



Impact Evaluation of SHGs in Socio Economic Changes: A case study of Nagaon District

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Abstract

Poverty, inequality and unemployment are three main obstacles in the path of economic development of our country especially in rural areas. Poverty is a social phenomenon which deprives a section of the society to get even its basic necessities of life viz. food, shelter, drinking water and sanitation etc. The SHGs somewhat intended to provide self-employment to millions of villagers. Poor families living below the poverty line is organised into Self-help groups established with a mixture of government subsidy and credit from investment banks. Self help groups (SHGs) have emerged as popular method of working with people in recent years. This movement comes from the people's desires to meet their needs and determine their own destinies through the principle "by the people, for the people and of the people".

Key Words: *SHGs, govt. subsidy, self-employment*

Introduction: A Self Help Group (SHG) is a set of people coming together to work for common purpose. S.H.G is a small, economically homogenous affinity group for resource poor people, voluntarily formed to save small amount, convenient to all the members who mutually agree to contribute to a common fund and lend it to the members as per the decision of the group to meet the emergent consumption and production needs. 72% of the total population of our country lives in rural area and in our state, Assam, the picture is not different, most of the rural people are unemployed. Various program such as NREP, TRYSEM, Development of Women and children in rural areas (DWCRA) as well as Million Well Scheme (MWS) etc were undertaken by the Government during 80's in order to alleviate poverty and increase employment opportunities by making the people self dependent. But most of the programs have failed to bring a desirable change in the living condition of the poor. The Self Help Group Scheme is one of these measures started in the year 1992 with the introduction of Bank linkage programs by the NABARD from 1992 till date it has come a long way to great extent in serving the purpose.

The S.H.G's especially focuses on weaker section to provide new employment from different socio-economic sectors to bring into the mainstream of development and improving their economic status. In the words of Prof. Yunus, they are the social business entrepreneurs who are running their enterprise not for profit or loss (Goswami and Chutia, 2006).

Rational of the study: The SHGs are playing a very important role for the promotion and transformation of the Socio-Economic condition of the Poor people in the district, SHGs mobilize the social resources and creates employment opportunities and empower members which improve their socio-economic status.

The numbers of unemployed youths are increasing day by day in the district; Self Help Group may provide employment to the youth. Moreover unemployed housewives and farmer are participating actively in the group, the SHGs, are not only creating the income for their families but also framing the habit of saving among the poor. The study was done to examine the changes in socio economic character of the rural poor under the umbrella of SHGs in the district of Nagaon Assam.

Objectives: The objectives of present study is to asses and ascertain the impact of SHGs on economic conditions of members of SHGs and whether it has really helped in bringing every member family above poverty line. The major objectives of the study taken were to ascertain following objectives:

1. To estimate the nature and extent of benefits accrued to the members of SHGs.

2. To asses the impact of institutional credit assistance on income generation and living conditions of identified BPL families to bring them above poverty line on a durable basis.
3. To identify and assess the maturity levels of SHGs selected for assistance under SGSY and referred to banks for credit.

Methodology: The study in the Nagaon District of Assam is an analytical and exploratory work based on both primary and secondary sources of information. To analyses impact of the programme a “Before: After” investment method is used. While analyzing primary data, the individual beneficiaries or members of SHGs are taken as the unit. The benefits accrued on account of investment is analysed in terms of income generation and improvement in economic and living conditions. The impact of microfinance through swarozgaris or members of SHGs is studied by comparing Pre-SHG member and Post-SHG member situations.

For the study sample was drawn from 6(six) development blocks of Nagaon District. 2(two) block from each subdivision selected randomly. From each Block five villages was selected, from five villages total of ten SHGs was selected and 30(thirty) members had been selected and interviewed from these 10(ten) randomly selected SHGs. The total sample size thus became 180(i.e.30 respondent in each of 6 blocks).

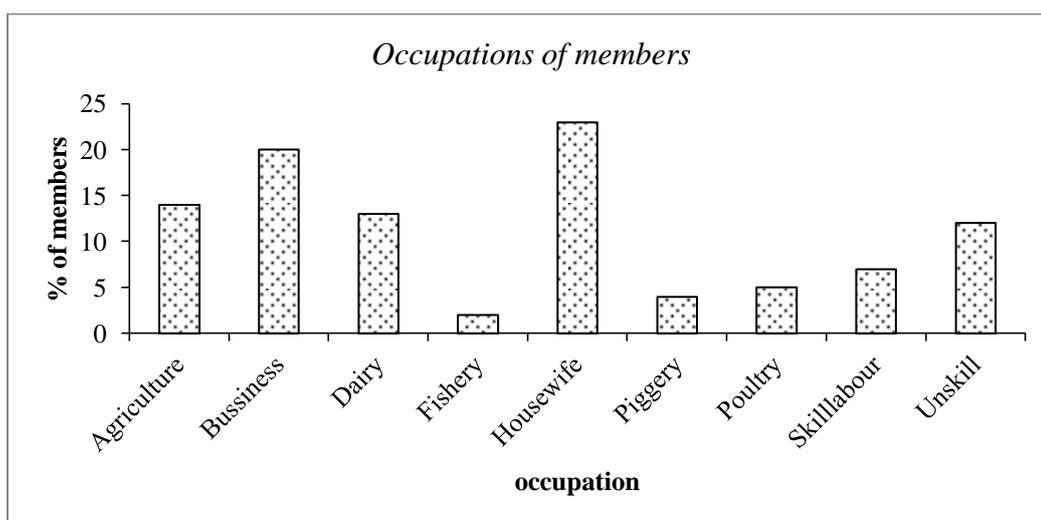
Result and Discussion: Paradigm of Success and impediments of the SHGs in sampled areas.

Occupational distribution:

Table 1: Occupation-wise Distribution of SHG Members

Occupation	hojai	koliabor	nagaon	Grand Total	Percentage (%)
Agriculture	15	5	5	25	14
Bussiness	11	10	16	37	20
Dairy	9	7	7	23	13
Fishery	1	2	0	3	2
Housewife	11	15	14	40	23
Piggery	1	2	4	7	4
Poultry	3	6	1	10	5
Skilllabour	5	1	7	13	7
Unskill	4	12	6	22	12
Grand Total	60	60	60	180	100

Source: field survey

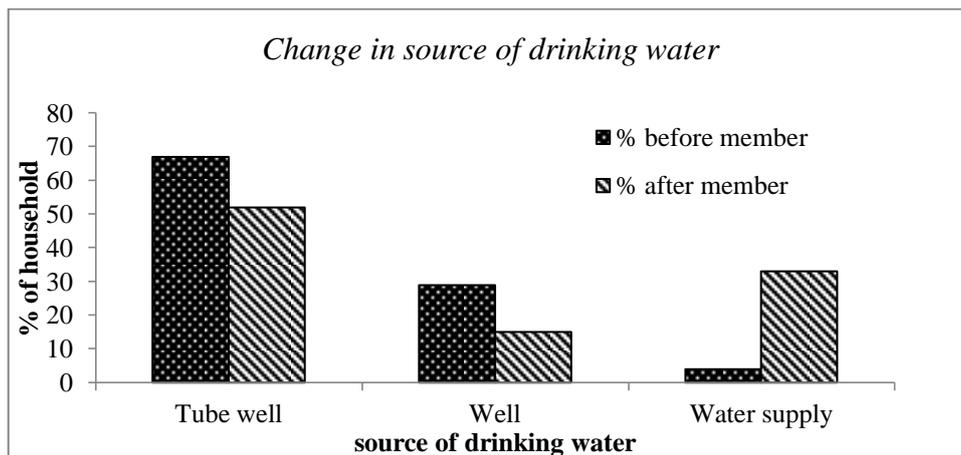


Change in source of drinking water:

Table 2: Source of drinking water

source of drink water	Before	% before member	After	% after member
Tube well	120	67	94	52
Well	53	29	27	15
Water supply	7	4	59	33
Grand Total	180	100	180	100

Source: field survey

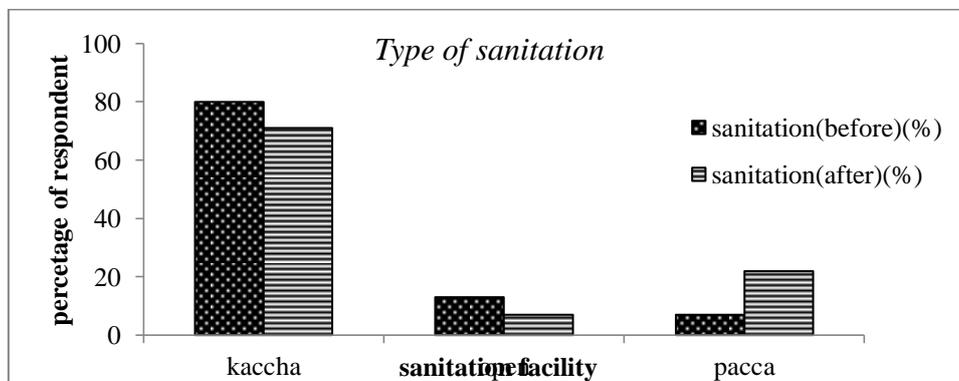


Changes in sanitation facilities:

Table 3: type of sanitation

Category	sanitation facility (before)	%	Sanitation facility (after)	%
Kaccha	145	80	129	71
Open	22	13	13	7
Pacca	13	7	38	22
Grand Total	180	100	180	100

Source: field survey

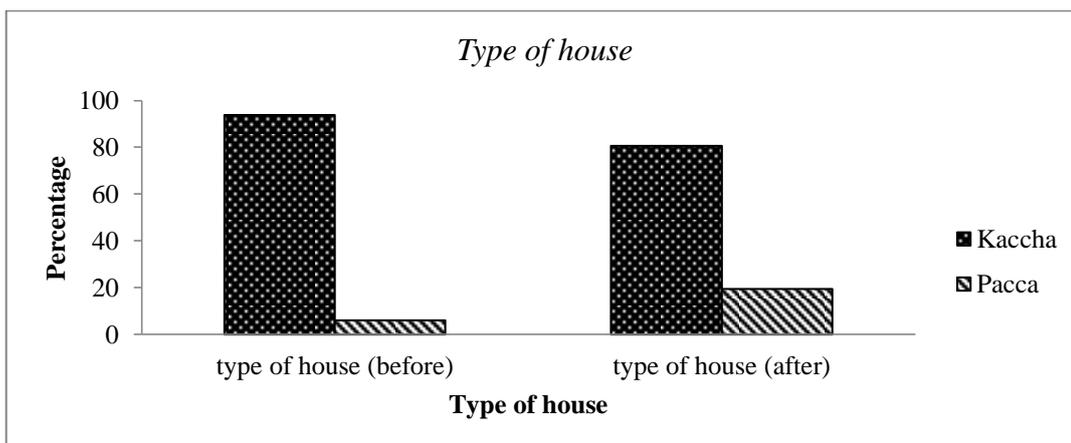


Changes in the type of house:

Table 4: Type of house

Category	Type of house (before)(%)	Type of house (after)(%)
Kaccha	94	81
Pacca	6	19
Total	100	100

Source: field survey

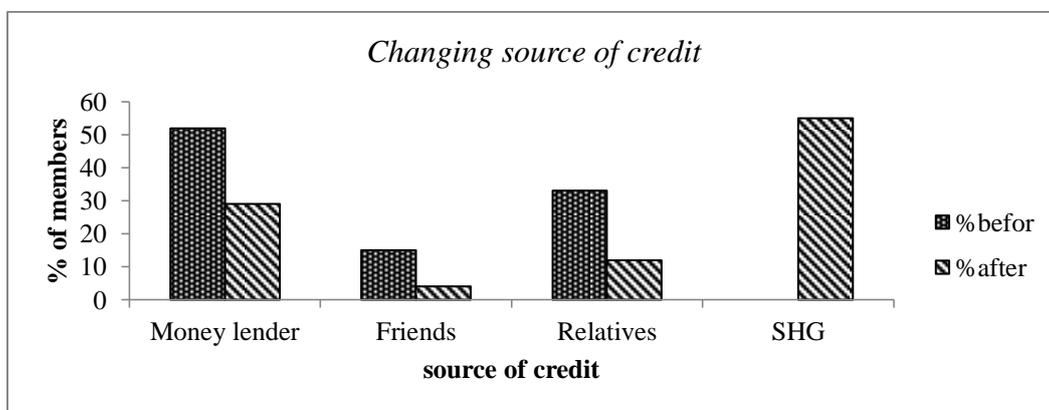


Change in Credit access:

Table 5: Source of non-institutional loan

Source of loan	credit availability (before)	%	credit availability (after)	%
Money lender	85	52	51	29
Friends	25	15	7	4
Relatives	55	33	21	12
SHG	0	0	97	55
Grand Total	165	100	176	100

Source: field survey



Loan used for:

Table 6: Utilization of financial assistance (loan) of SHG members

Category	Assistance used for	%
Business	3	2
Consumption	7	4
Debt recovery	16	9
Purchase animal	77	43
Purchase asset	64	36
Others	13	6
Grand Total	180	100

Source: field survey

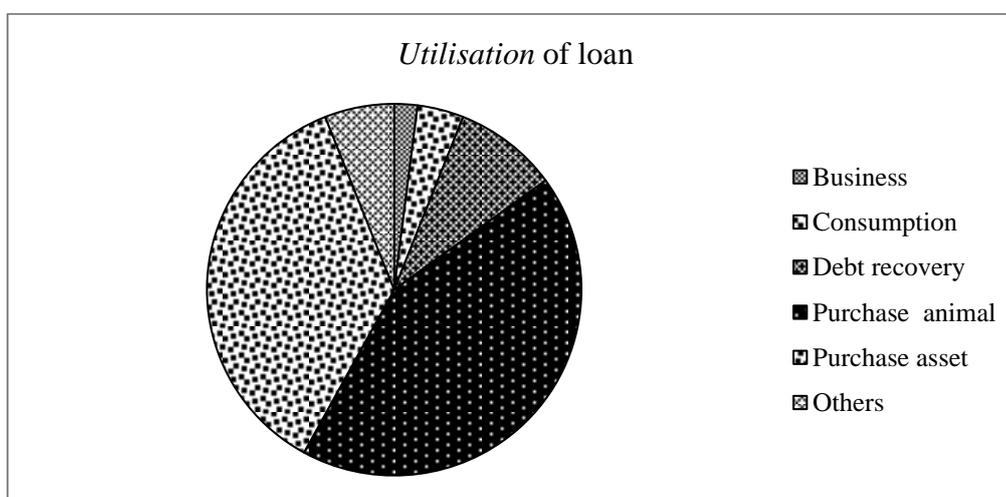


Table1: cited that there were nine occupations we observed among the sample unit of the study. But it was found that most of the occupations were not in the commercial basis. All were under subsistence level.

Table2: Shows the source of drinking water of the SHG member’s families. Before becoming member tube well dominantly occupy the place. After becoming member water supply as a source of drinking also play a vital rule.

Table3: shows some changes in the sanitation facilities that are used by the members of the SHGs after becoming member. Sanitation is one of the important needs of human life to lead a minimum standard of living. Low income people used open system, kaccha sanitation etc. which are not hygienic. This may causes different type diseases.

TABLE4, Shelter as one of the basic human needs, we use to collect data about the type of house of the sample unit. Here only two type of house we consider- kaccha and pacca.

Table5: A corollary of participation in SHGs is an improvement in a woman’s access to credit. Since the project is perhaps too early in its implementation to directly improve women’s access to credit. The financial mobility due to participation in the SHG has led to an improvement in the quality of life, according to some of the successful groups. Overall, many families were able to address their basic needs better than before. Some of NGOs reports have shown that the record on the repayment of loans by women was often better than that of men, and that women were also more likely to spend the income earned, on their families, leading to improved health and nutrition of the poor population and for improving the quality of their lives.

Being a member of the SHG credit access to the families is increasing. Members can take loan from the Group at a lower rate of interest. Before being member they have to go to the money lenders for different needs of loan who demand a higher rate of interest.

Table6: related with the financial assistance provided by the Govt. to the SHGs at different level is different. The members utilized this financial assistance for like purchasing of animal, purchasing personal assets, consumption etc. actually it is given to use the financial loan for productive purposes. There are some subsidy amounts also, which need not to be returned. But in practice in our study area it was observed that only a nominal percentage of loan amounts were used for productive purposes. Others were used for consumption purposes.

Changes in income: The shift of swarozgaris based on their incremental income criteria from Pre SHGS member to Post SHGs member situation highlighted by changing their standard of living. We used paired T-test at 5 % level of significance to test whether the income change during this period is significant or not.

The paired T-test shows that there is significant difference between the mean income before becoming member and after becoming member of SHGs. So SHGs has positive contribution in changing income of the members.

Conclusion: The findings of the study clearly reveal that, the SHGs have the power to create a socio-economic revolution in the country. When observing the whole data the people have come out of their problems and traditional bound. Self help groups have paved the way to bring the rural people in the main stream of social and economic progress of the society.

The SHGS resulted in significant social and economic benefits. The members experienced increase in availability of fresh drinking water, improved sanitation facility, standard type of shelter, credit availability, increase in income, increase in access to formal credit; decline in family debts, interest burden and dependence on money lenders but not as the targeted rate. Relatively a fewer groups reported increase in expenditure on food. There was a little change in dependency on the money lenders in the sample villages, reflecting inadequate funds flows into villages despite of existence of SHGs in the villages for quite some time. Overwhelming proportion of SHGs participants are getting profits from their economic activities. A few are also incurred loss and a few are left with no profit and no loss. One of the reasons for loss or less profit was loss of assets/ livestock. Majority of groups did not get insured their assets/ livestock. Only a fourth of groups, which suffered loss of assets/ livestock, got compensation from the insurance companies. This problem needs urgent attention.

Recommendations: Since the socio-economic scenario has changed a lot, it is suggested that the SHGs should take up the new challenges such as socio-economic development, use of science and technology in the rural areas and human resources development in perfect manner. Govt. should take some policies for strengthening the SHG movement.

1. Monitoring - Proper monitoring of groups needs to be done at various stages of their growth. A centralized MIS should be created through which the status of each and every SHG in the remotest part could be monitored.
2. Training - Special training centers should be constructed and quality instructor should be appointed. Training needs to be undertaken in a much more systematic manner, covering groups according to some schedule or roster. As trainings are of different kinds i.e. basic, and vocational, it is essential to draw up a plan according to the specific requirement of each group.
3. Economic activity - Swarozgaris need not be pressured in the matter of choice of economic activity. Rather they should be provided guidance in terms of viability or sustainability of a particular activity depending on available resources and market.
4. Marketing - Market survey as an important component especially of group activities needs to be stressed. Marketing survey should be conducted for each and every possible economic activity in the rural areas to know about the demand patterns of various products.
5. Insurance – Every member of SHG should be compulsorily and automatically covered under micro-insurance under Micro Insurance Regulations, 2005 of IRDA.

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