

## **Self Help Group: Chhim Bial**

Self-Help Group Chhim Bial Mizoram

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### **Abstract**

A Self-Help Group, as the name suggests is an institution at the ground level which should be able to help itself from issues like gender and social injustices and to help rural people escape from the clutches of poverty. However, such groups need support and co-operation from larger bodies in order to function efficiently, and to maintain the principles of the group over a long period of time. The Self-Help Groups that have been started in the Chhim Bial region of Mizoram, are beginning to avail the benefits of their union; and thanks to the support of the government through MzSRLM, they enjoy the benefit of a reliable parent body and have been growing in number since their induction in 2014.

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### **I. Introduction**

Due to the many social and economic diversities that are currently faced, the need to uplift and promote the weaker sections of society has risen in recent years. The Self Help Group(SHG) concept has been started to meet the needs in this regard. These groups, with the help of larger institutions such as the government and banks, are aimed at providing the weaker sections and economically backward population an opportunity and ample support to progress and have a better way of life. The Self Help Group allows its members to unionize and work towards common goals.

The basis of the self-help group exists before any intervention. The members are linked by a common factor, such as caste, sub-caste, blood, community, place of origin or activity. The interveners, whether from the NGO, Bank, or Government must have the experience and develop a know-how so as to identify these natural groups, which are commonly referred to as "affinity groups". Even when group members are engaged in a similar traditional activity, like basket weaving, the basis of the group's affinity could be a common caste or place of origin.

The self-help group is not a static and stagnant institution, but rather it grows on the resources and management skills of its group members and their increasing confidence and skill to get involved in the issues and programs which require their involvement in the public and private side.

### **II. Aims and Objectives**

Each Self-Help Group is unique in the sense that each group has different needs, different resources and members from different economic and social background. As such, each group has different minute aims and objectives; however, the founding principles on which these groups are formed remain common, and thus some aims and objectives remain unchanged throughout any group.

These principle aims and objectives include:

- Address Gender and Social issues
- Take Joint or collective initiative
- Participate in the community actively
- Monetary and financial support of the members
- Create better communal harmony
- Promote and enhance the livelihood and business of people living in rural areas
- Support families who are a part of BPL(below poverty line)

Apart from the aforementioned points, Self Help Groups provide the benefits of a group or joint ventures of scale reducing costs in certain areas of the production process which the members may decide to initiate as common action. The group also ensures a cost-effective credit delivery system, as the transaction costs of loaning money decrease sharply both to the banks and the borrowers. The groups create a forum for

collective learning, which people living in remote areas find more “friendly”, that is consequently more effective than the classroom approach that is commonly adopted.

The groups promote a democratic system and provide the members with opportunities to create and practice norms of behavior that are based on mutual respect. The SHGs adopt an “intrapreneurial” culture where each member realizes that while she/he needs the help of the group to achieve her/his goals, the group also requires her/his support and participation in equal measure. The group provides a firm base for communication and interaction in programs with other governing bodies such as Government departments, cooperatives, financial and Panchayat Raj institutions ,etc.

If the SHGs operate well, they have the credibility and the resources to ensure their active participation in identifying, planning, budgeting, and implementation of Panchayat Raj programs for the empowerment of the poor. The SHG provides an individual member of the group with the help needed to exercise control over the size and schedules of loans and programs from bodies such as banks, to broaden the scope of asset provision to include a package that would help the individual to cover risk rather than to provide a single asset; it also helps to assess the member’s management and financial capacity which may fall short of what a “viable” investment package requires for optimum returns, as prescribed under regular IRDP norms.

#### How The Self Help Group was founded

The Self Help Group initiative was taken up by World Vision Group India, a non- Governmental organization that focuses on developing or under developed nations that are in need of financial support in order to live a standard way of life. World Vision Group itself is a Christian organization, which was developed as a Child sponsorship program, originating in China and in the United States of America.

In 1950, Bob White, the founder of World Vision Group began to sponsor children who had been abandoned by their parents and guardians. The initiative quickly began to take traction, and in 1958 a single room office was set up in Kolkata, marking the beginning of the Group’s tenure in India. In 1970, the group began to take up a larger role in the community and subsequently the programme was broadened from earlier sponsoring solely children, to a programme that focused on all members of the society, with an emphasis on empowering the weaker and backward portions of the community.

With this aim, the Self Help Group was started in the Chhimbial zone, comprising of villages from Lunglei, Lungsen and Biangmun. The project was initiated in 2014 in this area, and functions under the North-East Rural Livelihood Project (NERLP), a government initiative aimed specifically at the rural population.

Presently, on October 2019 the governing institute for the Self Help Group has been transferred in the Chhim Bial region from The World Vision Group to the MzSRLM (Mizoram State Rural Livelihoods Mission) in order to facilitate an easier co-operation with the government. The benefits and rights of every group remain protected and unchanged even with this transfer, only the governing body changing hands.

The Mysore Resettlement and Development Agency, more commonly known as MYRADA, a non-governmental organization started in 1968 working in backward and drought-prone areas, has advocated the self-help group as the appropriate people’s institution which provides the economically backward and poverty section with the space and support necessary to take effective steps towards greater control of their lives in private and in society.

#### Formation of Self Help Group

The formation of a Self Help Group can be separated into three broad phases, for the sake of easier understanding. Not all groups are common, and thus there is no standardized method of a founding group, place, time or activity. However, a few guidelines can be put as indicators regarding the features of the Self Help Groups at the end of each phase, which helps to provide a matriculated system against which their progress can be assessed.

The first phase involves the identification and creation of a new group. This is a crucial element of the creation process, upon which all other steps depend. The Mizoram State Rural Livelihoods Mission understands that in order to assure a correct identification and smooth functioning of a Self-Help Group, care must be taken that an experienced member is placed to identify such a group at the ground level. Special care must be taken so that socially oppressed classes are given active participation in the formation of groups, like members belonging to Scheduled Tribes, Scheduled Castes, and Other Backward Classes etc. As a rule, the Self Help groups comprise primarily of women, but Persons with Disability and Senior citizens may also take part in the group.

Self Help Groups have to consist of eight to fifteen members. However in the case of groups that comprise of members who are certified PwD’s (Person with Disability), the group may consist of five to fifteen members. Only one member is permitted to take part from a single family, to ensure an equal voice to all participants and group members.

The identification and formation of the group involves collecting data such as credit, income, seasonality

and natural resources available in the area. As the Self-Help Group is not a purely financial institution, factors like social equity, gender equality etc must also be taken into consideration. During the first phase, if the Self-help Group is composed entirely of women, it has been found necessary to communicate and interact with the men in the society and explain what is going on, especially the benefits and advantages that will be benefited by the family through SHG.

It would be a misconception to assume that the Self-help Group is formed after the first meeting is adjourned. It takes numerous meetings and gatherings over a period of 2 to 4 months until the group may be defined as complete and definite. During this period, some members of the group may leave and others may be added if the group feels it necessary to do so.

The meetings held during the first phase are not only social gatherings; the members of the Self-help Group also raise issues related to issues in the family and the village. Matters regarding finance, like saving and loaning money are also discussed elaborately as this is the major common function of the group. Agreement to save and to lend money and the willingness to follow and obey group decisions without mistrust and anger in the group indicate a degree of trust in one another; which are considered to be the building blocks of effective SHGs.

Some critical assessment points in the self-help group are that the group is identifiable; members may not walk in and come out at their own will. The members should agree to save regularly, to create a culture of thrift and to adopt a mindset of self-help. Some groups may have started savings in the first phase itself. Basic records like an Attendance Register, a Minutes Book; and a Members Savings Ledgers and Individual Savings Pass books -if savings have started – should be recorded and maintained well.

The schedule for meetings must be decided on by the members, and group meetings should be held regularly according to the schedule. Two members of the group should be elected who shall function as the chairman and secretary. Many groups prefer to call them representatives instead of the chairman and secretary since the titles of Chairman and Secretary have a pre-notion in the minds of people as positions of power. The groups are encouraged to change the representatives or Chairman and Secretary every year and to elect the following year's representatives six months ahead of their appointments so that they can be adequately prepared and trained. The group should have given itself a name during this period. If savings have begun, the group should open an account in the nearest Bank or Post Office. The account must contain two signatories, whether it be one from the SHG and the other from the NGO, or both from the Self Help Group.

In the second phase of group formation, the savings become regular and thus the strength of the lending operation increases. This allows the members of the SHG to acquire the skills to manage its resources and finances. The group discusses thoroughly on the rate of savings, on the timing of the loans, on the schedule of repayments, and on the interest rates; it assesses and decides when and whether the member needs a loan, and whether she/he is able to use the loan effectively and usefully and to repay according to the schedule decided on.

A literate member of the group, or a person from the village who has the adequate qualification and skill should maintain the important books and records like Admission Book, Attendance Register, Minutes Book, Members Savings Ledger, Members Pass Book, Receipt Voucher, Payment Voucher, Cash Book, General Ledger, Loan Ledger, and Stock Book.

Group training should be held regularly. At least 3 modules each of 2 days, during this phase, must be organised to enable all to participate effectively, especially the weaker members.

The two representatives who have been elected, namely the Chairman and the Secretary, need to be trained to conduct meetings, to establish a helpful culture in the group, to inculcate priorities in lending, and to impose and accept sanctions against badly behaved group members.

They need to enable themselves with the knowledge of numeracy and literacy, to enable them to keep a check on what is recorded in the Minutes and pass books. They need to develop leadership qualities and acquire the confidence to communicate and correspond with institutions like Government Departments and Banks, as well as to initiate organizing of common action programmes. It is recommended that the group elects the representatives for the following year, at least six months in advance so as to ensure the newly appointed leaders are well trained in all these aspects to build up their skills and confidence. If the group representatives are not changed every year, there is a danger that the power may accumulate in the hands of a few members, which will in turn prevent the effective functioning of the Self Help Group.

One or two small common action programmes in the village should be planned and implemented, preferably in collaboration with other SHGs if they exist in the village, during this second phase. Gender issues that concern women and the girl child are raised at meetings, and form an important part of the training process. Men are invited to participate in common action programmes, and are also occasionally invited to attend SHG meetings.

The third phase in the formation of Self Help Groups revolve around the withdrawal of the governing or supporting institute, and ideally should take place in between twenty to thirty six months from the beginning

of the formation of the group. During this phase, the group has grown in skill and confidence, and all aims and functioning of the group is aptly and adequately carried out by the elected representatives.

As the group takes on a major role in its organisational maintenance, the members of the supporting body gradually withdraw. To begin with, these members reduce their attendance at the weekly group meetings. Next, the group begins to pay for the maintenance services which they require, such as payment of the person who has been hired for writing the Minutes and for keeping accounts. Earlier experience with self-help groups has also shown that they are vulnerable to political influences or are often used as steps towards political positions.

Politicization of the member bodies weakens and eventually destroys the self-help group. The interveners must be careful to ensure that the groups are strong enough to control the functioning of the Apex bodies before they are formed.

At every step of the way, it is the duty of the concerned body, in this case the Mizoram State Rural Livelihoods Mission to ensure a smooth functioning of the group and guide the members to a sustainable and better way of life.

The Self Help Group initiative entered the Mizoram Chhimbial (Southern) region in 2014. Initially the intervening group was the World Vision Group Indian Branch but in October 2019 the project was transferred to the Mizoram State Rural Livelihoods Mission. The project is a part of the NERLP, the North East Rural Livelihood Project.

There are currently thirty two (32) rural villages in this region. Of these, 20 villages have been entered/revived, and the Self-help Group project is yet to enter 10 villages. The following table illustrates the data of the Chhim Bial region at a glance.

Number of Block Staff	3
Total number of villages in region	32
Number of villages entered/revived	20
Number of villages yet to be entered	12
Total number of Self Help Groups	132
Total number of Village Organizations (Panchayat/ Village Council)	14
Total number of members actively participating	1019

**Table1. Data table of Chhim bial**

The villages present in the Chhimbial region are:

Bualte	Chengpui	Chithar	Mualthuam N
Dawn	Thangte	Hlumte	Thuampui
Haulawng	Sairep	Vanhne	Hmuntlang
Vaisam	Mausen	Tawipui North I	Tawipui North II
Thangpui	Rawlvawng	Tawipui South	Khawmawi
Thualthu	Zotuitlang	Thaizawl	Mualcheng South
Thlengang	Buknuam	Mamte	Ramlaitui
Mualthuam South	Thingfal	Sekhum	Runtung

**Table2. Village sin Chhimbial**

There are two funds which are made available to the members of the Self-Help Groups in the Chhim Bial block. These funds are, namely, the Revolving Fund and the Community Investment Fund.

The Revolving Fund or RF, is a fund that can be availed by the members of the group for their livelihood or necessities, on a basis of loaning from the group. The groups which comprise of more than seven members can loan a sum of Rs 15,000/-, and groups with seven or less than seven members can avail up to Rs 10,000/- per member. These funds are loaned out at an interest rate of 1%, and can be taken out if the members of the group agree that the loaner's needs are genuine. The RF may only be used for a member's livelihood and business, and may not be spent for one's personal needs.

Community Investment Funds, on the other hand, can be taken out only with the approval of the concerned Village Organization, whether it be the Panchayat or a Village Council. The Investment Fund is kept in the account of the Village Organization by the intervener or sponsors, the Mizoram State Rural Livelihoods Mission and a Self Help Group may apply for sufficient funding for a business, by preparing Micro Credit Plans and appealing to the Village Organization, who in turn may sanction the funds if it deems it correct to do so. However, as presently the MCP (Micro Credit Plan) training has not been done adequately due to Covid 19 related issues, the Community Investment Funds have not been availed by some members of the Self Help Groups.

Presently, these funds are transferred to the account of the Village Organization, wherefrom they may be accessed by the members of the Self Help Group. Thus, it is important that the local Village Council or Panchayats are informed of the benefits of the Self-help Group for the community, and should be given all necessary support and backing to ensure their smooth functioning. The interveners work closely with the various Village Councils and this collaboration has resulted in the well timed distribution of the aforementioned funds.

The following table highlights the distribution of Funds across the Groups.

Sl. No.	Village/VO	SHG received RF	Amount	SHG received CIF	Amount
1	Dawn	11	130000	5	550000
2	Haulawng	12	165000	4	440000
3	Mualthum N	22	320000	9	990000
4	Sekhum	9	110000	4	440000
5	Ramlaitui	17	205000	6	660000
6	Zotuitlang	11	140000	-	-
7	Ralvawng	7	105000	-	-
8	Thuampui	7	90000	-	-
9	Mante	7	90000	5	550000
10	Tawipui North-I	5	50000	4	440000
11	Tawipui North-II	7	85000	4	440000
12	Thaizawl	5	50000	4	440000
13	Thlengang	3	45000	-	-
14	Thualthu	9	115000	5	550000
<b>TOTAL</b>		<b>132</b>	<b>17,00,000</b>	<b>50</b>	<b>55,00,000</b>

**Table 3.** Distribution of Funds

The Group members are also given access to loans from Banks at lower interest rates. Those groups who have been formed for at least 6 months, and are deemed by the interveners as efficiently and effectively made use of the Revolving Fund, are eligible to apply for Bank Loans. The members may apply for Term Loans or Cash Credit Loans, according to their convenience.

The Partnered bank for Chhim Bial is the Mizoram Rural Bank, Haulawng Branch. Groups take out the loans with an interest of 7%, but if the loans are repaid according to schedule and according to the specified amount perfectly, the members may claim a 4% interest subvention. According to the NorthEast Rural Livelihood Project Bank linkage, the members may avail for these loans in doses. The first loan, or first dose, may be an amount of up to Rs. 1 lakh, the second dose up to Rs. 2 lakhs, and the third dose of up to Rs. 3 lakhs. After the third dose is repaid, the members are allowed to take loans of larger amounts, which is determined according to the strength of the group.

Currently, Loans have been sanctioned 33 times by Mizoram Rural Bank. Haulawng branch which can be seen in the following table.

Sl. No.	Loan Dose	No. of SHG	Loan Amount (Rs)
1.	1 <sup>st</sup> Dose	Hmuntlang - 1	25,00,000
		Chengpui - 1	
		Zotuitlang - 2	
		Haulawng - 6	
		Mualthuam N - 6	
		Ramlaitui - 9	
2.	2 <sup>nd</sup> Dose	Haulawng - 2	8,00,000
		Chengpui - 1	
		Hmuntlang - 1	
3.	3 <sup>rd</sup> Dose	Haulawng - 3	12,00,000
		Chengpui - 1	
<b>TOTAL</b>		<b>33</b>	<b>4500,000</b>

### III. Conclusion

The Mizoram State Rural Livelihood Mission indicate that in a short period of time, the Self-Help Group project has benefitted many members into achieving a sustainable and better way of life. The Project, which was started in 2014 with modest beginnings of only 5 groups in 5 rural villages, has grown to be an August institution, with more than one thousand members across twenty rural villages. The advantages and outcome of the groups will presumably track up even further in the long run.

The MzSRLM further wishes to reach all other twelve villages in the region, and it is believed that such a project may enable a family to dwell out of the dark clutches of poverty for the foreseeable future and allow the next generation to create a better world.

#### Keynotes

“Self-Help”, “Group”, “Chhimbial”, “institution” “social”, “economic”, “gender”, “village”, “rural”, “poverty”, “member”, “intervener”, “nation”, “governing”, “parent body”, “remote”, “MYRADA”, “WorldVision”, “Mizoram”, “State”, “North-East”, “community”, “chairman”, “secretary”, “book”, “accounts”, “minutes”, “literate”, “educated”, “literacy”, “training”, “plan”, “funds”, “revolving”, “community investment”, “local”, “council”, “organization”, “bank”, “sanction”, “loan”, “financial”

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