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RESEARCH ARTICLE

Income Generation and Resource Mobilization through SHGs: A study in Sonitpur District of Assam

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Abstract

A study was conducted in Sonitpur district of Assam on income generation and resource mobilization through SHGs. Purposive sampling technique was followed and statistical methods such as percentage, frequency, mean and ranking was used for analyzing the data. A total of 14 agro-based activities had been identified and it was found that most of the SHGs were engaged in field crops activity (23.38%), followed by vegetable cultivation (15.58%) and cultivation of spices and condiments (10.39%). The highest Benefit Cost ratio (B.C) was observed in case of fishery (3.33) followed by spices and condiments (3.29). The study revealed that highest percentage of resources was mobilized through the activity of cultivation of field crops.

Keywords: Income generation, resource mobilization, SHGs, purposive sampling, agro-based activities.

Introduction

Poverty alleviation through income generation has been one of the primary focuses by policy planners, decision makers and organizational developers in recent years. The implementation of Swarnajayanti Gram Swarozgar Yojana (SGSY), one of the biggest poverty alleviation programmes in India since 1999, gave birth to the formation of Self Help Groups (SHGs) so as to generate income through collective efforts and get benefit from banking services. Bhatt (1987) defined that SHG is a special form of voluntary organization usually formed by a small homogenous group of people to attain certain goals either social, economical or both. A definition of SHGs given by NABARD (1999) state that 'SHGs are homogenous group of people, coming together voluntarily usually not more than twenty to undertake joint activities on the principle of self help and mutual help. Nirmala (2004) also defines SHGs as small groups, where the members enhance the socio-economic development of their families through employment generation and income generating activities.

SHGs were formed as small functional groups in rural areas to increase the resource base of the members through the act of thrift and credit among themselves. They raised their corpus with credit support from service area like banks and subsidy from concerned government agencies. SHGs have a common force to encompass a numbers of group activities as a solution for the problem of unemployment and poverty, where all members try to raise their gross income from group activities through judicious allocation and utilization of resources. A defined concept of SHGs given by Buwaneshwary *et al.* (2011) states that SHGs are formed on voluntary basis as peoples institution providing the poor with the space and support necessary to take up entrepreneurial activities.

Kumari and Sehrawat (2011) further conceptualized SHGs as 'a small voluntary association of poor people preferably from the same socio-economic background'. They come together for the purpose of solving their common problems thorough undertaking entrepreneurial activities. Therefore, SHGs are a small group of homogeneous people voluntary formed to carry out some income generating activities by proper resource mobilization for the purpose of economic benefits. Ghosh (2010) in his study reported that SHG members who have taken up income generating activities did not have any psychological strains regarding the repayment of the loan and the societies at the same time did not find any difficulty in recovering the dues from the group members. Vadivoo and Sekar (2004) also found in their study that the income generation through SHG was satisfactory, since most of the members gained additional income and employment through SHGs.

Cammann and Mueller (2004) revealed in their study that 'the concept of social mobilization plays an important role in poverty reduction strategies'. Experience from the field indicate that once the rural people are mobilized and work together in self-controlled community based organization, they can better harness local resources for income generating activities and form coalition with other social forces to make their voices hard in regional and national policy making'. The concept of resource mobilization of SHGs enable its members to build up and strengthen their limited resources through collective approach by pooling scarce resources together and by solving common economic and social problems. Kamaraj and Muralidaran (2004) also found in their study that SHGs undertake entrepreneurial activities at smaller level with minimum capital requirement.

In future, the inbuilt strength of SHGs paves the way to undertake mega projects like projects performed by joint stock companies, public sector enterprises etc. A study on evolution and survival of SHGs conducted by Gain and Singh (1995) reported that women SHGs of West Bengal were carrying out dairying activities jointly distributing the work in different shifts among the members. Further Karmakar (1997) reported in their study that the SHG members (tribal farmers) started cultivating their land extensively and were also engaged in other production activities in the field of dairy, goatery and silk work rearing. Keeping in view, the importance of SHGs in rural economic growth, the present study had been made to investigate the extent of resource mobilization by the SHGs through their various income generating activities. The study investigated the various income generating activities undertaken by the SHGs, level of income earned under each of the activities and their resource mobilization pattern. The study also highlighted the role of SHGs in utilization of available natural resources in North East India in order to find various self-employment avenues through collective approaches.

Materials and methods

Study area: The study was conducted in Sonitpur district of Assam as it had highest numbers of SHGs amongst all districts of Assam with potential scope for engaging in highest numbers of income generating activities. Sonitpur district has three agricultural sub-divisions namely Tezpur, Biswanath Chariali and Gohpur and all sub-divisions had been taken into consideration for the study.

Experimental design: Two members from each SHG were selected as respondents and thus the total number of the respondents from 60 SHGs were 120 (60 SHGs X 2 members each). Purposive random sampling design had been taken for the investigation. Data was collected through personal interview methods with the help of interview schedule.

Statistical analysis: Statistical analysis of the data on different aspects of the study was made with the help of frequency, percentage, mean and rank.

Results and discussion

Various income generating activities undertaken by SHGs: A total of 14 agro-based activities carried out by the SHGs were identified in the present study. These include bamboo handicrafts, fishery, piggery, vegetable production, dairy, goatery, post harvest and processing, spices and condiments, duckery, medicinal plant cultivation, poultry, field crop production, nursery and sericulture. It was observed from Table 1 that majority of the SHGs (23.38%) were involved in field crops activities followed by SHGs involving in vegetable, spices and condiments. However, fishery, dairy, poultry, medicinal plants and duckery activities were each undertaken by 5.19% SHGs. Only 2.60% SHGs each undertake nursery, goatery and bamboo handicraft activities. The findings were similar to the reports given by Karmakar (1997) in his study.

Extent of income generation: It is evident from Table 1 that highest average return came from dairy activities followed by goatery and sericulture. However, the least average return came from vegetables followed by field crops. Amongst all the 14 agro-based activities, the highest cost incurred was reported in case of dairy which had been followed by sericulture and poultry. The high investment cost in case of dairy activities was due to the higher maintenance of high yielding breeds. The least cost incurred was in case of vegetables followed by spices and condiments. The highest profit was also found in case of dairy activities which had been followed by activities like goatery and sericulture. SHGs undertaking dairy activities, despite selling milk as raw also concerned with manufacturing various milk products like butter, curd, lassi, paneer, sweets etc. which has fetched them a good market price. However, the least profit had come from vegetable and duckery activities respectively. The highest B.C ratio was found in case of fishery (3.33) followed by spice and condiments (3.29) and goatery (2.33) respectively. The B.C ratio of fishery activities was found to be high as the feeding materials had been cheaply available in terms of byproduct of processing mills like rice bran, wheat bran, oil cake and farm yard manure. Amongst other remaining activities, the least B.C ratio were found in case of duckery and post harvest activities with a B.C ratio 1.19 each. In case of spices and condiments, the B.C ratio was found to be second highest as most of the SHGs had accommodated *Bhoot Jolokia (Capsicum chinensis)* as one of the most profitable enterprises with least involvement of cost. In case of SHGs undertaking piggery activities, reared their pigs beyond six months as a result of which feeding cost went up unnecessarily leading to the decrease in B.C ratio.

Extent of resource mobilization: It was observed from Table 2 that the field crops had highest percentage (64.12%) of gross land mobilized followed by vegetable, spices and condiments. The least was in case of nursery and post harvest activities as requirement of land in these activities had been lesser than other. In case of labour mobilization, field crops also occupied highest percentage of gross labour mobilized followed by vegetable, piggery and bamboo product activities. The least were in case of goatery and post harvest activities respectively as requirement of labour in these activities had been lesser comparatively. The highest percentages of fund mobilization also took place through field crop activities followed by dairy and piggery activities.

Table 1. Extent of income generation through different activities undertaken by the SHGs.

S. No.	Activities	No of SHGs undertaking	Gross income (In Rs.)	Cost incurred (In Rs.)	Profit (In Rs.)	B.C ratio
1.	Bamboo handicrafts	2 (2.60)*	22500.00	7500.00	15000.00	2.00
2.	Dairy	4 (5.19)	138125.00	51250.00	86875.00	1.70
3.	Duckery	4 (5.19)	22400.00	10250.00	12150.00	1.19
4.	Field crops	18 (23.38)	19218.52	6659.26	12559.26	1.89
5.	Fishery	4 (5.19)	33000.00	7625.00	25375.00	3.33
6.	Goatery	2 (2.60)	75000.00	22500.00	52500.00	2.33
7.	Medicinal plant	4 (5.19)	38300.00	16625.00	21675.00	1.30
8.	Nursery	2 (2.60)	47500.00	15000.00	32500.00	2.17
9.	Piggery	7 (9.09)	50000.00	23000.00	27000.00	1.17
10.	Post harvest	3 (3.90)	23333.33	10666.67	12666.67	1.19
11.	Poultry	4 (5.19)	53000.00	23250.00	29750.00	1.28
12.	Sericulture	3 (3.90)	60000.00	23333.33	36666.67	1.57
13.	Spices and condiments	12 (15.58)	26627.78	6211.11	20416.67	3.29
14.	Vegetable	8 (10.39)	3721.00	1388.00	2333.00	1.68

** Figure within parenthesis indicates percentage of SHGs undertaking the respective activity.*

Table 2. Extent of resource mobilizations through different activities undertaken by the SHGs.

S. No.	Activities	Land mobilized (%)	Labour mobilized (%)	Fund mobilized (%)	B.C ratio
1.	Bamboo handicrafts	0.72	6.09	2.77	2.00
2.	Dairy	2.89	5.02	13.04	1.70
3.	Duckery	2.05	2.13	4.83	1.19
4.	Field crops	64.12	55.4	23.58	1.89
5.	Fishery	0.84	2.13	3.44	3.33
6.	Goatery	1.33	0.3	4.16	2.33
7.	Medicinal plant	2.94	2.13	7.41	1.30
8.	Nursery	0.36	2.44	2.5	2.17
9.	Piggery	3.90	6.09	11.1	1.17
10.	Post harvest	0.60	1.83	2.33	1.19
11.	Poultry	2.17	3.96	5.55	1.28
12.	Sericulture	2.41	2.74	4.66	1.57
13.	Spices and condiments	5.31	2.44	6.88	3.29
14.	Vegetable	10.36	7.30	7.75	1.68

The least were in case of nursery and post harvest activities respectively as the fund requirements in these activities had been lesser and being carried out in small scale. As the field crop activities had been carried out by most of the SHGs, so the requirement and utilization of all the resources like land, labour and capital were higher than any other activities being carried out by the SHGs. The findings were in line with the reports of Karmakar (1997), Cammann and Mueller (2004), Vadivoo and Sekar (2004) and Tripathy (2004). It was found that the SHGs under study were mainly engaged in agricultural activities particularly rising of field crops. Cultivation of spice and condiments were also largely taken up by the SHGs. However, it was found that highest average return came from dairy activities followed by goatery and sericulture.

Conclusion

The study revealed the various activities undertaken by SHGs socio economic upliftment as well as the mobilization of available natural resources to find various self employment avenues through their collective approaches.

An overall low to medium level of resource mobilization by majority of the rural SHGs present a poor picture of SHGs in generating resources for undertaking developmental activities. Hence, a comprehensive strategy should be formulated to overcome this. Extension staff and officials have an important role to play in motivating and enhancing the capacity of these SHGs.

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