

Bank Finance and Self Help Groups Linkages for Better Livestock Enterprises in Assam

M. Haque¹, P. Hazarika², K.K. Saharia³, M.N.Ray⁴, A. Borgohain⁵ and L.S. Khuman⁶

1 & 6. Ph D Student, 2, 3, 4 & 5. Prof., Department of Ext. Edu., COVSc, AAU, Khanapara, Guwahati-22

Corresponding author e-mail: mafidul.haque81@gmail.com

ABSTRACT

A study was conducted in purposively selected Darrang and Kamrup districts of Assam to assess the perceived impact of bank finance on livestock enterprise. Comprehensive lists of all the SHGs engaged in livestock enterprises, after taking loans from banks, in Darrang and Kamrup districts were prepared in consultation with the local Block Development Officers, officials from State Veterinary Department and cross checking with banks. Fifty SHGs were randomly selected from each list with minimum five years of experience in livestock enterprise and only one respondent was taken from each selected SHG as respondent for the present study to make the sample size 100. The finding revealed that majority of the respondents recorded their responses in “very much” degree in “feeling of empowerment” after taking bank loans. In all other impact components like-increased animal husbandry farm income, improvement of food standard, children’s education, housing, and health condition majority of the respondents expressed their perception in “much” degree. When categorized into high, medium and low categories based on their mean scores and S.D on overall impact, majority of the respondents fell in medium category in both the districts. Further, when impact components were ranked among themselves as per the perception of the respondents “feeling of empowerment” was ranked the first.

Key words: Bank finance; SHG; Livestock; enterprise;

Livestock sector plays an important role in the socio-economic development of India. Besides providing rich nutritional food to millions of people, it is also helpful in generating gainful employment and income in rural areas. The contribution of agriculture sector to the Nation’s GDP is coming down, while the share of livestock sector in agriculture as well as in absolute terms directly to the GDP are steadily growing. In fact, in rural India one fourth of the income comes from livestock sector, where 65 per cent of the households are constituted by landless, marginal and small farmers rearing livestock. Due to paucity of land resources and lack of enough money on hand, these farmers cannot adopt agriculture as their vocation and prefer livestock enterprise. To facilitate this disadvantaged section of farming community with financial resources needed for different vocations, SHG-Bank linkage programme was launched on July 12, 1982 by National Bank for Agriculture and Rural Development (NABARD). The central idea of this programme was to simplify the credit

delivery mechanism in order to bring the financial institutions closer to needy people. However, in Assam contrary to the national scenario, 85 per cent of the total farmers belong to marginal and landless categories, among whom the SHG has been popular over the years and at present there are a total of 2.76 lakh deposit linked and 1.17 lakh credit linked SHGs (NABARD, 2012). Therefore, it was felt necessary to conduct a study to objectively assess the impact of bank finance to the SHGs engaged in livestock enterprises.

METHODOLOGY

The study was conducted in Darrang and Kamrup districts of Assam during the month of February to April 2012. Kamrup and Darrang districts of Assam were purposively selected for the study because they both fell in central Assam with their socio- cultural dynamics influencing the whole state in all walks of life. Separate comprehensive lists of all the SHGs engaged in livestock enterprises each for Darrang and Kamrup

district were prepared in consultation with the local Block Development Officers and officials from State Veterinary Department. Two district-wise lists of SHGs who had bank loans were prepared. Fifty SHGs from each list with minimum five years of experience in livestock enterprise were randomly selected and only one representative from each selected SHG was taken as respondent for the present study to make the sample size 100. A pre-tested, reliable and valid interview schedule was developed for data collection and the respondents were directly questioned in order to elicit their spontaneous responses in respect of the impact of bank finance on their overall development. Reliability coefficient was worked out by adopting split half technique in the nearby Nalbari district by collecting data from 30 similar animal husbandry based SHG members. It was found to have $r = 0.96$ and validity was ensured by jury opinion method in which the members were veterans in rural development and animal husbandry sectors. The degree of change was asked on a three point continuum ranging from very much, much to not at all degrees and accordingly scores of 3, 2 and 1 were assigned respectively on six selected impact components. Frequencies of the respondents were calculated as per the responses received from them in both the districts separately against six impact components with minimum and maximum obtainable score of 6 and 18 respectively. Later, considering all the impact components together and calculating the total score, the respondents were categorized into low, medium and high categories based on their mean and S.D. Further, mean difference was also worked out between the two districts. The total score of each of the impact components was also summed up and finally ranking was done among the impact components.

RESULTS AND DISCUSSION

Table 1 revealed that majority of the respondents i.e. 50.00 per cent and 56.00 per cent in Darrang and Kamrup district respectively recorded their responses in “very much” degree in respect of “feeling of empowerment” after SHGs were financed by the banks. Farmers remaining in financial crisis when found money on hand, could make necessary movement and utilization of such resources in better livestock rearing. Better economic standing might have prompted all individuals to open up matters relating to the society and social

Table 1. Impact of Bank finance to SHGs engaged in livestock enterprise in different dimensions

<i>Impact component</i>	Darrang (n=50)	Kamrup (n=50)	Pooled (n=100)
<i>Improvement of housing</i>			
Very much	8 (16.00)	14 (28.00)	22 (22.00)
Much	25 (50.00)	22 (44.00)	47 (47.00)
Not at all	17 (34.00)	14 (28.00)	31 (31.00)
<i>Improvement of children's education</i>			
Very much	7 (14.00)	15 (30.00)	22 (22.00)
Much	24 (48.00)	24 (48.00)	48 (48.00)
Not at all	19 (38.00)	11 (22.00)	30 (30.00)
<i>Increased animal husb. farm income</i>			
Very much	19 (38.00)	22 (44.00)	41 (41.00)
Much	27 (54.00)	24 (48.00)	51 (51.00)
Not at all	4 (8.00)	4 (8.00)	8 (8.00)
<i>Improvement of standard of food</i>			
Very much	7 (14.00)	11 (22.00)	18 (18.00)
Much	25 (50.00)	27 (54.00)	52 (52.00)
Not at all	18 (36.00)	12 (24.00)	30 (30.00)
<i>Improvement of health conditions</i>			
Very much	5 (10.00)	10 (20.00)	15 (15.00)
Much	28 (56.00)	28 (56.00)	56 (56.00)
Not at all	17 (34.00)	12 (24.00)	29 (29.00)
<i>Feeling of empowerment</i>			
Very much	25 (50.00)	28 (56.00)	53 (53.00)
Much	20 (40.00)	22 (44.00)	42 (42.00)
Not at all	5 (10.00)	0 (00)	5 (5.00)

Figures in parenthesis indicate percentage welfare. So, that might have been the reason that they responded to “very much” degree to feeling empowered. Similar findings were reported by Swain *et al.* (2007).

Table 1 also revealed that except the “feeling of

empowerment” in all other impact components, majority of the respondents expressed their responses in “much” degree. Thus, in the same table, equal number of respondents (56.00%) in both the districts recorded their responses in “much degree” in respect of “improvement of health condition”. This might be attributed to the fact that with money on hand they could attend health care whenever needed. Otherwise, in rural Assam, health is a neglected area and people hardly go for treatment unless it is too late. However, it could also be presumed that their association with livestock enterprises and increasing knowledge level regarding livestock and their diseases might have awakened them to different diseases from animal origin. It contributed to 90.00 per cent of the human ailments. This awakening accompanied by nutritious food must have helped them remain free from diseases. Similar finding was also reported by *Talukdar (2012)*.

Similarly majority of the respondents (50.00% and 54.00% in Darrang and Kamrup districts respectively) expressed their responses in “much” degree in respect of “improvement of standard of food” after bank loans, which was utilized for income generating activities. Improvement in nutrition by the SHG members was also reported by *Premchander et al (2007)*.

The same table also revealed that large number of the respondents (54.00% in Darrang district and 48.00% in Kamrup district) expressed their view in “much” degree in respect of “increased animal husbandry farm income” after obtaining bank loans. However, a substantial number of respondents (38.00% and 44.00% in Darrang and Kamrup districts respectively) recorded their responses in “very much” degree to the same aspect. Presumably, the respondents engaged in livestock enterprises could earn money through selling egg, meat, milk and other produces and thereby enhanced their income. A closer scrutiny revealed that most of the respondents were women who did not divert the bank loan and utilized it for starting various income generating enterprises for which it was sanctioned. Thus in the area under study dairy, piggery, goatery, duckery and broiler chicken enterprises were commonly found coming up with bank loans which could give the respondents better and remunerative return. Similar findings were also revealed by *Antwal et al. (2009)*.

It was further exhibited in Table 1 that large number

of the respondents (48.00% in both the districts) perceived impact of bank finance in respect of “improvement of their children’s education” in “much” degree. In the beginning of this 21st century, need of education was highly felt even in rural Assam and with the upliftment of economic condition of the concerned families, children’s education received priority which was a positive sign. Similar findings were also reported by *Talukdar (2012)*.

Further, it could be seen from Table 1 that large number of the respondents (50.00% in Darrang district and 44.00% in Kamrup district) expressed their perception in respect of “improvement of housing condition” in “much” degree. It is worth mentioning that even after obtaining bank loans, sometime the respondents were living poorly in shabby condition and as soon as income started inflating, improvement in housing condition was attended too. Recent concept of development denotes not only mere increase in GDP of country but also improvement in the physical qualities of life like people with improved health, housing and education. Therefore, improvement in housing of the respondents was undoubtedly a major indicator of development in its true sense. It should be appreciated that, improvement of housing condition was normally taken up when the other necessities were suitably and satisfactorily met. As such, better housing was a good indicator of fast and positive impact. Similarly *Mishra and Hossain (2001)* reported that SHG members could make a considerable improvement in the socio-economic status in terms of literacy, housing conditions, food security and nutritional level of food.

Taking all the above criteria together an overall impact of bank finance on livestock rearing SHG members was worked out and presented in Table 2 which revealed that 58.00 per cent and 64.00 per cent of the respondents respectively in Darrang and Kamrup districts fell in medium category of impact assessment when the respondents were categorized based on their mean and S.D on overall impact. Such an impact might be due to the enhanced income from livestock enterprise, improvement of children’s education, housing, standard of food and health condition among SHGs members. All these above mentioned dividends were obtained by the respondents only because of bank loans and that had changed their life and lifestyle totally.

Table 2. Profile of respondents according to impact of Bank finance to SHGs engaged in livestock enterprise

Category	Darrang (n=50)	Kamrup (n=50)	Pooled (n=100)	t-value
Low	11 (22)	8 (16)	19 (19)	1.598 ^{NS}
Medium	29 (58)	32 (64)	61 (61)	
High	10 (20)	10 (20)	20 (20)	
Mean	14.34	16.36	15.38	
S.D.	5.86	6.49	6.23	
Range	4-23	4-28	4-28	

NS- Non significant

Further, the impact components were also ranked among themselves and Table 3 showed their relative ranks. “Feeling of empowerment” achieved the 1st rank which implied that all the other impact components had a resultant effect on this particular component as it became distinct and vivid in the perception of the respondents. In fact, this was the only component where majority of the respondents recorded their responses in “very much” degree as shown in Table 1. On the other hand, since all the respondents were engaged in animal husbandry activities, their attention was mainly concentrated on this enterprise and a rapid growth of income from this enterprise.

Finally, having given more importance on the above mentioned impact components, improvement of children’s education came next. Children’s education might have got a major leap forward because of better income received; the children were exempted from household and other activities leaving them to focus on education.

Table 3. Ranking of impact of Bank finance to SHGs engaged in livestock enterprise in different dimension

Impact component	Value	Rank
Improvement of housing	91	IV
Improvement of children’s education	92	III
Increased animal husbandry farm income	133	II
Improvement of standard of food	88	V
Improvement of health conditions	86	VI
Feeling of empowerment	148	I

CONCLUSION

The recent concept of development denotes not only increase in GDP in a country but also improvement in the quality of life and livelihood of people which include improvement in their health, housing and education in addition to others. The findings of the study had revealed that bank finance to SHGs had resulted in higher income of the respondents, improvement in their children’s education, improvement in health, housing and quality of food. All these improvements of the respondents ultimately culminated into a feeling of empowerment through livestock enterprises. Therefore, it could safely be concluded that bank finance to SHGs for livestock rearing had ushered development in rural Assam in an emphatic manner. Development department can take stock of the situation and can create major intervening strategies to further diversify and accelerate welfare of villagers through the effective combination of bank linkage and SHG movement.

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