

Role of self help groups in the rural development of Assam A study on Mankhowa Gaon Panchayat, under Kakopather Block, Tinsukia

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ABSTRACT

Self Help Group is a new phenomenon in the context of growing rural economy. It is no doubt true that the Government since independence have undertaken so many economic programs to revitalize the rural economy but failed to yield desired result due to peoples' apathy to participate and co-operate with these ventures. But now there has been a remarkable change once the Self Help Groups have come into being since 1990 as peoples' participation is encouraging. As a result, the rural economic growth is possible now. Self-Help Groups is a voluntary organization formed by some rural people to work for common socio-economic goal and for this purpose they agree to take loan from the Government agency. According to Sagar Mandal and G.L. Roy, "Self Help Group is a unit of two or more people on reciprocal interaction or communication with each other". Such Groups play a vital role in changing the mindset of the rural people to realize the importance of mutual understanding, co-operation, and value of working together and small savings. These Self Help Groups necessarily are likely to go a long way in increasing the family income, helping in self-engagement and empowering women.

Key Words: Self Help Group, Economy, Rural, Empower, People

INTRODUCTION

In India, self employment has been recognized as an essential force of development in rural areas. It has emerged as a strategy designed to improve the socio-economic life and mainly focuses on extending the benefits of development to the poorest in the rural areas improving their standard of living and self-realization. SHGs in India are integrating the low income segments with rest of the rural community by ensuring them a better participation in a more equitable share in the benefit of developments. These Groups are not only speeding up economic growth, but also providing jobs and im-

proving the quality of rural life towards self-reliance. In order to change the face of the socio-economic scenario, Self Help Groups (SHGs) are playing important role in the self-employment by raising the level of income and standard of living rural people (Gupta, 2001). In this framework, one of the most vital aspects of rural self employment is the formation of SHGs which is a valuable investment in human capital through training and capacity building measures. From dairy to mechanized farming, weaving, poultry, food processing units, mushroom cultivation; Rural India has been busy setting up micro-enterprises by forming SHGs (Karmakar, 1999). The group members use collective wisdom and peer pressure to ensure ap-

propriate use of fund and its timely repayment. These are informal groups in nature where members come together towards collective action for common cause. The common need is meeting their emergent economic needs without depending on external help. SHG movement is supposed to build economic self reliance of rural poor, overcome misuse and create confidence predominantly among women who are mostly unseen in the social structure.

The concept of SHGs got a major impetus after New Delhi launched the 'Swarnjayanti Gram Swarozgar Yojana' (SGSY) – a program aimed at bringing families above the poverty line by ensuring a sustainable level of level of income over a period of time (Maitiki, 2008). The main objective of SHG concept is to improve the economic development of women and create facilitating environment for their social transformation in the lift of gender discrimination in work and the household.

Area of Study: This study is conducted on the role of SHG in rural development. The area of study for the proposed research work is confined to the SHGs of Mankhowa Gaon Panchayat under Kakopathar Block of DoomDooma sub-division.

MATERIALS AND METHODS

The study is based on both primary and secondary data. SHGs of Mankhowa Gaon Panchayat under Kakopathar Block have been selected for primary data collection. Direct interaction is held with the members of the SHGs under the area of study. Primary data were collected from the year of February 2009 to February 2011. The secondary data are collected from various reports of the government, DRDA, Assam Gramin Bikash Bank, documents of Self-help groups and other records of the banks and block level institutions. The data included information on fund size, group size, and volume of savings, occupational status and functions of the groups.

The main objectives of the present study are :

1. To examine the role of self help groups (SHG) in rural development under the area of study.
2. To examine the role of SHGs in poverty reduction in rural areas under the area of study.
3. To examine the achievements of SHGs by organizing the poor people of rural areas through the process of mobilization.
4. To examine how far the rural people have been benefitted through the bank credit and government subsidy under the area of study.
5. To examine the shortcomings of the self help groups under the area of study.

RESULTS AND DISCUSSION

When the Central govt. of India adopted the Swarnajayanti Gram Swarozgar Yojana in 01/04/1991 the idea of self-help-group got a major impetus, a program aimed at bringing families above the poverty line by ensuring sustainable level of income over a period of time. It is a popular concept that people of Assam embrace it to prosper with a silent economic revolution sweeping rural Assam. Swarnajayanti Gram Swarozgar Yojana (SGSY) has been launched with the objective of bringing every assisted family above the poverty line within three years, through the provision of micro enterprise. This is a holistic program covering all aspects of self employment such as organization of the poor into self help groups, training, credit, technology, infrastructure and marketing.

The study is conducted in forty seven SHGs of Mankhowa Gaon Panchayat under Kakopathar Block. There are altogether forty seven SHGs in Mankhowa Gaon Panchayat and around 534 women have been engaged with SHGs under the period of study taking five villages as sample villages.

Since the year of 2000, a large number of village people particularly women have been mobilized into Self Help Groups in the areas under Kakopathar Block Assam. This has built the social capital among the poor rural people in the villages

under Mankhowa Gaon Panchayat of DoomDooma Sub-division. This SHG movement in these areas has not only provided economic development to its members but more importantly created viable social capital in the form of an empowered community. Most significant social aspects where in rural women of Mankhowa Gaon Panchayat have been doing tremendous development in the aspects of – increase in overall awareness level about their status and approaches for development, social empowerment in terms of improvement in their confidence, self perception, communication skill and other behavioral changes, mobility of rural women has increased for various socio-economic developmental activities, decision making capacity at household level as well as at community level has increased and become more meaningful. The capacity building covering the following aspects will strengthen both old and new groups.

SHGs and Rural development: The villages under Mankhowa Gaon Panchayat have been facing with various problems related to poverty, illiteracy, lack of skills, and health care, etc. still now like other villages of Assam. Now the SHGs have been playing a vital role to eliminate these problems through the way of group efforts and the way of economic independence.

These problems cannot be tackled individually but can be better solved through group efforts. So Self Help Groups of Mankhowa Gaon Panchayat have become the vehicle of change for the poor and illiterate people. Self-help groups under the area of study are able to organize the poor people and the marginalized to come together to solve their individual problems. The poor people learn the lesson how to collect their savings and save it in banks. In return they receive easy access to loans with a small rate of interest to start their micro unit enterprise when they entangled with the system of SHG (Gadanayak, 2008).

The SHGs provide Self-employment to the rural poor to have sustained incomes and remove the shackles of Poverty. Through the holistic

program Swarnajayanti Gram Swarozgar Yojna provide all aspects of self employment such as organization of the poor in to self help groups, training, credit, technology, infrastructure and marketing. SGSY is funded by centre and the state governments in the ratio of 75:25 (Mandal, 2005). Through this program many poor illiterate women of the area of study have been engaged in self employment taking financial assistance from the govt. and contributed towards development of rural economy.

About 59% of the sample women SGSY beneficiaries are observed to be women, which is considerably higher than the targeted 40%. Over 59% members belong to SC, ST caste groups, about 31% to OBC/MOBC caste group and only about 8% to the forward caste group. The minority community has just registered its presence by about 2% membership. The above distinctions appear to be the product of the SHGs policy of SGSY program. In this case, the SHG members or Swarozgaris must come from the list of below poverty line (BPL) families and the minimum percentage of SC, ST Swarozgaris should be 50%.

A great majority of the members were found to be educated and at least literate in both the groups of SHGs. Over 50% members were capable of reading and writing. Rural people of these areas are engaged in various occupations for earning their livelihood. Information about the occupation of the SHG members under study is collected. So far as the marital status is concerned, the respondents were found to be either unmarried (20%) or married (65%) or widowed (15%).

About 62% members of the SHGs of the area of study are found to be landless who are most likely to conform to the criterion of being below poverty line (BPL). But 25% of the SHG members who are small landholders may or may not conform to this criterion of being below poverty line. Most of the rural women engaged with the SHGs were housewives without any income before joining the SHG. Generally they had been considered as neglected in the house hold affairs by their husbands or head of the families. They

couldn't participate actively in their house hold affairs. They had been dominated by the senior males occasionally. But after joining in to SHG, they learn the lesson of self dependent, self confidence by the way of self earning. They are able to help their families financially at the time of need and they also are able to get prestige in the family as well as in the society.

Achievements: Self employment has been recognized as an essential force of development in rural areas of India. It has emerged as a strategy designed to improve the socio-economic life and mainly focuses on extending the benefits of development to the poorest in the rural areas improving their standard of living and self-realization. SHGs in Assam also have been playing a vital role in integrating the low income segments with the rest of the rural community by ensuring them a better participation in a more equitable share in the benefit of developments. These Self Help Groups are not only speeding up economic growth, but also providing jobs and improving the quality of rural

life towards self-reliance. The SHGs of Mankhowa Gaon Panchayat also have been doing more in achieving the growth of rural economy of that area. Various SHGs have been engaged in various socio-economic developmental activities, like agriculture, dairy, flower nursery, animal husbandry, cloth business, tailoring, etc. Here shows the distribution of occupation before and after the formation of SHGs, so that can be assumed easily the engagement of the rural people.

Table shows that in 53.19% of SHGs, the members of the SHGs were primarily engaged in agricultural activities before formulation. Whereas, the number of SHGs, where their members had no occupation till the SHG formation was about 17.2% respectively. Among the other SHGs, in 19% of SHGs, members were doing activities like business, daily labourer and some other activities. Out of that, in about 8.51% SHGs, members were engaged as a daily labourer and in a few number of SHGs i.e 11% of the total sample SHGs, members took part in multiple occupations like agricul-

Table 1. Distribution of past occupation among the members of sample SHGs before its formation

Occupation	Number of SHGs	Percentage
No occupation	8	17.02
Agriculture	25	53.19
Business	5	10.63
Daily Labourer	4	8.51
Other	2	4.25
Agriculture/Business	0	0
Agriculture/Daily labour	2	4.25
Agriculture/Others	1	2.12
Business/Others	0	0
Total	47	100.00

Source: Field Survey

Table 2. Distribution of present occupation among the members of the sample SHGs after forming SHGs

Occupation	Number of SHGs	Percentage
Agriculture	3	6.38
Dairy	4	8.51
Tailoring	0	0
Flower Nursery	1	2.12
Cloth Business	3	6.38
Animal Husbandry	9	19.14
Others	2	4.25
Agriculture/Dairy	1	2.12
Agriculture/Cloth Business	1	2.12
Agriculture/Animal Husbandry	3	6.38
Dairy/Cloth Business	2	4.25
Dairy/Animal Husbandry	4	8.51
Dairy/Others	1	2.12
Tailoring/Cloth Business	1	2.12
Plantation/Tea nursery	4	8.51
Cloth Business/Others	1	2.12
Animal Husbandry/Others	2	4.25
Agriculture/Dairy/Others	2	4.25
Agriculture/Cloth Business/Animal Husbandry	1	2.12
Dairy/Cloth Business/Animal Husbandry	1	2.12
Tailoring/Cloth Business/Animal Husbandry	0	0
Cloth Business/Animal Husbandry/Others	0	0
Agriculture/Dairy/Cloth Business/Animal Husbandry	1	2.12
Total	47	100.00

Source: Field Survey

It is observed from the table that after joining SHG, the members are motivated to engage with various occupations. It has been observed that the members of the sample SHGs undertake various multiple occupations as their main source of self-employment after the formation of SHG.

Table shows that in 65.83% of the total SHGs, members have engaged in animal husband-

ry. The animal husbandry practices basically include dairy, pig farming, goat, poultry, duck, veterinary, etc. The grade-wise distribution of activities also clearly shows that out of the total 'A' grade SHGs (60), in 70% of SHGs, members take animal husbandry as their primary activity and in 61.66% of total 'B' grade SHGs (60) the members are engaged in animal husbandry and in the rest of the SHGs, it has been observed that members are

Table 3. Distribution of activities among the members of the sample SHGs (in percentage)

Activity	Percentage of SHGs		Total
	A Grade	B Grade	
Agriculture	10	11.66	10.83
Animal Husbandry	70	61.66	65.83
Weaving/Handloom and Textile	13.33	15	14.16
Other Activities	6.66	11.66	9.16
Total	99.99	99.98	99.98

Source: Field Survey

disbursed among the activities like agriculture, weaving and handloom and textile and other activities.

CONCLUSION

The entire observation shows that SHGs are functioning well in organizing the poor women section into a self-serviced economic forum. The formation of SHG can create opportunities for the poor people to participate into the various income earning activities for the women members in the rural areas. SHGs under the area of study provides a motivation for the building up capabilities on the part of their members in the sample area through providing various income earning sources and shifting their occupational structure. Formation of SHGs and enrollment of the members after the formation of SHGs have come out as the significant factor of reducing incidence of poverty in the villages of Mankhowa Gaon Panchayat. In other words, it can be concluded that participation of members in this micro credit program provides a significant contribution towards the development of self-confidence, self-dependent among the members of the SHGs contributing themselves for the rural development in the study region. Further the analysis on adequacy of micro credit facilities from the bank and other financial institutions shows that a significant portion of the SHG members did not have access to better micro credit fa-

cilities in the Mankhowa Gaon Panchayat under Kakopathar Block. This picture clearly reveals that availability of credit to the members in the region still lags far behind than the desired level of the members since the operation under micro finance and micro enterprises enhances the economic status of the poor women in the society which helps eradication of poverty at the root itself.

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