



A study on problems and prospect of SHGs in rural area of Assam

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Abstract

Self-help group help in stimulating women control over resources, decision making power about reproductive health in the Household. Women's autonomy and decision making power in their communities. So, in recent times SHG is regarded as backbone of women Development in society. Self-help group is mainly concerned with the enlistment of the women in the society through socio-economic aspects. This scheme was granted by government in 1992 with the aim of providing self-employment, training, awareness programmes, promote leadership qualities and confidential life to its women members.

Under the scheme of self-help group small enterprises are to be established in rural areas. The individual SHG can established these industries depending on the availability of local resources. But as the local resources are limited SHGs member faced numerous problem in the way of established micro institutional enterprises in rural areas. The problem are both from local resources and from governmental assistance as well as Non-repayment by debtor etc.

Keywords: self-help group, stimulating, backbone, development, confidentials, litigation, prospect

Introduction

There are numerous problems in rural areas of Assam related to illiteracy, Poverty, superstitions, ill health, lack of training and skills etc. These rural problem are connected one with another and these problem cannot be solved by individual effort without governmental support group effort. So self-help group is the vehicle of Change for the poor and marginalized people. It is a method of organizing the poor people and the marginalized to came together to solve their individual problem. The self-help group are constituted by the government, N.G.O and others worldwide financial institutions. The Government, including various organization and agriculture Rural Bank NABARD provide financial assistance to SHG. After receiving the money they utilized for targeted scheme like pig faming, cow farming etc., in return they received easy access to loan with a small rate of interest to start their micro unit enterprises. The rural poor and marginalized population in India are makes their livelihood through SHG and being development in the society.

The 9th Five years plan of the government of India had given the due recognition on the importance of relevance of the self-help group at the grass roots level.

Generally SHG schemes are low cost financial services aim for self-management and development for the rural women group. This scheme are meant only for women community in rural area. Self -Help Group can bring social and economic development in rural areas. Through self-help group rural women get scope of self-recognition in economic, social, political and educational field. Through SHG women engaged their valuable time in valuable works in weaving, sewing, making bakery, horticulture, sericulture and earn their livelihood as well as provided to increase national income. After getting healthy financial position rural women can able to participated in election campaign, educational programmes and varies other organizations. But the major problem of the SHG is that the educational level and technical skill of the majority of beneficiaries of SHG in rural areas is not enough to properly Maintained the complicated account system given for the programme and communicate with the bank officials. Sometimes banks cannot provide subsidy to the rural poor due to fear of non-recovery caused by large scale defaulters.

During 1991-92 NABARD launched 92 pilot projects on linking SHG with Bank in various part of the country. So, in Assam also SHG was launched in 1992. During the year 2009 to 2010, 13,673 members of SHGs covering 1,53,268 members in rural Assam received bank loan and subsidy. Although the member of SHGs in the state has been increasing during the last few years, the SHG bank linkage in the state has been still poor as compared to the rest of the country. Because of the several problems, it has not been so much successful as is expected in Assam. In this paper an attempt is made to study the problem and prospect of SHG in rural areas of Assam.

Objective

1. To identify the problems faced by SHG Members.
2. To know the prospects of SHGs.
3. To know the extent of governmental support system to the SHGs.
4. To suggest measures.

Methodology

The study is based on both primary and secondary data. In primary sample of 150 respondents from the 30 SHG were selected and data are collected by interviewing schedule. From secondary sources data are collected from Book, Published Journal, Internet sources etc.

Significance of Study

Generally women are as efficient as men and contribute much to the economic development. In particular SHGs contribute to social and economic development. SHG are facilitated to achieve independence in the lives of its members. Further SHGs are formed to improve mental caliber through proper awareness. Thus self-help group plays a major role in women empowerment through micro finance and bank linkage in collaboration with NGO and contribute for the upliftment of the rural economy. Self-help groups should function as non-political and controversial groups. The self-help group enable the people to improve their economic conditions. Self-Help Group gain momentum now- a- day because of its many folded effects on the economic empowerment of women.

Features of Self Help Groups

The self-help groups have special features with cooperative philosophy, locality are as follows.

- a. **Homogeneous membership:** As far as possible the members of Self Help Group may comprise from common socio economic background. It is a group of homogeneity in membership in absence of conflicting interests among the members.
- b. **No Discrimination:** There should be no any discrimination among the members based on caste, religion or political background.
- c. **Small Group:** Generally the group size may be 10 to 20 that the members are participative in all activities of the SHGs.
- d. Regular attendance in meeting achieve the effectiveness of SHGs in its functioning.
- e. There is transparency in functioning of SHG. It is important that all financial transaction are transparent in a SHG. This promote trust mutual faith and confidence among members.

Problem of SHGs

1. The educational level and technical skill of the majority of beneficiaries of SHG in rural areas is not enough to properly maintained the complicated account system envisaged in the program and communicate with the Bank officials.
2. In many cases banks are not cooperative in providing credit / Subsidy to the rural poor for bear of money recovering caused by large scale defaulters.
3. In the study area the role of NGO is very poor they are not providing any training facilities to the SHG members. So, the SHG members are suffering from, lack of training and skilled.
4. The members tend to be absent in their weekly and monthly meetings. So, they faced many problems.
5. The members of SHGs are facing problem in making their product, transportation and some SHGs are facing problem of inadequate raw materials.
6. Most of the SHG are facing problems in marketing their product, transportation and some self-help group are facing problem in adequate raw materials.
7. Most of the self-help group are selling their product in the local market sometimes they are not able to get adequate price for their products.
8. The preparations, organization of the poor, formation of SHG and their capacity building is a time consuming process and thus it is one of the important causes of slow progress of the program in the state.
9. Rate of interest charged from SHGs are 2%, 5% monthly were found quite high.
10. It is revealed in the study that in Assam, 52 percent SGSY and IRDP beneficiaries were affected by natural calamities against all India average of 10 Percent.

Prospects

1. The SHG can be treated as an important means of solving widespread poverty, unemployment in the state. These SHG always identify the targeted activities in the basis of local requirement and resources base which helps for decentralized growth of the state.
2. The involvement in the self-help group has contributed in improving self-confidence of the members. The feeling of self-worth and communication with others improved after association with the self-help groups.
3. The self-help group can be very effective mode which can mitigate rural poverty and also act as a tool for women empowerment. The members became more assertive in confronting social evils and problems situation after formation of SHG.
4. Provision of the meaningful training for capacity building of the members of the SHGs, NGOs, women organization, panchayat etc. must received utmost importance. In Assam women organization have a very large network which can be transformed into effective and largest SHGs by providing adequate amount incentives, encouragement and training.
5. Attitude of Bankers needs to be changed on arguent basis. NGOs and PRIs intermediation pressure from other catalytic agencies can help a lot in this regard. SHG and financial priority to insurance of loan assets.

6. Direct involvement of bank and SHGs may help reducing the transaction cost in providing credit to poor by passing some of the responsibilities of loan appraisal, follow up action and recovery etc., which may much higher rate of the other poverty eradication programme.

Conclusion

Assam is relating backward state where 70 percent stays in rural areas. Out of this 30 percent comes below poverty line and 60 percent under marginal and small farmers. Small amount of loan at frequent interval is common need among them to fulfill their livelihood need. The SHGs have an important role to play in the respect. These also provide employment to surplus labour of the agriculture sector. The promotion of quality SHGs on a large scale with special focus on comparatively backward areas of Assam is urgently required. In this respect concerned government, general public and the new generation should have a keen and positive attitude towards the SHGs movement of the state for the future improvement of the state.

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