Society & Social Justice · GS - II

‘The emergence of Self Help Groups(SHGs) in contemporary times points to the slow but steady withdrawal of the state from developmental activities’. Examine the role of the SHGs in developmental activities and the measures taken by the Government of India to promote the SHGs.

EXAM YEAR	PAPER	SUBJECT
2017	GS - II	Society & Social Justice

MARKS	WORD LIMIT
15	~250 words

Answer Hint

Community participation; financial inclusion; women's empowerment; livelihood generation; state responsibility; DAY-NRLM; capacity building

Model Answer

Introduction

Self Help Groups (SHGs) are voluntary groups, often comprising women, that pool savings, access credit and undertake collective livelihood activities. Their growth reflects participatory development, but does not necessarily imply the withdrawal of the State.

Role of SHGs in Development

- **Financial inclusion:** Savings and internal lending improve access to credit, particularly for people excluded from formal banking.
- **Women's empowerment:** Collective organisation strengthens decision-making, confidence and participation in local governance.

- **Livelihood generation:** SHGs support microenterprises, agriculture-related activities, handicrafts and small businesses.
- **Social development:** Groups can promote sanitation, nutrition, education, health awareness and action against social discrimination.
- **Community resilience:** Collective savings and networks help members cope with emergencies and income shocks.
- **Local accountability:** SHGs can participate in Gram Sabhas and monitor public services.

Government Measures to Promote SHGs

- **Deendayal Antyodaya Yojana–National Rural Livelihoods Mission (DAY-NRLM):** Organises rural poor women into SHGs and federations and supports livelihoods.
- **SHG–Bank Linkage Programme:** Promoted by NABARD, it connects SHGs with formal banking.
- **Financial support:** Revolving funds, community investment funds and bank credit support group activities.
- **Capacity building:** Training, financial literacy and enterprise development improve management skills.
- **Market access:** Government initiatives and digital platforms can support marketing and value-chain integration.

Critical Assessment

SHGs complement the State but cannot replace public responsibility for healthcare, education, infrastructure, social security and employment. Unequal group capacity, limited market access and credit constraints remain concerns.

Conclusion

SHGs deepen participatory development and empower communities. Their success requires continued public investment, affordable credit, institutional support and stronger market linkages.

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