

SHG: A Revolutionary Evolution Journey of Transformation from Poor to Affluent

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Abstract

Humanity is all about being human. Being human is all about feeling the pain of fellow human being, supporting our race in creating a happy world, hand holding the 'downtrodden and the unfortunate' to uplift them from the grip of pain and sufferings. A common word which is representative of all the pain, suffering, lack of material possessiveness and misfortune is 'poverty'. It is but obvious that the term poverty is as disdainful as it is devastating in its impact. It is a real curse on humanity. Abstract poverty which devoid human of fulfilling even most basic needs and sometimes causing death due hunger and matching wantless-ness are blot on the face of humanity. We must not lose sight of the visionary statement of the ILO Declaration of 1944 at Philadelphia [1], which states, "Poverty anywhere is a threat to prosperity everywhere." It is not only from the fear factor associated with the threat to prosperity only but also due to the factor of benevolence involved in the basic nature of human, a touch of being sensitive to the troubles of the fellow living being that there has been constant effort for bringing the fortune to the "lot with the lost opportunities". Ever since poverty existed there have been simultaneous efforts to eradicate it. A number of concepts, plans, measures, tactics, and methods have been devised to deal effectively with poverty. Taking advantage of mutual strength and support has also been a major tool, which identifies itself in the form of Cooperative movement. Self Help Group (SHG) is also manifestation of similar ideology. In India under the aegis of DAY - NRLM this movement has proven to be path breaking and is a movement to recon with. In this paper the author has endeavored to peep into past, narrate the present and estimate the future form of the SHG concept.

Keywords: SHG, Poverty, Movement, Empower, Eradicate, Lakhpati Didi.

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INTRODUCTION

Ever since the society has developed in its present form and the existence of the private property and ownership of resources, there has been the social divide in the form of haves and have-nots. Though the social divide is an age old panorama, however the systematic and scientific measurement and inquiries about the unequal distributions of wealth and income in human societies began only at the close of the nineteenth century. The studies and philosophy of this material divide was pioneered by scholars such as Pareto, Lorenz, Gini, and Pietra (Eliazar, I., & Cohen, M. H., 2014) [2]. In this superstructure of the society and paraphernalia

associated with it, transforming into the social stratification there have been a natural divide between the affluent and the exclusions from this affluent class. The far we move on a continuum scale from the affluent being the top side of it, the pain and miseries increase. It is obvious that there is a dangerous divide from the point of view of the total resources possession. The life of the human, on the farther side of scale of possession is intensively painful and disrupted (SC Piston, 2014) [3].

The efforts to eradicate or lesson the poverty can be divided into two segments. First segment the segment of direct intervention by formal substantial

¹ Rodgers, G. (2022). Changing perspectives on poverty and inequality: The contributions of the International Labour Review. *International Labour Review*, 161(4), e1-e11.

²Eliazar, I., & Cohen, M. H. (2014). On social inequality: Analyzing the rich-poor disparity. *Physica A: Statistical Mechanics and its Applications*, 401, 148-158.

³Piston, S. C. (2014). *Sympathy for the Poor, Resentment of the Rich, and their Political Consequences* (Doctoral dissertation).

organizations like governments, large NGOs, organizations with affinity with corporate houses etc having capabilities to impact the lives of the poor by contribution from their resources monetary or facilitative. The other segment being the participative form of efforts which poor themselves co-jointly form association to tackle the menace of poverty by adopting the hand holding formula. In India the NRLM has similar conceptual framework (Shylendra, H. S., 2022) [4], here the group of persons (primarily females), form a group to pool their tinny resources, which with the help of the bank credit helps the group in creating sustainable livelihood opportunity. Started in June 2011, till march 2025, 10.05 crore rural households have been organised into 90.90 lakh SHGs in country under DAY-NRLM [5], on whose life the substantial effect has been put and is aiding them in fighting the poverty.

The mission has not been limited in just financial inclusion and bringing the members females above poverty line but has also been nurturing the dream

of woman empowerment and woman leadership by ambitious projects like lakhpati DIDIs [6]. Lakhpati didi project being an idea which envisages the SHG members as comparative richer by creating a potential to earn one lakh rupees per year from different skill sets or occupations. While categorizing as lakhpati didi, the criteria set has been to ensure sustainability of the income and for this reason that the income for four agricultural seasons / business cycles is being taken with average monthly income of Rs 10,000/-. In the union budget 2024 - 25 the finance minister announced the target to increase the lakhpati didis to 3 crores, The scheme targets to transform 3 crore members (Kalhapure, 2024) [7], into lakhpati didi which shall be increased to 5 crore in due course, through the subsidiary schemes like NAMO Drone didi a significant scheme to issue technology onto the farming space. The table below indicates the achievement in attaining the lakhpati didi status [8]:

Lakhpati Didi Scheme

S. No	State/UT	No. of Self-reported Lakhpati Didi
1	A&N Islands	482
2	Andhra Pradesh	14,87,631
3	Arunachal Pradesh	5,057
4	Assam	5,18,359
5	Bihar	13,47,649
6	Chhattisgarh	3,37,097
7	D & N Haveli and DD	2,021
8	Goa	866
9	Gujarat	5,38,760
10	Haryana	62,743
11	Himachal Pradesh	40,417
12	J&K	43,050
13	Jharkhand	3,51,808
14	Karnataka	2,36,315
15	Kerala	2,84,616
16	Lakshadweep	60
17	Madhya Pradesh	10,51,069
18	Maharashtra	10,04,338
19	Manipur	15,559
20	Meghalaya	39,976
21	Mizoram	17,167
22	Nagaland	12,294
23	Odisha	5,37,350
24	Puducherry	7,546
25	Punjab	31,700
26	Rajasthan	2,70,405
27	Sikkim	7,794
28	Tamil Nadu	3,18,101
29	Telangana	7,58,693
30	Tripura	58,495
31	Ladakh	51,903
32	Uttar Pradesh	8,41,923
33	Uttarakhand	37,178
34	West Bengal	11,81,852
	TOTAL	1,15,00,274

Fig. 1

Source: Answer of Q. No. 3321 answered on 28.03.2025 regarding Lakhpati didi scheme

⁴Shylendra, H. S. (2022). Livelihood Promotion: Can the Collectives of NRLM Really Do It? *International Journal of Rural Management*, 18(3), 323-357.

⁵ Government of india ministry of rural development department of rural development rajya sabha unstarred question no. 3321 to be answered on 28/03/2025 lakhpati didi scheme

⁶Rangasamy, S., Dev, S. I., Mangara, T., & Dodamani, V. Measuring the Impact of Financial and Legal Literacy on Socio-economic Development of Self-Help Group Women.

⁷Kalhapure, B. B. (2024). A study of women empowerment schemes in india.

⁸ Government of india ministry of rural development department of rural development, rajya sabha unstarred question no. 3321 to be answered on 28/03/2025

LITERATURE REVIEW

(Alkire, S. and Seth, S., 2015) [⁹], have described with certain traits. The traits indicating poverty being complex and multidimensional in nature. The common features of poverty being the lack and insufficiency of income generation opportunity and capacities, lack of education and health care and most prominent being the roadblocks to access to food.

Panadero, A [¹⁰], has in his paper has rightly emphasized the fact that it is not possible for government alone to eradicate poverty. There has to be public participation towards achieving this goal. The efforts of even a single man can not be downsized and matters significantly. The efforts to remove poverty should be de-centralised and coordinated. Joint community efforts is a proven way to fight the menace of poverty.

(Vicari, S., De Muro, P., & Marcone, S., 2008) [¹¹]. In their study have re-emphasized the role of cooperatives as a strategic partner with successively increasing popularity and effective tool in fighting global poverty.

(Beevi, S., & Devi, V. G., 2011) [¹²], have rightly remarked that Self help groups (SHGs) are the group of the poor females having similar socio-economic background who endeavour jointly to fight their destitute.

Under its ambitious programme (NRLM) [¹³]. Government of India (GOI) aims to provide sustainable livelihood through self employment, as a tool to fight poverty among the rural woman. The NRLM is a restructured version of erstwhile Swarnajayanti Gram Swarozgar Yojana (SGSY) programme. Financing of the programme is shared between the centre government and

respective state government in the ratio of 75:25 and 90:10 in the case of North Eastern states.

NRLM has since its inception expanding its wings and has been effective through its implementation strategy. However until the lakhpati didi intervention (Neelam, G., Roy, M., & Prasad, A. B., 2024) [¹⁴], the prime aim of the programme was just to lift the life of its members to get rid of poverty, but the lakhpati didi innovation has crossed the boundaries and is aiming towards bringing prosperity to its members. A qualified lakhpati didi will be one who earns one lakh Rs per annum. To maintain sustainability the income is to be maintained for four consecutive crop season / business cycles, and additionally the average monthly income should exceed Rs 10,000/- per month [¹⁵].

The Era of Dawn

As is evident, genesis of the SHG are found in the cooperative movement. The cooperative movement has been a pioneer and an established movement in fighting the evil of poverty co-jointly. The fundamental ideology behind the cooperative movement being the pooling of resource or pooling of strength, to supplement the lacuna of individual the concept follows - "United we stand" approach, where the insufficient tiny resources of the members of the cooperative are shared among the fellow participants to form the significant pooled resources, which now are, due to synergistic effect have turned into a significant strength, which can be utilized to lift the life of each one of the participants unitedly.

Cooperative is not only about pooling of material resource be it money or other assets like farm lands and other, it is also about the pooling of efforts, complementing the strength of each other. Not all the human are endowed with similar kind of strength and weakness. In the process of doing SWOT analysis [¹⁶]. (Strength, Weakness, Opportunities, Threats).

⁹ Alkire, S. and Seth, S. (2015), "Multidimensional poverty reduction in India between 1999 and 2006: Where and How?", *World Development*, Vol.72, pp:93-108.

¹⁰ Panadero, A. P. A. A Challenge to Fight Poverty Through Joint Community Efforts. *Improving Governance and Scaling Up Poverty Reduction Through CBMS*, 395.

¹¹ Vicari, S., De Muro, P., & Marcone, S. (2008). Co-operatives' role to fight poverty in developing countries: the commitment of Legacoop. *Center for Co-op & Association Excellence*.

¹² Beevi, S., & Devi, V. G. (2011). The Role of Self Help Groups in Empowering Rural Women in India. *International Journal of Interdisciplinary Social Sciences*, 5(9).

¹³ Mishra, A. (2017). Policy design of National Rural Livelihood Mission (NRLM): A critical assessment. *International Journal of Management and Development Studies*, 6(8), 54-60.

¹⁴ Neelam, G., Roy, M., & Prasad, A. B. (2024). Women's Empowerment and Equity: Building Social Resilience through Women-Led Community Institutions. In *Lakhpati Kisan* (pp. 134-159). Routledge India.

¹⁵ <https://www.india.gov.in/spotlight/lakhpati-didi>

¹⁶ <https://wrestlenomics.com/2020/09/04/all-elite-wrestling-swot-analysis-strengths-weaknesses-opportunities-and-threats/>

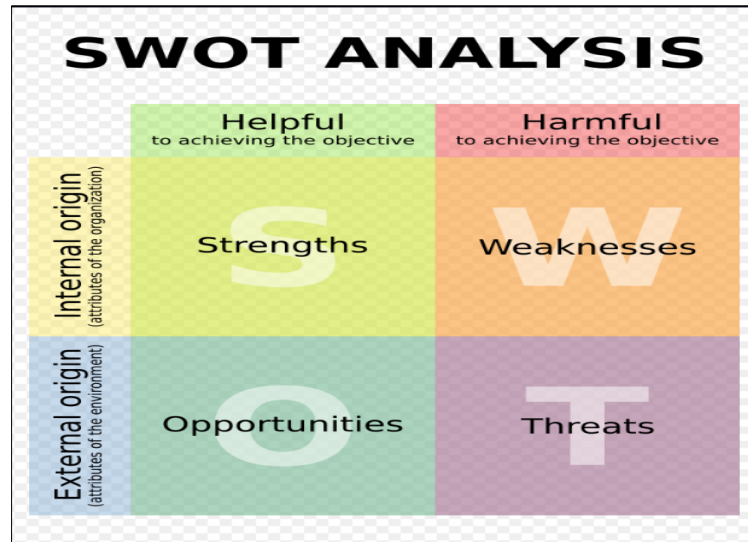


Fig. 2

Source: All-elite-wrestling-swot-analysis-strengths-weaknesses-opportunities-and-threats

At the individual level, the outcome propels fear and incapacity to take on task to initiate a successful venture of lively-hood. The reason may be the lack of some strength like physical, mental or resource incapacity or it may be excess of weakness: personal or environment, further there may be myopia of opportunities due to limited outlook or awareness vacuum coupled with the threats from multiple domain be it competition, marketability and sustainability or misfortune. Any one of the powerful thrust among the element of subdued 'weakness and threats' or submissiveness of any of the 'strength and opportunity' or all of them in concert may be a reason of not initiating

the venture or questioning the viability of venture. It is here that the cooperativeness come to play its magical part. Where the feeble strength are united to make a colossus, the weakness of one is supplemented by the matching strength of others. Opportunities are jointly explored with a positive node and the threats are being jointly confronted to make them ineffective. With this miraculous ideological pillars the concept of cooperativeness stands. The chart below indicates the ideological advantages of cooperative movement [17].

Pillars of Cooperative Movement

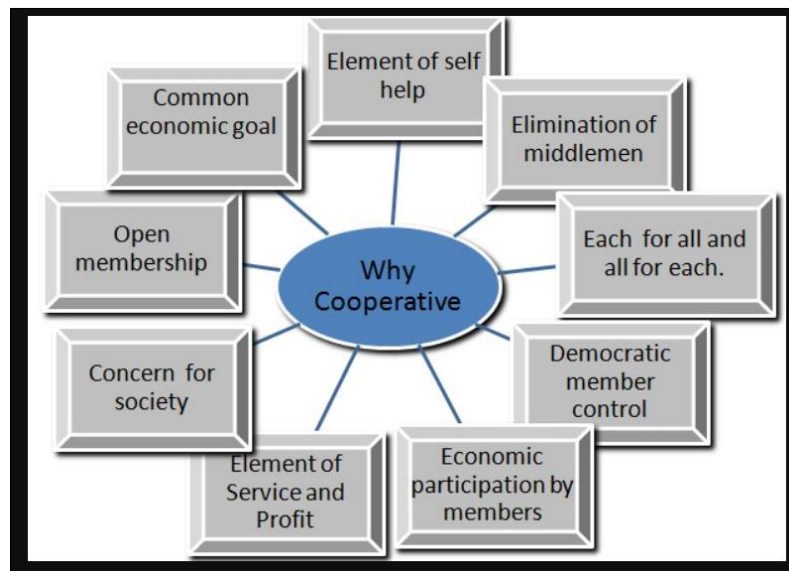


Fig. 3

Source: Official web page of government of Assam

¹⁷ https://rcs.assam.gov.in/sites/default/files/swf_utility_folder/departments/rcsa_lipl_in_oid_3/this_comm/why2.jpg

History has evidenced that a number of successful ventures with distinguished success stories have been the brainchild of cooperative movement. Self help Group (SHG) team works on similar lines fostering cooperativeness and pooling of resources. This being a miniature version of cooperative movement. In his book 'collective courage' [18]. Nembhard, has identified the traits of learning together, developing solidarity, mutual trust and good communications are the pillars of mutual cohesiveness which is backbone of any co-operative movement. SHG being a miniature version of Co-operative, comprises small group of poor people who individually have lack of resources and join hands to support and supplement each other thus sharing the risk and fortune. This concept has long been adopted and has been effective in uplifting the lives of the poor.

The Emerging Monolithic

The empirical data suggests that cooperative movements and associated philosophy has created huge

wealth, impacted lives of millions of people and has created indomitable organizations worldwide. Where the organization like CrZdit Agricole Group of France with revenue of \$130.58 billion is a epitome of success of such movement here in India, the success story of Indian Farmers Fertilizer cooperative limited (IFFCO), Anand Milk Union Limited (AMUL) and Indian coffee house are some of the self pronouncing stories.

Inspired by the theme of cooperatives, the SHG movement is also a life changers of millions of the people worldwide. In India the data (Figure - 3) [19], indicates the massive impression it has made on the life of millions of poor people and the extent to which it is proving as significant tool in fighting the menace of poverty.

Coverage Under NRLM SHGs and Lakhpati DIDIs

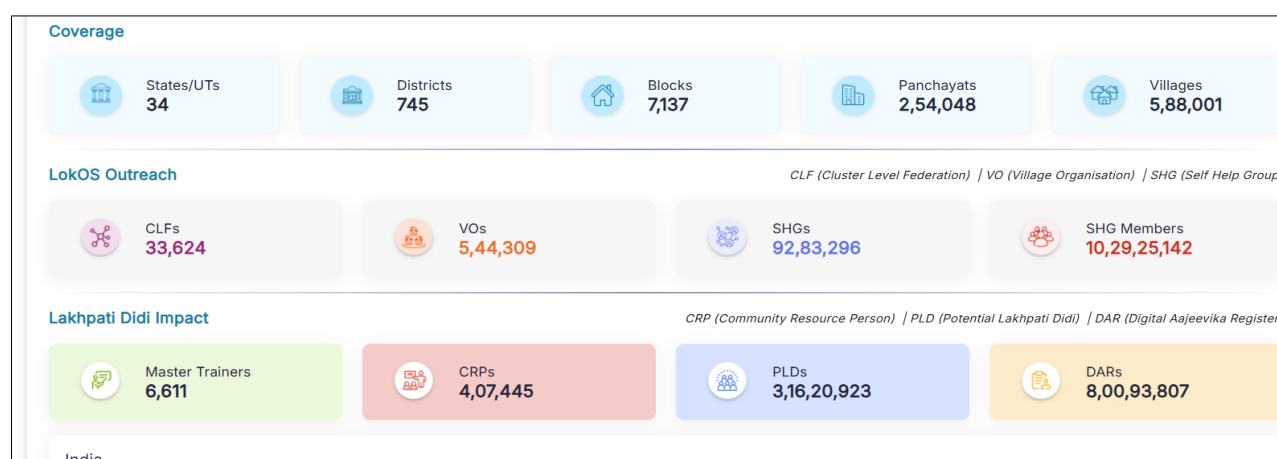


Fig. 4

Source: MoRD, GOI, Lakhpati didi: our impact

In India commencing from the SEWA to present day SHG fostering Lakhpati DIDI dream, the story of the participative growth has gone a long way.

The Invincible Lakhpati Didis

The concept behind the lakhpati didis is a concept fostering dream of prosperity beyond just bringing the members above poverty line. The central idea behind the dream is to "think big" and "aim high". It is by turning some of SHG members as earner beyond one lakh per annum, sustainably and make them an

aspiration and inspiration to be followed by others. It is not just an concept of woman enrichment but also woman empowerment and leadership development.

The government is not just paying the lip service to the concept but also having a strategy though a series a programmes to achieve the coveted position. The following figure²⁰ summarizes the strategy adopted for achieving the coveted aim:-

¹⁸ Nembhard, J. G. (2024). *Collective courage: A history of African American cooperative economic thought and practice*. ate Press.

¹⁹ <https://lakhpatididi.gov.in/our-impact/>

²⁰ <https://www.pib.gov.in/PressNoteDetails.aspx?NoteId=152064&ModuleId=3> LAKHPATI DIDI SCHEME A Milestone in Women's Economic Upliftment Posted On: 29 AUG 2024

Steps Taken to Enable SHG Members to Become Lakhpati Didi



Fig. 5

Source: GOI, Press information bureau, Lakhpati DIDI Scheme a Milestone in Women's Economic Upliftment

There is well planned structure of events to ensure the success of the scheme. A few steps are as follows

- To identify the prospective candidate with capacity to become lakhpati DIDI.
- To provide them with training and connect with Community Resource Persons
- To coordinate the various Stakeholders such as SHGs, Community Resource Persons (CRS), training organizations and other supporting / marketing staff. Enhancing the learning experience of the member by OJT and facility visit to gain live learning.
- Finally, keeping the records of the events in Digital Aajeevika Register for reporting the livelihood activities and income periodically. The time for such reporting being six months for agriculture season and for other business activities on on completion of business cycles.

The approach of the government is multi-pronged which compromise livelihood enhancement, assets creation, skill enhancement, project financing, and finally the marketing assistance including Branding, Packaging, e-commerce, to achieve target of 3 crore lakhpati didis seems achievable. The new initiative like the drone-didi is a revolutionary programme which will aid significantly in turning lives of millions of woman through technical innovation in agricultural domain.

CONCLUSION

It is well established that NRLM is a path breaking initiative which have the potential to change the fate of millions of poor families. However not all which glitters is gold. Not all the members who join SHG turn into a success story and many leave the process in between with lackluster image of the programme. Further research should be conducted on the dropouts from SHG, thus pinpointing the conditions which alienated them from the process. This will aid policy makers in making programme more comprehensive effective and with higher inclusion ratio.

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