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## Assessing the Impact of Self-Help Groups on Occupational Diversification in Tarn Taran, Punjab

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### Abstract

Majority of rural poor in developing countries depend on agriculture for their livelihood. As the distribution of land in these countries remains skewed, agriculture being seasonal activity, majority of these rural people remain unemployed for half of the year. To tackle such situation, these people have to resort to other non agriculture activities or they involve themselves in more than one occupation to generate income during slack season and to cope with distress factors like poverty, unemployment, smoothening of consumption and so on. Apart from these factors, in particular, people in the border areas face unique set of socio-economic uncertainties prevailing due to geographical location of such areas. This requires the need of occupational diversification in such areas to impart a sense of security through generation of additional sources of income for their livelihood.. Self Help Groups(SHG) provide subsidy based collateral free loans to rural poor to undertake various economic activities and enhance their income rather than just being dependent on agriculture. The present study is a modest attempt to analyze the occupational diversification through SHG loans among its member in border district of Tarn-Taran in State of Punjab. A sample of 120 beneficiary and non-beneficiary households was surveyed and data was analysed with the help of percentages and Pearson's Chi-Square technique. The results showed a significant change in the primary occupation of beneficiary members and beneficiary households diversified from low wage employment to self employment in dairy, petty business and other subsidiary occupations. Although SHG's have helped the members to indulge in different avenues of selfemployment but these capital investments were not enough to provide the members full employment opportunity and sufficient income to cross the poverty line due to the problems of marketing, lack of infrastructure etc. yet they showed a significant shift from low rewarding activities to some gainful activity.

**Key words:** *Income generating activities; Self-help Group; pattern of occupation; Occupational diversification*

### Introduction

The concept of occupational diversification is emerging as a survival strategy of rural households in developing countries. Occupational diversification takes place in order to overcome risk and seasonality in natural resource-based livelihoods, but it also reflects the failure of agriculture to deliver improving livelihoods in the post liberalisation era. (Ellis 2004) Diversification refers to the participation in more than one activity at one point of time with the objective to enhance level of living and reduce risk, and uncertainty in business activity. (Pingali and Rosegrant, 1995).. Occupational diversification according to Lanjouw and Lanjouw (2001) involves incorporating all economic activities in rural areas, except crop and livestock production, fishing and hunting.. Saith (2002) also defined occupational diversification in rural areas as the reallocation and recombination of all economic activities which display sufficiently strong rural linkages, irrespective of whether they are located in designated rural areas or not. Punjab economy particularly its conventional agriculture sector,

after witnessing a high rate of growth started experiencing deceleration since mid 1980s and more particularly since the onset of the process of economic reforms in 1991. Slowing down of agricultural growth, over-exploitation of natural resources, ever increasing debt burden of the state farmers', declining land-man ratio, large use of pesticides and fertilizers, steep rise in land prices, inadequacy of financial facilities, farmers suicides and increasing drug abuse are the major issues creeping in the state's economy and leading to uncertainties in rural Punjab. This has made many rural households to engage in occupational diversification, So that they can acquire additional income and meet up with economic responsibilities during off-season.

This equally is valid for the state of panjab in general and for border areas in particular. At the time of partition, the three border districts (now four) of the undivided Punjab, namely Gurdaspur, Ferozepur, Tarn Taran & Amritsar were the most prosperous as they enjoyed better soil fertility and irrigation facilities. However, with the passage of time, these districts have lagged behind in development due to their proximity to the border and particularly the long spell of cross border terrorism. Farmers living in the border areas face acute hardships as they cannot cultivate tall crops which can ensure them better remuneration and cannot accord proper attention to their crops due to lot of restrictions on their movement. Therefore they have to resort to some other sources of income during off seasons. The menace of drug addiction in the border area has further added to the problem. In the recent times, Punjab has witnessed a tremendous rise in Drug abuse. Singh (2005) reported high substance abuse in Punjab. According to Singh (2006), 61 percent of households are affected by drug abuse in Majha region comprising the border districts. Agrarian distress and drug addiction has led to alarming increase in the number of deaths of male counterparts .Women often become the sole supporters of families. These women, who previously managed the domestic sphere and perhaps engaged in light fieldwork, has to take up the role of bread earners for their families. In order to acquire additional income and meet up with economic responsibilities during off-season periods, rural women are engaged in more than one type of economic activity like agricultural labourers, cow or goat rearing or stitching or tailoring activities. Moreover Rural areas where these women reside are dominated by the geographical isolation, low quality physical infrastructure, poor human capital development, underdeveloped markets, resource scarcity or incidence of some natural disaster (Ranjan, 2006). Occupational diversification becomes pertinent in order for the rural women to cope with the aforementioned characteristics. But limited access to credit can either 'push' poor households into wage-labor activities to earn cash (Reardon, 1998) or it restricts their ability to invest in non-agricultural activities. The Self Help Group motivates and facilitate rural poor, especially women with the ability to start some economic activity by providing them collateral free loans and skill development trainings. These subsidy based finance helps the group members to fulfill their consumption needs also.

In our study, access to micro-credit in sample area enabled women to undertake income generating activities, which tend to be an expansion or strengthening of existing traditional activities. Most of the women beneficiaries who earlier were agricultural labourers now were engaged in the rural cottage industries in the sample district. Majority of the units fall under Cottage industry (Khadi & Village industry), which constitutes 60.74% of the total units. ( Punjab Urban Planning & Development Authority (PUDA) ,Master plan 2010).The diversification of occupation to nonagricultural activities has enhanced the quality of income of the households by reducing the dependency on risk-based agriculture.

The present paper aims to study pattern of occupation of Self Help Group beneficiaries and occupational diversification achieved with the help of SHG loans in District Tarn-Taran.

**More specifically, the broad objectives of the study are as under:**

- (i) To examine the nature of income generating activities undertaken by SHG members, loan utilization Pattern of the Sample households and importance of trainings in enhancing the skills of members.
- (ii) To analyze impact of SHG on the occupational diversification of members.

**Material and Methods**

The data were derived from a survey of 40 women Self Help Groups and 120 members in 20 villages of 2 Blocks of District Tarn-Taran. The rationale behind the selection of District is that the constraints and prospects of the development along the border areas assume unique significance in the process of planning and development due to specific needs of the people living in the stressed conditions. A huge amount of funds has been expended on various development schemes over the period of time but no specific effort has been made to evaluate impact of such schemes in the region. This study, thus intends to make a systematic evaluation of the impact of Self help groups on the pattern of occupation and diverse set of income generating activities undertaken by SHG members in sample area. The border district Tarn-Taran has a unique socio economic conditions and diverse set of economic activities adopted by the people for livelihood. Moreover, large number of research studies are available in national and international literature on various aspects of SHG programs based on the country as a whole but very less research studies are carried out for the state of Punjab especially in the Border Districts.

To meet the objectives, a multi stage random sampling technique was used in the selection of study units.

**1st stage:** At the First stage District Tarn Taran was purposively selected keeping in view that it fulfills the criterion of having a large number of SHG's (formed and credit linked) and rural poor households.

**At the second stage** two blocks out of total of five blocks randomly chosen for study.

**The third stage** of sampling covered the selections of Tehsils and villages. From each Block, A tehsil and village wise list of SHG was obtained from respective BDPO's. Consequently top 10 villages with largest number of SHG's were selected from each Block.

**The Fourth stage** of sampling involved the selection of SHG's. Two SHG's from each village were randomly chosen for study. In this way 20 beneficiary groups were taken for survey. From 20 SHG's three members were randomly interviewed from each group constituting 60 beneficiaries households. Beneficiaries who have obtained loan more than one year were included in the study. To analyse the impact of program on the pattern of occupation of beneficiaries, case-control approach was followed. Equal number of 60 non beneficiaries (control units) were selected in the same way from same villages in order to maintain the homogeneity of both case and control groups and to avoid the sampling bias. Non beneficiaries were those have recently joined the SHG's and have not obtained the loans. A total of 120 group members were studied. A pretested schedule was used to collect the household level and group information. Secondary data were collected from sources like NABARD Report, Statistical Handbook of Punjab, Economic Survey of Punjab, Lead bank of the District, various research articles and papers, the Block offices and Banks concerned with the promotion of SHGs in the sample area.

**Results and Discussions**

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After applying the statistical tools of percentages, averages and chi square the data was tabulated and analysed.

**Table-1. General Profile of SHG in district Tarn-Taran**

	Characteristics of SHG	Beneficiary SHGs	Non-Beneficiary SHGs
<b>1.</b>	<b>Age of the group</b>	<b>Percentage</b>	<b>Percentage</b>
	Up to 3 years of age(young age)	20	100
	Up to 6 years of age(middle age)	45	0
	6 years or above(mature groups)	35	0
		100	100
<b>2.</b>	<b>Size of the group</b>		
	Ten members	25	45
	10 to 15 members	75	55
		100	100
	<b>Average size of group</b> ( on basis of number of members)	13.8	11.4
<b>3.</b>	<b>Amount of saving per member per month</b>		
	Less than equal to Rs.50	0	55
	Rs.50- Rs.100	100	45
<b>4.</b>	<b>Gender composition of SHG</b>		
	Female member group	95	100
	Mixed group	5	0
<b>5.</b>	<b>Caste composition of Group</b>		
	All members from same caste	85	95
	Mixed caste members.	15	5
<b>6.</b>	<b>Economic status of members</b>		
	No member is BPL	15	0
	Up to 25% members are BPL	35	10
	25% to 50% members are BPL	45	25
	More than 50% members are BPL	5	40
	All members BPL	0	25
		100	100

Source:Field survey 2012-13

**Table-1** gives the data on profile of SHG of beneficiaries and non-beneficiaries groups including their age ,size, amount of saving, gender and caste composition and economic status of members. In our sample 35 % beneficiary's groups are 6 year old, 45 % are middle aged and 20% are young groups. Among non-beneficiaries, all sample groups are newly formed so 100% fall in category of young groups. The average size of groups is 13.8 among beneficiaries and 11.4 among non beneficiaries. All of the beneficiary group members saved between Rs. 50-Rs.100 whereas 55% and 45 % of non beneficiary group members saved less than Rs. 50 and between Rs. 50- Rs 100 per month per member respectively. As far as gender and caste composition is concerned 100% groups are female groups in non- beneficiary out of which 95% groups constitute same category members and 5 % groups have mixed category members.95 % groups are female groups in case of beneficiary and 5 % are mixed members group consisting both male and females, 85% groups include members belonging to same category whereas 15 % groups have members from different categories.Given the structure of society,it seems caste plays a crucial role in defining group homogeneity. The concept of SHG aims to reach to members of poor families. Data reveals that 40% of non beneficiary groups have more than half of its memebtrs

BPL where as among beneficiary groups, only 15 % group were having its no member BPL. With the help of SHG bank linkages, these groups have utilized the loans over time leading to increase in their income and consumption levels.

**Table-2 Socio-Economic background of Beneficiaries and Non beneficiaries households**

S.No.	Characteristics of SHG	Beneficiaries (%)	Non-Beneficiaries (%)
1	<b>Education</b>		
	Illiterate	30.00	56.67
	Up to primary	45.00	23.33
	Primary to matriculate	25.00	20.00
		100	100
2	<b>Marital Status</b>		
	Married	65	80
	Separated/Divorce	0	0
	Widow	35	20
		100	100
3	<b>Age of members(in years)</b>		
	18-35	28.33	21.67
	35-50	45.00	46.67
	50-60	20.00	23.33
	60 and above	6.67	8.33
		100	100
4	<b>Household size(No. of members)</b>		
	Up to 2	8.33	0.00
	Upto 3	13.33	4.00
	Upto 4	16.67	22.67
	Upto 5	20.00	30.00
	Upto 6	41.67	43.33
		100	100
5	<b>Type of Household</b>		
	Katcha	3.33	11.67
	Semi pucca	45.00	63.33
	Pucca	51.67	25.00
		100	100

Information presented in table-2 depicts that beneficiary and non-beneficiary differ significantly in case of education of members. 56.67 % beneficiary households are illiterate whereas just 30% are illiterate in case of nonbeneficiaries. This shows that SHG have motivated the members to educate the young members of household. 65% females are married, 35% are widows in case of beneficiary households whereas 80% females are married, 20% are widows in case of non-beneficiary households. 45% of household members in beneficiary households and 46.67% in non beneficiary households belong to age group of 35-50 years. This shows that majority in both cases belongs to working population. Majority of the both the groups have household size up to 6 members. Thus both beneficiary and non beneficiary groups differ marginally so far as age and household size is concerned showing their homogenous background. For the type of household beneficiary enjoy better housing conditions as 51% of beneficiaries have pucca houses whereas among non beneficiaries just 25% of beneficiaries live in pucca houses.

**Table:3 Pattern of Loan and Skill Trainings availed by beneficiary households**

Sr.no.	Loans availed	Beneficiaries
1	<b>Period of loan (in years)</b>	<b>percentage</b>
	Up to 3 years	15.00
	3 to 5 years	75.00
		100
2	<b>Purpose of Loan</b>	
	Consumption	18.33
	Medical exigencies	5.00
	House repair/contruction	3.33
	Marriage	8.33
	Repayment of old debts	8.33
	Income generating activity*	48.33
	Other house holds needs	8.33
		100
3	<b>Source of Repayment of loans</b>	
	From IGA	43.33
	Other household activity	25.00
	Sale of assets	5.00
	From borrowings	26.67
		100
4.	<b>Skill Trainings imparted</b>	
		11.22
	Yes	
	No	88.78

*\* Income generating activity includes investing in Dairy/poultry farming, sale and purchase of livestock, own skilled profession or petty shops and other subsidiary activities. \*\* Other households needs includes children education ,religious and social ceremonies.\*\**

In the initial months of group formation members save and lend within the group to maintain the Group solidarity and meet each others consumption needs through interloaning and generally do not start any economic activity . Once the group demonstrates stability and financial discipline for six months, it becomes eligible for Group loans under SHG-Bank linkage program. During such period skill trainings are imparted to all SHG members to motivate them to undertake economic activities. During Field survey it was found that very few only eleven percent SHG's were imparted trainings in the field of tailoring, pickle making or dairy farming in the concerned area. Thus the performance SHG- Bank linkage was not adequate on this account. While interviewing, 33percent showed lack of interest and inconvenience to attend the trainings, remaining 27 percent beneficiaries told although they were not given adequate trainings yet they were regularly motivated by the respective gramsewikas to undertake economic activities and for the purpose loan were disbursed on time.

The loan can be used by the group members for various productive and non-productive purposes. Therefore, it becomes important to analyse whether the beneficiary households had undertaken any kind of economic activity or not. Generally initial loan cycles are largely used for consumption purposes and later on loans are utilized for various economic activities leading to income generation(Naveen Kumar k).Table 2 shows the loan utilization pattern of beneficiary households.15% of beneficiary households have availed the loans from banks for a period of 3 years and 75% have taken it for a period of 5 years, where as 43.33 % of households have used the loan for productive purposes like dairy farming ,petty shops or small business, involvement in traditional activities like khaddi, phulkari, lacemaking, pakhi making and other similar activities and remaining 18.33 percent have used it for consumption purposes and others have used it for repair and construction of households, illness, marriage, and to meet other household needs like smoothening of education of children, purchase of household durables and repayment of old debts.

As the discussions suggests that SHG loans have facilitated the beneficiaries to undertake various economic activities. The field survey inquired the primary and secondary occupation in which members were involved in. For the purpose of study, Principal occupation or economic activity is one in which the person devotes most of the time during the 365 days preceding the date of survey according to major time criterion.(NSSO 68<sup>th</sup> round) and a person is said to have worked in subsidiary economic activity if he or she has engaged for a minimum period of 30 days not necessarily for a continuous period during the last 365 days preceding the date of survey. Many of SHG members were involved in more than one type of activity. Table 3 and 4 shows the description of primary and subsidiary occupation undertaken among the beneficiary and non-beneficiary households.

**Table-3: Primary Occupation of Beneficiaries and Non Beneficiaries in District Tarn-Taran**

S.no.	Primary Occupation	Number of Beneficiaries	Number of Non-Beneficiaries
1.	Agricultural labourer	18	23
2.	Dairy/ poultry farming	17	5
3.	Sale & purchase livestock	2	0
4.	Govt/pvt job	4	2
5.	Daily wagers (non-agri.)	4	16
6.	Own skilled profession	7	3
7.	Petty shop/business	8	4
8.	House maid	0	5
9.	Total no. of households	60	60

Fig.1:Percentage of Beneficiaries and Non-Beneficiaries involved in Primary occupation

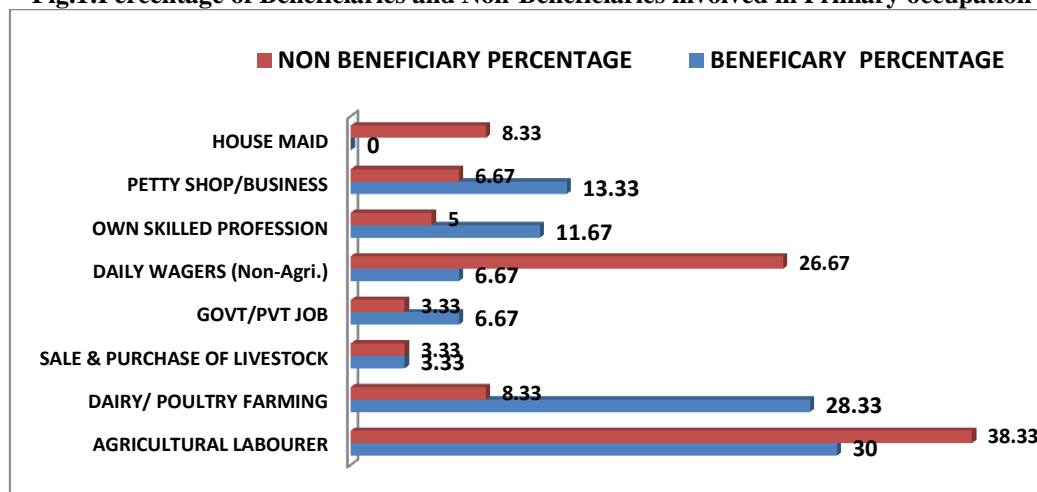


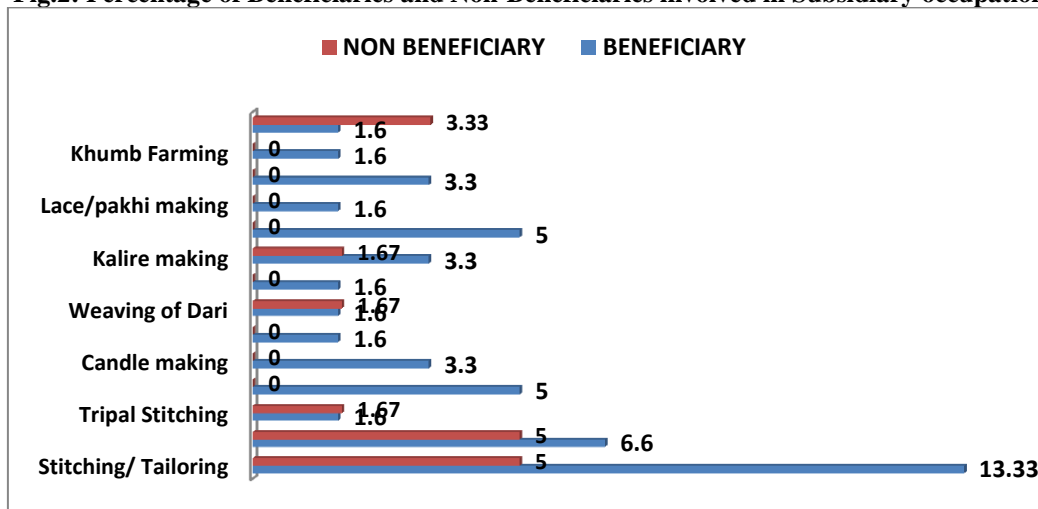
Table 3 shows primary occupations of beneficiary and Non beneficiary households. The percentage of daily wagers among non beneficiary groups is significantly higher 26.67 percent as compared to just 6.67 percent among beneficiary group. A shift in pattern of occupation can be seen where the beneficiaries through SHG bank linkage program and training facility invest in other income generating activities like dairy and poultry farming, owned skilled professions or petty shops and business. Thus Self help group has facilitated the occupational diversification from low rewarding activities to self employed or income generating activities. The table also depicts that a majority of the beneficiary households 28.33 percent were involved in livestock farming. This comprised of rearing of milch animals like buffaloes, cows and goats. These activities requiring larger investment were undertaken with the help of the bank loans. A study conducted by Planning commission 2008 reveals that Dairy accounted for about half of the activities taken up by SHG beneficiaries in all the states because this activity was sustainable and carried limited risk at the market and easier liquidity options. 8.33% of non beneficiaries were housemaids where as no beneficiary member was serving as housemaid because most of them were self employed or involved in subsidiary occupation after joining SHG.

Table-4: Subsidiary Occupation of Beneficiaries and Non Beneficiaries in District Tarn-Taran

S.no.	Subsidiary Occupation	Number of Beneficiaries	Number of Non-Beneficiaries
1	Stitching/ tailoring	8	3
2	Embroidery/ interlocking	4	3
3	Tripal stitching	1	1
4	Toy making	3	0
5	Candle making	2	0
6	Rope making	1	0
7	Weaving of Dari	1	1
9	Chullah making	1	0
10	Kalire making	2	1
11	Beauty parlour	3	0
13	Lace/pakhi making	1	0
15	Khaddi work	2	0
16	Khumb farming	1	0
17	Others ( flower/bag/pickle	1	2

making)		
Total no. of households involved in subsidiary economic activity	31	11
Total households surveyed	60	60

Fig.2: Percentage of Beneficiaries and Non-Beneficiaries involved in Subsidiary occupation



Information in Table -4 and fig. 2 depicts the different subsidiary occupation of beneficiary households. Majority 13.33 percent and 6.6 percent of the beneficiary households were involved in stitching, tailoring and embroidery respectively whereas among non beneficiary households merely 10 percent were involved in the same activities. During the field survey it was found that Tarn- Taran being one of the Border District women members of the group were involved in the traditional income generating activities like Khaddi making, candle making, kalire making, lace and pakhi making.

Thus a change in the pattern of primary and subsidiary occupations can be seen among the beneficiary group members. Beneficiary group members have taken up towards many non farm activities rather than being dependent on agriculture which is a seasonal and non remunerative activity. Majority of non-beneficiaries were still involved in low paid jobs of daily wagers or agricultural labourers.

**Impact of SHG on Occupational Diversification**

The collected data are subjected with the Chi-square test of independence in order to determine if there is significant variation between the occupational pattern of beneficiary and non beneficiary group members. The test is applied when we have two categorical variables from single population. It is used to determine whether there is any significant association between occupational pattern two groups beneficiary and non beneficiary. The results are depicted in table 5 and table 6.

**Table:5 Chi square for differences between beneficiary and non-beneficiary on basis of primary occupation**

Category		Frequency			Cross tabulation
S.no.	Occupation	Number of Beneficiaries	Number of Non-Beneficiaries	Total	Results
1.	Agricultural labourer	18	23	41	<i>Chi-Square-26.64, df-7,n-120,p=0.00*</i>
2.	Dairy/ poultry farming	17	5	22	
	Sale & purchase livestock	2	0	2	
4.	Govt/pvt job	4	2	6	
5.	Daily wagers (non-agri.)	4	16	20	
6.	Own skilled profession	7	3	10	
7.	Petty shop/business	8	4	12	
8.	House maid	0	5	5	
9.	Total no. of households	60	60	120	

\* $p = .00$  significant at  $p < 0.05$  level.

**Table:6 Chi square for differences between beneficiary and non-beneficiary on basis of Secondary occupation**

Category		Frequency			Cross tabulation
S.no.	Secondary Occupation	Number of Beneficiaries	Number of Non-Beneficiaries	Total	Results
1	Stitching/ tailoring	8	3	11	<i>Chi-Square-22.21, df-14,n-120,p=0.74^</i>
2	Embroidery/ interlocking	4	3	7	
3	Tripal stitching	1	1	2	
4	Toy making	3	0	3	
5	Candle making	2	0	2	
6	Rope making	1	0	1	
7	Weaving of Dari	1	1	2	
9	Chullah making	1	0	1	
10	Kalire making	2	1	3	
11	Beauty parlour	3	0	3	
13	Lace/pakhi making	1	0	1	
15	Khaddi work	2	0	2	
16	Khumb farming	1	0	1	
17	Others ( flower/bag/pickle making)	1	2	3	
	<b>Total no. of households involved in subsidiary economic activity</b>	31	11	42	
	<b>Total households surveyed</b>	60	60	120	

$^{\wedge}p = .074$  statistically insignificant at  $p < 0.05$  level.

The results of Chi-square test of association in table-5 indicates that significant variation is found between the occupational pattern of beneficiary and non beneficiary households. P value is highly significant depicting a difference in pattern of occupation between two categories. The occupational pattern of Beneficiary households suggest that SHG-BLP has facilitated occupational diversification.. Higher proportion of beneficiaries are involved in dairy farming as compared to non-beneficiaries Further the difference between the proportion of beneficiaries and non-beneficiaries households involved in daily wagger is highly significant showing that majority of non-beneficiaries work as daily wagger or in low rewarding occupations due to poverty and lack of funds to start an income generating activity. Further, a significant difference is also found between the two sets of households in category of housemaids whereas no beneficiary household is involved in occupation of housemaid because of their involvement in the other self-employment and subsidiary activities. Table-6 suggests that difference between two groups with regard to their employment in subsidiary occupations is not significant statistically but still the proportion of households involved in subsidiary occupation is higher, 31 beneficiary households were engaged in self employed or secondary occupations as compared to just 11 non beneficiary households. A significant proportion of household is involved in subsidiary occupations like running of beauty parlours, candle making, Khaddi work, dari making and so on. Field study and focus group discussions with the beneficiaries revealed that SHG had enabled them to have access to credit at comparatively lower rate of interests and purchase the raw materials to and make small investments in such secondary occupations like purchase of candle making stand, sewing machines, threads for dari and tripals and thereby get selfemployed. Another reason was that due to high drug addiction in sample area among the Male counter parts, females were forced to undertake such kind of subsidiary economic activities instead of being just a housemakers. Thus starting subsidiary activity, acts as a source of empowerment and generated a livelihood support to their families.

#### **Findings of the study**

1. SHG in the border area of Tarn Taran has helped the members to diversify their livelihoods and thereby reduced the inaccessibility and insecurity. There was a shift from low rewarding activities to more productive activities among beneficiaries. Agriculture and agriculture labour were the major occupation among the non beneficiaries whereas Self help Groups have facilitated the beneficiary group members to diversify the occupation from farm activities to non farm activities like undertaking own skilled profession or petty shops business with the help of SHG loans.
2. Most of women beneficiaries who were earlier confined to household chores were now engaged in subsidiary occupations like dari making, khumb farming, stitching and tailoring and other rural cottage industries, through motivation of SHG. Thus, SHG had provided them an opportunity to be self employed. Although these members were not making huge profits from it because of limitations of inadequate marketing facilities for their products, very less customer base of the products even in the nearby villages, lack of technological knowledge and skilled trainings, low level of education of the members, yet they were socially empowered due to their indulgence in such subsidiary activities.
3. Majority of SHG beneficiary through SHG loans, have adopted the dairy/poultry farming as primary occupation because these activities provided them daily cash flow and household members were already familiar with such activity.
4. Most of the SHG members of beneficiary group involved in their pre-loan occupations due to the lack of appropriate skill development trainings in the sample area. It also prevented many mature SHG's to graduate in to microenterprises. Imparting skill is crucial for undertaking new investments and adopting new technology. Some of the SHG members undertook the activities in the past and closed them down due to lack of technological knowledge, huge investments and other livelihood infrastructure.

5. The purpose wise distribution of loan in our study suggests that loans have been utilized either for consumption or for income generation. However a good balance between the two is lacking in the sample district.

### **Conclusion**

**Significant diversification in the occupation has taken place in the** employment and occupational pattern of beneficiaries through the self help groups bank linkage program. , Self help groups have imparted confidence to face uncertainties and a sense of security among beneficiaries of border area through their involvement in the subsidiary occupation and by providing them a source of livelihood. The diversification of occupation to nonagricultural activities has enhanced the quality of income of the households by reducing the dependency on risk-based agriculture. However So far as entrepreneurial set ups were concerned, members were not able to undertake technology based enterprises and earn huge profits due to lack of skill trainings, infrastructure and marketing facilities. Certain policy implications are suggested which may go a long way in providing a sustainable income to beneficiaries through these economic activities.

### **Suggestions and policy implications**

- 1. Redesigning of Skill Trainings provided under SHG:** Field data suggests that most of the SHG's trainings provided by the concerned agencies are not performing up to mark. Members often show lack of interest and inconvenience in attending such trainings due to high transportation costs involved in reaching to the training centres and also contents of training did not match to the economic activity actually undertaken by the beneficiary. Regular trainings and skilled development sessions should be conducted in the Anganwadi Centres of the concerned villages for the convenience of SHG members and to ensure maximum attendance of the members in these trainings. Contents of the training should be focused on those fields/areas, in which women beneficiaries of the program are willing and interested to undertake the small ventures. Thus, SHG trainings should be redesigned based on livelihoods of the beneficiaries in the concerned areas, their capacities, needs and aspirations and the constraints that prevent the realization of those aspirations.
- 2. A proper management system should be developed to nurture the SHG's** It has been observed that Banks, NGO's and Government department involved in organizing or promoting SHG's are concerned with meeting their targets of formation of SHG in the concerned area. Once the subsidy based finance is being disbursed many of SHG members utilized it for consumption and later on closed down. The solution lies in the nurturing of the groups up to a point where it becomes self managed and independent of promoting institutions. This further implies setting up of a proper system for accounts keeping and auditing, credit management, capacity building and skill upgradation by the stakeholders.
- 3. Formation of Activity Specific Groups** Activity specific groups envisaged in similar activities for example handloom, craftsmen, dari and khadi making should be promoted, because large resource base (both human and physical) is available in sample area This would improve efficiency in production and realize better terms from market through aggregation and scale.
- 4. Provision for adequate marketing facilities** Developing agencies should create marketing facilities for the products of SHG's by opening up Centres, depots and by putting up the sale and exhibition of manufactured products of members in group action and fetching them a fair price.
- 5. Deployment of more Staff at grass root level** Shortage of staff like gramsewikas, supervisors and facilitators who are responsible for creating awareness and motivating the rural women to form the Groups and to start economic activity is one of the major limitation in sample area. Lack of awareness and

education has prevented the members to undertake economic activity and they mostly use SHG loans for consumption purposes. Therefore more staff should be deputed to sensitize the rural women to form SHG's and to use loans for productive purposes.

6. **Linkages and back-up support** Linkages should be developed with various financial institutions for credit assistance and with other SHGs/associations for exchange of the ideas and experiences of group member and to provide back support services like information on production technologies, quality specifications, training in marketing, networking with other SHGs, and safety standards.

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