Self Help Groups as catalysts for Scio-economic progress: A study on the perspectives of SHG members in Assam

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I. Introduction:

Women disproportionately bear the brunt of poverty, often facing systemic barriers that limit their economic opportunities and social mobility. Despite engaging in extensive labor—both paid and unpaid—their contributions frequently go unrecognized, and they are underrepresented in decision-making processes that affect their lives. This marginalization extends to asset ownership and access to resources, perpetuating cycles of inequality and economic vulnerability.

Recognizing the pivotal role of women in driving economic growth, recent development strategies underscore the necessity of their full participation. Empowering women not only fosters gender equality but also catalyzes broader societal advancements. For instance, when women have equitable access to education, healthcare, and economic resources, communities experience enhanced productivity and resilience. Moreover, inclusive policies that support women's rights and leadership contribute to more effective governance and sustainable development outcomes. In essence, the advancement of women is not merely a matter of social justice; it is a strategic imperative for achieving comprehensive economic development and social progress.

From the outset of India's post-independence planning, providing women with equal status has been a declared priority. However, in practice, the early Five-Year Plans did little more than marginally address women's issues. Initially, women were deprived of autonomy over their own income and were rarely involved in decision-making. It has long been understood that development which ignores the contribution of women remains incomplete and skewed.

Self-employment plays a crucial role in generating sustainable incomes and breaking the chains of poverty. Earlier schemes, such as the Integrated Rural Development Programme (IRDP), though promising, proved insufficient in meeting all needs and addressing systemic issues.

The government introduced an effective self-employment programme, the Swarnajayanti Gram Swarozgar Yojana (SGSY), on 1 April 1999. What makes this scheme particularly striking is that its objectives, strategy, methodology, and sustainability mechanisms are significantly different from earlier programmes—addressing many of their weaknesses.

Under SGSY, the concept of forming Self-Help Groups (SHGs) was formally taken up. The scheme provides assistance to rural poor families living below the poverty line; these beneficiaries are called "Swarozgaris." They may undertake self-employment either individually or through groups known as SHGs.

For self-employment to succeed, choosing the right kind of activity is essential—but equally important is that the activity is carried out well. Self-employment involves multiple stages: acquiring raw materials, production, marketing of goods, and managing finance. A single Swarozgari may find it

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difficult to manage all these stages alone, which makes group formation—i.e. SHGs—especially useful.

A Self-Help Group is a self-governed, peer-controlled informal group composed of persons from similar socio-economic backgrounds who come together with a shared purpose. It is a small voluntary association, typically of poor people with limited resources, functioning as a platform for exchanging experiences, sharing ideas, mobilizing savings, accessing credit, and tackling social and gender issues.

A Self Help Group refers to Self -Governed, peer controlled informal group of people with similar socioeconomic background and having a desire to collectively perform common purposes (Selvachandra, 2004), SHG is a small voluntary association of poor people, preferably from the same socio-economic background which becomes a platform for exchange of experiences and ideas, and better mechanism to reduce poverty as well as effective medium to tackle social and gender issues of the society (Singh et al., 2004).
A Self-Help Group (SHG) is typically a small, community-based collective (often 10–25 members, commonly women) that pools savings and extends credit to members for emergencies, livelihoods, or asset acquisition. It fosters solidarity, peer accountability, and access to financial services that are otherwise out of reach for marginalized communities.

Assam's Major SHG Initiatives

a) Large-Scale Financial Inclusion

- In a bold move announced on India's 77th Independence Day in 2023, Assam aimed to empower **3.956 million women** by forming SHGs and providing each with a **₹10,000 grant** to kick-start entrepreneurial activities.
- So far, the state has disbursed about **₹5,078 crore** in credit linkage to roughly **338,000 SHGs**, enhancing their financial muscle.

b) Market Access & Skill Building

- Assam State Rural Livelihoods Mission (ASRLM) has extended support through training, leadership development, and ensuring rotational leadership within SHGs for improved governance and product quality.
- These efforts include connecting SHGs to district rural marts, e-commerce platforms (Flipkart, Amazon, GeM), and facilitating adherence to quality standards for broader market reach.

Real-World Impact on Women & Communities

a) Kokrajhar District Case Study

A 2023 study in Kokrajhar (BTR Assam) found that SHG membership significantly empowered women—resulting in:

- Greater income control
- Improved savings behavior
- Active inclusion in household financial decisions (budgeting, spending) This translated into enhanced decision-making influence in family matters.

b) Jorhat District Insights

While full details require access to the study, available evidence suggests SHGs in Jorhat have greatly improved **economic empowerment** for rural women via increased access to credit, livelihood initiatives, and social capital enrichment.

c) Broader Statewide Patterns

Across Central Assam's Nagaon, Morigaon, and Hojai, nearly **29,671 SHGs** are actively operating—indicative of the scale and reach of the movement.

SHGs in Communities: Resilience Amid Crises

During the COVID-19 lockdown, SHGs pivoted: women sold agricultural produce and produced 'gamosa masks,' leveraging their networks and ASRLM support to survive economic shocks.

SHG Legacy: Historic Roots and Cultural Resonance

Gandhian social worker **Amalprava Das** founded the Kasturba Ashram (a SHG-like institution) in Assam, promoting cottage industries and training women for financial independence—symbolizing an enduring tradition of women's economic empowerment in the state.

Broader Outcomes and Cross-Sectoral Synergies

- Empowerment through SHGs contributes to more resilient households and enhances social inclusion—especially for women—by enlarging their role in community and family decisions.
- SHGs are also emerging as micro-entrepreneurship incubators, dovetailing with Assam's growing investment climate and infrastructure expansion, including healthcare and hospitality projects that are generating local employment opportunities.
- Additionally, SHGs indirectly reinforce broader goals of inclusive growth, especially as central packages focus on uplifting marginalized communities across Assam.

II. Materials & Methods:

The study was conducted in Cachar District of Assam. 15 Blocks were purposely selected to carry out the study. A list of SHGs which were functioning at least for 3 years was prepared separately from each Block with the help of Extension Officers at Block level. From this list various SHGs from each Block was selected randomly Thus, a total of 100 Numbers of respondents will be selected randomly for the purpose.

Research Design

An interview schedule consisting of structured questions was constructed to achieve the objective formulated for the present study. The schedule consisted of four parts, part I of the interview schedule was designed to collect information regarding personal and family background of the respondent. Part II of the interview schedule was dealt with the particulars for exploring the organizational pattern of selected Self-Help Group. Part III of the interview schedule emphasized on the particulars for accessing the fund utilization pattern of SHG. Part IV of the interview schedule focused with the particulars to find out the opinion of the members towards SHG.

III. Results & Discussions:

A. Demographics: Age, Sex, Community, Education

All respondents are **female**. Age range: from **18 to 58**. There are younger women (late teens/early 20s), middle-aged (30-50s), and older (50s).

Table1.1: Table showing the variables along with the percentage

Variable	Category	Percentage
Reason for joining	Credit	32.4 %
	Household Expenses	20.6 %
	Leadership	14.7 %
	Business	11.8 %
	Compulsion	11.8 %
	Savings	5.9 %
	Other	2.9 %
Education	Higher Secondary School (HSS)	50.0 %
	Middle Education (ME)	23.5 %
	Lower Primary (LP)	14.7 %
	Illiterate	2.9 %
	(Others not clearly coded)	8.8 %*
Occupation	Daily Wage Earner	47.1 %
	Shopkeeper / Small Business (Shopkeeper / Beauty Parlour / Tailor etc.)	23.5 %
	Agriculture / Horticulture / Pisciculture	14.7 %
	Part-Time Worker / Contractual Service	8.8 %
	Other / Mixed / Not Clearly Defined	5.9 %
Age group	Teen / Young (≤ 25)	14.7 %
	26-40	32.4 %

Variable	Category	Percentage
	41-55	47.1 %
	Over 55	5.9 %

Source: Primary data collected from Field Survey, 2025

- Communities represented: ST, SC, MBC, BKC (these are caste/tribe or social categories). SC (Scheduled Caste) appears several times; ST (Scheduled Tribe) as well; MBC (Most Backward Caste); BKC (probably "Backward & Kutcha Caste" or similar).
- Education levels: Illiterate, LP (Lower Primary), ME (Middle Education), HSS (Higher Secondary School). Many have HSS or ME, fewer are illiterate.

B. Occupation & Social Participation

- Occupations include: daily wage earner, part-time worker, agriculture, horticulture, shopkeeper, tailors, beauty parlour, pisciculture, contractual service.
- Social participation roles: members of SHG (Self-Help Group), presidents of Mahila Samiti, AP member (possibly "Advisory Panel" or similar), NGOs, Clubs.
- Some have leadership/social roles (e.g. president, AP member) beyond simply SHG membership.

C. Reasons for Joining

- Common motives: **Credit**, **Household Expenses**, **Savings**, **Business**, **Leadership**, **Compulsion**, **Other**.
- "Credit" appears very often: many joined because they needed credit.
- "Household Expenses" also recurring. Leadership seems to be a motive for some (especially those in leadership positions). "Compulsion" suggests perhaps social/family pressure or external obligation.

D. Emerging Patterns

From the above, several patterns emerge:

1. **Credit as dominant motive**
   Many respondents cite *credit* as their reason for joining the SHG / similar groups. So financial need in terms of borrowing or credit is a strong driver.
2. **Leadership & Social Participation align**
   Those who are presidents of Mahila Samity or AP Members tend also to list leadership as reason (or business). That suggests people who take up leadership roles are more likely to have aspirations beyond just credit — maybe visibility, empowerment, decision making.
3. **Younger people also involved**
   The data shows some younger women (18-22) are part of SHGs, and some take on leadership roles. This suggests SHGs are attracting younger participants (not just middle-aged).
4. **Education correlates partially with social participation / leadership**
   While it's not strictly consistent, many with HSS/ME education are among those with leadership roles. Illiterate or lower education often are SHG members without leadership roles (though there are exceptions).
5. **Community representation**
   SC, ST, MBC are fairly represented, which suggests that marginalized/socially backward communities are part of this scheme. It shows SHGs or Mahila Samiti are reaching these communities.

6. **Occupation tied to necessity**
   Many daily wage earners join for credit or household expenses — this indicates SHGs are serving poorer or more economically vulnerable women.

E. Possible Insights / Implications

- SHGs are crucial in providing financial assistance (credit) for unmet economic needs.
- Beyond credit, SHGs also offer social participation & leadership opportunities for women, which could enhance empowerment.
- Programs should consider tailoring services: those wanting business support vs those needing credit for household expenses. Different motives require different supports.
- Training, capacity building might help those wanting leadership roles move forward.
- Ensuring SHGs reach illiterate or less educated women, and possibly provide literacy or awareness classes, may increase inclusion.

Major Findings:

SHGs in Assam are making tangible progress — it's not just an aspirational idea; income figures are rising, more women are getting access to finance, grants, and entrepreneurship opportunities.

There are government schemes that are pushing for scale and inclusivity — focused on large numbers of women, often including rural & urban areas, and linking with banks.

Challenges remain, even if not explicitly listed in the table: ensuring proper utilization of funds, sustainability of enterprises, market competitiveness, and reaching the most marginalized (SC/ST, tea tribes etc.). Some conditionality in schemes (e.g. number of children, school enrollment) may exclude or impede some. These are trade-offs to watch.

Potential for future growth is strong: with schemes planning to increase assistance, deepen credit linkage, expand markets (digital, local, etc.), and integrate SHGs more comprehensively into state's economic strategy.

Recommendations:

Tailor Support to Motivations of Members

- Since many members join for *credit*, *household expenses*, or *leadership*, SHG programs should offer differentiated financial products: small short-term loans, emergency funds, and credit for investment or business.
- Provide options for members who want to build leadership or entrepreneurship: mentorship, business training, or exposure visits.

Capacity Building & Education

- Increase training in financial literacy, bookkeeping, group management, leadership, and decision-making so members (especially with lower education) can take fuller roles and manage SHG affairs.
- Strengthen enterprise-specific skills (e.g. tailoring, horticulture, pisciculture, etc.) to improve quality, productivity, and competitiveness.

Strengthen Governance, Transparency & Group Dynamics

- Promote democratic decision-making within SHGs: ensure rotating leadership, regular meetings, clear rules.

- Establish transparent record-keeping and audit practices to build trust among members and reduce misuse of funds.

Better Market Linkages & Value Chains

- Establish better connections with markets (local, regional, even digital) so that SHG members get fair prices for their products, not just for small local sale.
- Support infrastructure: storage, processing, packaging, transportation, where needed.
- Leverage government procurement, trade fairs, cooperatives, and e-commerce platforms to widen market access.

Access to Banking & Financing

- Facilitate smoother bank linkages: fewer bureaucratic hurdles, faster approvals, clarity about eligibility.
- Offer flexible repayment schedules aligned with income cycles.
- Encourage savings within SHGs (thrift component), so that groups build internal strength and reduce over-dependence on external credit.

Inclusion of Marginalized Communities & Younger Women

- Make sure SHGs reach women from marginalized communities (SC, ST, MBC, etc.), illiterate or less educated women, and youth. They may need more support or handholding.
- Provide specialized outreach and training materials suited to lower literacy levels.

Supportive Institutional and Policy Environment

- Government and SHG support agencies should continue and strengthen policies that provide grants, subsidies, or seed funding (e.g. Assam's programmes to provide grants per SHG member).
- Ensure convergence of SHG programs with other state and central programmes (e.g. skill development, rural livelihoods, health, sanitation) to maximize impact.

Monitoring, Evaluation & Feedback Mechanisms

- Regular monitoring of SHG performance (financial health, membership retention, leadership roles, income generation).
- Collect feedback from SHG members about what works and what doesn't. Use that feedback to adapt programmes.
- Evaluate outcomes not just in economic terms but also in empowerment: decision-making, social recognition, mobility, etc.

Address Key Structural and Sectoral Challenges

- For SHGs involved in specific sectors (e.g. dairy, pisciculture, horticulture), tackle sector-specific constraints such as high cost of inputs (fodder, feed), quality breeds, veterinary services, climate issues, etc.
- Improve infrastructure (roads, electricity, storage) especially in remote or underserved areas to reduce production and marketing constraints.

Ensure Sustainability of SHGs

- Avoid excessive dependency on external funding or grants; encourage internal resource mobilization (savings), diversified income sources.
- Promote federations or clusters of SHGs so that they can handle larger projects, negotiate better market terms, and share resources.
- Build peer support networks: SHGs can learn from one another; successful groups help newer ones.

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