The Social Science Review
A Multidisciplinary Journal
ISSN: 2584-0789
(Open-Access, Peer-Reviewed, Refereed, Bi-Monthly, International e-Journal)
Homepage: www.tssreview.in

IMPLEMENTATION PROBLEM OF SHG: A CASE STUDY ON HABRA – II BLOCK'S GRAM PANCHAYAT AREA

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RESEARCH ARTICLE

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DOI:
https://doi.org/10.70096/tssr.260404010

Abstract
Self-Help Groups (SHGs) serve as a crucial mechanism for rural livelihood development and the economic empowerment of women, particularly under initiatives like the 'State Livelihood Mission' and 'NRLM'. However, significant practical hurdles in implementing these programs in rural areas limit their effectiveness. This research paper examines the key issues surrounding SHG implementation in rural areas, with a specific focus on the Habra-II block. The study identifies several major challenges: weak and irregular group formation; low literacy rates and a lack of technical skills among rural women members; inadequate capacity-building training; deficiencies in bookkeeping and financial management; delays and inadequacies in securing bank loans; excessive pressure to repay loans—exacerbated by peer pressure and a lack of alternative income sources; poor market linkages and a lack of marketing awareness for SHG products; patriarchal attitudes that curtail women's decision-making power; limited political and legal awareness; and insufficient monitoring or follow-up by implementing agencies. In some areas, unrealistic expectations regarding loan waivers and government grants undermine repayment discipline and the long-term sustainability of the groups. The study concludes with policy recommendations to strengthen the SHG implementation process, such as improved training infrastructure, robust coordination, support for market development, and gender-sensitive social awareness and mobilization. These measures are essential for ensuring sustainable livelihoods and genuine women's empowerment through SHGs in rural West Bengal.

Keywords: *Implementation, Empowerment, Coordination, Inequality, SHG, Microfinance*

Introduction

Women's economic empowerment remains an important part of development and poverty alleviation, particularly in developing economies like India. Among the various interventions designed to advance women's socio-economic status, Self-Help Groups have emerged as one of the most impactful and scalable mechanisms. SHGs are small, voluntary associations of economically marginalized individuals predominantly women who come together to save money, pool resources, access credit, and engage in collective income-generating activities. The SHG model originated in India in 1985 and it was formally integrated into government policy in 2000 as a poverty reduction and rural women's empowerment. These groups typically consist of 10 - 12 members from similar socio-economic backgrounds who meet regularly to save small amounts, build a common fund, and provide internal loans to members at agreed interest rates. Over time, SHGs have graduated from informal savings collectives to formal financial institutions through linkage with banks under programs like the National Rural Livelihoods Mission (NRLM).

The most important features of this group are access to credit Members gain access to microcredit without collateral and enabling entrepreneurship. Improve money handling power and financial decision-making power. Collective income-generating activities improve household earnings. Enhanced social capital and community feeling. Through this group women gain economic, social, and political empowerment power. SHG helps to increased self-confidence, improved status within households, in public life.

Review of Opinions

Kalyan Kumar Sarkar (2018) in his book Naribad, Lingo Rajniti o Narir Khmotayan explains that Feminism in general is a philosophy of women's liberation. Women's liberation movements gradually began all over the world along the path of feminist thought. Through this movement, women gained political rights, especially the right to vote, and gradually gained the right to equality and freedom, the right to education and culture, the right to gender equality, the right to religious freedom etc. And as a result, women now started gaining power in education, culture, economy and politics. They became directors and patrons of various organizations, administrators, state directors, policy makers, representatives of the state, ambassadors and statesmen. In this way, women's empowerment became clear. Although there is no doubt that women are still more or less embarrassed and endangered in society, women's empowerment has gradually given women strength, courage and morale. That is why women have been able to ascend to the top of power in various fields of society today, and this ability has made them active and capable of eliminating gender inequality between men and women and establishing gender equality among all, regardless of gender. As a result, the politics of gender inequality in today's society, although not to the extent expected, has been eliminated to a large extent and the undesirable differences, inequalities and discrimination against women have been alleviated to a certain extent. This is the ultimate political reality of gender politics in today's society.

Dr. Samhita Chaudhuri's paper "Gender Issues in Micro Finance: Indian Experience" highlights the impact of the SGSY scheme and SHG-Bank Linked Microfinance program on empowering underprivileged women in India. The paper discusses three models - Women In Development (WID), Women And Development (WAD), and Gender and Development (GAD) - in the context of women's development. In this article discusses the SHG-Bank Linked Microfinance program has been successful in reaching vulnerable rural women, with 17 million women benefiting from the scheme. Microfinance has enhanced women's capabilities and has the potential to drive overall development and challenge socio-economic and political isolation. Positive Impact of the program has uplifted women's living standards and is becoming increasingly popular. This paper presents a positive outlook on microfinance as a tool for women's empowerment in India.

Maniklal Adhikary (2012) in his article 'Self-Help Group Movement – An Engine of Rural Development A Case Study in the District of Burdwan in West Bengal'' said that how SHGs contribute to rural development and poverty reduction. Using econometric models, the study finds that SHG participation significantly improves the economic well-being of rural poor households. The logit model shows that SHGs enhance members' access to formal credit, while the log-linear model indicates a reduction in the cost of borrowing for participants. The probit model reveals that SHG membership positively influences individuals' aspirations and overall economic conditions. Despite these benefits, a sizable portion of the rural poor remains outside the SHG network, limiting the broader developmental impact. The study recommends measures for both microfinance providers and SHG beneficiaries to strengthen management practices and expand outreach. Overall, the research confirms that SHGs play an important role in poverty alleviation, with significant untapped potential for wider coverage and deeper benefits.

Jairam Ramesh in his article "Self-Help Groups Revolution: What Next?" said that SHGs have been seen fundamentally as entities for savings and borrowings. But now, in some parts of the country, SHGs are taking on new roles and responsibilities that lie at the very core of livelihood security for the poor. There is around 800 microfinance institution operating in India in various form trust, societies, cooperatives etc. some years ago, nearly two-thirds of self-help groups were promoted by NGOs. Today, more than half of the SHGs are promoted by the state government. Ramesh said that four major new responsibilities mentioned here are marketing of commodities like maize, neem, soybean, coffee, and red gram. Secondly, distribution of old age pension in 2006-07, over Rs 700 crore was distributed through SHGs to about three million beneficiaries. A community-based food security system and dairy production. Another important initiative taken by the SHG network is the allocation of nearly two million hectares of government land to the landless poor of Andhra Pradesh. (Self-Help Groups Revolution: What Next? Author(s): Jairam Ramesh Source: Economic and Political Weekly, Sep. 8 - 14, 2007, Vol. 42, No. 36 (Sep. 8 - 14, 2007), pp. 3621-3624 Published by: Economic and Political Weekly Stable URL: **https://www.jstor.org/stable/40276360)**

P. Ponramu (2009) in his article "A study on management of self-help groups in Krishnagiri district" views that the success or failure of a group depends on the skill and management of the members of that group. In this case, the Loan recovery method has been given special importance. Also, general funds, training, Financial problems have been given relatively less priority. Self Help Groups have made a major change in the rural structure. The goal is to empower women, decrease poverty and increase income. The author thinks they can see the light of happiness with wealth and health in the future.

Objectives

- To examine the role of SHG in improving economic and social empowerment of this area.
- Assess Income-generating activities of SHG members.
- Identify major challenges facing SHGS

Rationale of the study

Self Help Group approach is a new paradigm into the field of rural development which main objective are the increase the well-being of the women, provide access to resource and credit, increase self-confidence. Women face a wide range of biases in society, unequal opportunities in education, employment and assets ownership. Women's income is vital to the well-being of children, women has a greater positive impact on child survival and nutrition then does additional income in the hand of them. SHG are effective in reducing poverty, empowering women and also development of the rural areas. Empowering women is a prerequisite for creating a good nation, when women are empowered, society with stability is assured. Empowerment of women is essential as their value systems lead to the development of a good family, good society and ultimately good nation. An economically poor women gains strength as part of a group. Through SHG empowered poor women in rural areas. This is a anti-poverty agenda.

Location

My research area is Habra – II block's panchayat areas in North 24 Parganas district in West Bengal, India. Under Habra – II Block there are 8-gram panchayat and total 2517 Self Help Groups. In this area my research work on 50 self-help groups. Sample total 100 group members those who have taken a loan but have not started a business or made an investment on their own.

Theories behind the issue of SHG programme

Through the lens of feminist theory focused on the relationship between gender and power, this explains how Self-Help Groups (SHGs) challenge patriarchal structures and assist in establishing gender equality or justice.

Methods

The study applies qualitative research. A case study has been conducted here on 100 women have taken loans from Self-Help groups. Primary data has been collected through in-depth interview and participant observation. Secondary data have been collected from the Gov. website. Purposive sampling method used in this work.

Discussion

Based on age, there are 20% women between the ages of 18 – 25 years, 45% women between the ages of 26 – 35 years and 35% women between the ages of 36 – 45years. In terms of educational qualifications, it is observed that 20 % of women have never attended school. A majority 45 % of women have completed primary education. 25 % of women have completed secondary and higher secondary education. In terms of higher education, only about 10% of women have graduated. **I**n terms of marital status, only 65% of the women are married. In this case, the proportion of unmarried women is 15 percent. Eight percent of married women live separately from their husbands. Twelve percent of women are widows. In terms of decision-making, it is observed that 25 % of women are capable of making decisions within the family, 60 % of men make family decisions, and 5 % of women and men make decisions jointly.

a) Role of SHG in improving economic status: Self-help groups play a pivotal role in the economic and social empowerment of this region. By utilizing their own funds to foster family economic growth, these women indirectly contribute to their households' financial prosperity. 50% of the women use loan funds to improve the family economy and, by repaying the loans on time, indirectly support the family's financial advancement. Instead of using the loan money for personal economic gain, they invest it in their husbands' economic activities, thereby benefiting the entire family. This enhances their status within the household and enables them to participate in decision-making processes. 30% of the women spend the loan funds on various family needs such as a daughter's wedding, house construction, or purchasing a refrigerator. Consequently, they struggle to repay the loans, often creating various problems for their respective groups; in some instances, they even fail to repay the loan or miss the scheduled deadlines. Additionally, 20% of the women achieve economic success by successfully engaging in duck rearing and tailoring on their own initiative. However, these ventures were closely linked to their existing family businesses.

b) Social empowerment through SHG program: SHGs do more than just credit. In rural areas they change how women participate in society, it Increased women's self-confidence. Regular meetings and group decisions help women speak up, express opinions, and overcome hesitation in public. Through SHG Improved women status within household. As women contribute to income, their role in family decisions on spending, children's education, health, and marriage improves. Greater mobility and public participation increased. Group activities get women out of the home. They interact with banks, officials, panchayats, and markets, more visibility in community life. SHGs build trust, cooperation, and collective identity among women. This creates support networks for solving local issues together. Stronger social capital through this group. Political awareness and leadership power developed through this group. Exposure to govt programs like NRLM makes women aware of rights/entitlements. Many SHG members later contest panchayat elections or take leadership roles. So, in rural India, SHGs turn women from "beneficiaries" into active social actors.

c) Enhancement of Community feeling: Social identity formation and social interaction are two important parts. Group can deduce a shared identity from the similarities between individuals, such as pursuing the same goals or values, looking similar or performing the same actions. Groups can also form organically on the basis of individual interactions, especially when group members complement one another's actions: the induction of shared identity.

Income-generating activities of SHG members

In this case, it appears that the women are satisfied with receiving the loan. Among the 20% of women who have achieved economic success 15 % of women associated with handcuffs. In this case 35% of the women engage in tailoring work using the funds from this loan. 5% of women have set up grocery shops in their homes. 25% of women have become self-reliant by completing a beautician course. 5% of women have become self-reliant by making pickles. 15% of women have become rearing ducks and chickens.

Challenges

According to various social hierarchies of differing status and power, stratification is very common factor in every society. Gender stratification is very important one of the stratifications. Our society and also our family comprise men and women. They played different role in earlier times. Men were responsible for earning and leading member of a family and women were responsible for doing household work. Now the situation changed. The woman empowered and they join various fields with equal opportunity. So, this type of change impact of society and culture and rural women empowered through SHG. On the patriarchal system low participation of women in political system and economy Women have been granted equal political rights with men. This is important type of discrimination. At the same time patriarchal social structure effected women economic decision. The major challenges faced by Self-Help Groups (SHGs) include loan repayment defaults, internal group conflicts, and a lack of capacity.

Limitation of the study

Most members have little education or are illiterate, which leads to difficulties in maintaining financial records. A capacity to assume a leadership role is very limited. Lack of family support. No working space for trading. Conflicts among members and irregular savings or loan repayments.

Conclusion

This study reveals that the primary reason Self-Help Groups (SHGs) are currently failing to achieve their intended objectives is the prevalence of a deeply entrenched patriarchal structure in rural areas. Consequently, even though women participate in the economic sphere through these SHGs, they effectively channel the loans they receive into the family economy in an indirect manner. They exhibit limited awareness regarding the establishment of independent businesses or making investments, and are often inhibited by various apprehensions. Furthermore, they lack familial or social support its mean there is no one in their immediate environment to offer encouragement or appreciation. Compounded by their generally low levels of formal education, they often lack the confidence to embark on any new entrepreneurial ventures. Since these groups enable them to access loans with relative case without the requirement of land or property deeds as collateral—they primarily utilize the borrowed funds to resolve various domestic issues or to fulfill personal desires. However, the fundamental concept that "money makes money" or the drive to implement strategies designed to generate further capital is rarely observed among them.

Acknowledgment: No
Author's Contribution: *Arpita Ghosh:* Literature Review, Data Collection, Analysis, Referencing; *Prof. Ruby Sain:* Methodology, Drafting
Funding: No
Declaration: The authors have given consent for the publication.
Competing Interest: No

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