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Personal Experience of Managing a Self-Help Group - Mahalakshmi Swayam Sahayata Mahila Bachat Gat, Gujarwadi

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Abstract

In the 21st century, Indian Government has mainly focused on the financial inclusion policies. If gender wise population from 2015 to 2024 is considered, female population is recorded to be more than 50% in India. India is an agro based country and female population is involved more in productive works. In India, urban as well as rural areas are having record of female working population more than 50%. The concept of Financial Inclusion has played an important role in motivating female population as it helped them to be in the banking transactions. This research paper throws focus on the key aspects of the Mahalakshmi Self-Help Group (SHG) located in Gujarwadi, Taluka Shirampur, District Ahilyanagar, Maharashtra. This study benefited in contributing in the moral development of female as well as women empowerment with the use of financial inclusion by having active participation in self help groups at village levels. It helped to have self identity and self reliance for women. Self help groups are independent groups which can make their own policies and can take decisions for their own development. The Mahalakshmi SHG, which consists of ten women contributing a minimum of fifty rupees each month, has made each member to be financially literate and self dependent. As the group's chairman, the researcher assigned monthly savings tasks to each member, while also guiding them in handling basic banking functions independently. This program has not only helped them to gain their self-confidence but also made them aware about the importance of financial inclusion. As well self-financing has enabled the members to explore business opportunities, with the researcher introducing them to various government programs aimed at their empowerment. Through economic independence and the group's collective support, the women have gained social dignity and bargaining power.

Keywords: Microfinance, Self-Help Groups, Empowerment, Financial Inclusion, Self-financing, APL, BPL.

Introduction

In the whole world, billion of population is recorded to be living under BPL i.e. Below Poverty Line. This BPL group has females more than 50%. In India this ratio has been recorded more than 75%, as more number of women in India is not working but plays the role of housewives having no contribution in income generating activities. The new Indian Government approach of financial inclusion and micro financing opportunities is making the females to be aware of being self dependent and trying to take active role in income generating activities. In the previous periods, moneylenders were completely extorting the needy peoples and affects like the vicious circle of getting buried in the huge loans with heavy rates of interest. Financial inclusion made the banking transactions more familiar to this group of people and it helped the Government also to reach all the financial policies to each citizen of India.

The basic objective of Indian Government behind the policies of Financial Inclusion is to make the poor people live with dignity and able to comply the basic human needs. With the global development, needs are not limited only to food, clothing and shelter, but the needs have expanded to education, better living standards and medical facilities. Self Help Groups helped the members to achieve this target by creating income generating activities at their comfort zone. It helped the females to take care of their household duties as well as to have active role in income generation for secured future.

Self Help Groups are consisted of 10 to 20 members as per their convenience. These members are generally of same social and financial background. The savings done in SHG's are used to provide loans to the needy members and also to raise capital for their business ideas. Government also provides some additional loans for 5 years at 0% interest rate which help them to boost in business activities and motivates others to be the part of SHG'S.

Scope and Limitations of the Study:

This research focuses on the experiences of operating the SHG in Gujarwadi. The study focuses to make the women aware about their rights to be self dependent and take opportunities of new Government policies for their development as well as contributing to gender equality. The primary goal is to explore the operational dynamics of SHGs and their connection to financial inclusion.

For this study, only the SHGs in the Gujarwadi area, Taluka Shrirampur, are considered. The study samples 10% of the existing SHGs in Gujarwadi, leaving out other SHGs in the Taluka of Shrirampur.

Significance:

An SHG is a small, voluntary group, often made up of rural women from similar socioeconomic backgrounds. The group comes together to solve common problems through mutual aid and self-help. Typically, an SHG will not exceed 20 members.

Sample Selection:

Sample	Total SHGs	Respondents Selected	Sampling Percentage
SHGs in Gujarwadi	4	40	10%

The government categorizes SHGs into two groups: "Above Poverty Line" (APL), where annual income is greater than Rs. 15,000, and "Below Poverty Line" (BPL). These groups engage in economic activities such as savings, credit, and collective asset management, ensuring that the benefits are shared equally among members. The process through which individuals with a common goal form a group to participate in activities like savings, credit, and income generation is known as "Group formation."

Features of SHGs:

1. Members typically share similar economic backgrounds and interests.
2. SHGs are formed with a manageable number of members for ease of operation.
3. The group agrees on fixed savings amounts, which gradually increase over time.
4. Regular meetings are held where members actively participate in tracking and understanding the group's savings records.
5. The utilization of funds is discussed and agreed upon during meetings.

Objectives of the Study:

1. To examine the role of the Mahalakshmi SHG in Gujarwadi, Taluka Shrirampur.
2. To evaluate the performance of the Mahalakshmi SHG.
3. To assess the impact of microfinance on women's SHGs in Gujarwadi.
4. To identify the challenges faced by SHG members.
5. To propose practical solutions to address these challenges.

Research Methodology:

The study is based on both primary and secondary data.

Primary Data: Primary data was gathered through interviews with the heads of SHGs in Gujarwadi. A questionnaire was used to collect reliable data from 40 respondents from various SHGs. The conclusions of the study are primarily based on the responses from this questionnaire.

Secondary Data: For additional information, the researcher utilized various books, SHG records, and websites.

The SHG is a collective of like-minded individuals, usually women, who pool their savings into a common fund to meet their mutual needs. The group collectively decides how to distribute loans, under what terms, and the repayment schedule. Decision-making is decentralized, empowering members to negotiate, determine feasibility, and adjust repayment terms as necessary. The primary aim is not just credit provision but also enhancing the financial management skills of the members.

Activities of the Group:

1. Food Processing:

- **Instant Puran Mix:** The group produces instant puran mix packets, making it easy for customers to prepare the traditional Maharashtrian dish, "Puran-Poli."
- **Grinding of Spices:** With government assistance, the group has acquired a grinding machine for processing spices.

2. **Vermiculture:** The group received a loan for establishing a worm fertilizer project, with the total investment amounting to Rs. 30,000 for a 400 sq. ft. area, repayable over 5 years.

3. **Goat Rearing:** The government, through NGOs, supports members by providing grants for goat rearing.

4. **Poultry & Dairy Products:** Members utilize loans to operate poultry and dairy businesses on a private basis.

5. Community Programs:

- **Gram Swachata Abhiyan:** The group participated in village cleanliness campaigns, helping Gujarwadi win the "Gadgebaba Gram Swachata Abhiyan Award" in 2005-2006.
- **Nirmal Gram Puraskar:** The group contributed to efforts that led to the village receiving the "Nirmal Gram Puraskar" and a cash reward of Rs. 2,00,000 from then Prime Minister Dr. Abdul Kalam Azad.
- **Welcoming Female Births:** The group recognizes families with newborn girls.
- **Women's Day Celebrations:** The group celebrates International Women's Day with a week of events like food festivals and competitions.

- **Alcohol Prohibition:** The group played a crucial role in enforcing alcohol prohibition, reducing family disputes and promoting village-wide sobriety.

Data Analysis:

1. Literacy:

- All 40 respondents are literate.

2. Standard of Living:

- 80% of members report an improved standard of living, while 20% observed no change.

3. Satisfaction with Policies:

- 90% of members are satisfied with the policies of the SHG.

4. Marketing Facilitation:

- 50% of members are satisfied with marketing support, while 50% are not.

Conclusions:

1. SHGs have gained significance through microfinance.
2. SHGs are crucial for combating exploitation, particularly for women, and empowering them economically.
3. The Self-Help model is gaining global acceptance as an effective tool for reaching the most marginalized groups.
4. The literacy rate within SHGs is 100%, with 80% of members reporting an improved standard of living.
5. While 90% of members are satisfied with the policies, 50% are dissatisfied with marketing facilitation.
6. SHGs have empowered women to face various challenges effectively.

Suggestions:

1. Strengthen SHGs by developing more effective management systems and training programs.
2. Encourage women to come together to advocate for better education, healthcare, and economic conditions.
3. NGOs and the government should provide SHGs with direct access to marketing.
4. The focus should be on enhancing financial management skills within SHGs, not just on credit provision.
5. Empowering women is essential for sustainable development in any community, and SHGs can play a key role in this.

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Conflicts of Interest

The authors declare that there are no conflicts of interest regarding the publication of this paper.

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