



Research Paper

A Study on Challenges and Opportunities of Women Self Help Groups (WSHGs) in Udalguri District of Assam

Nilutpal Narayan Konwar

Guest faculty, Mangldai Commerce College, Mangaldai, Darrang, Assam, India

Abstract

In spite of poverty, the women of rural India have been playing a crucial role in the nation's economy by contributing a significant portion towards the national labour force and household family income. Self Help Groups (SHGs) are one of the considerable activity-based participatory platforms which provide them with both employment and income. Focusing on poverty alleviation, these groups facilitate credit creation and develop the socio-economic conditions of the rural poor. However, the journey of their earning bread is not free from day to day challenges. In this paper, an effort has been made to spotlight the opportunities provided by the SHGs in upbrining the economic conditions of rural poor despite many challenges. The paper includes the critical examination of various types of challenges faced by WSHGs and the trend of their growth. For easy understandability, the paper has been written easily and simply which includes a brief introductory part, the objectives of the study, and the methodology of the study, analysis and interpretation of data and finally findings and conclusions. Indeed, the paper has some limitations also, such as limited study area, lack of collective records, the period of study etc. the study has found that, apart from challenges, there are many more opportunities available for the growth of WSHGs in the study area.

Key Words: Challenges, Opportunities and Self Help Groups

Received 10 May, 2022; Revised 24 May, 2022; Accepted 24 May, 2022 © The author(s) 2022.

Published with open access at www.questjournals.org

I. Introduction

Self-help Group can play an important role in improving the Socio economic condition a community of rural poor through financial support and employment. The study is mainly related to the various challenges faced by women SHGs and exploring the available opportunities in Udalguri district of Assam. The district has 8, 31,668 populations, out of which 7, 94,094 (4, 02,442 are male and 3, 91,652 are female) i.e. 95.48% people lives in rural area. [Census Report, 2011]. It has 9 no of revenue circles and a total of 803 villages. Almost 70% (approximately) of the total population of the district are tribal, out of that; about 60% (approximately) are below poverty line. So far as different WSHGs of Udalguri District are concern; the performance is not up to the mark. Due to inadequate infrastructure facilities, most of the villages of the district are still remote and inaccessible. The rural people of the district have been trying their best to uplift their socio-economic conditions since long back. However, it is not seems to be worthwhile. The Preliminary study reveals that, most of the WSHGs of Udalguri districts are suffering from numerous problems. The government of Assam provides various facilities from time to time, but it is not sufficient to resolve their problems. Thus, the study on WSHGs concerning Udalguri district and its various challenges and opportunities attract greatest importance.

Objectives of study

The study has been performed with the following objectives:

1. To identify the various challenges faced by WSHGs of the district;
2. To evaluate the trend of growth of the WSHGs of the district.
3. To suggest possible remedial measures for overcoming those challenges.

Research Questions:

The research has the following basic research questions:

1. What are the different types of opportunities available for the WSHGs in the district?
2. Do the WSHGs of the district meet their day to day challenges efficiently?

3. Whether the trend of growth of the WSHGs in the district is satisfactory?

Methodology of Study

The research work has been carried out with the following methodology:

1. **Source of Data:** The study involves both Primary and Secondary data. The primary data i.e. first hand information has been collected by conducting field survey and the secondary data has been collected from Block Development office; Udalguri, Ministry of Rural Development website, other related websites and publications etc.
2. **Universe of Study:** The entire Udalguri District has been taken as the Universe or population of Study.
3. **Sample of Study:** For selecting the sample size, two stages of Random sampling method has been adopted. The entire Udalguri District is Consists of 6 development Blocks, out of this 3 (three) Development Blocks has been Chosen randomly. From each 3 (three) Development Blocks; 10 WSHGs has been selected for study, which leads to 30 numbers of WSHGs as sample size for the research work or study.
4. **Tools and procedure of data collection:** Interview schedule is used as the tool of data collection, since some of the respondents are illiterate. This schedule has been considered as appropriate tool for this study to get complete and reliable information. The interview schedule consists of both open end questions and close end questions.
5. **Analysis and interpretation of data:** The collected raw data were categorized and coded for tabulation. Besides that percentage method has been applied as statistical tools for interpretation of the data.

Meaning of self-help group

Self Help Groups (SHGs) are playing a vital role in poverty eradication and rural backwardness by adopting a participatory approach. In a developing country like India, poverty can be eradicated only through providing financial support at a lower cost or employment. Financial support can be availed from two sources i.e. formal sources which are organized and informal sources which are unorganized. Due to lack of knowledge, proper banking facility, and collateral; the poor Indian village people often fail to avail support from the formal source i.e. Banks and Post offices, etc. Therefore they have to depend upon village moneylenders (informal source) for loans at a higher rate of interest. This leads to the necessity of creating self help groups (SHGs).

Self help group is a village based voluntary association of people to achieve some common goals or overcoming financial problems. Generally, it consists of 15-20 members (man or women or both) and they are well known to each other i.e. they come from the same family or village or community. The prime motive of self help groups is to help each other financially. Their main function is to create credit by pooling out savings from the monthly contribution of group members, so that; they can be able to provide loans to any members of the groups at lower interest in an emergency or for any other purpose. Apart from this, they are also indulging in income generating economic activities which help them to earn for the family and to be employed or self-reliant.

The number and composition of members in an SHG can be varying in nature but its creation goes through three stages viz:

1st stage: **Group formation:** There must be a certain number of people to create a Self Help Group. Usually, it ranges from 10 to 20 members.

2nd stage: **Formation of Capital:** The members have to form capital or resource by mutual contribution or by weekly or monthly savings from its members so that they can be able to provide loans to its members at a lower cost.

3rd stage: **Taking up economic Activity:** In this final stage the SHG's members has to develop skills for taking up certain economic activities so that they can generate income and be self employed.

The Self Help Groups are aided, supported, and trained by Self Help Groups Promoting Institutions (SHPIs) which include; Non Governmental Organizations (NGOs), Community Based Organizations (CBOs), individuals, and banks. Besides this, District Level Development Agencies (DRDA, Government-run) and the respective State governments also provided training and financial aid.

SHGs and SJGSY

Since long back, the Government of India with the co-operation of state governments has been trying to uplift the rural backwardness of the country through various plans and programmes. However, due to improper implementation of planning, rural poverty and backwardness continues in the country and become very critical or serious. Considering the depth of the problem many Development agencies come forward with different innovative programmes and schemes for the eradication of rural poverty and unemployment of the country.

Among those programmes “Swarna Jayanti Grama Swarojgar Yojana” (SGSY) was an important one, which was launched on 1st April 1999, with a proportionate share of cost 75: 25 by the Central and State Governments. It was implemented by the commercial banks, Regional Rural Banks (RRBs), co-operative banks and other financial institutions, District Rural Development Agencies (DRDAs) and Non-Government Organizations (NGOs). The prime motive of this programme was to provide income generating assets to the people of the Below Poverty Line (BPL) through bank credit and govt. subsidies to bring them to the upper poverty line (UPL). It focuses on establishing microenterprises in rural areas. SHG’s were a vital part of this, as the scheme suggested the creation of activity clusters of villagers groups based on their skills and abilities. Each group works on a specific activity based on the availability of local resources and market potentiality.

Restructuring the existing Swarna Jayanti Gram Swarojgar Yojana (SJGSY), the Ministry of Rural Development (MoRD) launched The National Rural Livelihood Mission (NRLM) on 1st April 2013 [Circular no. RBI/2012-13/559, dated June 27, 2013]. It was again renamed as Deendayal Antyodaya Yojana- National Rural Livelihood Mission (DAY-NRLM) on 29th March 2016.

SHGs and NABARD

National Bank for Agriculture and Rural Development (NABARD) is the apex body in India that is responsible for rural development. It makes plans and policies and implements them in the field of rural credit. It was established on July 12, 1982, to regulate the financing of the agricultural and rural sector of India. In the year 1990 NABARD launched SHG-Bank Linkage Programme (SHG-BLP), intending to link the unorganized sector with an organized one i.e. Bank. However, the programme was started during the year 1992-93, to provide financial support to the unreached and underserved poor households of rural India. Under this programme SHGs were allowed to open savings Bank Account. And they were provided loans against group guarantee by the banks. Initially, around 500 SHGs were linked to this programme but after that, it becomes the largest microfinance programme in the world. According to the report of NABARD, towards the end of 2014, there were 74.30% (approx) saving-linked SHGs in the country, covering 9.7 crores (approx) of poor households. A total of savings Rs. 9897 crore was deposited by SHGs in the Bank.

NABARD provides grant support from time to time to Self Help Group Promoting Institutions (SHPIs). The SHG- Bank Linkage Programme of NABARD has provided the much required thrust for empowering the women of the country, as out of all bank linkage SHGs, more than 84% are being exclusively women SHGs.

Apart from these, NABARD also provides grant assistance for organizing and sponsoring a large number of training programmes, capacity building programmes for skill upgradation, exposure visits, seminars & workshops etc. of the SHG members and other stakeholders consist of bankers, Government agencies and NGO partners. Cent per cent refinances support to banks also provided by NABARD for the financing of SHGs.

Objectives of self help group

People from a very poor family, who fail to access credit from formal financial institutions, create self help groups. It enables rural women to empower themselves through income *generation*. Following are the important objectives behind the creation of SHG:

- To encourage savings as well as banking habits among the members of the group.
- To create capital by monthly contribution for providing loan to them for productive purpose as well as other household purposes.
- To create an environment of cooperation and group feeling among the members.
- To develop skills for adopting income generating activities.
- To develop wisdom in managing own finance and distribute benefits of affairs or profits among members.
- To enhance the level of self-confidence and capabilities of WSHG members.
- To impart the expertise skill of cooperative decision making among WSHG members.
- To encourage savings habit among WSHG members and facilitate to assemble their capital resource base.
- To motivate WSHG members in adopting social responsibilities distinctively connected to women empowerment.
- To provide a forum for WSHG members to provide space and support to each other.

Characteristics or features:

Self Help Groups are a volunteer organization of poor rural people with the common objective of poverty eradication. The important features or characteristics of self help groups are as follows:

- **A group of persons:** SHGs are created by a group of persons, usually comes from below the poverty line with a common objective.
- **The number of members:** Generally the number of members of an SHG limited to 10-20 i.e. the minimum member should be 10 and the maximum member can be 20. But the maximum number not fixed, sometimes it goes beyond this limit.
- **Nature of members:** The members of an SHG can be either only male or only female or both. Moreover, they should be between the age group of 21-60 years.
- **Registration:** An SHG can be registered or unregistered. However, a registered SHG can be benefited from government schemes.
- **Voluntary organization:** Members of the Self Help Group come together out of their own choice or willingness. However, sometimes Self Help Group Promoting Institutions (SHPIs) also promotes SHGs which refers to Non Government Organizations (NGOs) and banks.
- **Common fund:** Members of the SHGs contribute part of their earnings regularly i.e. daily, weekly, fortnightly or monthly to a common fund.
- **Provision of loan:** In SHGs, there is a provision of loan or credit to its members. Members can take loan whenever necessary.
- **Terms and condition:** Frequent meeting of members are also organized to decide the terms and conditions of savings and loans.
- **Records:** The SHGs also has to maintain records. Such as membership register minute book, saving book and loan book etc.
- **Banking facility:** The “SHGs Bank Linkage programme” also providing a facility to groups for borrowing from the bank and the use of such borrowing for the credit of its members.

Major functions of a SHG

“Savings first, credit later”, following this motto; the SHG does the following major functions:

1. **Regular Savings:** all the members of SHG have to contribute or save regularly an equal amount to a common fund. This common fund enables them to loan in the future.
2. **Providing loans:** The SHG provides loans to its group members out of its common fund. The terms and conditions of such loans are decided by the groups themselves. Yet, it should be uniform for all the members.
3. **Keeping of records:** The SHG has to maintain books of accounts for recording every financial matter, such as; the amount of savings, amount of loan, amount of repayment and the amount of balance after each transaction. Moreover, they have to maintain members register book, minutes book etc.
4. **Group meetings:** SHG must organize weekly or monthly group meetings of its members to discuss the problems and their possible solutions, to take the decision about future activities and to check the progress of the group. Members have to participate in the meetings by all members.

Analysis and Interpretation of Data:

Data are analyzed using Pie charts, Bar charts, Doughnuts, Line charts and percentage analysis methods.

Table-1: Types of activities of the self help groups

Classes of activities		No of SHGs	Percentage of the SHGs	
Animal husbandry	Goatery	01	02.27%	59.09%
	Poultry	03	06.82%	
	Pig farming	17	38.64%	
	Dairy farming	05	11.36%	
Agricultural activities	Fish Cultivation	03	06.83%	09.01%
	Paddy	01	02.27%	
Industrial activities	Handlooms	05	11.36%	11.36%
Services	Grocery shop	04	09.09%	20.45%
	Tea shop	04	09.09%	
	Parlour	01	02.27%	
Total		44	100.00%	100.00%

Sources : Primary data (field survey)

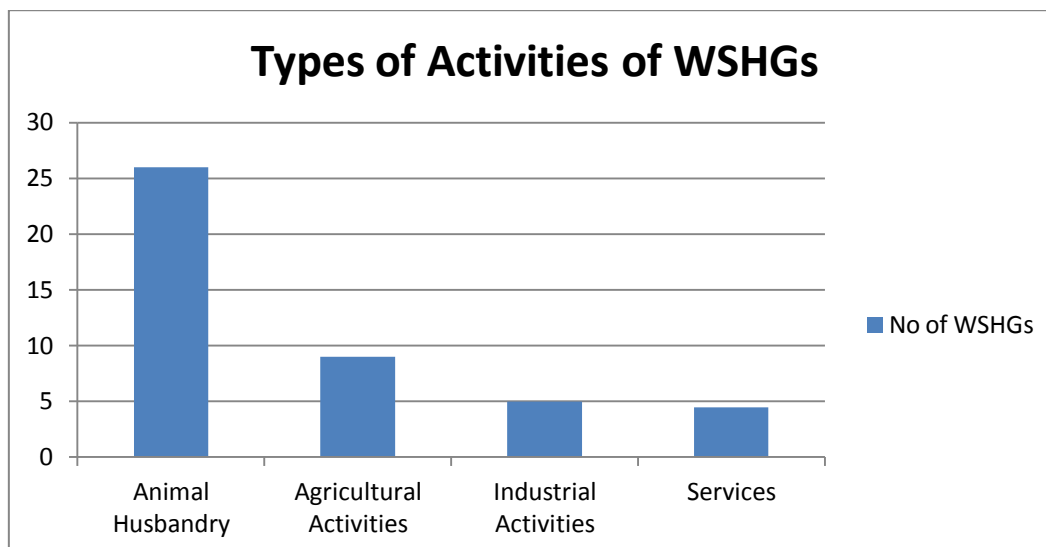


Table-2: No of economic activities SHGs involved

No of Economic Activities	No of SHGs	Percentage
Only one Activity	19	63.33%
Two Activities	08	26.67%
Three activities	03	10%
More than Three Activities	00	----
Total	30	100%

Source: Primary Data (field survey)

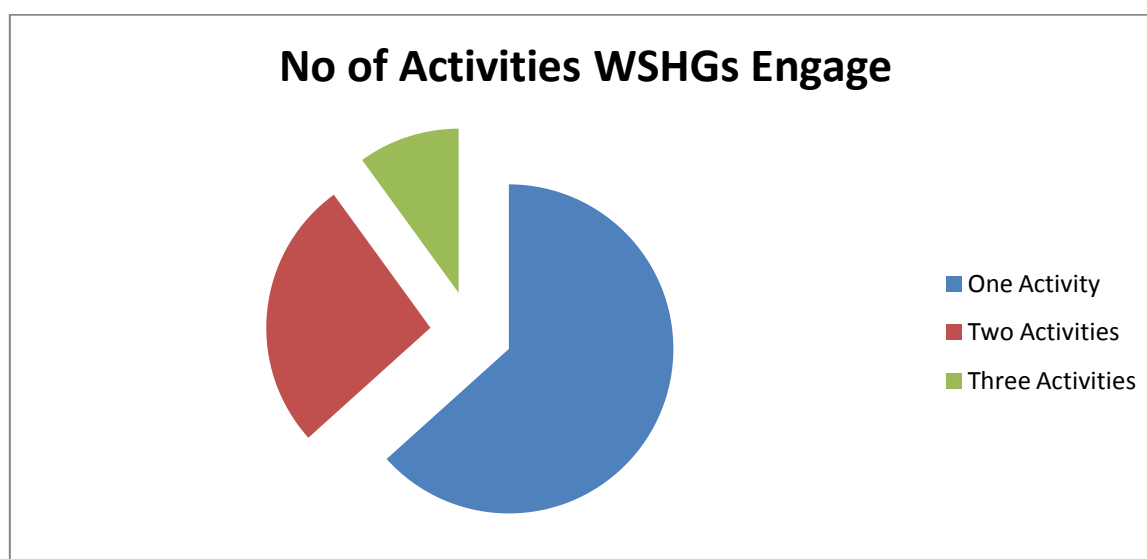


Table-3: Types of problems or challenges faced by the SHGs

Types of problems	No of SHGs	Percentage
Financial Problems	13	22.41%
Marketing problems	19	32.76%
Managerial problems	04	06.90%
Production problems	03	05.17%
Internal problems	07	12.07%
Others	05	08.62%
No problem	07	12.07%
Total	58	100.00%

Source- Primary data (field survey)

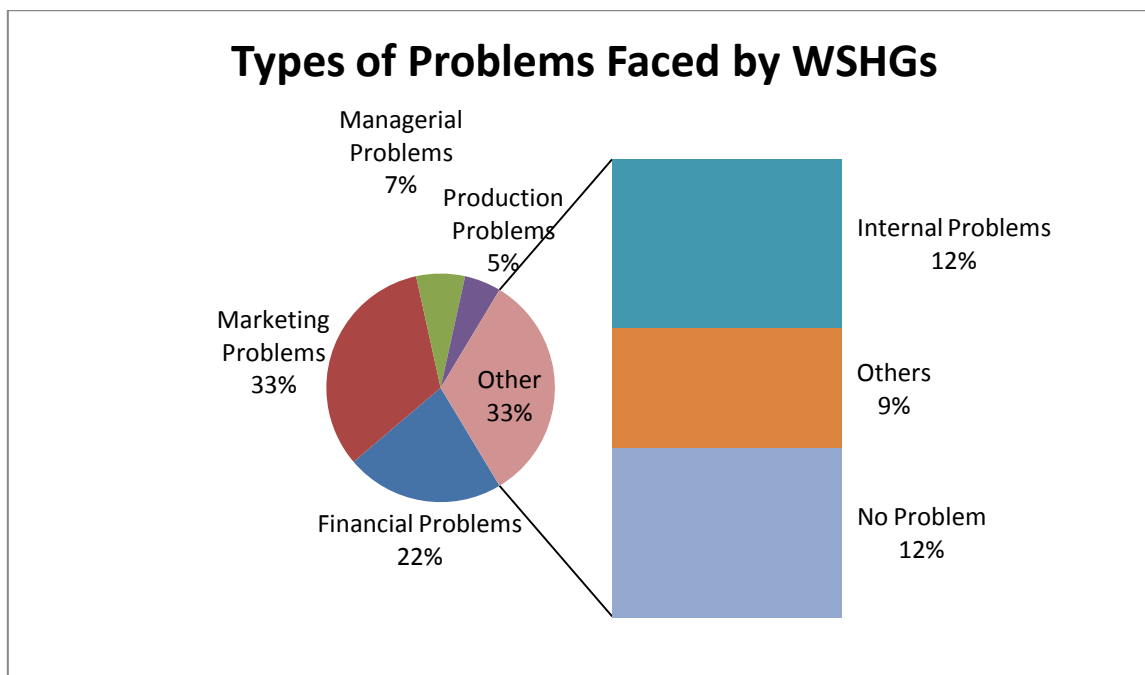


Table-4: No of Problems or challenges faced by the SHGs

No of problems	No of SHGs	Percentage
Only one (1)	08	26.67%
Two (2)	07	23.33%
Three (3)	03	10.00%
Four (4)	05	16.67%
No problem	07	23.33%
Total	30	100.00%

Source- Primary data (field survey)

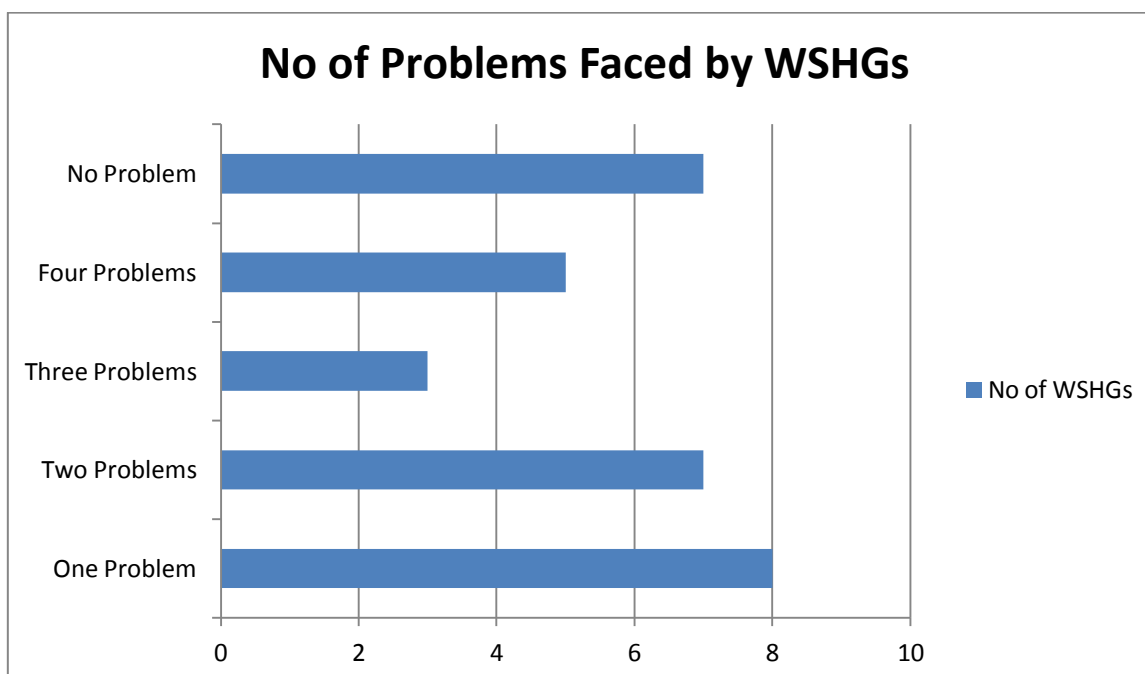
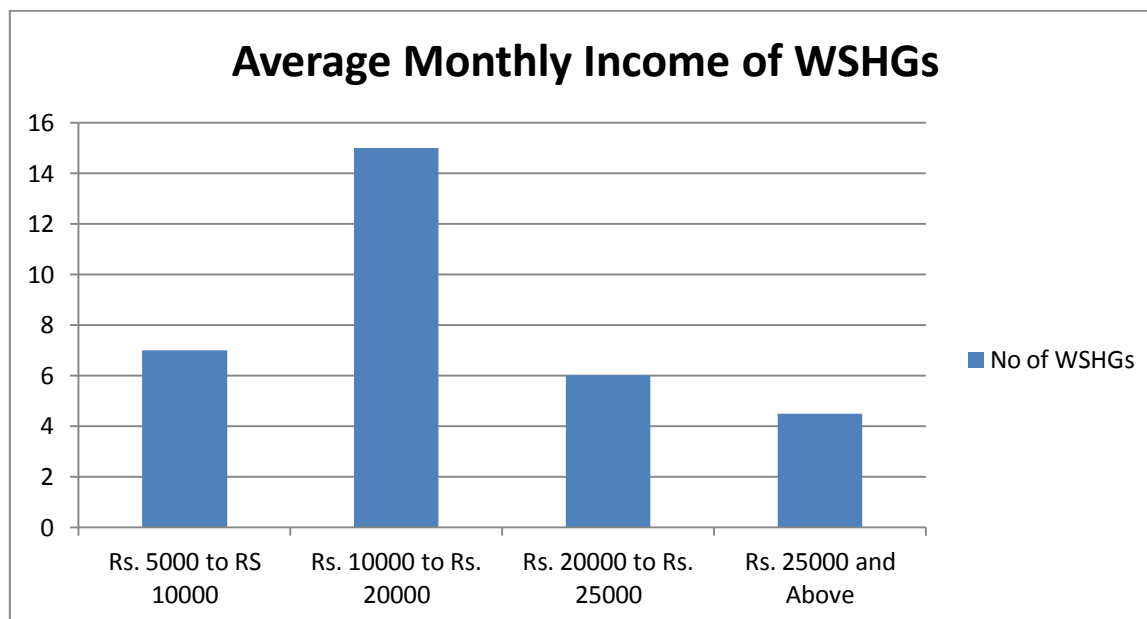


Table-5: Average monthly incomes of self help groups

Monthly Income	No of WSHGs	Percentage
Rs. 5000 to Rs.10000	07	23.33%
Rs. 10000 to Rs 20000	15	50.00%
Rs. 20000 to Rs. 25000	06	20.00%

Rs. 25000 and above	02	66.67%
Total	30	100.00%

Source- Primary data (field survey)



II. Findings of study: (100% unique)

1. It has found that rural backwardness still exists in the district. Therefore, most of the WSHGs coming from remote areas are facing infrastructural problems; such as,
 - a. Katcha roads become muddy during rainy seasons which causes troubles for marketing products,
 - b. Frequent cut off electric power supply, due to which they can't carry out their activities during the night time.
 - c. Poor telecommunication network coverage often makes communication failure during urgency.
 - d. Moreover, bamboo bridges of the remote areas collapse during the flood in the summer seasons.
2. In the area of marketing, WSHGs face numerous types of problems; such as:
 - a. Lack of permanent nearby markets for selling products. Most of them often travel to a long distance in bicycle for selling their products.
 - b. Lack of advertisements, improper branding and poor packaging makes the customers assume their products as poor compared to others. As a result, most of the time, their products don't get the proper value.
3. In the district, WSHGs are facing financial problems like inadequate credit, delay in getting loans, lack of information about loans and subsidy etc.
4. Regarding production, they face problems like inadequate machinery, unskilled manpower and lack of sophisticated storage facility, water supply etc.
5. WSHGs members are also facing internal problems, such as poor maintenance of books of accounts, non-cooperation in group activities, remaining absent in group meetings and lack of mutual trust etc.
6. Some other problems such as the Bandh culture of the district and inadequate training etc. creates many troubles to WSHGs,
7. The study has revealed that despite its various challenges; there are many opportunities available in the study area for women SHGs. Such as,
 - a. WSHGs are doing various economic activities for generating incomes; however, there are some other profitable areas of doing business in the district, which have to be explored; such as Tourism business, bamboo products manufacturing business, the business of sericulture, tea gardening etc.
 - b. SHGs are playing a significant role in employing rural women. Most of the village women of the district are becoming self-reliant and becomes successful in earning respect and fame in the family as well as in society.
 - c. It has found that because of SHGs, the mobilization of women workers in search of work has been decreased in the villages of Udalguri district.
 - d. Poverty eradication is one of the major opportunities, which has been observed in the study area. The standard of living of the women SHGs members is increasing rapidly.

e. Lastly, women SHGs members are becoming successful in acquiring leadership quality, Generating confidence and Participating in Decision making.

III. Suggestions or Recommendations

1. For self-assessment there should be a frequent review of meetings such as weekly or monthly, where they should evaluate their activities and related books of accounts. This will help them in estimating their progress and in removing their operational drawbacks.

2. Group meetings are very much important for SHGs. The women members who often remain absent in those meetings should take it seriously. Cooperation in planning and decision making solves many problems (helps in the achievement of goals easily).

3. The Block Development offices should provide timely information to the SHGs about various government schemes and subsidies. Awareness programmes should be frequently organized for the skill development of rural women.

4. As many of the women members of the SHGs are less educated or uneducated, the bank officials should explain to them every terms and condition of banking in their local language. They should behave politely while interacting with them.

5. Opportunity should be offered by the banker's end to give a higher amount of loan if the previous loan is repaid on time. This would make them concentrate on repaying the previous loan as soon as possible.

6. The Bandh Culture of the District should be stopped permanently. It affects the economic life of poor village people. Their labour remains idle or uneconomic during the band period.

7. There should be the supervision of the functioning of SHGs by the Block Development Officers (BDOs). Interactive session should be arranged with resource persons from time to time. This would enable them to know about micro-credit schemes, product branding, packaging etc.

8. Adequate provision should be made regarding the promotion of local products through effective advertisement. Social awareness towards the local products would enable the SHGs to get their perfect value.

9. All the remote areas of the districts should be connected with high network telecommunication coverage and an uninterrupted power supply. If possible arrangement should be made for digitalized training programmes.

10. Last but not least, the Non Governmental organizations (NGOs) of the district should come forward to identify the weak areas of SHGs to impart them training to make them competent.

IV. Conclusion

Developing nations like India faces numerous problems particularly related to poverty, rural backwardness, unemployment, rural empowerment etc. In this regard, the remarkable steps taken by the government of India are always acknowledgeable. The study has revealed that The SHG movement of India has provided the rural women of the district ample opportunities for starting new ventures with underutilized resources, generating more profit and upgrading the standard of living. However, as many problems are creating obstacles, the movement of SHGs in the District has been moving forward on the right track but at a slower speed than expected. Therefore, it is necessary to find further measures for overcoming those problems to boost the speed of growth to a stage that it is required to be. It can be concluded that apart from providing microcredit, incentives and subsidies, the Government of India in coordination with NABARD and financial institutions should enhance their support through Self Help Promoting Institutions (SHPIs) in the district in order to impart advanced skills relating to communication, leadership, team building etc to women SHGs. Further, the government should concentrate on developing the infrastructural facilities of remote areas such as roads, communication, water supply, electricity supply etc. so that they can be easily accessible. Lastly, cooperation and support of the women SHGs with the government is very much desirable in this regard.

References:

- [1]. Kothari, C.R. Research Methodology Methods and Techniques, New Delhi, New Age International Publishers(P) Ltd,1985
- [2]. Mazumdar, Ajanta and Phookon, Runjun, An Introduction to Commercial Mathematics and Statistics, S. Chand
- [3]. Hazarika, Padmalochan, Essential Statistics for Economics and Commerce, New Delhi-110002, Akansha Publishing House
- [4]. Kumar, R. (2010). Research methodology: A step-by-step guide for beginners. SAGE.
- [5]. S.H.G. Resource Hand Book, NABARD, Assam Regional Office, Guwahati
- [6]. Thileepan, T and Soundararajan, K “Problems and opportunities of women SHG entrepreneurs in India” International Research Journal of Business and Management, Vol. VI, December 2013
- [7]. Barman, Prateeksha and Bhattacharjya, Archana “Role of SHGs in Rural Development of Assam- A Study of Some SHGs of Kamrup District of Assam”, International Journal of Humanities & Social Science Studies (IJHSSS), Volume-I, Issue-VI, May 2015, Page No. 128-136
- [8]. Chowdhury, J. (2009)“Role of Rural Women and Self Help Groups in Economic Development of Assam”, Purbanchal Prakash , Guwahati, pp. 121-125
- [9]. Pulla Rao. D (2011), “Problems of Women Entrepreneurship in India”, Journal of Asian Business Management, Vol.3, No.1, June 2011: 125-131
- [10]. Bonia, Bharat “Role of Self Help Groups (SHGs) in Poverty Eradication: Special reference with two villages of Lakhimpur District of Assam”, International Journal of Science and Technology Resarch, vol. 8, Issue 12, December 2019

WEBSITES:

- [11]. http://www.edarural.com/document/shg_studies
- [12]. <http://www.preservearticles.com/201101203586/structure-and-functions-of-self-help-groups.html>
- [13]. <http://en.m.wikipedia.org/wiki/swarnajayanti-gram-swarojgar-yojna>
- [14]. <https://www.census2011.co.in>
- [15]. <https://nabard.org?content1.aspx>
- [16]. <https://www.indian economy.net>