

SELF-HELP GROUPS IN ASSAM

This chapter is divided into two parts. In the first part, historical background of Self-help Groups in India is briefly discussed. In the second part, an overview on Assam in general and Sivasagar District and Sonari Development block in particular is briefly discussed. An account of Self-help Groups in Assam is also included in the second part of this chapter.

Part I

3.1 HISTORICAL BACKGROUND OF SELF-HELP GROUPS

The origin of Self-help group is from the innovation of Grameen Bank of Bangladesh which was founded by Prof. Mohammad Yunus in 1976.¹ In 1974 he had conducted an experiment and provided 27 dollar among 42 poor people.² He had got positive result and established Grameen Banks. Prof Yunus promoted it firstly as a village credit society in December 1976 in the village Jobra.³ Later this Grameen Bank has got widespread success and spread all over the world. The success of

¹Kabita K. Sahu. (2011). Self-help Groups and economic empowerment of tribal women. In Nayak and Sahu (Ed), *Self-help groups and micro-credit institution*, (pp 25-43). New Delhi: Discovery publishing house.

²Prabin k. Padhy, (2011)SGH movement micro-finance programme under Swarnajayanti gram swarozgar yojna. In Nayak and Sahu (Ed), *Self-help groups and micro-credit institution*, (pp 69-70). New Delhi: Discovery publishing house.

³ Ibid

microcredit strategy through Grameen Banks has changed the livelihood of the poor, especially women.

In the early stages, Non Government Organisations (NGOs) played a crucial role in innovation and implementation of Self-help Group model with the aim of poverty eradication and to empower the poor by providing micro credit. Self-help Group first emerged in Mysore Resettlement and Development Agency (MYRADA) in 1985⁴. It is a large Non Government Organisation started in 1968 in Karnataka with the aim of building institution of the poor and marginalized section. At present it is directly managing some projects in backward districts of the state collaborated with government. There were many Self-help Groups in MYRADA project. After that, policy makers have realised the importance of implementation of Self-help Group for the poor, especially women and discussed with the bankers and organisers of NGOs regarding necessities, possibilities and implementation of Self-help Group.⁵

At Millennium Summit 2000, New York, Millennium Development Goals (MDGs) were set by the world leaders to eradicate poverty. One of the goals of Millennium Development is to make progress towards gender equality by 2005. At this summit microfinance was expected as means to reach Millennium Development Goals and considered one of the most effective and flexible strategies in the fight against the global poverty.⁶ Micro-finance institution started in India through Self-help Group model.

⁴Aloysius P. Fernandez, (2007). History and spread of the Self-help affinity group movement in India. Published by IFAD. Pp. 9.

⁵ Ibid

⁶H. Ramananda Singh and N. Dhaneshwar Singh, (2011). *Micro finance: An introductory text*. New Delhi: Akansha publication. Pp. 9

3.1.1 NABARD as a Major Institution of Microfinance

From 1990's Self-help Group movement has got a successful path not only as financial supportive group but also as a platform for the poor and women to empower themselves psychologically, socially and economically. Several steps were taken by the National Bank for Agriculture and Rural Development, Reserve Bank of India and some leading Non Government Organisations for the upliftment of Self-help Group. NABARD supported and funded an action research project on Saving and Credit Management of Self-help groups of MYARADA and undertook a survey of 43 NGOs spread over 11 states to study the functioning of the Self-help Groups and the possibilities of collaboration in 1988-89.⁷

RBI issued a circular in 1991 advising the commercial banks, the regional rural banks and the cooperatives to extend credit to the Self-help Groups. In 1994, under NABARD pilot project on 500 Self-help Groups, the RBI working group reviewed the functions of the NGOs and Self-help Groups and gave guidelines for achieve success.⁸ RBI revised the guidelines in 1996 and advised that the banks lending to the Self-help Groups should be considered as an additional segment under priority sector and integrate with main stream credit operation. Since then Self-help Group became a regular component of the Indian financial system.⁹ During the year 2000, government has included Self-help Group as an important part of the Government Annual Plan to eradicate poverty.

⁷ R.K. Mohanty, (2013). Economic empowerment of women through Self help groups; The state of the art review on premises, practices and pitfalls. *Guru nanak journal of Sociology*, 34 (1 & 2), 128

⁸ Ibid.

⁹ Ibid

NABARD is regarded as an apex institution for accredited with all matters concerning policy, planning and operation in the field of credit for agriculture and other economic activities in rural areas of India.¹⁰ NABARD is an apex development bank in India established in 1982 on 12 July by a special Act of the parliament and its main aim is to uplift the rural India by increasing the credit flow for elevation of agriculture and rural non farm sector ¹¹

National Bank for Agriculture and Rural Development initiated a project to link Self-help Group with banks and the real effort was taken during 1991-92 through SHG-Bank Linkage Programme. It was the first attempt to mature Self-help Group. SHG-Bank Linkage was an attempt to bring the unbanked poor into the formal banking system and to inculcate among the poor the thrift and credit habits, a natural corollary is for the group members to graduate into seeking more and better livelihood opportunities with access to credit.¹² The objectives of the linkage programme are as stated by Karmakar (1999)¹³:

- To evolve supplementary credit strategies for meeting the needs of the poor by combining the flexibility, sensitivity and responsiveness of the informal credit system with the technical/ administrative capabilities and financial resources of formal financial institutions.
- To build mutual trust and confidence between bankers and the rural poor.

¹⁰Samapreet, (2010). *Micro finance in India: A state wise analysis*. Thapar Unuversity, Patiala. Retrived February 11, 2013 from www.dspace.thapar.edu

¹¹ www.nabard.org

¹² NABARD, Status of Microfinance in India, 2011

¹³ Karmakar, K.G. (1999). *Rural credit and self-help groups: Micro finance needs and concept in India*. New Delhi: Sage publication. Pp. 230

- To encourage banking activity in both the thrift and credit aspects in a segment of the population that formal financial institutions usually find difficult to reach.

This was the turning point of success of Self-help Group movement in India. NABARD instigated Self-help Groups to link with banks by financing them by commercial banks. Reserve Bank of India also advised the commercial banks to consider them to lend. It has received support from Reserve Bank of India, central and state governments of India and leading Non Government Organisations. During 1992-93 to 2004-05 the cumulative number of Self-help Groups which are financed by banks is 16, 18, 456 and 24.3 million numbers of poor families have accessed bank credit.¹⁴

The following tables show Self-help Groups saving link with banks and loan disbursed to the Self-help Groups under SHGs-Bank Linkage during the three years from 31st march 2010 to 31st March 2013 all over India.

Table 3.01 Loan disbursed to Self-help Groups under SHGs- Bank linkage during 2010-13

(Percentage of women groups to total in parentheses)

Year	2010-11		2011-12		2012-13	
	No of Self-help Groups (lakh)	Amount (Rs in crore)	No of Self-help Groups (lakh)	Amount (Rs in crore)	No of Self-help Groups (lakh)	Amount (Rs in crore)
Total Self-help Groups	11.96	14547.73	11.48	16534.77	12.20	20585.36
Total women Self-help Groups	10.17 (85)	12622.33 (86.8)	9.23 (80.4)	14131.02 (85.5)	10.37 (85.1)	17854.31 (86.7)

Source: Status of microfinance in India, NABARD 2013

¹⁴ NABARD annual report, (2005). Retrieved June 12, 2011 from www.nabard.org

As on 31st March 2010-11 the bank financed 11.96 lakhs Self-help Groups with a bank loan of Rs 14547.73 crore. In the same year total 10.17 lakhs women Self-help Groups were financed by bank of Rs 12622.33 crore. During the 2011-12 total 11.48 lakhs Self-help Groups were financed by banks of Rs 16534.77 crore and 9.23 women Self-help Groups were financed by banks of Rs 14313 crore. In the year 2012-13 total 12.20 lakhs Self-help Groups were financed by banks of Rs 20585 crore and total women were financed by banks of Rs 17854.31 crore.

Table 3.02 Self-help Groups saving linked with banks under SHGs-Bank linkage during 2010-13
(Percentage of women groups to total)

Year	2010-11		2011-12		2012-13	
	No of Self-help Groups (lakh)	Amount (Rs in crore)	No of Self-help Groups (lakh)	Amount (Rs in crore)	No of Self-help Groups (lakh)	Amount (Rs in crore)
Total Self-help Groups	74.62	7016.30	79.60	6551.41	73.18	8217.25
Total women Self-help Groups	60.98 (81.7)	5298.65 (75.5)	62.99 (79.1)	5104.33 (77.9)	59.38 (81.1)	6514.86 (79.3)

Source: Status of microfinance in India, NABARD 2013

Table 3.02 shows total number of Self-help Groups and women Self-help Groups saving with banks during three years. As on 31st March 2010 total of 74.62 Self-help Groups having savings bank account with banking sector with saving amount of Rs 7016.30 crore. In the same year total 60.98 lakhs women Self-help Groups having saving bank account in bank was Rs 5298.65 crore. Again 31st March 2011 total 79.60 lakhs Self-help Groups savings account in banks was Rs 6551.41 crore. Total 62.99 lakhs women Self-help Groups savings account in banking sector was Rs. 5104.33 during the 31st March 2011 to 31st March 2012. During the year 2012

-13 total 73.18 lakhs have savings in bank account of amount of Rs 8217.25 and total 59.38 lakhs women Self-help Groups have savings amount of Rs 6514.86 crore in banking sector.

3.1.2 Swarnajayanti Gram Swarozgar Yojna Programme

Swarnajayanti Gram Swarozgar Yojna is a holistic programme initiated by Government of India in April 1999 covering all aspects of self employment like organisation of rural poor into Self-help Groups, capacity building training, planning infrastructure development, financial support through micro credit, subsidy and marketing opportunities. Under this programme, the Self-help Groups and individual Swarozgaries are trained through various stages of development and provided bank loan with government subsidy for their self-employment. After obtaining the bank loan with subsidy, the beneficiaries can increase their income and can uplift their quality of life. The main focus of this scheme is to assist the poor families above the poverty line by organising them into Self-help Groups and by providing them income generating assets through a mix of credit from banks and subsidy from government. The banks and other financial institutions are directly associated in the implementation of the SGSY programme. This programme has now been modified and renamed as National Rural Livelihood Mission (NRLM) from April 2012.

The Swarnajayanti Gram Swarozgar Yojna is being implemented by District Rural Development Agencies (DRDA), with the active involvement of Panchayati Raj Institutions (PRIs), banks, the Line Department and Non Government Organisations. Since its inception and up to end March 2005 a total allocation of Rs 7,634 crore was made available by the Centre and States and up to November 2004 over 46 lakh Swarozgaries have been benefited. For the year 2005-2006, Union Budget has made

provision of Rs 862 crore for SGSY.¹⁵ Through this programme women are highly encouraged to organise Self-help Groups and involve in self employed activities.

Part II

3.2 A BRIEF OVERVIEW ON ASSAM

Assam is situated at the heart of the North-East India. The land is located between 24°8 N to 28° N latitude and 89°42 E to 96° E longitude. Assam is surrounded by both national and international boundaries. It is bounded by Bhutan at the north, Arunachal Pradesh at the north-east; Nagaland at the south-east; Manipur, Tripura, Meghalaya on the southern side and southernmost side is edged by Mizoram. The western side is flanked by West Bengal and a part of the south-west of the state is bounded by Bangladesh. Assam has the land area of 78433 sq. km. which is 2.39% of the total land area of India.¹⁶

Dispur is the capital of Assam and Guwahati is the largest city of Assam as well as North East Region. This city is the main market place of North East Region of India. For administrative and revenue purposes, the state has 27 districts including the newly created rural urban district and four districts under the newly created Bodoland Territorial Council (BTC) areas Kokrajhar, Baska, Chirang and Udalguri.

3.2.1 Population

As per population census, 2011, the total population of Assam is 3,11,69,272, which is 2.58% of total population of India, whereas rural population is 2,67,80,516

¹⁵ H. Ramananda Singh and N. Dhaneshwar Singh, (2011). *Micro finance: An introductory text*. New Delhi: Akansha publication. Pp. 76.

¹⁶ Statistical Handbook, Assam, 2012.

and urban population is 43,88,756. The growth rate of population of Assam is 16.19% during the year from 2001 up to 2011.¹⁷

The density of population is 397 per sq.km as against India's density 382 as per 2011 Census.¹⁸

The male population of Assam is 1,59,54,127 and female population is 1,52,14,345; The sex ratio is 954 female/1000 male in 2011 which was 935 in 2001. It shows an improvement. The sex ratio in the age-group 0-6 is the important indicator of the future trends of the sex composition. The child sex ratio in the state is not favourable in comparison to 2001 and 1999 Census. Child sex ratio in the state is 957 female per 1000 male child as per Census 2011. The sex ratio in the state for the age group 0-6 years declined to 967 in 2001 from 975 in 1991.¹⁹

3.2.2 Literacy

The literacy rate of Assam is favourable and it is 73.18%. The male literacy is 78.81% and Female literacy is 67.27%.²⁰

3.2.3 People of Assam

During the six hundred years of rule, 1228 AD to 1826 AD, the Ahom dynasty tried to keep away their kingdom from the attack of Mughal as well as other invaders. During this era, the Assamese society was separated from the mainstream of India. The British entered Assam in 1824 as tea planter which was the starting point of the destruction of Ahom dynasty. Along with the British, the immigrants entered Assam

¹⁷ Statistical handbook, Assam, 2011

¹⁸ Ibid

¹⁹ Ibid

²⁰ Ibid

from the different parts of India with their traditional believes, culture and customs such as caste system. Some of the immigrants became a part of the Assamese society, and the others still practice their traditions. Now, Assam is a multiethnic society with different culture. It is a land of broad racial intermixture of Mongolian, Indo Burmese, Indo Aryan and Indo Tibetan. The state has the largest number of tribes viz Bodo, Kachari, Karbi, Mishing, Rabha, Dimasa, Tiwa, Deoori etc inhabiting within their variety in tradition, culture, dresses and exotic way of life. The tribal groups have their own languages and dialects. Other non tribal groups are Ahom, Chutia, Konch, Kalita, Moran, Mutok, Tea Communities etc consist a variation in cultural life of Assam. The state is also seen as a state of religious diversities. The religious communities of Assam comprise of Hinduism, Islam, Christianity, Sikhism and Buddhism. Apart from these, different indigenous groups also follow their traditional religious practices. The most important celebration of Assamese people is the three Bihu festivals namely *Rangali Bihu*, *Magh Bihu* and *Kati Bihu*. These three festivals are observed by the Assamese with great enthusiasm irrespective of caste, creed and religious affinity.

3.2.4 Economy

Assam is very rich in natural resources. People have been attracted by its fertile land, blue hills, green forestry, raw materials and therefore in time to time different racial groups had come to these two fertile valleys namely Barak and Brahmaputra valley for different purposes viz. agriculture, business, administration etc. The upper Assam districts are major reserves of oil and natural gas. Traditionally Assam is famous for cottage industry which helps to grow a significant role in socio-economic life of Assamese society. Weaving is the traditional craft of the Assamese which represents the artistic skill of craftsmen. It is noticeable that in rural areas

almost every household of Assamese people, there is a handloom to use to produce silk and cotton cloths with exquisite design. There was a time when one would refuse to marry a girl who does not know weaving. It was a firm believe that if women can send their husbands to battle field by presenting *kabacha*, spun and woven by their own hands, then their husband would be the victor. The *Eri*, *Muga* and *Pat* are basic silk product of Assam. The scientific name of the worm which produces the *muga* and silk thread is '*Antehra Assam*'. It is a fact that these worm cannot survive in any other places of world other than North East India. Many of the Self -help Groups in Assam are involved in handloom and handicraft products.

3.3 SIVASAGAR DISTRICT

Sivasagar district is one of the districts of Upper Assam. Sivasagar town is the headquarters of the district. Sivasagar district is bounded by Dibrugarh district on east, Jorhat district on west, Brahmaputra River on north and the two north-eastern states of India, Nagaland and Arunachal Pradesh on south.

3.3.1 Geographical Area

Total geographical area of Sivasagar district is 2668.00 sq.km.²¹ There are three sub-divisions of Sivasagar district viz. Sivasagar, Nazira and Charaideo. Sub-division wise the geographical area of Sivasagar district is: Sivasagar sub-division 631.27 sq.km, Nazira sub-division 1097.67 sq.km. and Charaideo sub-division 939.06 sq.km.²² There is total 24,089 hect. land of forest area covering in Sivasagar district.²³

²¹ Statistical handbook, Assam, 2012.

²² Grameen Sivasagar, Newsletter of DRDA, 2012.

²³ Grameen Sivasagar, Newsletter of DRDA, 2012.

3.3.2 Population Distribution

According to 2011 census, the total population of Sivasagar district is 11,50,253, whereas male population is 5,89,454 and female population is 5,60,799.²⁴ The population of Sivasagar district is 3.69% of total population of Assam. Sex ratio of Sivasagar district is 951 female per 1000 male population.²⁵ The growth rate of population is 9.37%. The density of population of Sivasagar district is 395 per sq.km.²⁶ As per 2011 Census, 90.45 % population (1040376) of Sivasagar district are in rural areas.²⁷

3.3.3 Literacy

The literacy rate of Sivasagar district is favourable and it is 8,26,951 (81.36%) whereas male literacy rate is 86.75% (4,52,009) and female literacy rate is 75.69% (3,74,942).²⁸

There are total 1723 numbers of Primary schools, 309 numbers of Middle English schools, 186 numbers of High schools, 40 numbers of Higher Secondary schools and 28 numbers of colleges in Sivasagar district.²⁹

3.3.4 Transport and Communication

North East Frontier Railways passes through Sivasagar district covering 153 km. in broad gauge. Regarding road communication, NH-37 (National Highway) and NH-61 pass through the district. There is a historical road named *Dhodar Ali* passes through the district. It is constructed by the instruction of Ahom king Godadhar

²⁴ Statistical handbook, Assam, 2012.

²⁵ Grameen Sivasagar, Newsletter of DRDA, 2012.

²⁶ Ibid

²⁷ Ibid

²⁸ Ibid

²⁹ Ibid

Singha. There are two Airports nearest to Sivasagar district: Rowriah at Jorhat district which is 54 km and Mohanbari at Dibrugarh district which is 90 km from Sivasagar district.³⁰

3.3.5 Economy of Sivasagar District

Majority of population of Sivasagar district is agrarian. The total agricultural/cultivated area of the district is 1, 42,798 hect.³¹ The main crops are produced here is rice, jute, mustard, sweet potato, papaya, areca nut, turmeric etc.

The major industries in Sivasagar district are tea and oil industries. Sivasagar district is one of the biggest contributors of tea to the world. There are 96 numbers of tea estates in this district which produces finest quality of teas in the world.³²

3.4 SELF-HELP GROUPS IN ASSAM

The status of women in Assam compare with the women of other parts of India is high in many aspects. It is because social evils like child marriage, dowry, bride burning, female infanticide and feticide are not prevalent in Assamese society. But patriarchy continues the subjugation of women in Assam. From the ages under male domination most of them do not dare or are hesitate to play leadership roles in society and hesitate to talk freely with people outside the family. It is one of the causes of high gender inequality in Assam. National Human Development Report, 2002, showed higher gender inequality in the state as compared to all India situations.³³ Assam got 29th rank among the 32 states and Union Territories in India. According to Assam Human Development Report, 2003, in the north-eastern region

³⁰ Grameen Sivasagar, Newsletter of DRDA, 2012

³¹ Ibid

³² Ibid

³³ Government of India (2002). Human Development report 2001, Planning Commission.

Assam lagged behind Manipur, Meghalaya, Arunachal Pradesh, Mizoram and Nagaland in terms of gender equality.³⁴

From few decades Self-help Groups is emerging as a major instrument which creates employment opportunities for women. Under the SGSY programme, 40% of the allocated fund is reserved for women with the objectives that if women are benefited, then the whole family is benefited and as result the health, nutrition and education of rural children have better chances of improvement³⁵.

In case of Assam, micro finance movement had started lately. It is only 1997-98 that microfinance movement had really begun and has been rapidly picking up since then. Nobel Prize winner Professor Muhammed Yunus agreed to extend his help to government of Assam for introducing a microcredit scheme for uplift of the people of rural areas of Assam.³⁶ After that Assam Government had prepared a draft role on a three years project and an amount of rupees 835 lakhs disbursed as loan in three years.³⁷ The aim of this project was to provide loan approximately 18,000 beneficiaries who are living below poverty line.³⁸ As per the proposal of the State Government, at the initial stage, the project implemented in the district of Sonitpur and the district had been selected to launch the project as according to a study by the RBI. The first phase was opened in the blocks of Sonitpur district, viz. Tezpur, Balipara and Biswanath Chariali. The second phase was opened in another three blocks Rangapara, chaydur and Dhekiajuli.³⁹

³⁴ Government of Assam (2003). Human Development report, 2003

³⁵ Office State Institute of Rural Development, Assam, (2003).

³⁶ Namita Devi. (2009, April 23). Microfinance in Assam. *Assam Tribune*. Retrieved 20 August 2011 from www.assamtribune.com.

³⁷ Ibid

³⁸ Ibid

³⁹ Namita Devi. (2009, April 23). Microfinance in Assam. *Assam Tribune*. Retrieved 20 August 2011 from www.assamtribune.com.

The major government programme for promoting Self-help Groups and providing funds to the Micro Finance Institutions for poverty eradication is SGSY programme. The other programmes promoted by Assam and other state government of North East India and Central Government are Ministry of Development of North Eastern Region's North East Livelihood Projects, Chief Minister's Micro Finance Scheme, North Eastern Region Community Resource Management Project and Chief Minister's Assam Bikash Yojna etc.

3.4.1 SELF-HELP GROUP PROMOTING AGENCIES (SHPAs) IN ASSAM

Generally Non Government Organisations were in the forefront in promotion of Self-help Groups. But after 1999 a number and variety of SHPAs are introduced by the Central and State Government to promote Self-help Groups in Assam. Now the government of India has come out with the Microfinance Institutions Bill 2011 which seeks to make it mandatory for all microfinance institutions to be registered with the RBI.⁴⁰

a. District Rural Development Agency (DRDA)

DRDA is the major organ at the district level to oversee the implementation of various rural development programmes of Ministry of Rural Development. It is responsible for planning and coordinating with various government and non government agencies.

⁴⁰ R.K. Mohanty, (2013). Economic empowerment of women through Self help groups; The state of the art review on premises, practices and pitfalls. *Guru Nanak journal of Sociology*, 34 (1 & 2), 128.

b. Centre for Microfinance and Livelihood (CML)

CML was established in 2008 under the active support of Tata Social Welfare Trust. The major aim to introduce of CML is capacity building, research, collaborative interventions and policy advocacy in the social sector.

c. Rashtriya Grameen Vikash Nidhi (RGVN)

RGVN is non-profit organisation established in April, 1999. The head quarter of RGVN is in Guwahati. RGVN operates in 14 states of the country but its focus is on North Eastern region of India. Most of the programmes of RGVN are operating in North Eastern region of India. RGVN has its own separate microfinance programme called RGVN Credit and Saving Programme (RGVN-CSP). Apart from other social activities, in micro finance RGVN has supported several smaller organisations through its NGO Support Programme and NGO Micro finance Programme.

d. Small Industrial Development Bank of India (SIDBI)

SIDBI is an apex financial institution in North Eastern Region of India. SIDBI Foundation for Micro Credit (SFMC) provides loans and technical support to micro finance institutions in this region.

e. Industrial Credit and Investment Centre of India (ICICI)

ICICI is providing market loans and capacity building support to NGOs and Micro Finance Institutions from North East India. It funded Foundation for Micro Credit of SIDBI.

f. North Eastern Development Finance Corporation (NEDFi)

NEDFi was established on August 9, 1995. Its registered office is at Guwahati, Assam. NEDFi has been jointly promoted by several financial institutions. It is playing an active role by financing Micro Finance Institutions and organising capacity building for the poor.

g. Assam Financial Corporation

Assam Financial Corporation is implementing the Chief Minister's Micro Finance Scheme (CMMC). Through this the government of Assam has provided a small amount of credit to the needy borrowers. Micro credit is delivered through Self-help Group and Joint Liability Groups of Assam.

h. Regional Rural Banks (RRBs)

Regional Rural Banks were established under the Regional Rural Banks Act 1976 with a view to improve of rural economy by providing rural credit to farmers and small entrepreneurs. At present, state has presence of two RRBs- Assam Grameen Vikash Bank (AGVB) and Langpi Dehangi Rural Bank. Most of the Self-help Groups of Assam are linking with Assam Grameen Vikash Bank. During the year 2005-06, maximum numbers of Self-help Groups (9,190 Self-help Groups) have been linked by Pragjyotish Gaonlia bank in Assam⁴¹.

i. Commercial Banks

There are several public sector banks, cooperative societies and Regional rural banks operating in North East India. State Bank of India is also the biggest Self-help Group Promoting Agency in North Eastern Region.

⁴¹H. Ramananda Singh and N. Dhaneshwar Singh, (2011). *Micro finance: An introductory text*. New Delhi: Akansha publication. Pp. 89.

j. National Bank for Agriculture and Rural Development (NABARD)

National Bank for Agriculture and Rural Development was emerged as the largest micro finance programme in the world. It has taken initiatives to spread the outreach of microfinance and introduced SHG-bank linkage programme in 13 identified priority states including Assam, which account for 70% of the rural poor population⁴².

National Bank for Agriculture and Rural Development has covered the total households for Self-help Group- savings linked is 35.24 lakh. It is also identified that districts with low coverage of Self-help groups are 17 out of 27 districts of Assam. The districts with high coverage (above 80%) of Self-help Groups are Sivasagar, Jorhat, Karbi Anglong, Sonitpur, Nagaon, Morigaon, Darraong, Nalbari, Barpeta and Chirang district of Assam.⁴³

The NABARD, Assam Regional Office has played a vital role by extending grant assistance of Rs. 416.06 lakh to NGO-SHPI project for promotion and credit linkage of 16409 Self-help Groups in Assam up to 31 October 2012.⁴⁴

3.5 FORMATION OF SELF- HELP GROUP IN ASSAM

Nayak and Mahanta (2008) made an attempt to analyse on the formation of women SHGs across different geographical regions in Assam. By using secondary data it was revealed that 61% of total Self-help Groups formed from 1999 to 2006

⁴²Das, S.K. (2011). Microcredit institution and rural poor in Assam. in Sudhansu Kumar Das and Sanjay Kanti Das (Ed), *Micro finance and India's rural economy* (pp 49-60). New Delhi: New century publication.

⁴³Status of Microfinance in India, NABARD, 2011-12. Retrieved October 12, 2013 from www.nabard.org

⁴⁴ Economic Survey, Assam, 2012-13.

were women Self- help Groups which was reduced to 5.19% during 2006-07 in the state. Percentage of women Self- help Groups to total Self- help Groups from 1999 to 2006 was observed to be highest in Upper Assam. In this respect Lower and Central Assam showed poor performance than upper Assam. The study showed that since 1999 central Assam districts had highest number of Self- help Groups formed followed by Lower and Upper Assam. Average number of women Self-help Groups taking up economic activity during 2006-07 was much lower in Upper Assam as compared to Lower Assam and Central Assam. It was highest in Central Assam. With the increase in literacy rate the percentage of women Self-help Groups to total Self-help Groups formed from 1999 up to 2006 was increasing. Their study had found an exceptional case, that, highest number of Self-help Groups was formed in the low literacy district, Dhuburi.⁴⁵

Under SGSY programme, the Self-help Groups and individual Swarozgaries are trained through various stages of development and provided bank loan with government subsidy for their self employment. After obtaining the bank loan with subsidy, the beneficiaries can increase their income to upliftment of life. In areas where the NGOs and Bank Network is weak, a scheme for associating Individual Rural Volunteers (IRVs) in promotion and linkage of Self-help Groups was introduced. The scheme is currently implemented through Assam Grameen Vikash Bank with grant assistance of Rs 108.00 lakh for promotion of 6000 Self-help Groups through 600 IRVs in 22 districts of Assam.⁴⁶

⁴⁵Purusottam Nayak. and Bidisha Mahanta, (2008). *Women empowerment in Assam: A human development approach*. pp. 9-10, Retrieved August 18, 2013 from www.pnayak.webs.com

⁴⁶ Economic survey, Assam, 2012-13.

The progress of Self-help Groups is given below during the year 2010-11 and 2011-12.⁴⁷

Table: 3.03 Formation of Self-help Groups during the year 2010-12

Year	Total Formed		Getting Loan
	Total Self-help Groups	Women Self-help Groups	
2010-11	25197	13934	15053
2011-12	24218	15394	14941

Source: Economic survey, Assam, 2012-1

Total number of Self-help Groups formed during the year 2011-12 is 24218. Out of this, 14941 Self-help Groups have been provided loan with subsidy for crossing over the BPL level. Compared to 25197 Self-help Groups formed in 2010-11, 15053 numbers of Self-help Groups availed bank loan and subsidy out of the total Self-help Groups formed during the year 2010-11.

The numbers of women Self-help Groups were 13934 and 15394 in the year 2010-11 and 2011-12 respectively. These women Self-help Groups have been playing a significant role in transforming socio-economic scenario in poverty alleviation of the rural areas in the state.

3.5.1 SHG-Bank Linkage in Assam

The focus of SHG-Bank Linkage programme is seen to be picking up its importance lately in Assam. But the programme has achieved success quickly. Mainly NABARD is taking initiatives to cover Self-help Groups to link with banks.

⁴⁷.Economic survey, Assam, 2012-13

Swarnajayati Gram Swarajgar Yojna (SGSY) also the mother programme of all poverty alleviation programmes. The main objectives of this programme is uplift economic condition of rural people living below the poverty line by supplementing sustainable economic activities with bank credit and Government subsidy.

3.5.1.1 Bank Linked Self-help Groups

From the year 2004-05 to 2011-12 number of bank linked Self-help Groups of Assam is showed in the following table-

Table 3.04 Self-help Groups linking with banks (Rupees in lakh)

Year	Total Bank linked Self-help Groups	
	Number	Amount
2004-05	122304	20975.75
2005-06	269917	48239.13
2006-07	230902	58040.52
2007-08	257863	57417.70
2008-09	305132	77365.49
2009-10	374745	92724.79
2010-11	433954	118051.17
2011-12	499183	139741.00

Source: Economic Survey, Assam, 2012-13

The above table shows cumulative growth of bank linked Self-help Groups in Assam and their amounts in banks.

3.5.1.2 Saving linked

The average savings of Self- help Groups in Assam is 3966 per month.⁴⁸ But it is too low in comparison to national average which is rupees 11230 per month and the

⁴⁸Status of Microfinance in India, NABARD, 2011-12. Rretrived October 12, 2013 from www.nabard.org

highest priority state is West Bengal (rupees 12388 per month).⁴⁹ Regarding women Self-help Groups in Assam, total 121432 numbers of women Self-help Groups' saving amount in rural banks is Rs 2773.20 lakh.⁵⁰

Table: 3.05 Savings in Bank

Year	Deposit	
	Number	Amount
2004-05	79592	3409.05
2005-06	175565	9846.77
2006-07	121474	5261.61
2007-08	142147	6044.72
2008-09	166740	7485.51
2009-10	210890	9123.46
2010-11	240032	11195.29
2011-12	272822	10928.00

Source: Economic Survey, Assam, 2012-13

The above table shows number of Self-help Groups in Assam and their amounts in banks during years of 2004-2012.

3.5.1.3 Credit Linked

NABARD has sanctioned grant assistance of Rs 85.00 lakh to NGOs for promotion and credit linkage of 850 women Self-help Groups in four backward districts—Dhemaji, Dima Hasao, Karbi Anglong and Kokrajhar under women Self-help Group Development Fund.⁵¹

⁴⁹Status of Microfinance in India, NABARD, 2011-12. Retrieved October 12, 2013 from www.nabard.org

⁵⁰ Ibid

⁵¹Economic Survey, Assam, 2012-13

During the year 2011-12 as many as 12564 numbers of Self-help Groups has taken up Economic activities. In 2011-12 highest numbers of women Self-help Groups have been exercising economic activity in Udalguri district.⁵²

Table: 3.06 Credit Linked Self-help Groups

Year	Total Credit Linked Self-help Groups		Credit Linked under SGSY	
	Number	Amount	Number	Amount
2004-05	42712	17566.70	20388	11273.74
2005-06	94352	38392.36	48235	25024.66
2006-07	109428	52778.91	54735	36549.70
2007-08	115716	51372.98	54790	310006.57
2008-09	138392	69879.98	69144	45898.88
2009-10	163855	83601.33	84678	55161.36
2010-11	193922	106855.88	102166	74784.79
2011-12	226361	128813.00	123473	94423.5

Source: Economic Survey, Assam, 2012-13

The above table shows number of credit linked Self-help Groups and number of credit linked Self-help Groups under SGSY in Assam during the years 2004-12.

3.5.2 State Institute of Rural Development (SIRD)

The State Institute of Rural Development (SIRD), Assam is the apex institute for training and research in rural development. State Institute of Rural Development Assam helps in formation of Self-help Groups and bank linkage for microfinance in different districts of the state. It is an autonomous institute under government of Assam, registered under Society Registered Act 1860. The institute has diversified its activities in the recent years and emphasis has been attached on transfer of technology

⁵²Economic Survey, Assam, 2012-13

and development of required skilled for taking up self-employment oriented activities in primary, secondary and tertiary sectors.

State Institute of Rural Development provides entrepreneurship and skill development training for promotion of micro enterprises in agriculture and other income generating activities like poultry, piggery, fishery, handloom, handicraft, and small business. Production of diversified value added handloom items is one of the selected economic activities taken up by SIRD for enlargement of scope for income generation. The training programmes through Institute for Development of Entrepreneurs in Assam (IDEA) are organized. State Institute of Rural Development also facilitates in formation of Joint Liability Groups under the Chief Minister's Jiban Jyoti Swaniyojan Yajana and Employment Generation Mission and develops bank linkage. On 31st August 2008, banks sanctioned Rs 59.06 crore to 1899 Joint Liability groups promoted by SIRD that benefit 5931 individuals.⁵³ State Institute of Rural Development has achieved major success in promoting traditional rural activities in the state for unemployed people.⁵⁴

During 2001-02 to 2008-09, State Institute of Rural Development facilitated bank linkage to 7990 Self-help groups and helped mobilize Rs 12714.38 crore bank loans⁵⁵. The average credit disbursed to the Self-help groups in Assam during the year 2011-12 is total 63990 numbers of Self-help Groups. In this context the national

⁵³P.C. Dutta and A. Kherkatary, (2011). Micro finance, SHGs and the role of state institute of rural development (SIRD) in Assam. In S.K. Das and S.K. Das (Ed), *Micro finance and India's rural economy* (pp. 132-160). New Delhi: New century publication.

⁵⁴Ibid

⁵⁵D.D. Mali, (2011). Self-help groups (SHGs) and micro credit mobilization. In S.K. Das and S.K. Das (Ed), *Micro finance and India's rural economy* (pp.10). New Delhi: New century publication

figure is 168757 numbers of self-help groups and highest priority state is Uttar Pradesh⁵⁶.

Tea Board also launched a microfinance scheme for promotion of Self-help Groups in the field of small tea gardens in Assam. The consequences of Self-help Groups are not uniform across the country. Especially the north eastern India is still cannot reach the outcomes of Self- help Groups in comparison to other parts of India. As against a national figure of 150000 Self-help Groups and Rs 1500 million NABARD's bank linkage, the share of Assam has been 140 Self-help Groups dealing a volume of credit of Rs 1.56 million⁵⁷. In the year of 2011, the Assam government has implemented the scheme of Cluster Development for Economic Empowerment of Women. A sum of rupees one crore is allocated by Assam government under the Head of Economic Service for Cluster Development of Women⁵⁸.

3.6 SONARI DEVELOPMENT BLOCK

Sonari development block is one among the nine development blocks of Sivasagar district. The geographical land area of this block is 255 sq km⁵⁹. The block comprises total 110 no of villages with 11 Gaon Panchayats viz. Desangpani, Khaloighugura, Sepon, Bharalipukhuri, Sarbodoi, Khoomtaie, Borodova, Milon, Doba, Kakatibari and Udoypur.

⁵⁶ NABARD, 2013. Retrived October 12, 2013 from www.nabard.org

⁵⁷ Sarma, D. (2010). Emerging self-help groups instrument for promoting micro credit system. Retrived january 28.2013 from www.ncap.res.in

⁵⁸ Office of State Institute Of Rural Development, Assam.

⁵⁹ Economic and Statistics Office, Sivasagar.

3.6.1 Population Distribution

All the categories of people viz. schedule tribe, schedule caste, other backward castes and general category are the inhabitant of Sonari development block. But the block is mainly dominated by the people of Ahom community. The total population (2001 Census) of this block is 118,854 where SC population is 686 (0.57%), ST is 3497(2.94%), General is 658 (0.005%) and others belong to OBC category people. Out of total population males are 61048 (51.36%) and females are 57806 (48.63%) in this block.⁶⁰

3.6.2 Literacy

The literate persons in this block is 66782 (56.18%) whereas male is 38786 (58.07%) and female is 27996 (41.92%). The density of population is 262.12 sq km. The total household of Sonari development block is 23,854⁶¹.

In Sonari development block Self-help Groups are actively working and out of 636 Self-help Groups 578 Self-help Groups consist of female members. It shows that female participation in Self-help Groups is almost 80% and it is favourable atmosphere for development of women empowerment in this place. Most of the Self-help Groups have been working actively for 10 years. Self-help Groups in this block are linking with the grameen banks viz Kakatibari, Moran, Patsaku and Sepon grameen banks and others are linking with United Bank of India (UBI), United Cooperative Bank (UCO) and State Bank of India (SBI).. The members perform their traditional income generating activities like poultry farming, piggery farming, goat farming, handicraft and handloom etc. Most of them are involved in piggery farming.

⁶⁰Record of Sonari Development Block Office.

⁶¹ Ibid

The women members are also involved in making handloom garments like the traditional *eri*, *muga* and *pat mekhela chadar*, *chawls*, *gamucha*, etc.

Under Swarnajayanti Gram Swarozgar Yojna programme, some infrastructural schemes were designed to enhance Self-help Groups in different blocks of Sivasagar district during the year 2011-12. A list of table is drawn to show various infrastructural schemes for Self-help Groups in Sonari Development block.

Table 3.07 Schemes under SGSY programme in the year 2011-12

Name of scheme	Loan sanctioned (lakh)	Location
Self-help Groups market shed at Desangpani Bonomali tiniali	5.00	Desangpani Bonomali
Self-help Groups weaving shed at khaloighugura Lisheng village	5.00	Lisheng village
Self-help Groups market shed at Bordoba Tiniali	5.00	Bonomali
Training cum production centre at Desangpani	10.00	Desangpani
Improvement of handloom sector and quality production for Self-help Groups in 9 Dev. Blocks	30.00	9 Dev. Blocks

Source: Sonari Development Block office

Under SGSY training programmes are arranged to boost up Self-help Groups' income generating activities. A table is drawn to show various training programmes arranged for the women beneficiaries of Sonari development block outside of the district in the year 2011-12:

**Table 3.08 Training programmes for women under SGSY
in the year 2011-12**

Time period	Name of training institute	Subject and number of trainees
5 Days, in the year 2011	Directorate Associate, AAU-Khanapara, Guwahati	Sub: piggery 30 no of women
5 Days, in the year 2012	Directorate Associate, AAU-Khanapara, Guwahati	Sub: piggery 30 no of women

Source: Sonari Development block office

3.7 CONCLUSION

From the elucidation of this chapter, it can be clearly outlined that from 1990's Self-help Group movement has got a successful path as a financial supportive group and as a platform for the poor and women to empower themselves psychologically, socially and economically. In this regard SHG- Bank linkage programme is emerged as a path for the poor in getting microcredit from micro finance institutions. Several steps were taken by the National Bank for Agriculture and Rural Development, various government programmes initiated by the government and some leading Non Government Organisations for the upliftment of the poor, especially women to empower them.

Though the focus of SHG-Bank Linkage programme is seen lately in Assam yet the programme has achieved success quickly. Mainly NABARD is taking initiatives to cover Self-help Groups to link with banks. Swarnajayati Gram Swarojgar Yojna (SGSY) is also playing as a mother role of poverty alleviation programmes. It is identified by NABARD that districts with low coverage of Self-help groups are 17 out of 27 districts of Assam. The districts with high coverage (above 80%) of Self-help Groups are Sivasagar along with other nine district of Assam viz. Jorhat, Karbi

Anglong, Sonitpur, Nagaon, Morigaon, Darraong, Nalbari, Barpeta and Chirang district of Assam.⁶²

In Sonari Development Block of Sivasagar District female participation in Self-help Groups is almost 80% and it is favourable atmosphere for development of women empowerment in this place⁶³. Self-help Groups in this block are mainly linking with the Grameen banks of Kakatibari, Moran, Patsaku and Sepon and others are linking with United Bank of India (UBI), United Cooperative Bank (UCO) and State Bank of India (SBI). Under Swarnajayanti Gram Swarozgar Yojna programme, some infrastructural schemes were designed to enhance Women Self-help Groups in different blocks of Sivasagar district.

⁶² Status of Microfinance in India, NABARD, 2011-12. Retrieved October 12, 2013 from www.nabard.org

⁶³Record of Sonari Development Block Office.