



GROWTH AND PERFORMANCE OF SHG-BANKLINKAGE PROGRAMME AMONG THE RURAL WOMEN IN INDIA:A THEORITICAL APPROACH

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Abstract

Empowerment in the context of women's development is a way of defining, challenging and overcoming barriers in a women's life through which it increases their ability to shape the life and environment. At present, globalization has presented new challenges for the realization of the goal of women's equality, the gender impact of which has not been systematically evaluated. The Government of India and state authorities alike have increasingly realized the importance of devoting attention a unique approach to financial intermediation. Self Help Groups (SHGs) are novel and innovative organizational setup in India for the women up-liftment and welfare. Hence the present paper highlighted the SHGs Scheme, SHGs bank linkage programme, progress of SHG bank linkage programme through saving, loans disbursed and loan outstanding and also region wise progress of saving attitude and development of women in India during the study period of 2018- 2021.

Key words: *Self Help Groups, National Rural Livelihood Mission, National Urban Livelihoods Mission, Sustainable Development Goals, NABARD.*

1. Introduction

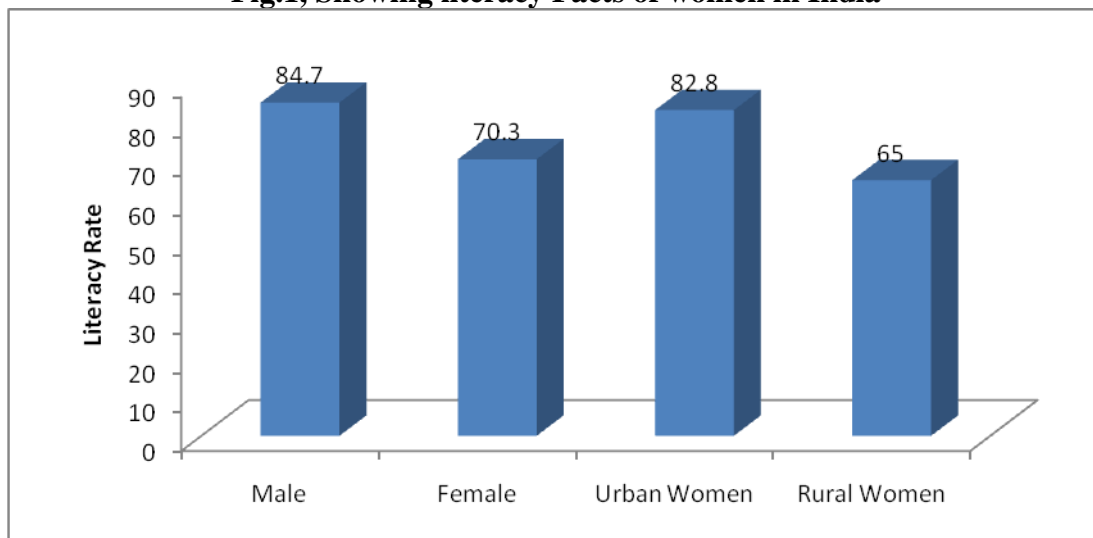
Empowerment is the process of obtaining basic opportunities for marginalized people, either directly by those people, or through the help of non-marginalized others who share their own access to these opportunities. Empowerment of women signifies harnessing women power by promoting their tremendous potential and encouraging them to work towards attaining a dignified and satisfying way of life through confidence and competence. The empowerment of women is crucial for the development of the country. In India, where population maintain equal ratio of males and females the emergence of women entrepreneurs have great relevance and importance otherwise it will be amounting to neglecting 50 percent of the entrepreneurial talent of the country. Creative entrepreneur is the backbone of a nation's industrialization and economic development (Reji,2013). From the Fifth five years plan (1974-78) onwards there has been a marked shift in the approach to women's issues from welfare to development. In recent years, the empowerment of women has been recognized as the central issue in determining the status of women. The National Commission for women was set up by an Act of parliament in 1990 to safeguard the rights and legal entitlements of women. In India, since independence, the gap between women and men is severe as far as education level is concerned showing of adult men are educated where as only 65.46% of adult women are known to be literate in India.(The Registrar General & Census Commissioner of India, 2011).

2. Self Help Group Scheme

In India, Self Help Group Scheme was initiated by NABARD it is main rural development body emphasizing self employment generation for the women living in rural and semi-rural areas. Self Help Groups (SHGs) movement has triggered off revolution in the rural credit delivery system in India by proving an effective medium for delivering credit to rural poor for their socio-economic empowerment.

A self help group (SHG) is a village-based financial intermediary committee usually composed of 10-20 local women or men. Self-help groups are started by Non-Governmental Organizations (NGOs) that generally have broad anti-poverty agendas. In India two broad approaches prevail in case of micro financing viz. Self help group-bank linkage and micro finance institutions. The NABARD has been supporting the SHG-bank linkage programme since 1992 (Iokhande, 2013). These groups are seen as instruments for achieving variety of goals including women empowerment, developing leadership abilities among the poor people, increasing school enrolments, and improving nutrition and the use of birth control. The SHG system uses existing marketing channels, the banks, to bring formal financial services to a new market segment, the poor and particularly women.

Fig.1, Showing literacy Facts of women in India



*Literacy rates relate to the population aged 7years&above (Source: <http://www.womenempowermentinindia.com/>)

3.Literture Review

Nayak, (2018) Basically ‘SHG is a small informal group of ten to twenty members who are homogenous with respect to social and economic background and come together voluntarily to promote saving habits among members and for a common cause which is to raise and manage resources for the benefit of group members’ according to NABARD. These groups were first initiated by an NGO named MYRADA in 1984–1985. They had emerged during the same period when the ‘Grameen Bank’ became a formal bank in Bangladesh after the success of Mohammad Yunus’ microfinance initiative in 1976 in India, various development programs to achieve the SDGs are designed to be delivered at the SHG level as a ‘multi-sector’ platform. Because SHGs aim to empower women, they contribute to achieving SDGs (achieve gender equality and empower all women and girls), which, in turn, is a tool to achieve other SDGs.

Dash, (2019) he discloses in his study NGOs also help in building SHGs’ social capital by networking the SHGs to form clusters. These clusters are then connected to become a federation which is a formal institution, unlike SHGs, and have elected leaders. These federations have higher bargaining power and become supporters of the SHGs instead of the NGOs after three years. Federations make the SHG-BLP programme sustainable and can stand on its own.

Rajeev et al. (2020) conducted a survey and concluded that showed that women participating in SHG-BLP were aware of the non-economic benefits of the program, such as self-confidence and improvement of social status. Active participation and rotation of responsibilities that are compulsory under SHG-BLP result in improving their ability to express their views domestically and outside and facilitate their mobility.

Pierre Omidyar, (2021) "Microfinance has already shown that enabling the poor to empower themselves economically can be good business." Microfinance, the practice of loaning small amounts of money to people who are often too poor to qualify for conventional lending, is increasingly seen as a promising means to help the world's poorest people. Supporters argue that microfinance can fund microenterprises that generate broad-based, long-term economic growth opportunities in developing countries.

4. Research Methodology

The present study defines only in secondary data .The data was collected from the various published journals, annual reports of NABARD, SERP, and various Websites. The study period covers three financial years i.e, 2018-19, 2019-20, and 2020-21 and six regions in India and also discloses progress of SHG Bank Linkage programme to the Indian SHG women.

4.1. Tools Used

For analyze of the data, some simple techniques were used like percentages, growth rates and also used graphical presentations for easy understanding of readers.

4.2.Objectives

1. To study the Self-Help Groups in India.
2. To Analyze the savings and loans disbursed, and loans outstanding for SHG women through Bank Linkage programme in India.
3. To draw the conclusion.

5.NABARD's ` SHG Bank Linkage' Programme

In India, under the NABARD's SHG Bank Linkage programme, self help groups borrow from banks once they have accumulated a base of their own capital and have established a track record of regular repayments. Self Help Group (SHGs)-Bank Linkage Programme is emerging as a cost effective mechanism for providing financial services to the "Unreached Poor" which has been successful not only in meeting financial needs of the rural poor women but also strengthen collective self help capacities of the poor, leading to their empowerment.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 banks or other institutions.

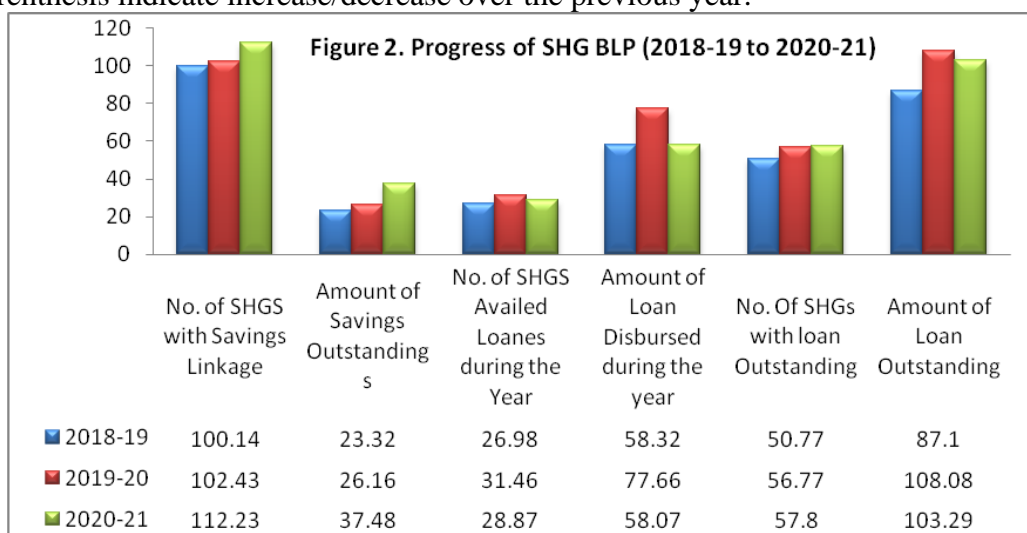
The SHG-Bank Linkage programme has indeed become an example of success of a microfinance programme globally with an outreach to 13.87 crore families, providing social, economic and financial empowerment to the rural poor, especially women. The year wise progress (2018-19 to 2020-21) in savings and credit linkage of SHGs under the SHG- Bank Linkage programme is enumerated which gives an account of savings, credit disbursement and credit outstanding of total SHGs including those under NRLM and NULM

Table: 1 progress of SHG-Bank Linkage Programme (2018-19 TO 2020-21)
 (Numbers in Lakhs/Rs. in (Crores))

Period/ Year	Savings		Loans disbursed		Loans outstanding	
	No. of SHGs	Amount	No. of SHGs	Amount	No. of SHGs	Amount
2018-19	100.14 (14.52)	23324.48 (19.05)	26.98 (19.33)	58317.63 (23.59)	50.77 (1.14)	87098.15 (15.21)
2019-20	102.43 (2.29)	26152.05 (12.12)	31.46 (16.60)	77659.35 (33.17)	56.77 (11.82)	108075.0 7 (24.08)
2020-21	112.23 (9.57)	37477.61 (43.31)	28.87 (-8.23)	58070.68 (-25.22)	57.8 (1.81)	103289.7 1 (6.49)

Source: Status of Microfinance in India 2020-21, NABARD.

Figures in parenthesis indicate increase/decrease over the previous year.



Saving to SHGs during 2018-19 to 2020-21

The present table reveals that the progress of SHGs, saving amount, loan disbursed amount, and outstanding loan amount by the SHG women's during the period of 2018-19 to 2020-21 in India. It can be discloses that number of SHGs in 2018-2019 was reported 100.14lakhs which are effectively functioning and their saving amount is Rs. 23324.48crores, incase of the financial year 2019-20, 102.43lakhs SHGs were found and Rs. 26152.05crore amount was saved in banks, and finally 112.23lakhs of SHGs found and Rs. 37477.61crore amount was saved in various commercial banks during the financial year 2020-21.

It is clearly concluded from the above table that the number of SHGs and saving amount wasfound in increasing trend in India from last three years.

Loans Disbursed to SHGs during 2018-19 to 2020-21

During the 2018-19 financial year, various banks were disbursed loan amount to the 26.98lakhs SHGs and amount disbursed Rs.58317.63crore, 31.46 SHGs have got loan amount of Rs.77659.35crore from

the commercial banks during the financial year 2019-20, and lastly 28.87lakh groups were got loans disbursed amount of Rs.58070.68crore in financial year of 2020-21 in India.

It is further discloses that up to 2019-20 financial year number of groups and disbursed loan amount were found increasing trend, and it quite interestingly found that in 2020-21 financial year was found decreasing trend in both groups and loan amount.

Loans Outstanding to SHGs during 2018-19 to 2020-21

The outstanding loan amount of SHG members during the three financial years, i.e., 2018-19, 2019-20, and 2020-21, accordingly.

It is clearly stated that total SHG bank linkage in 2018-19 is 50.77lakhs groups and their outstanding loan amount an accounted Rs.87098.15, crore 56.77lakhs of SHGs and their outstanding loan amount were found Rs. 108075.07crore in the financial year 2019-20, and during the last financial year 2020-21, 57.8lakhs of SHG groups and their outstanding loan amount was found Rs.103289.71crore respectively. It is found that the debt amount was increased upto 2019-20 (Increasing trend) and decreasing outstanding loan amount in 2020-21 financial year. The same details depict in figure: 2

6. Growth of SHGs In India

The journey of the Self Help Group-Bank Linkage programme starts from linking a pilot of 500 SHGs of rural poor two decades ago. It is now boost of the world's largest microfinance initiatives with over 11.22 million SHGs representing 133.8 million rural households. The number of savings linked SHGs now stands at 112.23 lakh with a membership of over 133.8 million poor households showing a increase of 10.8% (102.4 lakh SHGs as on 31.3.2020). The number is still substantially less than 100.2 lakhs SHGs reported during 2018-19. (with coverage of 122.4 million households). The savings balance of these SHGs with banks, however, increased 43% during the year (Rs.37477.6 crore against Rs.26152.1 crore a year back). All except the savings amount, the northern Region had the highest growth of 193%, followed by the Western Region (85%), North eastern Region (73%), South Region (45%), Central Region (24%), and the lowest growth of 17% was registered by the Eastern Region.

In terms of percentage share of savings linked SHGs, the share of Southern Region is highest at 35.3%, however it is a decline of 0.7% when compared to 2019-20. The Eastern Region continues to have the second highest share (27.8%) and there is a very small increase over the previous year (27.4%). The Western region is at the third place, with a share of 13.8% in 2020-21, however there is a marginal decline from the previous year (14.4%). The same details are presented in figure: 3.

Table: 2, Region-Wise Progress of Savings Linked SHGS With Banks (2018-19 TO 2020-21)

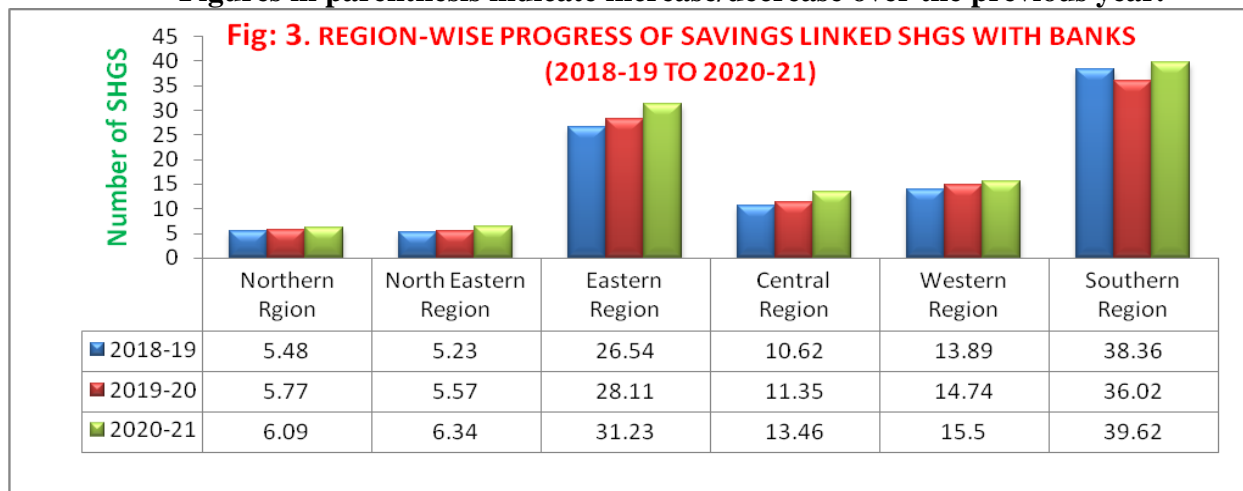
(Amount in lakhs/ in Crores)

Sl.No.	Regions	2018-19		2019-20		2020-21	
		No. of SHGs	Savings. Amount	No. of SHGs	Savings. Amount	No. of SHGs	Savings. Amount
1	Northern Region	5,48,624 (05.47)	62,453 (02.68)	5,77,122 (02.27)	59,550 (05.42)	6,09,808 (05.42)	1,74,345 (04.65)
2	North Eastern Region	5,23,469 (05.22)	40,407 (01.73)	5,56,899 (01.84)	48,141 (07.41)	6,33,714 (07.41)	83,126 (02.22)

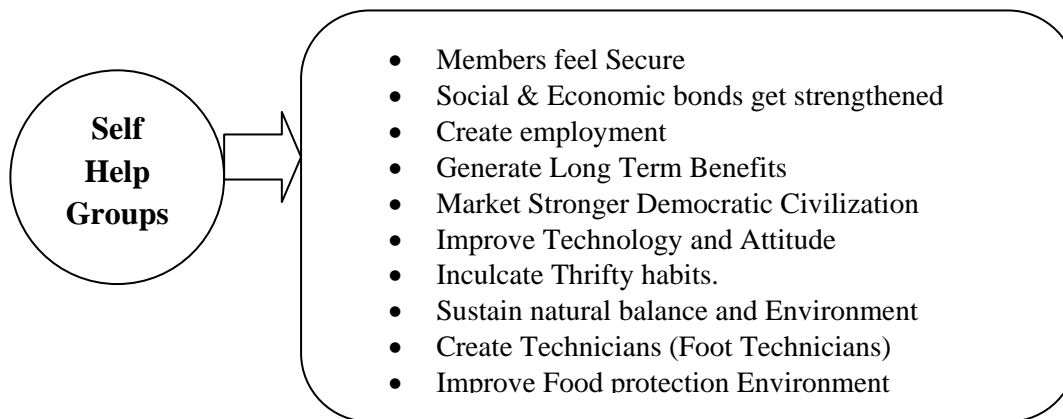
3	Eastern Region	26,54,358 (26.50)	6,01,155 (25.78)	28,11,130 (25.40)	6,64,333 (27.77)	31,22,424 (27.77)	7,74,912 (20.68)
4	Central Region	10,62,759 (10.61)	1,33,230 (05.71)	11,35,083 (06.54)	1,71,217 (11.96)	13,45,575 (11.96)	2,11,870 (05.65)
5	Western Region	13,88,615 (13.86)	2,05,275 (08.80)	14,73,853 (07.72)	2,01,880 (13.78)	15,50,176 (13.78)	3,74,023 (09.98)
6	Southern Region	38,36,418 (35.30)	12,89,928 (55.30)	36,89,236 (50.21)	14,70,085 (35.41)	39,61,703 (35.41)	21,29,485 (56.82)
	Total	1,00,14,243 (100)	23,32,448 (100)	1,02,43,323 (100)	26,15,205 (100)	1,12,23,400 (100)	37,47,761 (100)

Source: NABARD, Status of Micro Finance in India 2020-21, Mumbai.

Figures in parenthesis indicate increase/decrease over the previous year.



7. Reasons for growth of the SHG Movement



The SHG has given individuality, access to information and bargaining power to the women community. Some benefits to members are

- It is the platform for the poor women to discuss and solve their financial problems.
- Serving members to manage cash deficits preserve food intake and overcoming emergencies, leading to improvement in quality and productivity of their resources.
- It keeps its members away from money lenders, particularly to meet food and health emergencies.
- It improves the investment capabilities, wealth creation and risk bearing capabilities and also branch out their occupations.
- It promotes leadership qualities among its members.
- Fostering women, even from conservative communities and regions, to interact with outsiders, particularly officials, including men; and
- Establishing the linkage between banks and marginalized citizens, especially the women. An economically poor individual gains strength as part of a group. Besides, financing through SHGs reduces transaction costs for both lenders and borrowers. While lenders have to handle only a single SHG account instead of a large number of small-sized individual accounts, borrowers as a part of an SHG cut down expenses on travel (to & from the branch and other places) for completing paper work and on the loss of the workdays in canvassing for loans.

8.Engagement of Women In SHGs In India 2020-21

The Self-Help Group programme has become a better instrument for bankers, developmental agencies and even for corporate houses which leads towards a developmental process. Earlier less emphasis was paid upon involvement of women in the economic activities but with the help of SHGs programme the members are able to expand their horizon of productive activities. SHGs are not only limited to providing financial services but also they have turned out to be a focal point for providing various services to the poorest of the poor in all the ways. The empowerment of women through Self Help Groups (SHGs) would lead to benefits not only to the individual women, but also for the family and community as a whole through collective action for development. Self Help Groups have linkage with NGOs (Non-Government Organizations) and banks to get finance for development (Thangamani & Muthuselvi, 2013). In this way, SHG concept is getting greater support from women as well as from the financial institutions. The progress of the women SHGs during this year 2020-21 has been presented in table.

Table: 3, Progress of Women SHGs as on 2020-21 in India, (Amount in lakhs/ in Crores)

Particulars	Total SHGs (lakh)	Women SHGs (lakh)	% age of Women SHGs to Total SHGs	Total Amount (crore)	Women SHGs Amount (crore)	% of Women SHGs Amount to Total SHGs Amount
Saving Linked SHGs	112.23	97.25	86.65	37477.61	32686.08	87.21
Credit Linked SHGs	28.87	25.90	89.71	58070.68	54423.13	93.72
Loan Outstanding SHGs	57.80	53.11	91.89	103289.71	96596.60	93.52

Source: Status of Micro Finance in India 2020-21, NABARD.

Figures in parenthesis indicate increase/decrease over the previous year.

The Table: 3 indicate progress of women SHGs for the year 2020-21. It is depicted that the total number of saving linked and credit linked exclusive women SHGs with banks were 86.65% and 89.71%, respectively. Further the percentage of loans outstanding of exclusive the details of total number of women SHGs showing saving linked SHGs, Credit linked SHGs and women SHGs to loans outstanding of total SHGs was 91.89% as on 31st March 2021. It shows that majority of women SHGs increased their participation in saving and credit is increasing out of total number of SHGs.

9. Conclusion

As Women contributes to the larger part of populations in India. The existing scenario is that women from an important part of the labour force and the economic role played by them cannot be isolated from the frame work of development. But, there are still quite a few areas where women empowerment in India is largely lacking. As majority women lack assets that help contribute to their empowerment and well-being, economic independence through self-employment and entrepreneurial development. The government should take various initiatives to empower women of the country and Five year plans also need to lay emphasis on the women sector. Although this paper shows the involvement of women in SHGs quite increase in number from earlier years but yet there is need to encourage the rural women so that they come forward to join the hands as it is not the duty of only government but at certain level everybody has to take initiatives. The paper also highlighted the various facts and figures regarding growth of SHGs which still considered as less as compared to the population the country.

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