



## **The Role of SHG and NGO's for Promoting Living Standard of Poor and Slum Area People**

\*Mrs. Farha Khan

\*\*DR G.S.LODHI

\*Research scholar,faculty of management,RKDF University Bhopal

\*\* Associate professor& head faculty of Management RKDF University Bhopal

### **Abstract:**

The Self Help Group is important initiative schemes used to by the government to promote poor and needy people. We all know that number of poor and other population in India are surviving; their families are getting benefits through Self help groups. In this research paper we cover the position of Self-help Group in Socio-economic development of India. Self-help Groups are playing important role in this field like such as living standard, awareness of running schemes of SHG by the government. The Self Help Group programs are promotion and expertise support, communication level of members, self confidence among members. Women Empowerment is a initiatives by the government that helps women to retain self-respect over their own lives in communities and society. It is also a procedure, which enables to realize his or her identity and power in all aspects of life. Through the SHG we try in this research paper to aware the Women Empowerment within, the factors- social, monetary, political, personal, familial, and cultural at various spheres. Self help groups are seen instruments for empowering women, developing leadership abilities among deprived people.

**Keywords:** Self-Help Group, achieving Social Justice, Sustainable living standard , quality, women empowerment and society etc.

### **I. Introduction**

Self-help groups is a platform where groups of community who come together to share their problems in front of group members. While self-help might involve a focus on the creature, one important feature of self-help groups is the idea of mutual

support – people helping each other. Self-help group is a correlation of organizing community the poor people and the marginalized to come together to share their problem. The SHG is used by the government, NGOs and others worldwide.SHG may be registered or unregistered. Some groups serving themselves without registering. The poor people save money their savings and save it in banks. In return they get easy access to loans with a small rate of attention to start their micro unit project. Number of the poor people and the marginalized population in India are construction their lives, their families and their culture through Self help groups. The 9th five year plan of the government of India had given due recognition on the importance and the implication of the Self-help group method to apply developmental schemes at the working class level. Self help groups are see as instruments for empowering women, developing guidance abilities among underprivileged people, increasing school enrolments, improving sustenance . Self Help Group (SHGs)-Bank Linkage Program is emerging as a cost effective device 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 support communal self help capability of the deprived .

Self help group or NGO should visits the slum areas and make a series of SHG is there so that they can get self employment and make them to know the schemes of government, and to increase the education skill development like train the work of plumber electricians recycling of waster material through their work which they already doing the giving their services to some other people.



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Self Help Group is a group of 12 to 20 members of women who come forward voluntarily to work together for their socio economic upliftment. The SHG creates social capital, self belief and self-importance among its members. It also takes accountability to assist and people want to promote them but they don't have sufficient money to introduce themselves. Total membership is around 26 million people. SHG also does its work for women empowerment through the participation of women in various activities.

### Review of literature

**1 Ramanathan (1993)**<sup>3</sup> traces the origin of SHGs to the ineffectiveness of supervised rural credit programs as felt by the members of Asia Pacific Rural and Agricultural Credit Association (APRACA) in the workshop held in China in 1986. The Sixth general assembly of APRACA held in Nepal decided to launch SHG linkage program. In Sri Lanka, some of the operating SHGs emerged voluntarily and others took birth due to Self Help Promotional Institutions. \

**2 (Khandker and others 1995)**<sup>5</sup> traced the origin of Grameen Bank which was started in 1983 in Bangladesh by Prof. Mohammed Yunus. Yunus observed the role of micro credit in facilitating women's potential.

**3 Noor (1995)**<sup>6</sup> traces the linkage-Banking while studying the SHGs in Indonesia, Thailand, Philippines, India, Nepal and Bangladesh. He observed that the seeds of linkage banking were sown in 1986 and today SHGs are widely accepted as an alternative for collective credit delivery to the poor. He discusses the variants of linkages and models followed in Indonesia, Thailand and Philippines. His study reveals that the repayment rate of SHGs was 100 per cent in Thailand, 99 per cent in Bangladesh, 96 per cent in Indonesia and 68 per cent in Philippines.

**4 Kropp (1997)**<sup>9</sup> in his study gives details of the emerging lessons from the experiences of SHGs in Asian

countries. NGO led credit programmes in Bangladesh, Indonesia and Mutual Assistance Credit groups in other parts of Asia used group responsibility and peer monitoring in guiding financial transactions. He opines that these institutions have potential to lend rural people without any traditional form of collateral.

**5 National Bank for Agriculture and Rural Development (NABARD) (1998)**<sup>10</sup> has explained the features of the innovative supplementary credit channels, objectives of the SHGs, models of the credit delivery mechanism evolved in Andhra Pradesh (India) which were tested successfully for replication. It has emphasized the strategy for expanding the role of SHGs and made suggestions for improving bank linkage with SHGs. The study has revealed several features such as efficient flow of credit, utilization of credit for income generating activities, excellent loan repayment and improved empowerment of SHG members.

**6 Shakuntala Narasimhan (1999)**<sup>11</sup> in her study argues that the five decades of economic planning has not done much to improve the status of Women in India. The 40 vital reasons leading to the disadvantaged position of women are their fear, ignorance, powerlessness and vulnerability. The author emphasizes the need for bringing about an attitudinal change among women as the most important step towards empowerment. She discusses various State initiatives taken for rural upliftment.

**7 Karmakar (1999)**<sup>12</sup> has discussed the multi-agency approach to rural credit as an integral component of the credit system. Various factors have led to the poor performance of rural credit system such as poor resource base, low business and outreach levels, poor loan recovery performance, poor income margins due to increasing management costs and inadequate lending margins

**8 Laxmi R. Kulshreshta and Archana Gupta (2001)**<sup>13</sup> made an attempt to emphasize the importance of financing the



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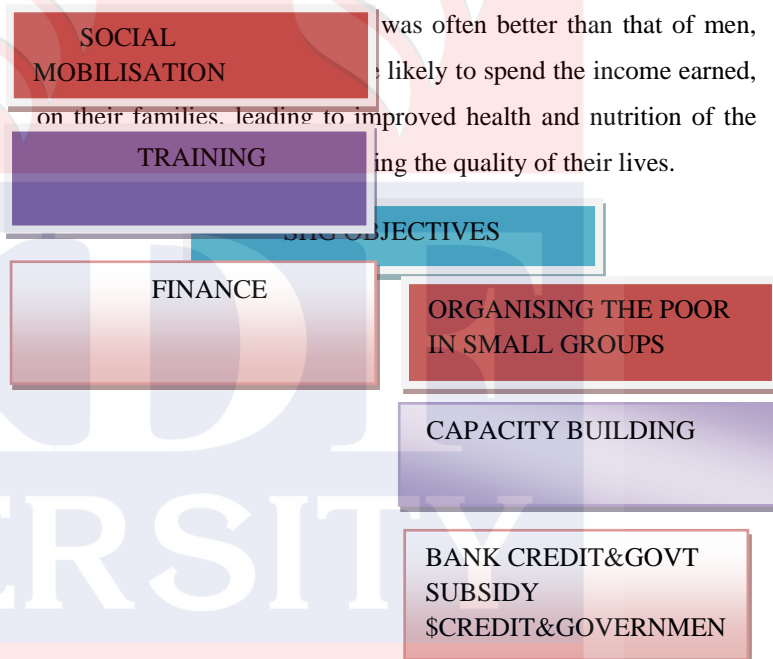
poor through Self-Help Groups as this would lead not only to reduce the intensity of poverty but also promote gender equality and socio-economic equality. The authors have discussed the

problems faced by the formal banking sector, the emergence of Micro-Finance and the role of SHGs.

### OBJECTIVE OF THE STUDY:

- 1 To improve education amongs poor and slum areas people.
- 2 To increase employment opportunities to slum people through SHG.
- 3 To developed the financial status of poor and slum people
- 4 To make the society aware about the different schemes running through the SHG.

Some of NGOs reports have shown that the record on the was often better than that of men, likely to spend the income earned, on their families. leading to improved health and nutrition of the ing the quality of their lives.



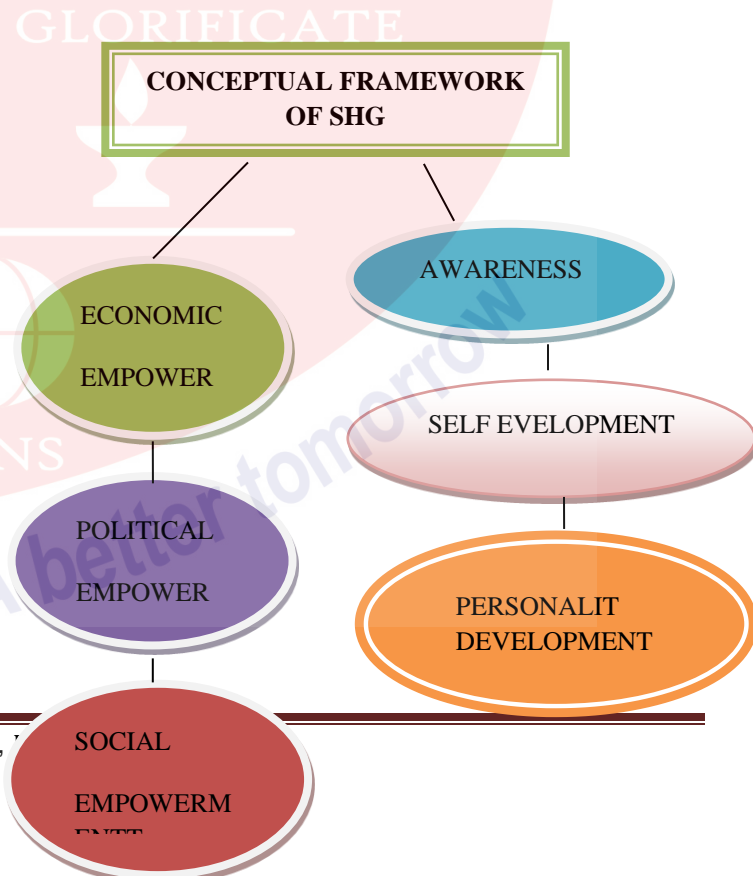
### Research methodology

We have collected the primary data through questionnaire, interviews survey, secondary data through magazines ,internet news papers ,books and articles. Sample size is 100 , sample unit 0-2 and sample area Bhopal city.

### Impact Of Self-Help Group In India

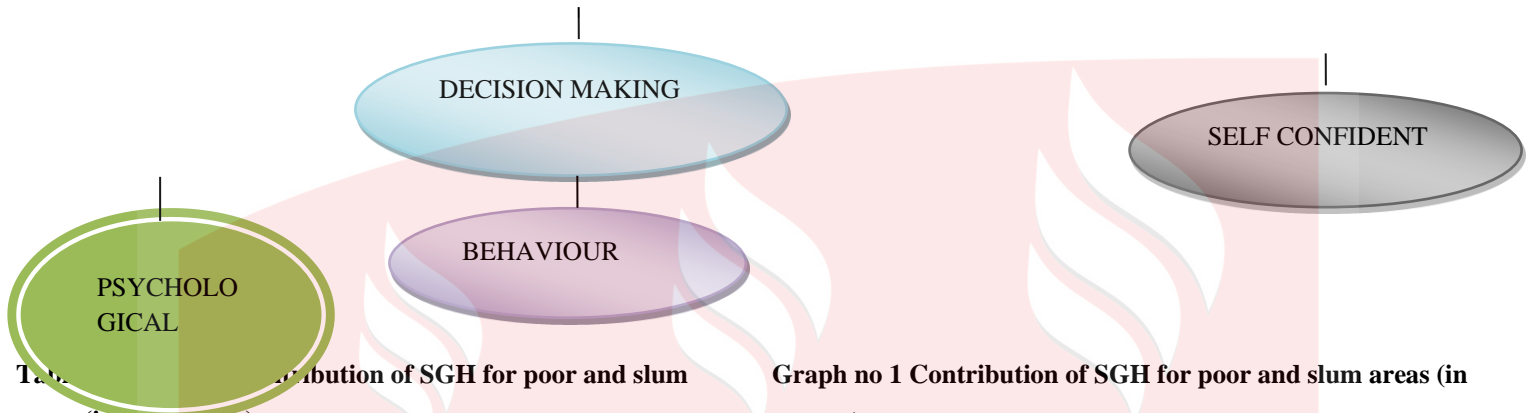
By the SHG our society and community getting the benefits. The main impact of SHG is to provide the financial support to the poor and slum people. One of the primary benefits of participation in a SHG is the opportunity to save regularly, access formal savings institutions and participate in the management of these savings. They save regularly, have their own bank accounts and make deposits into these accounts. SHG is having a good impact on members, in their ability to save their hard earned money.

To avail the credit and loan facility: A corollary of participation in SHGs is an improvement in a woman's access to credit. Since the project is perhaps too early in its implementation to directly improve women's access to credit. The financial mobility due to participation in the SHG has led to an improvement in the quality of life, according to some of the successful groups. Overall, many families were able to address their basic needs better than before.





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**Table no 1 Contribution of SGH for poor and slum areas (in percentage)**

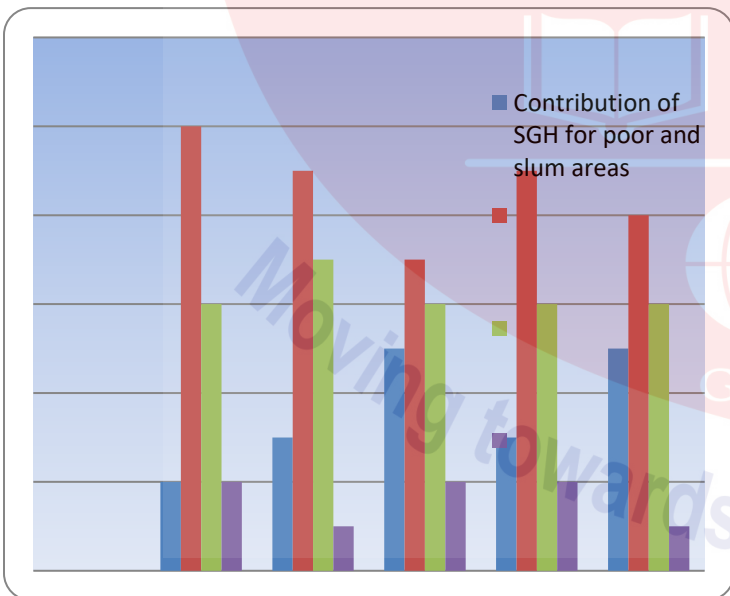
No of respondent	Higher society	Middle class society	Lower society	Below poverty
Bairagarh	10	50	30	10
Subhash nagar	15	45	35	05
misrod	25	35	30	10
karond	15	45	30	10
Govindpura	25	40	30	05

**Graph no 1 Contribution of SGH for poor and slum areas (in percentage)**

The graph no 1 from the above data contribution in different areas of bhopal as follows. 10% higher society,50% middle class, lower 30% and below poverty 10% in bairagarh. In subhash nagar area 15% higher society 15 % ,middle class 45%,lower 35% and 05 % below poverty. In misrod area 25% higher class,35% middle class,30% lower class,10% from below poverty. In karond 15% from higher society ,45% of middle class,30% lower class and 10%.In govindpura 25% higher class,40% from middle class,30 % lower class and 05 % from below poverty.

**Table no 2 financial support through SHG(in percentage)**

No of respondent	Higher society	Middle class society	Lower society	Below poverty
Government financial institutes	60	30	05	05
Semi government financial institutes	40	45	05	10
Private financial institutes	25	30	20	25



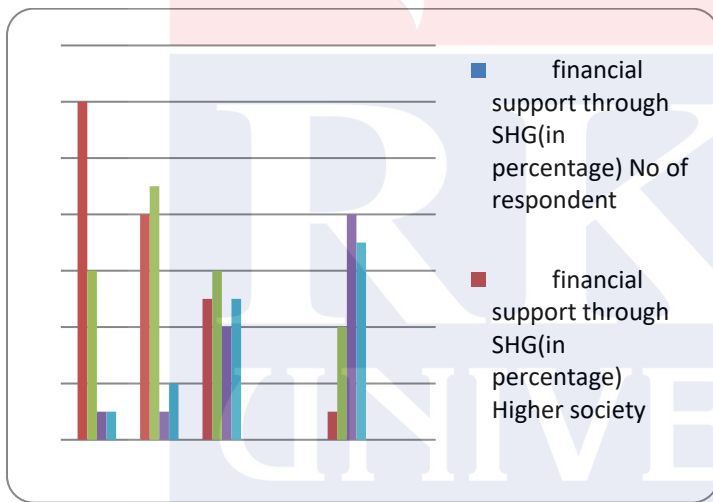




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<b>SHG and NGO's financial support</b>	<b>05</b>	<b>20</b>	<b>40</b>	<b>35</b>
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**Graph no 02 financial support through SHG(in percentage)**



**In table 2 we have mentioned the financial contribution of various sources. Government financial institutes 60% to higher society, 30% to middle class, 05% lower class, 05% to below poverty. Semi government institutes 40% to higher class, 45% to middle class, 05% lower class, 10% below poverty. Private financial institutions 25% to higher society, 30% middle class, 20% lower class, 25% below poverty. SHG and NGO's financial institutions 05% to higher society, 20% to middle class society, 40% to lower class, 35% to below poverty.**

**Suggestion.** On the basis of the study the following findings and suggestions are overcome.

- 1 Self help group should take an steps for develop the living standard of poor people and slum area people.
- 2 Self help group should take initiatives for the concern person who has problem.
- 3 It should take the initiatives for the women who can't go outside from house and really wants to do business for improving their standard of living.
- 4 Ngo's have to take initiatives for development of slum areas people.
- 5 Funding agencies should take approach of needy people instead of other people.
- 6 Self help group and NGO's should starts the different awareness program to aware the needy people to approach them for financial support.
- 7 Self help group and NGO's should aware the society to government policies which is running for the development of their people only. which are not properly reach to the needy people.
- 8 They should increase the member who have the ability to approach these people and go there to aware them for the policies undertaking.
- 9 Private self help group and private NGO's should generate the programs for change the mentality through their policies and program for needy people and slum areas people.
- 10 Proper training should be avail to the members of SHG and NGO's to the poor background people to aware them to stop child labour and should promote education amongs them.
- 11 To give the knowledge of various different welfare programs running by the government.

**Limitation:** on the basis of study following limitation were overcome.

- 1 lack of training amongs SHG members.
- 2 Not responds by the government to take initiatives for the acknowledgement of poor people and slum areas people.



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- 3 Problem of funding through the government agencies.
- 4 Lack of knowledge to the people about the policies running through the government.
- 5 SHG is not going to the slum areas to resolve the problems.
- 6 Private SHG is not taking initiatives to develop the standard of living of slum peoples.
- 7 Lack of perceiving fund from institutions as well as NGO's.

**Conclusion:** In this paper we were try to focused the facilities are providing by SHG group to needy people. The society should aware about the schemes which are running through these groups to public for survive in the best manner. But real empowerment only come when public as well as government will take initiatives. SHGs has been doing the work to known as a way to improve life style and women empowerment. And women Empowerment aims at realize their motives, power and potentiality in all spheres of lives. But the real empowerment is possible only when a woman has increased access to economic resources, with more confidence and self motivation, more strength, more recognition, more involvement in the family matters through involment. Most of the studies demonstrate that Self-help group women have gained self confidence. They got an opportunity to improve their hidden talents after joining the self help groups. They can speak freely in front of large groups of people. In fact they have become modern leaders in the village, Panchayat and local bodies more than before. Women's empowerment through Self- Help Groups (SHGs) plays a pivotal role in the advancement of women in order to help the rural poor tribal, particularly women in securing inspirational and supportive services from within and outside such groups.

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