

A Comprehensive Study on Self Help Group (SHG) With Special Reference to Bihar

Ashutosh Bahadur

Research Scholar, Department of Commerce & Business Management

V. K. S. University, Ara.

Professor (Dr.) Sunil Kumar

College Inspector (Arts and Commerce), Ex. HOO and Dean of P. G. Department of Commerce & Business Management V. K. S. U. Ara.

Abstract

In this paper an attempt has been made to discuss the Self Help Group (SHG) and its role in development in rural area of Bihar. A Self Help Group (SHG) is a village based financial intermediary committee usually composed of 10-20 local women or men. A mixed group is generally not preferred. Most Self Help Groups located in Bihar in India. Though SHGs can be found in other countries, especially in South Asia and Southeast Asia. Member also make small regular savings contribution over a few months until there is enough money in the group to begin lending. Then funds may be sent back to the members or to others in the village for any purpose. In India, many SHGs are linked to banks for the delivery of micro-credit. The shortage of evidence on the impact on such an approach is an outcome of the complexity of these projects, which almost always have a multi-sectoral design to achieve a comprehensive baskets of aims. In the current research we consider results from a rural livelihoods Program in Bihar, one of India's poorest states. Adopting a model prevalent in several Indian states the Bihar Rural Livelihood Project known locally as JEEVIKA, relies on mobilizing women from impoverished, socially marginalised household into Self Help Groups. Additionally JEEVIKA has been instrumental in providing women with higher levels of empowerment, as measured by various dimensions.

Keywords:- Self Help Groups, JEEVIKA, Rural Development, NABARD in SHG.

Introduction

India is a country of village where the maximum population lives in rural areas and they mainly depend upon agriculture due to lack of employment opportunities in rural areas which leads to poverty. We cannot neglect the main point, it is education which makes them understand how to make progress in the economy and use innovative techniques because of poverty they do not have

sufficient funds to make development in itself. Bihar is a poor state of India and in the same way of India, Bihar is also facing a lot of problems. To make the progress, it is an essential for both male and female have to involved in the progress of economic development. To involve them it is essential that they should know how to operates the latest techniques and come to know about the schemes which are launched by the government. To achieve these motives government established Self Help Groups which can improve the condition of rural areas. Government endeavour and provide full support to the Self Help Groups. Self Help Groups plays a crucial role by providing self-employment, training, social mobilization and government subsidy and in this way it ameliorates the standard living of rural people. Self Help Groups is important because joined the low-income segments with the rest of the rural community.

Bihar has become the first state in the country to have 10 lakh Self Help Group (HG) managed by women. The group have been functioning under JEEVIRA, a World Bank supported poverty alleviation programme operational in the state since 2007 to empower women and make them self reliant.

JEEVIKA in SHGs

This program focusses on building Self Help Groups (SHGs) of marginalised women. These groups are then federated into higher order Institutions of such women at the village and local level. Cheap credit for a variety of purposes, technical assistance for various livelihood activities and encouraging awareness about various public services are the key agendas of this program. However due to the very nature of JEEVIKA's target population and given Bihar's vicious income and gender inequality, the potential for impact on women's empowerment exists.

Historically, Bihar has been one of India's most impoverished states, languishing at the bottom of the heap along various socio-economic dimation, social segregation along caste lines, gender discrimination, poor infrastructure and a near breakdown in provision of public amenities had accentuated the abysmal income levels, especially in rural Bihar. However, in recent times, Bihar has witnessed a steady turnaround under a slew of administrative reforms. In late 2006, the government of Bihar inaugurated the Bihar Rural Livelihood Project or JEEVIKA, executed by the autonomous Bihar Rural Livelihood Promotion Society and funded by the World Bank. JEEVIKA slowly became the flagship rural poverty reduction program of the government, operating in 9

out of 34 districts of Bihar under the National Rural Livelihoods Mission (NRLM). Over a period of the next 10 years, the mandate is to mobilize 12.5 million rural SHGs into 1 million SHGS (Self Help Groups), 65000 VOs (Village Organisation) and 1600 CLFS (Cluster Level Federation).

Structure

A SHG may be registered or unregistered, it typically comprises a group of micro entrepreneurs having homogeneous social and economic background, all voluntarily coming together to save regular small sums of money mutually agreeing to contribute to a common fund and to meet their emergency needs on the basis of mutual help. They pool their resources to become financially stable taking loan from collects by that group self-employed. The groups members use collective wisdom and peer pressure to ensure proper end-use of credit and timely repayment. This system eliminates the need for collateral and is closely related to that of solidarily lending, widely used by micro-finance institutions. To make the book keeping simple, flat interest rates are used for most loan calculations.

NABARD in SHGS Bank Linkage Program

Many Self Help Groups, especially in Bihar under NABARD's SHGS Bank Linkage Program borrow from banks once they have accumulated a base of their own capital and have established a track record of regular repayments. This model has attracted attention as a possible way of delivering micro-finance services to poor populations that have been difficult to reach directly through bank or other institutions. "By aggregating their individual saving into a single deposit, Self Help Groups minimise the bank transaction costs and generate an attractive volume of deposits. Through Self Help Groups the bank can serve small rural depositors while paying them a market rate of interest NABARD estimates that there are 1 million SHGs in Bihar, representing 10.9 million members, that have taken loans from banks under its linkage program to date. This does not included SHGs that have not borrowed.

Advantages of Financing Through SHO

- (1) An economically poor individual gains strength as part of a group.
- (2) Besides, financing through SHGs reduces transaction costs for both lenders and borrowers
- (3) While lenders have to handle only a triple SHGs accounts instead of a large number of small-sized individual accounts, borrowers as part of a

SHGs cut down expenses of travel (to and from the branch and other place) for completing paper work and on the loss of work days in canvassing for loans.

- (4) Where successful, SHGs have significantly empowered poor people, especially women in rural areas.
- (5) SHGs have helped immensely in reducing the influence of informal lenders in rural areas.
- (6) Many big corporate houses are also promoting SHGs at many places in India.
- (7) SHGs help borrowers overcome the problem of lack of collateral. Women can discuss their problem and find solutions for it.

SHGS and Rural Development

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

In Bihar 76% population of the rural people depend upon agriculture with the help of SHGS and the agriculture department of rural development and agriculture department could be effectively followed. It also establishes link with the animal husbandry and dairy development so that the rural people who mostly depend upon dairy, poultry farming, sheep breeding are preferred activities among rural people can take facilities which are provided by them. SHGS provide services for the eradication of diseases like tuberculosis, polio and Acquired Immune Deficiency Syndrome (AIDS) which are common among the rural people through communicating them about the benefits of programs launched by the health ministry. Most of the rural people do not know about birth control pills SHGS try to teach them. how to use it and what precautions they should take. SHGs give an adult education to the rural people so they come to know about the safe sex they can do through associating many NGOs and other development interventions.

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

India's JEEVIKA program, financed by the World Bank, is the countries largest state level program working exclusively with women from poor rural family across the state of Bihar. Between 2008 to 2020, the project has worked with more than 12 million rural women organised into 1.03 million Self Help Groups to include them in economic activities by giving them access to finance and market and improving their health and nutrition practices. During the COVID-19 pandemic, women's groups under NRLM the national program modeled on JEEVIKA, have been among the first to respond, making more than 168 million face masks, running over 1,22,600 community kitchens and facilitating the delivery of 2.3 billion dollar in financial assistance to more than 206 million women.

Objectives of the Study

The primary objective of this paper is to know about SHGs and how is it helpful to development of rural areas especially in Bihar.

In additional to this the following specific objectives are set to achieve.

- (1) To know how many women are benefited through SHGs in JEEVIKA
- (2) To know the role of SHGs in micro-finance.

Hypothesis

The hypothesis which are considered for the study are given below.

H1- Many women of rural areas in Bihar can get benefit from SHGS.

H2- SHGs cannot remove whole unemployment from Bihar.

Research methodology

In this study, the data and information relating to SHGS were collected from secondary sources like websites, various journals newspapers etc.

Conclusion

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

SHGS under JEEVIKA programme have been helping over 45 lakh households during the COVID-19 pandemic. During COVID-19 pandemic, JEEVIKA has benefited 45.5 lakh households through its various activities, such as production of 2.14 crore masks, running "Didi in Rasoi" outlets to serve food to quarantined people in patients, disbursal of Rs. 350 crore worth loan to village organisations for food security and health risk mitigation, running community-led rural retail shops for supply of essentials and organising community professionals for extensive campaigns. Ater ending of COVID-19 pandemic, many women are effected due to less employment. Now a day nearly 1.20 crore women had got involved with over 10 lakh SHGs. They have scripted a new sega of women empowerment, which is visible in the rural areas. They have vailed Rs. 12,200 crore worth loan from banks so for to starts their own income-generating activities and repayment has been timely. They have repaid loan worth Rs. 5,000 crore to avail fresh loan. They also have Rs. 1,350 crore worth savings for inter-loaning amongst it's members. So that, SHGs plays the important role in development of rural area.

References

- (1) Stuart rutherford: Self Help Groups as micro-financial providers: how good can they get ? micro. 1999,p.9
- (2) EDA and APMAS Self Help Groups in India A study of the Lights and shades, CARE CRS, USAID and GIZ, 2006 p-11
- (3) Yojana Magazine, Wikipedia, The Hindu & The Google.
- (4) Narayanaswamy (2005), Micro-credit and Rural Enterprises, Journal of Rural Development.
- (5) Luke, N. and Munshi k. (2011), Women as agents of change: Female income and mobility in India, Journal of Development Economics, 94(1), 1-17.