



## Self Help Groups (SHGs) – A Complete Understanding

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**ABSTRACT:** Poverty is one of the major problems in India. It is the root cause of many socio-economic problems including population explosion, unemployment, and child labour and rising graph of crimes. Poverty alleviation should be the main target of the nation so as to make it a prosperous and developed country.

For a multi-pronged and concerted attack on the poverty, the Government of India launched an integrated program for self-employment of the rural poor, with effect from 1 April 1999, known as Swarnajayanti Gram Swarozgar Yojana (SGSY).

Self-Help Group refers to a group of 10-20 people who come from similar socio-economic backgrounds for various development programmes or to solve common problems. Such groups are recognized by the governments and banks and can open bank accounts in the name of the SHG.

This paper tries to explain all fundamentals and meticulous facts required to understand the SHGs concept completely.

**Key words:** SHG; SHGs; Self Help Groups; SHGs in Karnataka; Origin of SHGs; Evolution of SHGs; State of SHGs in India; State of SHGs in Karnataka;

### I. INTRODUCTION

Poverty is one of the major problems in India. It is the root cause of many socio-economic problems including population explosion, unemployment, and child labor and rising graph of crimes. Poverty alleviation should be the main target of the nation so as to make it a prosperous and developed country. Thus, poverty elimination is a matter of fundamental importance. Alleviation of poverty remains a major challenge before the Indian Government. Acceleration of economic growth, with a focus on sectors, which are employment-intensive, facilitates the removal of poverty in the long run. According to the 2011 Census of India has a population of 1.21 billion people as of 2011. The figures provided by Population Census of India shows that the country represents 17.31% of the world population. The latest poverty estimates by the Planning Commission show that poverty in India has declined by 7.4 per cent. According to the latest data, 29.8 per cent or 360 million Indians were poor in 2009-10 as compared to 37.2 per cent or 400 million in 2004-05. However, the decline is based on a poverty line calculated at Rs.22.43 per person per day in rural areas, and Rs.28.65 per person per day in urban areas, which is lower than the earlier Rs.32 a day mark.

Planning Commission deputy chairman Montek Singh Ahluwalia once stated, "I firmly believe that when the final numbers of poverty till 2011-2012 come out in 2013-14, the actual decline in poverty would be much larger than 1.46 per cent per annum as 2009 was a drought year." The only way to lower the risk that the rural poor face would be to reduce their vulnerability through the use of microfinance to engage positively in capacity building. The strategies used for capacity building through microfinance can be divided into Ex Ante, that is, measures that are implemented before a disaster hits, and Ex Post, which refers to measures that are implemented to deal with a disaster after it has taken place. Some ex ante strategies include the diversification of income, the building up of assets in the form of cash, houses, livestock and land, and investments in education, health care and social networks. Some ex post strategies in dealing with disasters are cutting down on consumption, the mobilization of labour, the liquidation of personal assets, and the obtaining of loans from informal and formal institutions. The micro finance revolution, a recent product of development, ensures the

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availability of institutional credit and financial inclusion to the poor, who were so far excluded from the institutional credit system.

## **II. MICROFINANCE AND POVERTY**

In developing economies and particularly in rural areas, many activities that would be classified in the developed world as financial are not monetized: that is, money is not used to carry them out. This is often the case when people need the services money can provide but do not have dispensable funds required for those services, forcing them to revert to other means of acquiring them. The advocates of microcredit argue that microcredit can help to substantially reduce poverty. According to the latest research done by the World Bank, India is home to almost one third of the world's poor (surviving on an equivalent of one dollar a day). Though many central government and state government poverty alleviation programs are currently active in India, microfinance plays a major contributor to financial inclusion. In the past few decades it has helped out remarkably in eradicating poverty. Reports show that people who have taken microfinance have been able to increase their income and hence the standard of living.

## **III. THE CONCEPT OF SELF HELP GROUP**

For a multi-pronged and concerted attack on the poverty, the Government of India launched an integrated program for self-employment of the rural poor, with effect from 1 April 1999, known as Swarnjayanti Gram Swarozgar Yojana (SGSY). The scheme is an amalgamation of six earlier programs, viz. (1) Integrated Rural Development Program (IRDP), (2) Training of Rural Youth for Self-Employment (TRYSEM), (3) Supply of Improved Tools for Rural Artisans (SITRA) (4) Ganga Kalyan Yojana (GKY), (5) Million Wells Scheme (MWS) and (6) Development of Women and Children in Rural Areas (DWCRA). The objective of the scheme is to bring the assisted poor families above the poverty line by organizing them into Self Help Groups (SHGs) through the process of social mobilization, training and capacity building and provision of income generating assets through a mix of bank credit and government subsidy.

The concept of SHG is based on the following principles:

- Self-help supplemented with mutual help can be a powerful vehicle for the poor in their socioeconomic development;
- Participative financial services management is more responsive and efficient;
- Poor need not only credit support, but also savings and other services;
- Poor can save and are bankable and SHGs as clients, result in wider outreach lower transaction cost and much lower risk costs for the banks;
- Creation of a common fund by contributing small savings on a regular basis;
- Flexible democratic system of working;
- Loaning is done mainly on trust with a bare documentation and without any security;
- Amounts loaned are small, frequent and for short duration;
- Defaults are rare mainly due to group pressure; and
- Periodic meetings non-traditional savings.

Self-Help Group refers to a group of 10-20 people who come from similar socio-economic backgrounds for various development programmes or to solve common problems. Such groups are recognized by the governments and banks and can open bank accounts in the name of the SHG. These groups tend to be autonomous and tend to involve themselves in various activities, including social causes. So if a group of fifteen women in a village would like to apply for a loan start a small enterprise selling bags and cushions, they would be considered an SHG. These SHGs, by way of enterprise tend to create more employment opportunities and inspire others to get involved in small enterprises as well.

## **IV. THE SHG SYSTEM**

The members form a group of around twenty members. The group formation process may be facilitated by an NGO or by the MFI or bank itself, or it may evolve from a traditional rotating savings and credit group (ROSCA) or other locally initiated grouping. The process of formal 'linkage' to an MFI or bank usually goes through the following stages, which may be spread over many years or which may take place within a few months.

- The SHG members decide to make regular savings contributions. These may be kept by their elected head, in cash, or in kind, or they may be banked.
- The members start to borrow individually from the SHG, for purposes, on terms and at interest rates decided by the group themselves.
- The SHG opens a savings account, in the group's name, with the bank or MFI, for such funds as may not be needed by members, or in order to qualify for a loan from the bank.

- The bank or MFI makes a loan to the SHG, in the name of the Group, which is then used by the Group to supplement its own funds for on-lending to its members.

The SHG need never go through all these stages; it may satisfy its members' needs quite effectively if it only goes to the second or even to the first stage, saving money and possibly not even withdrawing it (Harper M 2000, pp. 39-42). The SHG carries out all the same functions as those required by the Grameen system, but they do this on their own behalf, since the SHG is effectively a micro-bank, carrying out all the familiar intermediation tasks of savings mobilisation and lending. The MFI or bank may assist the SHG in record keeping, and they may also demand to know who are the members and impose certain conditions as to the uses of the loan which they make to the SHG, but the SHG is an autonomous financial institution in its own right. The members have their accounts with the SHG, not with the MFI or bank, and the MFI or bank does not have any direct dealings with the members.

## **V. THE HISTORY AND EVOLUTION OF SHGs**

Self-help groups (SHGs) first emerged in MYRADA in 1985. In 1986/87 there were some 300 SHGs in MYRADA's projects. Many had emerged from the breakdown of the large cooperatives organized by MYRADA. In these areas, a number of members asked MYRADA to revive the credit system. They usually came in groups of 15-20. When reminded of the loans they had taken out from the cooperative, they offered to return them to MYRADA, but not to the cooperative, which in their experience was dominated by a few individuals. MYRADA staff suggested that they return the money to themselves – in other words to the members who had come in a group to present their case to MYRADA. After some hesitation, they decided to continue meeting in these smaller groups. MYRADA staff realized that they would need training: how to organize a meeting, certain agenda, keep minutes, etc. Efforts were made to train the members systematically. On analysis it emerged that the members were linked together by a degree of affinity based on relationships of trust and support; they were also often homogeneous in terms of income or of occupation (for example, agricultural laborers), but not always. Caste and creed played a role, but in several groups affinity relationships and economic homogeneity were stronger; as a result, several groups included different castes and creeds. From the time that the first SHGs emerged in 1985 to the inclusion of the SHG strategy in the annual plan for 2000/01 (Government of India, 2000), several important steps were taken by the National Bank for Agriculture and Rural Development (NABARD), the Reserve Bank of India (RBI) and leading NGOs, as well as by multilateral agencies, particularly International Fund for Agricultural Development (IFAD). The SHG strategy is an important component of the Government's overall thrust to mitigate poverty and has been included in every annual plan since 2000. This period of 20 years can be divided broadly into two phases.

### **PHASE I: FROM 1987 TO 1992**

During this phase – largely omitted in recent studies – NABARD focused on supporting NGO initiatives to promote SHGs and on analyzing their potential and performance. In 1987 NABARD first put funds into the SHG/SAG4 movement (in response to a proposal from MYRADA submitted in 1986). In 1987 it provided MYRADA with a grant of 1 million Indian rupees (Rs) 5 to enable it to invest resources to identify affinity groups, build their capacity and match their savings after a period of 3-6 months. The grant was based on MYRADA's experience in promoting SHGs since 1985 and the initiative of the NABARD chairperson at that time, Shri P.R. Nayak.

As a result of the feedback from this initiative, in 1989 NABARD launched an action research project in which similar grants were provided to other NGOs. After an analysis of this action research, and owing to the efforts of successive NABARD chairpersons and senior management, in 1990 RBI accepted the SHG strategy as an alternative credit model. NABARD (1992) issued guidelines to provide the framework for a strategy that would allow banks to lend directly to SHGs. Based on these initial experiences, the SHG-Bank Linkage Programme was launched in 1992 (this second phase is described in Section III). Since then – and on the basis of its extensive network of officers – NABARD has promoted and monitored the SHG programme, provided funds for capacity building and innovation, and helped change policy to create an enabling environment.

The Tamil Nadu Women's Empowerment Project, an IFAD-supported project implemented through the Tamil Nadu Women's Development Corporation, was the first project in the country, in about 1990, to incorporate the SHG concept into a state sponsored programme. MYRADA was asked to play a lead role, which it agreed to do in Dharmapuri District. This was a year or more before the launch of the SHG-Bank Linkage Programme. The empowerment of women was sought through both SHG strengthening, with capacity-building modules, and through the provision of credit for income-generating activities. Although an enabling policy framework was not yet in place for the SHG-Bank Linkage Programme, RBI nevertheless decided to extend credit to the groups, with some modifications in the design and paperwork. As a result, this became the first state supported project to initiate the SHG-bank linkage strategy. This experience also contributed to the

initiatives undertaken by NABARD to shape policy on microfinance models, which resulted in the launching of the SHG-Bank Linkage Programme through a pilot project.

## **PHASE II: FROM 1992 ONWARDS – THE SHG-BANK LINKAGE PROGRAMME**

The programme began in 1992 with a two-year pilot project to link 500 SHGs. It was indeed the pilot of the SHG-Bank Linkage Programme, although not of the SHG movement, with which NABARD had already been involved since 1987. Without that 1987 investment, the SHG movement would not have had official recognition and ownership. The SHG-Bank Linkage Programme was slow to take off, but has been speeding along since 1999. It has received unstinting support from RBI, the central and several state governments of India – notably Tamil Nadu, Andhra Pradesh, Maharashtra and Karnataka – and thousands of NGOs and the banking sector, as well as multilateral agencies, notably IFAD.

Although the data are difficult to verify, reports indicate that as of March 2006 there were about three million SHGs in India. Of these, about 1.6 million are linked to banks. NABARD (2005) provides data on the SHG-Bank Linkage Programme. It is an official publication into which NABARD has invested much work and care and it will be used as a reliable source of information, with the following clarifications. The report provides information only on the 1.6 million SHGs/SAGs linked to banks. Its data only cover cases in which refinancing is requested by the banks. The report also focuses, understandably, on the financial management of SHGs. However, SHGs are also an instrument for the empowerment of poor and marginalized sectors. They have proved to be an effective instrument for changing oppressive relationships in the home (gender- and tradition-related) and in society. This is especially true for those relationships arising from caste, class and political power, which have made it difficult for poor people to build a sustainable base for their livelihoods and to grow holistically.

Owing to this social impact, MYRADA has pointed out that the SHG movement does not focus on the provision of credit rather it focuses on the management of savings and credit. It is the experience of managing finance that gives poor people the confidence and skills to initiate and manage change in society. The SHG movement arises from the belief that it is not enough to teach people to fish when they cannot reach the river. There are hurdles in their way (class, caste and political) that the SHGs have been able to overcome. NABARD has also financed case studies focusing on these social issues and on the changes that SHGs have been able to initiate. The SHG-Bank Linkage Programme is the major component of the SHG movement for which official data are available. Such data give a reliable overview of the progress of the movement in India. One can assume that the majority of well-functioning SHGs have been advanced loans by banks; however, this may not be the case in parts of the country in which banks have been slow to initiate the linkage.

## **VI. IMPACTS OF SELF-HELP GROUP IN INDIA**

- **Saving and Financial Decision Making:** 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.
- **Access to credit:** 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. Some of NGOs reports have shown that the record on the repayment of loans by women was often better than that of men, and that women were also more likely to spend the income earned, on their families, leading to improved health and nutrition of the poor population and for improving the quality of their lives.
- **Employment:** The implementation of SHG has generated Self-employment opportunities for the rural poor. The progress of the program since inception assisted in formation of 35.7 lakh SHGs; assisted 1.24 Cr. Swarozgaris in establishing their own micro-enterprises. The Government of India released Rs.11, 486 Crores under the program; bank credit mobilization is Rs.19, 017; Total subsidy provided is Rs.9, 318 Cr. The program helped many participants in improving their economic conditions. Another good accomplishment of the program is that it has adopted the SHG strategy. The number of assisted SHG/ group Swarozgaris has increased from 35,000 in 1999 – 00 to 1.15 million in 2007 – 08. At the same time the number of assisted individual Swarozgaris has declined from 586 thousand in 1999 – 00 to 254 thousand in 2007 – 08. The National Bank for Agriculture & Rural Development (NABARD) will create a Rs.15 billion fund to cater to women's Self-Help Groups in economically weaker districts in the country, After joining the self-help group the women are economically and socially empowered. This empowerment cannot be transformed or delivered it must be self-generated such that it enables those who are empowered to take control over their lives.

- **Decision-making within the household:** The social impact of the SHG program increased involvement in Decision-making, awareness about various programs and organizations, increased access to such organizations, increased expenditure on Health and Marriage events, there is a Change in the attitude of male members of the families, now they are convinced about the concept of SHG and encourage women to participate in the meetings and women reported that they have savings in their name and it gives them confidence and increased self-respect. Within family the respect and status of women has increased. Children Education has improved significantly. Especially girl education was very low but now SHG members are sending their children including girls to school. The Sanitation in members' households has improved and it has led to better health in members' families. Now women are taking treatment from qualified doctors, even if they have to travel to nearby towns. Members are now confident enough to raise social status.
- **Participation in local government:** Because of SHG, women know about their local political institutions such as the Gram Panchayats and have better knowledge of where to report certain types of grievances. As part of the political empowerment process, it is a pertinent fact that many women have not only been elected to the Grama Panchayats but have become the role holders too. In a majority of the cases, the women perceived themselves as now having some influence over decisions in the political life of village, and in a smaller number of cases, the women named their participation and influence in village political life as an important and note-worthy change. However, in general, the opportunities available to the women to participate in village life were limited, as most of the village processes were still being male-dominated and patriarchal. Though the SHGs generate positive impact on the rural economy through empowering women and enhancing the rural income of those participant households, the issue of group size has been of long standing concern.
- **Communication Level of Members:** Microfinance movement is having a good impact on members, in their ability to express their feelings and has made people more confident to express themselves.
- **Self Confidence among Members:** The group formation brought out the hidden talent and leadership qualities among the members. Therefore, it can be concluded that after joining the SHG the members have improved their status in family, become helpful in family finance and sometimes helped others too. Now, most of the SHG people feel that they get more respect; not only in the village, but our own family members treated us more respectfully. People of the village now invite us for social and community functions. Now our family members value our opinions whereas earlier they had no use for it. They encourage us and support us in our activities. Now they get respected in the village society and have a definite identity in society. Family members think of them as a working woman and encourage them in their work. Improve their knowledge of banking, of how to undertake the different banking transactions, as also of dealing with government officials. They now feel confident about these things. They too feel an improvement in their social status. Family members changed their attitudes towards them after they started participating in the SHG. They now regard them as brave women. The people of the village too give much more respect than before. Family members seek her opinion in many of the family decisions. Moreover, people from the society in general respect them.
- **Change in Family Violence:** Involvement with SHG has reduced this violence in 25 per cent cases especially due to reduction in economic difficulties. In most of cases the members revealed that their husbands should also be involved in SHGs.
- **Frequency of Interaction with Outsiders:** Members generally, got lesser opportunity to interact with bankers, Government officials, NGOs and others in the Pre-SHG period. It can be seen that in the Pre SHG period 25 per cent of the members were not interacting with officials whereas after associating with SHGs, 91 per cent members had interacted with the outsiders and out of total 44 per cent have interacted more than 4 times with outsiders. This interaction helped them to articulate their problems and improved their self-confidence.
- **Status of Access to Amenities:** Since SHG programme has economic as well social implications. It can be seen that there has been an increase of 40 per cent in SHG members in terms of their status of access to amenities factors. Therefore, it can be concluded that after joining the SHG the members have improved in getting access to amenities like medical, sanitation, education, market, water supply, transport.
- **Community Participation:** SHG members undertook a lot of community activities which they earlier could not have imagined themselves to have done. They distributed school uniforms to poor students; they undertook a plantation drive, distributed pen and notebook sets to poor students and donated some money to a charity during a national calamity. They participated in several social initiatives like the "Clean Village Drive" and other such social upliftment programmes since their involvement in the SHG. They organized a small function on India's Republic day. Perspective of the Social Worker Women who have participated in this have benefited economically. They are now able to buy household goods like televisions, furniture, telephones, jewelry and most importantly are able to save for the future. Now they are much more confident in their dealings with government officials, bank officials, electricity board officials, Medical officers, the

revenue officer, health scheme officials etc. They also participate in elections. Moreover, they make use of the various government welfare schemes available.

- **Increased Nutritional status:** They find positive impacts on empowerment and nutritional intake. Female social and economic empowerment in program areas increased irrespective of participation status. Evidence of higher consumption is not income or asset formation. The program's main economic impact had been through consumption smoothing and diversification of income sources rather than exploitation of new income sources.
- **SHGs and Environmental Management:** Research and policy has tended to focus on the relationship between poverty and environmental degradation in terms of pointing out that the poor are both victims and agents of environmental degradation. They are victims in that they are more likely to live in ecologically vulnerable areas, agents in that they may have no option but to deplete environmental resources thus contributing to environmental degradation. As a result of increasing awareness, social conditions and poverty alleviation, are necessary to support environmental sustainability (SIDA 1996; Leach and Mearns 1991; UNEP 1995). Today SHGs have a role to play in poverty alleviation through empowerment of women in India. Moreover, women tend to have a greater involvement in environmentally sustainable activities and environmental management than men. Therefore, involvement of women in development programmes through SHGs can effectively increase awareness of society to ward environmental sustainability.

### VII. MAJOR CHALLENGES OF SHGS:

Women as compared to men have always been delicate and therefore they have to face many problems when they come out of the house to work with men. Women in a developed economy do not face the problems which are faced by the Indian women. Despite many achievements, women get trifled by many difficulties. Some being common for both male and female and some are the curse only to the women. There are many psycho-social factors which hinder the path of women empowerment and her stepping towards entrepreneurship. Women have always been criticized by the male dominant society for their out of home activities. Indian women are confronted with many such problems. Indians believe in the philosophy that “Women should never be left independent she should be under the control of her father in childhood, under the control of her husband after marriage and under the control of her son in old age”. Some of the major difficulties in this respect can be illustrated as below.

1. **Family discouragement:** As women in India have to work amidst social taboos, restrictions etc., they are not supported much to undertake entrepreneurship by their family members.
2. **Social Barriers:** Women SHG in India are always seen with suspicious eyes, particularly in rural areas, they face more social barriers.
3. **Caste and Religion:** Though India is a secular country in practice, caste and religious systems dominate with one another and it hinders women SHGs.
4. **Lack of self-confidence and risk bearing capacity:** Women lack self-confidence and always feel that they may not be successful and hence hesitate to take risks.
5. **Psychological factors:** Always women feel that she is ‘women’ and less efficient than men and hesitates to take risks. She has to play a dual role if she is employed or engaged in work. She has to strive hard to balance her family life with care hence feels better to be housewife.
6. **Lack of practical knowledge:** Though women may be educated and have qualified knowledge, she lacks practical knowledge and hence hesitates to establish her own venture.
7. **Problem of finance:** Women entrepreneurs lack property in their own name and hence banks and financial institutions may hesitate to finance women based projects.
8. **Lack of information:** Women SHG lack knowledge of availability of raw materials, finance facilities and government help and subsidy etc.; they lack knowledge of advanced technology also and hence cannot widen their markets.
9. **Problems of middlemen:** Women SHG have to face the problems of middlemen more, as they generally depend more on them. Their margin of profit will be more and hence cause for higher selling price, which affects consumer’s attraction towards women’s products.
10. **Problem of Marketing:** As generally women SHG will have small scale business they have to strive hard to sell their products in the modern competitive world. Their marketing knowledge will be less and lack of marketing skills as compared to men.
11. **Delay in obtaining credit facilities:** Loan facilities, though extended by banks and other financial intermediaries, quite often there is delay in getting the loan sanctions and receiving the disbursement of such facilities.
12. **Female child discrimination:** Most of the Indian families treat female child as a curse. There is biasness in case of promoting education and business opportunities for a girl. Although a girl is well in studies, she is

not given an opportunity for higher studies. However this perception is lowering down day by day. It is also advisable that we should start the task of promoting a girl child from our own self. The integrated effort by all of us will definitely lead to women entrepreneurship at the top level.

13. Lack of financial and family support: Indian SHG women also suffer from the problem of acquiring venture capital and other financial resources for starting a business. Further, they also lack a moral support from their family members including parents, husband etc. They are enclosed within their personal and family obligations, which are greater barriers to them. They play various role at the same time (i.e., mother, wife, daughter, etc.) so they also face problem of role conflict.
14. Problems inherited in women: Indian women also fight, with the perception of the society. They are not so easily accepted as a business organizer by the people in the society. Women lack courage and self-confidence in starting a new venture. They even do not have access to entrepreneurial training and lack confidence from within. Moreover they lack role model and experience, thus being a problem for lower confidence of finances and suppliers.
15. Market risk and uncertainties: Women are not fully aware about market uncertainties and they also lack the skill of boldly facing the market risks. They are afraid of such risks and uncertainties. They face difficulty in capturing market and enhancing product sales. There is a need for training to women entrepreneurs so that they are able to fight with the uncertainties very well.
16. Lack of technical knowhow: Most of the Indian women do not have much knowledge about the latest technologies used in business. Due to this problem they fail to grow along with the flow of the economy. There is a need of technical training for them.
17. Lack of self-confidence, will-power, strong mental outlook and optimistic attitude amongst women creates a fear from committing mistakes while during their piece of work. The family members and the society are reluctant to stand beside entrepreneurial growth of SHG members.
18. Women in India lead a protected life. They are less educated, economically neither stable nor self-dependent which reduce their ability to bear risks and uncertainties involved in a business unit.
19. The old and outdated social outlook to stop women from entering in the field of entrepreneurship is one of the reasons for their failure. They are under a social pressure which restrains them to prosper and achieve success in the field of SHG entrepreneurship.
20. The greatest deterrent to women entrepreneurs is that they are women. A kind of patriarchal male dominant social order is the building block to them in their way towards business success. Male members think it is a big risk financing the ventures run by women.
21. Male chauvinism is still prevalent in many parts of the country yet. Women are looked upon as “*abla*” i.e weak in all respects. In a male dominated society women are not treated equal to men that acts as a barrier to women entry into business.
22. Indian women give more emphasis to family ties and relationships. Married women have to make a fine balance between business and family. The business success also depends on the support of the family members extended to women in the business process and management.
23. Women’s family obligations also bar them from becoming successful entrepreneurs in both developed and developing nations. The financial institutions discourage women entrepreneurs in SHG on the belief that they can at any time leave their business and become housewives again.
24. Unlike men, women mobility in India is highly limited due to many reasons. A single women asking for room is still looked with suspicion. Cumbersome exercise involved in starting with an enterprise coupled with officials humiliating attitude towards women couples them to give up their spirit of surviving in enterprise altogether.
25. Women SHG entrepreneurs have to face a stiff competition with the men entrepreneurs who easily involve in the promotion and development and carryout easy marketing of their products. Such a competition ultimately results in the liquidation of women SHG entrepreneurs.

## VIII. CONCLUSION

India is fiercely diverse as a nation, and most communities are also diverse in caste, opinion and religion. Indians are also known for their sense of personal independence, which is often translated into indiscipline, whether on the roads, in political assemblies or elsewhere. The SHG system reflects this independence and diversity. It allows people to save and borrow according to their own timetable, not as the bank requires, and SHGs can also play a part in a whole range of social, commercial or other activities.

SHGs can be vehicles for social and political action as well as for financial intermediation. This flexibility and freedom also has its price. Politicians are driven by their need for popularity and power, and bureaucrats by their need to achieve numerical targets. SHGs can provide both with a ready-made vehicle. If their members can identify and resist the disadvantages of being ‘used’ by outsiders, and can exploit them rather than be exploited, the movement may in time play an important role in the reduction or even the elimination of

India's main claim to fame, its leadership in world poverty. If not, however, they will become no more than another milestone in the nation's long list of failures.

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