



Research Article

Micro-finance and functioning of women SHG in Jorhat district of Assam

■ MANOSHI BARUH DEKA, REKHA MONI SAIKIA AND POMPI SAIKIA

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SUMMARY : The study was conducted in Jorhat district of Assam to find out the micro-finance and functioning of SHGs in Jorhat district of Assam. Fifty SHGs from Jorhat district were selected randomly for the study. Fund sources and utilization and problems faced by the group members was studied. The organizational profile revealed that majority were 3 years old. Most of the groups were of medium size having 12-14 members. All the SHGs maintained regularity in convening meeting. Group savings and utilization pattern showed that 32 SHGs followed a monthly saving pattern and rest weekly savings pattern and amount of contribution was upto Rs.50.00 for majority of the groups. Records were maintained by the secretary. Both farm based and non farm based activities were undertaken for income generation. All the SHGs followed their own constitution and source of fund was assistance from block followed by banks. Time for convening meeting emerged as the major problem followed by contacting different members.

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KEY WORDS:

Micro-finance,
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BACKGROUND AND OBJECTIVES

Women's contribution to national development is crucial. The process of development would be incomplete and lopsided, unless women are fully involved in it. Emancipation of women is an essential pre-requisite for social and economic development of the nation. Women must be recognized as a power in development and involved actively and productively in the development process. In this context, the variables that satisfy the equation between betterment of mankind and environment, is the integration of several factors and development concern. Organizing women into groups has been proved to be a good intervention. More importantly it helped to transform the rural women from the status of beneficiaries into clients who are in a reciprocal relationship with the institutions those who are meant to serve them.

Under the programme, SHGs can avail themselves of assistance in the form of bank loans, supported by a back-ended government subsidy. Through the formation of SGH, aims for the

development of socio economic condition of group, their quality of life and to help the group to become a self dependent one which indirectly relates to the socio-economic development of the country (Rahman, 2006). The groups that are formed with thrift and credit as an entry point have demonstrated that the poor can secure greater access to credit and other support services for enhancing their income levels.

Micro-finance through self help group has been recognized as one of the most promising and effective tools for empowering rural people in most of the developing countries of the world including India (Sharma, 2000; Sinha, 2004). The basic motto of self help group is to make micro-credit accessible to the needy people to enable them to generate self –employment and sustainable income thus becoming empowered in social, political and economical aspects. Moreover organizing women into groups has been proved to be good intervention. Membership in a group initially substituted for individual women's lack of bureaucratic know-how and her unfamiliarity with

Author for correspondence :

POMPI SAIKIA
AICRP-Home Science,
Department of
Extension Education,
Faculty of Home Science
(A.A.U.), JORHAT (ASSAM)
INDIA
Email:pompisaikia.aau@
gmail.com

See end of the article for
authors' affiliations

public discourse. More importantly it helps to transform the rural women from the status of beneficiaries into clients who are in a reciprocal relationship with the institutions those who are meant to serve them. In this line the present study was conducted with the following objectives : to find out the organizational profile of the SHGs of Jorhat district, to assess the fund utilization pattern and micro-finance in selected SHGs and to identify the problems faced by the members of SHGs.

RESOURCES AND METHODS

The study was conducted in Jorhat district of Assam. Fifty SHGs were randomly selected from five villages under Jorhat Development block . The data were collected from the members of selected SHGs through personal interview method with regard to organizational profile, fund sources and utilization and problems faced by the group members.

OBSERVATIONS AND ANALYSIS

The organizational profile was studied in terms of duration of the group, size, graded/registered organization, frequency of convening meeting and record maintenance.

Data in Table 1 show that majority of the SHGs are 3

years old except in Gojpuria village where only one SHG has been recently formed. These groups are mainly small in size Grading is basically done to identify the weakness, if any, and help the group to overcome the same so as to develop into a strong group. Grading of the group also enables to establish linkages with banks. Majority(62%) of the SHGs of all the villages are graded by banks. The group should devise a code of conduct (Group management norms) to bind itself. The groups selected for the present study had their own constitution. The data showed that the 58 per cent SHGs convened meetings fortnightly and 32 per cent monthly. The meetings aid in functioning of the groups in a democratic manner allowing free exchange of views and participation by the members in the decision making process. Each and every group maintained simple basic records such as meeting register, saving register, pass book, purchase register then monthly deposit book and also guest register. The accounts were mainly maintained by the secretary(60%) and president(24%).

Majority (62%) of the groups were linked to Bank followed by block office for grading and obtaining financial assistance. This linkage also aided in undergoing training for improvement of entrepreneurial skills of the group members

Table 1: Distribution of Self -help Groups according to their background profile

(n=50)

Sr. No.	Characteristics	Village wise responses					Pooled data 50
		Gojpuria 20	Jamuguri 8	Nachungi 10	Thengal 11	Timimia 1	
1.	Duration of the group						
	0-12 months	1					1
	1-2 years	1		3			4
	2 -3 years	13	5	5	9	1	33
	More than 3 years	5	3	2	2		19
2.	Size of the group						
	Small(upto 10 members)	16	5	4	7	1	33
	Medium(11-15 members)	4	2	4	3		13
	Large(16-20 members)	0	1	2	1		4
3.	Registered/ Graded						
	Graded by blocks	10	2	1	4	1	18
	Graded by Banks	9	6	9	7		31
	Not yet graded	1					1
4.	Frequency of convening meetings						
	Fortnightly	17	4	2	5	1	29
	monthly	3	4	3	6		16
	bimonthly			5			5
	No fixed time						0
5.	Records maintained by						
	President	8	1	3			12
	Secretary	10	6	6	7	1	30
	Treasurer			1	4		5
	Group member	2	1				3

to carry out income generating activities successfully. Secretary played a major role in maintaining accounts. Only in Jamuguri village account was maintained by the group members.

The basic motto of SHG is to make micro-credit accessible to the needy people to enable them to generate self employment and sustainable income which was well understood by all the members of SHGs as it has been reflected through the data presented in Table 2. Data with regard to fund raising, utilization and micro finance from different sources is presented in the table. The data shows that in 78 per cent of SHGs contributed Rs.50.00 per month and the amount was deposited in the banks. The financial assistance received from bank by 64 per cent of the SHGs in the form of micro finance and it was utilized mainly to disbursed loan to members and also invest in group activities. Only a single group in Jamuguri disbursed loan to outsiders. Further the data indicate that the saving amount and place among the SHGs was found to be different. It ranged from 5000/- to more than 25,000/-. Only a few SHGs in Gojpuria and Thengal have fixed deposits in banks upto Rs.20,000/-. The findings indicate that the members were not only able to make themselves free from the clutch of the traditional money lenders but also contributed to build their assets and achieve financial security.

Entrepreneurship amongst women has been a recent concern for all. The hidden entrepreneurial potentials of women have gradually been changing with the growing sensitivity to the role and economic status in the society. In this context various entrepreneurial activities undertaken by the members of different SHGs which aid in economic security. The data revealed that 60 per cent of the SHGs were involved in non farm based and 52 per cent on farm based enterprise. Majority of the SHGs have undertaken weaving as an enterprise. They make various traditional products such as chadar, mekhala, gamusa and suit pieces. Very small number of SHG have undertaken handicraft, pickles making and snacks preparation as an enterprise. In Jamuguri village only one SHG, they sell paper packets, mustard and rice powder which aid in income generation, poultry and piggyery, dairy are also undertaken by few of the SHGs. Majority of the products are sold in the village itself.

Transportation, market, capital and shortage of time for convening meeting were some of the common problems faced by the members of SHG. Besides, in case of farm based activity sometimes the animals were attacked by diseases and sometimes people purchase products on debt. To overcome these problem the group members discuss among themselves to find out some sort of solutions that would facilitate in

Table 2 : Group savings and saving pattern

Sr. No.	Characteristics	Village wise responses					Pooled data
		Gojpuria 20	Jamuguri 8	Nachungi 10	Thengal 11	Timtimia 1	
1.	Amount of contribution						
	Upto Rs. 25.00	1	2	2	1		6
	Up to Rs. 50.00	18	4	7	9	1	39
	More than Rs.50.00	1	2	1	1		5
2.	Saving Pattern						
	Monthly	20	8	7	3	1	39
	Fortnightly			3	8		11
3.	Contribution deposited						
	Bank	20	7	9	6	1	33
	Post office		1	1	5		7
4.	Utilization of savings deposit						
	Disburse loan to members	3	3	7	5	1	19
	Disburse loan to outsiders		1	-	-		1
	Invest in group activity	17	4	3	6		30
5.	Amount of fixed deposit						
	Upto 20,000/-	4		3	4	1	12
	Upto 25,000/-	13	8	7	5		33
	Upto 50,000/-	3			2		6
6.	Source of financial assistance						
	Bank	15	4	5	7	1	32
	Block	5	4	5	4		18
	NGO						

running their enterprise smoothly. The findings imply that though SHGs were formed in these villages, all the rural women are yet to be organized into groups. Group mobilization is to be strengthened through intervention. A number of training and exposure visits are needed for capacity building of these members. By enabling SHGs to run an enterprises and small industries it seems to increase self confidence among the members which would not only improve their position in society but also to make greater progress towards economic and social development.

Conclusion:

India is fiercely diverse as a nation and most communities are also diverse in caste, community and religion. Indians are also known for their sense of personal independence. The SHG system reflects this independence and diversity. It allows people to save and borrow according to their own time table, not as the bank requires and SHGs can also play a part in a whole range of social, commercial or other activities. There is little question that the microfinance has enabled large numbers of poor people to improve their social and economic status. If sustained these groups will become as one of the milestones in women empowerment and the nation's prosperity. The linking

of SHGs with the financial sector was good for both sides. The banks were able to tap into a large market, namely the low-income households, transactions costs were low and repayment rates were high. The SHGs were able to scale up their operations with more financing and they had access to more credit products.

Authors' affiliations :

MANOSHI BARUH DEKA AND REKHA MONI SAIKIA, AICRP on Home Science, Department of Agricultural Extension, Faculty of Home Science, Assam Agricultural University, JORHAT (ASSAM) INDIA

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