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## **ROLE OF SELF-HELP GROUPS IN PROMOTING DEVELOPMENT: AN EMPIRICAL EXPLORATION**

### **Introduction**

Self Help Groups (SHGs) may be defined as “small, economically homogenous affinity groups of rural poor, voluntarily formed to save and mutually contribute to a common fund to be lent to its members as per the group members’ decision” (NABARD 1997, cited in Adolph, 2003). According to Dash (2005) SHG at an ideal sense has the characteristics such as i. felt need for group formation, ii. mutual help and collective action, iii. homogeneity, iv. size, v. systems and processes, vi. discipline and awareness, vii. democracy and leadership, viii. autonomy. In a strict social sense, an SHG, is defined as ‘a self-governed, peer-controlled informal group of people with similar socio-economic background and having a desire to collectively perform a common purpose’ (Basu and Jindal, 2006 cited in Dash, 2005). The members of SHGs are engaged in saving and credit activities with a view to meet their emergency needs, strengthen their livelihood base and enhance income generation. Bestowed with group spirit, motivation and commitment to the cause, the members of SHGs take up diverse income generating activities to become self sufficient. Voluntarism, collectivism, mutual trust and cooperation, regular savings are considered the key features of the SHGs. As a micro developmental strategy, SHGs are expected to contribute towards the diminution of poverty and help attaining women empowerment through micro-credit. The importance of SHG lies in its commitment to fulfill key developmental attributes such as empowerment, capacity building and group solidarity. Through SHGs, the socially deprived and marginalized sections of the society find a platform to participate and contribute to the process of development. Apart from inculcating the habit of saving among members (who are normally BPL members), SHGs tend to create group solidarity and develop leadership qualities among rural poor. More significantly, it establishes mutual trust and confidence among members.

With the broader objective to empower the deprived sections of the society and to reduce the economic impoverishment of the poor, SHGs could be seen as a potential mechanism that promotes group solidarity and social

bond. As one of the potential mechanisms to empower the poor through their microfinance schemes, SHGs are poised to play a significant role towards attaining equality in society and financial sustainability among the poor. Owing to its strategies, objectives and the target population (poor, socially marginalized and vulnerable groups) the SHGs have indeed emerged as one of the key micro development mechanisms in India and have been able to muster support from various nodal agencies that include both Government and Non-Governmental Organizations (NGOs) sectors. SHG is formed and groomed by various organizations such as NGOs, banks and government agencies which are also called self help promoting institutions (SHPI) (Singh, 2008).

### **Microfinance and SHG**

Perpetual poverty and inadequate credit facilities have remained the major constraints for economic betterment of rural households. The easy credit facility offered by microfinance schemes is considered a novel way to provide credit facilities to the rural poor. Microfinance institutions (MFIs) therefore are better placed to address the credit needs of the rural poor and to address the basic issues of rural development and offers inclusive developmental plan at the grassroots level. Research from around the world shows that well developed and inclusive financial systems are associated with faster growth and better income distribution (Basu, 2008).

MFIs are conveniently placed to achieve their dual goals i.e., to discharge their social responsibilities and to create a conducive environment to make the growth process inclusive. The uniqueness of microfinance through SHGs is that it is a partnership based approach and has encouraged NGOs to undertake not only social engineering but also financial intermediation, especially in areas where the banking network is not adequate. The rapid progress achieved in SHG formation has now turned into an empowerment movement for women across the country and has led the emergence of MFIs in India (Rao, 2008). Therefore, the expansion of microfinance helps empowering the needy by giving them opportunities to fight against unequal and hierarchical social structure. In India, micro-credit for businesses by poor women and SHGs began to be experimented towards the late 1980s (Premchander, 2003). India's share in the global micro credit market in 2005 was 15 per cent of all clients and 20 per cent of the poorest clients (Karmakar, 2008).

### **SHGs in India**

SHGs in India have been working towards the mobilization of the disadvantaged sections of the society as people from economically weaker sections as well as those from the backward and SC/ST community account for a sizeable proportion of SHG membership (Borbora and Mahanta 2001

cited in Vatta, 2003). Of late the government sector has given increasing importance to micro level grassroots development. The Ministry of Rural Development has introduced changes and schemes which have been launched in line with SHG promotion. From 1st April 1999, the self employment programmes of the Integrated Rural Development Programmes (IRDP) of the Ministry of Rural Development, Government of India, such as Training of Rural Youth for Self Employment (TRYSEM), DWACRA, Ganga Kalyan Yojna (GKY) and the Million Wells Scheme (MWS) were merged into one programme called the Swarnajayanthi Gram Swarozgar Yojna (SGSY). According to the Ministry of Rural Development in 1999, the new scheme seeks to focus on the formation of SHGs (Premchander, 2003). The SGSY model which was launched in 1999 aimed at empowerment of the rural poor by forming savings and credit groups. SHGs were promoted and emphasis was given on community driven programmes involving the rural poor. It was designed to focus on cluster-based activities in each block to be taken up by SHGs. The aim was to cover 30 per cent of the poor in each block by the end of five years of the programme whereas at least half of the groups were to be exclusively of women (Thekkekara, 2008). An analysis of the statistics on the progress of SGSY implementation in India between 1999-2000 and 2007-08 indicates that there are 29.46 lakh SHGs formed under SGSY out of which 81.7 per cent were exclusive women groups (Tripathy, 2010). According to NABARD data as on 31<sup>st</sup> March, 2009, there were more than 61 lakh savings-linked SHGs and more than 42 lakh credit-linked SHGs and thus, about 8.6 crore poor households are covered under the programme (NABARD, 2008-09).

The NGO sector too has contributed handsomely towards the growth of SHGs in India. A constituent of the civil society, NGOs have emphasized the participatory mode of development in order to make development people/community centric. The increasing emphasis given by NGOs on community owned self help approach (bottom-up) and their growing involvement in grassroots developmental activities have contributed towards the rapid growth and success of microfinance. NGOs find SHG as a suitable platform to promote participatory development and work towards the empowerment of the vulnerable sections of the society. The emphasis on bottom-up approach further encourages microfinance movement to work towards the realization of self reliant and sustainable livelihoods. In the late 1980s, a few NGOs such as MYRADA, PRADAN initiated experimentation in channelizing microfinance through SHGs and mobilized multi-purpose SHGs around group savings and credit. PRADAN formed women's SHGs with the explicit objective of mobilizing savings (Satish, 2008). Microfinance programmes through SHGs introduced and expanded by NGOs in several parts of India have the potential to minimize the problem of inadequate access of banking services to the poor (Rajasekhar, 2000 cited in Verman, 2005). There are a large number of NGOs that have undertaken the task of financial intermediation. Many NGOs have helped SHGs to organize themselves into federations and through these federations

they undertake social and capacity building activities such as organizing training programmes for SHGs, promoting formation of new groups and carrying out internal audit (Satish, 2008). Despite the hiccups, the microfinance sector is growing rapidly since 2000 in many states and is poised to become a very strong collaborative poverty alleviation strategy in many states. The southern states such as Andhra Pradesh, Tamil Nadu, Karnataka and Kerala have fared better than other states in India. Several policy initiatives have been undertaken for the expansion of microfinance programme such as SHG-bank linkage, policy initiatives of the RBI/Central/State governments, NGO initiatives since 1995 (Karmakar, 2008). Microfinance service providers include National Bank for Agriculture and Rural Development (NABARD), Small Industries Development Bank of India (SIDBI), Rashtriya Mahila Kosh (RMK), Commercial Banks, Regional Rural Banks, Cooperative Banks and various NGOs (SEWA, MYRADA).

There has been upsurge of SHGs in India. According to one estimate, there are now 500,000 SHGs in India, with a membership of 8 million people who are linked to about 20,000 rural outlets of more than 440 banks (Wilson, 2002 cited in Adolph, 2003). Another estimate shows that as on March 2008, there are 3.5 million SHGs helping nearly 49 million poor households to access sustainable financial services from the formal banking system in the country (Srinivasan, 2008 cited in Reji, 2010). SHGs in India vary in size and function, size of SHGs varies from 10 to 25.

### **SHGs in North-East India**

SHGs have emerged as an important agent of development at grassroots level in North Eastern Region of India. The number of SHGs found in different states of North-East region as on 31<sup>st</sup> March 2009 are: Assam, 64122, Meghalaya, 6067 Nagaland, 4744, Tripura, 5697, Arunachal Pradesh, 4268, Mizoram, 2266, Manipur, 4803, Sikkim, 1387 (NABARD 2008-2009). According to State Level Bankers' Committee Meghalaya, 2008, number of SHGs under saving linked (SGSY) was 4065 and number of credit linked SHGs was 2901. Number of savings linked SHGs (Non-SGSY) was 3246 and number of SHGs credit linked was 1788. According to another estimate, there were 4843 SHGs in Meghalaya from 1988-2006. From 2000-2005 there was spurt of SHGs in Meghalaya. The district wise break up shows that West Khasi Hills has 729, Jaintia Hills 402, East Khasi Hills, 684, Ri Bhoi, 426, West Garo Hills, 1520, East Garo Hills, 840, South Garo Hills, 242. The year 2004 recorded the highest numbers (1073) of SHG formation in the state (Source: [www.megselfhelp.gov.in](http://www.megselfhelp.gov.in)).

In view of the growing importance of SHGs in India and their potential significance in bringing about effective socio-economic changes in the life of the disadvantaged sections of the society and considering its viability in the North-Eastern region of India and particularly in the state of Meghalaya, the

present study seeks to understand the role and importance of SHGs in Meghalaya. Besides, structural and functional aspects of SHGs the study empirically explores the contributions of some of the SHGs in Meghalaya.

### **Methodology**

The nature of the study is exploratory and analytical. The unit of study was SHG. The study is restricted to two districts of Meghalaya such as East Khasi Hills and West Garo Hills. The SHGs which were included in the study were identified with the help of NGOs. The NGOs such as North-East India Committee on Relief and Development (NEICORD), Bosco Reach Out (BRO) and Bethany Society located in Shillong were contacted and approached. Subsequently, eight SHGs were included from East Khasi Hills district. Similarly, in West Garo Hills district of Meghalaya, the SHGs were identified with the help of International Fund for Agricultural Development (IFAD) which has promoted these SHGs in this area. Seven SHGs were identified and contacted from this district. Altogether the data were collected from fifteen SHGs. Apart from interview technique; group discussion was conducted to collect the data. SHGs members remain busy during day time as most of them go out to eke out their livelihood. Hence, repeated visits were made and the meetings were fixed accordingly to collect data.

### **SHG formation process**

The process of formation of SHGs demands systematic efforts, committed leadership, professional support from mentor organizations and above all a deep sense of dedication from a homogenous-likeminded group of individuals. The role of support organizations remains instrumental and critical as it is they who often play ice-breaking role towards the formation of SHGs. The study observed that NGOs such as BRO, NEICORD in East Khasi Hills and IFAD in Garo Hills have played significant role towards the formation of SHGs. These organizations have identified the area, created awareness among the people and generated initial enthusiasm among the people to be part of this drive. Their personnel have paid repeated visits to the area, have met the headman of the locality and have explained the importance and possible benefits associated with the formation of SHGs. The constant counseling, incessant efforts subsequently resulted in the people's realization of the significance of SHGs. Once convinced, real committed lot came forward to form SHGs. The SHGs in the process were successful in mustering support of the community and from the headman of the area which further motivated these groups to carry out their activities with firm determination. While most of the SHGs in the study emerged as a group due to the efforts of mentor organizations, in case of some SHGs, initiatives to form SHG came from the members themselves. Some members of this SHG came to know about SHG

from the electronic media (television) and out of eagerness they contacted BRO to obtain support and guidance. After overcoming the initial difficulties such as the fear of uncertainty, the logistic problems, these SHGs subsequently emerged as a unit. The training programmes were organized by the mentor organizations and the members were apprised of the rules and regulations of the group.

The formation period of SHGs included in the study ranged from 1998 to 2009. However, out of fifteen SHGs only one SHG was formed in 1998 while majority of the SHGs were established between 2004 and 2008. Except one SHG which was formed just two years ago in 2009 other SHGs have completed four years and more. Though SHGs are not too old these are not too new either; they have gained requisite basic knowledge and experience to act as groups and perform group activities.

### **Structural and functional aspects of SHGs**

The viability and durability of any 'group' depends not only on its structural aspects but also on its functions. While the profile of SHGs, the structural arrangements (office bearers), membership pattern of SHGs have been studied to understand the structure of a SHG; attributes such as discipline, professionalism, income generating activities have been studied to analyze functional aspects of SHGs.

### **Profile of SHGs**

**Membership Size:** The study observed that the membership size of SHGs ranges from eight to fourteen. Out of fifteen SHGs, one SHG has fourteen members (the largest) whereas three SHGs have thirteen and twelve members each. One SHG has eleven members. Majority of SHGs (six) have ten members which suggests that most of the SHGs are neither small nor big. Only one SHG has membership size of eight (the smallest). This shows that these SHGs are neither too big nor too small. When enquired about whether they plan to expand the membership of the group, the members of the SHGs were of the opinion that they are well aware of the importance of small group and consciously do not want to invite new members to join the group. They are convinced that the smaller the group better is the coordination and better coordination ensures the smooth functioning of the group. However, in the possibility of some members deserting the group, the members however said that in that eventuality the group would take a collective decision whether to induct new members in the group. Nevertheless they are quite happy with the present strength which they believe is the root cause for better coordination and prevailing co-operation among the members. However, some SHGs informed that they are open to include members from physically challenged sections in their groups to set an example for others which indeed reflects their concern and sensitivity towards the disadvantaged sections of the society.

This is no less a significant gesture on the part of members of SHGs who despite their poverty do not hesitate to extend helping hand to others.

***The Age and Educational Pattern:*** The age pattern of the SHGs members varies from 23 to 60. Most of them are found to be middle aged (35-45). Among members, a few are widows who have shown equal eagerness, determination and interest to make their group active. The educational background of the members shows that majority of them have completed primary level education whereas a very small number of members are illiterate. Even though overall educational level of members is very low, there are some members who have completed their high school (matriculation) and one is a graduate in Science, possessed a B.Sc. degree. Despite their humble background, as members are from socio-economically deprived section of the society, the overall educational attainment of the members is good which provides an added advantage for the group to grow.

***Functionaries:*** Informally structured at the initial phase, SHGs subsequently emerged as formal group of well defined structure. The structure here is perceived as a unit having a well set boundary defined by a set of social relationships within the unit. The SHG as a collective unit is well established by its members and office bearers. The success of the group rests on the office bearers who primarily are entrusted with to look after the basic functions of the group and it is they who are instrumental to guide the group and take other members along to nurture and strengthen their SHGs. Three important office bearers who hold the responsibilities to run the activities of SHGs are the President, the Secretary and the Treasurer. Most of the time, they have been chosen through consensus. When consensus was not arrived at, they had to elect the office bearers by majority vote. Generally, the most active and dynamic members are chosen as office bearers to shoulder the responsibilities. As reported, so far, the office bearers have been chosen without any internal squabbling. Whatever minor differences that have been cropped in with regard to the selection of functionaries, these have been settled amicably within the group. In all these SHGs, it was found that the office bearers have been carrying out their functions efficiently and other members are happy with their performances and have extended their support and co-operation. They have regularly convened meetings, given equal opportunity to members to participate in discussion and ensured that official files and records are maintained properly. The members opined that mutual help, co-operation and trust are the greatest strengths of their groups which they all cherish and this collective will, they believe will help them to overcome difficulties and achieve their objectives. This shows that the members of the respective SHGs have faith in their office bearers and posed confidence in them. The office bearers too have candidly expressed that they have received full co-operation from other members. As one of the office bearers says "it is a collective endeavour; when we formed the group we were convinced fully that collectively



we could win over the difficulties and solve whatever problems we would encounter” which implies that individual differences (individualism) are enveloped in collective spirit and wisdom which keep the group active and effective. According to the members as well as office bearers, barring isolated cases, in all these SHGs, it was found that there is not much conflict in the groups.

**Functional aspects:** Success of any organization depends on its effective functions and it is through effective functions and management an organization could aspire to achieve its objectives. Hence, each organization devises its strategies which help achieving the objectives. It was observed that SHGs have emphasized their activities such as the continuous interaction, dialogue and information sharing among its members, meeting frequently to discuss the issues that concern the groups. The regular meetings where they can discuss the financial issues such as thrift, loan, etc., have also helped members to ease out their day-to-day problems and difficulties by sharing their plight with fellow members. This in turn establishes group bonding and solidarity within the group. The data on the frequency of SHG meetings shows that meetings were held frequently and regularly. Four SHGs have reported that they meet once in a week, five SHGs meet twice in a month while the rest (six) SHGs meet once a month to discuss the activities, strategies and achievements and plans of SHGs. It is observed that members of SHGs are given opportunity to actively participate in their group meetings and almost all members are encouraged to participate in the discussion. It was reported that even those members, who were shy and reluctant initially, after a couple of meetings, have started giving their views and suggestions freely which have helped the group as a whole to formulate the plans and strategies of the groups. This shows that members have developed keen interest in strengthening the group’s interest and are committed to work towards achieving group’s objectives.

**Discipline:** The indiscipline of the group may lead to disintegration and ultimately lead to the collapse of the group. SHGs have devised their strategies to maintain discipline in their respective groups. Diverse strategies such as constantly reminding the fellow members to attend the meeting, reaching out the members who remain absent in the group meeting, canvassing and convincing the members about the importance of group meetings, etc., have been employed to ensure full attendance in their group meetings. Besides, SHGs have also developed other punitive strategies to ensure greater attendance. For example, one SHG imposes five rupees as penalty on those members who remain absent for two consecutive meetings which in a way acts as a deterrent and members do attend the meetings regularly. Further, if the absentees continue to remain absent for more than two meetings consecutively a warning is issued to them. And five consecutive absences warrant the expelled notice issued to the member. Though these regulations



are at place no such case has happened yet. Some other SHGs opined that if a member does not turn up to the meeting more than once, the other members together try to find out the problems and solve the problems. Expressing the strong solidarity some members were of the opinion that 'if there is any issue which hampers the interest of the group, our SHGs quickly address these issues before become too complex and complicated for them to handle'.

***Fund management and Professionalism:*** Fund management is another important task of SHGs. Sanctioning loan to members at the time of need, recovering the loan on time, increasing the corpus fund, investing the fund, enhancing the entrepreneurial skills of its members are considered to be important aspects of the fund management. It was reported that those who had taken loan from SHGs, most of them have paid back on time with the interest rate fixed by the group. If members fail to pay back the loan on time the reminder is sent to them and efforts are made to get back the loan. The members of all SHGs are very keen to build up their corpus fund and plan to invest it further in order to create assets for the groups. All SHGs have opened accounts in the banks and deposited the savings. Though majority of the members are relatively less educated and poor, they have shown professionalism as they contribute regularly a fixed monthly amount, maintain records (attendance register, minutes book), and bank accounts properly. The regular attendance of meeting, records keeping are found in conformity with the guidelines/constitution of SHGs. Further, to upgrade their skills, the members particularly the office bearers have received trainings organized by their mentor organizations and other support agencies, both governmental and non-governmental agencies. The training has helped members to maintain records, preparing the minutes of the meeting, keeping records of the loan, bank account records, etc. A sense of self confidence can be observed as some office bearers confidently say that they understand and realize their responsibility and would prove others that lack of education and poverty will not deter them from strengthening their group and its activities.

### **Contributions of SHGs**

It is pertinent to examine the contributions of SHGs as they were formed with a sense of purpose. The contributions of SHGs can broadly be divided into two categories, i.e. economic and social. The contributions on economic aspects have been gleaned from the nature of savings and income generating activities of the groups whereas the contributions of SHGs on social aspects have been observed with the attributes such as sociability, group cohesion and community activities.

### **Economic aspects**

The advocates of micro credit argue that it is through micro credit one can substantially reduce poverty. Access to credit can contribute to income as

it gives boost to income generating activities and to a possible diversification of income. Building up of assets, creation of new scope for livelihoods and accumulated savings create a spiral effect on the economic status of members. The studies have shown that there have been perceptible changes in the living standards of SHG members in terms of ownership of assets, borrowing capacities, income generating activities, income levels and increases in savings ((Littlefield *et al.* 2003, Dunford 2006 cited in Hermes and Lensink, 2007).

**Savings:** All SHGs in the present study have made sincere efforts to build up their corpus fund and they have made regular contributions towards savings. The monthly contribution made by members of the SHGs varies from 10-100 rupees per member. However, in majority of cases the contribution is below fifty rupees which is not an insignificant amount considering their poor socio-economic background. The money is collected at their regular meetings without any anomaly so far. Despite the abject poverty many members have expressed their keenness to contribute more to strengthen the group which is indicative of their deep concern for groups. They can avail immediate financial support for which they do not have to approach moneylenders for loans which yields high rate of interest. The provision of internal loan has helped the SHG members to avail loan to meet the emergency expenses.

**Income generating activities:** The SHGs have generated resources through various economic activities, individual as well as group ventures which have brought financial benefits to them. These activities also have given them the scope to think and devise innovative strategies to augment and enhance their skills. The members reported that activities such as candle making, paper bags and bouquets making, managing of shops (tailoring, grocery), tent and catering services, pig rearing, etc., have been undertaken by the SHGs. The majority of SHGs have taken up piggyery as main activity along with other activities. One of the SHGs is doing very well in flower plantation. The group believed that it is a profitable venture as the flower has great demand in the market. One SHG has a tailoring shop as a part of the group activity whereas another SHG has taken up rice baking and prepares rice cakes and earn a good profit. One SHG felt that catering is a better option and the group has invested in buying utensils and providing catering services during social occasions such as marriage, get-together.

SHGs have taken part in exhibitions to promote their products and also have taken their products to village markets. Some SHGs have taken the help of government officials in marketing their products. The variety of activities undertaken, the basic business skills that they have acquired and more importantly innovative ideas that they have displayed with regard to entrepreneurial activities show that they are indeed a force to reckon with in the process of micro development. Besides the present economic activities, the SHGs have outlined some to be taken up in near future. Hence, most of the SHGs are clear about the activities they would like to pursue in future

and the members are cautiously optimistic about their future plans. While most of the SHGs would want to continue and expand the current activities, some of them have ambitious plans. One SHG is so confident that it wants to open a juice making factory and start a tea garden. Another group plans to buy commercial vehicles and start business in transport. Another group plans to open restaurants in their locality and in the nearby town which they believe will give them good financial returns.

The members opined that their engagement with SHGs has made them to open up and interact with the outside world. They can now interact with government officials, bank officials and put forward their views and even argue with them on issues, and also seek their suggestions to improvise. Some members say that their association with SHGs has brought a new status for them in the eyes of others as they treat them differently, with respect. Their participation in training programmes, exhibition camps, have been possible only through SHGs. The members believe that SHGs have empowered them as they are now aware of various schemes, programmes and opportunities. Some members opined that today they are able to send their children to school, negotiate/bargain for the lower prices in the market. Most of the members think that SHGs have brought improvement in their standards of living and their quality of life has gone up to an extent.

### **Social aspects**

The impact of SHGs has relatively been more pronounced on social aspects than on the economic aspects (Puhazhendhi and Satyasai 2001 cited in Vatta 2003). SHGs have provided the much needed social space for members to share their experiences and ideas. Moreover, the participatory mode of development brings about many qualitative changes in the life of those who actively participate in developmental activities. The data on social impact that the SHGs have brought in have been gleaned from the aspects such as sociability, group cohesion and community action.

### **Sociability, group cohesion and group solidarity**

As Parsonian functionalism explains society as a system of patterned relationships where different sub-systems i.e., cultural (values), personality (motivation, role taking) are well integrated with the societal system, the formation of SHGs and their relevance could be viewed from the systemic perspective. It is through SHGs, members gain much needed self confidence which in turn influences their decision-making. Majority of the members have opined that their association with SHGs has helped them to widen the social net-work which subsequently contributes to 'sociability'. Visiting new places, developing friendship and acquaintance, getting the support from the community are some of the aspects that define the sociability nature of SHGs. SHGs have provided a forum for the members to share their problems and

grievances and discuss issues relating to their day-to-day life and members have established a bond among the fellow members as they support each other during the difficult times.

In social psychology, group cohesiveness refers to the linkages that bind the members of a group together. When the goals and interests of the members are cooperatively and not competitively related, the linkage among members becomes cohesive (Sills, 1968). The members of SHGs have shown strong sense of solidarity which is reflected in their group activities, cooperation and conflict resolutions. Members of all SHGs opined that as groups they are united and the sense of collectivism binds them together. The collective force of the group has created a motivational force for members of the group. Some of the members of SHGs said that the active members of their groups have motivated them to work hard and contribute towards the growth and development of the group.

A blend of voluntarism and altruism can be observed from the activities of members. The voluntaristic spirit of the members is reflected as they have taken initiatives to contribute towards the overall growth and welfare of the people in their localities in whatever small way possible. While some SHGs have resorted to awareness campaigns such as creating awareness against consumption of alcohol, malaria, etc., some others have offered their voluntary services in keeping the locality and the common places such as market place, river banks, clean and hygienic. Some have promoted sports programmes in their villages and organized various sports events for the kids in the village.

Some SHGs have reported that whatever experiences, ideas, skills and knowledge their members have acquired certainly help others in the locality as these things are likely to be transmitted to others. The increasing level of awareness among members has made them inquisitive and self-reflective. In other words, SHGs have given the members self-confidence, the ability to bargain and make decisions and above all it has given them power to think, decide and most importantly arrive at consensus through negotiations and deliberations. The increased level of awareness and group solidarity results in greater involvement in decision making, enhancement of social status and leadership quality among members. When asked about whether individual differences come in the way of group activities, members opined that they do not allow individual differences to affect group's cause and interest. As a member says 'we work as group, we prosper as a group and we face our problems as group'.

### **Community activities**

SHGs have drawn their strength from the community itself and have obtained support from the leaders in the locality. Increasing engagement of members in community activities has brought a greater sense of solidarity,

closeness among the members and more importantly the will to shoulder responsibilities within the group. Some members are of the opinion that if they contribute towards the community well-being in any manner, it gives them inner satisfaction. Some members feel proud that they have become the members of village committees to contribute towards the development of the village. According to them safety and security in the locality is important and their SHGs have been counseling the youth not to indulge in alcoholism and other such activities which create problems for them as well for the general public. Some SHGs have actively taken part in cleaning drive in their villages as part of their community activity. Another group has contributed and helped in preparing BPL list to the head man of the village. Some SHGs have organized talent search programmes such as sports and cultural programmes once in a year to encourage the talented children to excel in co-curricular activities which they believe help building their personality. Some SHGs have given priority to health and sanitation and their members are actively engaged in sensitizing people about the importance of safe drinking water, immunization, etc. Another SHG organizes food festival to promote traditional delicious dishes which generate enthusiasm among the members of the group and bring the people in the locality together. Apart from these initiatives by SHGs, the study observed that the community activities carried out by the SHGs also include extending help to the people in need (as some members point out they provide help even if the token one to the poor who cannot afford to buy medicine, providing blankets to the those who cannot afford to buy during the winter), volunteering to help others in the village, mobilizing people to fight for their legitimate interests, intervening and resolving conflicts and tensions in the locality, initiating and organizing cultural events in the locality.

### **Capacity building**

Self managed systems for accounts keeping, credit activities, skill up gradation, leadership abilities are some of the qualities the members have acquired due to their association with SHGs. The SHGs have helped them to make regular savings as a habit for them who were not accustomed to savings. Regular savings can foster self-reliance as their savings get accumulated. Training programmes have benefitted poor women entrepreneurs to enhance their skills. SHGs have aroused leadership qualities among the members which is reflected in their activities and initiatives where the office bearers have been able to build consensus and collective decision before the executions of the plans and strategies for the groups.

### **Conclusion**

Development, developmental strategies and practices can evolve and develop from the community itself which is the storehouse of knowledge and practice. In a country like India where wide socio-economic inequality persists

and the process of growth remains uneven, bottom-up approach of development assumes significance. SHG formation therefore is a significant initiative and a sincere effort on the part of developmental agencies to bring the poor into development domain and encourage them to be part and parcel of the developmental process which in turn helps reducing poverty and impoverishment. It is evident from the present study that the SHGs have indeed made sincere efforts to mobilize their own resources available to them in the form of savings, and create various income generating activities. The SHGs have created institutional space for the poor women to participate in developmental process and develop and sharpen the leadership quality in them. The SHGs have indeed received a range of support both financial and professional from mentor organizations (NGOs) right from the group formation stage. The financial management, capacity building (leadership, maintaining discipline and resolving conflict), and their involvement in community activities have shown that these SHGs are steadily but certainly emerging as a potential force to reckon with in the domain of development. No doubt, these SHGs have brought amorphous socio-economically deprived individuals together and have made their presence felt in the micro-development domain. They however, still have a long way to go as financial and organizational sustainability continue to be the grave concerns for these SHGs.

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