

## IMPACT OF SELF-HELP GROUPS IN SOCIO ECONOMIC DEVELOPMENT OF ASSAM: A STUDY ON DHEMAJI DISTRICT

**Basanta Chutia**

Purbanchal College, Silapathar

### **ABSTRACT**

*The Self-help Group (SHG) method at first used by Dr. Mehmud Yunus, professor of Economics in Chitgaon University of Bangladesh, was an initiator. Now a day Self-help Group method is used by Government and Non-Government Organizations (NGOs) and others worldwide. Cores of the poor and the marginalized population in India are building their lives, their families and their society through Self help groups. Self help groups (SHGs) have appeared as popular method in recent two decades. This movement comes from the people's desires to meet their needs and determine their own destinies through the principle "by the people, for the people and of the people". Self help groups (SHGs) have appeared as popular method of working in the company of people in recent years. The main aim of this paper is to examine the impact of Self-help Group in Socio- economic development of Dhemaji district of Assam.*

**Key words:** Self-Help Group, Non-Government, poor, Woman Empowerment

### **Introduction:**

SHG is a group of about 10 to 20 people, usually women from a similar class and region who come together for savings and credit organizations. They pooled financial resources to make small interest bearing loans to their members. These processes create an ethic that focus on saving first. The setting of terms and conditions of accounting of the loan are done in the group by the designated members.

A self-help group is fully organized and managed by its members, who are commonly volunteers and have personal experience in this subject of the groups focused. These groups may

also be referred to as fellowships, peer support groups, lay organizations, mutual help groups or mutual aid self-help group.

India has a population of 1027.01 million with 742 million living in rural areas. About 40 percent of the rural population and 23.62 percent of the urban population are estimated to be living below poverty line. The urban and rural poor have been dependent on moneylenders for their financial needs, such as marriage in the family, illness or other emergency needs, as the formal credit system of banks, by and large, is beyond the reach of the poor. This provides an opportunity for money lenders to exploit the situation.

The prime need of the hour is to ensure that the poor live with dignity, sufficiency and responsibility. It is also recognized that the poor people are bankable and that they themselves are likely to have a better appreciation of their socio-economic situation. The activities of Self Help Groups (SHGs) have emerged as a sustainable approach to make credit facilities available to the poor at their door step in a simple and manner.

Self-help Group or in-short SHG is now a well-known concept. It is now almost two decade old in Assam. It is reported that the SHGs have a role in hastening country's economic development. SHGs have now evolved as a movement. Mainly, members of the SHGs are women. Consequently, participation of women in the country's economic development is increasing. They also play an important role in elevating the economic status of their families. This has led boost to the process of women's empowerment. We can trace the origin of the concept of SHGs in Bangladesh.

#### Importance of SHGs in socio Economic Development

1stly, all the SHGs members create small amount of savings each month Rs.10 to Rs.100. They pulled the contributions and deposited to Bank account. Thus the savings habits grow day by day. It will help national economy.

2ndly, another aspect of SHGs is that create employment opportunity. The SHGs members are self employment. They decide their work. Through which they can earn their income. Such as weaving, food processing, piggery, goatery, cutting & tailoring

poultry firm etc. The SHGs provide loan to the members at minimum interest. So the members of SHGs invest profitable activities.

3rdly, The activities of the SHGs increase rural production. If we see the picture of Assam then we find majority of SHGs are formed in rural area. They involved in production activities. So it leads to increase national rural production.

4thly, In Assam Govt and NGOs take steps to develop the skill of beneficiary through SHGs. Such as one week, 2 week and 3week training, workshop, orientation programmed. IIE, Bank, BDO, DICC take steps at various level to skill development in Assam.

5thly, After joining the SHGs members are gradually self dependence. Before joining the SHGs, 80% members were dependence others members of family. They are become economically and mentally independent.

6thly, In Assam 25% family violence are happen due to financial hard shift. After Joining the SHGs family violence is reducing in house of the beneficiary.

7thly, Some of the society captured by gambling, drinks and others addicted things. In that place some of the ladies group and women SHGs take steps to remove the illegal practices. Some of the SHGs gives charity in the place of flood affected area.

8thly, When a person self dependent in family he become a decision maker in family. She got self respect. Then she get opportunity take decision making in family.

9thly, SHG member active participation in local meeting, conference, Gaon Sabha, local panchyat. Only because of being a member of SHG they can easily get chance to active participation in local government.

10thly, SHG members pool their member savings monthly. They build their capital satisfactorily to run a small business. SHGs member have the best savings habit. Always they have sufficient Bank Balance to access to give credit from Bank.

11thly, SHG member take step for Cultural development and community development. They band the gambling, drinks and other unsocial work. Which is harmful to the society? On the other hand they arrange cultural function, competition for child, food processing mela, cutting and designing competition etc.

Lastly, SHGs member dealings lot many peoples and situation. This will develop their communication level. It is a sign of socio economic development.

### SHGs effect on Assam Economic

#### 1. To alleviate poverty:

SHG is effect in Assam economy. 80% of SHG member before joining the group they depend upon the family member. But after joining SHG they become self dependent. They engage in some work to earn their living hoot. It would mean alleviate poverty slowly.

#### 2. To increase employment opportunity:

SHG create employment opportunity. They use their capital productive purpose. As for example, fishery, piggery, goattery, cutting & designing, weaving etc. They think that anyhow increase their capital.

#### 3. To accelerate economic growth:

The growth of economic become faster than before. Every SHGs use their capital productive purpose. The members of SHGs engage in the work. So it leads to economic growth.

#### 4. To raise status in society is the prime reason for respondents joining the SHG:

To get status in society they have to do something for the society and popular among the society. It is possible through the SHG.

#### 5. To promote income generating activities:

SHGs member always try achieved pre determined goal. So engage in productive activities. Among the SHGs arrange competition of food processing and other activities. It leads to promote income generating activities.

### Problems of the Self-Help Group in Assam

1. Complex procedure of getting loan: Assam is the listed among top most corrupted state in India. So every where corrupted spread. In case of getting loan from bank have to pay bribe to authority or mediator. Then the loan sanctioned. Otherwise it is impossible. In the year, 2014 in Dhemaji District 80% out of 587 SHGs getting loan through giving bribe.

2. Insufficient amount of financial assistance as per the activity chosen out: Another problem of SHGs is that insufficient amount of financial assistance to meeting investment of particular activities. Some time they suffer in frustration even their good dream.
3. Fewer amounts of subsidies on the given loans: Generally availing subsidies to the SHGs comparatively less. For newly growth SHGs it is not enough, it required better financial relaxation.
4. Problems of maintaining bank account: Among the SHGs member some time create problems regarding delay of membership fees, return personal loans and charge interest on membership loans. So they not maintain regularity.
5. No skill development: Skill development one of the most important subject for SHGs members. Because without well knowing particular idea how they involve self-employment. Growth and success of SHGs depend up on the skill of members. In Assam 70% of SHGs member not getting proper skill development opportunity.

#### Suggestions

There are lots many opportunity in the field of SHGs formation. But still some shortcomings are there. So overcome the problems few suggestions recommended.

1. Firstly, govt. active step for eradication of bribe and corruption at the every department. Otherwise economic development becomes slow in the society.
2. Secondly, awareness among the SHGs members about the skill development of particular activities. There are many NGO, institutions and departments in Assam. As for Example, IIE at Guawhati in Assam.
3. Thirdly, common understanding among the members of SHGs to smooth running the groups.
4. Lastly, the amount of subsidies avail in case loan insufficient to the SHGs groups. It would be excess allocation provision policy to the Banking sector.

### Conclusion

The findings from the analysis provide evidence support to draw a conclusion SHGs carry out important role in the Assam economic. 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 other words, it can be concluded that participation of members in this micro credit programme provides a significant impact towards the uplift of the members from the grief of poverty in the study region.

### **References:**

- [1] Berry K 2003. Developing women: The traffic in ideas about women and their needs in Kangra India.
- [2] Chakrabarti R 2004. The Indian microfinance experience –Accomplishments and Challenges.
- [3] Dube S C 1988. Modernization and Development – The Search for Alternative Paradigms. London: Zeb Book Ltd.
- [4] E.A Prameswara Gupta, Syed Rabmahulla and S.L.shankar “Impact of microfinance: A critical analysis “southern Economist, volume 48, No.18, January-15.2010,page No.29
- [5] Fernandez AP 1994. The MYRADA Experience People’s Institutions for the Sustained and Equitable Management of Micro- watershed MYRADA, Bangalore.
- [6] Fernandez AP 2003. People’s Institutions Managing Natural Resource in the Context of a Watershed Strategy MYRADA, Bangalore.
- [7] Geeta Manmohan, Monika Tushir, Sumita chadha. (2008), „Rural Banking and Micro finance” Southern Economist, Vol: 47, No.2.
- [8] Goetz AM 2001. Women Development Workers: Implementing Rural Credit Programs in Bangladesh New Delhi: Sage Publications.

- [9]. Government of India 200 Tenth Five Year Plan 20022007.
- [10] Guijt I 1994. Water and Gender in Agenda 21. Report: Workshop on Gender and Water Resources Management, Stockholm, 1-3 December 1993. Stockholm: IDA.
- [11] Guijt I, Shah M K 1998. Waking up to power, conflict and process In: I Guijt, Eds The Myth of Community: Gender Issues in
- [12] Madheswaran, S. and Dharmadhikary, A. (2001), "Empowering Rural women Through Self Help Groups: Lessons from Maharashtra Rural Credit Project", Indian Journal of Agricultural Economics, Indian Society of Agricultural Economics, Mumbai, Vol.56, No.3, July-Sept.2001, pp.427.
- [13] Manimekalai, N. and G. Rajeswari (2002), "Empowerment of Women Through Self- Help Groups (SHGs)", Margin, Vol.32, No. 4, July-Sept. pp.74-87.
- [14] Narendranath, K. (2002), "Building Community Financial Institutions- Kalanijiam Way for Generations", in Fisher and Sriram (Eds), "Beyond Micro- Credit: Putting Development Back into Micro-Finance, Vistaar Publications, New Delhi, pp.110-111.
- [15] Puhazehendi, V. and K.J.S. Satyaasai (2001), "Economic and Social Empowerment of Rural Poor Through Self Help Groups", Indian Journal of Agriculture Economics, Indian Society of Agricultural Economics, Mumbai, India Vol.56, No.3, July-Sept.2001.
- [16] Rath, N. (1985), "Garibi Hatao: Can IRDP Do It?", Economic and Political Weekly, Sameeksha Trust Publication, Mumbai, India, Vol. 20, No. 6.
- [17] Shetty, S.L. (2001), "Rapporteur's Report on Working and Impact of Rural Self- Help Groups and Other Forms of Micro financing", Indian Journal of Agricultural Economics, Indian Society of Agricultural Economics, Mumbai, Vol.56, No.3, pp.580-585.