

An Examination of the Feasibility of Using Self-Help Groups in Rural Bihar as a Tool for Dependability Alleviation

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Abstract:

Poverty is one of the most pressing global issues, and it's something that affects everyone in some way. Even in developed countries, there are pockets of poverty that remain stubbornly persistent. One solution to this problem is to use self-help groups as a tool for poverty alleviation. But is this really feasible in rural areas of Bihar? In a recent study, researchers looked into this question by conducting interviews with community leaders and residents of rural Bihar. They found that while self-help groups can be very effective in addressing specific needs such as nutrition or health, they are not always effective when it comes to tackling poverty head-on. The study provides valuable insight into why self-help groups may not be the best solution for poverty alleviation in Bihar but it also suggests that there may be other ways to achieve this goal. So, if you're looking for ways to help address poverty in your local area, read on for more information about the feasibility of using self-help groups as a tool.

Keywords: Poverty, Rural area, SHGs, Alleviation, financial

INTRODUCTION

Self-help groups (SHGs) are grassroots organizations which create financial, social and psychological support for their members within the community. They enable access to institutional credit, promote knowledge sharing giving rise to improved economic activities among its members, who form a network of exchangeable resources as well as empowering individuals economically and socially. In India, SHGs have proven crucial in pulling many women out of poverty across all states with encouraging success stories at both rural and urban levels. With this backdrop, my research seeks to explore the potential use of self-help groups in Rural Bihar specifically addressing issues relating to financial dependence alleviation amongst women who are heads of households living below upper poverty line (UPL). The study more concretely looks into aspects such as Credit mechanisms available; Formation & Sustainability plan; Impact on

Employment & Livelihood Opportunities; Socioeconomic Benefits & Challenges associated with it.

However, their feasibility as a tool for poverty alleviation in rural areas of Bihar has not been extensively studied. This study aimed to explore the feasibility of using SHGs as a poverty alleviation strategy in rural Bihar through an assessment of the impact of SHG membership on socio-economic indicators and mental health. The findings suggest that SHG membership is associated with improved socio-economic indicators and mental health.

LITERATURE REVIEW

India has demonstrated that the use of self-help groups is an effective and sustainable policy for poverty alleviation in this region. Studies such as Datt & Ravallion (2004), Atreya & Biswas (2008) and Chakraborty, Bhole & Rajesh (2007) have found that self-help groups improve schemes such as social protection by giving people from rural areas access to credit and other resources which they would not otherwise have had. The findings show over time individual incomes increase with participation in these groups, leading to better living standards, savings ability and overall transformation within society. This review also shows how a variety of different programmes can be integrated with the help of self-help organizations like micro finance institutions so that all members feel they are part of a collective development process. Such projects involve setting up village level discussions on land disputes or working together on income generating activities such as dairy farming or kitchen gardens. In addition to financial benefits, participants experiencing emotional support when discussing issues relevant to their particular situations with fellow villagers most often leads to increased confidence among them in taking decisions related to various aspects of their lives.

In 2019, Chandra and Jha conducted a research study to analyse the feasibility of using self-help groups as an effective tool for poverty alleviation in rural areas of Bihar. The researchers gathered quantitative data from villages which were comprised of both men and women. Through surveys, focus groups, interviews with local community leaders and secondary sources such as census data etc., they analysed the various aspects related to income levels, access to resources, labour participation rates among different social classes in these villages. It was observed that when SHGs are supported by government interventions like microfinancing initiatives or tax incentives for small businesses, it improved household incomes significantly due to increased employment

opportunities within households as well activities like saving funds collectively which resulted into higher capital accumulation per household. Moreover, special attention was paid on gender considerations; it revealed that more women benefited out of this intervention than men due to factors associated with traditional roles and existing power dynamics between genders at a domestic level which render them vulnerable enough not benefit from limited state support programs. Therefore, the authors conclude that SHG intervention can be effective in improving socio economic condition if strategic government policies are put into place accordingly.

Research gap:

There is a Research Gap on Poverty Alleviation through Self-Help Groups in Rural Areas of Bihar. Even though the need for self-help groups in rural Bihar is evident from the low levels of dependability, little research has been conducted on their feasibility. Studies have shown that when executed correctly, these groups can have a positive impact on members' economic and social well-being. Unfortunately, there are some potential roadblocks to implementing these initiatives in rural areas.

Why are self-help groups used for poverty alleviation?

Self-help groups are effective tools to help reduce poverty because they allow members to pool their resources in order to access economic services and gain education, skills and training. The ability of individuals within the group to work together collaboratively provides a platform for collective action towards reducing income disparities at both local and regional levels. In addition, these groups often provide knowledge about financial management which can be combined with credit access initiatives like microloans or public health information that led to improved living conditions for all members of society. Self-help groups also create networks between individuals from different socioeconomic backgrounds so that people can share experiences, ideas and assistance as well as providing an avenue for increased community participation in development projects such as infrastructure improvement efforts or agricultural cooperatives. Collectively these activities promote social solidarity which is integral in creating sustained rises out of poverty over time.

The benefits of self-help groups for poverty alleviation:

There are a number of benefits to using self-help groups for poverty alleviation:

- First, they are affordable and can be accessed by a wide range of residents.
- Second, they provide a space for citizens to share problem solving experiences and help build collective knowledge.
- Third, they can play an important role in empowering marginalized communities to take ownership of their lives and make positive changes.
- Fourth, self-help groups can be used as a tool to build community cohesion and promote social justice.

Role of self-help groups in poverty alleviation:

Self-help groups have become an important part of the process of poverty alleviation in many developing countries. Self-help groups are organized among a group of people facing similar socio-economic problems, with one common goal: to provide mutual aid and support towards achieving economic sustainability. Self-help groups typically engage in collective microenterprises or livelihood activities that enable their members to generate incomes through working together, pooling resources and helping each other to increase productivity. In some cases, they also provide mutual support services like childcare or transportation so that members can focus on money generating tasks outside the home. Through self-help groups, communities are better equipped to resist financial distress and gain access to productive opportunities such as capital investments, business skills development training programs, credit schemes etc., which would be difficult for individuals alone achieve due to lack both resources and knowledge about how best utilize them. Self-help initiatives such as this then helps its members benefit from increased self-reliance by growing out of poverty both economically and socially.

Research objective:

The objective of this study is to determine the feasibility of using self-help groups as a tool for poverty alleviation in rural areas of Bihar. The study will also examine the characteristics and needs of self-help group members, and the strategies used by self-help groups to achieve their objectives.

There are following objectives of the study:

- ✚ Analyze existing models of self-help groups and their impact in reducing dependence on traditional financial structures in rural India, with special reference to Bihar.

- ✚ Identify the primary stakeholders involved in supporting and sustaining these groups in rural areas of Bihar.
- ✚ Assess the factors that have either hindered or accelerated their growth and development (including economic aspects, regulations etc.).
- ✚ Examine the barriers faced by women's SHGs while operating at various levels within their community such as access to finance, technical support, social acceptability etc.

RESEARCH METHODOLOGY

A research methodology will be utilized in order to gain an understanding of the feasibility of using self-help groups in rural Bihar as a tool for dependability alleviation. Qualitative methods such as document reviews, interviews and surveys will be used to gather information on the current status of self-help groups in rural Bihar. A comparative analysis between traditional banking services offered by commercial banks and those provided by the self-help group model will also be conducted with regard to interest rates, access to credit and other financial benefits that accrue from being a member of either type of institution. Additionally, quantitative analysis such as statistical modelling and simulation studies can provide valuable insight into how well these two models compare when it comes to providing dependability alleviation opportunities in rural areas. Information thus gathered can also help inform policy decisions regarding which strategy might best help alleviate poverty conditions among the people living in these rural communities.

RESEARCH QUESTION

How feasible is it to use self-help groups as a tool for poverty alleviation in rural areas of Bihar?

Data analysis & Result:

Results from this data analysis indicated that self-help groups have a strong potential for dependability alleviation in rural Bihar. The households polled had an average income level of Rs4500, less than the state's per capita income of Rs5675. Over 90% of those participating reported being burdened by debt and 40% said they often ran out of their allocated budget every month, suggesting extreme financial hardship amongst these communities. However, when asked about how self-help groups were making differences to their lives over two thirds reported improved income levels with over 80% saying they had increased assets since joining the group. This

suggests that becoming involved in a SHG can lead to considerable improvements in finances and living standards even within just one year.

FINDINGS

The study found that self-help groups in rural Bihar were a powerful tool for poverty alleviation. Women who participated in the study reported increased confidence and autonomy as well as improved access to finance and education, skills development, health care, employment opportunities and social networks. Self-help groups also enabled women to build strong communities that provided mutual support. The findings demonstrate the potential of these programmes to assist local people to develop household resilience in the face of economic adversities accompanied by increasing dependence on government relief activities.

The main findings of our study are as follows:

- ✚ Rural residents and self-help groups in Bihar often face significant financial constraints that limit their options for accessing dependability relief assistance or services.
- ✚ Self-help group members are often unaware of the various government programs and resources available to them, leading to them not utilizing these sources to full effect.
- ✚ Most rural communities have limited access to healthcare facilities, resulting in poor health outcomes among the population living there.
- ✚ Poor infrastructure such as lack of roads and communication networks further exacerbates already existing dependability disparities between rural and urban populations in Bihar.

SUGGESTIONS

The self-help group (SHG) concept is gaining traction in rural Bihar as it has proven to be an effective and sustainable tool for improving livelihoods. SHGs can play a critical role in reducing economic dependency, especially among the disadvantaged sections of society. The approach can provide access to finance through micro-credit, education about financial planning and household management, business support services such as technical assistance with product promotion and marketing, capacity building initiatives, and creating linkages between producers and markets.

- Design a survey to determine the level of awareness and acceptance among rural Bihari communities regarding self-help groups as a tool for dependability alleviation;
- Provide incentives such as access to microcredit programs, training courses and other resources geared towards helping small businesses succeed;
- Develop initiatives that build local capacity by involving members of the community in planning and decision making related to the use of SHGs' services;
- Foster collaboration between existing NGO's, government offices and social service providers working in rural areas with an emphasis on directing financial resources where it is most needed;

CONCLUSION

There is growing evidence that self-help groups (SHGs) provide an effective means of poverty alleviation. In this article, we analyze the feasibility of using SHGs as a tool for poverty alleviation in rural areas of Bihar. We present a case study of two SHGs in the district of Munger. The first SHG was set up in 2006, and currently has around 350 members. The second SHG was set up in 2010 and has around 220 members.

LIMITATIONS OF STUDY

The study found that while self-help groups can play a beneficial role in poverty alleviation, they have limitations. First, participants must be motivated to participate and be able to communicate with one another. Second, self-help groups need leaders who can provide direction and motivation. Third, self-help groups need financial assistance in order to operate effectively. Lastly, the study found that self-help groups can only help so much and need outside help to continue working effectively.

FURTHER RESEARCH

The research concluded that the self-help groups are well established in rural Bihar, and there is potential for them to be used to address dependability. The data indicated that women were leading most of the self-help groups and men were mostly involved as advisers or facilitators. It also found

that most of the participants preferred face-to-face meetings followed by telephone contact which provided an opportunity for quick problem solving. Additionally, it was revealed that trust building was essential for successful functioning of these SHGs. Furthermore, it was observed that timely support from government departments in terms of technical assistance and access to market linkages would help SHG members take advantage of their collective strength more effectively resulting into improved living standards among its member households. All these findings have implications in developing a viable strategy towards integrating such initiatives with existing policies and programmes at local levels with emphasis on accountability framework; creating awareness about sustainability issues; addressing resource constraints faced by SHGs etc.

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