**A Study on Self-Help Groups in India:**

A summary by Grecia Reyes and Bethel Hamel

**Introduction: SHG’s**

SHG’s Supported and dformed by Ngo’s, government agencies, or banks Benefits: Enable women to grow their savings, and have access to credit Enable women to become active agents in their community socially and politically ( i.e Political election & rights) The study: conducted Andhra Pradesh Karnataka, the southern region, Orissa, and Rajasthan in the north.

**The Findings: Outreach**

SHG members The groups are created to extent financial services to the poor and contribute to the alleviation of rural poverty The poverty profile: Highlights Targets are those below poverty line or at risk Members have low levels of education, work as casual labourers The leaders are all of caste The problem More than half of long term members are still poor, and 13% very poor At group level, they are not homogeneous by wealth (which affects ‘equity’ (p.10) Nearly half of members are related to each other

Who does not join? Migrant workers—excluded due to the regulations of SHG groups. (I.e. attending regular meetings, savings, loan repayments ) Requirements present barriers that exclude certain groups and target others Dropouts How many? Who? Why? Two regions combined--10% dropout rate of membership. Almost 50% of the SHGs had no dropouts; one-third had two or fewer dropouts. Migration for employment outside the village, and financial difficulties, group dynamics The problem: Dropouts are entitled to receive back their loans + interest, but most are not receiving it

**The social Roles of SHG’s**

Political opportunities for women SHG membership can develop leadership abilities effective community leaders Women become more “visible” in the village Potential candidates for political office Social harmony The caste system Most SHG’s groups are single-caste groups, based on the requirement of being small groups and within neighborhood proximity Ngo’s —have taken initiative in creating mixed caste membership It takes time and persistence to convince members, but it’s helping break down prejudice

**Social Justice**

SHG’s are not dealing regularly with issues affecting women Domestic violence, bigamy, cases of dowry deaths, prevention of child marriage, remarriage for widows Guidance and support are necessary, especially when such issues have become the norm. Private behavioral problems are more difficult to address and follow up Case studies illustrate the combination of personal determination (especially from the women concerned), mutual support (SHG members) and effective guidance (SHPA field worker) can make the difference against conservative, male-supporting, social structures (pg.14) SHPA—NGO’ and government seem to be more effective In awareness campaigns or dealing with police authorities

**Sustainability**

Record Keeping: Findings: 15% SHG’s have good quality records; 39% were mostly up to date with minor errors The problem with record keeping The complexity of record keeping The amount of records and work to record transactions Leader of the group has low level of education, finding this difficult to manage or understanding the importance of it

Equity Is the access to available credit equitable? This is not referring to the amount given to members as being equally distributed; each has different demands and financial capacity of repayments. The group leaders In some SHGs (up to 18%), leaders are accessing more credit, especially over a longer time frame. This is known by other group members and is not necessarily seen to be exploitative (Pg.17).

**Defaults & Recoveries**

Loan repayment: Two stages of recovery 1. Members to SHG 2. SHG to banks What type of members fail to repay? What happens to them? For loan repayments, the stated norm is monthly payment of interest and part of the chief amount of the loan The findings: Statistics (p.17) The North -24% borrowers more than three months behind, of whom 5% were 12 months behind The south-28% of borrowers were 12 months overdue The leaders—also default on loans (slightly higher in the South) Members make repayments on behalf, extreme pressure is used through warnings, fines, and more aggressive terms (taking possessions away ect )

**Implications**

SHG’s must focus on the need to transparent management and guidance to make it sustainable and effective Clear guidelines & organized record keeping Good keeping is essential for the financial operations and trust among members of the group Empowering the rights of women SHPAs need to pick up problems, addressing them as they arise, using them as issues/examples for discussion with other groups. This kind of support is critical Credit on Loans As amounts of external loans start increasing, some members may take higher loans than the rest, based on their absorption capacity (pg. 24).