

**PROSPECT OF SELF-HELP GROUP FOR PROVERTY  
ALLIVATION: IN DHEMAJI DISTRICT OF ASSAM.**

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**ABSTRACT**

*Poverty is almost a social problems, contaminated in an every socio-economic zone, spreaded itself among all over the deprived section of the population gradually. The concerned paper basically assessing the role of Self-help group approach in eradication of poverty, its successiveness in generating income and the impact of micro credit on the empowerment of the women members of the self-help groups. The study is primarily based on the field survey, conducted in the five development blocks of the Dhemaji district of Assam. This study takes into account the official members of the self-help groups for better understanding the process through which they build up their income generating sources. To figure out the impact self-help groups in these directions a simple chi-square tests as well as the t-test have been used to rectify the changes that have been took place due to injection of group approach in the field of rural development. The results show that self-help groups promote awareness among the women members and provide sufficient opportunities to combat with poverty. Further the self-help groups have come out as a significant factor in generation of income and occupations of the members which also requires conditions like better disbursement of the micro credit to the members and these things should be taken care of for getting more active success in this area.*

**Key Word: Self-help groups, poverty alleviation, income generation.**

**1. Introduction**

The experience of poverty and its impact is a special social phenomenon where every case of extreme deprivation always leads us to show the real magnitude of poverty.

Poverty actually requires no definition, since everyone knows or recognizes who is actually poor. Poverty is itself reflecting on the face of the poor, which is a constant

companion of the poor and its presence or rather the symbols of its presence, serve a number of purposes. Hunger and threat of famine are the most potent symbols of poverty.

Poverty actually means of those who have nothing, people whose lives are in constant danger due to the lack of all basic resources that are required for their survival. In general, extreme poverty means extreme deprivation i.e. deprivation of all basic amenities of life. It is seen that along with the urbanization and modernization people met with different forms of poverty and every definitions related to poverty are also changes with the inclusion of new dimensions.

Definitions of poverty and its impact on the socio-economic aspect of life can be referred to as the most viable question which needs to be addressed properly in different directions. Poverty is infecting everyone those who are already resides under the poverty line or those who are about to come under the grief of poverty. Therefore, it needs to be cured as soon as possible because it quickly spread its poisonous aspect in all over the parts of the society.

Removal of poverty is the main objective of planning in India since from the inception of planning periods and so; the poverty alleviation programmes have been given greatest importance in the field of economic development. For the removal of poverty, a direct anti-poverty scheme is required so that it can combat with all those factors which tend to increase the forces of poverty in the both rural and urban areas. But the process of poverty alleviation can be more sustainable when all the members of the family are involved. Therefore, reduction of poverty should be an important concern of the development countries in order to attain economic development and welfare of the people. For alleviating rural poverty and freeing the rural masses from the vicious circle of poverty, a direct implementation of anti-poverty scheme is urgently required for which credit has long been identified as one of the most crucial input for the up liftmen of people.

The self-help group (SHG) approach is a new paradigm into the field of rural development which main objectives are to increase the well-being of the poor people, provide access to resources and credit, increase self-confidence, self-esteem and increase their creditability in all aspects of lives. Self-help group is a voluntary and self-managed group of women, belonging to similar socio-economic characteristics, who come together to promote

savings among themselves. The poverty alleviation intervention of the SHG is in the form of undertaking economic programmed to provide employment, giving micro finance services to the poor so that they can get themselves acquainted with skills and occupational diversification. This new initiative was taken up by Swarnajayanti Gram Swarozgar Yojana, implemented in 1999, to organize the poor into Self-help group.

This paper attempts to explore the effectiveness of SHG in poverty reduction, particularly the assessment of strategies adopted by the members; the performance of SHG in income generation and the impact of micro credit on occupational structure of the members of the self-help groups (SHGs) i.e. basically provided by the SHGs' to their members. The hypotheses that have been taken to fulfill the work are that the self-help groups have no impact on poverty alleviation and the availability of micro credit is not adequate to members of the self-help groups. The paper is arranged as- in the next section the area of the study, data base, sample design and analytical tool of the study has been discussed, then the review of literature, followed by impact of assessment of SHGs in the above mentioned directions through the chi-square and t-test technique and finally the conclusion.

## **2. Area of the Study, Data Base, Sample Design and Analytical Tool of the Study**

The present study is conducted on the role of SHG for poverty alleviation. The area of study for the proposed research work is confined to the Dhemaji district of Assam. The Dhemaji district has five development blocks i.e. Sissibargaon development block, Dhemaji development block, Machkhowa development block, Murkongselek development block and Bordoloni development block.

Both primary and secondary data were used for the study. The primary data are collected in the month of May, 2013 with the use of a set of structured schedule which were basically administered to the members of SHGs in selection basis. The secondary data will be collected from various reports of the government, NGOs, NABARD, DRDA, BDO, 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 sample for fulfilling the research work was collected through two stage stratified random sampling technique. In

the first stage, five development blocks of Dhemaji district are selected. From the five development blocks, the SHGs are selected on the basis of their activities. From each activities of five development Block 7% were selected randomly. Then the samples were collected by the door to door survey of the official members of the SHGs. So, the total 587 sample SHGs were selected from the Dhemaji district of Assam.

In order to elicit relevant information from both primary and secondary data and to achieve above stated objectives, the present study used descriptive statistical tool like averages, percentages to draw policy relevant conclusions.

### **3. Impact of Self-help Groups on poverty, income generation and occupation.**

#### **3.1 Incidence of poverty among the members**

The analysis of the incidence of poverty provides a relevant picture on to what extent poverty lies amongst the poor women at the Dhemaji district. Because only through analyzing the incidence of poverty, successiveness of a group approach can be measured. Therefore, to carried out this study the average annual per capita incomes of the women members are categorized into three income earning categories. The following table shows the incidence of poverty of the women members of the sample SHGs.

Table 1:- Distribution of members, according to their income earning status (in percentage)

<b>Income status</b>	<b>Percentage of SHGs</b>	<b>Total</b>
Extremely poor (Annual income less than Rs.3000)	57	335
BPL(Rs.3000-Rs.5000)	25	147
APL(Annual income above Rs.5000)	18	105
Total	100	587

Source: Field survey, 2014

Table 1 shows that prior to the formulation of SHGs, 57% Of the sample members are extremely poor, 25% are laying within the income Rs.3000-Rs.5000 and rest 18% are found APL.

### **3.2 Area of Activities of the members of the sample SHGs**

Table 2:- Distribution of activities among the members of the sample SHGs (in percentage).

<b>Activity</b>	<b>Percentage of SHGs</b>	<b>Total</b>
Business	02	12
Agriculture	04	23
Animal Husbandry	42	247
Weaving/ Handloom and Textile	47	276
Other Activities	05	29
Total	100	587

Source: Field Survey, 2014

Table 2 shows that 02 percent of the total SHGs, members have engaged in Business. Out of the total SHGs sample 04 percent engage in Agriculture. 42 percent of the sample members are engage in Animal Husbandry. The animal husbandry practices basically include dairy, piggery firming, goatery, poultry, duckery, veterinary etc. we found 47 percent sample SHGs members are engage in Weaving/ Handloom and Textile. 05 percent are engage in different activity.

### **3.3 Impact of micro credit on occupational change of the SHG members**

The implementation of SHG can generate opportunities for the rural poor so that they can involve in diverse self-employment activities. The self-help group is nothing but an effective tool for providing self-sustaining occupations to the rural poor women with an effective delivery micro credit system. Table 3 shows that perception of the impact of micro credit facilities on the occupational structure of the women members in the Dhemaji district.

Table 3:- Perception of impact of the micro credit on the occupational structure of the members of the sample SHGs.

	<b>Number of SHGs</b>	<b>Percentage</b>
Yes	534	91
No	53	09
Total	587	100

Source: Field survey, 2014

Out of the 587 sample SHGs of the study region, in 91 percent of SHGs, members felt that there was some impact of micro credit facilities on their occupational structure, whereas only in 9 percent of SHGs, members were not agree with this view.

The primary field survey conducted in the Dhemaji district reveals that Table 3) among the members of the sample SHGs i.e. most of the SHG members felt that there is an impact of micro credit facilities on their occupational structure.

To analyze the how the occupational structure of members have changed so far as an impact of micro credit facilities that are provided to the members of the SHGs, we have to analyze the distribution of past occupation among the SHG members before the formulation of SHGs and also their present occupations after the formulation of SHGs. The Table below shows how the members of the SHGs are distributed in various occupations before the formulation of SHG.

Table 4:- Distribution of past occupation among the members of sample SHGs before its formulation.

<b>Occupation</b>	<b>Number of SHGs members</b>	<b>Percentage</b>
Agriculture	285	48.55
No occupation	85	14.48
Business	nil	Nil
Animal Husbandry	175	29.81
Daily Labour	42	7.16
Total	587	100

Source: Field survey, 2014

Table 4: shows that in 48.55 percent 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 formulation was about 14.48 percent respectively. Among the other SHGs, in 29.81 percent of SHGs, members were doing activities like Animal husbandry. Out of that, in about 07.16 percent SHGs, members were engaged as a daily labourer. In sample SHGs, members were took part in multiple occupations like agriculture and business, agriculture and other activities, agriculture and daily labour and business and other activities etc.

But after formulation of SHG, the occupational structure of the members in the District of Dhemaji has been changed. Table 5 shows the present occupational structure of SHG members after the formulation of SHG.

Table 5:- Distribution of present occupation among the members of the sample SHGs after formulating SHG.

<b>Occupation</b>	<b>Number of SHGs</b>
Agriculture	57
Dairy	03
Tailoring/ Cloth Business	53
Goatery	07
Fishery	61
Weaving	150
others	04
Poultry	84
Cane & Bamboo	02
Money Lending	13
Tent house	04
Food processing	23
Piggery	126
Total	587

Source field survey, 2014

It is observed from the Table 5 that after joining SHG, the members are motivated to engage with various occupations. It has been seen that the members of the sample SHGs

undertakes various multiple occupations as their main source of self-employment after the formulation of SHG.

### **3.4 Status availability of micro credit to the members of the SHG**

The availability of micro credit is a prolonged question particularly for the women section which comprising the largest section of deprived population and hence the lack of capital becomes a serious constraint to the development of women in rural areas. The table below shows the perception of adequacy of financial support from bank and other institutions that are provided to SHG members.

Table 6:- Perception of adequacy of financial support of bank and other financial institutions to SHGs members (in number and percentage)

<b>Financial Support</b>	<b>Number of SHG</b>	<b>Percentage</b>
Yes	167	28.45
No	420	71.55
Total	587	100

Source: Field survey, 2014

Table 6: reveals that out of the total 587 sample SHGs, in 28.45 percent of SHGs, members have felt that there is inadequate support from the banks and other financial institutions regarding the imposition of micro credit towards their upliftment. Or in other words, most of the members did feel that they have not getting enough micro credit support from bank and other financial institutions in respect of development of their capacity building and income generating processes.

.Therefore, it is seen that the SHGs have provided a good environment for the upliftment of the rural poor women in the study area. Although, it is seen that poverty still persists among the rural poor women since some of their average annual per capita income is not able to cross completely the below poverty line mark. But on the other hand, the SHG provide income generating activities to the members after its formulation by helping them with the micro credit facilities, although the mere fact is that availability of micro credit to each of the members or the proportionate distribution of credit among all members of the



SHG is still under ongoing process and so, most of their members have felt that the government aid (i.e. revolving fund), the other bank loans and the subsidy that are provided to the SHGs are not enough to make their member totally self-employed in the field of rural development.

#### **4. Conclusion**

The findings from the analysis provide evidence support to withdraw a conclusion in respect of the hypotheses that have taken up for carrying out the study. 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 region. Poverty is generally recognized as a consequence of unemployment and lack of availability of income earning sources. And SHG 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. In the analysis on the assessment of SHG on poverty reduction also shows that formulation of SHG and enrolment of the members after the formulation of SHGs have come out as the significant factor of reducing incidence of poverty in the Dhemaji District. In other words, it can be concluded that participation of members in this micro credit programme provides a significant impact towards the upliftment of the members from the grief of poverty 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 facilities in the Dhemaji District. 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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