

# A STUDY ON EXPLORING THE ROLE OF SELF-HELP GROUPS IN REDUCING POVERTY IN RURAL INDIA

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## **Abstract**

Rural development comprises enhancing the socioeconomic, political, environmental, and welfare of underprivileged residents of rural areas. It is a very dynamic process. The object of the current study is to better understand how self-help groups affect rural development and their socioeconomic position. The information used in the current paper comes from secondary sources. The study's key conclusions support the critical function self-help organisations play in empowering women, granting them financial freedom, and supporting them in setting aside funds and making investments for future growth. Through self-help organisations, the residents of the two villages develop confidence in their ability to achieve social and economic independence. In addition to other things, it develops credit policies and awareness campaigns.

**Keywords:** Rural Development, Self-Help Group, Women Empowerment, social, Economic

## **1. Introduction**

Self-help groups are regarded as the most significant tool in the participative approach to women's economic empowerment. It is a vital institution for improving the lives of women in a variety of social sectors. The primary goal of SHGs is to create a forum for members to provide space and support to one another. Self-help organisations are made up of

*people who are severely impoverished and do not have access to traditional financial institutions. It teaches its members how to interact and work in a group setting. Self Help Group Promoting Institutions (SHPI), which mostly comprise NGOs but also include banks and government officials, are how the Self-Help Group programme is connected to the needy. Small loan amounts, frequent meetings, frequent payback instalments, and self-help group training are all components of the programme. Primary healthcare, elementary reading, family planning, marketing, and business skills are just a few examples. However, it's vital to remember that empowerment is multi-dimensional, multi-spatial, and occurs in many different domains. The development of a state depends on the growth of rural population. Poverty is a physical problem faced by every developing country like India. Economic status is one of the basic requirements for the social upliftment of the poor rural people in the society. Microfinance to self-help groups can be considered as a dynamic tool to meet*

*the financial condition of those lower sections of the society living in rural areas.*

## **2. Review of Literature**

Financial assistance provided to self-help groups for development of socio-economic status is found to reach the socially backward and economically marginalized in the study area. The country has done well in poverty alleviation and empowerment of the rural masses. The influx of small-scale enterprises and their activities play a major role in the socio-economic development of the rural poor in the society. (Nagesha B, 2018), Examination of the qualitative data revealed positive evaluations of self-worth, purpose, and independence, and negative evaluations of pressure, challenge, and stress. (Tracey L. Moyle, 2006), Many of the housewives have joined SHGs mainly because it acts as an additional source of income to the family and being part of the group, they can receive financial assistance faster and at cheaper rates. (Vijaykumar) Self-Help groups not only empower women economically, but also socially and socially by improving their status. This program has helped Indian women to come to the forefront of society. Thus, self-help groups have become important for women empowerment, rural development, poverty alleviation and self-employment. (Malakar D.) Research findings support the efficient role of cooperatives as effective delivery mechanisms for rural services and government poverty alleviation schemes. However, attention should be paid to the potential for exploitation and emphasis on supply-based activities while expanding

service delivery activities. (N., (2017)) This study found that after joining the group, there was an increase in the respectful behaviour of the respondents towards the family members. More respondents were also found to actively help neighbours after joining self-help groups. (D., (2015)) Providing low-cost credit to the poor through cooperatives has been adopted as an important poverty alleviation strategy in developing countries, but evidence of the effectiveness of this approach is scant. (V.)

### **OBJECTIVES**

To analyse the role of self-help groups in reducing poverty in rural India.

To examine the impact of self-help groups on the income and livelihood of rural households.

### **RESEARCH METHODOLOGY**

Research methodology refers to the logic of scientific investigation. The aim of research methodology is merely collection, analysis and interpretation of facts in the systematic manner. For the purpose of this research, a descriptive research method is used.

### **Data collection**

To answer specified research questions, test hypotheses, and assess results, data collection is the act of acquiring and measuring information on

variables of interest in a systematic and defined manner.

Primary data is that kind of data which is freshly collected. In this study primary data has not been collected. This study is totally based on secondary data.

Secondary data means that kind of data which is already available on various platforms and it can be collected using the help of research papers, journals, newspaper articles, personal blogs, etc.

### **EFFECT OF SELF-HELP GROUP ON RURAL DEVELOPMENT: -**

Cooperatives play a significant role in self-employment by boosting the income level and standard of living in rural areas, which helps to improve the quality of life for individuals who live there. The Self-Help Group makes the following contributions to rural development. In order to change the expression of the socio-economic situation, the Self-Help Group is playing a significant role in the self-employment through income growth and a higher standard of living for group members. This helps to show punishment on group members in emerging saving practices, increase female confidence levels, and cyclone or any abnormal activities in need of funds. By giving them the skills they need to contribute to the growth of their communities, it offers excellent opportunities. Numerous micro-enterprises, such as pickle manufacturing, pickle preparation, honey and food processing, spice production, dairy, and group pan thali making, assist rural people in producing goods that meet local demand, hence promoting socio-economic

development. In order to promote poverty reduction and financial uniqueness, microfinance is playing a significant role in rural development. Increased income and a higher standard of living for rural women can be achieved by providing microfinance to rural self-help groups. Self-help organisations have found that rural women are economically independent. Members think about transferring funds from relatives and lenders to the self-help group's loan in order to cover these costs. A theoretical goal of the self-esteem and self-esteem group movement is to help the rural poor become financially self-sufficient, more self-assured, and stop wasting their savings. This increases their self-confidence and the self-esteem group's role in reducing family power as a result of financial issues. Possibilities for self-employment have been made available to underprivileged rural residents through the adoption of the Self-Help Group initiative.

### **ROLE OF GOVERNMENT IN RURAL DEVELOPMENT: -**

The Government of India has been involved in efforts to promote local entrepreneurship since the 1950s which include the government programme of reservation and the subsidy system for university graduates. These efforts have been criticised for both defence networks and bribery rather than inefficient and robust small business sectors. The government has also been criticised for several regulatory hurdles and for failing to make adequate progress in infrastructure reforms. More recently, the Ministry of Industry has established the National Institute for Entrepreneurship and Small Business Development, which has focused

on entrepreneurship development through training programmes and has produced academic manuals and videos. It is not clear whether most or many of the Indian government's efforts in the field of entrepreneurship have adequately met the specific needs of women.

#### **ROLE OF NGOS IN RURAL DEVELOPMENT: -**

NGOs occasionally provide initiatives that are especially geared toward women since women have little to no access to more general development programmes. NGOs working in developing nations like India, whether they are based in India or outside, frequently concentrate on the unique development requirements of small business owners and/or women by offering training, workshops, technical help, job opportunities, and assistance with business startup. Government, charity, or corporate organisations frequently provide financing or other forms of support to NGOs. In India, initiatives have included the National Institute for Entrepreneurship and Small Business Development of the Government of India (described previously), non-profit, locally based Self-Employed Women's Associations (SEWA), and corporate-based programmes like Hindustan Lever, Ltd. (Vijaykumar)

#### **CONCLUSIONS & FINDINGS: -**

Self-help organisations significantly affect the social and economic well-being of rural women. The study discovered improved social self-identity, family

position in society, social circle size, and involvement in entrepreneurial and intra-family decision-making. Participation in self-help group activities such as starting businesses has boosted the self-assurance, independence, and self-reliance of rural women. Government-run literacy initiatives can be linked to and integrated into SHG activities. For SHG members to overcome cognitive obstacles and comprehend governmental policies, acquire technical knowledge, and develop necessary skills, their reading level may need to grow. Women in rural areas may be inspired to provide funding for the start of businesses. through self-help groups, raised public awareness of numerous credit options, financial incentives, and subsidies. Women will be forced to impose labour-saving, labour-reducing, income-raising, and productivity-enhancing technologies as they become less technologically literate. All levels of education, starting with elementary school, can offer entrepreneurship education and training. It can assist rural women develop strong self-concepts, dependencies, confidence, and autonomy. The main findings of this study confirm the crucial role self-help organisations play in empowering women, giving them financial independence, and assisting them in saving money and making investments for future growth. The members of the two villages gain confidence in their capacity for social and economic self-reliance through self-help groups. It creates credit policies, awareness programmes, and other things.

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