

# Grassroot Development and Women's Empowerment: Evaluating Self Help Group Initiatives for Inclusive and Sustainable Rural Transformation

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## ABSTRACT

India has been witnessing a rapid growth in the economy in the past few decades, from a agrarian economy to opening up to different sectors, yet the development in the rural areas of India is still lopsided, People living below the poverty line still suffers major financial crisis, low wage jobs, unemployment problems. There are plenty of ways to improve the livelihood and socio-economic development of people living below the poverty line threshold, One such way is through empowerment of women, providing them the opportunity and push to do something on their own with togetherness, Self help group (SHG) is a transformative approach focused on empowering and mobilizing rural women, those belonging from marginalized and poor background in both urban and rural areas, The main aim of forming self help group is poverty alleviation by providing micro loans and subsidies, reducing the need to go through traditional collateral requirements. SHG's also focuses on providing a forum for women to share their problems, their issues in daily life. The growing importance and benefits of SHG's in the district of Jorhat, Assam can be attributed to various factors- training and development schemes provided by the government for the capacity building, monetary assistance and subsidies provided by the government and bank tie-ups, low interest loans have given them the necessary support to start livestock farming, tailoring and financing small grocery shop's and grow their businesses, along with the coordination and understanding of their group members during delayed weekly monetary contribution, providing support for each other during their hard time dealing with stressors and other allied support.

Keywords- poverty alleviation, development, marginalized community, government.

## INTRODUCTION

India is currently growing at a rapid speed, with positive economic indicators, and its underlying potential, it is likely to surpass the developed nations, yet there still lies major issues regarding the development of the marginalized community, specifically women- gender discrimination, gap on education, in-equal pay, marital issues, social discrimination, and mostly economic dependence on male family members. Women facing discrimination has been going on since ages and has been persisting in the country, with special reference to Jorhat, Assam especially the rural section, where the development is lopsided in comparison to urban counterparts as people are mostly dependent on agriculture to earn their livelihood and yet they don't receive fair returns of the necessary support they deserve which creates a situation of inequal distribution of income, with majorly affecting the people belonging to socially and economically marginalized community. Here, Self Help Group (SHG) plays a crucial role in the growth and development of the marginalized community, especially women. With government initiative such as SHG- bank linkage initiatives, women can now avail loans at ease with low interest rates. Ghosh, M. (2012) mentioned in his study that SHG bank linkage program has witnessed a positive mark in recent times in the nation, the program has seen to be positively impacting the southern part of the country, the growth has not been uniform across the nation with northern, north eastern, western and central parts still lagging behind, yet the growth compared to pre- SHG era has been positive.

Empowered through SHG's, Women who doesn't have access to traditional banking system can avail for micro-credit loan, acting as bridge between the marginalized communities, especially the rural counterparts and financial

institutions. There are a large number of household's who doesn't have their own land for agriculture nor for residence, in that case, without collateral availing a loan is impractical, poor people who doesn't have the knowledge on how the credit system works, SHG plays both a facilitator and a guiding mechanism for people. With pooling just a nominal amount of per month depending on the member's needs and capabilities creating a common fund, here members can borrow money in a situation of emergency, medical urgency, business activities- small shops, poultry, tailoring, small manufacturing units. By getting access to micro loans at lower interest rates, it gives women a opportunity to be self reliant, financially independent, exploring entrepreneurial avenues, increase in the decision making power giving them the chance to sharpen their skills.

There are various initiatives taken by both the Central and State Government in fostering the growth of SHG's in India, the ultimate objective of fostering the growth of SHG is to uplift the people living below poverty line (BPL), and those belonging to rural areas, providing them credit at ease will increase the financial inclusivity among the nation. Reddy, A. A(2011) mentioned in his study that NGO's, Commercial banks and other financial entities are deliberately working towards promoting the culture of SHG and savings regionally and the flow moving towards national level with a aim to eradicate poverty

The growth of Self Help Group has led to the boost of co-dependency among women's of both rural and urban areas belonging from marginalized community, this had led to financial relief and communication of hardships of women's among them.

## CONCEPT OF SELF HELP GROUP

The concept of Self Help Group (SHG) can be traced back to Bangladesh with its proponent Dr. Muhammad Yunus who proposed the concept with a target of poverty alleviation, social empowerment of the marginalized community, especially the poor. Self Help Group is a committee of people who gather together with a common motive. The group is formed between homogenous individual's sharing similar socio- economic status, locality, needs and goals, the members meet at a regular interval and collect small amount of money among the members, 25 -100 rupees per member, based on mutual consensus among them, thus creating a joint fund, the accumulated fund is used to provide loans to members at a low interest rates in comparison to banks and NBFC's, these small loans acts as a helping hand during emergency such as financial crisis, a medical emergency, starting a small business in poultry, livestock, handloom, tailoring or other such avenues. The concept of SHG works on the principle of joint accountability, All the members of the respective SHG's are jointly responsible for timely repayment of loans taken by the members, ensuring mutual accountability and prompt payment of loan. SHG's also focuses majorly on capacity building of its members, developing the skills, knowledge, training on entrepreneurship, how to grow a business, SHG's also provides a forum for the women to share their problems, their struggles, receiving an emotional support boosts their morale and confidence. Overall Self Help Group (SHG) plays a very crucial role in nation building by fostering an inclusive development, promotion of SHG's in the nation acts as a crucial step towards reducing poverty, providing a forum to the women belonging to the below the poverty line threshold, and and those sharing same socio- economic background, especially the rural counterparts, a step towards empowering the marginalized community. With the growth of SHG, women now can equally contribute towards the family by generating an additional income, thereby reducing the financial stress and taking financial responsibilities such as children education, medical expenses in emergency, food an other amenities, eventually sharing equal responsibility and towards a better living standard.

## ROLE OF SHG IN NATION BUILDING

An approach aimed at inclusive development of women through SHG's, empowering women will ultimately contribute towards the development of the a nation. Deininger & Liu (2009) mentioned in their study that, in India the concept of SHG was first initiated by National Bank for Agricultural and Rural Development (NABARD), they examined the concept with 500 SHG's in the nation, since then, Self help group has seen a phenomenal growth in nation and across the globe making India the fastest and the largest growing country with easy access to microfinance.

A study conducted by (NABARD, 2016-17 ) found that India's very own creation, SHG Bank Linkage Program (SHGBLP) has showed a very promising signs, resulting in poverty alleviation, and various women empowerment initiatives. A report by NABARD on microfinance (2016), 79.03 lakh SHGs have active savings accounts with a corpus amount of Rs. 13,69,139 lakh, along-with SHG's now can avail loans upto nearly 2 lakh, the amount is used for various business activities- Agriculture (Vegetable farming, Dairy farming, Fish breeding, Mushroom cultivation), Handicrafts (Weaving, handloom, bamboo crafts and pottery), Eco- friendly products (Jute bags, organic fertilizer), food processing activities (various fruits jams and jelly, pickle, and bakery items). These are some income generating activities taken up by the SHG's to improve their living, fostering self reliance, these income generating streams thereby leads poverty reduction and ultimately contribution to the economic and social growth of the nation.

## **CHALLENGES FACED BY SHG'S IN RURAL ASSAM**

Assam is a prominent north-eastern state with a heterogeneous population and diverse socio-cultural background. According to data published by Census of India, (2022) highlighted that the total population of Assam is at 353.78 lakh, with 180.06 are male and rest 173.71 are female. The majority of the population living in the rural areas which accounts for 86% and rest 14% lives in the urban areas. Assam is among one of the top state of the country with the highest average staying in the rural areas. With people mostly living in the rural parts of the state, their main source of earning is Agriculture, animal husbandry, tea cultivation, handlooms and handicrafts, and workers at various industries earning daily wage which is not enough to sustain life in the current economic scenario. Agriculture being the backbone of the rural area's, faces major issues regarding up-scaling, using traditional method of cultivation, fluctuating market prices, dependence on a few crop throughout the year which creates seasonal unemployment and negatively impacts the farmers earnings. The rural population of Assam faces a plethora of problems with major one's such as lack of employment avenues, and underemployment problems, poor infrastructure, education and health issues, social issues. As crop production in Assam is seasonal in nature the agricultural land stays unutilized for most part of the year, with droughts, and floods significantly impacting the paddy production, and with the rising prices, it is no profitable for the farmers.

In light of the ongoing rural issues, SHG's play a vital role in bridging the gap between the marginalized community and the opportunities, breaking the traditional barriers of the banking system especially for the poor who once felt neglected, SHG's provides a forum for easy access to credit through collaborative savings, aiding financial support to the under-privileged households provides a freedom against dependence on moneylenders. With the initiative of SHG-bank linkage program by NABARD, women can now get accessed to formal banking structure, this scheme so far has been a success in financial inclusion of the rural areas, women now avail loans and grants at a substantially lower interest rate at ease, which gives them the opportunity to start a business as a group and individually, thus financially contributing to the household gives them a sense of pride, cooperation, trust and leadership abilities, SHG also educate and aware about various underlying issues and its solutions, children education, proper hygiene and sanitation though various government initiatives, and sustainable practices. Especially fostering the culture of savings among the rural households and educating them about reducing the misuse of funds on activities such as gambling, alcohol, impulsive spending on expensive mobile phones, TV set, motor vehicle's on EMI's, educating rural household's about financial literacy and importance of a planned budget, awareness about financial fraud, excessive borrowing and cash mismanagement, and a proper investing strategy. These activities implemented at regional level is showing promising results from a macro aspects, thus SHG acting as a catalyst for the growth and development for the rural areas by reducing poverty and unemployment, promoting social equality and thereby overall development of the nation.

## **OBJECTIVES**

- To identify the gaps in inclusive growth of the SHG's
- Major issues faced by the SHG's
- How are the funds being utilized for various income generating activities

## REVIEW OF LITERATURE

- SHG is a transformative step towards women empowerment, yet there are some underlying crisis. Bortamuly & Khuhly (2013) in their study revealed that, SHG's in Assam faces major issues and complications regarding allocating resources and land for starting various business initiatives, along-with a major issue encountered by the SHG's is lengthy and complicating formalities in availing government loans and schemes which act as a major barrier for the poor and less educated individuals among the marginalized community. Further, the lack of unity and keenness among the fellow group members to participate in various development and capacity building programs act as a bottleneck towards the development of SHG's in Assam.
- A major set-back in the nation pre-SHG implementation was the lopsided distribution of income and development. Puhazhendi & Badatya (2002) in their work found that post implementation of the SHG movement led to serious development in the economic structure of the SHG members, their were favourable outcomes such as, gaining respect from their family members, increased participation in the decision making in the family, a major boost in the self- esteem and confidence of the members as they started contributing financially towards the family, the domestic abuse by the husband's pre- SHG period gradually decreased as women felt more empowered and took a stand against the violence.
- India faces major unemployment issues, scarce job situation in the county leads to a situation of poverty eventually creating a pathway to hunger, mental and psychological issues, increasing suicide rates, rise in domestic violence, increase in the crime rates. More than 40% of the population in the country is women, empowering the women provides a greater advantage towards rising the socio-economic strata of the country. A study conducted by Roy, A., & Dutta (2012) found that the savings alone will not improve the economic situation of a area from a micro aspect, loans and grants from government and bank tie –ups it utmost necessary to initiate income generating avenues among the poverty- stricken community with less government formalities and procedures.
- The banking and non- banking financial company (NBFC) sector usually serves their clients with collateral such as- land, property, gold, and other valuables. People with collateral can avail loan relatively quicker in comparison to someone without collateral, In light of the marginalized community of India, especially the poor who wants to start their own business cannot avail a loan or access government grants due to the issue of collateral, with the help of Self Help Group, individuals can now avail loans at a relatively less interest compared to traditional banking norms. A study conducted by Ghosh, M. (2012) found that the government initiative of SHG- bank linkage program both at national and regional areas have shown promising results by providing micro loans and grants to the marginalized community, bridging the gap between the rural, poverty- stricken community with the financial institutions of the nation.
- Lack of capital act as a bottleneck for the development of the country, as it leads to low industrial growth, unemployment, poor infrastructure, leading to overall slow human development of the nation. A study conducted by Sundaram, A. (2012) found that SHG plays an imperial role in the growth and development of the poor marginalized community, with access to capital at the right moment, it provides the poor and the rural individuals to start their own business, thereby eradicating poverty and increasing the standard of living of the people.
- SHG is a concept where individual's belonging to the same community, vicinity gathers together with collective motive of saving money, accessing loans and grants thereby increasing the socio- economic structure of the country, the word "Individuals" in the light of SHG includes both male and female. A study conducted by Shinde, K. (2014) found that SHG's run by women are performing better than those run by all men, it has been seen that women run SHG's have witnessed a easy and swift loan recovery, and the per capita savings of the female is comparatively higher than men.
- The socio- economic development in the nation has always been a lopsided one, a step towards improvement led by the introduction of SHG's. Self Help Group puts greater emphasis in the equal distribution of income and wealth with the concept of savings, Sinha, D., & Chattopadhyay, A. (2023) found that SHG's have proved to be beneficial for the development and upliftment of the poor and marginalized community of our society, with people belonging from a poverty- stricken community, periodic meetings and formal gatherings is quite beneficial for the long term sustainability.

**METHODOLOGY**

**STUDY REGION-** The study is primarily based on first- hand data collected through Interview method in the Ward no-2 (Kachariporia Gaon & Royal Road),3 (Kacharipora Gaon) and 34 panchayat (Pachim Charigaon Panchayat), The respondents of the study are the low class working families, earning livelihood working in semi- skilled job, daily labourers, roadside vendors, and petty trade. As they belong to the category of financially vulnerable group, the women of the household are therefore more inclined towards membering with a SHG.

**EXPERIMENTAL METHOD -** A total of 30 SHG’s were selected from East part of Jorhat using stratified random sampling, the respondents representing the poverty- stricken household. The data was collected from the members of the Self Help Group using a semi- structured Interview method using a interview schedule to collect both qualitative and quantitative information.

Whereas, the secondary data were collected from credible and authentic source, existing literature, government websites –NABARD, Assam government, various publications, peer reviewed journals.

**FINDINGS**

The study related the growth and development of SHG’s in improving the life’s of the marginalized community, especially the household’s below the poverty line threshold in the underdeveloped areas of Jorhat, The analysis indicated that majority of the SHG’s in underprivileged area’s of Jorhat are keen on starting and running a business as a group, with most of them dealing in pickle making, varieties based on seasonal vegetables and fruits and selling it through tie- ups with local vendors, they are very keen on scaling up their operations, but due to lack of resources, especially land, finance and necessary training to operate at a large scale. Diagram 1, The members of the SHG also faces financial issues as they belonging to the poorest household, only savings and government funds take a long duration, they find is quite hard to finance their activities by themselves. The member’s of the SHG, with a rural background are desirous on learning to manufacture the indigenous products – gamusa, muga silk,eri silk and japi, they believe manufacturing local products will not only give the desired returns, it will also be a contribution towards protecting the pride and culture. They expect the federation to give them the necessary support and training towards “capacity building” and educating them on cash management. It has also been found that pre-SHG period, women faced a situation of restriction from their family members post marriage, now post SHG changes, women can participate in decision- making, attend local and regional functions and competitions on- borgeet and lokogeets and other programmes. The members emphasized that SHG not only helped as a financial factor but also boosted their confidence and self- esteem.

Table 1- This table depicts the primary activities

Primary Activities	Count
Pickle manufacturing	3
Food Processing	2
Poultry and farming	8
Occasional Shops	10
None	7

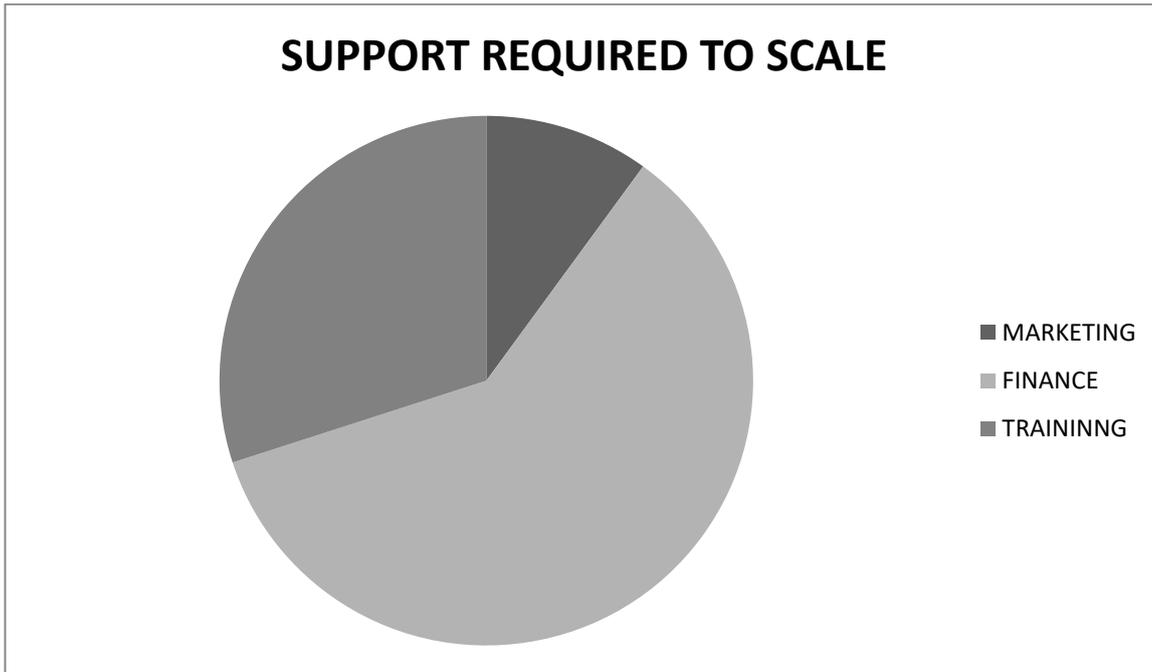
Table 2- Major challenges faced

MAJOR CHALLENGES IN OPERATION	COUNT
Lack of infrastructure	10
Lack of funds	8
Training	7
None	5

Table- 3 Adequate training regarding production of indigenous products (Muga silk, eri silk, pat silk, jaapi, handloom weaving- gamusa, mekhela chador.)

PROPER TRAINING REGARDING PRODUCTION OF INNDIGENOUS PRODUCTS	COUNT
RECEIVED	24
NOT- RECEIVED	6

Diagram -1, Support needed to grow the business activities of the SHG’s



- 60% of the SHG lacked finance
- 30% of the SHG’s lacked proper training and development
- And rest 10 % had issue marketing their products

**CONCLUSION**

The members of the self help group belonging to the poor and backward classes of the marginalized community has emphasized a improvement in their life’s both financially, emotionally and mentally, The members have witnessed a major growth in their savings after joining an SHG, the most recent established SHG (2025) members highlighted that, starting and joining an SHG have gave them awareness about the various schemes, grants and other government steps, apart from financial inclusion, providing training and development programmes to the members provides them with an opportunity to earn their livelihood with a sense of respect, With easy access to credit facilities at low interest payments, individual members of the SHG can now avail loans without collateral, also empowering the marginalized communities socially, gave the poor a chance to participate along with the developed community. SHG is yet a significant step towards developing the country

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