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Self Help Groups in India

Rajni Devi

M. Phil (Research Scholar), Department of commerce, Kurukshetra

Abstract: Microfinance play a vital role in economic growth of India. It is not help only rich people but also poor people of India. It works as a weapon which help to reduce poverty in India because in India most of the population related to rural area where mostly people depend on only agricultural income moreover people are uneducated and less skilled or do not know about government schemes. Then microfinance becomes most suitable or easy way of getting finance. Self help groups are the most important part of microfinance in India. It is a group of 8 to 10 people who are come together for common purpose and work for the financial requirements of each other. This paper is based on secondary data and theoretical aspect of self help group. The findings of the study suggest that self help groups are not helpful in economic growth but also women empowerment in rural area moreover financial freedom in rural area of India.

I. INTRODUCTION

In India 70% of the population lived in rural areas and meet their financial needs from the agricultural income. So that India is always facing the problem of poverty which got from the independency due to lack of education, health ,less technology and less availability of finance in rural areas. After independence India generally faced the problem of less availability of credit in rural areas except moneylenders, but these moneylenders provide credit poor people at high rate of interest moreover people just pay their interest in whole life and never become financial strong in whole life. Then India government launched microfinance concept in rural areas. Nowadays Microfinance play a big role in Indian economy. It includes different short term financial services like saving credit, leasing ,money transfer ,insurance ,etc. which help the poor people at very low cost.

A. Concept of Self Help Group

Self help groups are also one of most important part of microfinance in India. Self help groups are those groups which are self governed ,peer controlled and also an informal group of people who come together to getting financial purposes and needs. In these groups people are same background and social economics conditions. Normally 8 to 10 people make self help groups .In these groups mostly women work together and handle all actives of group. Poor people voluntarily come together to save their savings to mutually agree to contribute to a fund and to give or lend it to the needy member of group for meeting of his emergent need .SHGs make able to mobilize small saving either on monthly or on weekly basis from people who were not expected having any savings and meet common goals.

B. Functions of Self Help Groups

- 1) SHG meet weekly and non working hours.
- 2) It enhance saving habits among members.
- 3) It help members creating common funds for group.
- 4) It established link between bank or government .
- 5) Provide credit at zero interest rate and develop easy credit availability in rural areas .

II. REVIEW OF LITERATURE

Sing and Singh (2015) in their study “ Women empowerment in dairying through self help group” A study on most important dimension which enhance the rural women empowerment with the help of self help group. This study specially focused on rural women empowerment. The study was conducted in Etah district and primary data was collected through the interview. The findings of the study suggested that women became more confident after financial freedom by self help group.

Singh (2012) in his study “ Performance of self help group in India” A study of self help group as a tool which reduce poverty in rural areas of India and find a link between self help group and commercial banks of India. The study revealed that there was a difference between southern region self help groups and northern region self help groups in India.

Swain and Wallentin (2007) examined the microfinance program in India and also check the impact of it on Indian economy. The basic objective of the study was established a link between self help group and women empowerment. The data was collected from five states of India for 2000 and 2003.

The study was concluded that a significant increment in women empowerment of the self help group members moreover they were highly empowered than other women.

III. OBJECTIVES

- A. To find out the role of Self help groups in rural areas.
- B. To find out the role of self help groups in women empowerment

IV. METHODOLOGY

This study is basically based on secondary data and available literatures and qualitative techniques are mostly used for analysis of the study.

A. *Need of Self Help Groups*

- 1) In India most of the population belonged to rural area moreover it depends on agricultural so it cannot break the chain of poverty and for it collective actions are required to remove from India.
- 2) In India if people want to self employed and financial independent then they need credit moreover this type of group easily provide them credit on easy conditions.
- 3) In India long process of getting credit from Indian banks also inspire people to create such type of group where they can get loan easily.
- 4) The chance of easily income generation is high with such type of group rather than individual.

B. *Women Empowerment in India*

Women are the most important fabric in a family or country because without no family or country progress so it become necessary educate women moreover provide them wings of education , health , along with wealth .Self help group provide them those wing by which they can fly in the environment without any fear .

SHG also provide them a platform where they inspire to save money and how to use it with in limit or how to managed groups .SHG also helped them better leadership qualities or trainings of financial management and helped them to become a business women.

Because they lived in men dominant society but after the development in the social –economic conditions of India .women get equal chance in business and get opportunities to show their talent in commercial areas.

V. FINDING

- A. According to NABARD estimated that there are 2.2 million SHGs in India.
- B. The southern region –Andhra -Pradesh ,Tamil Nadu and Kerala and Karnataka, have large number of SHGs.
- C. National Rural Livelihood mission(NRLM) worlds largest poverty alleviation program under it cover 100families through 8.5 million SHGs with saving deposits.
- D. SHGs also solving various social issues in India like dowry system ,casteism,gender based discrimination
- E. SHGs become a tool of combating social problem and after it women become equal to men.

VI. CONCLUSION

SHGs are play an important role in reduction of poverty and also helpful in financial inclusion in India. These groups also balance in demand or supply of money and inspire the people to save the money .SHGs also reduce the burden of paper work on people because it handled by two or three people of group who are elected for this work by mutual concern and it also develop small business in india.



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