

Self-Help Group's Contribution to India's Economic and Social Progress

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Abstract:

One of the most significant issues of the twenty-first century is the self-help group. Practically speaking, these are intended to empower women in underdeveloped socioeconomic regions. In our daily lives, we see that self-help groups, which are small voluntary associations of less than twenty individuals, either registered or unregistered, preferably from the same and backward socioeconomic background, are not sufficient to empower women on their own. SHGs are now the primary goals in India for the eradication of poverty and the advancement of women. Due to the increasing rise of community-based NGOs, this movement has gained steam globally, particularly in India. However, many community-based NGOs face significant challenges in their operations. The research is solely based on secondary sources. The study emphasizes how crucial SHGs are to lowering poverty, encouraging entrepreneurship, and facilitating access to financial services. It also explores how SHGs have a transformative effect on government projects, skill development, and community cohesiveness. By examining the combined efforts of SHGs, this study offers insightful information about the processes underlying their efficacy in supporting the socioeconomic environment of India. The results of this investigation provide useful implications for stakeholders, practitioners, and policymakers looking to maximize SHGs' potential for sustainable development.

Keywords- Self-Help Groups, Socio-Economic Development, Women's Empowerment, Social Progress.

Introduction:

Self-help groups are a crucial tool for ending poverty and achieving rural development goals by including the community in government development initiatives. SHGs are voluntary organizations that provide microcredit to their members and support their entrepreneurial endeavors. In India, the establishment of women's self-help groups has been acknowledged as a successful tactic for empowering women in both rural and urban settings. The Indian government

and state governments are concentrating on the use of women's self-help groups (SHGs) in areas like health, sanitation, nutrition, agriculture, forestry, social activities, etc., in addition to income-generating activities using microcredit, because women are essential to the formation of society. Self Help Groups (SHGs), which have improved the lives of the poorest and most marginalized people in rural areas, are the most creative solution to the aforementioned issue. Due to the size of the issue and the adage "a lone gram can't bust the oven," one agency cannot address it on its own. Similar to how "drop by drop, the ocean is made," the government, a number of financial organizations, including RBI, NABARD, and rural banks, as well as CBOs and NGOs, have stepped forward to assist these underprivileged and marginalized individuals. Over the past few years, the Indian government has launched a number of initiatives, including the Integrated Rural Development Program (IRDP), National Family Benefit Scheme (NFBS), Jawahar Gram Samridhi Yojana (JGSY), Food for Work Program, Sampoorna Gramin Rozgar Yojana (SGRY), Mahatma Gandhi National Rural Employment Guaranty Act (MGNREGA), Swarn Jayanti Swrojgar Yojna, and Antodya Yojna. Although the RBI has offered a number of agencies and frameworks for the effective execution of the aforementioned programs, several systemic flaws prevented the plan to eradicate poverty from being carried out. This essay aims to thoroughly examine the complex contributions of SHGs to India's socioeconomic growth. By looking at how they affect This study examines community cohesion, entrepreneurship, skill development, and financial services access. seeks to highlight these groups' capacity for transformation. This study aims to offer insightful information by synthesizing empirical data and critically analyzing previous literature. Policymakers, professionals, and interested parties who want to use SHGs to India's sustainable development.

Evolution of Self-Help Groups (SHGs) in India

The concept of Self-Help Groups (SHGs) has emerged as an important institutional mechanism for poverty reduction, financial inclusion, livelihood promotion, and women's empowerment. The broader microcredit movement is closely associated with Muhammad Yunus, who pioneered the Grameen approach in Bangladesh during the 1970s. Yunus demonstrated that poor households could access credit through collective mechanisms even when they lacked conventional collateral (Nobel Prize Outreach, 2006). However, the Indian SHG model developed through a distinctive combination of community mobilisation, thrift and savings, institutional credit, and government-supported rural development programmes.

The evolution of SHGs in India can be traced particularly to the initiatives of non-governmental organisations (NGOs) during the 1980s. Organisations such as MYRADA (Mysore Resettlement and Development Agency) played an important role in developing affinity-based groups in which members mobilised their own savings and provided small internal loans to one another. Recognising the potential of this approach for reaching financially excluded rural households, the National Bank for Agriculture and Rural Development (NABARD) initiated experiments with SHGs during the late 1980s. NABARD subsequently launched the SHG-Bank Linkage Programme (SHG-BLP) in 1992, initially as a pilot project linking approximately 500 SHGs with formal financial institutions. The

programme gradually developed into one of the world's largest microfinance initiatives in terms of outreach (NABARD, 2017).

The SHG-BLP represented a significant change in the delivery of rural financial services. Instead of depending exclusively on individual borrowers and conventional collateral, the programme encouraged collective savings, internal lending, repayment discipline, group responsibility, and subsequent linkage with banks. NABARD also promoted the participation of NGOs and other institutions as Self-Help Group Promoting Institutions (SHPIs). Consequently, SHGs became an important channel for extending formal financial services to underserved rural households, particularly women. By March 2024, NABARD reported 144.22 lakh SHGs linked with banks, of which 120.44 lakh were exclusively women SHGs, demonstrating the continuing importance of women-centred group-based financial inclusion (NABARD, 2024).

Government policy subsequently strengthened the SHG movement by integrating it with rural poverty-alleviation programmes. In 1999, the Government of India introduced the Swarn Jayanti Gram Swarozgar Yojana (SGSY) to promote self-employment among rural poor households. The programme placed considerable emphasis on organising beneficiaries into SHGs and supporting them through training, credit, subsidy and livelihood activities. SGSY was later restructured into the National Rural Livelihoods Mission (NRLM), which was formally launched on 3 June 2011. The new mission adopted a more comprehensive approach based on social mobilisation, institution building, capacity development, financial inclusion and sustainable livelihoods. The transition from SGSY to NRLM was completed in 2013 (Ministry of Rural Development, 2024). In November 2015, NRLM was renamed Deendayal Antyodaya Yojana–National Rural Livelihoods Mission (DAY-NRLM). The programme seeks to mobilise rural poor households into SHGs and develop their federated institutions at higher levels. This institutional architecture has enabled SHGs to move beyond savings and credit towards entrepreneurship, livelihood development, social security, financial literacy, and participation in local development processes. The growth of SHGs has also been supported by successful state-level initiatives. Kudumbashree in Kerala, launched in 1998, developed a three-tier community structure consisting of Neighbourhood Groups, Area Development Societies and Community Development Societies, integrating women's community organisations with local development processes. Similarly, JEEViKA in Bihar has promoted women's SHGs as platforms for financial inclusion, savings, credit, insurance and livelihood development. Thus, the evolution of SHGs in India represents a transition from small community-based savings groups to a large-scale institutional mechanism for financial inclusion, poverty reduction, livelihood generation and women's socio-economic empowerment. The integration of SHGs with formal banking institutions and programmes such as DAY-NRLM has transformed them into an important component of India's rural development strategy.

According to primary documents from the Ministry of Rural Development (MoRD) and NABARD under the Deendayal Antyodaya Yojana – National Rural Livelihoods Mission (DAY-NRLM), the initiative has mobilized 100.8 million rural women across 9.2 million Self-Help Groups (SHGs) nationwide. Cumulative bank credit extended through the SHG-Bank Linkage Programme (SHG-

BLP) has crossed ₹11 lakh crore (~\$132 billion USD), demonstrating an expanded institutional footprint in formal microfinance delivery and rural economic development compared to previous project cycles.

Review of Literature

A examination of the literature gives the researcher a comprehensive understanding of the field of study and allows them to obtain a clear picture of the various elements of the research. The researcher might evaluate the various studies that have been conducted elsewhere by others on related subjects. comprehend the many aspects of the specific study that was conducted. Additionally, it facilitates the exploration of potential avenues for future research on related areas of the subject of study and helps close gaps in a particular field of study.

Dutt, K. L. and Samanta, G. (2006), outlined how the group approach is the most effective strategy for women's rural microfinance. It has motivated the tendency to achieve the desired growth in rural community development without taking into account the caste, economic, and religious hierarchies that contribute to the diversity of women. The study looked at the shortcomings of several Self-Help Groups that utilized the Development of Women and India's experience with Children in Rural Areas (DWCRA). The study came to the conclusion that women are "targets" of action and their voices are hardly heard, which is the main cause of DWCRA's poor performance. The issue with "self-help" programs for women is that they problematize the "self," mostly in the bureaucrat's own image, rather than the women they are intended for.

Sharma,(2014) analysis on Microfinance with the help of SHGs and women empowerment in the selected SHGs of Sikkim. He concentrated on assessments of women's socioeconomic situation, as well as the role and performance of microfinance institutions in empowering women in the state. The study found that joining SHGs enhanced their revenue generating activities and people's income, as well as women's courage and self-confidence, socioeconomic empowerment, physiological level, and family decision-making process. The study's findings indicated that NGOs and the government take the required initiative to sell SHG-produced commodities in the area.

Somasekhar, K. (2015).Over the past few years, financial inclusion has taken center stage in Indian policymaking, and numerous efforts have been made to broaden its application. Common people must have access to social and economic fairness through inclusive growth. Since the outset, the Reserve Bank of India and the Government of India have taken a number of steps to promote financial inclusion in order to develop all segments of the population. A subjective multimodel technique was used to accomplish this. To address financial difficulties in obtaining credit from financial institutions, service areas approach, priority sector lending differential rate of interest, leading bank scheme issue of general credit and kisan credit, and so forth. In light of this, NABARD launched a ground-breaking initiative in 1992 by connecting banks with SHG groups of rural impoverished people. With over 7.4 million, or 97 million rural households, directly participating in this enormous movement, it now claims the largest microfinance efforts in the world.

The rise of SHGs and the SHGs-Bank Linkage initiative significantly improved people's quality of life, particularly for women. SHGs are important since they encourage frugal living and give credit when

needed. The performance of SHGs and Bank Linkage for financial inclusion and rural livelihoods is examined in this article.

Das (2016) he conducted a micro-level study titled "The Role of SHGs in the Socioeconomic Change of Rural Women." The revealed that women's social standing and empowerment improved after joining SHGs. It has also helped women members gain self-confidence and make beneficial behavioural changes in the post-SHG phase. It also revealed that joining a SHG resulted in a large boost in savings. The researcher indicated that SHG members feel comfortable working with their groups. It encourages people to participate in many social welfare initiatives with good cooperation. The SHG are essential to improving economic conditions, social status, decision- making, and expanding women's participation in many activities.

K, Avdhesh.(2020). One of the most significant issues of the twenty-first century is the self-help group. Practically speaking, these are intended to empower women in underdeveloped socioeconomic regions. In our daily lives, we see that self-help groups, which are small voluntary associations of less than twenty individuals, either registered or unregistered, preferably from the same and backward socioeconomic background, are not sufficient to empower women on their own. SHGs are now the primary goals in India for the eradication of poverty and the advancement of women. Due to the increasing rise of community-based NGOs, this movement has gained steam globally, particularly in India. However, many community-based NGOs face significant challenges in their operations. The research is entirely derived from secondary sources. This paper's primary goal is to shed light on the issues SHGs in Uttar Pradesh face and offer solutions.

Importance of the Study

Women's empowerment cannot be viewed in a vacuum; rather, it should be seen as the collective responsibility and endeavor of the people with the government's full support and patronage. Unfortunately, women's empowerment and strategies for achieving it received very little or no attention. Following protracted arguments, discussions, and considerations, it was acknowledged that improvements in the economic circumstances, such as higher income, savings, and The goal of empowerment will be aided by financial accessibility. They were able to supplement family welfare and deal with the family issue because to easier access to credit and revenue. It positively affects women's ability to make decisions and their ability to negotiate. Participation in SHGs also provides a starting point for social connection, political engagement, and community involvement, among other things. The women's awareness, skills, and other abilities are further enhanced by their ongoing engagement in SHG, which helps them develop their self-esteem and get the attention they deserve from society. We will be able to understand how Self Help Groups (SHGs) contribute to women's economic, social, political, and personal empowerment. Only via communal orientation can individual empowerment be attained. As a result, the key elements fostering group cohesiveness are determined. In order to overcome the shortcomings through corrective actions, the strong and weak aspects of group cohesion are highlighted. Additionally, the main obstacles that SHG members encounter are identified to provide recommendations for enhancements. Despite the fact that numerous studies on SHG and women's empowerment have been conducted, women's personal

empowerment and elements Group empowerment has not gotten much attention up to this point. As a result, this study is highly relevant.

Objectives

- To identify the factors determining the group cohesiveness of Self Help Groups in women empowerment.
- To identify the constraints/problems faced by the Self Help Groups in women empowerment.

Scope of the Study

The concept of women's empowerment is hotly contested. The achievement of the empowerment goal may accelerate the nation's development. Assessing SHG's efforts to reduce poverty through women's empowerment will help this mission reach its objective. Information regarding the women's entrepreneurial skills is provided by the revenue-generating activities started through SHG. It goes on to describe the challenges in generating revenue. activities that will serve as a foundation for them to abandon their pursuits. Therefore, suitable The authorities must develop policies to address the issues. The study can also reveal a true depiction of the members' affiliation with social issues, political arena, and community activities. Additionally, the study aims to be a standard by which to gauge people's engagement with different organizations. A number of programs aimed at raising awareness and enhancing women's capacities is able to be scheduled. The study would open people's eyes to the real-world issues and challenges encountered throughout the SHG program's implementation. As a result, the authorities would learn about these limitations and develop plans to get around them.

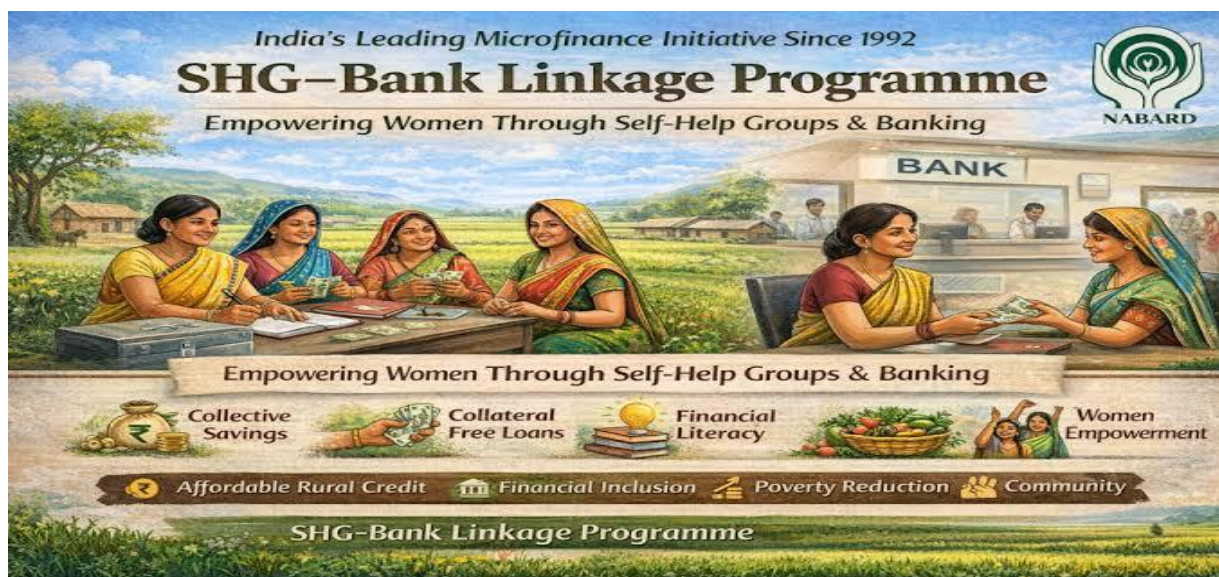
Initiatives by the government in SHGs

Because they have less influence over resources, women, who make up half of the population, are typically underemployed. As a result, the government has been implementing a number of initiatives to reduce rural women's poverty. One such initiative was the establishment of DWCRA. The launch of the Self-Help Groups initiative, a sub-program under the Swarnajayanthi Gram Swarozgar Yojana, was made possible by the failure of DWCRA. (SGSY). Launched on April 1st, 1999, the Swarnajayanthi Gram Swai'ozgai' Yojana sought to lift the families covered by this program (Swrozgaris) out of poverty by guaranteeing a steady income through long-term income-generating activities. The goal is to be accomplished by means of training, capacity building, social mobilization, and the distribution of assets that generate revenue. By working together, the SHG approach helps the underprivileged develop their self-confidence. In the end, this procedure would improve the socioeconomic status of the general poor and increase their collective bargaining strength.

SHG-Bank Linkage Programme

Despite having a large network of rural bank branches that carried out a range of programs aimed at reducing poverty, NABARD's research studies in the early 1980s showed Despite the creation of chances for self-employment through bank loans for nearly twenty years, a significant portion of the poorest of the poor remained outside the official banking system. These investigations further demonstrated that the current banking rules, methods, and procedures, as well as deposit and loan products, could not be appropriate to address the most pressing demands of the impoverished.

Additionally, it seems that improved access to these goods and services was more important for the impoverished than low-cost, subsidized credit. In order to meet the needs of the poorest, particularly the women who live in such families, a search was launched for alternative policies, methods, and procedures, savings and loan products, additional complementary services, and innovative delivery mechanisms. Therefore, rather than focusing solely on microcredit, the focus was on increasing the poor's access to microfinance. Since there was already a vast network of state-owned bank branches, NABARD concentrated on improving the impoverished's access to the current banking system rather than establishing new institutions. The SHG-bank linkage model was developed as the main tactic that the Indian banking system could use to increase its outreach to the poorest of the poor, who had previously been ignored by them, as a result of numerous internal and professional institution-sponsored research studies as well as some action research projects funded out of the research and development fund of NABARD. In order to learn the subtleties of financial discipline, the technique entails organizing small, cohesive, and participatory groups of the impoverished, encouraging them to regularly pool their savings, and using the pooled resources to provide tiny interest-bearing loans to members. The next step is bank credit. It is important to note that NABARD sees the promotion and bank connection of Self-Help Groups (SHGs) not just as a credit program but as a component of a larger plan to provide financial services to the impoverished in a sustainable way, as well as an empowerment process for the SHG members.



Deendayal Antyodaya Yojana – National Rural Livelihoods Mission (DAY-NRLM) represents a major initiative in rural economic empowerment, having mobilized 10.08 crore (100.8 million) rural women across India into a vast network of 92.3 lakh (9.23 million) active Self-Help Groups (SHGs). By building community-managed micro-institutions and connecting them directly to the formal financial sector, the mission has facilitated over ₹13.67 lakh crore (~\$164 billion) in cumulative bank credit, effectively displacing high-cost informal lending and enabling sustainable local enterprises. The tangible economic impact of this framework is highlighted by the 3.46 crore (34.6 million) Lakhpati Didis who have achieved a sustainable annual income of at least ₹1,00,000 through diversified livelihoods, skill development, and financial independence. The SHG-Bank Linkage Programme stands as a transformative innovation in India's rural financial architecture. By bridging

informal community networks and formal banking institutions, it has redefined the contours of microfinance. Its success lies not merely in credit disbursement but in fostering social capital, enhancing women's agency, and embedding financial services within community structures. As India advances toward comprehensive financial inclusion and sustainable development, strengthening the quality of SHGs, promoting digital literacy, and ensuring equitable regional expansion will be critical. The SBLP demonstrates that poverty alleviation strategies grounded in community participation and institutional support can yield enduring socio-economic transformation.

Initiative by Government for self help groups in india

In order to support, finance, educate, and technologically empower Self-Help Groups (SHGs), especially women-led collectives, the Indian government has implemented a number of programs and regulatory frameworks.

Deendayal Antyodaya Yojana – National Rural Livelihoods Mission (DAY-NRLM)

One of the main initiatives of the Indian government to combat rural poverty and advance sustainable livelihoods is the Deendayal Antyodaya Yojana-National Rural Livelihoods Mission (DAY-NRLM). It focuses on creating Self-Help Groups (SHGs) for impoverished rural households and improving their access to markets, capital, skills, and employment possibilities. In 2011, the Swarnajayanti Gram Swarozgar Yojana (SGSY) was reorganized as the National Rural Livelihoods Mission (NRLM). It was subsequently renamed Deendayal Antyodaya Yojana-NRLM (DAY-NRLM). The initiative is carried out by the Ministry of Rural Development through State Rural Livelihood Missions, with a focus on women's involvement and community-based organizations.

The major objectives of DAY-NRLM are:

- Reduction of rural poverty through sustainable livelihood opportunities.
- Social mobilisation of rural poor households into SHGs.
- Promotion of women's empowerment and financial independence.
- Improving access to institutional credit and financial services.
- Development of skills and entrepreneurship.

Lakhpatti Didi Initiative

The Lakhpatti Didi Initiative is an important initiative of the Government of India aimed at promoting sustainable livelihoods, income enhancement and economic empowerment among rural women associated with Self-Help Groups (SHGs) under the Deendayal Antyodaya Yojana-National Rural Livelihoods Mission (DAY-NRLM). The term "Lakhpatti Didi" refers to a woman SHG member whose household earns an annual income of at least ₹1 lakh on a sustainable basis. The initiative focuses on enabling rural women to increase their income through agriculture, dairy farming, livestock, food processing, handicrafts, tailoring, small enterprises and other livelihood activities. It promotes financial inclusion by improving access to savings, institutional credit, financial literacy and digital financial services, while also providing opportunities for skill development, entrepreneurship, value addition and market linkages. Through SHGs and their community institutions, women are encouraged to diversify their sources of income, improve productivity, expand existing enterprises and develop sustainable livelihood opportunities. The initiative therefore goes beyond financial

assistance by creating an integrated ecosystem of SHG formation, financial inclusion, skill development, credit access, livelihood promotion, entrepreneurship and market linkage. In this way, the Lakhpati Didi Initiative seeks to increase household income, reduce economic vulnerability, strengthen women's participation in economic decision-making and contribute to rural poverty reduction and sustainable rural development in India.

Namo Drone Didi Scheme

The Namu Drone Didi Scheme is a Government of India initiative aimed at empowering women associated with Self-Help Groups (SHGs) by enabling them to provide drone-based agricultural services to farmers and generate sustainable livelihood opportunities. The scheme was approved to provide drones to selected women SHGs, particularly under the Deendayal Antyodaya Yojana–National Rural Livelihoods Mission (DAY-NRLM) framework, so that they can use drones for agricultural applications such as the spraying of liquid fertilisers and pesticides. By combining technology, women's entrepreneurship, skill development and agricultural services, the scheme seeks to create new sources of income for rural women while promoting the adoption of modern agricultural practices. Women SHG members are provided training in drone operation and related agricultural applications, enabling them to function as drone entrepreneurs and service providers in their local communities. The initiative therefore has a dual objective: improving the efficiency and precision of agricultural input application for farmers and creating technology-enabled livelihood and employment opportunities for rural women. In the broader context of rural development, the Namu Drone Didi Scheme represents an important convergence of women's empowerment, SHG-based entrepreneurship, agricultural modernisation, skill development and digital technology, contributing to the Government of India's broader objective of strengthening rural livelihoods and increasing women's participation in the agricultural economy.

NABARD's SHG–Bank Linkage Programme (SBLP)

The Self-Help Group–Bank Linkage Programme (SHG-BLP) was launched by the National Bank for Agriculture and Rural Development (NABARD) in 1992 as an innovative approach to connect informal Self-Help Groups (SHGs) with the formal banking system and promote financial inclusion among rural households, particularly women. Under the programme, SHGs mobilise regular savings, undertake internal lending among members and subsequently establish linkages with banks to obtain institutional credit. This mechanism enables members who may face difficulties accessing conventional banking services to obtain formal credit based on the collective strength, savings behaviour and repayment record of the group. The programme has played an important role in reducing dependence on informal moneylenders, promoting savings and credit discipline, strengthening women's economic participation, and supporting income-generating and livelihood activities in rural areas. Over time, SHG-BLP has developed into one of India's major community-based financial inclusion models, linking savings, institutional credit, social mobilisation, livelihood promotion and women's empowerment. Thus, NABARD's SHG-Bank Linkage Programme represents an important milestone in the development of India's microfinance and rural financial inclusion

ecosystem and has provided a strong institutional foundation for subsequent SHG-based livelihood programmes such as DAY-NRLM (NABARD, 2024).

Start-up Village Entrepreneurship Programme (SVEP)

The Start-up Village Entrepreneurship Programme (SVEP) is an important sub-component of the Deendayal Antyodaya Yojana–National Rural Livelihoods Mission (DAY-NRLM) introduced by the Government of India to promote rural entrepreneurship and sustainable self-employment among members of Self-Help Groups (SHGs) and other rural poor households. The programme seeks to enable rural people to establish and develop small enterprises by providing business development support, training, mentoring, financial assistance and access to institutional credit. SVEP encourages individuals to identify viable local business opportunities and supports them in starting or expanding enterprises in both farm and non-farm sectors. A distinctive feature of the programme is its emphasis on developing local community-based entrepreneurship support systems, including trained Community Resource Persons–Enterprise Promotion (CRP-EPs), who provide guidance on business planning, financial management, marketing and enterprise development. By reducing barriers to starting small businesses and strengthening entrepreneurial capabilities, SVEP aims to generate sustainable livelihoods, employment and additional income in rural areas. Thus, the programme represents an important component of India's rural livelihood strategy, linking SHGs, entrepreneurship, skill development, access to finance, local enterprise development and poverty reduction, while encouraging rural communities to become active participants in their own economic development (Ministry of Rural Development [MoRD], 2024).

Market Linkages and E-Commerce Onboarding

Market linkages and e-commerce onboarding are important components of the Government of India's efforts to strengthen the economic sustainability of Self-Help Groups (SHGs) by connecting rural women producers and artisans with wider consumer markets. Through platforms such as the Government e-Marketplace (GeM) and partnerships with e-commerce platforms, SHG members and rural producers can gain opportunities to market their products beyond traditional village and local markets. Such digital market access can help improve product visibility, customer reach, branding and income opportunities while reducing dependence on intermediaries. In addition, SARAS exhibitions and fairs, organised under the rural livelihoods framework, provide SHG members with opportunities to display and sell products such as handicrafts, handlooms, processed food and other locally produced goods to urban consumers. These initiatives collectively promote digital inclusion, entrepreneurship, value addition, market access and sustainable livelihoods by helping rural women and SHG enterprises move from small local markets towards larger and potentially more remunerative markets. Therefore, market linkage and e-commerce initiatives complement the broader objectives of DAY-NRLM by converting women's productive activities into commercially viable enterprises and strengthening their participation in the formal and digital economy (Ministry of Rural Development [MoRD], 2024).

Problems of Self-Help Groups (SHGs)

Self-help groups have been crucial in promoting financial inclusion, reducing poverty, empowering women, and developing rural livelihoods, but a number of obstacles limit their efficacy. The scarcity and insufficiency of financing is one of the main issues. Despite SHGs' connections to banks, members may occasionally experience loan delays, inadequate credit limits, administrative challenges, and low financial awareness. Lack of administrative and entrepreneurial abilities among members is another significant problem that may hinder their capacity to create, oversee, and grow revenue-generating ventures. Low product profitability may also come from SHGs' inability to secure dependable markets, suitable technology, high-quality raw materials, storage, transportation, packaging, and branding.

Major Problems of Self-Help Groups (SHGs)

- Limited Access to Credit – Difficulty in obtaining adequate and timely bank loans.
- High Dependence on Government Support – Some SHGs depend heavily on subsidies, grants and government assistance.
- Lack of Financial Literacy – Members may have limited knowledge of banking, interest rates, insurance, budgeting and financial planning.
- Inadequate Entrepreneurial Skills – Lack of business, managerial and marketing skills can restrict enterprise growth.
- Poor Market Linkages – Difficulty in finding reliable and profitable markets for SHG products.
- Lack of Technology – Limited access to modern machinery, technology and digital tools can reduce productivity.
- Poor Record Keeping – Inadequate maintenance of accounts, registers and financial records can weaken group management.
- Irregular Savings and Meetings – Irregular participation and savings can affect the financial strength of SHGs.

Measures to Overcome Problems of Self-Help Groups (SHGs)

- Easy and Timely Credit – Banks should provide adequate loans with simpler procedures and timely disbursement.
- Financial Literacy – Regular training should be provided on savings, loans, interest, insurance, budgeting and digital banking.
- Entrepreneurship Development – SHG members should receive practical training in business planning, accounting, production and management.
- Better Market Linkages – SHG products should be connected with local markets, exhibitions, government procurement and e-commerce platforms.
- Improved Product Quality – Training in quality control, packaging, branding and standardisation should be provided.
- Use of Technology – Members should be encouraged to use digital payments, online banking, social media marketing and e-commerce.

- Regular Training and Capacity Building – Continuous rather than one-time training should be organised according to members' livelihood activities.
- Better Record Keeping – SHGs should maintain proper records of savings, loans, income, expenditure and meetings, preferably using simple digital tools.

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