poor women's mobilisation into SHGs is a silent revolution in the new century. Over the course of eight years, the growth patterns of the sample blocks and GP were identical. A key function for SHGs in the PurbaMedinipur district has been as lending units, entrepreneurs of micro units, a grass-roots organisation, financial intermediaries, and to capture the socio-economic empowerment of the rural poor, which leads to an improvement in their way of life and living status.

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