

ROLE OF SELF-HELP GROUPS IN RURAL DEVELOPMENT OF HARYANA

MANISHA DUDEJA

Assistant Professor in Commerce, Arya PG College, Panipat

ABSTRACT

Haryana is a state with nearly 65% rural population residing in around 7300 villages. It is mainly an agrarian economy, with nearly 12% population living below poverty line. Poverty eradication has been one of the main objectives of planning process and rural development programs. Self Help groups have become one of the important tools in eradicating poverty. This paper attempts to understand the role of SHGs in the development of rural Haryana.

Keywords: Self Help Groups, women empowerment, Haryana.

INTRODUCTION

Self Help groups are informal associations of women in the age group of 18-20 years, who come together to earn a livelihood for the common good of the group. It is a movement targeted at women, where women are active participants and decision makers. Since last four decades SHG movement has moved from making pickles and spices to making LEDs, processing gourmet food items, running printing press, making handmade jewellery and so on.

HISTORY OF SHGs

The origin of SHGs can be traced back to formation of Self Employed women's Association (SEWA) in 1970 by Ela Bhatt, who organized poor and self employed women workers such as weavers, potters, etc. with the goal of increasing their income. In 1992 NABARD formed SHG bank linkage project which gradually became world's largest microfinance project. In 1993, NABARD along with RBI permitted SHGs to open saving bank accounts in all banks. In 1999, GOI introduced Swarnajayanti Gram Swarozgar Yojna (SGSY) to promote rural self employment through Self Help groups. In 2011 SGSY was converted to National Rural Livelihood mission and became a national movement.

IMPORTANCE OF SHGs

Self Help groups have given financial independence to women and have helped in enhancing their socio-economic status. Many women have become entrepreneurs, community leaders and heads in local bodies. It has helped in poverty alleviation through microfinance. After 1993 when RBI permitted SHGs to open saving bank's accounts, it has helped in promoting small savings in rural areas. SHGs have also helped in tackling social problems like drug addiction, alcoholism and gambling.

REVIEW OF LITERATURE

Kumar, (2004) in his study of SHGs in Haryana found that 89% members are women, who were literate and young. The study found that SHG movement had resulted in women empowerment and freedom from clutches of money lenders, access to banking facilities and increased self-confidence.

Panwar and Kumar (2012), in a study of SHGs in Karnal district of Haryana found that SHG movement had empowered women at three levels- economic empowerment (they become financially independent), social empowerment (they become role models for other women) and political empowerment (they are becoming Panchayat members and Panchayat presidents).

Singh & Mittal (2015), conducted a study in Mewat district of Haryana and found that there was a remarkable change in socio-economic conditions of members of SHGs. They also found that provision of microfinance through SHGs had significant impact on income level of participants and in generating employment too.

Dharamvir, in a study of four districts of Haryana (Mahendergarh, Rewari, Bhiwani, Mewat) found that there was increase in family income of members after joining Self Help Groups, there is increased awareness among members about their rights, and he also found that government agencies were playing a major role in supporting SHGs as compared to NGOs.

SHGs IN HARYANA

There are 53,573 SHGs in Haryana having 5,58,152 members (Ministry of Rural Development). Figure 1 shows the number of SHGs promoted in Haryana from year 2015 to 2022.

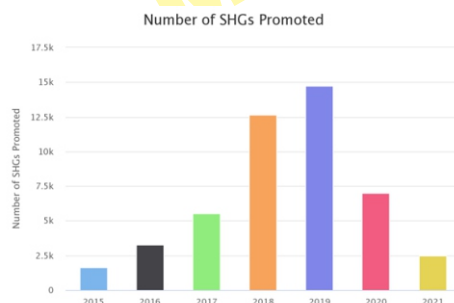


Figure 1: Number of SHGs promoted under NRLM in Haryana from 2015 to 2022

In Haryana Self Help Groups have been promoted through different agencies and departments.

1. **The Women and Child Department** has promoted SHGs under the Program for Advancement of Gender Equity (PAGE) and Swayamsiddha. Women's Awareness and Management Academy (WAMA) has supported the Swashakti project.
2. **Forest department** promotes Self Help Groups under Haryana Community Forest Project (HCFP). So far 1990 SHGs have been constituted covering 800 villages. These SHGs are involved in activities like afforestation, vermicomposting, organic farming etc.

3. **Banks** are promoting SHGs under NABARD-SHG Bank linkage program. District rural development agency promotes SHGs through National rural Livelihood mission.

4. **Deendayal Antyodaya Yojana - National Livelihoods Mission (NRLM):** It was launched by the Ministry of Rural Development (MoRD) Government of India in June 2011 as a restructured version of Swarna Jayanti Gram Swarozgar Yojna (SGSY). In November 2015, the program was renamed Deendayal Antayodaya Yojana (DAY-NRLM). The DAY-NRLM programme is being implemented in all the States and Union Territories, except Delhi and Chandigarh. DAY-NRLM aims to cover at least one woman member from each rural poor household (about 9-10 crore) under the fold of Self Help Groups (SHGs).

Under the DAY-NRLM interest, subvention is already being provided on loans taken by women Self Help Groups from Banks. In 250 backward districts, referred to as Category-I districts, all women SHGs are eligible to get bank loans up to Rs. 3.00 lakh at an interest rate of 7% per annum. An additional Interest Subvention of 3% per annum is provided to women SHGs maintaining prompt repayment and reducing the effective rate of interest to 4%.

In the remaining districts of the country referred to as Category-II districts, women SHGs under DAY-NRLM availing loans up to Rs. 3.00 lakh from Banks, Interest Subvention is given to the extent of the difference between the Bank's lending rate and 7% subject to the maximum ceiling of 5.50% per annum. DAY-NRLM has a provision for providing a Revolving Fund (RF) at the rate of Rs. 10,000-15,000 per SHG and a Community Investment Support Fund (CISF) to the extent of Rs. 2,50,000 per SHG. The Government is taking regular steps to strengthen the SHGs by promoting SHG federations such as Village Organisations (VOs) and Cluster Level Federations (CLFs) which provide handholding support. Regular training programmes have been conducted for the SHG members on SHG management, financial literacy, livelihoods-related technologies etc.

Haryana state has implemented NRLM through an autonomous society. The Haryana State Rural Livelihoods Mission (HSRLM) was established as a society on 24th May, 2011. HSRLM is acting as the coordinating organization for implementation of NRLM. Key activities of HSRLM include:

- **Social mobilization and Institution Building:** the objective is to built strong and sustainable institutions at community level. SHZs at the village level with exclusive women membership are promoted which act as the primary building block of NRLM. With support of Community resource persons these aggregates graduate into higher level institutions like village organizations, cluster and block level federations.
- **Training and Capacity Building:** this is to ensure that they are provided with required skills to manage their institutions. Focus is given to develop and engage community professionals and community resource persons.
- **Financial Inclusion:** RBI defines financial inclusion as providing financial access to the most vulnerable groups of the society. Financial inclusion under NRLM includes provision of basic banking services, fund support to eligible SHGs, preparation of micro credit/investment plans, SHGs credit linkage with banks, provision of interest subvention.

- Skill Development and Placement: The ministry of rural development, GOI has sanctioned 11 projects in Haryana which include construction, technicians, hospitality services, accounts and back office executives, office automation etc.

WORKING OF SELF HELP GROUPS

SHGs are federated primarily at the village/Gram Panchayat level and subsequently clustered at the block level. The federations of SHGs at the gram panchayat level and block level are meant to provide voice and resources for the poor and to reduce their dependence on external agencies. While SHGs are proposed at neighbourhood level, subject to viability of number of households, the federations may beat the level of Gram Panchayat and Block level. The ideal size for primary federation maybe around 10-20 SHGs. Fig 2 shows structure of SHGs and Fig 3 shows number of households mobilized in Haryana.

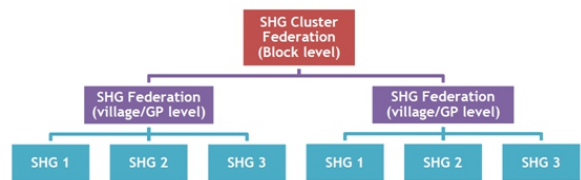
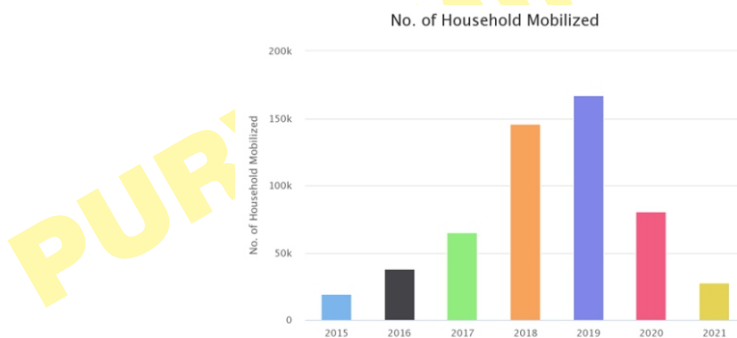


Fig 2 shows structure of SHGs



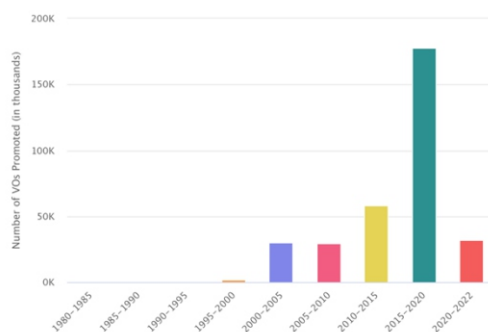
Source: Ministry of Rural development

Figure 3: No. of Households mobilised in Haryana under NRLM from 2015-2022

SHGs are formed at village level taking at least one woman from each household. SHGs consists of 10-20 households. These SHGs are federated at village/gram panchayat level and subsequently clustered at block level.

Village organization is a federation of SHGs in a habitation. When the number of SHGs in an area is more than 15, a separate VO is formed for effective management. The VO provides space for larger interventions that are important to increase income like common asset creation,

group farming on leased lands, accessing large amount of loans for bigger projects. Fig 4 shows number of VOs established in Haryana from 2015 to 2022.



Source: Ministry of Rural Development

Figure 4: No. of VOs promoted under NRLM in Haryana from 2015 -2022

Various schemes for skills training of SHG women are:

1. Rural self employment training scheme
2. Deendyalupadhaya- gramini Kaushal yojna (DDY-GKY)
3. Mission one Panchayat one business correspondent (one GP one BC)

Schemes for providing more work to women working in SHGs

1. Deendyal Antodyayojna national rural Livelihoods' mission (DAY_NRLM)
2. Startup village entrepreneurship Program
3. Mahila Kisan Shaktikaran Pariyojna
4. Ajeevikagramin Expressyojna

CASE STUDIES FROM HARYANA

1. **KUSH SHG:** Dairy Development by 12 members of KUSH SHG in Nanhera Village, Panipat, Haryana: This SHG had taken credit from Sarv Haryana Grameen bank, which was extended in three instalments of 0.50 lakhs, Rs. 4.80 lakhs and Rs. 10 lakhs. The project was guided by NDRI, Karnal. Cattle feed is being procured locally from block headquarter level. Presently the milk being produced is mostly sold to local milk collectors, the Dhudhias, some of the members also make and sell ghee which fetches them a good price.

Impact: This SHG is generating income of Rs. 10000-12000 for each group member. Each group member has two animals. Selling of ghee has generated additional income, and also generated employment to family members of group members.

2. **NAI ROSHNI SHG:** It is a Self Help group in Banchari village in Palwal district of Haryana. It was established in 2013, members manufacture terracotta products- designer

plates, lamps, flower pots etc. Members were adept potters and also took proper training to manufacture artisanal quality products. This SHG is supported by NABARD and promoted by Abhivayakti foundation. NABARD facilitated their bank linkage and with first bank credit of Rs 50,000 their production took off. They were sponsored by NABARD for marketing through Surajkund international craft fairs. Through regular participation they were able to build a niche for themselves and were able to generate national and international buyers. In 2018, NABARD has sanctioned them a rural mart in Palwal, and they are selling terracotta as well as jute products. The monthly turnover of the group is nearly 1 lakh and have both domestic and foreign clients.

3. **SHGs IN HATHIN** (Palwal, Haryana): This region shows low level of social development. Sanitation, poverty, low women empowerment were the main issues until 2014, when Sankul foundation in collaboration with SPYM established around 240 SHGs in this region. These SHGs comprise around 2000 women, who with the help of micro credit available have started their own small businesses like grocery shops, dairy business, Agarbatti making unit, Sanitary napkin making unit etc. SHGs, village organizations and block federations in collaboration with local government, public service providers and private sector facilitate social and economic services to rural poor. Sankul Foundation makes available micro credit which is community owned and community run. Chetna Mahila Block Foundation provides micro credit to needy women.
4. **ARPANA supported SELF HELP GROUPS**: There are different Self Help Groups in Karnal district of Haryana like Anmol Mahila Dugdh Samiti (AMDS) which is a milk processing unit working in collaboration with National Dairy and Research Institute, Karnal and supported by ARPANA, an NGO. There are many ARPANA embroidery shops located in Delhi, Karnal and Madhuban, where around 2500 women from various SHGs sell their products.

PROBLEMS OF SHGs

There are many problems at grass root level being faced by Self Help Groups like lack of family support and limited options (Panwar and Kumar, 2012)

- Many Self Help Groups are dependent on their promoter agencies for survival. If these agencies stop supporting them then they are vulnerable to downfall.
- The members and facilitators do not possess professional training in organising SHGs.
- Most SHGs are not making use of new technological innovations and skills because there is lack of awareness about new technologies and they do not have the necessary skills to make use of them.
- Most of the SHGs are not registered. They are run based on the trust between the members. The savings made by the SHG members may not be safe, which results in conflicts among the members.

CONCLUSION

The Self Help Group movement meets the social dimensions of sustainable development.

It has a tri-fold impact in terms of poverty reduction, women empowerment and community development. They are creating a silent revolution in terms of increasing financial, social and political status of women. The diversity of works ranges from dairy, embroidery, stitching, pottery, weaving, grocery shops etc. The microfinance available to members of SHGs have saved them from the clutches of moneylenders and various middlemen. They are easily able to repay the loans. SHGs have proved to be a very successful model of rural development. Although there are some bottlenecks but active support of Government agencies and NGOs is making this silent revolution spread its feet throughout the state.

WORKS CITED

- Dharamvir. (2019). "Strengthening women SHGs through various institutions in Haryana", *Journal of Advances and Scholarly Researches in Allied Education*, Vol. 16, Issue 1.
- Karmakar, K. G. (2003). *Rural Credit and Self Help Groups: Microfinance needs and concepts in India*. New Delhi: Sage Publication India Pvt. Ltd., p. 231.
- Kamalakaran, K.K. (2005). *The role of financial institution in development of women Entrepreneur*. Kurukshetra, Vol. 53, No. 16, p. 12.
- Kumar, N. "Spread of self-help groups in Haryana, an Indian state: review of developments and way Forward". Working paper at Department of Economic and Policy Research.
- Panwar, M. & Kumar, J. (2012). "Self-help Groups of women in Haryana: A social Perspective", *OIDA International journal of Sustainable development* 05: vol.10.
- Singh, S. (2007). "Towards inclusive rural financial services - Microfinance in India", Edited by Sangita Kamdar. *Microfinance, Self-employment and poverty alleviation*, Himalaya Publishing House, p. 61.
- Singh, T. & Mittal, P. (2015). "Self- Help Groups in Mewat District of Haryana: An Analytical Study", LAP LAMBERT Academic Publishing, ISBN 9783659817946.
- Subramanian, S. (2010). "A study on self-help groups in Tirunelveli district", Manonmaniam Sundavanar University, Tirunelveli.
- Emerlson Moses, V. J. R. (2011). "Women empowerment through SHGs: A micro study", *International Referred Research Journal*, Vol. II, Issue 16, p. 25.