

Self Help Groups – Its Rural Impediments

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I. INTRODUCTION

A small group (15 to 20 members) voluntarily formed and related by affinity for specific purpose, it is a group whose members use savings, credit and social involvement as instruments of empowerment.

The Anti poverty Programme are a to dominant feature of government initiatives in the rural areas. The programmes pertaining to these efforts have been reviewed and strengthened in successive years in order to sharpen their focus on reduction of rural poverty.

Poverty is widespread in India, with the nation estimated to have a third of the world's poor .

According to 2005 World Bank estimate, 41.6% of the total Indian population falls below the International poverty line of US \$ 1.25 a day (PPP, in nominal terms Rs. 21.6 a day in urban areas and Rs. 14.3 in rural areas.). According to 2010 data from the United Nations Development programme, an estimated 37.2 % of Indians live below the Country's national poverty line.

In percentage terms, rural poverty has reduced from 56.44 percentage of the country's population in 1973-74 to 32.27 percentage in 1993-94. However, the cause for concerns is that the estimated number of rural poor is still about 193 million, which has led to further review and restructuring of the anti poverty programmes.

The Swarajayanti Gram Swarozgar Yojana (SGSY) is the result of such latest review and restructuring of programmes. The SGSY is different from earlier programmes in terms of strategy envisaged for implementation and has been conceived as a holistic programme of self employment viz , organization of rural poor into Self Help Groups. SGSY was launched in April 1999 and is the only self employment programme currently being implemented. It aims at promoting micro enterprises and to bring the assisted poor families (Swarozgaries) above the poverty line by organizing them into self Help GHGs) through the process of social mobilization, training and capacity building and provision of income generation assets through a mix of Bank- Credit and Government Subsidy.

The scheme is being implemented on a cost sharing ratio of 75% 25 between the centre and the state. Since inception of he scheme upto December 2002 a total allocation of Rs. 4,335.70 crores was made available by the centre and the states . Total funds utilized were Rs. 3496.66 crores to benefit 32.48 lakh swarozgaries.

The total investment provided for the cause has been calculated at Rs. 14,403.73 crores including Rs. 1,200 crores provided by the Government of India for the calendar year 2006-07. Of the beneficiaries, 45.54 percent have been SC/STs and 47.85 percent, women.

II. THE CONCEPTUAL BACKGROUND

Despite the vast expansion of the formal credit system in the country, the rural poor especially small and marginal farmers and landless labourers, petty traders and artisans, continue to depend money lenders for their emergent credit needs. Their needs are small but frequent. They have little or no savings at all. Banks have, so far been shy of dealings individually with these small due to high transaction cost and risk involved. However, the experience in many countries reveal that when these resources poor people are organized into small thrift and credit management groups or Self Help group (SHGs) they not only become bankable but also reveal an inner strength to fight the socio economic injustice to which they have been subjected for decades.

Objectives of Swarnajayanti Gram Swarozgar Yojana (SGSY) is to bring the assisted poor families (Swarozgaries) above the poverty line (probable range to poverty line is 22,000 to Rs. 24,000 p.a in Xth plan) by insuring appreciable sustained level of income over a period of time. The poverty line varies from state to state.

The SHG approach help the poor to build their self confidence through community action. Inter-action in group meetings and collective decision making enables them in identification. This process would ultimately lead to the strengthening and socio-economic empowerment of the rural poor as well as improve their collective bargaining power.

III. STRUCTURE OF SHG

For identifying the key activities that can be taken up by block level SGSY Committee and for selection of key activities, a profile of the poor families as reflected in the BPL census should analysed. The block level SGSY Committee should analyse the potential for farm activities on priority. Another category would be the unemployed educated youth. Generally, the people who are assets- less and skill less are poorest of poor and get our under the Programme.

Such category of people may require small doses of multiple credit over a period of time coupled with emphasis on awareness creation, training and capacity building .The activities which are easier to handle and product is easily marketable could be identified for such category of people to ensure sustainable income, so that they do not fail into debt trap.

The process of SHG formation could be divided into different phases or stages as follows:-

- Group formation at grassroots level. Our society, members are linked by various common bounds like caste, sub caste, community, blood relation etc. This natural group is called 'Affinity Group'

- Group stabilization through thrift and credit activity amongst the members not building their group corpus . The Group takes up internal loaning to the members. They have regularly.
- Micro- credit Revolving fund sanctioned as cash credit limit by bank.
- Micro enterprises Development –this phase would include entrepreneurship development as well as skill development training of the members of the group to enable them to successfully implement the chosen activities.

Under SGSY, generally a self help groups consists of 10 to 20 persons. However, in case of deserts, hills and areas with scattered population and disabled persons, this number may be from 5-20 under following conditions:

- a. Generally all member of the group should belong to BPL. However, upto 20 percent are acceptable to the Group but subsidy will not to be given to the API members.
- b. The group shall not consists of more than one member from the same family persons should not be a member of more than one group.
- c. The group should organize a regular meeting weekly or fortnightly or monthly.
- d. The group should build their corpus fund which should be used to advance loans to the members through a participating decision making process.
- e. The group should be able to fix repayment schedule, fix appropriate rate of interest for the loans advances and closely monitor the repayment of the loan installment from the loanees.
- f. The group should maintain simple ledger records such as minutes book, attendance register, loan ledger, general ledger, cash book, bank passbook and individual passbooks.
- g. 50 percent of the group formed in each block should be exclusively for the women.

A large number of DWCRA group have been formed and assisted by DRDA is the past. Likewise there as a number of Self Help Groups formed by NABARD, other banks, Rastriya Mahila Kosh, State level Education Projects etc. The DRDA may act as nodal agency for developing the database, which should include Self Help group formed under all the schemes.

Every SHG that is in exercise for at least 6 months and has demonstrated the potential of viable groups enters the second stage. Wherein they receive the revolving fund provided by the DRDA.

On the receipt of the revolving fund the group shall utilize the fund in the manner and for purpose it deems fit. The idea is that the group should development the capacity to utilize fund it has received from outside. The revolving fund can be used by the group for purpose of raw materials marketing or infrastructure support for income generating activist. It can be alternatively used for lending to individual members for their own purpose.

Once the SGH has demonstrated that it has successfully passed through their third stage, it is eligible to receive the assistance for economic activities. This is in the form of loan & subsidy. The group is entitled to subsidy of 50 percent of the project cost subject to per capita subsidy of Rs.10,000 or Rs. 1.25 lakh.

DRDA entitled to conduct training programmes to the members of the group so that the group becomes fully self managed and evolve into among groups. DRDA will utilize to meet the expenses incurred by the training institution for both orientation and skill development training fund out of the SGSY fund.

SHG programme is the safeguard for the weaker section. Accordingly, the SC/ST will account for a minimum of 50 percent for 40 percent and disabled for 3 percent of the total Swarozgaries assisted during the year.

IV. ISSUES AND PROBLEMS

Working of Self Help Groups forms a major chunk of society. Its presence, aspirations and problems cannot be ignored. It is imperative that these groups are looked upon as engaged in gainful employment. These groups should be given the due care and status in the society.

Though, development policies and performances have created a positive impact on the self help group in the society, they are facing many problems and difficulties in making – groups and lending financial support from banks and financial institutions. Some major issues and problems indicates SHG status, which as follows:

- a. Most members of the SHG are innocent and illiterate.
- b. They have no knowledge about the SHG.
- c. They do not have a principal occupation.
- d. Women member perform dual role in society relating to production and reproduction so they are over burdened.
- e. Their contribution to the family economy and national economy remains largely invisible and under valued.
- f. Women have a low nutrition status.
- g. The existing communication channels are not adequate and do not reach to the BPL members of the society.
- h. Lack of integrated approach in macro policies in tackling its issues.
- i. Unchecked exploitation of SHG women members in houses, at working place and public place.

V. SUGGESTIONS

The problem of self-help groups in the Jharkhand state are multifarious and multidimensional. These problems can be solved by changing the attitude of society, family and nation towards the weaker sections of the society, poor men and women. Some suggestions are as follows:

- a. Members of the SHG should be educated and when she is educated she can manage her dual responsibility of home and work.
- b. Member of the each SHG should be given vocational training in their work so that their efficiency increases. They should be trained to develop their capabilities of decisions making and individual thinking.
- c. Women member of the self-help group should be made aware of their constitutional and legal rights both in their work and in the social sphere.
- d. The attitude of husband and family member should be changed towards her occupation and husband should come forward to share her burden.
- e. They should be given adequate facilities.
- f. They should be given financial freedom.

- g. Baby care centre should be opened at the work place where she can leave her child.
- h. Maternity benefit schemes should be enhanced in self-help groups Swarozgaries.
- i. Women should also change their attitude about themselves. They should be self confident in their approach.
- j. More seminar, workshop and conference on SHG should be organized. They should be encouraged to participate in them and express their views.
- k. There should be almost need of direct co-relation between education and employment among the SHG members. Let us hope that the future is rosy for SHG.

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