

COLLECTIVISATION OF RURAL POOR WOMEN

Collectivisation of Rural Poor Women

and Impact on Poverty

From failed State programmes to the power of organised women

Poverty is:

0 Personal problem

0 Social problem

0 Economic problem

0 Moral problem



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The Story This Presentation Tells

1

Cost of Poverty

Why poverty is everyone's problem

2

50-Year War on Poverty

What India tried — era by era

3

How the Effort Failed

Numbers rose despite decades of spending

4

Coming of Women SHGs

The movement that changed everything

5

Impact & Pathways

Evidence, scale, and the road ahead

SECTION 1

The Cost of Poverty

Why should we bother about poverty?

Poverty Is More Than Low Income

Health

3×

higher child mortality
in poorest quintile

Education

40%

lower lifetime
earnings

Nutrition

35%

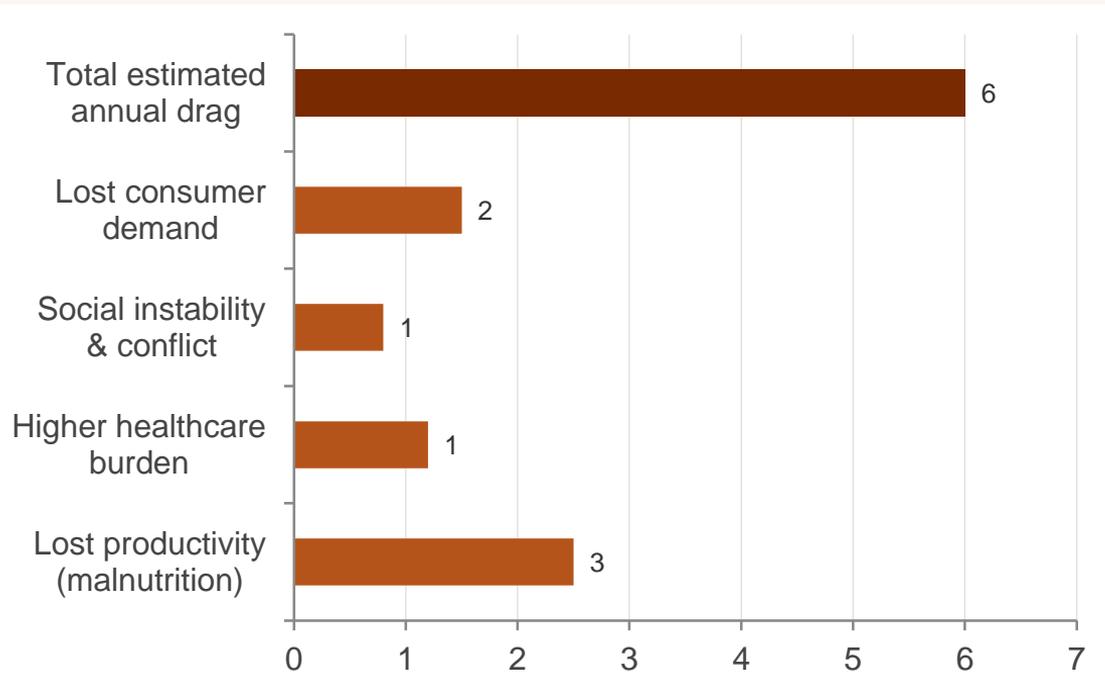
of Indian children
are stunted

Dignity

Zero

collateral, zero
credit, zero voice

Poverty Costs India Dearly



2–3%

of GDP lost annually
to poverty (World Bank)

₹6L Cr

estimated annual
economic drag

Sen's capability approach: poverty is deprivation of freedom — the freedom to live well, choose, and participate. A just society cannot accept preventable deprivation.

Three Reasons We Must Act



Moral Imperative

Poverty is deprivation of freedom. A child born poor deserves the same chances as one born rich. This is a question of justice, not charity.



Economic Logic

The bottom 40% are an untapped market and labour force. Raising their incomes expands demand, raises productivity, and reduces crisis-care costs.



Political Stability

India's most violent districts are its poorest. Naxalism, extremism, and unrest concentrate where poverty is acute and the state has failed to deliver.

SECTION 2

India's 50-Year War on Poverty

A chronicle of ambition — and its limits

What India Spent and Did

5

Five-Year Plans
1951 – 2000

200+

Centrally Sponsored
Anti-Poverty Schemes

55M

Families assisted
under IRDP alone

₹14L Cr

Cumulative plan spending
1951–2000 (est.)

Yet in 1991 — after 40 years — there were MORE poor people in India than at Independence.

How? Why? That is the story of this section.

Laying the Foundations



1948–60

Land Reforms

20M tenants freed

Zamindari abolished. But ceiling laws evaded — only 4M acres redistributed.



1952

Community Development Programme

3,348 blocks

VLWs as grassroots agents. Elite capture exposed by Balwantray Mehta Committee.



1959

Panchayati Raj

3-tier governance

Rajasthan first. Gram panchayat → block → district. Devolving anti-poverty work.

Green Revolution: Food Security Won, Poverty Lost

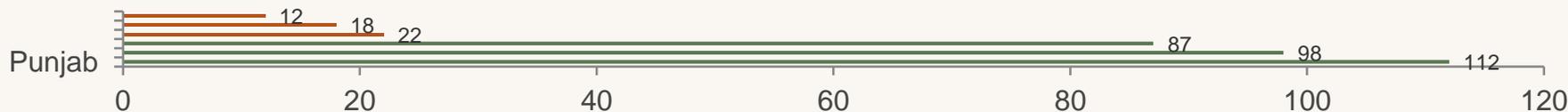
✓ WHAT WORKED

- Wheat production nearly doubled 1965–1971
- India achieved food self-sufficiency by 1972
- No large-scale famine post-1943
- IADP package (seeds + credit + markets) proved viable

✗ WHAT FAILED

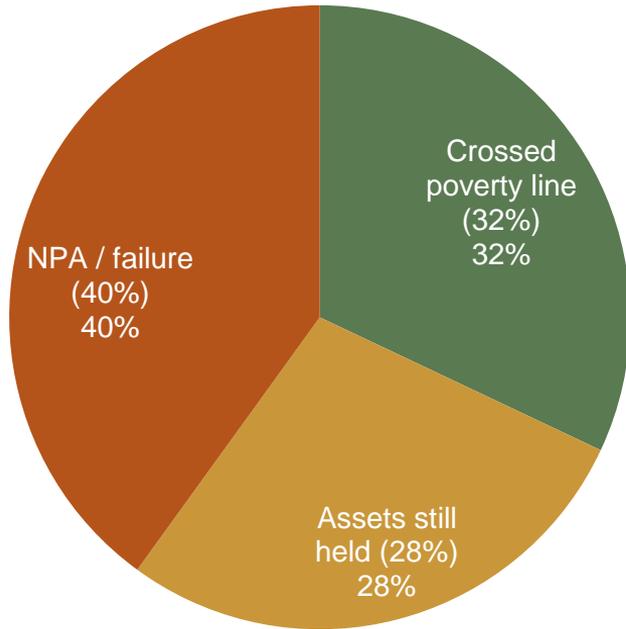
- Benefits confined to Punjab, Haryana, W. UP only
- Bihar, MP, Odisha — where most poor lived — left behind
- Landless labourers gained little
- SFDA / MFAL reached only 70 districts

Green Revolution — Deeply Unequal



IRDP: India's Biggest Self-Employment Programme

IRDP Outcomes (PEO, 1985)



■ Crossed poverty line (32%) ■ Assets still held (28%) ■ NPA / failure (40%)

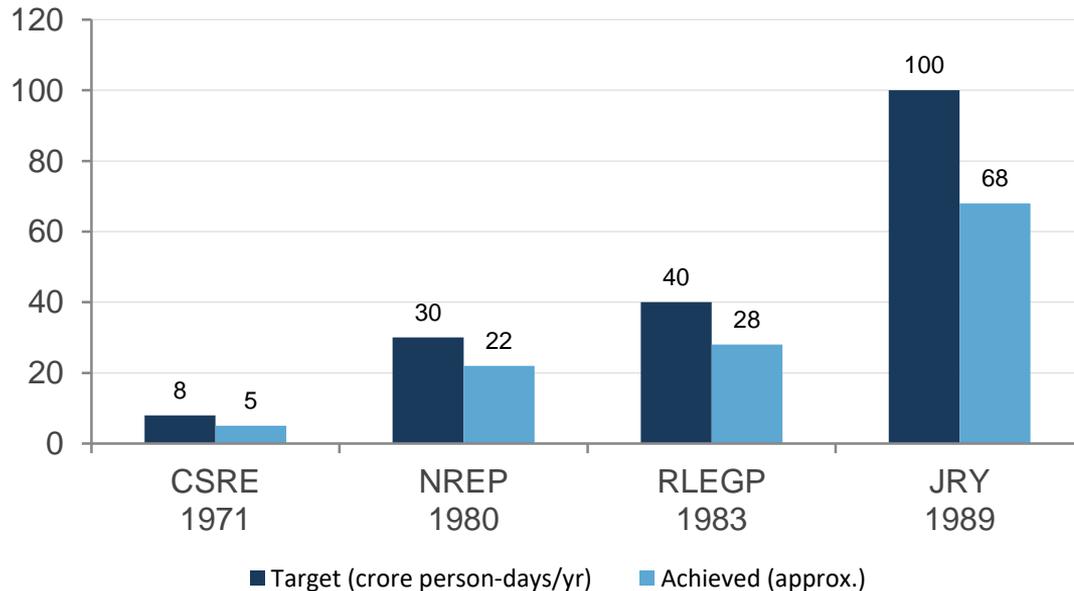
55M+
families assisted
1980 – 2000

40%
NPA rate —
assets not used

32%
actually crossed
poverty line

Employment Guarantee Programmes

Employment Programme Targets vs Achievement



JRY Innovation

Funds direct to gram panchayats. 30% reservation for women. Largest programme ever.

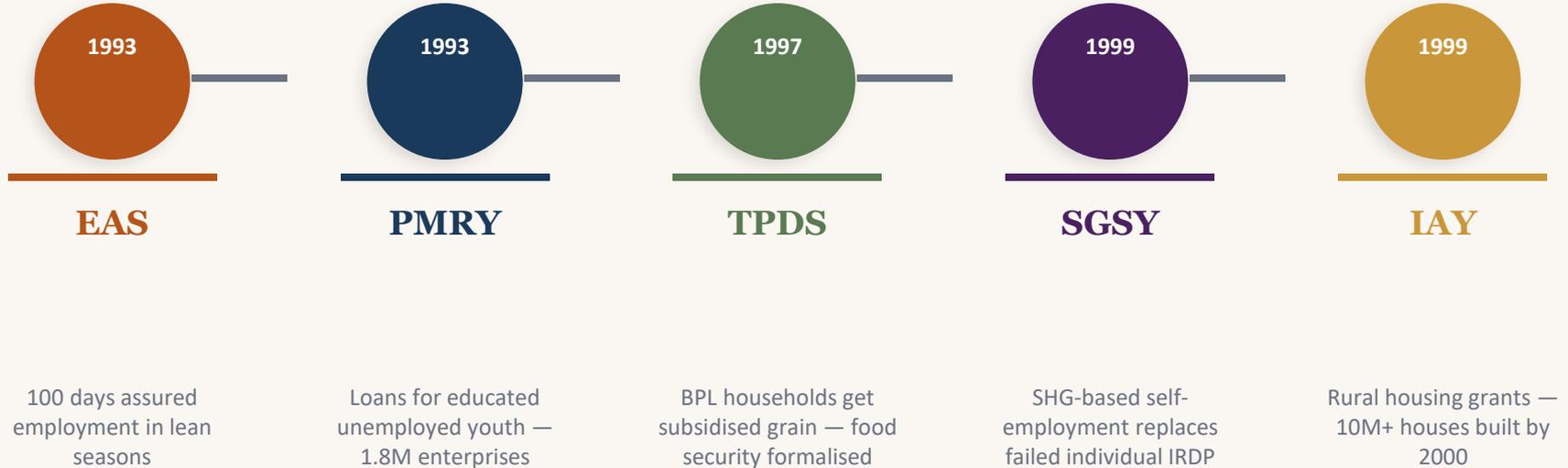
Persistent Problem

CAG audits found fake muster rolls, diverted funds, and poor asset quality across all programmes.

ICDS (1975+)

600,000+ anganwadi centres. Nutrition + health + pre-school. India's most impactful social programme.

Post-Liberalisation: Targeting the Poor



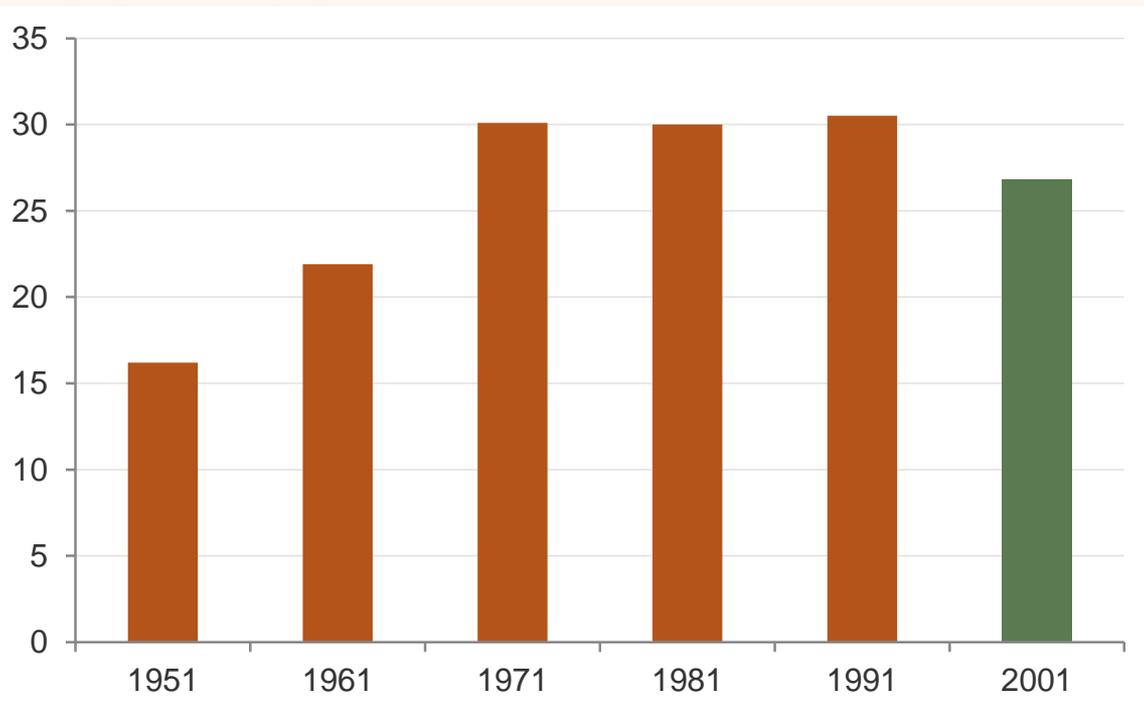
SGSY (1999) was the pivot: replaced individual beneficiary IRDP with group-based SHG model — setting the stage for transformation

SECTION 3

How the Effort Failed

Numbers rose despite 40 years of spending

Absolute Number of Poor Nearly Doubled: 1951–1991



Source: Planning Commission of India

+14.3 Cr

More poor in 1991
vs 1951

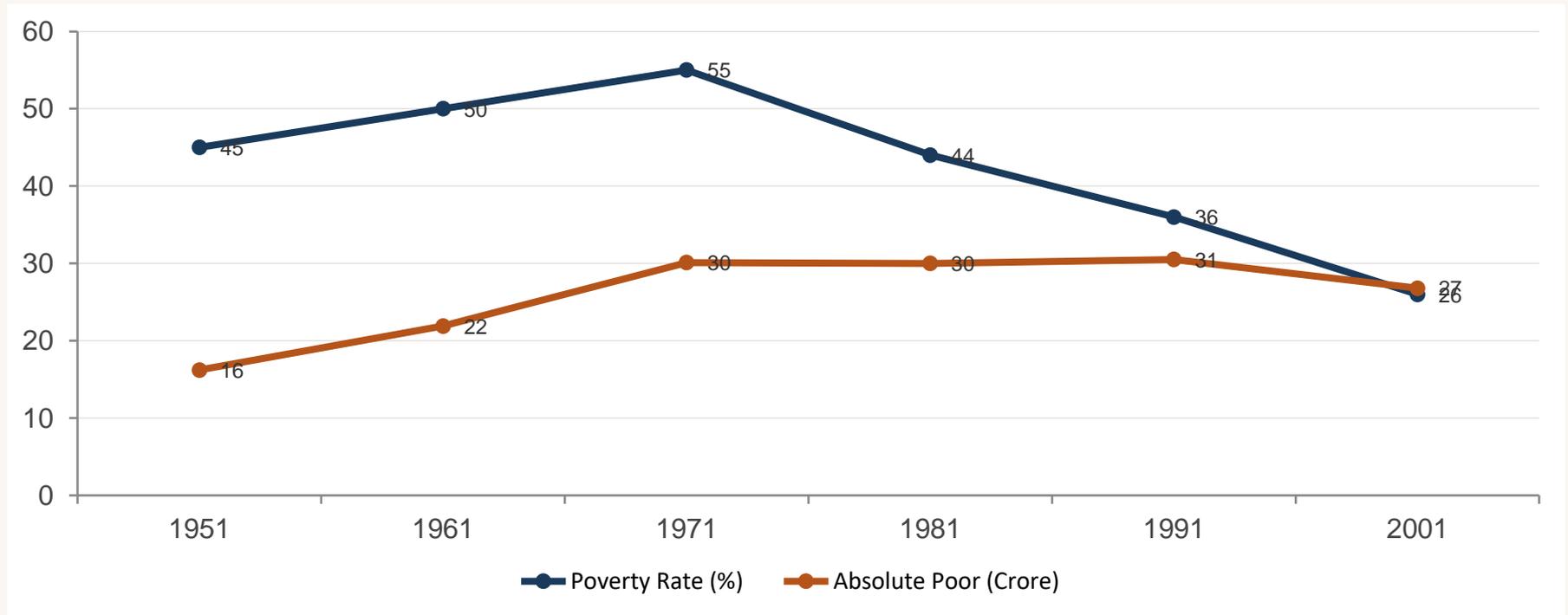
88%

Rise in absolute
poor 1951–1991

2001

First year numbers
finally fell

Rate Fell — But More People Were Poor



The paradox: A falling % rate masked the reality — population growth meant millions MORE were actually poor. Source: Planning Commission

Why Did the Numbers Keep Rising?

01

Population outpaced progress

36 Cr in 1951 → 84 Cr by 1991. Rate fell but absolute numbers soared.

02

Growth without distribution

GDP grew but Gini worsened. Gains stayed at the top.

03

Green Revolution was regional

Punjab won. Bihar, Odisha, MP — most of India's poor — were left behind.

04

Elite capture of programmes

From CDP to IRDP, landed classes took the benefits meant for the poor.

05

Urban bias in investment

Capital-intensive industry created few rural jobs where poverty was concentrated.

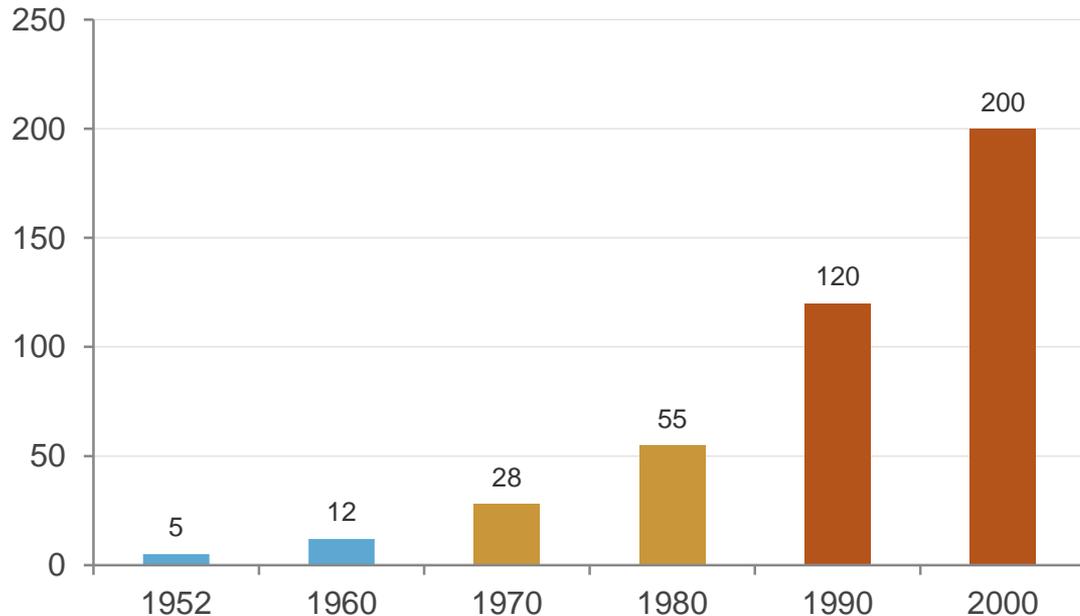
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Weak last-mile delivery

Colonial bureaucracy, no accountability to the poor. Corruption blocked delivery.

Too Many Schemes, Too Little Impact

Proliferation of Anti-Poverty Schemes



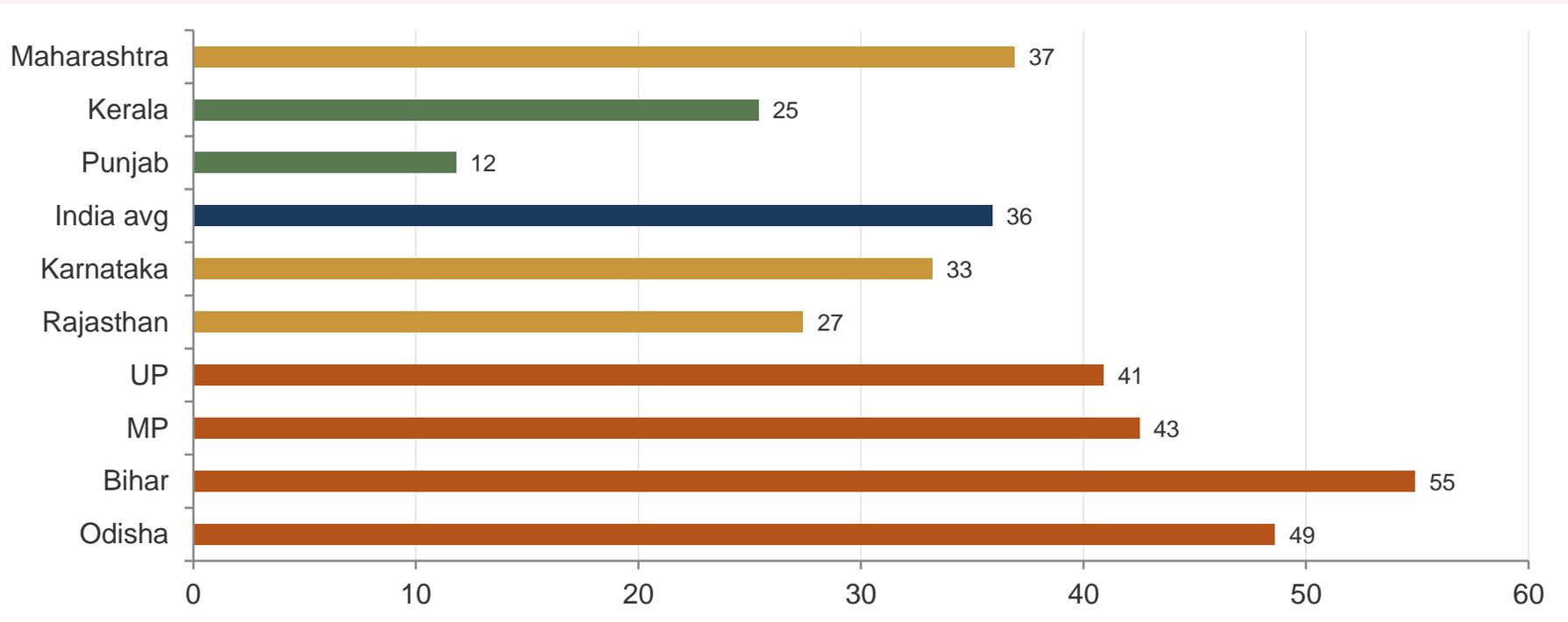
Duplication

Multiple schemes did the same thing. No convergence. Resources spread thin across 200+ lines.

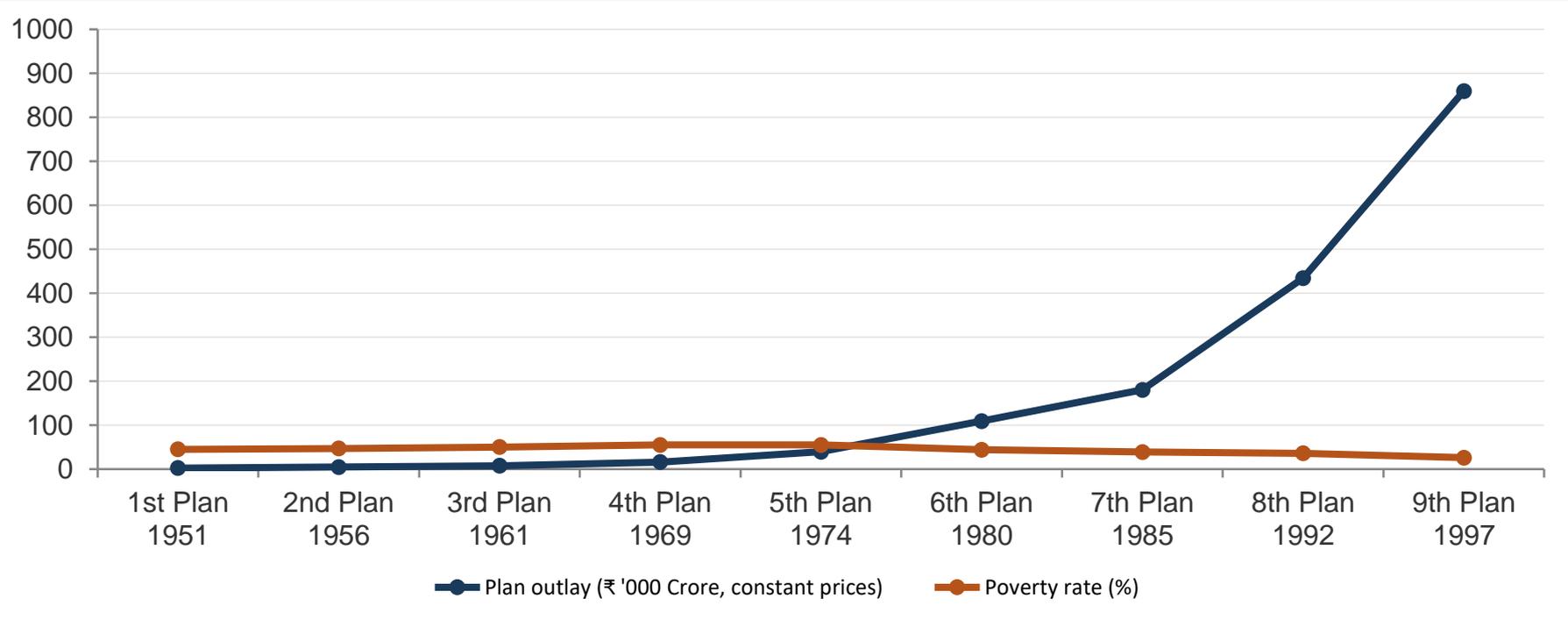
The Fix — SGSY 1999

Merged IRDP + 6 sub-schemes into one SHG-based platform. A lesson in convergence over fragmentation.

Poverty Was Not Spread Equally Across India



More Spending — But Scant Poverty Reduction



Spending rose 350x over 50 years. Poverty rate fell only 19 points in 40 years. The disconnect between outlay and outcome is the central tragedy. Source: Planning Commission

Why Individual-Beneficiary Programmes Failed

Programme Aspect	Old Model (IRDP era)	SHG Model
Design logic	State selects individual beneficiaries	Women collectively self-identify & demand
Accountability	Upward — bureaucrat to ministry	Downward — group to member, then to bank
Asset quality	40% NPA: goats sold, machinery idle	<3% NPA: assets in productive use
Leakage	30–50% estimated in CAG audits	Near-zero: group holds the funds collectively
Women's role	Passive beneficiary of husband's loan	Decision-maker, borrower, owner

What Finally Worked After 1991?

Poverty Scorecard

Period	Rate	Absolute Poor	Verdict
1951–1970	45%→55%	16→22 Cr	WORSE NED
1971–1990	55%→36%	31→32 Cr	STAGNAN T
1991–2000	36%→26%	32→27 Cr	IMPROVI NG
2001–2020	26%→10%	27→15 Cr	DECLININ G

I

Liberalisation (1991)

GDP growth 6–8%. Labour-intensive jobs finally reached the poor.

II

Better targeting

TPDS, MGNREGA, SHGs gave the poor food, work and financial identity.

III

JAM Trinity

Aadhaar + Jan Dhan + Mobile eliminated ghost beneficiaries and leakage.

SECTION 4

Coming of Women Self-Help Groups

NRLM, SRLMs and the architecture of India's largest mobilisation

DAY-NRLM: The Architecture of Scale

10 Cr+

Women in SHGs
under NRLM (2024)

83
Lakh

SHGs formed
by SRLMs

29

State Rural
Livelihoods Missions

₹8.2L
Cr

Revolving fund +
Community Investment Fund

Mission mode since:

2011 — successor to SGSY. Deendayal Antyodaya Yojana-NRLM (DAY-NRLM) from 2016.

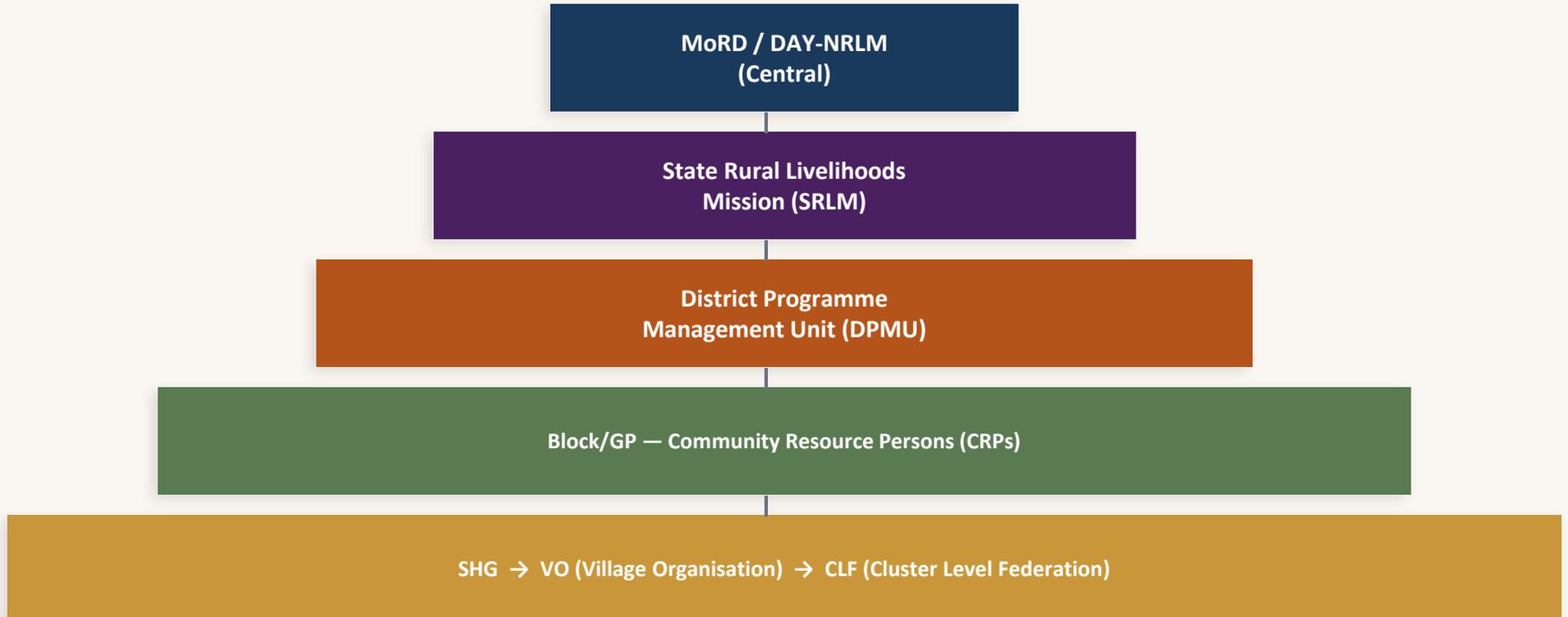
Target:

Universal saturation — every rural poor household into a quality SHG. Focus: poorest of poor.

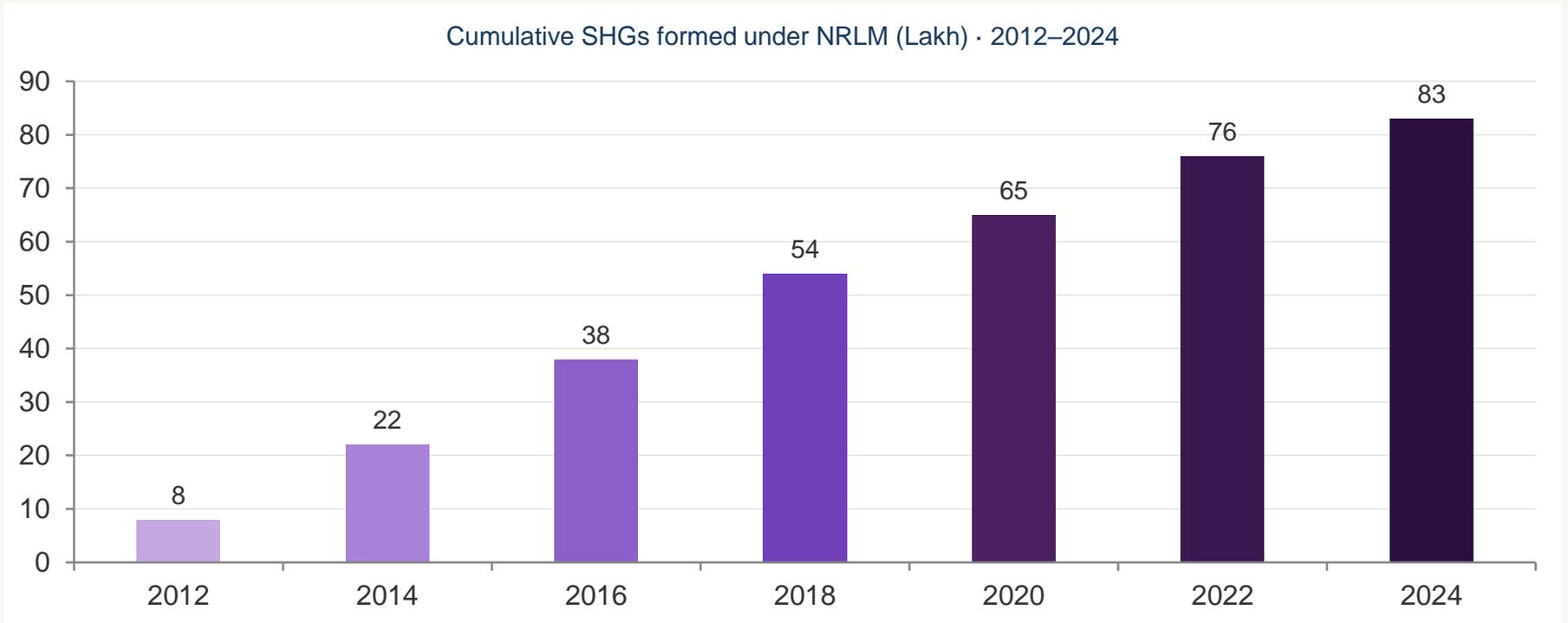
Delivery vehicle:

State Rural Livelihoods Missions (SRLMs) in each state, with district and block-level teams.

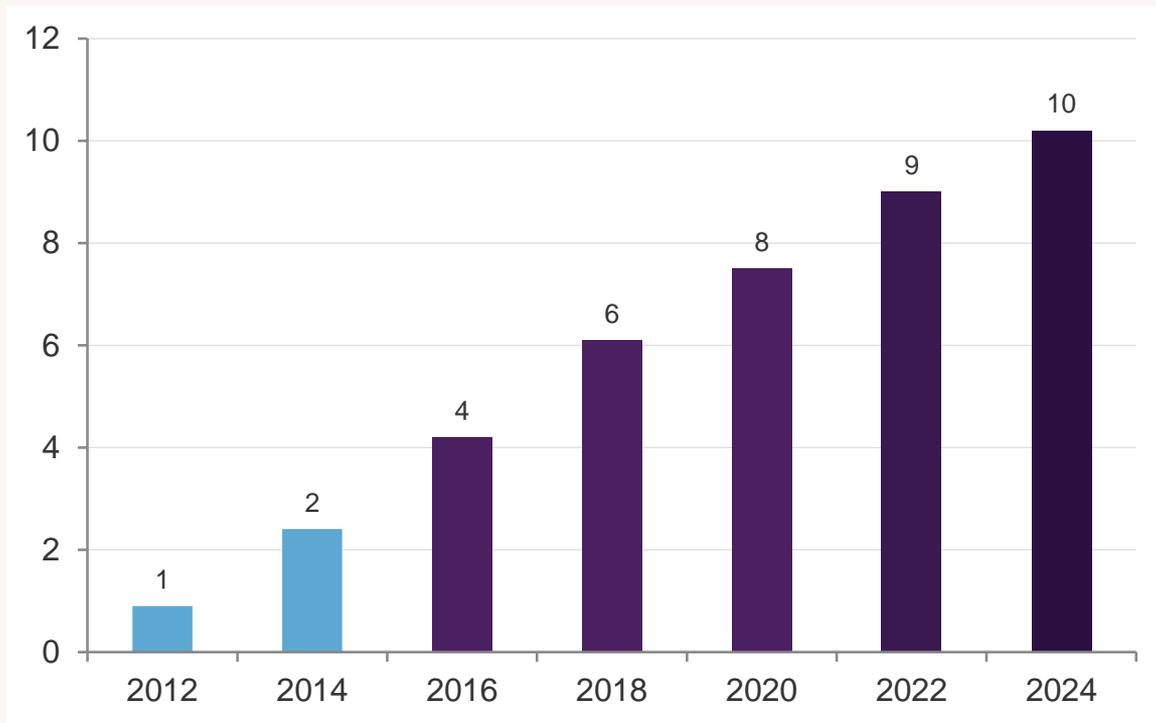
How SRLMs Mobilise Women at Scale



83 Lakh SHGs Formed — The Growth Story



10 Crore Women — Coverage Across India



10.2 Cr

Women members
(March 2024)

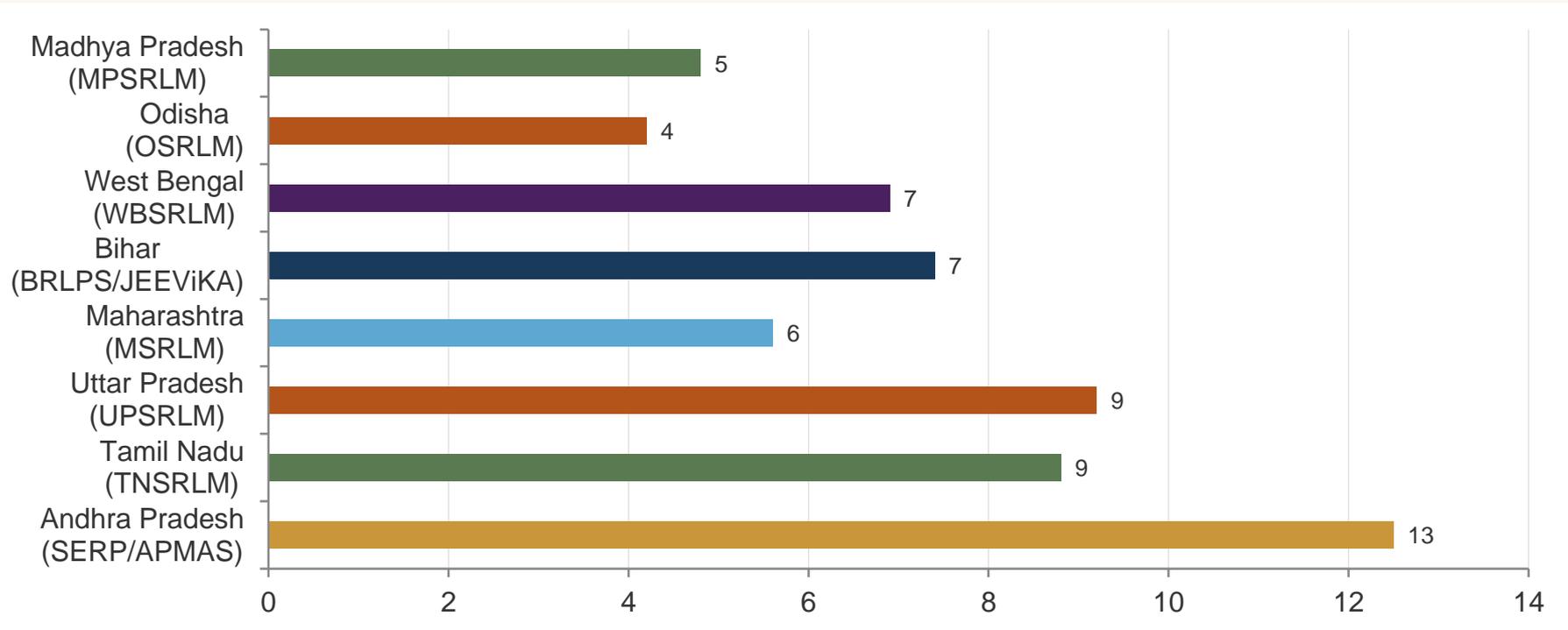
55%

Of all rural poor
households covered

24 Cr+

Household members
benefiting indirectly

Leading SRLMs by SHGs Formed



Source: DAY-NRLM MIS Dashboard 2023–24 · AP leads due to pre-NRLM SERP legacy (1999 onwards) absorbed into NRLM framework. UP and Bihar show fastest recent growth.

Three-Tier Credit Flow: From Govt Grant to Bank Loan

Govt Grant (RF)

₹15,000
per SHG

Revolving Fund — seed capital for internal lending

CIF

₹1–2.5 Lakh
per SHG

Community Investment Fund — for livelihoods

Bank Credit

₹3–10 Lakh
per SHG

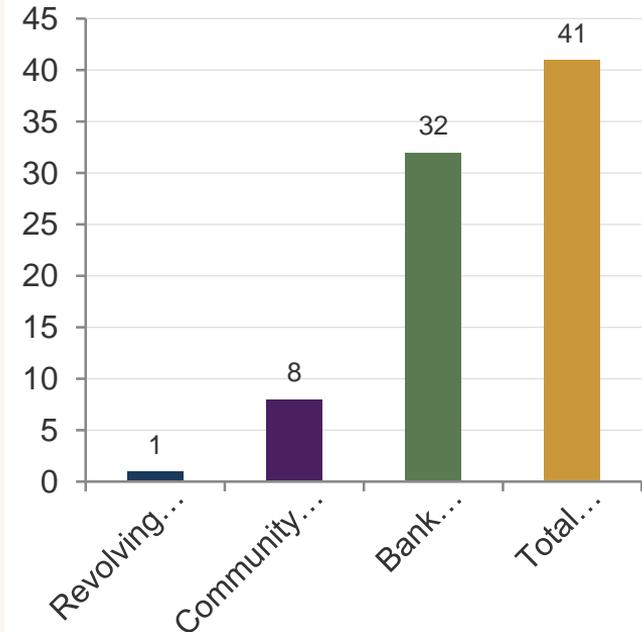
Bank loan leveraged on CIF corpus (1:4 to 1:8)

Total Reach

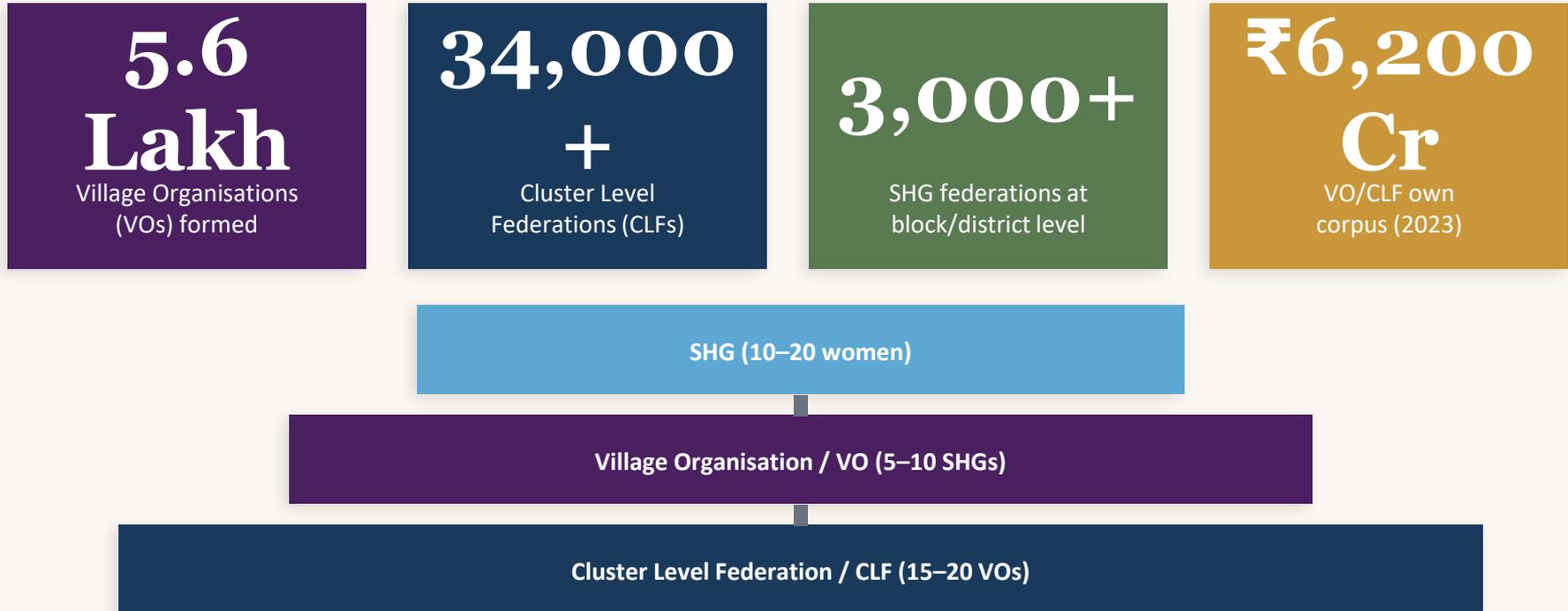
₹4.5L Cr
outstanding

All SHG bank credit outstanding (NABARD 2023)

Leverage per ₹1 govt grant



SHGs Federated into VOs and CLFs



Mobilisation by Women, of Women, for Women

2.3
Lakh

Community Resource
Persons (CRPs) trained

85%

CRPs are
SHG members

1:50

CRP to SHG
ratio (target)

₹4,000

—

8,000
Monthly CRP
Income from services

SHG Formation

CRPs identify and mobilise potential members, conduct PIP meetings, support group formation paperwork.

Financial Inclusion

Guide Aadhaar seeding, Jan Dhan account opening, UPI activation, insurance enrollment.

Social Action

Facilitate convergence with health, nutrition, WASH, domestic violence support services.

Capacity Building

Conduct Panchasutra training (regular meetings, savings, credit, accounting, audit, democratic elections).

Livelihoods Support

Link members to MGNREGA, PMAY, Poshan, PMFME and enterprise development resources.

Monitoring & MIS

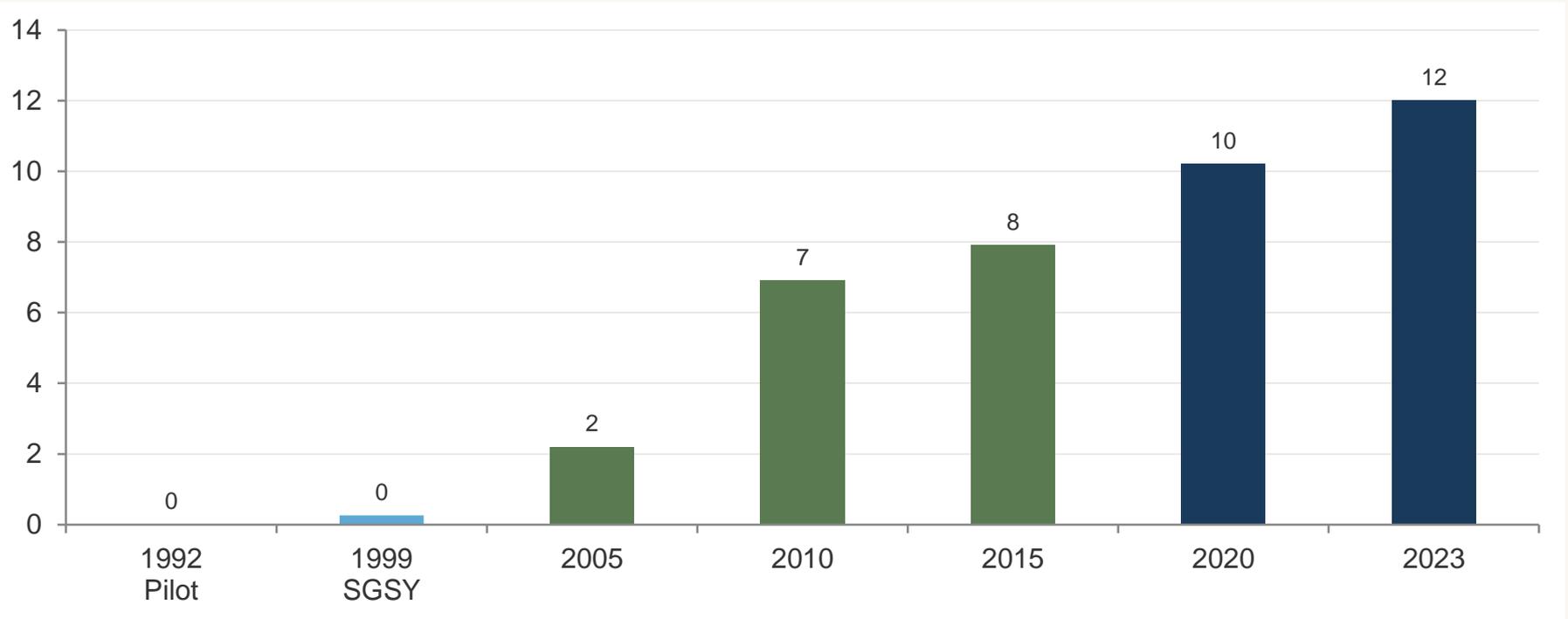
Update DAY-NRLM MIS portal with SHG data, meeting records, loan status and dropout tracking.

SECTION 5

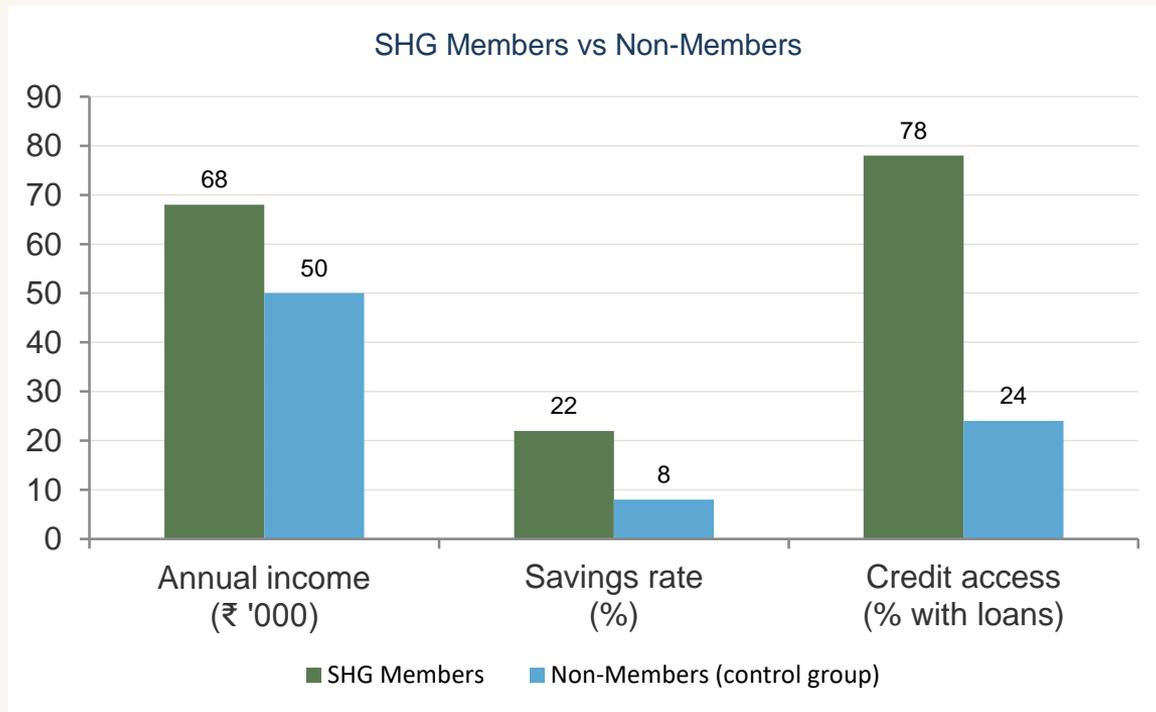
Impact of SHGs & Pathways for Future

Evidence, scale, and the road to women's economic sovereignty

The World's Largest Women's Collective



SHG Membership Raises Incomes



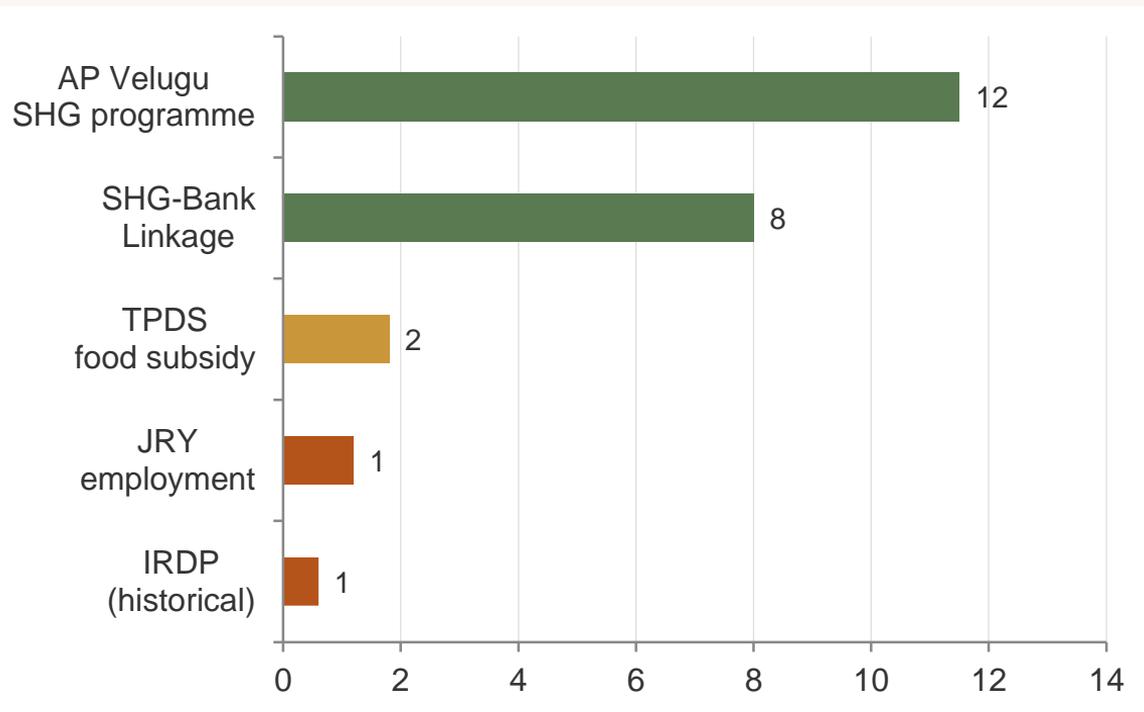
36%

Higher income
vs non-members

3.2x

More likely
to have bank credit

₹1 Invested in SHGs Returns ₹8–12



8–12×

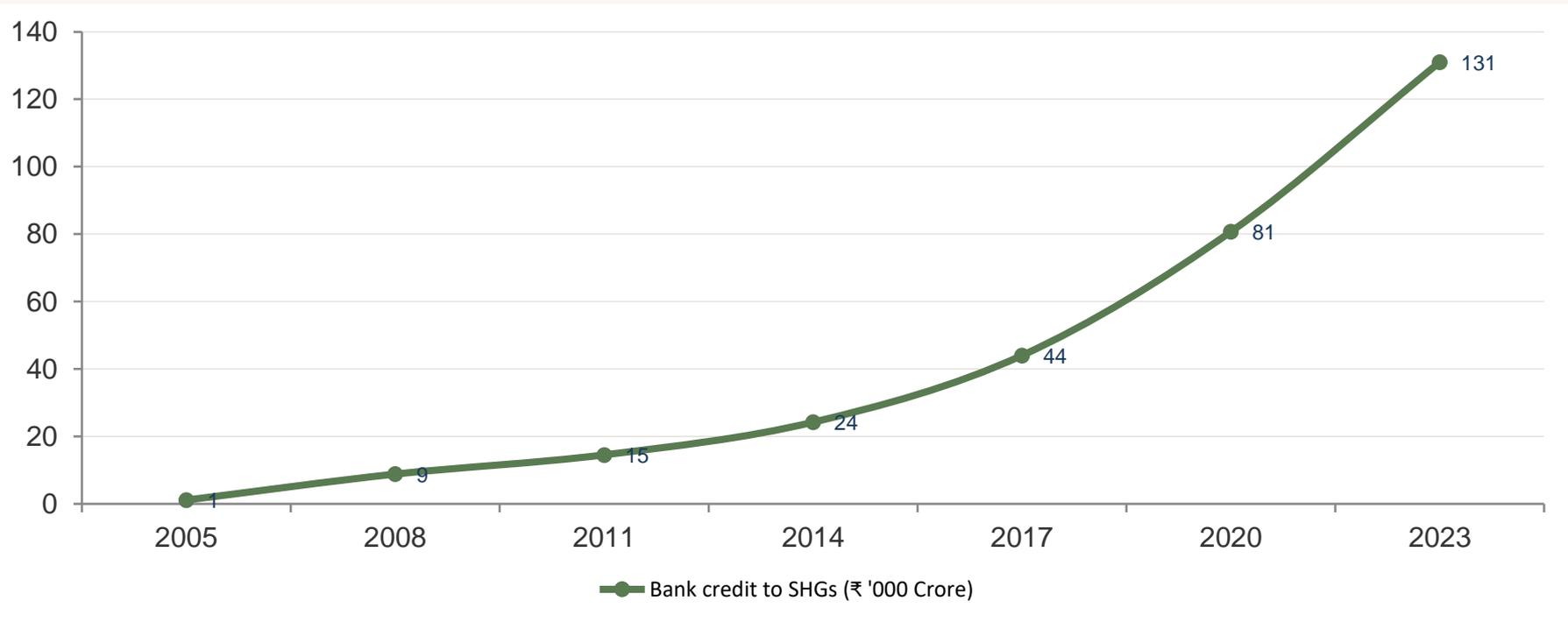
Return per ₹1
of govt investment

<0.6×

IRDP return
(historical)

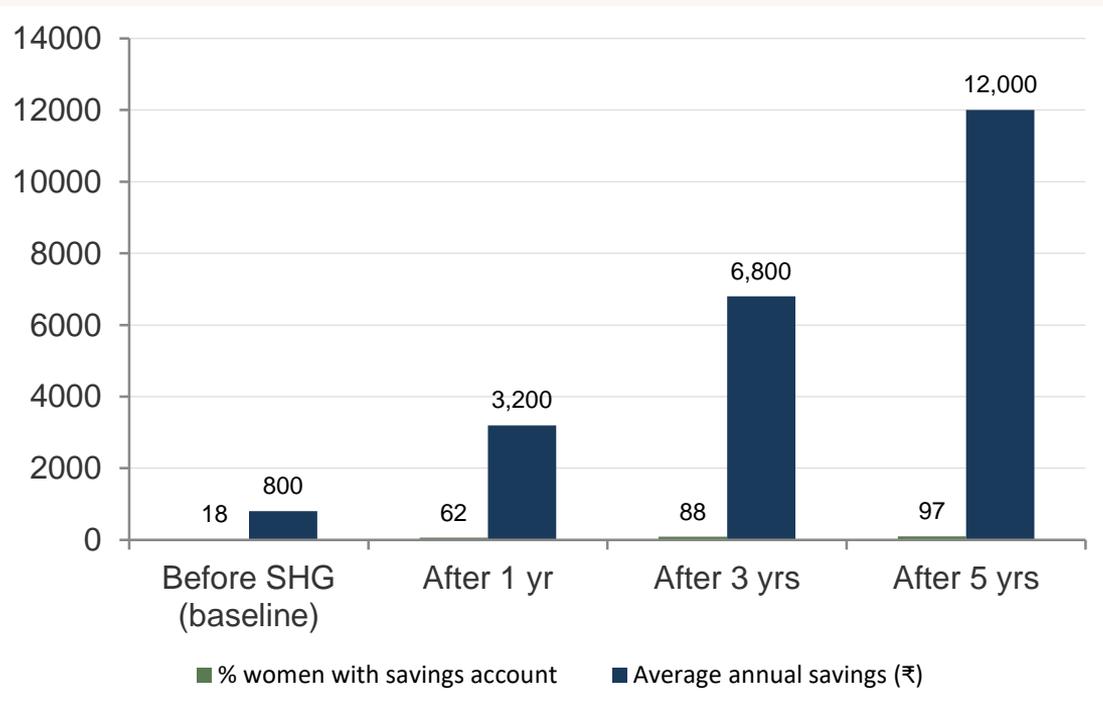
The SHG model is not just morally compelling — it is the best return on anti-poverty investment India has ever achieved.

SHG-Bank Linkage: Credit to the Last Mile



Bank credit to SHGs grew 120× in 18 years — from ₹1,100 Cr to ₹1.31 lakh crore. The fastest-growing segment of priority sector lending. Source: NABARD Status of Microfinance 2022–23

SHGs Build the Habit of Saving



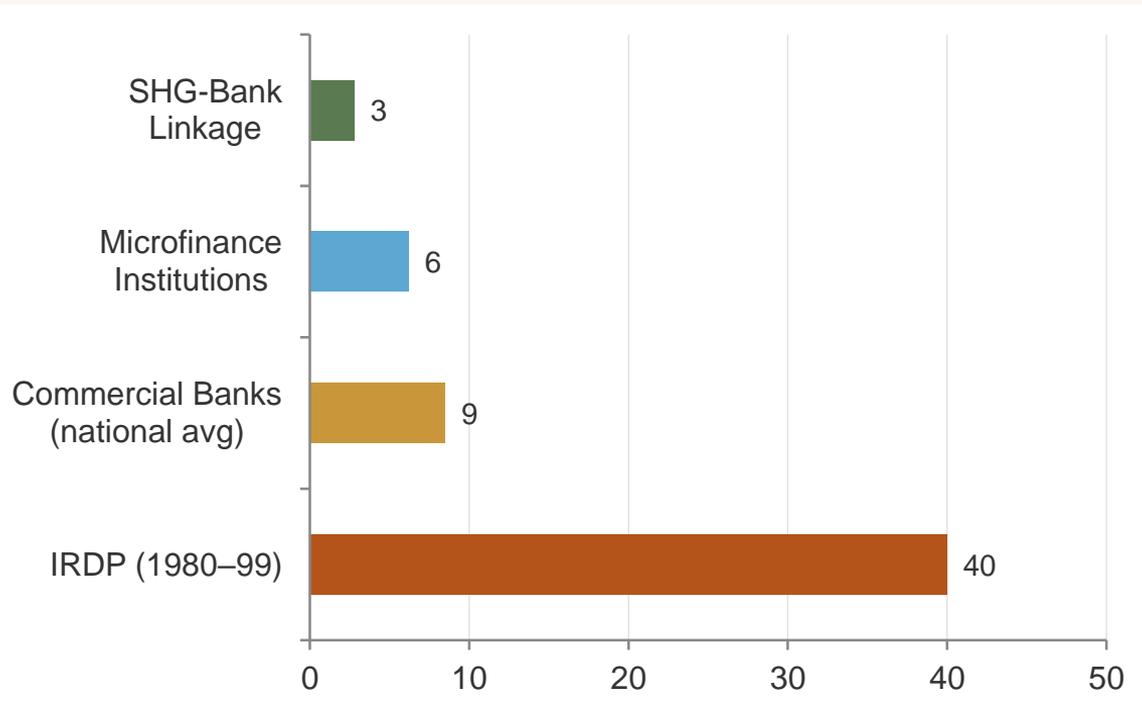
Savings uplift

SHG members save 15× more after 5 years than before joining. Formal banking replaces moneylenders.

Insurance adoption

70% of SHG members access micro-insurance within 3 years vs 8% of non-members.

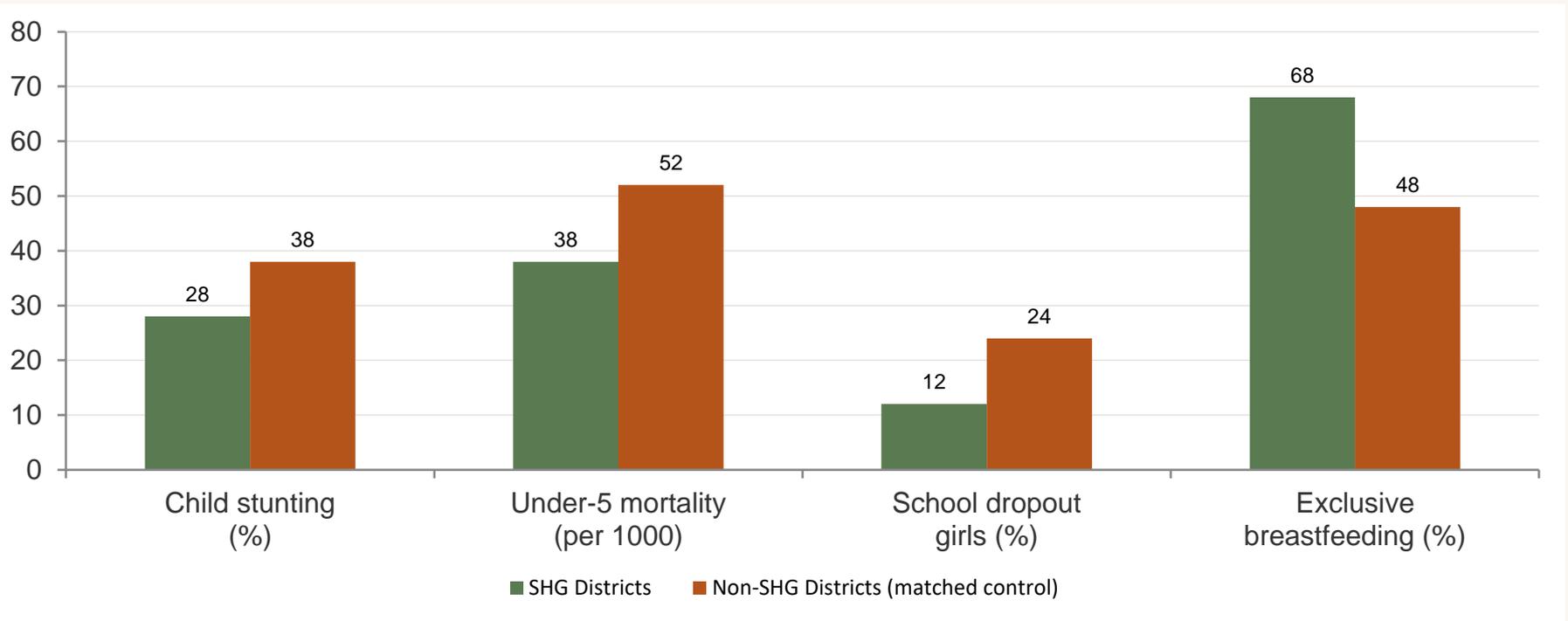
SHGs Outperform Banks on Repayment



Why SHGs repay better:

- Peer pressure & social accountability
- Loans for productive assets, not consumption
- Weekly meetings maintain oversight
- Group decides who borrows and how much
- Reputation matters in the village

Where Women Earn More, Children Thrive More



Lower stunting, lower mortality, fewer dropouts — in every indicator, districts with dense SHGs outperform. Source: ICRISAT/IFPRI comparative study; NFHS-5 district data

Beyond Income: SHGs Transform Social Life



Child Stunting — 15–20% reduction

Lower stunting in high-SHG districts. Women controlling income → better child nutrition.



Girl Education — 12–18% reduction

Higher girl enrolment. Economic security reduces pressure for early marriage.



Domestic Violence — 30–45% reduction

Lower DV probability for SHG members (ICRW study). Collective identity builds resistance.

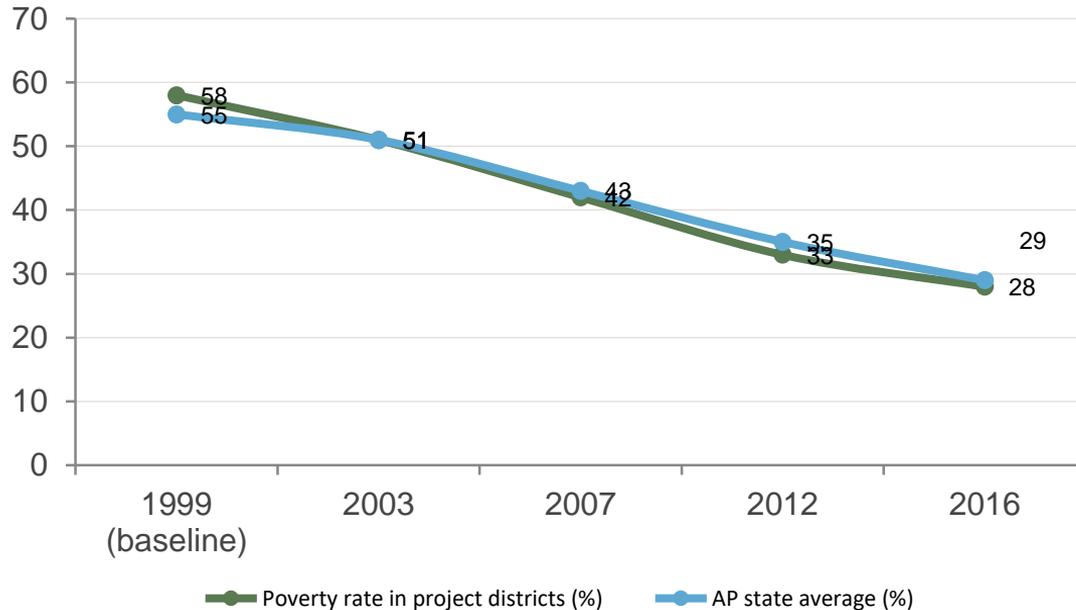


Political Participation — 40% reduction

More likely to vote and attend gram sabha. Bihar/UP studies document civic awakening.

Andhra Pradesh & Telangana: The Gold Standard

Poverty Reduction in AP SHG Districts



1.1M

SHGs in AP
by 2010

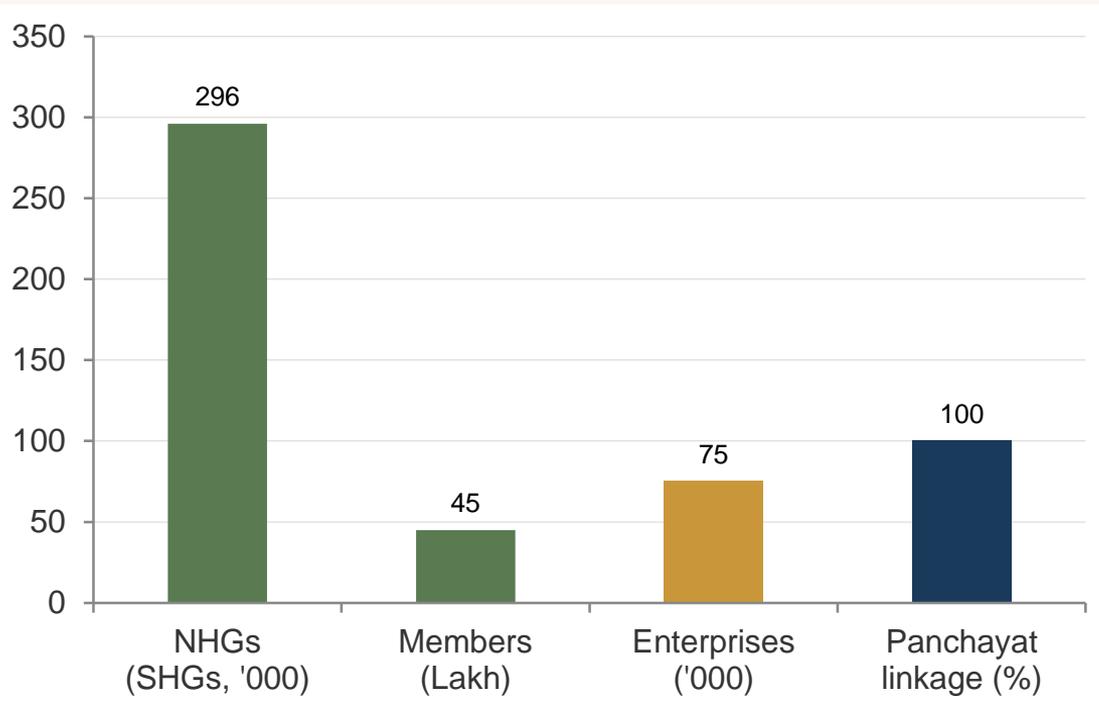
12M+

Women
members

25%

Poverty drop
in project districts

Kudumbashree: The Urban–Rural SHG Model



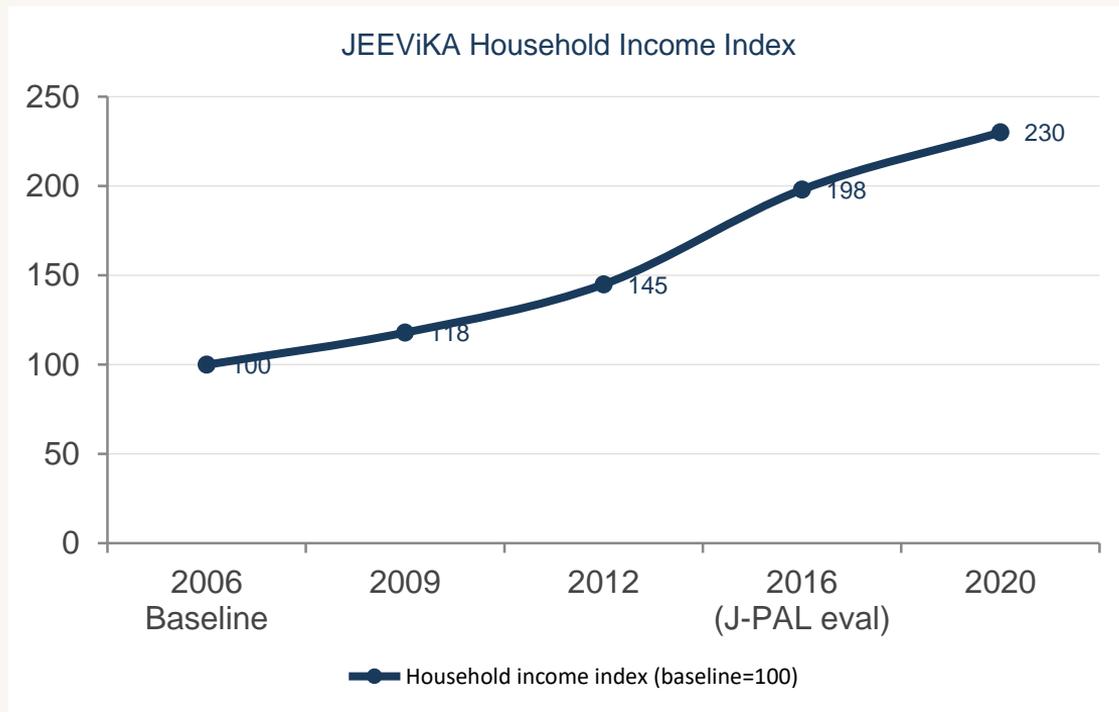
Coverage

4.5M members — covers virtually every poor woman in Kerala. Urban + rural model.

Governance Link

SHGs formally linked to local self-government institutions (LSGIs) — the only model with legal panchayat integration.

JEEViKA Bihar: Poverty Reduction in India's Poorest State



10M+

Women in SHGs
across Bihar

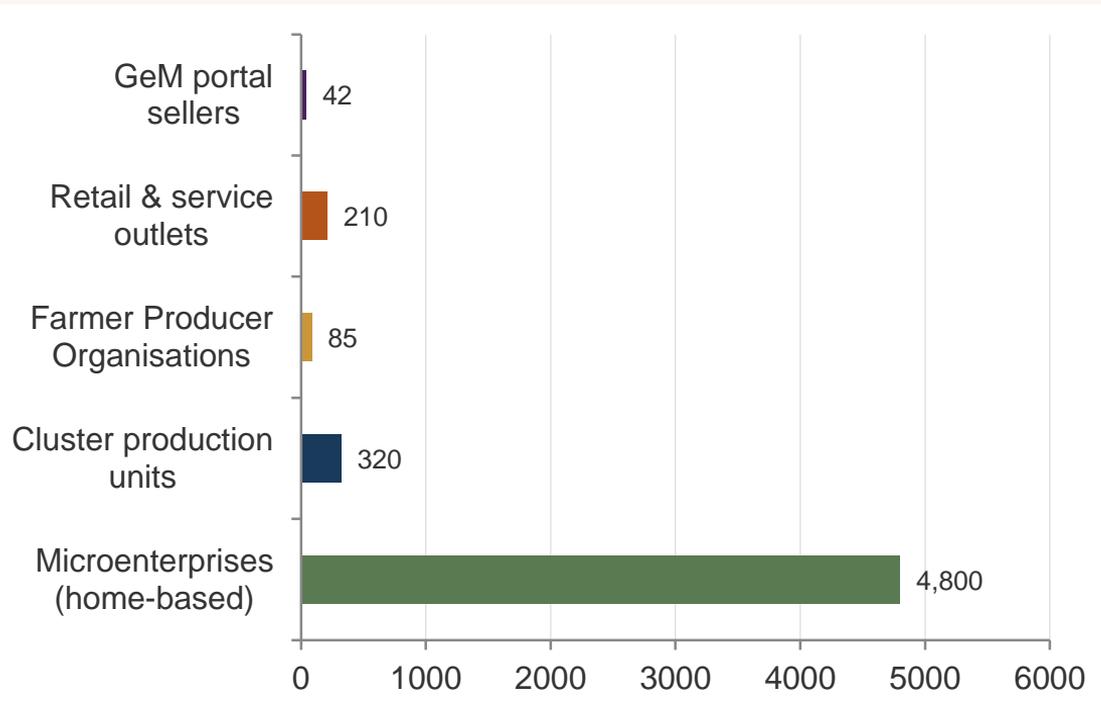
3×

Income growth
2006–2016 (J-PAL)

97%

SHG loan
repayment rate

SHGs Moving Up the Value Chain



GeM Opportunity

₹1,200 Cr of SHG products sold on Govt e-Marketplace in 2022–23. Growing at 3× annually.

FPO Scale Target

Govt targets 10,000 FPOs by 2024, many SHG-anchored. Collective marketing = better prices.

SHGs Build Political & Social Agency



40% more likely to vote

Bihar/UP studies. SHG women attend gram sabhas, contest panchayat elections, file RTIs.



Legal literacy

SHG networks used to spread awareness of MGNREGA, PMAY, domestic violence law, property rights.



Digital frontrunners

SHG women are primary conduit for Aadhaar seeding, Jan Dhan, UPI adoption in rural India.



Service delivery agents

Anganwadis, ASHA workers, BC agents — SHG networks are the state's last-mile infrastructure.

What Remains to Be Done

Geographic Gaps

SHG coverage thin in tribal belts, LWE districts, NE states — where poverty is deepest.

Credit Adequacy

Average loan ₹2–4 lakh insufficient for productive investment. Need term loans, not just revolving credit.

Convert into social gains

Achieve SDGs – focus on nutrition, education and gender empowerment

Enterprise Scale

Most SHG livelihoods are micro-level. The jump to cluster production and market linkage is unachieved.

Skills & Markets

PMKVY, e-NAM, GeM convergence with SHGs is nascent. Systematic skilling remains a gap.

Quality over Quantity

Move from SHG formation targets to quality metrics — repayment, income growth, women's agency.

10 Actions for the Next Decade

1 Universalize coverage

3 Market Access

5 Universal Digital Literacy

7 Convergence

9 Build leadership

2 Expand credit access

4 SHG-GP partnership

6 Promote enterprise

8 Natural Farming

10 Outcome-based funding

VISION 2030

From Survival to Strength



200 million women in quality SHGs — covering every poor household in India



SHG-linked enterprises contributing 5% of rural GDP through FPOs and cooperatives



Every SHG woman digitally literate, financially included, and legally empowered



30% of elected panchayat representatives drawn from active SHG leadership

"The surest path out of poverty is through organised, empowered, and resourced women." — Lessons from 70 years of India's development