Society & Social Justice · GS - II

Can the vicious cycle of gender inequality, poverty and malnutrition be broken through microfinancing of women SHGs? Explain with examples.

EXAM YEAR	PAPER	SUBJECT
2021	GS - II	Society & Social Justice

MARKS	WORD LIMIT
10	~150 words

Answer Hint

Women self-help groups, microfinance, financial inclusion, women's empowerment, household income, nutrition security, livelihood diversification, DAY-NRLM, Kudumbashree, credit access, social barriers, market linkages.

Model Answer

Introduction

Women-led self-help groups (SHGs) provide savings, credit and collective support. Microfinance can help address the interconnected problems of gender inequality, poverty and malnutrition, although it cannot resolve them alone.

How Microfinance Helps

- **Economic empowerment:** Small loans support livestock rearing, tailoring, food processing and other income-generating activities.
- **Financial inclusion:** SHGs enable women with limited collateral to access savings and credit.
- **Nutrition improvement:** Greater household income can improve spending on diverse foods, healthcare and children's education.
- **Collective agency:** Group participation strengthens women's confidence, decision-making and bargaining power.
- **Social support:** SHGs can spread awareness about maternal health, sanitation and nutrition.

Examples

Under the Deendayal Antyodaya Yojana–National Rural Livelihoods Mission, women's SHGs receive institutional support for livelihoods and financial inclusion. Kerala's Kudumbashree network combines women's collective action with livelihood and community development.

Limitations and Way Forward

Indebtedness, limited market access, unpaid care work and male control over household finances can reduce benefits. SHGs need affordable credit, financial literacy, market linkages, nutrition awareness and convergence with public health and welfare programmes.

Conclusion

Microfinance can weaken the poverty–malnutrition cycle by increasing women's resources and agency. Sustainable change requires complementary action on education, healthcare, gender norms and livelihood opportunities.

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