



**To Study Selected Supporting Schemes for Self-Help Groups in Empowering
Agriculture and Rural Development**

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Abstract:

This study explores the critical analysis of schemes developed to strengthen Self-Help Groups (SHGs) within the framework of rural development and agriculture. Rural development is a purposeful process of change that benefits rural people. It refers to enhancing the quality of life and economic well-being for individuals living in remote and sparsely inhabited locations. The study investigates the influence of SHGs on improving the livelihoods of rural communities, encouraging agricultural innovation, and fostering socioeconomic empowerment. Through a comprehensive review of literature, this paper aims to shed light on supporting scheme and the transformative potential of SHGs in the agricultural and rural development .

Keywords: Self-Help Groups, scheme, Agriculture, Rural Development, Empowerment, Financial Inclusion, Women Empowerment, Livelihoods.

1. Introduction

There are numerous significant qualifiers to this generalisation, but the most productive and efficient agriculture is found worldwide in nations with large-scale, family-run, mechanised farms. Comparing agricultural productivity across nations is challenging, though, because different nations have different labour markets, financial systems, agroclimatic conditions, property rights laws, and other institutional and environmental characteristics. (Andrew D. Foster, 2011) . Agriculture serves as the backbone of many economies, especially in rural areas. However, numerous challenges such as limited access to credit, inadequate resources, and lack of knowledge hinder the progress of rural communities. Self-Help Groups have emerged as a promising strategy to address these challenges and contribute to sustainable agricultural and rural development. Self-help groups that participate in development initiatives have the capacity to empower their members by imparting the knowledge, abilities, determination, and skills necessary to support sustainable agriculture and rural development. (R. K. KALRA, 2015) The emphasis on encouraging entrepreneurial activities through community involvement was one of the other major improvements. Community engagement is currently viewed by Indian policymakers as a critical tactic for assisting rural residents in raising their economic and social standing. In the context of Indian agriculture, community



involvement is considered a crucial component in the search for farming practices that are more environmentally and socially sustainable in addition to being more commercially successful. The government has therefore chosen to support community- and farmer-based self-help groups in agriculture as one solution. (R. K. KALRA, 2015)

2. Objectives

This research paper aims to:

- I. To study existing selected supporting schemes for SHGs in agriculture and rural development.
- II. To study Funds provided to selected supporting schemes for SHGs .

3. Research Methodology:

This research paper is based on secondary data only. It is collected from Various websites, Journals ,periodicals etc.

4. Descriptive explanation of the paper

I. Supporting Schemes for SHGs in Empowering Agriculture and Rural Development.

NABARD is implementing and supporting a number of schemes launched by the Government of India, including the Ministry of Finance's Promotion of Women SHGs (WSHGs) in backward and Left Wing Extremism-affected districts and the Ministry of Rural Development's National Rural Livelihoods Mission (NRLM). (NABARD, n.d.)

II. Self Help Group – Bank Linkage Programme (SHG-BLP) :

As an affordable means of reaching and underserving impoverished households with financial services, the "SHG-BLP" concept has developed. Bank linking also helps members become more financially literate and makes wise financial decisions. The establishment of a SHG savings bank account and the facilitation of SHG credit linking are the two essential actions in fostering SHG-bank linkage. (NRLM)

III. Micro Enterprise Development Programme (MEDPs) :

Since 2006, NABARD has provided funding for need-based skill development programmes (MEDPs) for established SHGs that already have bank financing available to them. MEDPs are on-the-ground skill development training programmes designed to help SHG members optimise their current production operations or fill up skill gaps. A grant is given to qualifying training facilities and SHPIs to support skill development training in agricultural, non-agricultural, and service sector activities that result in the creation of microbusinesses, either individually or collectively. 16,406 MEDPs have covered about 4.68 lakh SHG members over the years. (NABARD, n.d.)

IV. Livelihood and Enterprise Development Programmes (LEDPs) :

Because skill upgradation trainings alone have a limited impact on livelihood creation among SHG members, it was thought prudent to create sustainable livelihoods among SHG members while also maximising the benefits of skill upgradation, and a new scheme titled Livelihood and Enterprise Development Programme (LEDP) was introduced in December 2015. It envisages the implementation of livelihood promotion activities in clusters. There is provision for rigorous skill development training, refresher training, backward-forward



connections, handholding, and escort support for agriculture and rural development. It also encompasses the entire value chain and provides SHG members with a comprehensive solution. It will be executed on a project basis, encompassing 15 to 30 SHGs in a cluster of contiguous villages from which members may be chosen. (NABARD, n.d.)

V. PMFME Scheme:

In order to improve the competitiveness of currently operating individual micro-enterprises in the unorganised sector of the food processing industry and to encourage formalisation of the sector, the Ministry of Food Processing Industry (MoFPI) has launched the Pradhan Mantri Formalisation of Micro Food Processing Enterprises (PMFME) scheme under the Aatmanirbhar Bharat Abhiyan. The programme will be implemented with a total budget of Rupees 10,000 crore over a five-year period, from 2020–2024 to 2024–2025. The programme is specifically designed to support agri-food processing groups along their whole value chain, including Producers Cooperatives, Farmer Producer Organisations, and Self Help Groups (SHGs). (<https://pmfme.mofpi.gov.in/>, n.d.)

V. Scheme for promotion of Women SHGs (WSHG) in backward & LWE districts of India:

The "Women SHG Development Fund" was established in NABARD by the Department of Financial Services, Ministry of Finance, Government of India, with a stated corpus of Rs. 500 Crore. It provides grant support to the anchor agencies at a rate of Rs. 10,000 per SHG, and it also covers the costs of capacity building initiatives, training, and publicity. (NABARD, n.d.)

VI. The Swarnjayanti Gram Swarozgar Yojana (SGSY):

The Swarnjayanti Gram Swarozgar Yojana (SGSY), an all-encompassing initiative of the Indian government, is centred on a group approach to the rural poor, who are organised into self-help groups (SHGs), given microcredit, and encouraged to seek out feasible economic enterprises on their own. Empirical Evidence (Bori, 2017) The SGSY focuses on low-income households in rural areas, with additional protections for vulnerable groups such as SCs/STs, women, and disabled individuals.

These are being implemented for increasing the income on sustainable basis of the rural poor. The mission seeks to achieve its objective through investing in four core components viz.,

- (i) Social mobilisation and the development of rural impoverished people's sustainable community institutions (Self Help Groups-SHG, Village Organisations -VOs, Cluster Level Federations-CLFs);
- (ii) financial inclusion,
- (iii) sustainable means of livelihood; and
- (iv) entitlements and convergence. Consequently, SHG members are being assisted within the mission's scope and in conjunction with the other Ministries' convergent plans. for promotion of sustainable livelihoods, so that they may reach an aspirational goal of having minimum of one lakh rupee as annual income. (NABARD, n.d.)

Funds provided to selected supporting schemes for SHGs.

I. Self Help Group – Bank Linkage Programme (SHG-BLP)



The annual credit linkage amount accessed by 35.87 lakh SHGs in the current year has amounts to Rs. 88955.57 Crore. Cumulatively, Rs. 5.90 Lakh Crore has been accessed by the women SHGs from Banks since FY 2013-14. And 43.9% loan utilised for agricultural activities (<https://rural.gov.in>, n.d.)

II. Micro Enterprise Development Programme (MEDPs):

Around 5.85 lakh SHG members have been covered through 20,174 MEDPs as on 31 March 2023 with a total grant support of ₹ 52.39 crore. (<https://www.nabard.org>, n.d.)

III. Livelihood and Enterprise Development Programmes (LEDPs):

Around 2.67 lakh SHG members have been supported through 2149 LEDPs as on March 31, 2023 with a total grant support of ₹ 106.10 crore. (<https://www.nabard.org>, n.d.)

IV. SGSY:

Funding for these Self-Help Assemblies and Activity Groups is provided by NGOs, banks, and financial institutions that run social outreach initiatives as part of the SGSY system. With a combined capital of more than Rs. 14,000 crores, over 2.25 million Activity Groups and Self-Help teams were established between 1999 and 2015, giving over 6.5 million people a reliable source of income. (<https://www.bankbazaar.com/>, n.d.)

V. PMFME Scheme:

provided capitalization assistance grants to more than 4 lakh Self Help Groups (SHG) totalling Rs. 1625 Crore. Furthermore, he disbursed Rs. 4.13 crore to 75 Farmer Producer Organisations (FPOs) being supported by the Mission, and Rs. 25 crore as seed money for 7500 SHG members under the PM Formalisation of Micro Food Processing Enterprises (PMFME) Scheme of the Ministry of Food Processing Industries. (<https://www.livemint.com/>, n.d.)

5. Findings

- I. The schemes were found to address various facets of SHG Agriculture and rural development, including capacity building, skill enhancement, access to resources, and market linkages.
- II. The research highlighted on Funds provided to selected supporting schemes for SHGs for agriculture and rural developments.

6. Conclusion

The self-help group anywhere can be a strong tool of economic empowerment of agriculture and rural development. The study contributes by summarizing key findings and emphasizing the importance of ongoing research and policy adjustments to enhance the effectiveness of supporting schemes for SHGs in agriculture and rural development.



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