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SHG AND LIVELIHOOD

Introduction

The concept of SHG initially started at Bangladesh by Dr. Mohd. Yunus. The first SHG of women workers was started in the year 1983. Later, the said movement was continued in rest of India from 1991. This movement was actually started with an objective of getting relief from the debt of the lender. SHG was chosen as the best option for the said purpose.

At present, Government, Bank and NGOs are providing support for empowerment of SHG. The Self Help Group has become an important medium for empowerment of women for generation of livelihood.

Usually, there are two parts of the country. One is Urban and the other is rural area, and various numbers of livelihood opportunities are available there in these areas as per the requirements or availability. Here we will be talking about SHG and various sources of livelihood that are present in rural areas for the people to live their lives. Rural livelihoods mean sources of income for rural people to live their lives.

What is SHG?

Self Help Groups means "one should help oneself"

1. For the formation of SHG about 10-20 men/women voluntarily themselves come together with equal interests and contribute equally and help in generation of livelihood. With the consent of all the group members, loan is given to member with certain rules and regulations along with interest rate. This helps in generation of livelihood of that particular member. This entire process is called "SHG"
2. A specific name with consent of all members is given to the said SHG
3. A bank account is opened in the name of SHG with authorised signatories among themselves.
4. Monthly meetings are organized for further development of SHG.
5. Money transactions (deposit/withdrawal /loan distribution)

Objectives:

1. India being a country of diversified culture, tradition, and historical antecedents, among other things, the government's ability to handle socioeconomic problems on its own is limited. Hence, to bring together people who are dealing with similar issues we need to have SHGs to cater to this requirement and which also helps in improvement of livelihood.
2. Change the habit of dependability or relying on others.
3. Improve the habit of savings, participation in monthly meeting
4. To increase banking literacy and exposure to digital transactions.
5. Entrepreneurship development by way of livelihood generation
6. Resolution of individual problems.
7. Development and utilization of own potentials.
8. Remove the phobia and develop the will power by motivation

Characteristics of Self-Help Groups (SHGs) / Livelihood

- In India the SHG is more successful in Rural context.
- The ideal size of Self-help groups is 10 to twenty members. As being bigger groups, active participation can't be experienced by all the members.
- Self-help groups are informal and voluntary associations. They have not been registered under any Act or law of the govt.
- Only one member from each family may be preferred to join. This ensures the participation of families within the groups.
- Self-help groups either contain men or women. The mixed group isn't given preference. This owes to the mindset of people in rural areas where women's participation is restricted.
- Every member of the Self-help group belongs to an equivalent socio-economic background. This is often done to make sure a hesitation-free environment and proper communication among the members.

Functioning of SHG

1. A monthly meeting is conducted wherein equal contribution is collected from all members. A review of loan distributed in that month and other banking transactions is done
2. All decisions are taken with consent of all the members.

3. Development of SHG takes place with the help of Gram panchayat, Bank, any developmental agency and govt. agencies.
4. Govt. schemes for SHG are discussed.
5. Management of SHG.
6. Skill Development and Livelihood generation opportunities for SHG.
7. No loan should be given to outsider.
8. Regular maintenance of records, registers and banking etc.

Importance of Self Help Groups(SHG):-


