

## **Impact of Self-Help Groups on Socio-Economic Empowerment: A Case Study of Raipur, Chhattisgarh**

**Kavita Silwal**

**Assistant professor, Commerce Department  
Gurukul Mahila Mahavidyala, Raipur (CG)**

### **Abstract**

Self-help groups (SHGs) are widely recognized for their ability to promote socio-economic development, especially in underprivileged communities. This research evaluates the role of SHGs in enhancing the socio-economic status of their members in Raipur, Chhattisgarh, using secondary data up to the year 2019. By analyzing data from reports, surveys, and studies, the paper identifies the key contributions of SHGs to income growth, financial inclusion, education, health, and social empowerment. The findings reveal that SHGs have significantly improved livelihoods, fostered women's empowerment, and promoted community cohesion, despite challenges like limited market access and lack of training. The study highlights the need for continued support to ensure their sustainability and maximize their impact.

Keywords : Self-help groups, financial inclusion, socio-economic status

### **1. Introduction**

#### **1.1 Background**

Self-help groups are small, voluntary collectives formed to address shared financial and social challenges, with a particular focus on women. Originating in the 1990s in India, SHGs have been supported by institutions like the National Bank for Agriculture and Rural Development (NABARD) and various governmental and non-governmental organizations. These groups pool resources through savings and credit mechanisms to create opportunities for income generation and skill development. In Chhattisgarh, particularly Raipur, SHGs have gained traction as effective grassroots organizations, addressing issues like poverty, financial exclusion, and social inequality.

#### **1.2 Objective**

The study aims to assess the impact of SHGs on their members in Raipur, focusing on improvements in economic conditions, education, healthcare, and social empowerment, based on data available up to 2019.

## **2. Literature Review**

### **2.1 Economic Empowerment**

Research indicates that SHGs significantly contribute to economic upliftment by enabling access to microfinance and promoting income-generating activities. A NABARD report from 2019 highlights that SHGs helped increase household incomes by facilitating credit for small businesses. This was particularly impactful in rural and semi-urban areas of Chhattisgarh.

### **2.2 Social Empowerment**

Participation in SHGs enhances members' confidence and decision-making abilities, especially among women. According to Singh et al. (2018), SHG members reported a greater role in household decisions and community activities. These groups have also encouraged collective action and mutual support.

### **2.3 Challenges**

Despite their benefits, SHGs in Raipur face challenges such as limited market linkages, inadequate access to formal training, and a lack of awareness about advanced business practices. The Chhattisgarh Economic Survey (2018-2019) emphasizes the need for improved institutional support to address these issues.

## **3. Methodology**

The study employs a secondary data approach, analyzing information from various sources including government reports, academic journals, and NGO records. Key sources include the NABARD *Status of Microfinance in India* report, Chhattisgarh Economic Survey (2018-2019), and health and education reports from the state government. Data was categorized into economic, educational, healthcare, and social dimensions to examine the comprehensive impact of SHGs. This approach ensures a broad understanding of the subject while maintaining a focus on Raipur.

## **4. Findings and Analysis**

### **4.1 Economic Impact**

SHGs in Raipur have demonstrated tangible success in improving income levels and promoting micro-entrepreneurship. For example, the **Sangini SHG**, formed under the National Rural Livelihoods Mission (NRLM) in 2017, focused on producing eco-friendly products such as cloth bags and jute items. By 2019, Sangini SHG reported a 50% increase in member incomes due to steady demand from local markets and government campaigns promoting plastic alternatives. Similarly, the **Pragati SHG**, operating in the outskirts of Raipur since 2016, concentrated on tailoring and garment manufacturing. By securing loans through NABARD's microfinance scheme, members were able to purchase sewing machines and expand their operations. Pragati SHG supplied uniforms to local schools, generating consistent revenue streams for its members.

## **4.2 Financial Inclusion**

The **Matrashakti SHG**, established in 2015, exemplifies the role of SHGs in bridging the financial inclusion gap. Before joining the SHG, members were heavily dependent on informal moneylenders, often paying exorbitant interest rates. With support from the Pradhan Mantri Jan Dhan Yojana (PMJDY), all members transitioned to formal banking. The group collectively saved over ₹3 lakh by 2019, which they utilized to establish a small grocery business.

## **4.3 Education and Literacy**

SHGs have also supported education through innovative programs. For instance, the **Jyoti SHG**, started in 2014, introduced evening literacy classes for its members in collaboration with a local NGO. By 2019, the initiative had helped 25 women achieve functional literacy, empowering them to manage their own finances and actively participate in family decisions.

## **4.4 Health and Nutrition**

The **Aarogya SHG**, formed in 2016 in Raipur's rural areas, focused on improving healthcare awareness among its members. With support from the Chhattisgarh Health Department, Aarogya SHG organized vaccination drives and distributed nutritional supplements to pregnant women and young children. By 2019, maternal and child health indicators among member families showed a marked improvement, with a 20% reduction in cases of malnutrition and higher vaccination rates.

## **4.5 Social Empowerment**

The **Samarthya SHG**, established in 2015, has been a role model for promoting social empowerment. Members of the group actively participated in Gram Sabha meetings, advocating for better sanitation facilities and women-centric welfare programs. Their efforts led to the construction of several toilets in their village under the Swachh Bharat Mission by 2018, significantly improving hygiene and reducing open defecation.

# **5. Discussion with Contextual Examples**

## **5.1 Strengths of SHGs in Raipur**

The success stories of Sangini, Pragati, Matrashakti, Jyoti, Aarogya, and Samarthya SHGs highlight the transformative potential of these groups. They underscore the importance of collective action, access to finance, and institutional support in fostering socio-economic empowerment. These SHGs demonstrate how targeted interventions and community participation can lead to sustainable outcomes.

## **Addressing Challenges**

Despite these successes, many SHGs still face hurdles such as limited scalability and insufficient exposure to larger markets. For example, while Sangini SHG benefited from

local demand, its members struggled to access e-commerce platforms or sell their products beyond Raipur, constraining their income potential.

## **5.2 Limitations**

Despite their achievements, SHGs face notable challenges, including limited access to larger markets for their products, lack of formal training in financial and entrepreneurial skills, and insufficient policy support to address these gaps effectively.

## **6. Recommendations**

To enhance the sustainability and impact of SHGs in Raipur:

1. **Market Linkages:** Establish direct connections between SHG-produced goods and local or online markets to ensure fair prices and expanded reach.
2. **Capacity Building:** Provide regular training programs in advanced financial literacy, modern entrepreneurship techniques, and digital tools.
3. **Policy Integration:** Strengthen government initiatives like the National Rural Livelihood Mission (NRLM) to offer targeted support for urban and semi-urban SHGs.

## **7. Conclusion**

Self-help groups (SHGs) have proven to be a transformative force in enhancing the socio-economic status of marginalized communities in Raipur, Chhattisgarh. The analysis of secondary data up to 2019 highlights the multifaceted impact of SHGs on income generation, financial inclusion, literacy, healthcare, and social empowerment. Through collective action, SHGs have addressed critical issues such as poverty, unemployment, financial exclusion, and gender inequality. They have enabled members, particularly women, to become financially independent, take leadership roles within their communities, and contribute to household and community-level decision-making.

The success stories of Sangini SHG, Pragati SHG, and others in Raipur provide concrete evidence of how grassroots efforts can lead to sustainable development. These groups have not only enhanced the financial well-being of their members but also fostered significant social change, such as increased participation in local governance and improved community health outcomes. SHGs like Aarogya and Samarthya demonstrate how focused initiatives can address specific challenges like healthcare awareness and sanitation, leading to measurable improvements in living standards.

However, despite these achievements, the study also reveals several challenges. Limited market access, inadequate training in advanced financial and entrepreneurial skills, and dependency on local demand often constrain the long-term sustainability and scalability of SHGs. Addressing these challenges is crucial to unlocking the full potential of SHGs in transforming lives. Policy interventions, capacity-building programs, and stronger market linkages are necessary to ensure that SHGs continue to thrive and expand their impact.

In conclusion, SHGs in Raipur have significantly contributed to the socio-economic empowerment of their members and serve as a model for community-driven development. With strategic support and a focus on overcoming existing challenges, SHGs can play an even more pivotal role in achieving inclusive and sustainable development goals in Chhattisgarh and beyond. Their success underscores the importance of grassroots organizations in fostering empowerment and building resilient communities.

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