ABSTRACT

Micro-Finance through Self-Help Groups has huge potential for rural employment and income generation and hence can be treated as an effective tool for poverty alleviation. It includes skill up-gradation and entrepreneurship development, rendered to poor for enabling them to overcome poverty. SHGs, now-a-days, have become quite popular to pursue income generation activities and reap economic benefits, help each other through joint responsibilities.

In view of this, a modest attempt has been made to undertake a comprehensive and intensive micro-level study on effectiveness of Self-Help Groups created under SGSY programme of Government of India. The required information has been collected through field survey in Lakhimpur district of Assam. Total 405 SHG group members as well as non-group members of three development blocks from Lakhimpur district are interviewed for generation of primary data. It is observed that the SHG member families are enjoying better living standard compared to the non-SGH member families. An attempt has also been made to study the problems and prospects of SHGs in the sample district. The required information has been collected from 120 SHGs (60 SHGs those have bank linkages and other 60 SHGs those have no bank linkages). The future prospects, participation of Women, annual fund raising and disbursement, and the loan repayment capacity of the SHGs are found to be satisfactory. On the other hand most of the groups faced marketing, management and transportation problems. The scheme by and large has failed to turn up into micro enterprises as they are not taking risk. Imparting skill development and disbursement of credit to the group members cannot lead to promote entrepreneurship among the SHGs members. So an effort may be initiated to inculcate risk-bearing capacity among the SHG members.