

Role of Self Help Groups (SHGs) in Poverty Eradication: Special reference with two villages of Lakhimpur District of Assam

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Abstract: Self-Help Groups (SHGs) are playing a major role in removing poverty in the rural India today. The group based model of self help is widely practiced for poverty eradication, rural development and empowerment of women. Self help as a strategy for social development places emphasis on self reliance, human agency and action. It aims to mobilize people, to give them voice and build people's organizations that will overcome barriers to participation and empowerment. The central idea of self help is the formation of groups, concept of a community and the development of egalitarian relationships that will promote people's well being. SHGs serve as a medium of delivering micro credit to the members and reduce their dependence on explicative informal credit delivery system consisting of money lenders, land lords, traders etc. Empowerment has thus helped women to realize their identity, capability, strengths and power. They have also greater self-confidence and awareness of their rights, are more assertive and more vocal in mixed forums. Women have gained a measure of freedom from irrelevant customs, traditions, practices and prejudices. Thus, the process helped women to understand and realize their unique potential, develop courage to think and act independently, express what they desire, suffer, feel, speak out and express freely, and explore their distinct growth and development.

Index Terms:- Self-helf Groups, Empowerment, Women, Poverty Eradication, Rural Development, Economic Activity, Government, NGO

1 INTRODUCTION:

Women are more sensitive than men to the extremes of poverty and its consequences. For poor households, the women's capacity to work, her health, her knowledge, and her skill endowments are often the only sources to fall back on for survival. The promotion of entrepreneurship among women necessitates a conducive environment which involves removing institutional constraints. Enhancing information flows, providing access to credit, skill development programmes, trade support services, technical and business support services and marketing. The need of the hour is to develop entrepreneurship because this is the most viable solution of various problems like unemployment concentration of industries in cities, lack of awareness of rural men and women. Due to various problems like infrastructural problems, non-supportive attitude of financial institutions, low quality products, use of obsolete technologies etc, rural industries are still lagging behind and some of men are under threat of extinction as well. Unless measures are taken to modernize the rural industries, it has to die out sooner or later due to increasing competition from the urban industries. Therefore, SHGs' has an important role towards generating rural entrepreneurship. Various studies have shown mixed impact of SHGs' in generating rural entrepreneurs.

1.1 Objective of the study:

To study the various functions performed by the SHGs towards entrepreneurial activities.

- a) To suggest suitable strategies for better performance of SHG in eradication of backwardness.
- b) To find out the various problems faced by the Self-Help Groups.
- c) To study the role of government/ NGOs towards development activities of SHGs members.

1.2 Research Methodology:

In order to achieve the objectives following methodology has been adopted.

1.2.1 Data Collection Technique:

In this project, the methodology which is adopted is descriptive in nature and for this purpose data and information was collected from both primary and secondary sources. A schedule has been drafted containing profile of the respondents and topic related questions. This schedule was filled by the researcher about the respondents in the study area. The data was also collected from secondary sources through different websites, journals and books.

1.2.2 Sample and Study design:

The study consisted of 14 SHGs from Jalbharua Gaon, Satborbori Gaon and Ayonibori Gaon under Narayanpur region in Lakhimpur District, Assam. A cross sectional study design was used and convenient sampling technique was employed for data collection.

1.2.3 Procedure: SHGs were invited to take part in the study after being briefed about the purpose of the study. SHGs were also assured about confidentiality of their response.

1.2.4 Analysis of Data: Data analysis was carried out with the help of a schedule which were tabulated and analysed with the help of simple statistical tools like percentage.

1.3 Significance of the study:

Narayanpur block of Lakhimpur district is one of the important area with different caste and communities. The block under study of two villages is economically very backward and poor. Up till now, no investigations have been made to understand the performance of SHGs in connection with generation of rural entrepreneurs. The present study in the maiden effort to know whether the SHGs have been able to reduces rural poorness. The study has focused on the employment level, income generation and asset creation by the rural people of the village. Further, the study is assumed that it would help the

government, NGOs and other financial and non-financial organizations to take strategic development plan for upliftment of rural people from poverty and unemployment. We can get the idea about the solution which is best for solving such type of socio-economic problems and thus this will be beneficial for village people who suffer from this problem. Besides, it will be helpful for other researchers who will be interested in doing advance work on same topic.

1.4 Scope of the study:

The scope of the study is confined only to the ways how through SHGs human welfare can be improved. The study mainly focuses on development of SHGs and some soft infrastructure like education, employment level and living standard etc. For the present study only three villages of Narayanpur Region under Lakhimpur District has been chosen, so as to know the various problems related to their socio-economic development.

2 DISCUSSIONS:

2.1 Concept of SHG:

Oscar Pereira defines "SHG is a trust, belief and conviction that the community, no matter how backward, has resources that can be mobilized for meeting individual's local needs and that of the community for making local improvements bringing about social change." According to planning commission of India, a Self help group is a self governed, self controlled, small and informal association of the poor, with an average size of 15 people, usually from socio-economically homogeneous families, organized around savings and credit activities. The SHGs are formed for the purpose of solving their common problems that do not have access to formal financial institutions. It is proved from the past experience that women's group perform better than in all the important activities of SHGs. Now a day SHGs become a cost effective delivery mechanism for small credit to its members. It is like a platform to all members to come together for emergency, disaster, social reasons, and economic support to each other have case of conversation, social interaction, and economic interaction. The major objectives of SHGs are to save their income, avail the loan from the common fund of the group, create confidence and capabilities of the members, help the members by collective decision making, motivate the members by taking up of social responsibilities.

2.2 Major features of SHGs:

The SHG have special features with cooperative philosophy, which are as follows:

- Homogenous membership: as far as possible, the membership of an SHG may comprise people from comparable socio-economic background. Though difficult to define in clear terms, a major indicator of homogeneity in membership in absence of conflicting interests among the members.
- No discrimination: there should be any discrimination among the members based on caste, religion, or political affiliations.
- Small group: generally, the group size may be 10 to 20, so that the members are participative in all

activities of the SHG. In small group, members get opportunities to speak openly and freely.

- Attendance: total participation in regular group meetings lends strength to the effectiveness of the SHGs. To achieve this, the SHGs should place strong emphasis on regular attendance in the group meetings.
- Transparency in functioning: it is important that all financial and non financial transactions are transparent in a SHG. This promotes trust, mutual faith and confidence among its members.

3 ROLE OF SHGs IN POVERTY REDUCTION:

SHG are playing a major role in removing poverty in the rural india today. The group based model of SHG is widely practiced for rural development, poverty alleviation and empowerment of women. SHG group as a strategy for social development places emphasis on self reliance, human agency and action. There are very large numbers of institutions, both in the formal and non formal sectors. They are providing a variety of financial service using different delivery mechanism. But SHG is of the institution which provides micro finance to the rural poor. Empowerment of the rural poor people has become the key element in the development of any economy. The role of the micro credit is to, improve the socio and economic development of the rural people and to improve the status of the women in households and communities. The micro entrepreneurship are strengthening the economic status and remove the gender inequalities. SHGs micro credit mechanism makes the members to involve in the other community development activities. Micro credit is promoting small scale business enterprises and its major aim is to alleviate poverty by income generating activities among the rural poor. The rural poor people are engaged in small scale entrepreneurship programmed with the help of SHGs. Through that they were economically empowered and attain status in the family and community. Empowerment of rural poor is an important aspect today and SHG is an important tool. SHG successfully developed a system of revolving credit for the benefit of group members on their own savings. The linking of these SHGs with formal financial institution has further enhanced availability of micro credit financing to the group.

4 SOCIO-ECONOMIC CONDITIONS:

The overall socio-economic conditions of the villages are very poor; to be more precise the condition was critical. The villages are not having medical facility. The road connectivity is very bad; but the framework of the main road is of pacha nature, which is connected with Narayanpur town to Silikhaguri Ghat. But under village road connectivity is kaccha in nature of mund. In rainy days the village roads gets damaged by excessive water logging and semi-liquid soil. No drainage facility is availed by the village people. About half of the village people are not having formal electricity connection. For communication purpose majority of the people as well as the households avail for mobile phones services. The villages are lagging behind in transportation facilities.

Showing names, members and Activities of Sampled SHGs:

Sl. No	Name of SHGs	Total Member	Economic Activities
1	Rupantar	12	Tent House
2	Junbiri	10	Dairy firm
3	Radhika	10	Duckery
4	Kuhipaath	9	Nil
5	Rodali	10	Poultry firm
6	Sonali	9	Nil
7	Surujmukhi	10	Goatery
8	Marami	10	Duckery
9	Usha	10	Handloom
10	Jewety	10	Nil
11	Jyotishman	10	Goatery
12	Nabarun	10	Handloom
13	Krishna	10	Poultry
14	Deepjyoti	12	Handloom

Showing Occupational Distribution of SHGs members:

Name of SHGs	Total member	Daily wage labour	Agriculture	Govt. Job	Others
Rupantar	12	6	4	0	2
Junbiri	10	5	1	0	4
Radhika	10	9	0	0	1
Kuhipaath	9	8	0	0	2
Rodali	10	7	2	0	1
Sonali	9	9			
Surujmukhi	10	8	1	0	1
Marami	10	10	0	0	0
Usha	10	9	0	0	1
Jewety	10	10	0	0	0
Jyotishman	10	7	1	0	2
Nabarun	10	10			
Krishna	10	9	0	0	1
Deepjyoti	12	8	2	0	2
Total SHGs 14	142	115	11	0	17

Source: Field survey

From the above table it is found that among 142 members there are 115 members are working as a daily wage labour, 11 members having agriculture activity and 17 members are engaged in other activities.

5 OPPORTUNITIES OF THE SHGs IN THE SAMPLED AREA:

- SHGs occupy prominence in every walk of social life particularly in social mobilization and economic enlistment of women. In the study area, it was prominent that women who were previously busy in only household activities, after joining the group activities the same women are speaking in the methods of increasing income and requirement of training on skill formation.
- Capacity building still continues a vacuum among the rural masses. Hence there is a greater demand

to impart capacities to rural communities on economic development, community leadership, management of resources, sustaining people's organizations and their programmes.

While practitioners generally agree that microfinance has improved the lives of the poor, critics assert that it sometimes leads people to borrow too much, to the extent that over indebtedness can lead to suicide in extreme cases. Substantial funds are spent evaluating microfinance programmes. However many of these assessments tend to address organizational, financial and government variables rather than development impact. While each aspect is important, rigorous investigation of the impact of micro finance on communities is crucial, in order to show whether providing financial services to the poor increases households investments to their livelihood.

6 PROBLEMS:

- In the study area the role of NGOs' is very poor or negligence. They are not providing any training facilities to the SHG members. So the SHG members are suffering from lack of training because most of the respondents are not skilled person therefore frequent training can only help them to performing their economic activities effectively.
- The SHG members are facing problems in maintaining the account books, they do not know how to maintain account books.
- The DRDA, Development Block doesnot provide any kind of information relating to loan, subsidy, trainings to SHGs.
- Among the members of the SHG, most of the members are tend to be absent in their weekly or monthly meetings. So they have to face many problems.
- The SHG are facing problems in marketing their product, transportation and some SHGs are facing problems of inadequate raw materials.
- Most of the SHG are selling their products in the local market, sometimes they are not able to get adequate price for their product.

7 SUGGESTIONS FOR BETTERMENT:

- The element of the future planning was found to be missing in most of the SHGs. The members are not clear about such important things like how much they will produce, where they will sell. All these decisions are taken instantly without giving a second thought. Doing things without thinking and critically examining will bear no sustainable fruits.
- Weekly review meetings, monthly review meetings, quarterly review meetings, biannual internal evaluation, annual external evaluation etc. would enable SHGs to make self assessment and estimation of progress which would eventually amend the systems within the organization.
- SHGs need to learn lot on the sphere of 'Management' in various aspects like personal management, financial management, material management, marketing management, time management, keeping up records punctuality,

documentation, scientific planning, progress monitoring, public relations etc. In fact, they must unlearn many things and acquire managerial skills.

- d) It is very important for the SHGs to have clarity about objectives. Too many objectives are unrealistic and rarely achieved in reality.
- e) Given the low levels of social participation by members, this aspect must be strengthened since SHG members usually are people who are voiceless in the community.

Further, for an effective functioning of this system a number of criteria need to be paid attentions which are as follows:

- a) Records must be in local language,
- b) A functioning and authentic collection/ distribution system for records,
- c) Supportive role by the promoting agency,
- d) Understanding and awareness of the SHG members about the necessity of accounting and payment to the service providers.

8 CONCLUSIONS:

In Narayanpur Block self help groups are playing a major role among the rural people. Among the nine development block of Lakhimpur district, Narayanpur block is an important block and has a large numbers of SHGs are engaged in economic activities. Most of the SHGs in the study area are female groups, male SHGs are also there but few. In the area after the study it has been found that the economic position of the SHGs becoming better than the earlier times, it is because of initiatives taken by the SHGs to take up the economic activities. Through formation of SHGs now they have economically become stronger then before by taking activities like duckery, poultry, piggery, handloom etc. in the study area the SHGs are also facing problems of marketing, transportation, credit, training facilities, absence of govt. agents and etc. Therefore the role of DRDA, BLOCK, NGOs towards the poverty eradication and rural development is need to be developed in the study area.

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