

Role of Self Help Groups in Rural Development of Simdega

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Abstract

Rural development relates to the process of improving the quality of life and economic wellbeing of people living in rural areas. In a developing country like India where majority of population lives in rural areas, rural development is of paramount significance. Rural development in India has witnessed several changes over the past years in its emphasis, approaches, strategies and programmes. It has assumed a new dimension and perspective as a consequence. Self Help Groups (SHG's) is an approach initiated in collaborative effort of government and non-government organizations (NGO'S) aiming at rural livelihood. The paper highlights the role of self-help groups in rural development of one of the most backward district, Simdega in Jharkhand. The paper is based on both primary and secondary data. The paper concludes suggesting suitable policies for further strengthening of self-help groups to amplify rural development.

Keywords: Self-help groups, rural development, Livelihood.

Introduction

Rural development is a comprehensive term which takes into consideration a number of factors. Initially the concept of rural development focused solely upon economic growth of rural areas. But at a later stage, the scope of rural development expanded and embraced the social, cultural, political, technological, aesthetic and physiological frame of the society. Rural development is crucial for a developing country like India where majority of population resides in rural areas. "The real progress of India did not mean simply the growth and expansion of industrial urban centers but mainly the development of villages". (Mahatma Gandhi, Indian Economic Development).

Rural areas are plagued with problems across various socio economic dimensions; poverty, illiteracy, unemployment, degraded health condition, lack of skill and vocation, lack of formal credit, poor infrastructural facilities are few to mention. All these problems cannot be tackled and solved at individual level and needs collective effort. Thus SHG's can become a vehicle of change for the poor and marginalized. (S.Chakravarty and A.N.Jha)

Simdega in Jharkhand is one of the most backward district in state with a large concentration of rural tribals. It ranks poor in socio economic indicators. In order to surmount this socio economic distress, SHG's comprising of women working under the aegis of Jharkhand State Livelihood Promotion Society (JSLPS) are playing a vital role in Simdega.

Objective of the Study

1. To develop an understanding of self-help groups.
2. To analyze the role of self-help groups in rural development of Simdega.

Study Area

Simdega is located in south western part of Jharkhand. It is situated between 22° 20' and 22° 51' north latitude and 84° 01' and 85° 5' east longitude. It is bounded by Gumla in north, Khunti and West Singhbhum in east, Chhattisgarh in west and Odisha in south. It covers a total geographical area of 3756.19 sq.km and is divided into ten blocks namely, Bolba, Bano, Bansjor, Jaldega, Kersai, Kurdeg, Kolebira, Pakartarn, Simdega and Thethaitangar. The district inhabits a total population of 5, 99,813. The male population is 2, 99,905 and females are 2, 99,908 in number. It has a sex ratio of 1000 females per thousand males which is highest in Jharkhand. The general topography is hilly and undulating. It is primarily settled by scheduled tribes with 70.2% of population which is again highest in Jharkhand. About 1194.50 sq.km areas of the district are

covered under forests. Ninety two percent of the total population is rural with agriculture and forestry as mainstay of economy. The state of agriculture is very primitive and underdeveloped. Majority of population depend on traditional method of agriculture.

Monocropping of paddy is practiced and is dependent on monsoons. Dairy farming, Piggery and Poultry and collection of non-timber forest products are the other means of subsistence for the locals.

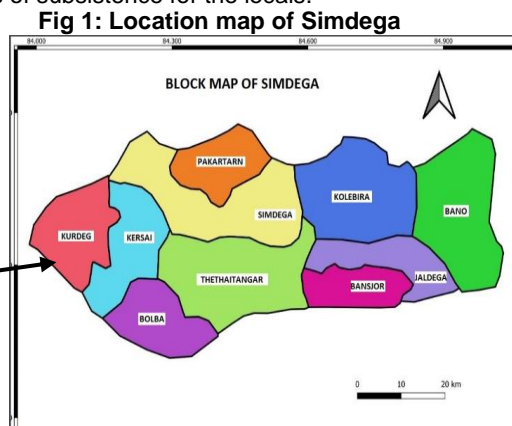
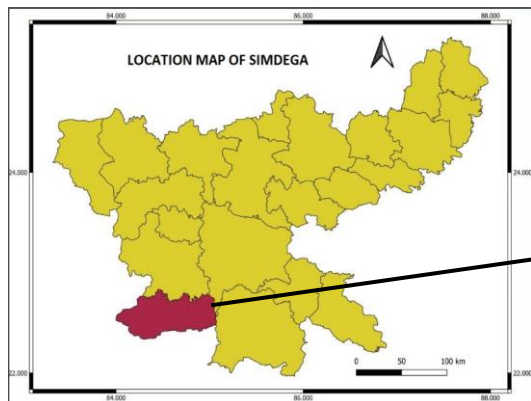


Fig 1: Location map of Simdega

Literature Review

From the relevant literature it has been observed that there are some studies pertaining to self-help groups and rural society. Anjugam and Alagumani (2001), highlighted the impact of microfinance through SHG's on socio economic status of women in Madurai. J.Ritu.et.al (2003), explained the role of SHG's in women empowerment in Kanpur. Bikash Dutta (2015), has presented an overview of self-help groups in India. Lakhwinder Kaur (2016), presented the success story of SHG's in Punjab. In another study by V. Puhazhendi (2000), sponsored by NABARD to study the socio economic impact of the SHG- bank linkage programme in Tamil Nadu, it was concluded that there was a positive impact of employment generation on 45% of the group members who has undertaken employment generating activities. Srinivasan(2006), in her study, 'Group Approach to empowerment of rural women', observes that training to impart new and non-traditional skills to women has tremendous potential in opening up new roles and options for them. This concept is taken forward by Therila Sangtam (2017), Parwez Sajjad (2013), and Mahadev (2018).

Methodology

The present study is descriptive and analytical in nature. Both primary and secondary data has been used. Primary data was collected through survey using schedules and personal interviews with

SHG groups. Secondary data was derived from journals, Ministry of Rural development reports, Department of Women and Child development annual report, JSLPS reports and newspaper.

Results and Discussion

The concept of self-help group got a major impetus in Jharkhand after the inception of JSLPS, a nodal agency for implementation of National Rural Livelihood Mission. It aims at improving rural livelihood and works towards social and economic empowerment of poor and women. A self-help group is a community based organization or an informal association of people. They are usually women from similar socio economic background, coming together to solve their problems based on mutual help and collective effort. SHG's are locally named as Sangha, Samooh, Mandal, Samiti, and Dangham in Jharkhand. Initially a reasonably educated and helpful local person, technically called as animator takes an initiative to help the poor people to form groups. The animator makes the people aware about the benefits of thrift and collective efforts. The animator is trained and guided with necessary reading materials by any of these agencies viz. NGO's, JSLPS, and local bank branch. SHG's are guided with a motive of bringing socio economic upliftment among the members and the society. It strives to engage the rural people in income generating activities and make them self-reliant.

Table 1: Self Help Groups in Simdega

Blocks	Number of SHG's	Total SHG members
Bano	960	10460
Bansjor	320	3673
Bolba	287	3572
Jaldega	650	6910
Kersai	462	5649
Kolebira	728	8109
Kurdeg	525	6170
Pakartarn	391	4233
Simdega	884	9787
Thethaitangar	897	10158
Total	6104	68721

Source: Ministry of Rural Development

Table I reports the details of SHG's in Simdega. At present there are 6104 active SHG's in Simdega with an inclusion of 68271 members. Additionally there are 476 Village organizations and 26 Cluster level federation which play a catalytic role in promotion of SHG's and promotion of rural livelihood.

SHG's and Rural Development

A large number of rural population, particularly women have been mobilized into self-help groups in the study area. The beneficiaries were selected on the basis of total population in each village by selecting one member from each household in order to include the entire village households in development process. The dynamics of SHG's in rural development of Simdega can be understood under following heads.

SHG and Capital formation

The poor saved occasionally because the concept of savings is always associated with surplus. A community based approach under SHG enables its members to save regularly through thrift and small savings and facilitates their access to formal credit facilities. This continued perennial savings has resulted in notable levels of capital formation for the poor which can be employed for availing credit and subsequent investment of same for desired activities.

SHG and access to credit

Absence of collateral is one of the major reasons which prevents the poor from getting bank loans. As a result they are forced to borrow money from moneylenders. The moneylenders oppress the rural poor by charging very high rate of interest and exploit them. The SHG's help the rural people through financial inclusion. The members have been able to obtain loans for emergent productive and nonproductive purposes on comparatively easy terms.

This has reduced their dependence on money lenders to a large extent. The notion of joint liability nested in the working principle of SHG's enables the poor to overcome the problems of collateral security, a major barrier to obtaining credit from formal institutions. Micro credit through SHG's has proved to be one of the most effective way of making credit available to the rural poor. JSLPS has been providing necessary assistance to the SHG's and the state government gives a sum of 1.25 lakhs as subsidy. NABARD has highly appreciated the women run groups in Simdega as the recovery rate of loans sanctioned is nearly 100 percent while those run by men is less than 80 percent. NABARD has been helping the deprived womenfolk in the district by designing different kinds of poverty alleviation programmes for boosting self-employment through credit benefits. "It may sound strange that most of the members of SHG run by women have not completed their primary education but have overcome their disadvantage and now hold a tight grip and mastery in micro financing". (Hindustan Times, 6th March 2017). In this way SHG's play an important role in bridging gap between formal and informal source of credit.

SHG and Rural employment

Agriculture and forestry are mainstay of economy in Simdega. Agriculture does not provides full time employment as the agricultural operations are seasonal in nature. SHG provides an opportunity to rural people to employ themselves in supplementary activities and improve their earning capacity. Piggery farming, goat rearing, wild honey collection and marketing, lac cultivation, handicrafts and sewing, mushroom cultivation, docra art, livestock nurses etc. are the alternative livelihood options promoted by SHG's in Simdega. Many SHG's have been a helping hand in the present pandemic situation by using their skills and intellect in manufacturing hand sanitizers and masks in Kersai block. They have been working round the clock since the lockdown was imposed. The manufacturing of mask and hand sanitizers proved very helpful not only in combating the spread of pandemic in the state but also helped them earn money. Besides local sale, these consignments are been supplied to around twenty subsidized medical stores for greater outreach.

SHG and women empowerment

Women empowerment and gender equality is an important indicator of development. SHG's offers opportunities for women empowerment in Simdega. Nearly 95% of SHG beneficiaries were found to be house wives without any source of income before joining SHG. SHG's provides them an opportunity to engage themselves in various occupation to improve their earning capacity. They are being trained in different skills to earn livelihood.

Breaking into a guarded male bastion, women from Simdega have turned into "Rani Mistry" (women mason) and are now actively involved in the construction of modern toilets under 'Swachh Bharat Mission'. They can also move out to urban areas and work as masons in near future. The SHG's in Simdega are highly applauded and appreciated for making biodegradable sanitary pads and creating an awareness about menstrual hygiene among rural women under "Garima Mission". Witch hunting and human trafficking are the two major stigmas that the district is facing. The SHG's members under JSLPS have taken the initiative to sensitize and spread awareness on such issues so that the community is informed and act using its wisdom to eradicate it. Lastly, SHG brings social empowerment of women through participation and decision making. All the members are made to take part in the meeting and income generating activities. It gives them confidence and understanding to actively participate at household level as well as in the society which aids in the process of development.

SHG and Human capital

SHG's have been effective in involving the poor creating stakeholder awareness in the development of social capital. The benefits of social capital are greatest when it helps individuals and groups to transcend class, gender, ethnic and religious divides. SHG's facilitate the provision of forums in which different interest can engage on another and make an important contribution to community welfare. The activities of SHG's

encompass community development activities like construction and cleaning of wells, canals, watershed management, rain water harvesting, livestock management etc. They have also communicated their problems to district administration effectively and arranged for drinking water, streetlights, expanded irrigation facilities for the villages in Kersai and Thethaitangar blocks. Some SHG's have also been volunteering the maintenance of common assets such as bore wells, hand pumps, streetlights in Bolba.

SHG's and Rural Capacity Building

Rural capacity building is a prime requisite for attaining sustainable rural development. Self-help groups have been a silent partner in achieving the dimensions of capacity building. It is important to understand here that the community based self-help group approach does not stand alone, but augments the existing developmental activities and helps their implementation. Some significant aspects of rural capacity building through SHG approach includes; community and kinship development, skill and vocational development, leadership development, small enterprise management, and education and health. Such aspects of rural capacity building further facilitate a better quality of life and equitable economic development.

Conclusion

Self-help group approach is an enabling, empowering and bottom up approach for rural development that has provided considerable economic and non-economic externalities to rural marginalized tribes in Simdega. The above findings evince SHG's as a sustainable tool to combat poverty, empower womenfolk, bring financial inclusion, encourage skill development and secure rural livelihood in tribal dominated Simdega. The creation and active participation of SHG's in the district has been very helpful in diversifying livelihood opportunities for the rural populace. Therefore it can be concluded that smooth functioning and active participation of people in SHG's provides tremendous contribution towards development of a self-reliant and socio economically empowered society heading towards the path of rural development. Some suggestions for the betterment and further development of SHG's in the study area are cited below.

1. Proper communication and understanding among SHG members.
2. Regular training and orientation programmes for SHG's.
3. Nomination of a literate person for the post of secretaries and president of SHG's.
4. Enhancement of capacities of SHG's through increased investment by JSLPS, government,

banks and donors is needed to make the self-help group movement strong and sustainable.

5. In addition to regional rural banks, the creation of SHG's development bank working completely on self-help group model can be explored.

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Abbreviations

1. JSLPS- Jharkhand State Livelihood Promotion Society
2. NABARD- National Bank for Agriculture and Rural Development
3. NGO's- Non Governmental Organization
4. SHG- Self Help Groups