

An Analysis of the Function of Self Help Groups of Assam in Rural Development

Hari Prasad Chutia

Dept. of Pol. Science Harhi College

Abstract:

In Assam as well as throughout our nation, seventy percentage of the population resides in rural areas. A sizable portion of them are below the poverty line. Their socio-economic situation needs to be improved immediately in order to benefit the entire nation. Supporting these individuals financially, particularly women, is the only way to lessen poverty. To help the rural population grow, the Assamese government runs a number of innovative initiatives. In this regard, the establishment of Self-Help Groups (SHGs) has been a major factor in both economic growth and poverty reduction. The government gives loans to these groups or other financial assistance so that they can invest the money and improve their socio-economic standing. Nowadays, the majority of rural residents find it effective and responsive. The purpose of this study is to determine the usefulness of Self-Help Groups (SHGs) and the connection between these organisations and rural economic growth in Assamese communities.

Keyword: Community, Population, Poverty, Socio-economic, Rural.

INTRODUCTION:

The process of enhancing the standard of living and financial security of residents in comparatively remote places is known as rural development. For a nation like India, the idea of rural development is crucial. Where the vast majority of people live in rural areas. Given the socioeconomic conditions in rural areas, self-help groups run by women who are employed by the North East Rural Livelihood Project (NERLP) are essential. Self-help groups are made up of rural impoverished people who have volunteered to band together in order to show how destitute they are. Through a shared management method, they commit to saving consistently and converting their savings into a command discovered won as Group Corpus (GC), which is utilised to meet the credit demands of members. Mohammad Yunis is credited with coming up with the creative idea for the Self Help Group (SHG) concept known as MICRO-CREDIT, which was initially established in Bangladesh with the goal of eradicating poverty. Self-Support Groups are regarded as one of the most important instruments for modifying a participatory approach for women's economic empowerment. An SHG's primary goal is to serve as a platform for members to assist and encourage one another while achieving financial sustainability through the adoption of microbusinesses that are based on the availability of resources, common skills, and availability rather than product markets. Group entrepreneurship is a tool that helps impoverished women escape poverty and is best suited for the weakest segments of society. It provides illiterates with work options.

Objective:

The following are the paper's precise objectives:

- (i) To make an investigation on the productivity of SHG.
- (ii) To outline the contributions of SHGs to make development over rural women.

Methodology:

The method used in this paper is descriptive method. As the requisite data are available in various sources, basically the data to be used in this study are secondary data and that have been already published in various reliable books, journals, govt. records and also the websites.

Concept of the SHG:

SHGs are small, unofficial groups of people in a specific area that were established to enable members gain economically from solidarity, cooperation, and shared responsibility (Anand, 2002). Here, people gather to exchange experiences and ultimately generate a chance to mobilise resources to meet needs and interests (Kurtz, 1981). The Government of India implemented the Swarnajayanti Gramme Swarozgar Yojana (SGSY) scheme in 1999 as a result of the efforts of the Self Employed Women's Association (SEWA), Mysore Resettlement and Development Agency (MYRADA), and the National Bank for Agriculture and Rural Development (NABARD). This initiative helped to consolidate SHGs as an effective strategy for eradicating poverty and empowering people in India. SHGs are crucial to people's socioeconomic empowerment, according to studies by Meenai (2003), Galab and Chandrasekhara (2003), Suguna (2006), Jayasheela, Shriprasad and Dinesha (2009), Usha Pitta (2010), Vasanthakumari (2011), Sunny and Pereira (2011), Manga (2011), and others. Additionally, it is shown that SHGs help women access financing, create self-employment, and boost their confidence.

Analysis:

It was discovered that women might assist themselves after a significant rethinking of the current approaches to rural development in general and women's empowerment in particular. The goal of this strategy, which is specifically referred to as the promotion of SHG creation, was to address the microcredit requirements of low-income women. There are two types of self-help groups: registered and unregistered. It usually consists of a collection of micro-entrepreneurs from similar social and economic backgrounds who come together voluntarily to save regular little sums of money, agree to contribute to a common fund, and support one another in times of need. They combine their resources to become financially stable by making everyone in that group self-employed and obtaining bank loans from the money they have accumulated. SHGs have established strong roots in India thanks to the federal and state governments, as well as the National Bank for Agriculture and Rural Development (NABARD), providing the necessary assistance for women's self-help groups (SHGs) as a means of empowering women. It is anticipated that the campaign would gradually lessen gender inequality in the nation. The SHGs make the women member's partners in enacting the necessary social and economic change by giving them access to financial services and educating them about the various welfare programs. SHGs are making a significant contribution to addressing gender issues in India's economic development.

By definition and in practice, a Self-Help Group (SHG) is a collection of individuals who freely associate to work towards a common goal. In actuality, SHGs are made up of familiar individuals from the same village community and even a nearby neighbourhood. In other words, they have specific pre-group social binding elements and are homogeneous. The foundation of SHGs is the idea of credit and saving. Self-help groups don't begin with credit; instead, they begin as support groups with consistent weekly goals for

proper saving. Every group member is required to set aside a modest sum each month. The savings are gathered during a weekly meeting at a predetermined time, and the members decide who will receive the loan. In many organisations, the savings are recorded in the passbooks of the individual members. While some companies provide dividends, the majority have kept their profits as capital. Any extra funds are transferred into an account with a mainline bank, which also evaluates the group's performance and grants loans to it. In turn, the SHG improves its ability to handle large sums of money, cultivate logical thinking, entrepreneurial and communication skills, cooperative sense, and, lastly, generate confidence through income and employment. SHGs' primary goal is to instil a culture of thrift, serving others, and banking so that people can use credit to achieve financial success.

According to Ministry of Rural Development of Indian Government there are a total 3,50,816 nos. of SHG in Assam out of 78,93,551 in the whole country.

Women's empowerment is the main focus of self-help organisations. By moving information from the national policy for independence towards action with a three-phase approach that focusses on gender equality, financial empowerment, and social empowerment, the tenth plan placed the most emphasis on guaranteeing the implementation of the national strategy for women's empowerment. The woman has been successfully empowered by the SHGS, according to several investigations. In order to give rural women more negotiating power in daily home decisions and, eventually, in the community, SHG has congratulated them on the microcredit process. The methods for empowering rural women are as follows:

- A) Empowerment through education
- B) Empowerment of society
- C) Empowerment of the economy
- D) Empowerment through technology
- E) Justice for Women
- F) Development of ethics
- G) A sense of leadership

Women and the disadvantaged segments of society benefit greatly from the many opportunities that SHGs offer. According to a number of studies, women members of SHGs successfully obtain the following advantages.

- Simple loan availability
- Income growth
- Morale enhancement
- The formation of a saving habit.
- Gaining the ability to make decisions
- Raising awareness of growth and self-assurance.
- Capable of supporting the family financially
- Improve quality purchasing and selling
- Expand production capacity
- Raise awareness of education and health needs.
- Getting involved in community issues
- Fostering entrepreneurship
- Increasing women's respect.

- Stop dowries and domestic abuse
- Get involved in local issues.

Problem of Self Help Groups:

Throughout the entire development process, the following issues have been noted among Assamese Self-Help Group members.

1. The majority of Assamese members who receive benefits from Self-Help Groups (SHGs) in rural areas lack the professional skills, technical knowledge, and educational background necessary to effectively maintain the intricate accounting system envisioned in the grant program when engaging with bank officials.
2. A few examples Banks are not cooperative in offering rural poor people cooperative credit and subsidies because many defaulters have stopped retrieving their money. NGOs play a very bad function in the study region; they don't give the members of SHGs any training facilities. Thus, self-help groups suffer from a lack of expertise and training.
3. Assamese members have a tendency to miss weekly and monthly meetings, which has caused them to encounter numerous issues.
4. Members of self-help groups are having trouble getting their goods to market, and some self-help organisations are having trouble getting enough raw materials.
5. Most of self-help groups could not able to get adequate prices for their product.
6. In Assam, the majority of SHG beneficiaries are impacted by natural disasters.

Solution: -

- A. Cooperation with government initiatives such as the National Rural Livelihood Mission (NRLM) is necessary to optimise advantages for SHG members.
- B. Strategies are shifting from state/district based planning to block based planning in order to address the problem of intra-district imbalances in the promotion of SHGs.
- C. Inactive Self-Help Groups should receive particular treatment through effective capacity building and handholding support.
- D. Being a part of a self-help group has contributed to members' increased self-confidence, improved interpersonal communication, and strengthened relationships with other self-help organisations.
- E. The self-help group may be viewed as an essential instrument in combating the widespread unemployment and poverty in the state. The SHGS regularly chose the intended.

Conclusion:

The Self Help Groups movement has a major objective in poverty reduction and women's empowerment for the impoverished because of the high degree of poverty. Self-help group bank links have the potential to reduce the issues of poor people's insufficient access to banking services, and microfinance programs are a crucial institutional tool for giving small loans to rural residents in an effort to reduce poverty. Numerous studies demonstrate how SHGs have taught the impoverished how to save money. Despite the remarkable microfinance numbers in India that are displayed in tables. It is still insufficient to make a significant difference in reducing poverty. However, India's experience with microfinance and Self-Help Groups (SHGs) demonstrates that these tactics are effective in combating poverty in developing and undeveloped nations. Women should be empowered to lead India to prosperity. Our female business

owners, Scientists, economists, politicians, and social welfare workers are paving the road for a better future. Women in Assam's rural and urban areas should have access to decent opportunities so they may contribute to the development of the entire nation and effect constructive social change. In countries all over the world, women are essential to the development and progress of any community.

Notwithstanding any shortcomings or issues that still exist to produce the desired degree of results, SHG operations have given women more options and have led to changes in the studied area. Selecting the recipients requires focused efforts from state and social authorities in order to maintain enthusiasm in a variety of endeavours. The absence of facilities for orientation and training, as well as for placing the items in profitable marketplaces, frequently dampens people's motivation. Only after achieving the desired degree of results on the personal front is enthusiasm for group efforts on social concerns expected.

References:

1. Sarania, R. (2015). Impact of self-help groups on economic empowerment of women in Assam. *International Research Journal of Interdisciplinary & Multidisciplinary Studies*, 1(1), 148-159.
2. Chaudhary (2009). "The Empowerment of Women and Globalisation." Agrawal, M. (editor). Kanishka, Publishers, Distributors.
Jain D. K. and Ganga. 2009. "Microfinance through the Formation of Self-Help Groups." Ahmed R. edited it. *Women's empowerment and microfinance* (part 2), A Mittal book, 2009.
3. Islam, M., & Sarmah, J. K. (2014). Impact of self help groups in empowering women: A study of rural Assam. *Social Change and Development*, 11(2), 90-97. Babar's Hindu University, Conference on Inclusive Growth and Microfinance Access, January 2011.
D.K. Panda, "Understanding Microfinance," 2009. New Delhi: Wiley India PVT. LTD.
M. Latha Dhanabhakyan, "Women Entrepreneurship in Rural Areas," 2009. Ahmed.R. edited it. "Microfinance and the empowerment of women" A Mittal book, 2009.
4. Das, D. K. Self-Help-Groups (SHGs) and Rural Development: A Study on the Role of SC Member SHGs at Lakhimpur District of Assam, India. International Institute of Cambridge, United Kingdom.