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EMPOWERING SELF-HELP GROUPS (SHGS): PARADIGM SHIFT IN DAY-NULM

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ABSTRACT

The SelfHelp Groups usually provide support services to corporate owners and individuals in similar social and financial situations to assist urban poor individuals in preparing for employment and self-employment. The government's DAY-NULM (Deen Dayal Upadhaya- National Urban Livelihoods Mission) programme utilizes Self-Help Groups, Area Level Federations (AFL), and City-Level Federations (CFL) to offer financial solutions besides skill development to slum of urban disadvantaged households. While the SHGs provide a platform for ALF and CFL along with their knowledge enhancement usually provide social and economic empowerment through partnerships with local government and financial institutions. The SHGs enhanced living standards through borrowing and saving with the needy one. Urban Local Bodies (ULB) are permitted to combat urban poverty by offering housing, employment opportunities, and skill-building initiatives, with the help of the business sector, in an effort in order to raise living standards and financial situation of city residents. In a recent report issued by one of the Big 4 group (Deloitte) for Women at Work-2024, highlighted workplace issues like stress, stigma, and lack of support for health and caregiving responsibilities along with also highlighted inadequate gender equality efforts, safety concerns, harassment, and non-inclusive behaviors. The study emphasis over awareness financial security and physical wellbeing and revenue generation DAY NULM playing significant role specially assisting the youth in urban area and SHGs are seriously aimed towards ensuring basic amenities and fostering economic growth especially metropolitans regions.

Keywords: DAY-NULM, Women Empowerment, Self- Help Groups, Developmental Stages, SHGs

1. INTRODUCTION

The Urban Local Bodies (ULBs) are allowed to act and eradicate urban poverty in accordance with The 74th Amendment to the Constitution Act of 1992. Therefore, ULBs would be required to lead all efforts and challenges pertaining to the urban poor in municipalities and cities, especially those requiring occupations and skills. In September 2013, the Indian Ministry of Housing and Urban Poverty Alleviation introduced the NULM initiative, also known as the Rashtriya Shahri Aajeevika Mission, succeeded Swarna Jayanti Shahari Rozgar Yojana (SJSRY).

The DAY-NULM plans to offer credit opportunities in addition to skill development to urban poor people, especially focusing on self-employment and market-based occupations by creating self-help groups. It gives them access to appropriate locations, institutional credit, social security, and the know-how to take advantage of market opportunities. The organisation also collaborates with the business sector to provide homeless people with housing, work opportunities, and skill training, as well as technology assistance for entrepreneurs launching new businesses. By addressing these needs, the DAY-NULM aims to reduce poverty and promote economic development via the establishment of self-help organisations in cities.

2. LITERATURE REVIEW:

Anjugam M. & Ramasamy C. (2007) investigated about the possession of livestock, consumer goods, and personal belongings specially aspects in household's member who had been identified as a deterrent to group membership. The study used exploratory cum descriptive research methodology used, via probit model, the researcher examined the factors influencing women's involvement in microfinance programs and revealed Because women's engagement is significantly hampered by their age and the value of their productive assets, excluding land. The study further concludes that programs like women's engagements in these programs were significantly influenced by community underdevelopment, support, and the existence of more microcredit programs in neighbouring communities.

Annapurna, A. A. (2018) explored micro finance for women empowerment specially focusing on East Godavari District in Andhra Pradesh of India. Via descriptive research methodology, the study highlighted the efforts of the District Rural Development Agency (DRDA) and the banking sector. The study concludes with the major findings in regards empowering women economically, politically, and socially, aiming for inclusive growth and poverty alleviation.

Barman D.K. and Saloi T. (2020) investigated major problem which are rapidly spreading during urban poverty inhalation program. The major study's findings found that the Indian government's various alternatives implemented like DAY-NULM in Assam state, to reduce vulnerability in cities such initiatives aimed to provide self-employment, shelters, and financial assistance to urban street sellers.

Das D. & Boruah D. (2013) examined about the contribution of Self Help Groups and found that Micro-lending created a socioeconomic advancement aimed at the impoverished in special districts of Lakhimpur and Dhemaji in Assam. The research results were indicated that with the support of rural financial institutions, Self Help Groups emerged as key contributors to socioeconomic progress and helpful in educating women about the importance of savings and credit, consequently enhancing their economic status. The women experienced significant improvement in their living standards upon joining these groups and participating in various self-sustaining economic endeavors.

Hoyt (2004) explored about the study on cooperatives that enhanced group's interaction, negotiation, influence, control, and accountability in institutions affecting their lives. The result of study were by fostering cooperation and recognizing one's ability to work together, individuals could improve their own lives and the welfare of their community, empowering community members.

Jacob J. and Vivek S. (2019) investigated about India's rapid development and contributions of SHGs specially. As per the researcher's investigation the self-help groups identified as a method for reducing poverty specially in the women aspects as there extraordinary good influence on women's empowerment, several SHG programs, such as small-scale business ventures and microfinance efforts, appealed tremendously. The study's main goals were to evaluate and analyze programs' existing literature on Self Help Groups and microfinance in Indiaas well as how SHGs impact the empowerment and advancement of women in Parayakadavu village in Kerala's Kollam district. The Primary data were gathered with a sample of 100 women were selected from among 20 SHGs working in the Parayakadavu community. The findings revealed that women's empowerment having enormous influence on the Parayakadavu community.

Majee, W., & Hoyt, A. (2011) emphasized the cooperatives supported to weaker members of society by influencing market dynamics and local growth. The findings were addressing various issues like health insurance, organic products, and financial services, policy improvements should concentrate on resource-constrained communities and to inspire more individuals to join the socio-economic mainstream.

Malali, R. G. (2016) explored about urban poverty in India and found that it had grown in urban areas themselves. With the explorative research methodology, the study findings were specially focused towards the contemporary movement of the rural poor to metropolitan regions, with the immigrant family's poverty remaining unchanged meanwhile its expanding. The India's urban population is incredible increasing and as a result of fast urbanization, it's one of the most striking characteristics of urban poverty.

Manimekalai and Rajeshwari (2001) highlighted the non-governmental organisations' role in women's SHGs. The study's methodology demonstrated about how the involvement of NGOs had aided SHGs in achieving social and economic empowerment. The support given fostered a sense of leadership, organisational control, and managerial abilities to sustain firms, including obtaining finance, calculating raw materials, and marketing.

Prabhala Kishore, Rao T. Umamaheswara (2019) explored a The Indian government's National Bank for Agriculture and Rural Development (NABARD) microfinance initiative has affected thousands of Indian villages during the last 20 years. The study found that financial transactions through the United Payment Interface will make banking transactions easier and more transparent. Further the study concludes that SHGs inputs had been transformed over one million transactions per week in hundreds of thousands of households, even in rural areas.

Puhazhendhi (1999) examined Self-Help Groups in terms of their performance, sustainability, women's empowerment, economic impact on members, and ability to expand, among other things. In study, the researcher observed and concludes that Self-Help Groups in Tamil Nadu were effective at bringing about social change and transformation, as the findings demonstrated about its' member empowerment and the promotion of microfinance which usually a leading factors amongst majors SHGs.

Rangarajan's (2014) Report discussed about poverty in details and explored that the poverty line in rural areas in 2011–12 were rupee 972 per capita per month and in urban regions, rupee 1407 per capita each month, a significant increment found from the Tendulkar poverty lines and the study recommended reverting to separate rural and urban poverty basket lines, anchoring poverty lines to official calorie norms, and considering consumption expenditure estimates.

Saravana Kumar (2012) investigated about the self-help groups and found that micro credit were widely believed to be essential tools for enabling economic and socio-cultural independence for the underprivileged population in India. These initiatives empower marginalized individuals to tap into their entrepreneurial potential, enhancing their economic and social standing. The study suggested these ideas could bring significant positive changes to millions of underprivileged individuals' lives.

Sheel et al. (2002) The study examined the Shramik Bharati's savings and credit program, which involves forming Self-Help Groups to provide formal credit, education, and technical assistance to economically disadvantaged women. The study survey revealed that 60% of women reported increased monthly income and improved financial management skills, while 42.2% of women were able to manage their businesses without requiring additional NGO support. The program's impact was evaluated through surveys and results suggested positive outcomes for women involved.

Sudha Rani et al, (2002) observed that involvement in SHGs boosted women's empowerment in characteristics like growth in self-possession and authority to make policies while taking part in their studies. Getting credit was not the main objective of joining the SHG; rather, it was an empowering process with elements that encourage women to enter the labour.

V.V. Bidnur (2012) examined Self-help groups were a global approach to organizing poor and marginalized individuals to solve their individual problems. The findings revealed that SHGs utilized by governments, NGOs, and other organizations for marginalized people.

Y Pangannavar, Arjun (2015) examined the protagonist of SHGs in endowing rural and urban slum women through various development initiatives, focusing on regional disparity in the Indian economy. The rural and urban slum women contribute significantly to stability, economic progress, and poverty reduction.

Research Objectives:

I. To examine the formation of SHG under DAY- NULM Scheme.

II. To elucidate the various phases of self-help groups development.

The Evolution Phases of Self-Help Groups

I. Formation:

Social Mobilization and Institution Development under DAY-NULM focuses on mobilising urban poor households to form institutions, collaborating with banks, conventional organizations, public service providers, and local self-governments to effectively reduce poverty**.**

i) Phase-I: Building Community Institutions (SHGs and Their Federations): Self-Help Groups in the local community, slum/ward-level Area Level Federations (ALFs), and at the municipal level, City Level Federations (CLFs) are three levels into which DAY-NULM plans to mobilise urban poor households.

a. Self-Help Groups: Teams of ten to twenty volunteers make up each squad, who work together to improve their living situations by borrowing and saving money. They pool their savings into a corpus fund and use it for short-term loans, eventually contacting banks for larger loans. Membership in SHG, at least 70% of the members in DAY-NULM's Self Help Groups must be from metropolitan areas in order to receive financing. SHGs can include 10 to 20 members, with smaller groups found in hilly and tribally dominant areas. SHGs' fundamental operating principles are: arrangements for meeting conditions; savings conditions that have been agreed upon; loan terms that have been agreed upon; arrangements in order to repay a loan and a societal agenda.

b. Federation of SHGs at the Area Level (ALF): They organise and train SHGs, oversee operations, and address complex concerns such as bank linkage, higher-level structures and inter-group lending, enhancing SHG bargaining power. An ALF can consist of 10–20 SHGs covering a ward, slum, or another geographic area, with each SHG having a minimum of two members. The number of SHGs may be decided by the urban local body based on regional circumstances. According to applicable state legislation, an ALF must be formally recognised as an association or society.

c. Federation of SHGs at the city level (CFL): ALFs are going to create a City Level Federation (CLF) in each city, which will be officially recognised as a society by the state. Each city will have a CLF that represents each ALF, with larger cities having more CLFs based on population. To ensure the economic empowerment of social and urban poor, it will collaborate with ALFs, members of SHGs, the local government, and financial institutions.

d. SHG's Formation through Resource Organizations (ROs) Involvement: Activists in the community and specialists will build SHGs under DAY-NULM, involving ASHA/Anganwadi employees and government employees. SM&ID funding will cover expenses for supporting and training SHGs. Resource organisations (ROs) will assist in SHG establishment, development, bank links, federation, training, capacity building, and connectivity to ULBs. ROs will collaborate with ALFs and CLFs to increase capacity, facilitate enrollment in UIDs, and open basic savings bank deposit accounts. State Urban Livelihood Missions will select ROs transparently across DAY-NULM cities.

ii) Phase- II: Universal Financial Inclusion: DAY-NULM aims to provide credit and banking services to underserved populations at reasonable costs, promoting financial inclusion for urban poor households. ROs organize financial literacy courses for SHG members, and City Livelihood Centres engage with banks, institutions, and microfinance organizations. DAY-NULM benefits include social insurance, covering risks like death, accident, disability, hospitalization, and retirement, with low-cost products and micro-pensions.

iii) Phase- III: Assistance from Revolving Funds to SHGs and Their Federations: The recurring fund helps inculcate financial responsibility and prudence in SHGs, fostering institutional development and facilitating internal lending. Urban poor SHGs receive Rs. 10,000 for 3 months, while registered Area Level Federations receive Rs. 50,000 for seed capital. ULBs provide seed capital for smooth operation, support services, and awareness creation.

iv) Phase- IV: City Livelihood Centres (CLCs): These facilities provide middle and upper-class urban residents with informal sector services such as security, carpentry, and housekeeping. These services are often unorganised and unreliable, making it difficult for the urban poor to find a viable market. City Livelihoods Centers aim to close the supplydemand gap by organising the urban poor's goods and services, offering organised services to potential customers, and providing information and business support services. The ULB is responsible for establishing and running the CLC, allocating space, and ensuring it's centrally located for easy access by the urban poor. According to the following guidelines, the establishment of city livelihood centres will be permitted:

Table No.1: Capping List Parameter for CLC

City Population	No. of CLC
From 1 to 3 lakhs	1
Over 3 lakhs and as much as 5 lakhs	2
Over 5 lakhs and up to 10 lakhs	3
More than 10 lakhs	4
Towns with Constituency Headquarters and Other Statutory having population of less than one lakh people	1

Source: NULM-SMID Guidelines Report 2018

The table no. 1 shows about CLC management which can start with 1-2 people, with an agency hiring personnel. A one-time grant of Rs. 10 lakh is provided to each CLC, available in three installments.

Stage V: Training for SHGs, their Federations and Community Institutions: The purpose is to provide community members with the skills they need to administer their institutions. A multi-pronged method comprises exposure visits, the development of master community resource persons, and the development of master community resource persons. as well as ongoing capacity building for SHGs and federations. Minimum training includes functioning, management, bank linkages, bookkeeping, and microplanning. States utilise DAY-NULM training through Community Master Trainers and NRLM resources; ALF and CLF members typically cost Rs. 7,500 per trainee.

3. CONCLUSION:

The Self-help groups are established by co-ops and official lending organisations to address the impoverisher's social and economic marginalization of the poor. They promote awareness, financial security, physical well-being, and revenue generation. DAY-NULM forms SHGs to assist the urban poor in obtaining credit, education, and market-based jobs. By partnering with the business community, SHGs aim to provide housing, employment, and technological assistance, ultimately eliminating poverty and fostering economic growth in metropolitan areas.

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CONFLICT OF INTEREST

None.

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