

## **THE IMPACT OF DIGITALIZATION AMONG WOMEN SELF HELP GROUPS AND ATMANIRBHARTA**

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The primary motto of Digital India's mission is "Power to Empower". Women's empowerment plays a crucial role in the overall development of any society besides positively impacting the daily lives of women. The digital revolution brings immense potential to improve social and economic outcomes for women and has also made a metamorphic change in the entire lifestyle and livelihoods system. The winds of radical change in the fields of employment and information technology have brought with them a wide range of **opportunities for women in India and across the globe**. A radical development in mobile technology has brought the world to one's fingertips and has allowed **women to update themselves about everyday national and global news**. Education not only enables rural women in digitization but also helps them to empower themselves economically. In India, self-help groups-led microfinance programmes have achieved significant success in the livelihoods promotion, and women empowerment. The recent inclusion of the usage of digital technology has changed the whole self-help group (SHG) movement and has vast potential to enhance the welfare of women's self-help groups in a variety of ways. Based on the studies and reports, the paper tries to elaborate on the latest developments in digital financial inclusion in the country and its impact on the lives and livelihoods of women SHGs. To acquire the maximum benefits of the digital revolution, there is a need to enhance the capacities of all stakeholders involved in this SHG movement.

**Keywords:** Digitalization E-learning, Technology, Self-reliance, Mobile Technology AatmaNirbhar Bharat, India

### **INTRODUCTION**

Digital financial inclusion has emerged as the new wave in the hope that it will reach the last mile consumer in the most convenient and affordable manner. India has always aimed at inclusive growth. A large part of population still resides in rural areas. Digital modes of enhancing financial inclusion for women by targeting self-help groups (SHGs) could be one potential channel for accelerating and promoting digital financial inclusion in India. Economic development of India will accelerate with rural development. Several programs were introduced from time to time with the core objective of easing the accessibility of financial services to the poor. A digital platform with financial information about SHGs and SHG members can be used to expand the reach of government programs like the National Rural Livelihoods Mission (NRLM) and the Pradhan Mantri Jan-Dhan Yojana (PMJDY) targeted at improving financial inclusion and livelihoods using Aadhar linked identities of members. An empowered woman is always better placed to contribute to the development of not just her family but the entire community.

### **OBJECTIVES AND METHODOLOGY**

1. To present the SHG growth in India with the current research literature
2. To analyze the usage of digitalization process in SHG
3. To highlight potential challenges and gaps

4. This study is based on secondary sources with looking through current literature and reports

## LITERATURE REVIEW

**Hardeep Kaur** (2018) in his article on “Role of Self-Help Groups in Empowerment of Rural Women” emphasized that rapid progress in SHG formation has now turned into an empowerment movement among women across the country. He found that economic empowerment results in women’s ability to influence or make decision, increased self confidence, better status and role in household etc. He opined that the formation of SHGs is not ultimately a micro credit project but an empowerment process. He concluded that the empowerment of women through SHGs would give benefit not only to the individual women but also for the family and community as a whole through collective action for development.

**M Gopal Krishna, Aliya Sutana, and Dr T. Narayana Reddy** had a study on benefits of SHG bank linkage (SHGBL) program with mobility of the savings in 2017 with a published paper on called “Self –Help Groups for Women Empowerment in the Present Scenario - A Review”. They had a review of SHGBL up to 31-03-2017 which became the world largest microfinance program for poverty alleviation with over 85 lakh SHG groups across India and 85% were women. The savings outstanding of SHGs with banks grown to Rs. 16,114 crore along with a loan Rs. 38,781 crore disbursed in the financial year 2017. They discussed the role of NABARD to empower SHGs with training on various programs where participant rose to 37.69 lakhs from 1.75 lakhs in 2016. The paper gave a view of digitization of SHG with E-Shakti with book keeping, accumulated savings with loans processing, credit history, and generating grades. By 2017 this project brought an online activity for over 1.3 lakhs with 14 lakh women. The concluded the SHGBL has to grow faster to rise the standard life of rural people

**According to Sibanarayan Mishra and Chinmayee Sahoo** published a paper in 2018 with a title “Women’s entrepreneurship development through self-help groups: journey from under participation to saviour”, had investigate progress with a multi stage random sampling technique of SHGs through banking linkages in Nuasantha Gram Panchayat (GP) of Puri district of Odisha. They selected two SHGs with 20 members each and examined the women entrepreneurship development with a multi variable regression model. They found that the growth of SHGs was lower in Odisha comparatively than the growth in India. 40% of members opened bank account after joining SHG and still, 47.5% of members had no bank account. The study revealed that the loan was used 45% to repay business purposes, 25% for old debt and 12.5% for illness or urgent needs. 70% of the savings came from the category of less than Rs. 400 per month and 25% came from less than Rs. 1000 category. They concluded the SHG was a great model to income generation and the government should put hand in hand with the bank.

**B. Rajesh and Prof. B. Sudhir** studied the usage of Mobile, TV, Newspaper, Computer and ATM with 440 samples from the women of SHG in four districts of Rayalaseema region in 2018 and a published paper titled “Self Help Groups and the Role of ICT”. 45.5% were between 36-50 years old and 36.9% were between 25-36 years old. These two composed of over 82% sample. Married was 96%, Family below Rs. 25,000 and Rs. 50,000 were 78%, Occupation of house wives were 55%, Business Women 20%, and Coolie 13%, and in education were Secondary School were 46%, illiterates were 31%, degree and above 15% and Intermediate was 8%. 67% have a mobile, but only 8.4% have computers, 98% have TV, and 70% read newspapers but only 20% bank cards. Using ANOVA, they test age with

problems with usage ICT and found no association between a problem with mobile usage and age groups, no problems with

ATM usage, and no problems with newspaper but problems were there with computers, along with problems with TV (Children education). They studied perceptions of respondents from SHG with four ICT attributes which are Internet facilities, Support services, dissatisfaction services and news services. They found that there was a significant satisfaction level with these ICT attributes. They felt that ICT empowers SHG groups but need to raise awareness and deploy ICT tools effectively.

**P. Sreelatha** had studied the rise of SHGs across AP and discussed the accumulated savings in SHGs led to the benefits in the way loans to the other members, knowledge of financial discipline, handling the financial resources over period and ability to get micro credit from NGOs or banks without collateral in a paper titled as “Self Help Groups – A Tool to Uplift Poor: A Study” in 2018. There were more than 25 lakh SHGs located across 26,500 villages of undivided AP in 2010. Banks had given Rs. 2049 Crore by 31-03-2010. This translated into an Rs. 28650 loan per SHG and Rs.1766 per family.

**According to NABARD**, there were 69.53 lakh SHGs and 53.19 lakh were exclusively operated by women. 12.94 women SHGs were credit linked. A total saving of Women SHG was Rs 4498.66 crore, the total was Rs 6198.71 crore, Out of total Rs 14453.30 crore, loans disbursed to Women SHGs was Rs 12429.37 crore. The study found that NABARD bank linkage of SHG helped uplift poor.

**Nagarajan & Ponnusamy (2019)** found that 75 percent of 125 women investigated had the opportunity to occupy a leadership position for six months to three years. Those who served more than six months developed into entrepreneurs.

### **Digitalization Usage:**

Digitalization aims to the use of digi technology in handling varied and multiple data for varied purposes. It drastically makes the changes the way organizations are working contributing to better efficiency and enhanced productivity.

India is one of the countries which has embraced digitalization with open arms. In 2015, the Govt. of India launched Digital India, a flagship programme aimed at transforming India into a digitally empowered society and knowledge economy. This programme focuses on 3 major key vision areas–

1. Making digital infrastructure accessible to each citizen of the nation as a core utility,
2. Digitally transforming the Governance and services on demand
3. Growing and focusing on digital platforms, utilizing digital resources to the core, creating awareness for digital literacy

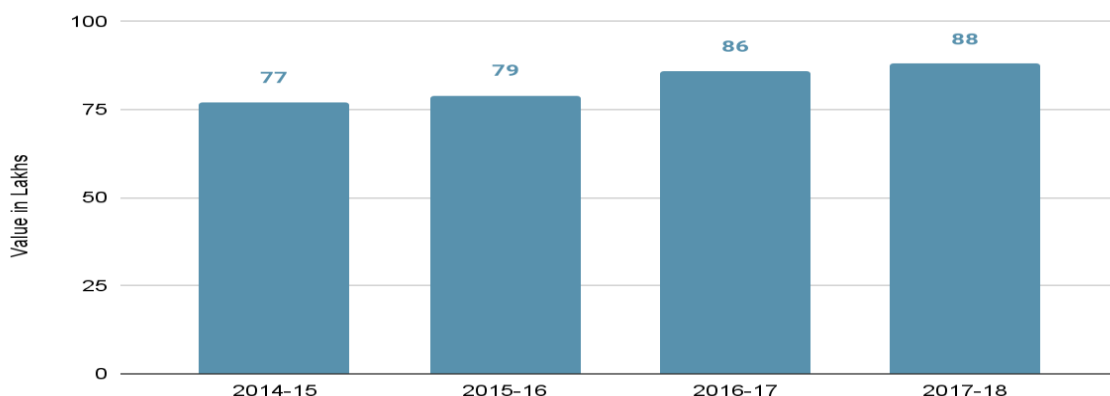
### **SHG (Self help Group)**

“I consider the sisters of women self-help groups to be the champions of the Aatma Nirbhar Bharat campaign. These Self Help Groups are actually National Help Groups” **PM Narendra Modi**

The self help groups of woman provided exceptional services during the Corona period by making masks, sanitizers and providing food to the needy and spreading awareness. Self-help groups (SHG) can act as a bridge between women entrepreneurs who have the will to begin an enterprise but do not have the resources to fulfill their dream, and the finances needed for it.

A self-help group is a financial intermediary committee usually composed of 12 to 25 local women from similar social and economic backgrounds who work on daily wages. They pool their resources to become financially stable. The group members use collective wisdom and peer pressure to ensure proper end-use of credit and timely repayment.

Growth of SHGs

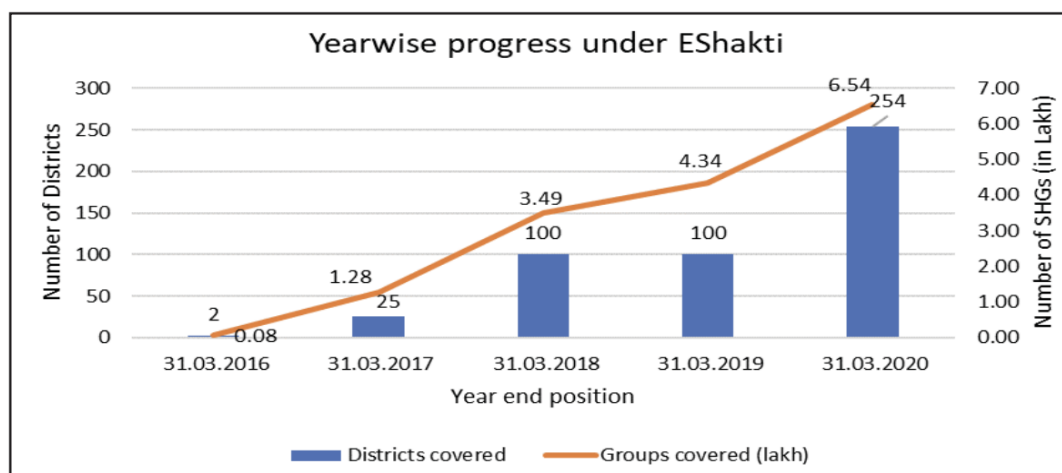


In the current Financial Year, up to 28th February, 2022, 5.43 lakh SHGs have been formed and cumulatively. There are almost 74 lakh self help groups across the country.

**Benefits of digitisation of SHGs are as under**

A major key shift change in self- help group was E Shakti. A pilot project for digitising SHGs launched by NABARD in the year 2015 in two districts and later expanded to 100 districts across the country during 2016 and 2017. It aimed at digitisation of data of all SHGs for enhancing the ease of doing business with SHGs. This is also in line with Government of India’s “digital India” mission.

**In the financial year 2022, around 1.27 million self-help groups (SHGs) were digitized under Project EShakti. This was a slight increase from the previous year**



1. Main-streaming of SHG members with national Financial Inclusion agenda to access a wider range of financial services; Digitisation of SHG accounts will increase bankers; comfort in credit appraisal and disbursal

2. With Governments other benefit schemes; a comprehensive information base and robust MIS can be developed on poor who may facilitate interventions/convergence of other programme for social and financial empowerment.
3. Identifying and Mapping of persons not covered under Aadhaar and bringing them under Aadhaar platform
4. Automatic and accurate Rating of SHGs will be available, online for Banks;
5. Easy transfer of social benefits and DBT through Aadhaar linked accounts and convergence for the people.

### **DIGITAL EMPOWERMENT**

1. Making the technology accessible and comprehensible to rural women, and they can be better informed about all aspects of life.
2. Transforming a common woman into a businesswoman by offering the specific know-how and Supporting to their skills of cooking, weaving, stitching, pottery, etc. to create and run successful businesses.
3. Enhances small-scale businesses by giving easy access to resources, guiding with knowledge and information, eliminating middlemen and the need for a physical market.
4. Women who unwillingly discontinued their job post maternity or for personal situations that restricted mobility can continue working from home through the online medium.
5. Online market has enabled easy access to raw materials and customers for finished products/services thus facilitating ease of business for women
6. The availability of many online courses gives an option to women with limitations on mobility to further their education
7. Many mobile apps give timely information to women about health or other needs
8. Offering a social platform for the female segment to learn and share their views on various issues.

### **CHALLENGES IN IMPLEMENTING.....**

The digitization of SHGs, however, has not been without several challenges that threaten to prevent the full actualization of its benefits-

**Equality and social challenges:** Growth with equality requires that all people in need are included, and no one is left behind. However, the complication of social relations and society's characteristics may require a special design for designated programmers.

**Economic challenges:** One of the economic challenges is the low increment in members' income. This intervention focuses on primary sectors in rural areas where economic activities do not result in high-income generation compared to the service and manufacturing sectors.

**Data Quality:** NABARD reports facing obstacles in gathering reliable data, in part due to the poor existing practices surrounding gathering data and maintaining records. Largely speaking, mechanisms that ensure data is being entered accurately are yet to be put in place with no protocol to double-check the data being entered in the systems.

**Process Delays:** The recording of information is a time consuming, cumbersome process, especially at the outset of the digitization process, given the staggering amount of data there is to digitize. What's more, this process is often slowed down by poor internet connectivity. For SHPIs working primarily with SHGs, customizing software to adapt to the workings of SHG models has been a major challenge, costing significant time and resources.

**Resource Constraints:** In the long run, digitization programs are expected to be sustained by SHG members entering information on their feature or smart phones. Training of SHG members is required during the initial stages, and often beyond the initial stages data is still being entered in tablets by volunteers or loan collection officers in many instances. These tablets, while cost effective, are difficult to provide at a large scale, not to mention the resource constraints of relying on volunteers and loan collection officers. Entering data via smart phones and SHG members are the obvious first choice, but, mobile ownership among women remains low. SHPI's like Hand in Hand, India are overcoming this problem by designing innovative loan products, such as loans to buy mobile phones. Stakeholder Cooperation: To fully realize the benefits of digitization, it must be expansive both "horizontally" and "vertically". Horizontally, it requires the cooperation of all members in all SHGs across the country, and vertically, all the stakeholders – SHPIs, banks and credit bureaus – must be on board in order to realize the benefits of going digital. Though challenging, bringing all the relevant stakeholders on a common platform would help make the transition from manual to digital collection of information remarkably efficient.

## THE WAY FORWARD

Technology can play a vital role in facilitating greater outreach of financial services for the rural and urban poor, and especially for women. While the Government of India has taken positive steps towards bringing SHGs into the ambit of digital financial inclusion, there is a considerable lack of research in understanding what works and what doesn't. NABARD has worked in close collaboration with several implementing agencies to better understand these challenges. However, additional short term and pilot studies assessing the impact of digitizing SHG records on penetration and usage of financial services and on other socio-economic indicators would be beneficial in taking stock of the types and extent of externalities this switch to digital creates. There is also a need to conduct qualitative assessments from the supply side to better understand the constraints that financial service providers face in making SHG transactions digital. These outstanding uncertainties are imperative and urgent at a time when NABARD and SHPIs are looking to expand their digitization efforts nationally. Quantitatively supported, timely insight into what works in implementation has the potential to resolve issues to fully realize the benefits of digitization for all the stakeholders in the self-help group ecosystem.

"You educate a man, you educate an individual. You educate a woman, you educate an entire nation".

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