

Role of SHGs in Reducing Economic Disparities in Rural Areas of Assam

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Abstract: *This study examines the impact of Self - Help Groups (SHGs) under the National Rural Livelihood Mission (NRLM) on employment creation and reducing regional disparities in rural Assam, focusing on Sarukshetri block in Barpeta district. The research highlights the critical role of SHGs in empowering rural communities, especially women, through income - generating activities, financial inclusion, and social development. Findings reveal improved socioeconomic conditions among SHG members, including higher literacy rates, increased savings, enhanced self - employment opportunities, and reduced poverty. The study underscores the importance of SHGs as a sustainable tool for addressing rural economic imbalances and fostering balanced economic growth in Assam.*

Keywords: Self - Help Groups, rural development, poverty reduction, economic disparities, Assam

1. Introduction

India lives in villages with 64.13% rural and out of which 28.3% rural people still live below poverty line. Most of the rural people of India engaged in primary sector who lives in misery condition in comparison to the people engaged in secondary and tertiary sector and the disparities among them are distinct every sphere of rural life. In recent years, India has witnessed a positive trend of economic growth but still the contribution is not as expected because of the existence of social and economic disparities in rural areas of Assam. Since the inception of the five-year plan, tremendous effort has been made to reduce these disparities but it has been reducing at a very insignificant. It is realized later on to adopt new approach to remove poverty and generate employment for poor, especially for rural poor through Self - Help Groups and in 1999, a new self - employment programme 'Sarnajayanti Grameen swarojgar Yojana (SGSY)' was launched by ministry of Rural Development and to National Rural Livelihood Mission (NRLM) in 2011 and it became an powerful instrument in removing regional disparities by uplifting the rural poor by providing self-employment opportunities to them. The paper attempt to analyse the impact of Self - Help Groups in creating employment opportunities in rural areas of assam and its role in reducing the regional disparities through the field study conducted in sarukshetri block of Barpeta District of Assam.

In recent years, India has witnessed a positive trend of economic growth and GDP growth rate accounted for 7.6% in 2023. Economic development is the key indicator of a nation's all - round development and the other indicators bears a cause-and-effect relationship with it. Though the increased pace of economic development showers a ray of hope a little bit, it is not enough to encounter the deep-rooted economic backwardness of the country with vicious circle of poverty, unemployment. To accelerate the development process in true sense, immense importance and emphasis should be given on rural development which is key to the all-round development of the nation and development in real sense can only be achieved if and only if the regional disparities can be reduced in by creating more and more income generating economic activities in rural areas.

Rural development is a strategic way of uplifting the standard of living and quality of social, cultural, political and economic life of the people living in rural areas. It's an action plan for improving the various social and economic variables and area that are lagging behind in the race of rural development. Rural development ensures the provision of source of livelihood, access to basic amenities of life, e. g. - food, health facilities, sanitation etc., infrastructural facilities like electricity, banking, transport and communication, irrigation, credit and marketing facilities, reduction of poverty, creation of employment opportunities and improvement of human resource. Rural people accounted for about three fourth of the total population and more than two third of rural population still depends on agriculture. So, development of rural area and upliftment of the rural people is the most important essence for development. If rural development cannot be implemented in true sense, it will hinder the path of growth and development of the nation and root of the nation's development lies in rural development.

After independence, tremendous efforts have been made by the government of India to uplift the poor living below poverty line by reducing poverty and by increasing employment opportunities in government sector as well as in private sector and try to create self-employment opportunities.). In 1999, a new self - employment programme 'Sarnajayanti Grameen swarojgar Yojana (SGSY)' was launched by ministry of Rural Development, government of India. "The SGSY scheme is operative from 1st April 1999 in rural areas of the country. SGSY is a holistic scheme covering all aspects of self - employment such as organisation of the poor into Self - Help Groups, training, credit, technology, infrastructure, and marketing. The scheme will be funded by the financial institutions, Panchayat Raj Institution, District rural Development agencies (DRDAs), Non Government Organisation (NGOs), Technical Institutions in the district; will be involved in the process of planning, implementation and monitoring of the scheme. NGO's help may sought in the formation and nurturing of the Self - Help Groups (SHGs) as well as in the monitoring of the progress of the swarojgar. Where feasible their services may be utilized in the provision of technology support, quality control of the products and as recovery monitor cum facilitators" (Sarnajayanti Grameen

swarojgar Yojana guidelines, RBI, 2012). Ministry of Rural Development of Government of India has upgraded Swarnajayanti Grameen Swarojgar Yojana (SGSY) to National Rural Livelihood Mission (NRLM) in 2011 on the recommendation of Radhakrishna Committee Report - 2010. The aim of NRLM is to “reduce poverty by enabling the poor households to access gainful self - employment and skilled wage employment opportunities, resulting in sustainable and diversified livelihoods of the poor. This is one of the world’s largest initiatives to improve the livelihoods of the poor. The mission seeks to achieve its objective through investing in four core components viz., (a) social mobilisation and promotion and strengthening of self - managed and financially sustainable community institutions of the rural poor women, (b) financial inclusion, (c) sustainable livelihoods and (d) social inclusion, social development and access to entitlement through convergence.’ (<https://aajeevika.gov.in>). Within a decade, NRLM become the world’s largest community based poverty alleviation Programme using Self - Help Groups (SHGs) of rural poor, specially of rural women as its operating units and the SHGs Movement has made an positive impact on the socioeconomic life of the members of the SHGs and enable to reduce the regional disparities in India as well as in Assam. To analyze the role of Self - Help Groups in reducing regional disparities in Assam we have to make detail survey over sample groups of SHGs and their members in Barpeta district. In doing so, we have selected 20 SHGs which is about 2% of total number of 913 SHGs and 200 members which is about 2% of 10003 members of SHGs under Surakshetri Block of Barpeta district.

2. Aims and Objectives of the study

The broad objectives of the study are laid down as follows:

- 1) To access the performance of Self - Help Groups formed under DAY - NRLM
- 2) To study the income generating potential of the Self - Help Groups in Barpeta District.
- 3) To analyse the socioeconomic status of SHG members before and after joining SHG.
- 4) To study the gap between the rural poor and rural rich of rural areas before and after SHG movement in the study area.

3. Research Design

The study is based on descriptive research design. The study which describes the status and characteristics of an individual, a group, or a community, say the SHGs and their and members, with respect to their socioeconomic status, such as age sex, educational status, occupation, income saving, borrowing, indebtedness, employment status etc. is known as descriptive research design. It is attempts to analyze, interpret and report the present studies of a institution, group or area or any establishment. It seeks to answer the question what are the real facts with regard to existing conditions. The objective of the descriptive research design is to answer who, what, when, where and how of the subject under study. The sources of data collection are direct observation as in the interview, indirect observation through questionnaire, schedule and checklist etc. The descriptive Research Design invoice the following steps

- 1) **Universe of the study:** The universe of the study consists of 13788 SHGs with 163595 members of Barpeta district (<https://nrlm.gov.in/shgOuterReport.do?methodName=showShgreport>), for an indepth study of various parameters of them the universe is restricted to the Sarukshetri Development block of Barpeta district.
- 2) **II. Sample frame:** In Barpeta district there are 8 development blocks. Out of these, we have selected Sarukshetri block on the ground that in this block, lowest number of 929 SHGs has been formed and their smooth functioning continues though all are not getting financial support from the banks. In Sarukshetri block out of 929SHGs with 10323 members, 855 have got revolving fund and 541 have got community investment fund (CIF). Out of 929 SHGs we have purposively selected 2% that is almost 20 SHGs and 2% or 200 of total 10323 members of SHGs under DAY - NRLM as sample under Surakshetri development block.

4. Findings of the Study

Findings of the Study The study draws the major findings as follows

- 1) In 200 sample households, there are 922 populations of which 470 are male and 552 are female. So the sex ratio is 962 female per 1000 male.
- 2) The average size of household is about 4.8
- 3) In the study area, out of 200 families 83 percent are nuclear family and 17 percent are joint family.
- 4) Out of the total population, 58 percent belongs to the earner of the age group of 18 - 60, 15 percent belongs to the age group of 0 - 6, 13 percent belongs to the age group of 7 - 17 and 14 percent belongs to the age group of 60 and above years.
- 5) Out of the total, 32 percent populations are found to be engaged primary occupation, 18 percent are found to be engaged in secondary and 50 percent are found to be engaged in tertiary occupations.
- 6) The literacy rate of the sample households of the members is 81.6 percent out of which 85.4 percent are male and 66.8 are female.
- 7) Out of the 200 sample households, 55 percent are landless, 30 percent are marginal and 8 percent are small landlords and 7 are big landlords.
- 8) Out of the sample household, 74.0 percent are living below poverty line, where 4.5 percent are extremely poor, 9.8 percent are very much poor, 14.4 percent are very poor, 49.4 percent are poor and 22 percent are rich as per the IRDP booklet published by DRDA.
- 9) Out of the total household, 89.2 percent are found to have Assam Type house and 10.8 percent live in thatched houses including single tin roof.
- 10) About 22 percent of the total population of the sample households has to support 78 percent of their family out of which 15 percent contribute something to their family.
- 11) Out of the 20 SHGs 48.15 percent are economically active, 34.46 percent are growing in potential and 11.39 percent are completely failed to earn.
- 12) Out of 200 members after joining SHGs 64 percent members started economic activities of their own earning Rs.150/- to Rs.225/- per day.

- 13) After joining SHGs the amount of yearly savings of the members of SHGs has increases from Rs.240/- to Rs.600/- to Rs.800/- to 2000/- .
- 14) After joining SHGs members started borrowing from their groups at lower rate of interest at an average amount of loan ranged between Rs.5000/- to Rs.10000/- per annum.
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5. Conclusions

SHGs are the one of the most important and effective instruments of eradication of poverty of the rural masses which has increased the amount of income and become helpful to reduce the gap between rich and poor in the rural areas of the study area and as well as in Assa. In the recent years, government give emphasis in the reducing the economic imbalances of the rural areas by improving of the economic status as well as the standard of living of the rural poor through various government schemes, financing SHGs through bank is one of them. The mindset rural poor have changed regarding formation of SHGs and find their way of uplifting their living standard by taking up economic activity through SHGs and employment opportunities in unorganized sector of rural area have getting its momentum. In near future, it is hope that new door of hope will open and more economic activity will be explored in various field and more and more rural poor will their employment through SHGs and it is expected to witnessed a balanced economic growth in rural areas of Assam by reducing the economic imbalances in rural areas.

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