

Role of Self Help Groups in Financial Empowerment of Women- A Study on Lakhimpur District of Assam

Anupam Dutta

Dibrugarh University, Assam

Bidyutt Bikash Hazarika

Dibrugarh University, Assam.

Kabir Barhoi

Dibrugarh University, Assam.

Abstract - SHGs are small groups of rural impoverished people who have banded together to improve their social and economic circumstances. The SHG members have banded together to overcome their common challenges through self-help and mutual assistance. Governments and banks recognise SHGs, and SHG members can open bank accounts in the name of the organisation. The microfinance programme focuses on women's empowerment in a variety of ways. Women's involvement in self-help groups had a substantial impact on their socioeconomic progress. This study was conducted by gathering primary data from 50 respondents in the Lakhimpur District of Assam, as well as secondary data from other sources like various books, websites and journals. The purpose of this article is to learn more about the role of self-help groups in women's financial empowerment. In addition, the performance of self-help groups in the Assam district of Lakhimpur will be examined.

Index Terms - Self Help Group, Women, Socio- economic progress, financial empowerment.

INTRODUCTION

A Self-Help-Group (SHG) is a small group of people who have come forward to form a group for the purpose of improving their social and economical situation. Members of the Self-Help-Group make a small contribution to the common fund. This communal fund is held in a bank account. SHG members borrow money from the common fund when they need it, based on the group's decision. Self-Help Groups are rapidly growing in the country's rural areas. The Self-Help Group plays a significant part in the country's rural economy. Women's engagement in the country's economic development has increased since the SHG idea was developed. This has an impact on their family's financial situation. Because women account for half of the country's population, financial empowerment for women is a natural result. Self-help group bank connection programmes are gaining traction as a cost-effective means to provide credit to rural poor women while also strengthening their collective self-help capacities, resulting in their empowerment.

The SHG encourages members to save small amounts of money and is helpful in decreasing poverty, empowering women, and developing rural communities. The formation of a SHG is aimed at the members' economic and financial progress. Microfinance enables people to become self-sufficient, allowing them to avoid relying on others for financial assistance in times of need. The SHG is also working to improve the leadership skills of its members. SHGs provide financial assistance to economically disadvantaged women, assisting them in improving their financial situation. SHGs enable economically disadvantaged women to obtain low-cost loans from microfinance institutions. This study aims to learn how women's SHGs use microfinance to help their members improve their financial situation.

The purpose of the study was to determine the influence of self-help groups and microfinance in the financial empowerment of women who are members of a self-help group. In today's world, SHGs play an essential role in society. The purpose of this study was to emphasise the current state of SHG operating in the Lakhimpur District, as well as the members' engagement in terms of financial empowerment after joining SHG.

REVIEW OF LITERATURE

Thakur (2016) stated that SHGs are a significant driver of sustainable growth in India, and that the microfinance plan is being implemented at the grassroots level through commercial banks, co-operatives, and regional banks in collaboration with government agencies. According to the conclusions of the study, microfinance can help with poverty alleviation efforts. In their article, Goto (2014) stated that through productive investments, wealthier members of SHGs profit more than poor members. Asset development and consumption criteria are met by SHG-modeled microfinance activities in the case of poor members. Loomba stated that microfinance has a significant role in India's social, psychological, and economic empowerment. Saravanan (2016) concluded in his article that microfinance to rural SHGs is a strategy to increase income, improve living standards, and increase the economic independence of rural women. Gaining more self-confidence is frequently a more enduring achievement that lays the foundation for social and economic advancements, and it has a significant impact on their life.

OBJECTIVES OF THE STUDY

The study is based on the following specific objectives:

- To study the performance of Self-Help-Group in North Lakhimpur Districts of Assam.
- To study the role of Self Help Group on the financial empowerment of Women.

RESEARCH METHODOLOGY

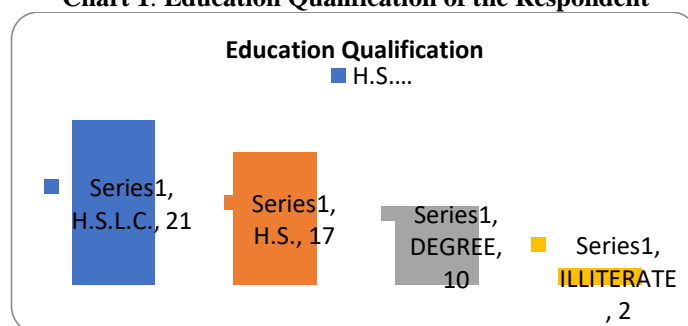
The research is exploratory in nature, and it was carried out using both primary and secondary data. The timetable and personal interview are used to acquire the primary data. The study's secondary data was gathered from various journals, websites, papers, books, and yearly reports. A field survey is being done in the district of Lakhimpur to gain an understanding of the benefits and problems that women experience. A total 50 respondents who are the members of the SHG from the area of study have been considered to conduct the present study. The data was collected from the women SHG members using an organised interview schedule. The agenda includes both open-ended and closed-ended questions. We looked at the various websites and profiles of the SHGs in Lakhimpur Districts to make the analysis more useful and understandable.

RESULTS AND DISCUSSION

In the first part of this section, the demographic status of the surveyed respondents is analysed. In the second part, the financial status of the respondents is highlighted.

Demographic status of the surveyed respondents: This section includes educational qualification of the respondents, occupations of them, and their association with the SHGs.

Chart 1. Education Qualification of the Respondent



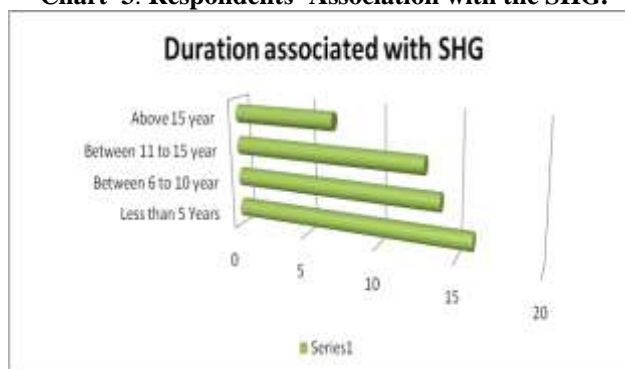
According to the Chart 1, 42 percent of SHG members have completed their education and 4% hold a postgraduate degree. H.S.L.C. passes account for 34% of SHG members, whereas H.S. passes account for 20%. It implies that SHG members aren't well-educated enough to handle the organization's operations.

Chart 2. Occupation of the SHG members



It has been observed from the study that maximum 56% of the SHG members are related with the Agricultural activities. 24% of the SHG members are Housewife and rest 18% are related with trade and commerce or only 1 respondent have service. Most of the women's family is dependent on agriculture and doing agriculture is their profession.

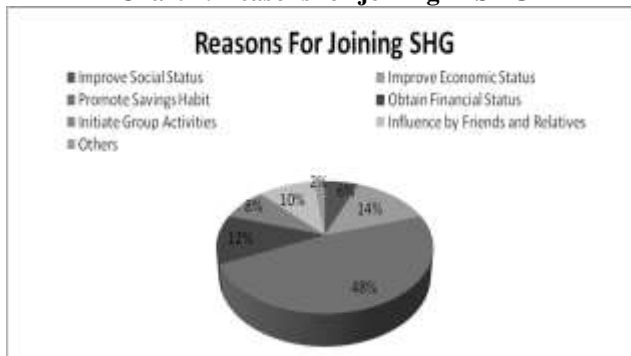
Chart 3. Respondents' Association with the SHG.



From chart 3, it is observed that 16 respondent associated with SHG for less than 5 year, 14 respondent associated with SHG for less than 10 year, 13 respondents are associated for less than 15year and rest are associated with SHG for more than 15 year. It seems that the respondents are associated with SHG for many years.

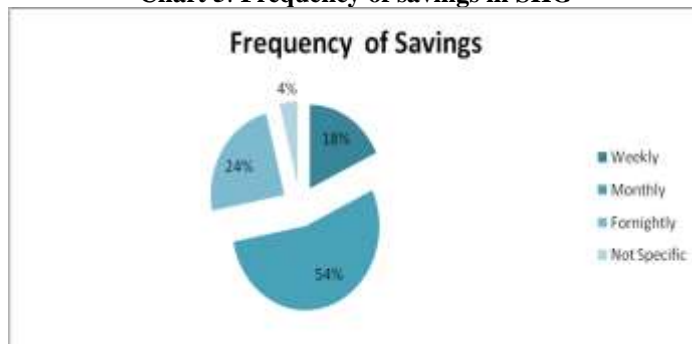
Financial status of the respondents: It includes reasons for joining in SHGs, frequency of saving in SHGs, amount of money saving in SHGs, purpose of money savings in SHGs, Bank account owned by the respondent, have the respondents applied loan in SHG, purpose of loan taken by the respondent, amount of loan taken, repayment of loan taken from SHG, monthly income of respondent before joining SHG, monthly income of family after joining SHG, interval of distributing profit, confident during the time of financial crisis.

Chart 4. Reasons for joining in SHG



It has been found from the study that Majority 48% of the respondent join SHG for promoting savings habit, 14% have join for improving their economic status, 12% have join for improving their financial status, 6% have join for improving their social status, 10% have join because they are influenced by their friends and relatives; rest are joining because they are motivated to group activities. SHG promoting savings habit among the members to create common fund and this will help them taking loan at the time of financial emergency.

Chart 5. Frequency of savings in SHG



It has been observe from the study that majority 54% of the respondent group savings at an interval of 1 month, 24% and 18% of the respondents are save their money fortnightly and weekly. After some period of interval they all get together and to collect their money.

Chart 6. Amount of money saving in SHG



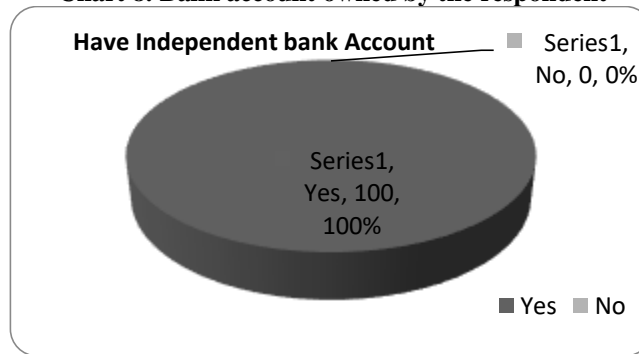
It has been found from the study that 42% of the respondents group monthly savings in between Rs. 100 to Rs. 200. 12% of the respondent’s monthly savings in between Rs. 200 to Rs. 300, 22% of the respondent monthly income below Rs. 100 and 12% of the respondent monthly income above Rs. 300.

Chart 7. Purpose of money savings in SHG



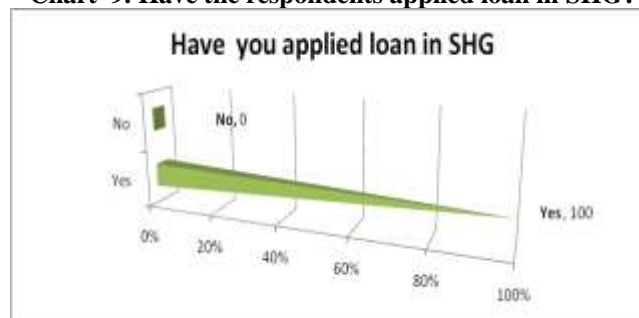
It has been observed from the study that majority a 60% of SHG members are save their money to meet the future financial requirement. 18% respondents save their money to become economically stable in future. Rest 12% and 10% of the respondent deposit their money for contribution and other purposes.

Chart 8. Bank account owned by the respondent



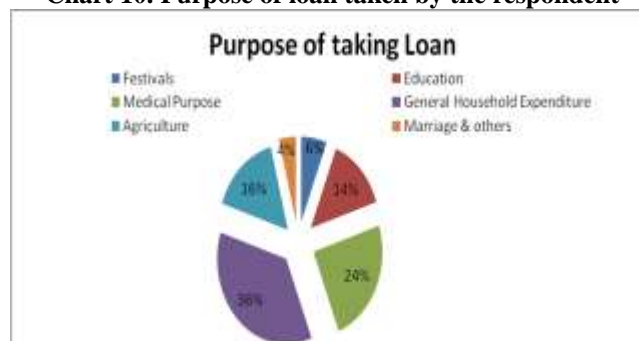
Here it is observed that 100% of the respondents have independent bank account after joining SHG they are willing to open bank account. Individual bank account is one of the aspects of economic security, thus it can be said that SHG members are becoming financially empowered. There is also the financial security among the members.

Chart 9. Have the respondents applied loan in SHG?



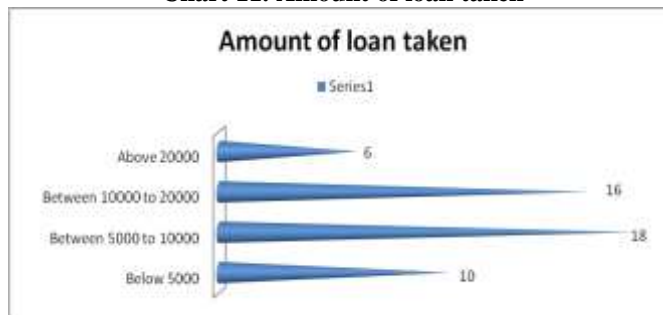
From the above chart we can come to know that 100% of the respondent are applying loan from the self help group whenever they need finance. It reveals that micro finance help them to meet their financial need at a low interest rate.

Chart 10. Purpose of loan taken by the respondent



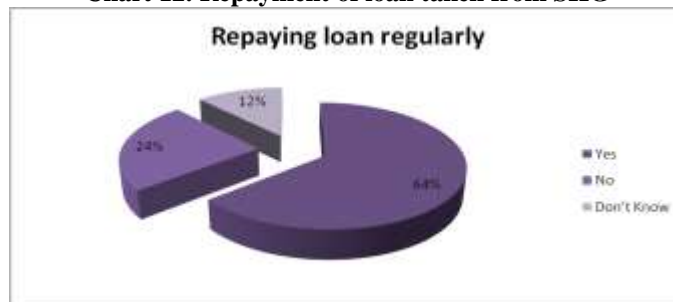
It is to be observed from the study that 36% of the respondent are taking loan from the SHG for general household expenditure, 24% of the respondent taking loan for medical purpose, 16% of the respondent taking loan for doing agriculture, 14% of the respondents taking loan for their children education, 6% and 4% of the respondent taken loan at the time of festival or marriage or other reason. The SHG help them to overcome the financial problem through micro finance.

Chart 11. Amount of loan taken



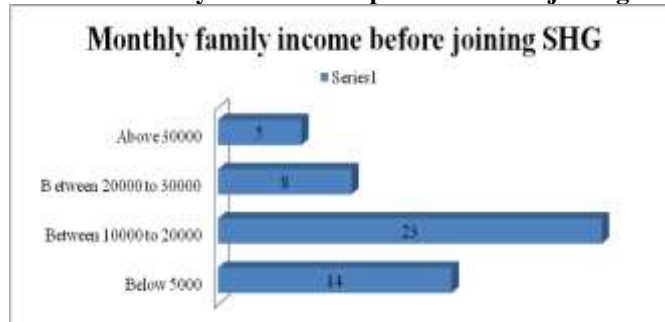
It is observed from the study that Majority 36% of the respondent taking loan in between Rs. 5000 to Rs. 10000. 32% of the respondent taking loan in between Rs. 10000 to Rs. 20000, only 12% of the respondent taking loan above Rs. 20000 or only 20% of the respondent taking loan below Rs. 5000.

Chart 12. Repayment of loan taken from SHG



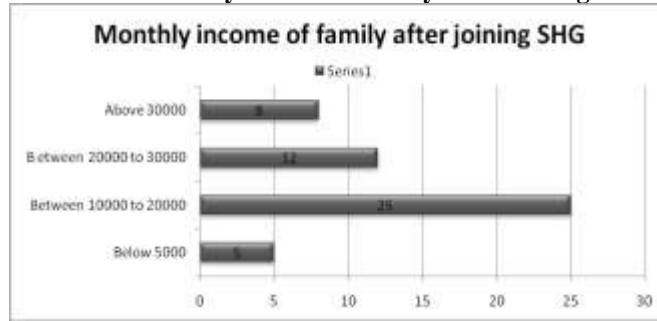
It is observe from the study that majority 64% of the respondent repaying loan regularly and 24% of the respondent not repaying loan regularly and rest of the respondent don't give opinion on this question.

Chart 13. Monthly Income of respondent before joining SHG



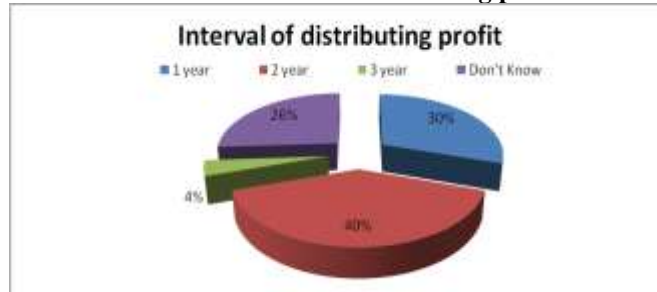
It has been observed from the above table that Majority 46% of the respondent family income in between Rs. 10000 to Rs. 20000 and 28% of the respondent family income below Rs. 5000. 16% of the respondent family income between Rs. 20000 to Rs. 30000 and only 10% of the respondent family income above Rs. 30000 before joining SHG.

Chart 14. Monthly Income of family after Joining SHG



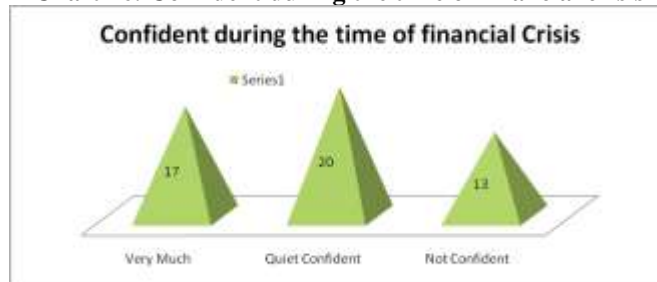
It is seen from the above table that majority 50% of the respondent monthly income of the family in between Rs. 10000 to 20000 after joining SHG, 24% of the respondents income in Between Rs. 20000 to 30000.16% of the respondent family income above Rs.30000 after joining the SHG. Only 10% of the respondent family monthly income below Rs. 5000

Chart 15. Interval of distributing profit



From the above chart it has been found that majority 40% of the SHG group distributing their profit at an interval of 2 years. 30% of the respondents group distributes their profit year after year and 4% of the respondents distribute profit at an interval of 3 year. 26% of the respondent group distributes their profit as per the division of the members.

Chart 16. Confident during the time of financial crisis



Women's are more confident during the time of financial crisis or when the monetary problem arises in their family. The reason behind this is that they are able to get financial assistance from the self help group whenever they need fund. So the women's from Lakhimpur districts are capable of meeting financial crisis.

KEY FINDINGS OF THE STUDY

- It is found from the study that women members of SHG have minimum education qualification it means that the more education less participation in self help group.
- From the study it is found that majority of the respondent are housewives and they are working in the agriculture related activities for a short duration of time.
- The findings of the study revealed that majority 48% of the respondents have join SHG for promoting savings habit; it has impact on financial status of members of SHG. They are able to save their money after joining SHG.
- Most of the respondents groups conduct their meeting monthly and they collect their savings amount and deposited it into bank.
- Majority 42% of the respondents are savings Rs. 100 to Rs.200 monthly as monthly savings and if they failed to give money within the month then they have to bear interest on that specified amount.

- Mostly 60% of the respondents have deposited their money in the SHG to meet their future financial requirement. When they need fund they take loan from the SHG as per the approval of group member.
- It is found from the study that all the respondent have their independent bank account in their name. After joining SHG members become financially literate and they enjoy facility of banking services.
- All the respondents have the experience of taking loan from the Self Help Group; they are taking loan at a low interest rate. The interest rate of SHG is comparatively low than the other financial institution which is one major benefit for the SHG members.
- Most of the respondents i.e. 36% are taking loan from the SHG for the use on household expenditure. At the time of need finance for household activity they no need to go for the another financial institution. The study revealed that most of the respondents i.e. 64% are regularly repaying the loan amount with the interest.
- As per the opinion of the respondents monthly income of the family increase after joining in SHG. SHG members are associated with the different entrepreneurial activity which increases income of the SHG member and mostly 40% are distributing their profit at an interval of 2 years.
- It is observed from the study that women's who are associated with SHG are more confident during the time of financial crisis. They become financially empowered after joining the SHG.

LIMITATION OF THE STUDY

- Limitation of time is one of the main factors concerning this study. As I got only 1 month time for completion of this project.
- Limitation of area is another main constrain of this study, as it is focusing on women belonging to a SHG of one district only.
- A small sample size is limitation of the present study. A large number of SHG are in Lakhimpur but due to lack of time we only collect data from 50 respondents.
- The major limitation of the study is the respondent are not willing to answer the question properly.
- We have focus on the self help group which is form by only women members. There for the aspects of male SHG are ignored in this study.

SUGGESTIONS

- The self help groups of this study area are functioning smoothly and the women member associated with the SHG are benefitted from it. But there are certain drawbacks which require special attention in order to attain more sustainability, success of the groups.
- The training that are conducted for the self development of the SHG members should include topic on opportunity for entrepreneurial development and increase the income earning capacity are exposed through conducting large number of awareness programs.
- The government should give training on entrepreneurial development program to the SHG members. The participation of these training program will certainly have its impact on developing entrepreneurial skill, increasing employment opportunities and generating income earning capacity.\
- Everyone should give the chances of leading the group so that everyone should get the chance of enhancing their leadership skills.
- The SHG should take part in the exhibition cum sale that are conducted by Government or any other sources in order to increase their marketing skills.
- The members of SHG who associated with the micro enterprise, the government should financially help them to broadening their enterprises.
- SHG group should be involved in the social activity for the development of the society at large.

CONCLUSION

Self Help Group is an important tool which helps the rural women to acquire power for their self supportive skills. Self Help Group has somewhat changed the woman's status socially and economically, as they have played an important role in providing financial assistance, decision making in the family as well as being helpful to the others members of the group and educating their children which have enable the women in improving the relationship with the family also. Microfinance empowering the low income women by providing finance at the time of financial emergency so the SHG members are more confident during the time of financial emergency. Micro finance through SHG help in alleviates poverty and development of rural people.

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