



THE ROLE OF SELF-HELP GROUP IN POVERTY ALLEVIATION, A CASE STUDY IN THE DISTRICT OF LAKHIMPUR, ASSAM.

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ABSTRACT

Self-Help Groups (SHGs) have emerged as a powerful tool in the global fight against poverty, particularly in developing countries. This abstract presents a comprehensive overview of the role and impact of SHGs in socio-economic development, drawing upon existing literature and empirical evidence.

SHGs are community-based organizations comprising members with similar socio-economic backgrounds who come together to address common issues, particularly pertaining to poverty alleviation and women's empowerment. Through collective savings, peer support, and skill-building initiatives, SHGs enable their members, predominantly women, to access financial resources, build livelihoods, and enhance their social and economic status.

Keywords: Functioning of SHGs, Impact of SHG Challenges Faced by SHGs, Policy and Programmatic Implications

INTRODUCTION

Assam State Rural Livelihoods Mission Society (ASRLMS) is implementing the DAY-NRLM in the State since November, 2011, with the objective of enhancing the social and economic empowerment of the rural poor in Assam. It has been designed as a multipronged approach to strengthen livelihoods of the rural poor by promoting SHGs, providing skill development and placement for youth for wage-based occupations in different private/business organizations and imparting self-employment-oriented training.

ASRLMS has undergone various phases of learning and has demonstrated significant successes till date in terms of formation of quality Self Help Groups, their financial assistance and sustainability. Attention has been given on the assessment of the status of SHG movement in the state, bringing good SHGs into Village Organization and Cluster Level Federation fold, further support and facilitation required, on bank linkages to SHGs and on how the programme is to be implemented in a mission mode in a phased manner. Self-Help Groups (SHGs) are small, informal associations of people who share a common goal or experience and come together to support one another. These groups typically consist of individuals facing similar challenges, such as health issues, addiction recovery, mental health concerns, or economic empowerment. The primary purpose of SHGs is to provide a platform for members to share their experiences, offer emotional support, exchange practical advice, and collectively work towards common objectives. They often follow a structured format, with regular meetings where members discuss their progress, set goals, and provide encouragement to one another. One of the key features of Self-Help Groups is that they are usually led by the members themselves rather than professionals or experts. This peer-led approach fosters a sense of empowerment and solidarity among participants, as they draw strength from each other's experiences and successes. Self-Help Groups can address a wide range of issues, from personal development and mental health to social advocacy and community development. They serve as invaluable resources for individuals seeking guidance, companionship, and motivation on their journey towards self-improvement and empowerment. Additionally, SHGs often contribute to building social capital and fostering community resilience by promoting collaboration and mutual support among members.

AIM AND OBJECTIVE

- The purpose of the research is to investigate the impact of Self-Help Groups (SHGs) on community empowerment, particularly in rural or underprivileged areas.
- This research aims to assess the effectiveness of SHGs in promoting economic self-sufficiency, social cohesion, and individual empowerment within these communities.
- To study SHG members promoting self-reliance, inclusive growth, and sustainable development outcomes.

Literature Review

Research on Self-Help Groups (SHGs) spans various disciplines, including economics, sociology, public health, and development studies. Here's a review of some key themes and findings from existing literature:

Functioning of SHGs:

- Studies have highlighted the participatory nature of SHGs, emphasizing the importance of democratic decision-making processes and collective action among members.
- Research often discusses the role of SHG leaders or facilitators in providing training, guidance, and facilitation of group activities.
- The formation and sustainability of SHGs are often explored in terms of factors such as group cohesion, leadership quality, and external support from NGOs or government agencies.

I. Impact of SHGs:

- **Economic Empowerment:** Numerous studies have documented the positive impact of SHGs on members' income levels, savings behaviour, and access to credit. SHGs often provide microfinance services, allowing members to invest in income-generating activities and small businesses.
- **Social Empowerment:** Research indicates that participation in SHGs can lead to increased self-esteem, confidence, and decision-making power, particularly among women. SHGs serve as platforms for social mobilization, advocacy, and collective empowerment.
- **Health and Well-being:** Some studies have examined the health-related benefits of SHG participation, such as improved access to healthcare services, adoption of health-promoting behaviours, and increased social support for individuals facing health challenges.

II. Challenges Faced by SHGs:

- **Sustainability:** One common challenge is the long-term sustainability of SHGs, particularly in the absence of external support or favourable economic conditions. Maintaining group cohesion, addressing conflicts, and ensuring leadership continuity are key issues.
- **Financial Viability:** SHGs may face difficulties in accessing affordable credit, especially in regions with limited financial infrastructure or where formal banking services are inaccessible.
- **Gender Dynamics:** Despite the potential for women's empowerment, gender-based barriers such as social norms, intra-household dynamics, and limited mobility can hinder women's full participation and decision-making within SHGs.

III. Policy and Programmatic Implications:

- Many studies offer insights into effective strategies for supporting and strengthening SHGs, such as providing capacity-building training, facilitating linkages with formal financial institutions, and promoting gender-sensitive approaches.
- There is a growing recognition of the need for supportive policy frameworks that enable the scaling up of successful SHG models and ensure their integration into broader development agendas, including poverty reduction, women's empowerment, and social inclusion.

Overall, the existing literature on SHGs provides valuable insights into their functioning, impact, and challenges, highlighting their potential as vehicles for community empowerment and poverty alleviation, while also underscoring the importance of addressing contextual factors and ensuring sustainable support mechanisms for their success.

METHODOLOGY:

The study is based on both primary and secondary data. To collect primary data from sampling unit, a sample survey has been made and for this purpose a suitable questionnaire was prepared to collect information from the sample village for the secondary data various books, journals, articles and newspapers were used for referral.

The field study was conducted by selecting four representatives Shg from four different villages namely KalitaGaon, RajkhowaGaon, Acherakata and LohitKabolu, situated under BMMU Telahi Development Block in the Lakhimpur district of Assam. Out of the total households of the representative four villages one SHG from each village and total number of sample household is Forty female from Four SHG, these Four villages and four SHG from Forty household for their representative character for the economy.

ANALYSIS AND FINDING

In sample survey data has been collected from Forty representative household to find out the present scenario of the SHG women in Telahi Development Block. In my study data are arranged in tabular form to facilitate comparison and show involved relation

IMPACT ASSESSMENT

The impact of Self-Help Groups (SHGs) on the socio-economic development of their members and the community can be significant and multifaceted. Here's an evaluation of their impact:

I. Economic Empowerment:

- **Increased Incomes:** SHGs provide access to credit and savings facilities, enabling members to invest in income-generating activities such as agriculture, livestock rearing, small businesses, and handicrafts. This leads to higher household incomes and economic stability.
- **Asset Creation:** Members accumulate assets over time through savings and investments, including land, livestock, housing, and productive assets like machinery and equipment.
- **Poverty Reduction:** By generating additional income and building assets, SHGs contribute to poverty reduction among their members and their households, improving their standard of living and reducing vulnerability.

TABLE NO 1 STATUS OF LIVELIHOOD RATIO

VILLAGE	SHG NAME	MEMBER	LIVELIHOOD ACTIVITIES	MEMBER ENGAGEMENT IN LIVELIHOOD ACTIVITIES	TOTAL INVESTMENT	PROFIT	PROFIT PERCENTAGE
LIGIRAMUHK	PURNIMA SHG	10	HANDLOOM	10	150000	30000	200%
ACHERAKATA	ADISUTIMAJARCAHAPORI	10	SERICULTURE	10	80000	24000	300%
KHARKATI	ASOMI	10	VERMICOMPOST	10	200000	20000	200%
PHUKANAHAHAR	GARIMASHG	10	BACKERY	10	200000	35000	175%

II. Women's Empowerment

- **Enhanced Decision-making:** Participation in SHGs empowers women to become active decision-makers within their households and communities, gaining confidence, voice, and agency in family and community affairs.
- **Leadership Development:** SHGs provide opportunities for women to develop leadership skills, take on leadership roles within the group, and engage in community leadership positions, challenging traditional gender norms and roles.
- **Access to Resources:** Women gain increased access to financial resources, information, and support networks through SHGs, enabling them to overcome barriers to economic and social participation.
- **Social Cohesion:** SHGs foster social cohesion and solidarity among members, creating a sense of belonging, mutual trust, and support within the community. This strengthens social networks and promotes collective action for community development.
- **Community Initiatives:** SHGs undertake collective community development initiatives such as building schools, health centres, water supply systems, roads, and sanitation facilities, addressing local needs and improving the quality of life for all community members.
- **Awareness and Education:** SHGs promote awareness and education on various social issues such as health, hygiene, nutrition, gender equality, and environmental sustainability, leading to positive behaviour change and improved well-being.

IV. Financial Inclusion and Access to Services:

- **Access to Formal Financial Services:**SHGs facilitate access to formal financial services such as savings accounts, loans, insurance, and pension schemes for their members, promoting financial inclusion and resilience.
- **Linkages with Government Programs:**SHGs act as intermediaries between their members and government programs, facilitating access to social welfare schemes, subsidies, and entitlements in areas such as health, education, housing, and employment.

V. Empowerment Beyond Economic Sphere:

- **Psychological Empowerment:**Participation in SHGs enhances members' self-esteem, self-confidence, and sense of dignity, empowering them to challenge social norms, stereotypes, and discrimination.
- **Political Participation:**SHGs serve as platforms for political mobilization and advocacy, empowering members to engage in local governance, participate in decision-making processes, and advocate for their rights and interests.
- Overall, SHGs have a transformative impact on the socio-economic development of their members and communities, empowering marginalized groups, promoting inclusive growth, and fostering sustainable development at the grassroots level. Their success lies in their participatory approach, collective action, and emphasis on building social capital and solidarity within communities.

This research aims to assess the effectiveness of SHGs in promoting economic self-sufficiency, social cohesion, and individual empowerment within these communities

I. Income and Livelihoods:

- **Increased Incomes:**Members of SHGs often experience a noticeable increase in their incomes due to access to credit, savings, and income-generating activities facilitated by the group. This additional income enables them to meet their basic needs, invest in education, healthcare, and asset-building.
- **Diversification of Livelihoods:**SHG members diversify their livelihood options through activities such as agriculture, animal husbandry, micro-enterprises, and artisanal work. This reduces their dependence on single sources of income and enhances their resilience to economic shocks.
- **Poverty Alleviation:**The cumulative effect of increased incomes and diversified livelihoods contributes to poverty alleviation within households and communities, improving living standards and reducing vulnerability.

II. Social Cohesion and Solidarity:

- **Strengthened Social Networks:** SHGs foster social cohesion and solidarity among members through regular meetings, mutual support, and collective decision-making. Members develop strong bonds of trust and cooperation, providing a safety net during times of adversity.
- **Enhanced Community Relationships:**SHGs often extend their activities beyond economic pursuits to include social and cultural initiatives that bring community members together. This promotes a sense of belonging and unity, transcending caste, religion, and other social divides.
- **Collective Action:**SHGs mobilize collective action for community development projects such as infrastructure improvements, environmental conservation, and social welfare activities. This builds community resilience and fosters a sense of ownership and pride among residents.

CHALLENGE AND OPERTUNITIES

In Telahi Development Block, Self-Help Groups (SHGs) face various challenges that hinder their growth and effectiveness. Some of the common challenges include:

I. Access to Credit: SHGs often struggle to access formal credit from banks and financial institutions due to lack of collateral, proper documentation, and credit history. Limited financial literacy among SHG members may also contribute to difficulties in understanding loan procedures and requirements.

TABLE NO 2 SHG FINANCIAL INCLUSION ROTIO

NAME OF VILLAGE	NAME OF SHG	SHG RECEIVED RF/CIF	SHG MEMBERS RECEIVED BANK LOAN	TOTAL PERCENTAGE
LIGIRAMUKH	PURNIMA SHG	RF/CIF	10	100
ACHERAKATA	ADISUTI MAJAR CHAPORI SHG	RF/CIF	10	100
KARKATI	ASOMI SHG	RF/CIF	10	100
PHUKANAHAT	GARIMA SHG	RF/CIF	10	100

II. Market Linkages: Many SHGs engage in small-scale entrepreneurial activities such as handicrafts, agriculture, or livestock rearing. However, they often encounter challenges in accessing markets for their products. Lack of information about market demand, pricing mechanisms, and inadequate infrastructure for transportation and storage hinder their ability to reach wider markets and secure fair prices for their goods.

III. Capacity Building: Capacity building is crucial for SHG members to enhance their skills in various areas such as financial management, entrepreneurship, and leadership. However, there may be limited resources and opportunities for capacity building programs in Telahi Development Block. Lack of training programs tailored to the specific needs of SHG members can impede their ability to effectively manage their group activities and businesses.

IV. Social Empowerment and Inclusion: SHGs often aim to empower marginalized and vulnerable sections of society, including women, by providing them with a platform for collective action and economic independence. However, deep-rooted social norms and gender inequalities prevalent in the community may pose challenges to the active participation and leadership of women in SHGs. Ensuring the inclusion of all members regardless of caste, religion, or gender remains a persistent challenge.

V. Technological Access: In today's digital age, access to technology and digital literacy are increasingly important for economic activities and accessing government schemes and programs. However, many SHG members in Telah DevelopmentBlock may lack access to basic technology such as smartphones and the internet, limiting their ability to leverage digital platforms for market information, financial transactions, and skill development.

RESULT AND DISCUSSION

To summarize the key findings of the research on Self-Help Groups (SHGs) in Telahi Development Block SHGs face several challenges including limited access to credit, inadequate market linkages, capacity building constraints, social empowerment issues, and technological barriers. These challenges hinder their effectiveness and sustainability in driving local economic development. There's an opportunity to enhance SHG effectiveness through improved access to formal financial services. Establishing partnerships with banks and microfinance institutions can facilitate credit, savings, and insurance products tailored to SHG needs. Investing in comprehensive capacity building programs can enhance SHG members' skills in financial management, entrepreneurship, market linkages, and leadership. Collaborations with NGOs and government agencies are crucial for delivering targeted capacity building interventions.

Strengthening market linkages and supporting SHGs in product development, branding, and quality certification can enhance their competitiveness. Opportunities for value addition through processing, packaging, and marketing should be explored. Promoting digital literacy and encouraging the use of technology can improve efficiency, transparency, and access to information among SHGs. Digital platforms offer opportunities for e-commerce, online marketing, and mobile-based advisory services. Fostering a supportive environment for social empowerment and inclusion within SHGs is essential. Promoting gender equality, social cohesion, and collective decision-making can enhance SHG effectiveness. Advocating for supportive policies and regulatory frameworks is crucial for SHG sustainability. Engaging with policymakers and advocating for increased budgetary allocations and targeted support can strengthen SHG promotion and livelihood enhancement programs.

CONCLUSIONS

The SHG Women under Telahi Development Block contribution in family economy is considered highly significant, the income earned by them is less compared to the other women of different Block, in order to make them financially, socially and economically women should be given prime important. Overall, addressing these findings can contribute to the effectiveness and sustainability of SHGs in Telahi Development Block, empowering communities and promoting inclusive development.

The findings of the research on Self-Help Groups (SHGs) in Telahi Development Block have significant implications for both theory and practice in the field of community development and Bank Linkage:

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