



Women Empowerment through SHGs and COVID- 19 Pandemic: Challenges and Opportunities

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Abstract : *SHG is a small voluntary association for economic empowerment of women members of people. It acts as an instrument to empower women socially and economically. The SHGs have provided independence to women, of which they were deprived even after the country's independence. SHG programs have enabled women to be economically and socially independent. The sufferings of Women Self-Help Groups during the epidemic, as well as the problems they faced are discussed in this paper. It largely focuses on the many facets of economic and financial effects caused by the COVID-19 epidemic. This article presents insights from various secondary sources and summarizes awareness, strategies and innovations that were spearheaded by SHGs amidst the pandemic. SHGs's economic activities in the post-pandemic era pave the way for women's empowerment in both rural and urban areas by enhancing their social and economic status.*

Keywords: *SHGs, COVID 19 pandemic, Women Empowerment*

Introduction

In the earlier days, women empowerment was totally out of mind and the condition of women was miserable since they were subject to many socio-economic, political and cultural constraints. The role of women in economic development is related to the goal of comprehensive socio-economic development. SHG is defined as a voluntary organization that values personal contacts and mutual aid as a means of changing or mitigating problems that majority of its members regard as changeable, pressing, and personal. These are self-organized groups of people who have come together to achieve a common goal, which could be economic, social, or both. SHGs have their roots in Bangladesh's Grameen Bank, which was founded by Mohammed Yunus. In 1975, the first SHGs were established. NABARD was founded in 1986-87 in India. However, following

1991-92, the real effort was put into linking SHGs with banks.

Self-Help Group (SHG) is a village-based financial intermediary committee usually composed of 10-20 local women or men. In India, many SHGs are linked to banks for the delivery of micro-credit. The SHGs, in India, have come a long way since its inception in 1992. At present, it is widely used as an instrument to empower women socially and economically thereby leading to overall development of women. SHGs are the viable pathways for empowerment of women.

The nationwide lockdown, which began on March 24, 2020, had disastrous consequences for millions of individuals, their livelihoods, and income-generating activities, as well as for existing marginalized groups, particularly women. Rural women have gained self-confidence and independence through SHGs, which



has enhanced their livelihood. They have also helped enhance social and financial stability. As a result of the positive attitudes of the self-help group women, the financial facilities for sending their children to school, as well as access to the day-to-day needs, the community can conclude that SHGs have succeeded in achieving social & financial empowerment goals.

Review of literature

The SHGs are groups of about 10 to 20 people who come forward with an aim of eradicating poverty and social development through their own contribution. It is a homogeneous class which uses the pooled resources to make small interest bearing loans to their members (NABARD, 2000).

SHG members also have wider social networks and greater mobility than non-members. (Kumar, et.al.2019)

SHGs and MSMEs working together can help the economy grow. (Deepak,2020)

By coordinating, developing, and enabling credit linkage of SHGs with banks, the NGO sector has played a key role in acting as a Self Help Group Promoting Institution (SHPI). Stakeholders were urged to promote SHGs with the help of a promotional grant from NABARD. This savings-led microfinance strategy has grown to become the world's largest coordinated financial inclusion programme, with about 100 million households served. The programme has delivered a much-needed boost to women's empowerment in the country, with over 84 percent of the groups being purely women's groups (NABARD,2020).

Women-led self-help groups (SHGs) are increasingly being utilized as platforms for delivering development activities by

funding agencies and governmental bodies. (Nichols, 2021)

"Women at the center of development have been an important story in South Asia. In these extraordinary times, when we are all united in our fight against the COVID 19 virus, these women's groups are playing a critical role" Junaid Ahmad, World Bank country director in India. In the above research articles, findings shows that on an average every member of self-help groups participated in micro financial activities and after comparing pre and post financial situation conditions.

Objectives of the study

1. To study the challenges and opportunities before SHGs during COVID pandemic.
2. To study the performance of SHGs during the pandemic.

Methodology of the study

This paper is descriptive in nature and based on secondary data collected from various sources like journals, newspapers and research articles.

Challenges posed by COVID 19 pandemic on SHGs

"The women's movement that started as a leap of faith some 15 years ago has proved to be an invaluable resource in these difficult times. Our partnership with the Indian government in building social capital among the rural poor has paid off in spades," said Gayatri Acharya, who leads the World Bank's \$750 million support for India's National Rural Livelihoods Mission. NRLM is India's flagship program to reduce poverty by mobilizing poor rural women into self-help groups and building community institutions of the poor.



The collective strength of women's self-help groups (SHGs) has risen to the fore as 1.3 billion Indians are in the midst of an unprecedented 40-day lockdown to battle the corona virus. Women involved in SHGs are creating facemasks, running community kitchens, distributing crucial food supplies, sensitizing people about health and cleanliness, and countering misconceptions in over 90% of India's districts, far from the spotlight of the city.

There are around 1.2 lakh bank branches and over 6 lakh villages, however there are no rural banking facilities. Furthermore, because the cost of operating remains high, many public sector banks and microfinance organizations are unwilling to provide financial services to the poor.

Lockdowns, notwithstanding their merits, present distinct obstacles to SHGs because most SHGs meet physically. Physical separation guidelines were established by the Ministry of Rural Development, and these guidelines may persist after the lockdown, limiting the capacity of women's groups to assemble. For the time being, all SHG meetings and activities have been halted. One of NRLM's five founding principles is to hold regular meetings (originally termed as the panchasutra).

Economic shocks can limit income and viable market links for groups that promote livelihoods, which can lead to group disintegration owing to a lack of money or investments. On the other hand, through existing savings and group assistance that can function as insurance and social protection, groups can strengthen the resilience of their members.

Opportunities

Running community kitchens

SHGs have set up over 10,000 community kitchens across the country to feed stranded employees, the impoverished, and the vulnerable, as a result of the lockdown, which has resulted in a large number of informal workers losing their jobs and food supply lines being interrupted in some locations.

In Kerala, the Kudumbashree network, one of the country's earliest community platforms of women with 4.4 million members and several years of catering experience are now running 1,300 kitchens across the state, while also delivering food to those in quarantine and the bedridden.

In Jharkhand, where poverty is high, SHGs being the closest to the ground are helping district administrations identify pockets of hunger and starvation so efforts can be made to ameliorate them.

Across the country, groups are scrambling to fill the gap in masks and personal protective equipment (PPE). Poor rural women in Odisha, for example, who used to knit school uniforms, are now sewing masks instead. Over the last 2 years, these ladies have created over 1 million cotton masks, assisting law enforcement and medical professionals while also earning a living.

Groups across the country are working furiously to make up the shortfall of masks and personal protective equipment (PPE). In Odisha, for instance, poor rural women who were once engaged in stitching school uniforms are sewing masks instead. Over the past couple of weeks, these women have produced more than 1 million cotton masks, helping equip police personnel and health



workers, while earning something for themselves.

In total, 20,000 SHGs in 27 Indian states have manufactured over 19 million masks, as well as over 100,000 liters of hand sanitizer and approximately 50,000 liters of hand wash. These commodities have reached widely scattered populations because to decentralized production, which eliminates the need for sophisticated logistics and shipping.

Evidence from the 2014 Ebola outbreak in Sierra Leone also shows that 95% of Village Savings and Loan Associations in Sierra Leone experienced high absenteeism during weekly meetings, which reduced groups' capacity to pool savings and distribute loans.

Social distancing

Social distancing may require groups to change their functioning—for example, by limiting physical meetings and possibly introducing virtual meetings and technology.

Raising awareness

Importantly, the SHGs are assisting in the suppression of rumours and falsehoods. "In this hour of need, the ladies are systematically using their massive network of WhatsApp groups to fend off turmoil and disarray, providing essential assistance to the administration." The recent devastation of migrant labour, in which large numbers of suddenly unemployed families began travelling hundreds of miles back to their communities, demonstrates the importance of reliable information reaching the grassroots," said Varun Singh, the Bank's social development specialist.

Covid-related messaging are also being disseminated by women's groups to hard-to-reach populations. Kudumbashree is leading the government's Break the Chain campaign in Kerala, where she uses mobile phones, posters, and monthly meetings to raise awareness about hand cleanliness and social distancing. One of the most populous states in India is Bihar.

Providing banking and pension services

SHGs women who also act as banking correspondents have emerged as a significant resource since access to finance is critical for individuals to survive during the lockdown. These banks which are regarded as necessary services, have continued to provide doorstep banking services to far-flung areas, as well as dispensing pensions and allowing the poorest to receive credits into their accounts through direct benefit transfers (DBT). Banks have supplied these ladies with additional training and financial incentives to allow them to continue working during the lockout.

Alka Upadhyay, Additional Secretary in India's Ministry of Rural Development sums up, "Across the country, women's SHGs have risen to this extraordinary challenge with immense courage and dedication," Their fast response to food poverty and shortages of goods and services demonstrates how this decentralized structure can be a lifeline in a crisis. After the most critical era has passed, the power of India's rural women will be critical in regaining economic momentum." The World Bank co-finances the Government of India's National Rural Livelihoods Mission (NRLM), which supports women's SHGs. The SHG concept has been expanded up by NRLM



in 28 states and 6 union territories across the country, reaching over 67 million women. The women have amassed a total of \$1.4 billion in savings and have borrowed an additional \$37 billion from commercial banks. Over the course of the Bank's two-decade partnership, India's SHG movement has grown from a modest grassroots movement to a national movement.

Community response

In several areas, self-help groups (SHGs) of the National Rural Livelihoods Mission (NRLM) have arisen as an integral component of the community response to the crisis in the face of a worldwide pandemic and a statewide lockdown. NRLM, one of the world's largest poverty alleviation programmes, covers more than 68 million households (as of May 2020) and includes a variety of programme components, beginning with women's social mobilization into SHGs and progressing to the formation of full-scale institutions or federations. SHGs that are part of the NRLM programme usually start with a period of collective savings to support intergroup lending, then progress to financial inclusion and agricultural and non-agricultural livelihoods. The size, scope, quality, and activities of SHGs vary greatly per state. SHGs have been used by certain state governments to supply services.

Group coverage and governance structures may encourage governments and nonprofit organizations to provide social safety nets and produce personal protection equipment through groups, thus increasing revenue prospects for women's group members. Groups can also use their social media platforms to spread the word about COVID-19.

Further, approximately 17,000 village organizations in Bihar undertake collective procurement of food grain, support rural retail marts and link them with local retail stores. Groups in other states help deliver child, maternal, and adolescent health- and nutrition-related entitlements, and help migrant workers access relevant schemes under lockdown.

With funding from the national and state governments, SHG members under NRLM produced more than 105 million masks and 2 million PPE kits, as well as more than 3 million liters of hand sanitizer (as of May 2020).

Kerala's SHG network – Kudumbashree – has taken an active role in developing a wider community response in multiple areas including microfinance, microenterprise, social development, and mental health initiatives.

Despite their contributions, lockdowns pose unique challenges to SHGs because most SHGs meet physically. The Ministry of Rural Development recommended that SHG members follow physical distancing guidelines, which may continue post covid, limiting the ability of women's group members to meet. Currently, all SHG meetings and activities have stopped for an indeterminate period. Regular meetings are among the five original key principles of NRLM (originally termed as the panchasutra), and evidence shows that groups' collective identity and functioning may be limited without the ritual of meeting and performing social activities.

This crisis situation has reduced groups' capacity to pool savings and distribute loans. To keep groups operational, SRLM implementation staff in some states, like Maharashtra, reported using technology and virtual platforms to train SRLM staff



on COVID-19 responses, but most basic SHG functions cannot be delivered through technology. The National Family Health Survey 2015–16 indicates that only 37% of women in rural India own a mobile phone. In addition, of the 41% of women in Bihar who have a mobile phone, only 42% can read a text message. Just fewer than 20% of women in India reported using a mobile or the internet to conduct financial transactions. Digital meetings may also be less effective than physical meetings in building group solidarity.

Findings of the study

1. It is crucial to continue to grow and foster these institutions in order to remain vital forms of women's solidarity.
2. One of the most powerful determinants of women's empowerment is employment. The policy response must be structured around rebuilding economies and societies in ways that empower women to lead safe, productive and fulfilling lives.
3. During the times of crisis, SHGs have also evolved as favoured ways for women to access savings and emergency loans. It is imperative that these institutions maintain financial stability in order to satisfy the needs of women in times of crisis.
4. Access to digital and electronic modes of communication could be used to propagate social development programmes and services in alternate ways.
5. Women's groups are most likely to be used by governments to offer social safety nets or undertake other

initiatives in areas where they operate on a significant scale.

Conclusion

When women joined the SHGs and started receiving microfinance, their socioeconomic position improved. SHGs are important for rural women's empowerment, as well as poverty alleviation and the acquisition of power for self-sufficiency. It has provided women with not only economic freedom, but also a more comprehensive social development. Self-help groups have a measurable impact on more tangible variables such as income, savings, health, and education, but its impact on women's empowerment is variable. SHGs's economic activities in the post-pandemic era pave the way for women's empowerment in both rural and urban areas by enhancing their social and economic status. The policy response must be based on restoring economies and society in ways that enable women to live lives that are safe, productive, and fulfilling.

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