

# Economic Status of Members of Self - Help Groups in Barpeta District of Assam

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**Abstract:** *In a developing country like India, huge amount of unemployed cannot be absorbed in government sector and in industrial sector. There must be alternative source of employment opportunities, where a large number of unemployed, specially of the rural areas, can find their way of livelihood. For this, government intervention and support are utmost necessary since the rural poor cannot start their economic activity themselves. SHGs movement bring hope in this regard. After taking up economic activity with the help of SHGs, the economic conditions and standard of living of rural poor has improved a lot. This is an honest effort of us of being analysing the impact of SHGs on improving the economic status of the rural poor of Barpeta District of Assam and found a ray of hope for the huge army of unemployed to be self-employed with the help of SHGs movement in Assam as well as in India.*

**Keywords:** SHGs, Rural Poor, Economic status

## 1. Introduction

India is an agricultural country, where 70 percent of the total population live in villages and out of the total 27.5 percent live below poverty line. Though various steps like nationalisation of commercial banks, establishment of Gramin Banks, re - organisation and reformation of cooperative societies has formerly been taken to uplift the rural poor, various surveys show that these are unable to touch the majority of the population below poverty line and were unable to fulfil the economic demand for increase production, so that they can increase income and raise their standard of living. The increase in income as well as rise in standard of living below expectation, because the rural poor are not united as they need to be. It has been observed that the rural poor had tried to implement various economic projects or schemes individually, but they had failed because of various reasons like lack of capitals, marketing facilities and skills, technological, entrepreneurial and managerial skills. So along with these, as the industrialisation is not getting its momentum, and agriculture is still away from modernisation, the employment opportunities are limited, specially in rural economy. Hence the earning status as well as the standard of living of the rural masses is not satisfactory. On this ground, we can say that SHGs can play an important role in increasing the income level as well as the standard of living of the rural poor by making them self - employed through establishment of small farms which will uplift the socioeconomic status of the members of the SHGs.

Despite the immense importance of SHGs either in ameliorating the present plight of the poor or downtrodden or in accelerating the pace of their all - round economic development, SHGs are not economically active so as to achieve its expected goal and members of the SHGs are not financially sound or independent till date. In this research paper titled “**Economic Status of Member of Self - Help Groups in Barpeta District of Assam**” intend to find out the change in the economic status of the SHGs member after joining the SHGs. For this purpose we have make a detail survey over the sample groups of SHGs and their member in Barpeta district. At present there are 13486 numbers of SHGs in Barpeta District with total number of SHG member

of 162677 and in sarukshetri block there are 920 numbers of SHGs with 9970 number total members. Out of the total, we have randomly selected 1.5 percent of the total number of SHGs and 1 percent of the total members under sarukshetri block of Barpeta district for our study.

## 2. Objectives of the Study

The broad objective of the study are laid down as follows

- 1) To study the economic status of the members of the SHGs of Barpeta District.
- 2) To analyze the impact of SHGs on employment, income, savings, and borrowing status of the members after joining the SHGs in the study area.
- 3) To find out the perceptions of SHG members regarding the benefit enjoyed and problems faced by the members in availing the benefits in the study area.

## 3. Research Design

For the proposed study we adopted descriptive research design since it is an attempt to analyze, interpret and report the present status of a social institution, group or area or any establishment to seek to answer the question what are the real facts with regard to existing condition. The study describe the status and characteristics of the SHGs and their member with respect to their economic status such as occupation, income, saving, borrowing, indebtedness, employment status etc.

For data collection through direct observation as interview and indirect observation through questionnaire and schedule under the descriptive research design, it involves the following steps:

- a) **Universe of the study:** the universe of the study consist of 13486 numbers of SHGs in Barpeta District with total number of SHG member of 162677, but for an in - depth study of various parameters of them the universe is restricted to the Sarukshetri block of Barpeta District.
- b) **Sample frame:** In Barpeta District, there are 8 development blocks. Out of these, we have selected Sarukshetri block on ground that, in this block 920 numbers of SHGs has been formed with 9970 number

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total members. Out of total 920 SHGs we have purposively selected 1.5 percent i. e 13 SHGs and 1 percent i. e 100 members of SHG as sample under Sarukshetri development block.

**Methodology and data collection:**

The study is basically based on primary data then on secondary ones derived from printed paper, magazine, journals, status reports records, catalogue, bulletins, government publications, related books, seminar papers etc. Primary data have been collected from DRDA, Development block, NABARD, Gaon Panchayats and from households of SHG members of the area under study.

**4. Results and Discussion**

On the basis of the table derived from the 100 surveyed households of SHG members in Barpeta district we have

found the economic status of the surveyed households of the members of SHGs, namely dependency status, employment status, income status, saving status and borrowing status etc.

In reality, economic status of a household is not maintained without economic status of the individual members of the households. So in discussing the economic status of the member household, we are practically to deal with the economic status of their individual members. The expression “Economic Status” for a person can be denoted by the following parameters:

Dependency status: dependency status includes (i) Self - Dependent or earner (ii) Semi - dependent or earner dependent (iii) Complete Dependent or non - earning dependent. Table 1 presents the percentage distribution of the 461 population of the surveyed 100 members of the SHGs of the survey area.

**Table 1:** Percentage distribution of the population of the member of the SHGs by Dependency Status

SL. No	Dependency Status	SHGs formed by female		SHGs formed by male		All SHGs	
		total	percentage	total	percentage	total	percentage
1	Earner	51	21.6	49	21.8	100	21.7
2	Earning Dependent	52	13.6	38	16.9	70	15.2
3	Non earning Dependent	153	64.8	138	61.3	291	63.3
	Total	236	100	225	100	461	100

Source: Field survey

Table - 1 reveals that out of the 461 family members of 100 SHGs member’s household, about 22 percent of the household members has to support another 78 percent of their family members wholly, while about 15percent can contribute something to their necessities. The table also reveals that out of the 236 members, 21.6 percent are self dependent, who are either self employed or regular employed or about 13.6 percent are semi dependents and remaining 64.8 percent are complete dependent in case of SHGs formed by female. Again, 61.3 percent of the total population of the SHGs formed by male are complete

dependent with both unemployed and unproductive persons and only 21.8 percent are self-dependent and 16.9 percent are semi dependent.

**1) Employment Status:** Primary data collected from 13 SHGs reveals that about 80 percent of the total members are from poor families and only 13 percent own small areas of sweet lands for cultivation and other activities. So, they need alternative source for their livelihood and SHGs are the hopes for them. Table - 2 presents the employment generation to the rural poor through SHGs.

**Table 2**

S. No.	Employment Status	SHGs formed by female		SHGs formed by male		All SHGs	
		Total	Percentage	Total	Percentage	Total	Percentage
1	Economically active SHGs	4	57.1	2	33.3	6	46.15
2	Growing SHGs	2	28.6	3	50.0	5	38.46
3	Dysfunction SHGs	1	14.3	1	16.7	2	15.39
	Total	7	100	6	100	13	100

Source: Field study

Active SHGs means those SHGs which are generating employment, growing SHGs means those SHGs which are providing employment and yet to develop further for being economically active and dysfunction SHGs fail the basic objective of formation of the SHGs. This indicates the employment generation to the rural poor. Table - 2 reveals that out of 6 number of SHGs i. e 46.15 percent are economically active which means about 42 members are completely self - employed with the help of formation of SHGs, where 5 groups i. e 38.46 percent are growing in potential, which is generating employment but not in regular

basis and to the desired level but has the potential to provide employment in future and 2 SHGs i. e 15.59 percent has completely failed to provide employment to the rural poor. Table - 2 reveals one interesting fact that the SHGs formed by female is providing more employment as 57.1 percent. SHGs formed by female are economically more active than the SHGs formed by male i. e 33.3 percent.

**2) Income Status:** Table - 3 presents the income status of the members of SHGs before and after Joining SHGs.

Table 3

Sl. No.	Income status		SHGs formed by female		SHGs formed by male		All SHGs	
			total	percentage	total	percentage	total	percentage
1	Before joining SHGs	With income	7	12.07	11	26.19	18	18.00
		Without income	51	87.93	31	73.81	82	82.00
		total	58	100	42	100	100	100
2	After Joining SHGs	With income	41	70.69	23	54.76	64	64.00
		Without income	17	29.31	19	45.23	36	36.00
		total	58	100	42	100	100	100

Source: Field Study

Table - 3 reveals that before joining SHGs about 82 percent member of SHGs had no income, only 18 percent member had income. The percentage of members with income is quite low in case of female than the male i. e 12.07 and 26.19 percent respectively before joining the SHGs. But after joining the SHGs, with financial assistance from banks, 64 members i. e about 64 percent member started income generating economic activity of their own and earning income Rupees Rs.50/- to Rs.125/- per day. Remaining 36 members i. e about 36 percent members failed to earn income, but some of them are in the path of earning as their SHGs started economic activities, running in gestation period till date. But the percentage of income earner is higher in case of SHGs formed by female than that of the male i. e 70.69 percent and 54.76 percent respectively.

**3) Saving Status:** Before joining the SHGs, sample members saved in the group fund regularly either from their own income or from family income. 18 members i. e about 18 percent members saved from their income earned from household activities like cultivation, fishing, weaving, poultry, duckery, shops, carpentry etc. Other 82 member i. e about 82 percent members saved from income earned by other family members. The amount of yearly savings of the members ranged from Rs.240/- to Rs.600/- i. e monthly Rs.20/- to Rs.50/- . After joining the SHGs the amount of the yearly savings has increased to a small extend i. e between Rs.600/- to Rs.1800/- , as they are repaying the bank loans from their earnings.

**4) Borrowing Status:** Before joining the SHGs, the members have to depend on different sources of non - formal credit such as friends, relatives, local money lenders and rich families to meet their credit needs. After joining the SHGs they have started borrowing loans from their group fund. From the field study it is found that 42 members i. e about 42 percent members took loans from their group funds, which is used for consumption, education, medical treatment, social ceremony etc. The average amount of loan taken by members of SHGs ranged between Rs.2000/- to 5000/- . The SHGs charged 24 percent to 36 percent interest on loan per annum. The repayment rate of loan by the members is almost cent percent.

**5. Findings of the Study**

The study draws the major findings as follows

- 1) In 100 sample households, there are 461 populations of which 235 are male and 226 are female. So the sex ratio is 962 female per 1000 male. Out of the 1000 sample households, 58 households are of SHGs formed

by female with 236 population and 42 households are SHGs formed by male with 225 populations and respective sex ratios of SHGs formed by both female and male members are 1126 and 815 female per 1000 male.

- 2) The average size of household is about 5 and it is 5.4 and 4.8 in SHGs formed by female and male respectively.
- 3) In the study area, out of 100 families 83 percent are nuclear family and 17 percent are joint family and 88 percent and 78 percent of nuclear families are formed by female and male respectively.
- 4) Out of the total population, 58 percent belongs to the earner of the age group of 18 - 60, 15 percent belongs to the age group of 0 - 6, 13 percent belongs to the age group of 7 - 17 and 14 percent belongs to the age group of 60 and above years. The percentage of earner is 60 percent and 56 percent in case of SHGs formed by male and female respectively.
- 5) Out of the total, 35 percent populations are found to be engaged primary occupation, 17 percent are found to be engaged in secondary and 48 percent are found to be engaged in tertiary occupations.
- 6) The literacy rate of the sample households of the members is 78.6 percent out of which 84.4 percent are male and 66.8 are female.
- 7) Out of the 100 sample households, 55 percent are landless, 30 percent are marginal and 8 percent are small landlords and 7 are big landlords.
- 8) Out of the sample household, 78.0 percent are living below poverty line, where 5.5 percent are extremely poor, 8.8 percent are very much poor, 15.4 percent are very poor, 48.4 percent are poor and 22 percent are rich as per the IRDP booklet published by DRDA.
- 9) Out of the total household, 79.2 percent are found to have Assam Type house and 28.8 percent live in thatched houses including single tin roof.
- 10) About 22 percent of the total population of the sample households has to support 78 percent of their family out of which 15 percent contribute something to their family.
- 11) Out of the 13 SHGs 46.15 percent are economically active, 38.46 percent are growing in potential and 15.39 percent are completely failed to earn.
- 12) Out of 100 members after joining SHGs 64 percent members started economic activities of their own earning Rs.50/- to Rs.125/- per day.
- 13) After joining SHGs the amount of yearly savings of the members of SHGs has increases from Rs.240/- to Rs.600/- to Rs.600/- to 1800/- .
- 14) After joining SHGs members started borrowing from their groups at lower rate of interest at an average

amount of loan ranged between Rs.2000/- to Rs.5000/  
- per annum.

## 6. Conclusions

SHGs are the one of the most important and effective instruments of eradication of poverty of the rural masses. In the recent years, government give emphasis in the improvement of the economic status as well as the standard of living of the rural poor through various government schemes, financing SHGs through bank is one of them. Rural poor have changed their mindset regarding formation of SHGs and find their way of uplifting their living standard by taking up economic activity under the umbrella of SHGs. Consequently, family income has substantially increased and economic status as well as social status has improved. Along with this employment opportunities in unorganised sector of rural area have getting its momentum. In near future, it is hope that new door of hope will open and more economic activity will be explored in various field and more and more rural poor will their employment through SHGs.

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