Challenges before Co-operation and Rural Development

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ABSTRACT: “There are many challenges before cooperation and rural development. There are many sources to overcome the challenges. One source is self help groups (SHG). These groups are created at local and rural level. It will solve the problems of women as well as rural development. Under this article, the researcher has analysed the causes and remedies available to overcome the causes. This is the objective of this article.”

Introduction:
Self help Groups (SHGs) are mainly organized for the poor in India. Dreze and Sen (1989.15) describe poverty as a severe failure of basic capabilities. Lack of Assets, Physicals, weakness, isolation, vulnerability, and powerlessness, characterize the poor. According to D. Rajasekhar, (2002) poverty implies (1) an inability to obtain basic needs such as foods, shelter and health due to law income; (2) lack of opportunities to utilize human resources owing to inadequate access to education and health; (3) isolation owing to physical conditions or inadequate income; (4) lack of status and power making it difficult to influence one’s own situation and break out of poverty and (5) a high degree of vulnerability due to lack productive assets, exposure to natural disasters and other factors.

The state should provide the preconditions required for poverty reduction such as infrastructure covering irrigation, extension services, marketing facilities, education and health facilities and legal environment, local bodies such as non-governmental organizations (NGOs) are needed to enable the poor to represent their interests to the decision marketing bodies and secure them. NGOs also have a role to play in organizing and training the poor so that they become self-reliant. Provision of micro finance is another area where help can be given.

Involving people in policy formulation and implementation makes excellent sense, especially for developing countries in the context of poverty reduction strategies. After all, there is not much evidence anywhere, and so far it is the poor themselves who contribute most to contribute to poverty reduction. Hence, it makes good sense to start form the poor themselves to take the lead and to facilitate them to make the best of it. This again leads to the importance of creating conditions under which poor, illiterate and socially excluded men and woman are aware of opportunities, able to organize themselves to be ready to challenge opposition i.e. to be empowered.

Given the constraints associated with provision of salaried employment in the organized sector and undesirable dimensions of casual employment, the hope lies in promoting self-employment. There are a number of possible route to the promotion of self-employment, and strengthening of self-help group in one of them.

Empowerment of Woman:
Article 14 of the constitution confers equal rights and opportunities on men and woman in the political, economic and social spheres. Article 15(3) empowers the state to make affirmative discrimination in
favour of woman. In India concern for woman found its place in the sixth plan 1980-85 since then, efforts are made to uplift woman. While this help mainly takes the form of providing them micro credit for self-employment, various organizations including NGOs have been taking up training programmers too to enable them to become independent entrepreneurs. Micro credit by banks has the advantages of high repayment of loans and low transaction cost. Training cost. Training result in self-employment in the informal sector which requires lesser capital and has a better capital-output ratio.

**Self Help Groups (SHGs) :**

When individuals act at a thematic level in conglomeration on their own initiative in an attempt to meet their individual and common needs with a primary focus on self reliance we will call them a ‘self-help’ group . A common bond like caste affiliation, community or place of residence or activity links the individuals. The development functionary must have the ability to identify these common bonds. Self help groups provide the benefits of economies of scale, cost effective alternative for different financial services, collective learning, democratic and participatory culture, a firm base and platform for dialogue and cooperation. Interveners merely facilitate the entire process of formation of the self help group. Once the group in formed, the intervener must provide complete guidance to the group about selecting an activity, its management, marketing, etc . The most important task of the intervener will consist of training ,skill developments and capacity building of the group members to manage the proposed enterprise. The intervener should also help in establishing marketing linkages. All these will enable the group to approach a bank with an activity plan .the bank will provide finance if it has confidence in the functioning and viability of the groups. NABARD has been making efforts towards increasing the access of the rural poor to formal banking services through the promotion and credit linking of self help groups. Promotional efforts are made by NABARD in the form of the SHG-bank linkage programme and facilitating training . mostly, woman have been target groups for such programmes. (Pandian And Eswaran 2002) micro finance and training to self help groups is being provided by both Government and NGOs. For instance , the sampoorna Gramin Rozgar Yojana (SGRY) programme has been conceived as a programme for the development of micro enterprises in rural areas, covering all aspects of self employment such as organization of rural poor into self help groups and their capacity building , planning of activity clusters, infrastructure build-up and technology, credit and marketing support. The programme also envisages involvement of various agencies – DRDAs,, Line departments banks, Panchayat Raj Institutions and NGOs in its implementation.

**Objectives of The study :-**

1. To study the concept of self help groups.
2. To evaluate training programmes given to the SHFs.
3. To understand the constraints in the training of self help groups.
4. To examine the process of rising micro finance by the self help groups.
5. To suggest measures for economic improvement.

**Mobilization of finance :**
At Sarvodaya seed capital was given by a philanthropist. Members of the self-help groups are encouraged to save on a daily basis from their earnings. Savings bank a/c have been opened in there joint names in state bank of Hyderabad. Loan have been obtained by the training. The loans are given on the basis of the skills acquired and range from Rs. 10000 to Rs. 30000 based on the type of activity they are trained in. The loan is given under priority sector ending at low rates of interest. The period of repayment range from 24 to 36 months.

The District Rural Development Agency given loans to the poor for starting business. DRDA finance is given for vegetable vending. Tending Goats and milking and marketing of meat seeds and Manure Telephone booths. Cycle shops Tailoring shops fruit vending. Chicken shop, and marketing jute products.

When each member has saved up to a Rs. 1000, The DRDA is approached for multiplying this saving. The district Agency gives a loan equivalent to four times the amount saved. It counsels borrowers on matters such as how to invest, Where to bur raw material, how to market, etc.

Training :-
Training is given in respective fields of activity by skill teachers who are paid Rs 800 per month plus conveyance. The trainees belong to the age groups of 15 to 35 and wholly comprise women except in the screen printing activity for which school boys have been admitted. The school is run for the poor by Sarvodaya. There are no eligibility criteria for admission to training other than the enrolment of the poor training in specific activities. Not only skill are trainees to raise finance from the bank /DRDA. 

Education is also given for marketing of goods produced. the entire training is designed to be completed in six weeks.

Outcome of training :-
Once the training is over, the trainees can start their own self-employment units. They are successfully marketing their products and have been selling them through DWCRA, industrial exhibition and local fairs. They have also participated in exhibitions outside the state. They have been selling at a profit at 10% on total cost. In tailoring activity, 20 tarriness have stated their own tailoring shops and have been earning gross income or Rs6000 p.m

The average earnings in the jute business are Rs 10000 per month. In screen printing, 3 trainees are now practicing what they have learned and are taking up job works. The loans taken forms banks/DEDA are being paid back promptly and regularly. Women who have benefited from these programmes are of the opinion that the intervention of the NGO and the skill acquired through training have made them more confident and self-reliant.

Suggestions For Improvement :-
Awareness is spreading about the training being given to self-help groups and more people are evincing an interest to enrol for the same. However, certain measure need to be taken by the NGOs to overcome constraints. They are as follows:

1. NGOs must give a strong orientation of the benefits of training to the target group so that the dropout rate reduces.
2. Incentive and re-enforcement must be given to keep attendance so that the training can be completed in time.
3. Inspiration must be provided to trainees by bringing in the successful
entrepreneurs who were trained by the NGOs.

4. Interveners will have to provide completed guidance to the group members about selecting an activity, its management, marketing, etc.

5. A detailed and thorough assessment of interest and capability of group members about various possible income generating activities should be carried out.

Conclusion:
NGO takes up the task of organizing self-help groups and training them in certain chosen activities. Nearly people have received training for self-employment in production of jute products, leather production, tailoring and screen-printing. Not only are skill imparted by trained finance and marketing of good produced.

Reference:

S. K. Panda “Micro finance in Economic empowerment of weaker sections” Yojana May 2003