



# INTERNATIONAL JOURNAL OF CREATIVE RESEARCH THOUGHTS (IJCRT)

An International Open Access, Peer-reviewed, Refereed Journal

## Role Of Microfinance Organisation In Empowerment Of Rural Women Through Shg's In Dhansiri Sub Division, Golaghat, Assam

Hemanta Gogoi  
Asstt. Prof. in Statistics  
Sarupathar College  
Golaghat, Assam

### Abstract

The empowerment of rural women plays a crucial role in achieving sustainable development, particularly in regions like Dhansiri Sub-Division, Golaghat, Assam, where socioeconomic challenges persist. This study investigates the role of microfinance organizations in empowering rural women through Self-Help Groups (SHGs), which act as vital tools for financial inclusion, skill development, and social transformation.

The paper begins with an introduction to microfinance and SHGs, outlining their functions and significance in fostering economic independence. The study highlights the unique characteristics of the Dhansiri Sub-Division and its socioeconomic landscape. Aims and objectives are centered around understanding how microfinance initiatives impact the financial stability, decision-making abilities, and overall well-being of women participants.

Employing a combination of primary and secondary research methods, data was collected through surveys, interviews, and existing literature. Findings reveal that SHGs facilitated by microfinance organizations significantly enhance women's access to credit, entrepreneurial opportunities, and collective agency. Despite challenges such as limited resources and societal barriers, the positive impact on women's empowerment is evident in improved household incomes and greater participation in community decision-making.

This paper concludes by emphasizing the need for enhanced governmental support and policy frameworks to strengthen the SHG ecosystem, ensuring the holistic development of rural women in Dhansiri Sub-Division. The study provides valuable insights for academicians, policymakers, and practitioners working towards inclusive rural development in India.

**Keywords:** Microfinance, SHGs, Rural Women Empowerment, Dhansiri Sub-Division, Financial Inclusion, Socioeconomic Development.

### 0.1 INTRODUCTION:

The empowerment of rural women in the State Policy (2000) states that, the women's movement and a widespread network of NGOs, Microfinance organisation's which have strong grassroots presence and deep insight into women's concerns have contributed in inspiring initiatives for the empowerment of women.

Assam's rural economy is undergoing a silent revolution with more than 85,000 (eighty-five thousand) SHGs playing the role of vital catalyst, generating considerable level of self-employment. Microfinance institutions that provide financial services to low-income women, those who are members of SHGs, JIGs and the self-employed who traditionally lack access to banking and related services.

Microfinance Organisations have played a vital role in the backward Dhansiri Sub Division to improve or empower the rural women through SHGs. Through this research study I am going to analyse how the microfinance organisation has helped the rural poor women through SHGs and how they are uplifted them in different levels or categories of work, and how it has been increasing spiritual, political, social or economic strength of these rural women.

## 0.2 AIM & OBJECTIVE

In this stud, how microfinance organisation has employed or uplifted in social or economic strength the rural poor women of SI-IGs/JIGs are to be analysed.

Objectives of the research study are mentioned below —

1. Through this study, awareness will be created on role of microfinance organisation on women empowerment through SHGs in Dhansiri Sub-Division.
2. To focus attention on groups, which SHGs of women are actually improved their economic condition, social status, living standard by the help of microfinance organisation.

## 0.3 METHODOLOGY

Analytical method is applied in this study. With the analytical method the data will be analysed. Secondary data collected from different sources to analyse. Diagram like statistical tables, pie diagrams are used to analyse on the collected data.

## 0.4 SOURCES & TERMS

In this research paper secondary data will be used. The data are collected from different books, magazine, newspaper, internet sources, etc. Following are names of the official sources from where necessary data are collected.

Different terms are mentioned below which are used in my study

- (a) SHG - Self Help Group.
- (b) JLG - Joint Liability Group
- (c) DSC - Door Step Centre

(It is a sub centre or executive branch of newly established Bandhan Bank) (d) RGVN – Rastriya

Gramin Vikas Nidhi (North East)

## 0.5 REVIEW OF LITERATURE:

Although the study on "Role of microfinance organisation is empowerment of rural women through SHGs" are done or discussed in different respect. But still there are no study or research made in respect of empowerment of rural poor women through SHGs at Dhansiri Sub-Division. So the importance of my study in this regard is very much significant. Through this study, it will create a direction of awareness among SHG's of rural women in Dhansiri area.

### 1. ENTRY INTO THE TOPIC:

The women's movement and a widespread network of NGOs which have strong grassroots presence and deep insight into women's concerns have contributed in inspiring initiatives for the empowerment of women. Assam's rural economy is undergoing a silent revolution with more than 95,000 (ninety-five thousand) self-help groups (SHG) playing the role of a vital catalyst, generating considerable level of self-employment. The major areas in which SHGs have been formed are agriculture, pisciculture, handloom, poultry, piggery and dairy. Over 25% of the SHG members are earning in the range of Rs. 3000.00 to Rs. 4000.00 per month while 18% earn an average of Rs. 6000.00 per month and another 18% earn less than Rs. 3000.00 per month.

The SHG movement has been more sincerely adopted in the upper Assam districts than in the lower Assam once through it was extensively launched with the hope that it would act as a boon in the lesser development lower Assam districts.

A survey has conducted by an independent research organisation Nanda Talukdar Foundation pointed out that the scenario is definitely better in upper Assam right from implementation, acceptance and attitude towards the SHG.

Women Empowerment refers to increasing the spiritual, political, social or economic strength of women. It offers involves the empowered developing confidence in their own capacities. In the last two decades, the concept of women empowerment has undergone a sea change form from welfare-oriented approach. Many researchers have tried to provide a suitable definition of women empowerment.

The origin of SHGs is form the brainchild of Grameen Bank of Bangladesh which was founded by Mohammed Yunus (Nobel award winner) concept of SHG were started and formed in 1975.

The SHG is a viable alternative to achieve the objectives of rural development and to get community participation in dull rural development programmes. It is an organised set up to provide microcredit to the rural women on the strength of the group savings without insisting on any collateral security for the purpose of encouraging them to enter into entrepreneurial activities and for making them enterprising women (Gurumoorthy. 2000). The National Bank for Agriculture and Rural Development (NABARD) had launched a number of Programme to improve the socio-economic status of women in all sectors with a focus on

providing credit support through SIIGs (NABARD, 2004).

In Assam, the SHGs approach is a new paradigm into the field of rural development which main objectives are to increase the well-being of the poor people, provide access to resources and credit, increases self-confidence, self-esteem and increases their creditability in all aspects of lives. Self help group is a voluntary and self-managed group of women, belonging to similar socio-economic characteristic, who come together to promote savings among themselves. The property alleviation intervention of the SHG is in the form of undertaking, giving micro finance services to the poor so that they can get themselves acquainted work skills and occupational diversification. This new initiative was taken up by Swarnajayanti Gram Swarozgar Yojana, implementation in 1999, to organize the poor into self help group.

Microfinance is emerging as a powerful tool for poverty elevation and gender empowerment in the economy. The SI IG Bank linkage programme has been successful not only in meeting financial needs of the rural poor women but also to strengthen them the collective self-help capacities of the poor, leading to their empowerment. The SHG have been formed to be an effective tool of micro-credit delivery for women empowerment and rural development.

Development alone cannot bring peace and prosperity unless social justice and gender equality are ensured. It has been well accepted that various development programmes have bypassed women who constitute about half of the population of the country. International conventions and conference, legal enactments, constitutional provisions, etc. highlighted the imperative need for gender equality and women empowerment.

### **1.1 Introduction about microfinance organisation and SHG —**

A microfinance institution is an organisation that offers financial services to lower income populations. Although all given loans to their members, SHGs and many offer insurance, deposit and other services. A great scale of organisation is regarded as microfinance institutions. A Self Help Group (SHG) is a village based financial intermediary committee usually composed of 10-20 local women or men. A mixed group is generally not preferred. Most of the Self Help Groups are located in India. Though SHGs can be found in other countries, especially in South Asia and Southeast Asia.

### **1.2 About Dhansiri Sub-Division —**

The Dhansiri Sub-Division is located in Golaghat District of Assam. In the east it is surrounded by Nagaland, in west Karbi Anglong District, in north Jorhat District, in south Nagaland and Karbi Anglong District. This Sub-Division is interior, backward than other Sub-Division of the Golaghat District. There are 5 Railway Stations, namely, Bilgaon, Barpathar, Sarupathar, Naojan, Chungajan and a Railway Junction at Furkating. Chief occupation of this area's population is cultivation, small business, etc. there is not a single industry. According to 2011 census, the total population was 2,10,561, where 1,07,069 are male and 1,03,489 are female. Maximum numbers of people lives in rural areas.

### 1.3 Analysis of The Topic:

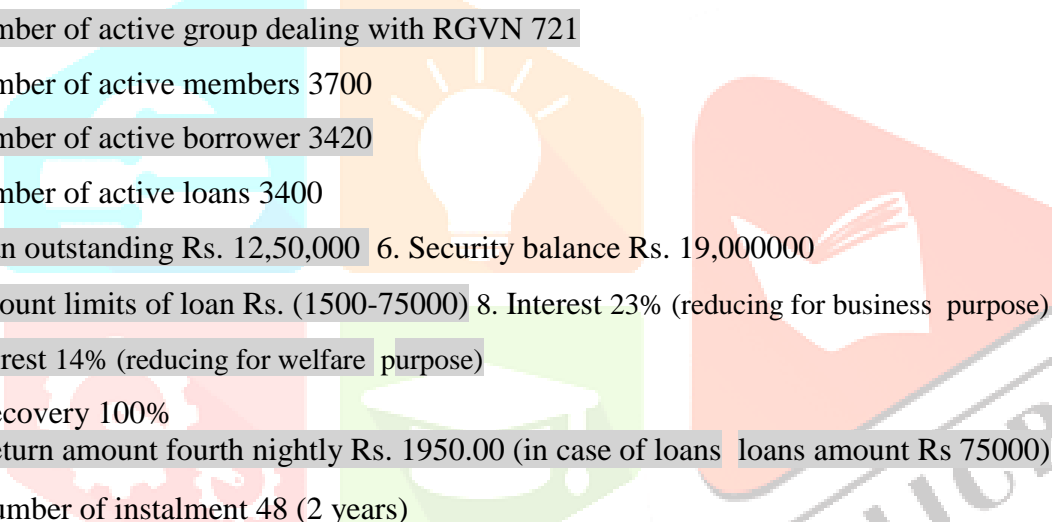
At present two microfinance organisation viz RGVN and BANDHAN has been working in my research area since last 13 years.

RGVN (NE) Microfinance Limited is the premier development organisation in the north-east which came into being 1990 to bring noticeable changes in the livelihood of disadvantages section of India. In the year of 1995 when the concept of microcredit was new in the part of India, RGVN added one more core programme under its fold christened as "Credit and Savings Programme" for providing small loans to the poor and needy in the north-eastern India.

RGVN have been playing a vital role in the sector of microfinance in Dhansiri Sub-Division. Basically RGVN and Bandhan Dealing with SHG/JLG women in the area.

Following are the data collected from RGVN (one of the premier microfinance organisation)

**Table No. 4.1**



1. Number of active group dealing with RGVN 721	
2. Number of active members 3700	
3. Number of active borrower 3420	
4. Number of active loans 3400	
5. Loan outstanding Rs. 12,50,000	6. Security balance Rs. 19,000000
7. Amount limits of loan Rs. (1500-75000)	8. Interest 23% (reducing for business purpose)
9. Interest 14% (reducing for welfare purpose)	
10. Recovery 100%	
11. Return amount fourth nightly Rs. 1950.00 (in case of loans	loans amount Rs 75000)
12. Number of instalment 48 (2 years)	

RGVN provides loan amount from 15,000 (fifteen thousand) to 75,000 (seventy five thousand) to each member of SHG group. It is known that total 2700 members SHG groups available in Dhansiri. Among them approximately 1270 women SHGs.

From the data mentioned above it is seen that major portion of women SHG are actively dealing with microfinance institution. Besides this, half of the portion not keeping to touch with bank available in Sub-Division area.

This microfinance limited has been providing SHGs loan to the poor women in the area. The institution has been able to cover 3420 borrowers in 40 villages.

The number of borrowers in different villages is shown in the table no 4.2.

**Table No. 4.2**

(Table showing the number of borrower in different villages under Dbansiri Sub-Division during 2016-2017)

Name of Village/ward	No. of Borrower	Name of Village/ward	No. of Borrower
Sarupathar Town	100	Khanikargaon	95
Korigaon	95	Nagajurigaon	60
Panjan	80	No. 1 Padumoni	100
No. 3 Ward	105	Padumoni	124
Nahorani	77	Chatiani	95
Morangaon	40	Chungajan	80
Billgaon	56	Gouripathar	50
No. 1 Nabobetoni	72	No. 2 Nababetoni	56
Betoni	96	Bongaon	85
Sewaguri	70	Gohaingaon	74

Kardoiguri	85	Tengabari	48
Morangaon	72	Noloni	95
Premhora	100	No. 2 Tengabari	75
No. 2 Premhora	95	Tengahola	92
Uriamghat	115	No. 1 Gandhakoroi	78
No. 2 Gandhakoroi	36	Turungaon	68
No. 1 Rajapukhuri	90	Aahumgaon	40
Chukiapathar	105	Bilonigaon	78
Lakhimipathar	68	Madhyampur	90
Naojan	138	Jonakipathar	58

The RGVN has been registered under society registration Act 1860 and its registered number is 8.08.00179. It has been providing short term loan to poor and needy women and has contributed in the improvement of quality of economic development in rural areas. The beneficiaries of different schemes in the institution include in weaving, food processing, fishery, poultry, diggery, goatery, bee keeping, dairy, duckery, small industrial unit, wooden product, and other activities. The credit limit is fixed on the basis land holding. As reveal from the reducing interest for the loan is 23% (for business purpose) and 14% (for welfare purpose). The status of loans of the sub divisional offer to the customers is shown in table no.

**Table No 4.3**

**(Table showing awns of/loan)**

**Types of loan Current status** No of active loan 3420

Loan outstanding 12500000 No of cumulative loan disbursed for the financial 2310

Security balance 19000000 No of cumulative loan disbursed for the financial loan 5764

Average loan size on outstanding 686  
No of borrower per field staff 3954011

On time repayment rate (ORT) 100%

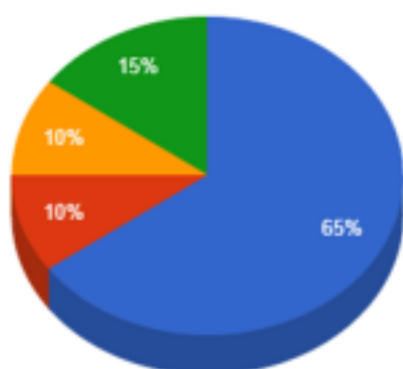
Cumulative repayment rate for financial year 100%

The income pattern of customer have been analysed and it is noted that 10% of the total customers is in between below Rs. 50001-, 15% is Rs. (5000.00 - 15000), 65% is of Rs. (15000 - 25000) and 10% of the total customer's annual income is below Rs. 25000 cases the following pie chart shown the income pattern of the customers.

**Figure 4.4**

**Income Pattern**

Income Pattern



The survey also reveals that the principal sources of income of the beneficiaries' cars, from person to person.

The following table shows the principal sources of income of beneficiaries. **Table No 4.5**

Categories	No. of beneficiaries	Percentage
Loom Worker	18	25%
Broiler Farm	10	20%
Shopkeeper/ Goatery/Piggery/Dairy	<u>17</u>	37.5%
Other	<u>8</u>	17.5%

From the survey it has become evident that out of total customers 15% are benefited to a great extent from the institution 55% are benefited to some extent, 20% are benefited very little, 10% are not at all benefited from the institution.

The following table reveals that customers relation with the institution. **Table No 4.5**

Categories	No. of Customers	Percentage
Very Good	10	25%
Good	22	45%
Average	<u>8</u>	20%
Poor	<u>4</u>	10%

## 2. FINDINGS:

Existing evidence of the impact of microfinance programmes on gender relations is limited. Research on gender impact is confined to a few programmes in Bangladesh and India. When women control decisions regarding credit and savings, they optimize their own and the households welfare. The investment in

women's economic activities will improve employment opportunities for women and thus have a trickle down and out effect. "The financial sustainability emphasizes women's own income-generating activities.

- Women spend much of their income on household wellbeing, including daughter's education and their own health.
- Rural women's are reluctant to get into the banking system.
- Illiteracy found to be the prime reason for the same.
- Poor road communication and lack of proper market nrc also found to be other obstacle towards empowering women through economically.
- Microfmance Organisation.
- Women arc not fully able to control over loan use.
- Increased self-reliance through interaction with microfinance organisations stuff and other groups have improved their role in decision making within the household.

### 3. Conclusion:

1. This study will help for future research, how the SHGs have been improving and changing their economic condition, social status, in Dhansiri Sub-Division of Golaghat District
2. It will create a direction of awareness among SHFs of rural women in Dhansiri Sub Division.
3. With involvement in microfinance organisation, helps the poor rural women, how to safe and implement the money in proper way in day-to-day livelihood.

### Reference

1. Manager of Bandhan Bank, Sarupathar
2. Manager of Door Step Centre, Sarupathar.
3. Manager of RGVN, Sarupathar Branch.
4. South Development Block, Golaghat District, Assam.

**Bibliography:**

1. Agriculture Finance Corporation Ltd, 2008, Assessing Development Impact of Microfinance Programmes.
2. Adams, Dand Informal finance in low income Fitchett, D.A. (Eds.) Countries, Boulder, Colorado: Westview Press, 1992.  
Adams, D & Micro-Enterprise Credit Von Pischke, J.D., Programmes, déjà vu, World Development, 2010, 1
3. Bali Swain R, 2006: Microfinance and Women's Empowerment, Sida Working Paper, Division of Market Development, Sida, Stockholm.
4. Basu P and Srivastava P, 2005: 'Scaling-up Microfinance for India's Rural Poor', World Bank Policy Research Working Paper 3646, WB, Washington DC.
5. National Commission for Women, "Effectiveness of Women SHG in Micro enterprises development in Rajasthan and Tamil Nadu", New Delhi, 2004, pp. 202.
6. NABARD Report of the Task Force on Supportive Policy and Regulatory Frame Work For Micro-Finance, NABARD, Mumbai, 1999.
7. NABARD, Linking Self Help Groups with Banks — An Indian Experience, Development Policy Department — Non-Farm Sector, Bombay, 1995.
8. NABARD, Linking Self Help Groups with Banks, Bombay, 1995. NABARD, Report on the working Group on Non-Governmental Organisations and self-help groups, NABARD, Bombay, 1995, PP. 14-15.