

SELF HELP GROUP FOR PROMOTION OF RURAL LIVELIHOOD

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Abstract: Poverty and unemployment are the major problems of any under developed countries, to which India is no exception. The rate of growth of women employment in India is very low. This is because of the low growth rate of new and productive employment. The more attractive scheme with less effort is “Self Help Group” (SHG). It is a tool to remove poverty and improve the women entrepreneurship and financial support in India. A Self Help Group is a small economically homogeneous affinity group of the rural poor voluntarily coming together to save a small amount regularly, which is deposited in a common fund to meet members emergency needs and to provide collateral free loans decided by the group. Self Help Groups enhance the equality of status of women as participants, decision-makers and beneficiaries in the democratic, economic, social and cultural spheres of life. The present paper is mainly focusing on the Self Help Group formation, women entrepreneurship and economic empowerment of women after then joining Self Help Groups in Badwani district of Madhya Pradesh (M. P.) India. Badwani district is one of the pioneering district for the implementation of the (MPRLP) Madhya Pradesh Rural Livelihood Project in Rural Areas of Madhya Pradesh state along with three more western districts Dhar, Alirajpur & Jhabua. Presently there are 20 CLFs in Badwani district of Madhya Pradesh consisting of 8,234 Self Help Groups. Out of these, the best five villages, Thikari, Pipari Jarwaha, Khurrampura & Ghatwa were selected for this study, because as entrepreneur the SHG women of these villages were functioning in a very successful manner. Therefore, these villages were selected for the present study.

Keywords: CLF- Cluster Level Federation, SHG- Self Help Group, DAY-NRLM -DeenDayal Antyodaya Yojna National Rural Livelihood Mission, HDI- Human Development Index, GDP- Gross Domestic Product

RESEARCH OBJECTIVES:

- To understand the NRLM.
- To examine the role of SHGs for poverty eradication.
- To know the livelihood sources of women.
- To know about NRLM’s contribution to their socio-economic development.
- To find out what are the available resources in the study.
- To find out the issues affecting the economic condition of people.

MADHYA PRADESH STATE CONTEXT:

The population of this large state with an area of 3,08,245 sq. kms. is 7.26 Crore. Out of this, 2.14 crore comprises of SC and ST population (29.5% of the state population). The state of Madhya Pradesh has a high concentration of tribal population accounting for 14.51% of the total tribal population of the country. About 30% of the state is covered by forests and is rich in minerals and has good reserves of copper and diamonds. Yet the HDI Value (2011) is just 0.375, with the state ranked as the lowest on the India State Hunger Index. The per capita income of MP for 2010-11 has been Rs.22,460 at constant prices of 2004-2005 and is Rs.33,906 at current prices of the years. It is 62.53% of the National Per Capita Income. The growth rate of GDP in the state is 8.22% In spite of vast geographical space of Madhya Pradesh, the lack of contiguousness has been, for long, a deterrent in reaching financial services to the people and in financial institutions expanding their business. Lack of awareness of banking / financial literacy, inadequate bank reach result in high clientele per bank branch (23,000 per bank branch-2011 Census) leaves a high number, about 65% of unbanked population in the state. With this backdrop, it would require the concerted and coordinated efforts of not only banks but also the Government agencies, the civil societies, financial institutions Formal and others, technology providers, educational institutions, industry and other related services providers.

TO REALISE THE VISION

Banks should be a little more liberal in the bulk lending and at affordable costs. Even in the SBLP programmes the Credit to Deposit ratios for SHGs are quite low and requires enhancement significantly to attain the State vision of alleviating poverty. The Banking Correspondent concept needs to be strengthened with appropriate training and incentivisation to retain the BCs and to penetrate into deeper rural areas. It is about time that a serious thought is given to involve Post Offices in lending activities also to make them work as “Microfinance Supermarkets” Capacity building and training is absolute and need based curriculum should be designed by reviewing present systems and training modules. A Centralised Training of Trainers Institute could do well in the state. Various real-time vocational skills need to be increasingly developed to enhance livelihood opportunities. Financial literacy with emphasis

on Insurance literacy is much needed and immediate attention need to be paid in this direction. Producer companies should be nurtured and suitable working finance should be arranged. A paradigm shift might be required to design specific fund products for the producer companies to cash in on the success of Producer companies in the state. Insurance and Pension products and schemes should be demand based and should be marketed better. If need be they should be linked to some beneficiary programme of the government but more thrust on both these social security products is absolutely essential. Remittances might be needed but with lesser usage in comparison to the other financial products, it does not appear to be a focal point yet. There would be need for bold and innovative approaches from the stakeholders across the board – in designing and delivering innovative products, effectively and efficiently. Phone / Mobile / Technological connectivity should be increased significantly to enable Mobile money and transactions to play an important role in the financial inclusion plans. Needless to emphasise, regulation would continue to play a major role and finalising the Microfinance Bill could go a long way in helping the mission. There is an imminent need for a central platform / a nodal agency / a coordinating system which can collect, archive and share data on all activities of the Microfinance by all stakeholders in the state to enable an efficient reach and avoid overlapping or multiple lending.



DAY-NRLM; A NATIONAL SHG INITIATIVE SCHEME

Deen dayal Antyodaya Yojana -National Rural Livelihood Mission (DAY-NRLM) is a poverty alleviation project implemented by Ministry of Rural Development, Government of India. This scheme is focused on promoting self-employment and organization of rural poor. It aims to reduce poverty by enabling the poor household to access gainful self employment and skilled wage employment Opportunity resulting in a sustainable livelihood. This is one of the world's largest initiatives to improve the livelihood of poor. This scheme was launched in June 2011 by Prime Minister Manmohan Singh with a budget of \$5.1 billion and is one of the flagship programmes of Ministry of Rural Development.

MISSION OF NRLM:

To reduce poverty by enabling the poor households to access gainful self-employment and skilled wage employment in their livelihoods on a sustainable basis, through building strong and sustainable grassroots institutions of the poor.

PRINCIPLES OF NRLM:

- Poor have a strong desire to come out of poverty and they have innate capabilities.
- An external dedicated and sensitive support structure is required to induce the social mobilization, institution building and empowerment process.

Facilitating knowledge dissemination, skill building, access to marketing and access to other livelihoods services enables them to enjoy a portfolio of sustainable livelihood.

DAY NRLM IS BASED ON THREE PILLARS:

1. Enhancing and expanding the existing livelihood options of the poor.
2. Building skills for the job market.
3. Nurturing self employed and entrepreneurs.

The basic idea behind this programme is to organize the poor into Self Help Groups (SHG) and make them capable for self-employment. In 1999 after restructuring Integrated Rural Development Programme (IRDP), Ministry of Rural Development (MoRD) launched Swarnajayanti Grameen Swarojgar Yojana (SGSY) to focus on promoting self-employment among rural Poor. SGSY is now remodelled to form NRLM there by plugging the shortfalls of SGSY programme.

SELF-HELP GROUPS

Self-Help Groups (SHGs) are informal associations of people who choose to come together to find ways to improve their living conditions. It can be defined as self governed, peer controlled information group of people with similar socio-economic background and having a desire to collectively perform common purpose. SHGs may consist of 10 to 20 people. Typically, each SHG is supposed to have a constitution governing its members and activities. The SHG should have executive members who are given the responsibility to oversee the day-to-day functioning of the group. These executives consist of a group leader (President), assistant group leader (Secretary) and treasurer of the group.



CONCEPT OF LIVELIHOOD:

The simple meaning of livelihood is that it is a means of securing the necessities of life. According to the **International Federation of Red Cross and Crescent societies** “A livelihood is a means of making a living. It encompasses people’s capabilities, assets, income and activities required to secure the necessities of life. A livelihood is sustainable when it enables people to cope with and recover from shocks and stresses (such as natural disaster and economic or social upheavals) and enhance their well-being and that of future generations without undermining the natural environment or resource base”. **Robert Chambers and Gordon Conway (1992)** defined sustainable rural livelihood as “The capabilities assets (store, resources, claims and access) and activities required for a means of living: a livelihood is sustainable which can cope with and recover from stress and shocks, maintain or enhance its capabilities and assets and provide sustainable livelihood opportunities for the next generation; and which contributes net benefits to other livelihoods at the local and global levels and in the short and long term”.



RURAL WOMEN LIVELIHOOD:

Madhya Pradesh is predominantly a rural economy. Agriculture is the backbone of the economy in Madhya Pradesh and meets the food requirement. The most striking feature of the agriculture of Madhya Pradesh is its high productivity. Economy engagement of the people of Madhya Pradesh is understandably agro-based and large percentage of population is involved in cultivation. The most common livelihood of rural women is agriculture. Women used to go to the paddy field and help their husband in cultivation. Apart from that women are depend on piggery, poultry fishery and horticulture as a source of income. Women in Madhya Pradesh know weaving and produce world famous variety of silk that is CHANDERI, MAHESHWARI & SOUSAR. Apart from that in rural area some women are use to sell local liquor as their livelihood. Rural women are working hard for their livelihood and sustainable development but they have to face many difficulties and problems for their income.

**ROLE OF DAY-NRLM IN RURAL WOMEN LIVELIHOOD PROMOTION:**

Deen dayal Antyodaya Yojana – National Rural Livelihoods Mission (DAYNRLM), under Ministry of Rural Development, across the country in a mission mode with the objective of organizing the rural poor women into Self Help Groups (SHGs) and continuously nurturing and supporting them to take economic activities till they attain appreciable increase in income over a period of time to improve their quality of life and come out of abject poverty. The programme aims to ensure that at least one woman member from each rural poor household (about 9 crore) is brought into the fold of women SHGs and their federations within a definite time frame. The programme is being implemented in all the States and Union Territories, except Delhi and Chandigarh, in a phased manner. As on 31st May, 2019, 5.96 crore women have been mobilised into 54.07 lakh women Self Help Groups (SHGs) under the programme.



Under DAY - NRLM programme, Revolving Funds (RF) @ Rs.10,000-15,000 per SHG and Community Investment Fund (CIF) @ maximum capping of Rs.2,50,000 per SHG can differ from state to state, is provided to Self Help Groups (SHGs) and their Federations to take up self-employment for income generation. SHGs are also linked to banks for availing loans for taking up various livelihood activities. In addition, capacity building and technological support is also provided to the target households for taking up income generating activities both in farm and non-farm sectors.

CONCLUSION

The real vision could be realised only with concerted and coordinated efforts by the Government, Banks and affiliates like BCs, Funding organisations, MFIs, Post Offices, Insurance companies, Pension companies, Credit Bureaus, Capacity building organisations and Technical services providers including the Mobile service operators working towards not merely opening bank accounts for the poor but in a true sense of Financial Inclusion, irrespective of urban or rural areas, so that the targeted population could be reached. Though the general estimates and expectation of stakeholders on Microfinance growth in the state range between 25-30%, even if we take the growth conservatively at 20% the “Status of Financial Inclusion and Way Forward” vision for Madhya Pradesh at the end of 2018 (in the next five years) should be; “A sustainable growth in terms of outreach, leading to income enhancement and to better quality of life, thus reducing poverty levels in the state by comprehensive, coordinated & integrated efforts from all stakeholders in the state with the primary objective of improving the lot of the underserved low income households / clients, in an all inclusive financial atmosphere.” Towards this end it is envisaged that by 2017-18 about 55-60% of the Low Income Households would be reached through access to finance by meeting the credit demand and that the gap between credit demand and supply would be progressively reduced.

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