

Impact of SHG'S in socio-economic development in UT Jammu and Kashmir: with special reference to central Kashmir's district Budgam

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Abstract

Governments, NGOs, and other organisations all across the world employ the SHG approach. Through self-help organisations, thousands of the underprivileged and disadvantaged people of UT Jammu and Kashmir are constructing their families, their societies, and their lives. This essay's primary goal is to investigate how Self-help Groups have impacted District Budgam in central Kashmir's socioeconomic growth. Self-help Groups have played a significant role in infrastructure development, marketing and technology support, communication level of members, self confidence among members, change in family violence, frequency of interaction with outsiders, change in the saving pattern of SHG members, change in the cumulative saving pattern of SHG members per month, involvement in politics, achieving social harmony, achieving social justice, involvement in community action, sustainment.

Keywords: Poor, Self-Help Group, achieving Social Justice, Sustainable quality, Empowerment. Budgam.

1. INTRODUCTION

It's possible for a self-help group to be registered or not. It often consists of a group of micro-entrepreneurs from similar social and economic backgrounds who have voluntarily joined forces to save modest amounts of money on a monthly basis, mutually agreed to contribute to a common fund, and met their emergency needs through mutual assistance. To achieve financial stability, they pool their resources, borrow money from the other group members, and utilize peer pressure and collective expertise to assure responsible credit utilization and prompt payback. This technique, which does away with the requirement for collateral and is frequently employed by microfinance organizations, is closely connected to solidarity lending (Pant, 2008). The majority of loan computations are made using flat interest rates to make the bookkeeping easy enough for the members to manage. The money can subsequently be repaid to the members or other villagers for whatever reason. Introduction Self-help groups are a way to bring the poor and the disadvantaged together to address their own issues. Governments, NGOs, and other organizations all across the world employ the SHG technique. The savings of the impoverished are collected and kept in banks. In exchange, individuals are given simple access to financing with low interest rates so they may launch their micro unit business. Self-help groups in UT J&K are helping thousands of the underprivileged and disadvantaged people develop better lives, families, and societies. The Self Help Group (SHGs)-Bank Linkage Program is proving to be an efficient method of reaching the "Unreached" with financial services. People develop better lives, families, and societies. The Self Help Group (SHGs)-Bank Linkage Program is proving to be an efficient method of reaching the "Unreached" with financial services.

2. OBJECTIVES OF SHGS

The Self-Help Group is a volunteer organization of persons who require little financial assistance to launch or advertise their small business. The Self-Help Groups have been designed as savings and credit groups, cooperative agricultural groups, social forestry groups, horticulture clubs, traders' groups, and other similar organizations with an emphasis on thrift-cum-credit. A self-help group is a self-managed organization with 10 to 20 members that is founded on shared interests and a desire to better its members' socioeconomic circumstances. These affinity groups are made up of people who support one another and are united by a sense of mutual trust, respect, and affection—

they do not engage in exploitative relationships. The Self-Help Group's major goal is to give economically underprivileged groups the chance to start and progressively grow their own businesses by regular, little savings, and to raise their socioeconomic standing by forming and taking part in their own voluntary, democratic organization. Self-Help Groups are a type of social structure in which members hold one another socially and financially accountable. Since self-help groups don't require external finance beyond the assistance of the organizations that sponsor them, not all of them are required connected to lead or focal banks. It must be realized that the Self-Help Group is a little organization made up of tiny individuals with tiny goals. It serves as proof that even modest efforts may result in significant influence.

3. Why SHG is so important in District Budgam

- To reduce poverty.
- To expand work opportunities.
- To speed up economic progress.
- To improve status in society.
- To support businesses that generate money.

4. Impact of SHG in District Budgam

- **Saving and Financial Decision-Making:** The chance to consistently save, have access to official savings institutions, and take part in the administration of these savings is one of the main advantages of joining a SHG. They maintain regular savings, have their own bank accounts, and put money into them.
- **Access to credit:** Some of the successful groups claim that the increased financial mobility brought on by SHG membership has improved their quality of life. Overall, a lot of families were able to better meet their fundamental necessities. According to certain NGOs' studies, women have a better track record than males when it comes to repaying loans, and they are also more likely to spend their money on their families, which improves the health and nutrition of the underprivileged population as well as their quality of life.
- **Employment:** SHG implementation has given rural impoverished people the chance to work for themselves. The programme saw the government of India provide Rs.11, 486 crore; bank credit was mobilized at Rs 19,017 crore; and a total of Rs 9,318 crore in subsidies were given. Many participants said that the programme improved their financial situation. The ladies gain social and economic power after joining the self-help club. The ability to take charge of one's life via empowerment cannot be changed or provided; rather, it must be self-generated.
- **Decision-making within the household:** The SHG program's social effects include increased decision-making, increased access to programmes and organisations, increased spending on health and marriage-related events, and a change in the attitudes of male family members who are now persuaded by the idea of SHG and encourage women to attend meetings. Women also reported having savings in their names, which gives them confidence. Women now have greater respect and prestige inside families. Education for children has substantially improved. Education for women in particular was quite poor, but today SHG members are sending their kids to school, including the girls.
- **Participation in local government:** SHG has given women a greater understanding of their local political structures, such as the Gram Panchayats, and of where to file specific sorts of complaints. It is important to note that many women have not only been elected as Block Development Councilors and Panchayat members as part of the political empowerment movement, but have also taken on those roles. Most of the time, the women believed that they now had some say in village politics, and in a lesser number of instances, the women saw their involvement and influence in village politics as an important and noteworthy development.

- **Change in Family Violence:** Participation in SHG has reduced this aggression in 25% of cases, largely because of the improvement in economic conditions. The majority of members disclosed that their husbands ought to participate in SHGs as well.

5. CONCLUSION

It is obvious that the SHG Program is essential to the lives of the impoverished. The programme seems to be quite effective in reaching customers who are in need in all of its segments. Additionally, there is proof of rising household income. This is a very important effect indicator. Participants in the programme now enjoy a higher standard of living, and programme clients also have far more access to food security. With illness, disease, emergencies, and crises, programme loans are one of the key ways clients overcome food insecurity. Participants in the programme appear to switch the loan source from relatives and moneylenders to SHG loans to cover these costs. There is evidence that the programme draws participants who are already somewhat powerful, and that some clients' empowerment happens as a result of participating in the programme. The Self Help Groups have demonstrated how rural women may become economically independent. Therefore, it can be stated that self-help organisations play a significant role in improving the lot of women and, as a result, in the fight against poverty. There are several benefits as well as drawbacks. Self-help Groups have played a significant role in the education of women, the development of infrastructure, marketing and technology support, the communication level of members, the level of self-confidence among sample members, the reduction of family violence, the frequency of interactions with strangers, the changing of family violence, the changing of SHG members' saving habits, the changing of SHG members' cumulative monthly savings habits, the involvement in politics, the achievement of social harmony, the achievement of social justice, and the involvement of SHG members in other activities.

6. SUGGESTIONS TO IMPROVE SELF-HELP GROUP IN DISTRICT BUDGAM

Suggestions for the NRLM's design As 75% of families in the nation fall into one of two categories—poor or vulnerable—NRLM may include all willing rural households, regardless of BPL or APL status, in the SHG programme for efficient financial inclusion. It may be broken down into the financial inclusion and livelihood enhancement sub-programs. It is possible to implement two programmes in succession. The establishment of small and medium-sized businesses under SHG federations may be the main priority after the first five years of purely promoting and building SHG institutions.

Without outside intervention like target fixing, interest caps, loan sizes, etc., SHG banking may be let to operate as core banking activity. In order to create top-notch institutions, promotional organisations are essential. Promoting organisations may be provided sufficient financial resources, time, and space to expand their capability. According to the available data, excellent SHGs with strong federations and viable livelihood possibilities demand an investment of roughly Rs. 15,000 over an 8–10 year period. Promoting organisations should have a defined role transformation plan and should adhere to it strictly.

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