

A Final Consolidated Report on
STUDY ON STATUS, PROGRESS AND CHALLENGES TO SHG-BLP IN
NORTH EAST STATES- WAY FORWARD FOR MICROFINANCE



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The SHG - Bank Linkage Programme is a major plank of the strategy for delivering financial services to the poor in a sustainable manner. The Self Help Group model with bank lending to group of poor members without collateral has become an accepted part of rural finance. In spite of being successful, there are still disparities in the programme in its level of **status and progress** across different parts of the country, including North East Region (NER).

Survey, research and evaluation are an area of priority for the **Midstream Marketing & Research (MMR)**. The present study entitled “**Study on Status, Progress and Challenges to SHG-BLP in NE States – Way Forward for Microfinance**” is an effort to present the current status of micro finance in the state by providing information on the performance of SHG-Bank Linkages. The report highlights various challenges and obstructions / gaps that the microfinance through SHG -BPL is currently facing. Besides, report also highlights the way forward for achieving the success of SHG-BLP. I hope that the findings of study will be of immense use in terms of understanding the status, progress and challenges to SHG-BLP as well as for formulating further future strategies.

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Sanjay Pandey
(Director)

ACRONYMS

APL	Above Poverty Line
BPL	Below Poverty Line
CDG	Community Development Group
DWCRA	Development of Women and Children in Rural Area
FGDs	Focus Group Discussions
FWWB	Friends of Women World Banking
FY	Financial Year
HDFC	Housing Development Finance Corporation
HUDCO	Housing & Urban Development Finance Corporation
ICICI	Industrial Credit and Investment Centre of India
IRDP	Integrated Rural Development Programme
MACs	Mutually Aided Co-Operative Societies
MBLP	MFI-Bank Linkage Programme
MFIs	Micro Finance Institutions
NABARD	National Bank for Agriculture and Rural Development
NARM	Natural Resource Management Groups
NBFC	Non-Banking Financial Companies
NEDF	North Eastern Development Finance Corporation
NEICORD	North East India Committee on Relief and Development
NER	North East Region
NERCRMP	North Eastern Region Community Resource Management
NERLP	North East Rural Livelihood Project
NGOs	Non-Government Organizations
NRLM	National Rural Livelihood Mission
PRIs	Panchayati Raj Institutions
RRB	Regional Rural Bank
SBLP	SHG-Bank Linkage Programme
SEWA	Self Employment Women Association
SGSY	Swarnjayanti Gram Swarozgar Yojana
SHGs	Self Help Groups
SHG-BLP	Self Help Group-Bank Linkage Programme
SHPIs	Self Help Promoting Institutions
SIDBI	Small Industries Development Bank of India
SRLM	State Rural Livelihood Mission

EXECUTIVE SUMMARY

MICROFINANCE THROUGH SHG-BLP:

The history of microfinancing can be traced back as far as the middle of the 1800s, when the theorist Lysander Spooner was writing about the benefits of small credits to entrepreneurs and farmers as a way of getting the people out of poverty. Independently of Spooner, Friedrich Wilhelm Raiffeisen founded the first co-operative lending banks to support farmers in Rural Germany. The modern use of the expression “microfinancing” has roots in the 1970s when organizations such as Grameen Bank of Bangladesh with the microfinance pioneer Muhammad Yunus, were starting and shaping the modern industry of microfinancing. Loans to poor people by banks have many limitations including lack of security and higher operating cost and so microfinance was developed as an alternative to provide loans to poor people with the goal of creating financial inclusion and equality. Muhammad Yunus, a noble prizewinner introduced the concept of microfinance in Bangladesh in the form of “Grameen Bank”. NABARD took this idea and started the concept of microfinance in India.¹

The concept of micro finance involves an informal and flexible approach to the credit needs of the poor. There is no single approach or model that fits in all the circumstances. Therefore, a number of micro finance models emerged in different countries/ states according to the suitability to their local conditions. Broadly, the micro finance delivery methods can be classified into six groups i.e. Grameen Bank Model, Joint Liability Group Model, Individual Lending Model, The Group Model, Village Banking Model and Credit Unions and Co-operatives. In India, the group based credit delivery method known as **SHG-BLP** is a predominant method of providing microfinance.

The Self Help Group model with bank lending to a group of poor members without collateral has become an accepted part of rural finance. In spite of being successful, there are still disparities in the programme in its level of **status and progress** across different parts of the country, including the North East Region (NER). The SHGs-BLP

¹ **Source:** M. Khan and A. Panneerselvam (2013), “The Microfinance in India- An Overview, International Journal of Current Research and Academic Review, Volume 1, November 1, PP.78-83 (www.journals.excellentpublishers.com).

was concentrated among the southern states and its performance was not satisfactory among the NE States.

It is in this context, **Midstream Marketing & Research Pvt. Ltd.** was entrusted by NABARD to conduct a study to assess the status, progress and challenges to SHG-BLP in NE states and to find out way forward for microfinance in the region. This report establishes a base line in terms of status of SHGs-BLP in the sample study states of NE region. Report also highlights the status of micro finance in the states in terms of SHG-Bank Linkages besides various challenges that exist for the sector in the region.

STUDY OBJECTIVES:

- To assess the current status of SHG-BLP in the region in terms of their nature, extent & magnitude.
- To assess the presence of SHPIs in the region and their characteristics.
- To assess the current status of capacity building programme & other support services in the region for the promotion of SHG-BLP.
- To assess and documents the state government initiative for encouraging the SHG-BLP programme.
- To assess the current status of banking & financial infrastructure in the region in terms of their nature, existence, extent & linkages.
- To understand the various constraints and challenges faced in the execution of SHG-BLP in the region.
- To assess the role & responsibilities of various stakeholders in the promotion of SHG-BLP including NRLM in graduating SHGs to micro-enterprises.
- To assess the nature & extent of existence of local level institutions in terms of financial intermediation to rural households.
- To provide suggestions at policy level implications as the way forward for micro finance in the region.

GEOGRAPHICAL AREA OF STUDY:

The study was conducted in six states of North-East Region, which include Manipur, Mizoram, Meghalaya, Nagaland, Sikkim and Tripura. Two districts from each state and two blocks from each district have been identified by applying criteria of geographical terrain (plain and hilly), SHGs density and coverage of SHGs under NRLM. Sample places of study consists coverage of 6 states, 12 districts and 24 blocks.

METHODOLOGY:

Broadly, this study has been conducted with the help of quantitative and qualitative techniques of collection of data and analyzing them with appropriate statistical tools. The techniques under qualitative method has included desk research, in-depth interview, FGDs, and process documentation whereas quantitative techniques have been applied in the process of sampling and data analysis.

STUDY QUESTIONNAIRES:

- Self Help Group (SHG) Schedule
- SHG Member Schedule
- Self Help Group Federation Schedule
- Key Informant Schedule
- Traditional Local Level Institution Schedule

MAJOR FINDINGS AND SUGGESTION:

SHG-BLP Performance:

SHG Saving Linkages:

- Secondary statistics given in chapter four highlights about the SHG saving and credit linkages progress in NER over a period of five financial years excluding Assam and Arunachal Pradesh (refer table 4.3 & 4.4). In case of saving linkages with bank, the NER recorded a total linkages of 2,37,253 SHGs over a span of five financial years (2010-11 to 2014-15). Similarly, study findings have also revealed that regional rural banks have the largest share of 44.75 percent in SHG-saving linkages compare to 35.14 percent of commercial and 20.09 percent of cooperative banks. State wise performance in terms of saving linkages is observed to be good in Tripura followed by

Meghalaya whereas Sikkim, Manipur and Nagaland have shown an average performance.

- Secondary data analysis also depicts a moderate collection of saving amounts under SHG-saving linkages in the NER over a period of five years (refer table 4.5). Tripura has recorded a highest share of around 76 percent in total mobilization of savings followed by Meghalaya (10.8 percent) and Mizoram (7.5 percent). Sikkim has recorded a lowest share of only 0.24 percent followed by Manipur and Nagaland. Agency wise share of saving amounts was recorded highest for RRBs (46.81 percent) followed by commercial banks (44.13 percent) and cooperative banks (9.05 percent). Refer Table 4.6.
- Primary survey data analysis depict that a total of 60 percent SHGs across the NER have been saving linked with bank and remaining 40 percent SHGs yet to be saving linked with the banks. Those who have been linked with banks, majority of them (43 percent) have reported saving at the magnitude of Rs. 500/- month and only 20 percent SHGs have reported saving in the range of 1000-2000/- month. Analysis implies a poor saving performance of SHGs in the banks. (Refer Table 5.8 of chapter five).

SHG Credit Linkages:

- As per secondary data, NER has recorded total credit linkages of 63,527 SHGs with the banks over the five years, which are only 26 percent of the total saving linked SHGs. State wise share of SHGs credit linkages was found highest in Meghalaya (46.38 percent) followed by Mizoram (21.17 percent) and in Tripura by only 20.48 percent. Regional rural banks have the lion share of 41.16 percent in the mobilization of SHG credit linkages followed by commercial banks (39.45 percent) and co-operative banks with only 19.38 percent. (Refer Table 4.7 and Figure 4.6 and Table 4.8).
- A total of Rs. 52,538.08 lakhs have been disbursed as the credit to the SHGs over the period of five years, which seems to be 0.82 lakh per SHG loan disbursement. State wise performance in terms of credit disbursement was recorded highest in Tripura (36.43 percent) followed by Meghalaya (27.59 percent) and Mizoram (24.44 percent). The lowest share in total credit disbursement was recorded in Sikkim (1.70 percent) followed by Nagaland (4.17 percent) and in Manipur (5.64 percent). Refer Table 4.9.

- RRBs have the highest share of 46.20 percent in total credit disbursement to the SHGs in the NER followed by commercial banks (37.31 percent) and co-operative banks (16.46 percent). Refer Table 4.10.
- Primary data findings have revealed around 22 percent SHG credit linkages. It implies that still there are huge number of SHGs in NER, who have not been credit linked with the banks (Refer Table 5.19).

Out Standing Bank Loans against SHGs in NER (NPAs):

- As per the NABARD data, NER has recorded a NPA of 8.42 percent as on March 2011 and the same was declined to 5.17 percent in the F.Y. 2011-12. Further study findings reveal an increase in NPAs for the FYs 2012-13 to 2014-15 in rows. Refer Table 6.3.
- State wise share in the total outstanding loans was recorded highest for Tripura (60.86 percent) followed by Manipur (10.48 percent) and Nagaland (9.14 percent). Refer Table 6.5.
- Commercial banks have experienced a highest share of 52.63 percent in the total outstanding loans against SHGs comparing to RRBs (37.91 percent) and Co-operative banks (9.45 percent). Refer Table 6.6.

WAY FORWARD:

- ☞ Afore said findings on SHG-BLP performance indicate that although the amount of saving balance of SHGs with banks and amount of loan disbursed to SHGs by banks was very much lower in compare with other parts of the country, but the share of NPAs to total loans outstanding seems to be higher. Consequently, one point come to mind is that, does because of higher NPAs, SHGs-BLP had not achieved reasonable achievement in NER. There is need to reduce the NPAs and enhance the progress of SHG –BLP linkages.
- ☞ Primary data findings have depicted a poor progress in terms of SHG member's savings behaviours, which is pre requisite for SHGs to get credit linked with banks. Need to deploy NGOs to monitor and motivate to SHGs for their regular practice of saving contribution.
- ☞ The poor performance in the progress of SHG –BLP in NER may be attributed to the factors like poverty of SHG members, sparse population density and poor spread of financial institutions besides poor management of SHG functioning.

SHG's Functioning Performance:

- Organization of regular meetings and active participation of members in the meeting is one of the important components for the functioning of good SHG. As per the NRLM, ideally SHGs should hold their meetings on weekly basis but It was observed that in most of the cases, 52.5 percent SHGs have not followed the set pattern on organization of groups meeting. Besides, a full participation of the members in the meeting was also found lacking among 60 percent of surveyed SHGs. Study findings indicate towards the need of conducting regular meetings with full participation of members. Refer Table 5.6.
- Maintenance of MIS in-terms of books and records is also one of the crucial issues for the SHGs. It was observed that on an average 68 percent SHGs have managed their records properly whereas as a significant number of SHGs (32 percent) managed their records properly in the initial period but later they stop updating the records. It was also observed that they keep the records in rough copy. Study findings indicate towards the need of regular updating of records & MIS.
- A sizable percentage of SHGs (28 percent) were found who do not regularly practice or even started the thrift and credit activities because of member's defaults in saving contribution. Magnitude of per member monthly saving contribution was also observed poor because of poor economic status of members. Study findings indicate towards the need of SHGs monitoring on a regular basis to reduce the default in savings by the group's members.

WAY FORWARD:

- ☞ Maintenance of records is of paramount importance for maintaining transparency, belief and confidence among the SHG members and better performance of the groups. Hence, focus should be on regular updating of records, organization of meetings and full participation of members in the meeting. It should be kept in mind that any external credits to the SHGs are strictly linked with their regular updates and systematic way of functioning.
- ☞ Regular monitoring of SHGs by SHPIs/ NGOs may help in regular meeting of SHGs, enhancing member's participation in meetings and reduction of defaults in savings. Incentives should be given to SHPIs/ NGOs for regular monitoring of SHGs meetings, thrift and credit activities and record keepings. In the form of incentives, provision of annual prizes may be initiated for the best SHPIs/ NGOs. It is also suggested to have the provision of nominal remuneration for the member who keeps the records in the groups.

Capacity Development Programme:

- It was found that training on documentation for book keeping, record maintenance were provided to majority of SHGs (47 percent) followed by micro planning training to 22 percent SHGs, leadership and decision making training each to 15 percent SHGs. Further, training on income generating activities was also provided to the SHGs. During qualitative interaction, most of the SHGs stated their concerns on duration and frequency of training. It was observed that most of the SHGs (76 percent) have one time training on these aspects for duration of 2 to 3 days. Refer Table 5.11, 5.12 and 5.13

WAY FORWARD:

- ☞ It is suggested that training on documentation should be given to all the SHG members, who have atleast the required educational qualification, because in absence of one, another member can update the records. One time training on documentation, do not instill confidence among the members, hence it is also suggested to have the provision of refresher training.
- ☞ Training on income generating activities (skill development) should be mandatory for all the SHG members. Because. it will help even if the member does not get any share in external loan.
- ☞ Majority of the groups expressed the needs of training in account maintenance, record keeping and SHGs functioning management. Piggery, poultry, paddy cultivation, fishery, handicraft etc. are the major areas in which SHG members wish to be trained more. Training on toy making, soap and candle making etc. are also in demand in Manipur. In Nagaland, some SHGs expressed their wish for training on floriculture and farm management.

SHPI's Role in SHG-BLP:

- NER has a number and variety of SHPIs. Traditionally NGOs have been in the forefront in the SHG promotion. Formal and informal financial institutions are also involved in the SHG-BLP promotion. Few farmers clubs, government departments and international bodies like World Vision India, Centre for Peace and Development, Diocesan Social Service Society, NEICORD etc. are also engaged in SHGs promotion either directly or indirectly.
- SHPIs, whether NGOs, banks or state governments have been playing a vital role in promoting, nurturing and sustaining the SHG under SBLP. SHPIs

grooms SHGs, which ultimately deliver financial services. The quality of SHGs functioning in NER appears slightly weak because of their own varying capacities. As the matter of fact, the quality of SHGs being nurtured depends on the quality and strength of SHPIs/ NGOs.

WAY FORWARD:

- ☞ There are several agencies working for SHG promotion in NER. However, almost all these agencies are neither having proper collaboration with other agencies nor having an umbrella structure or a mentor to give a direction to their action. There is need to enhance collaboration within the stakeholders to avoid duplicacy and further convergence of activities.
- ☞ SHPIs especially NGOs needs a wide range of capacity building on identification and formation of groups with homgenious characteristics, preparation of self viable projects, skill on technical consutation and facilitating SHGs with credit availability through banks.

SHG Federation and MFIs:

- Most of the SHG federations formed in the NER under NRLM fold were observed at nascent stage. Their role to guide, monitor, nurture, sustain and streamline the activities of the SHGs was found at preparatory stage. There is need to accelerate the pace of federation formation and its capacity development programme in the NER to realize their set role for SHGs promotion under SBLP.
- MFIs spread across the NER are the registered agency and serving the NER in the field of livelihood promotion. Their modus of operandi includes to identify the potentials of the area and formation of groups with relevant activities. After necessary verification and appraisal, the loans are sanctioned and disbursed to the groups. They regularly conduct follow-up on the progress of the activities for which loan is taken. This USP helps them to mitigate the risk of NPAs. In the discussion, MFIs stated that they borrow money from commercial banks at a higher rate of interest and because of this, they usually face high running cost to manage the MFIs.

WAY FORWARD:

- ☞ Accelerate the pace of SHGs federation formation and its capacity development programme in a time bound manner to realize its potentiality in guiding, monitoring, nurturing and financing to SHGs.
- ☞ MFIs have low credit off take from the banks because of higher rate of interest and consequently it affects their functioning with SHGs under SHG-BLP. There is need to take note from this statement to promote MFIs under SBLP.

Bank Penetration vs SHG-BLP:

- As per 2015², India had over 1.2 lakh branches of commercial banks across the country. However, this translates to just over 14 commercial bank branches for every 100,000 adults. Further, there were 43 commercial bank branches per 1000 sq.km. It was also noted from the discussion that the growth rate of NER bank branches happens to be much below than all India growth rate. In nutshell, It can be observed that banking density is poor in the NER in specific and in country as a whole. As the matter of fact, banks have been the major drives of the SHG movement and it has been established that there is positive relation between SHG spread and banking network. It is in this view, there is need of branch expansion and alternative models of quality and committed Bank Correspondents (BCs).
- As per SBLC, nearly 1157 BCs had been deployed across study states. BCs have been deployed to facilitate banks with respect to MGNREGS payments, loan recovery, account opening & deposits. During the discussion, it was noted that BCs are facing problem of low margin in this business model because of small geographical area with limited volumes of transaction. They are not paying required attention towards SHGs because of their involvements in other works like MGNREGA and opening of accounts to common people.

WAY FORWARD:

- ☞ Need to incentivize branch expansion in the rural areas to realize further progress of SHG-BLP in the NER.
- ☞ BCs should be motivated to facilitate SHGs and NGOs for regular saving deposits and credit disbursement from the banks.

Member's Social Empowerment

- In the front of women empowerment, it was found that the SHG members in the NER are doing well because of their high awareness on social issues and pro women societal norm. However, their political participation and holding any post in the social organizations was not found much encouraging.
- Except Manipur, the social activities in which the SHG members participated are mainly limited to religious and cultural activities.

WAY FORWARD:

- ☞ SHPIs/ NGOs may try to motivate the women members of SHGs to be part of political process i.e. putting the candidate in local panchayat or council elections by organizing awareness programme and motivational talks by successful women representatives.
- ☞ The SHG members may be motivated and made aware of the role they can play in social issues viz, education, women and child oriented issues etc. A small amount of fund may be plugged with the fund for micro enterprises, which will help in betterment of the society in addition to the increase in income.

Traditional Local Level Institution:

There are several traditional systems of savings and lending prevalent in the study states of NER. For instance, **Pastoral** centre for savings in Tripura started by Tripuri tribes, **Marups** in Manipur started by Meti communities and **Mahari Associations and Village Durbar** in Meghalaya, Village Development Boards (**VDBs**) in Nagaland, and Young Mizo Association (**YMA**s) in Mizoram. These traditional institutions provide services in the field of saving, lending, retail financial and other socio-cultural activities. These institutions are meant for mutual help and had the wide networking in remote areas. These institutions could be further activated by imparting skill development training and by associating in SHG – BLP programme.

WAY FORWARD:

- ☞ Need to conduct a comprehensive social mapping of traditional local institutions spreads in various parts of NER to make them associate with SHG-BLP.
- ☞ Need to make them to work in organized way by providing skill training and financial incentives.

² Source: IMF, Financial Access Survey for 2016

CHAPTER - 1

INTRODUCTION

1.1 BACKGROUND AND CONTEXT OF STUDY:

Development is a primary objective of a country, which is achieved through the development of each and every individual of that particular country. Financial system is an important structure for mobilization and distribution of finance, which is treated as lifeline for the growth and development of economy. Access to financial market is important for poor people. Like all economic agents low-income households and micro-enterprise can benefit from credit, saving and insurance services. But financial systems, because of their special features, often serve poor people badly, since poor people often have insufficient traditional forms of collateral such as physical assets to offer. Even after more than 60 years of planning and employing various poverty alleviation programmes, official estimates shows a sizable percent of total population live below poverty line in our country.

Since independence, government has taken several initiatives to tackle the scarce of poverty through area development and sector approach. But all the initiatives failed to achieve the desired target due to faulty planning and improper implementation and lack of will. Formal banking sector also ignored the poor sections due to risk involved in lending to poor, as they do not have collaterals and apprehension of non-bankability.

Against this backdrop of failures of earlier poverty alleviation scheme and the financial institutions to reach the real needy, microfinance schemes using Self Help Groups (SHGs) were designed and NABARD considered this “SHG-Bank Linkage” model as a core strategy for rural development. In the earlier schemes like IRDP, DWCRA, the beneficiaries perceived the loan as grant. The poor did not feel the responsibility of repaying the loans and the bankers only concentrated on disbursement of loan, which led to poor recovery, and the schemes became non-viable. But micro-finance through SHGs has proved the notion wrong and showed that even the poor are bankable.

The SHG members thrift, mobilize the savings and invest in microenterprises. The recovery rate was also reported around 95 percent. Hence, microfinance through SHGs

has evolved as an accepted institutional framework to provide financial services to the poor's. Further, it is regarded as better mechanism to reduce poverty gradually as against giving one time loan for productive assets, which may or may not lead to sustained increase in income.

The Self Help Group model with bank lending to group of poor members without collateral has become an accepted part of rural finance. In spite of being successful, there are still disparities in the programme in its level of **status and progress** across different parts of the country, including North East Region (NER). The SHGs-BLP was concentrated among the southern states and its performance was not satisfactory among the NE States.

It is in this context, **Midstream Marketing & Research Pvt. Ltd.** was entrusted by NABARD to conduct a study to assess the status, progress and challenges to SHG-BLP in NE states and to find out way forward for microfinance in the region. This report establishes a base line on microfinance through SHG BLP in the sample study states of NE region. The report also highlights various challenges that exist for this sector in the NE states. The report also highlights various obstructions / gaps that the microfinance through SHG -BPL is currently facing in the region.

1.2 NEED FOR STUDY- A RATIONALE:

Alleviation of poverty remains a major challenge before the government. Undoubtedly there has been decline in rural poverty over the decades due to intervention of various government's targeted anti-poverty programmes. Yet, there are million rural poor in our country who need specific intervention to overcome with the poverty. It is in this context, acceleration of economic growth, with a focus on employment intensive sectors is the need of hour to facilitate the removal of poverty from the country in long run.

To pay a direct fight against poverty, the Government of India had launched a holistic programme of micro enterprises namely SGSY in 1999 with an aim to cover all aspects of self employment through organization of the rural poor into SHGs. The objective of the programme was to bring the existing poor families above the poverty line. However, National Bank for Agriculture and Rural Development (NABARD) is the main initiator of the SHG movement in India. Now, the various departments of central and state governments, nationalized commercial banks, regional rural banks (RRBs), co-operative

banks, societies and NGOs have joined the SHG movement as promoters. Overtime, microfinance has come to include a broader range of services i.e. credit, savings, insurance etc. Considering the number of problems faced by SHGs to develop the system of micro financing in India, there is tremendous scope for the development of micro financing. Realising the necessity of micro finance for rural transformation by the way of SHGs-Bank Linkages, the proposed study attempted to examine the status, progress and challenges of SHG-BLP programme in the NE states and way forward for microfinance as an instrument for rural development and poverty alleviation in selected states of North-East Region.

1.3 STUDY OBJECTIVES:

Broadly, the main goal of the study is to assess problem and prospect of SHG-BLP and opportunity for micro-finance interventions in the state of NER. To meet the broad aim of the study, it has been proposed to study the following objectives:-

- To assess the prevailing status of SHG-BLP in the region in terms of their nature, extent & magnitude.
- To assess the presence of SHPIs in the region and their characteristics.
- To assess the status of capacity building programme & other support services in the region for the promotion of SHG-BLP.
- To assess and document the state government initiative for encouraging the SHG-BLP programme.
- To assess the status of banking & financial infrastructure in the region in terms of their nature of existence, extent & linkages.
- To understand the various constraints and challenges faced in the execution of SHG-BLP in the region.
- To assess the role & responsibilities of various stakeholders in the promotion of SHG-BLP including NRLM in graduating SHGs to micro-enterprises.
- To assess the nature & extent of existence local level institutions in terms of financial intermediation to rural households.
- To provide suggestions at policy level implications as the way forward for micro finance in the region.

1.4 GEOGRAPHICAL AREA OF STUDY:

The study was conducted in six states of North-East Region. The selected states for this study include Manipur, Mizoram, Meghalaya, Nagaland, Sikkim and Tripura. A total of two districts were selected from each state by applying a criteria of geographical terrain

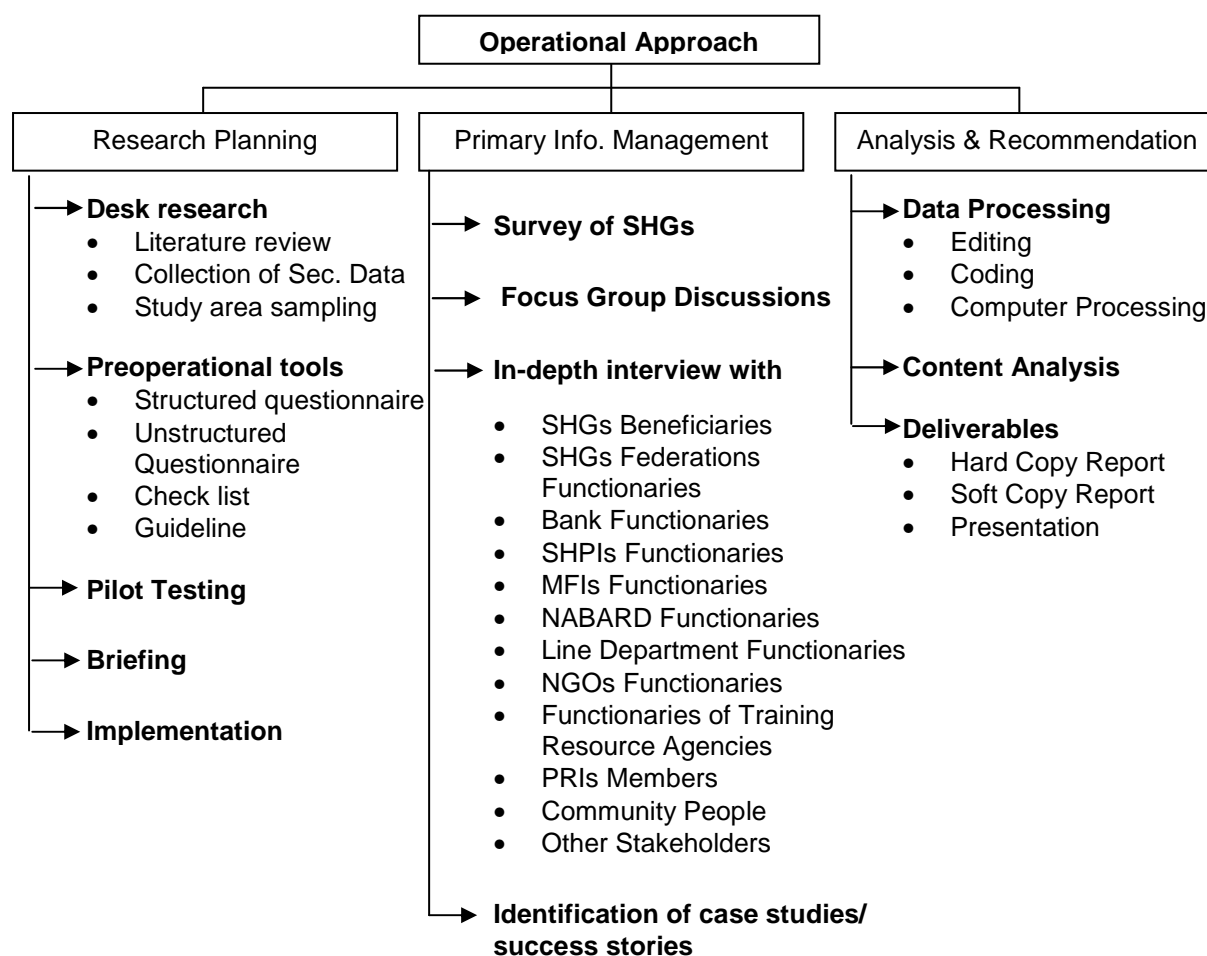
(plain and hilly), SHGs density and coverage of SHGs under NRLM. Besides, 2 blocks were selected from each district. Thus, this study has a geographical coverage of 6 states, 12 districts and 24 blocks.

1.5 STUDY APPROACH AND METHODOLOGY:

1.5.1 Conceptual Approach:

In simple language microfinance means provision of financial services on small scale to the rural and urban poor, including self employed. Since independence, the formal banking institutions had ignored the poor due to perceived high risks, high transaction costs involved in small scale rural lending to a large number of poor households and absence of collateral securities. There are two dominating models in micro finance sector i.e. **SHG-Bank Linkage Programme (SBLP)** and **MFI-Bank Linkage Programme (MBLP)**. SBLP involves the SHGs financed directly by banks viz, commercial banks (public and private), Regional Rural Banks and Co-operatives Banks. MBLP covers financing of Micro Finance Institutions (MFIs) by banking agencies viz. commercial banks, regional rural banks, and cooperative banks for lending to SHGs and other small borrowers. Since this study is focused on SHG-BLP, thus an attempt has been made to concentrate on the important aspects related with SHG-BLP in view of its status, progress and challenges.

1.5.2 Operational Approach:



1.5.3 Methodology:

Broadly, this study has been conducted with the help of quantitative and qualitative techniques. The techniques under qualitative method has included desk research, in-depth interview, FGDs, and process documentation whereas quantitative techniques have applied in sampling and data analysis. This section describes the methodology for each key task that was undertaken to meet the requirements of assignment.

1.5.3.1 Inception Meetings:

In the inception phase, meetings were held with key representatives of NABARD officials and other key stakeholder's i.e NRLM, NGOs and Bank's officials. In this meeting, the team discussed about their understanding and data base requirements for this assignment, the work plan, the expected deliverables and the associated time line, reporting schedule etc. followed by sending inception report to NABARD head office.

1.5.3.2 Review of Literature and Secondary Data:

Literature review was carried out with the help of past studies, reports, journals, newspaper clippings by applying desk research technique. In addition, various government departments' reports were also looked into to gather secondary data on variables of study subjects.

1.5.3.3 Construction of Study Tools:

Based on secondary research and taking into account the objectives of the study in mind, the following data collection tools were developed:

- Self Help Group (SHG) Schedule
- SHG Member Schedule
- Self Help Group Federation Schedule
- Key Informant Schedule
- Traditional Local Level Institution Schedule

The schedules are given in Annexure-1.

1.5.3.4 Study Area Sampling:

Stratified sampling procedure was applied for the selection of districts, blocks, SHGs, SHGs members and SHGs federations. Followings are the details regarding the study area sampling:-

1.5.3.4.1 Basis for Selection of States & Districts:

As per the ToR, six states named Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura were identified to undertake the study. It was planned to select two districts from each state on the basis of their geographical terrain (plain & hilly) followed by density of SHGs and coverage of NRLM. An in-depth discussion was also carried out at district level besides the review of SHGs strength through NRLM site. Finally, two districts, with comparatively high density of SHGs one from plain region and one from hilly region, from each state were identified. In a case, where plain region in the state was not found, both the districts were selected from hilly region keeping in mind the SHGs density criteria. Sample blocks in the district were also selected keeping in view the availability of SHGs.

Table 1.1
Districts Selection Criteria

Sl. No.	State Name	Districts	Status of Criteria		SHG Density *	Population	Sex Ratio	Literacy Rate
			Terrian	NRLM Coverage				
1.	Manipur	Imphal East	Plain/ Valley Hilly	Covered	2799	456113	1017	81.9
		Chandel		Covered	991	144182	933	71.1
2.	Mizoram	Serchhip	No plain or valley districts in the state. Both study districts are hilly in nature	Covered	518	64937	976	98.76
		Kalasangbam		Covered	286	83955	956	94.54
3.	Meghalaya	Ribhoi	No plain or valley districts Both hilly		714	258840	953	75.7
		West Khasi Hills		Covered	1150	383461	980	77.9
4.	Nagaland	Dimapur	Plain	Covered	406	378811	916	85.44
		Kohima	Hilly	Covered	312	267988	927	85.58
5.	Sikkim	East Sikkim	No plain/ vally both are hilly	Covered	649	283583	769	84.67
		North Sikkim			425	43709	872	77.39
6.	Tripura	Sipahijhala	Hilly		1661	484233	952	84.14
		Gomati		Covered	1203	436868	959	86.19

Source: Density of SHGs – NRLM, NABAR D & SLBC Data
Population, Sex Ratio & Literacy Rate: Census 2011 Data

1.5.3.4.2 Selection of Blocks:

A total of two blocks from each district were selected on the basis of same criteria, which was followed in district selections. A total of 15 intensive and 9 non intensives blocks have been selected to conduct the study. Table, 1.2 presents the district wise selection of blocks under the study,

Table 1.2
Selection of Blocks

Sl. No.	State Name	Districts	Blocks	Coverage under NRLM
1.	Manipur	Imphal East	Imphal East – I	Intensive
			Imphal East – II	Intensive
		Chandel	Tengnoupal	Intensive
			Machi	Intensive
2.	Mizoram	Serchhip	Serchhip	Intensive
			East Lungdar	Intensive
		Kolasib	Thingdawl	Intensive
			Bilkhawthlir	Intensive
3.	Meghalaya	Ribhoi	Jirang	Non-Intensive
			Umling	Non-Intensive
		West Khasi Hills	Nongstoin	Non-Intensive
			Mairang	Intensive
4.	Nagaland	Dimapur	Chumukedima	Intensive
			Medziphema	Non-Intensive
		Kohima	Jakhama	Intensive
			Kohima	Non-Intensive
5.	Sikkim	East Sikkim	Regu	Intensive
			Khamdong	Intensive
		North Sikkim	Chungthang	Non-Intensive
			Mangan	Non-Intensive
6.	Tripura	Sepahijhala	Charilam	Non-Intensive
			Bishalghar	Non-Intensive
		Gomati	Killa	Intensive
			Matabari	Intensive

1.5.3.4.3 Selection of SHGs:

A total 25 SHGs from each block have been selected purposively. The criteria adopted for the selection of SHGs include on their availabilities, the age groups of SHGs, bank-linkages and supported by SHPIs. Thus, 600 SHGs were selected by covering 24 blocks and 12 districts of 6 study states.

1.5.3.4.4 Selection of SHGs Members:

Three members from each SHG have been selected for in-depth discussion on the study subjects. Thus, a total of 1800 members have been interviewed by covering 600 SHGs.

1.5.3.4.5 Selection of SHGs Federation:

SHGs federations have been selected keeping into account their presence in the study catchment area. It was planned to cover five SHGs federations from each sampled block. However, we have got SHGs federations in only 8 sampled blocks and thus 40 SHGs federations have been covered under this study. All the selected SHGs federations were observed at the nascent stage and they were not found full functional.

1.5.3.4.6 Selection of Key Respondents of Relevant Institutions:

Key functionaries of relevant institutions like NABARD, Commercial Nationalized Banks, Regional Rural Banks, Co-operative Banks, NRLM, SHPIs and NGOs have been consulted for an in-depth discussion on the study subject.

1.5.3.4.7 Sample Places & Sample Size – At Glance:

Table 1.3
Sample Places & Sample Size at Glance

S.N.	States	Districts	Blocks	SHGs	SHGs Members	Federations	Key Informants
1.	Manipur	Imphal East	Imphal East – I	25	75	0	5
			Imphal East – II	25	75	0	
		Chandel	Tengnoupal	25	75	0	5
			Machi	25	75	0	
2.	Mizoram	Serchhip	Serchhip	25	75	5	5
			East Lungdar	25	75	5	
		Kolasib	Thingdawl	25	75	5	5
			Bilkhawthlir	25	75	5	
3.	Meghalaya	Ribhoi	Jirang	25	75	0	5
			Umling	25	75	0	
		West Khasi Hills	Nongstoin	25	75	0	5
			Mairang	25	75	0	
4.	Nagaland	Dimapur	Chumukedima	25	75	5	5
			Medziphema	25	75	0	
		Kohima	Jakhama	25	75	5	5
			Kohima	25	75	0	
5.	Sikkim	East Sikkim	Regu	25	75	0	5
			Khamdong	25	75	0	
		North Sikkim	Chungthang	25	75	0	5
			Mangan	25	75	0	
6.	Tripura	Sepahijhala	Charilam	25	75	0	5
			Bishalghar	25	75	0	
		Gomati	Killa	25	75	5	5
			Matabari	25	75	5	
Total	6	12	24	600	1800	40	60

1.5.3.5 Recruitment of Investigators and Supervisors:

Investigators and supervisors were recruited for a period of two months. Their recruitment was based on their educational qualification and experience of survey research. Preference was given for the local field investigators keeping in mind their acquaintances with socio-economic and geographical background of the study area.

1.5.3.6 Training of Field Team:

We organized meeting of the team members i.e. consultants, researchers/ investigators and supervisors. The team members were briefed on the themes and questions in the questionnaire to be administered amongst respective respondents and procedures to be followed for filling up their responses. Mock interview session was also placed in training session to ensure the best understanding of field team on study subject and questionnaires.

1.5.3.7 Pilot Test Visits:

The field team undertook preliminary field visits to one block in the sampled district with an objective to assess the SHG-BLP situation and for pilot testing of study tools. Based on the inputs from various stakeholders, data collection tools were revised before final administration among respondents.

1.5.3.8 Primary Data Collection:

The primary data was collected by personal interview with key respondents. The data collected with the help of schedules were separately compiled for every information sought on various aspects of SHGs-BLP status, progress, challenges, activities undertaken, result produced and opinion held etc. In the selected localities, various participatory appraisal techniques i.e. face-to-face interview, FGDs, process documentation and observation were used to gather first hand information.

1.5.3.9 Respondents for the Study:

The respondents for the assigned study include:

- NABARD Officials
- NRLM Officials
- Lead Bank Officials
- SHGs Functionaries
- SHGs Federation Officials
- SHPIs Functionaries
- MFIs Functionaries
- Regional Rural Bank Officials
- Co-operative Bank Officials
- NGOs
- PRIs
- Community People

1.5.3.10 Ensuring Data Quality:

In order to minimize the non-sampling errors and ensure the quality of data. Following measures were taken into consideration:

- Regrous training to the field team on the issues of protocol to be followed for the selection of SHGs along with detail explanation for each question included in the survey questionnaire etc.
- Route planning, efficient team management and placement of adequate number of investigators in team etc.
- Deployment of state coordinators by assigning responsibility of monitoring and quality check in co-ordination with supervisors.
- Supervisors were instructed to edit the filled-in questionnaires immediately after the completion of interview.
- Checks for consistency and completeness of all interviews in the field was placed in the system along with provision of supportive supervisions and back checks of the filled in questionnaires.

1.5.3.11 Data Processing and Analysis:

The filled-in questionnaires were rechecked for the consistency and completeness of the information gathered during the fieldwork at Delhi office. The open-ended questions were analysed with the help of content analysis. Data was entered into specifically designed data entry format. The data was processed and analyzed with the help of SPSS software. Frequency distribution and cross tabulation was carried out for the variables. The analysis plan was kept simple and easy to comprehend by common readers.

CHAPTER - 2

OVERVIEW OF THE CONCEPT OF MICROFINANCE THROUGH SHG-BLP AND DEVELOPMENT PARADIGM

2.1 MICROFINANCE- GENESIS AND NEED:

In developing countries, financing to the rural poor through formal financial services failed to meet the credit requirement of the rural poor people. The main reason of failure was absence of any recognized employment and hence absence of collateral with the poor. The high risk and the high transaction costs of banks associated with small loans and saving deposits are other factors, which make them non-bankable. The lack of loans from formal institutions leaves the poor with no other option but to borrow money from local moneylenders on huge interest rates.

In different countries including India, efforts have been made by their governments to deliver formal credit to rural areas by setting up special agricultural banks/ rural banks or directing commercial banks to provide loans to rural borrowers. However, these programmes have also not worked well due to various reasons. The common reasons found by many researchers are the political difficulty for government, to enforce loan repayment and the selection of relatively wealthy and influential people, rather than poor, for bank loans. Women's world banking (1995) estimated that in most developing countries, the formal financial system reaches to only top 25 percent of the economically active population. This leaves the bottom 75 percent without access to financial services apart from those provided by moneylenders and family. Thus, the inability of formal credit institution to deal with the credit requirements of poor effectively has led to emergence of microfinance as an alternative credit system for the poor.

Microfinance scheme provides a wide range of financial service to people who have little or nothing in the way of traditional collateral. It helps them to buildup assets, survive crises and to establish small business to come out of poverty. Except extending small loans (micro-credit), micro-finance programme provides various other financial and non-financial services such as savings, insurance, guidance, skill development training, capacity building and motivation to start income generating activities to enhance the productivity of credit.

2.2 CONCEPT OF MICROFINANCE:

The term microfinance has been understood and defined differently by different people. More often-micro finance is defined in a limited sense of “micro credit for micro enterprises”. Micro credit summit held in 1997 has defined micro credit as “programmes that provide credit for self-employment and other financial and business services (including savings and technical assistance) to very poor persons”. However, there is difference between micro credit and micro finance. While micro credit refers to credit only, micro finance includes credit, savings, insurance, remittances and other financial services. Micro finance, in both theory and practice, includes a wide range of financial services such as saving products, insurance, pledge and remittances.

The microfinance is an old concept but a relatively new term. From historical point of view, the evolution of the concept of micro-finance could be traced back to 1300 BC when the different forms of micro finance and collective lending have existed for 100 of years. These include the “Sass” of Ghana, “Chit funds” in India “tandas” in Mexico, “Arisan” in Indonesia and “tontines” in West Africa, “Pasankau” in Bolivia, “Hui” in China, “Paluwagan” in Philippines etc. It is believed that initially, the informal financial institutions emerged in Nigeria dating back in the 15th century. Such type of institutions started establishing in Europe during the 18th century when in 1720 the first loan fund targeting poor people was founded in Ireland.

In India, the first initiative to introduce microfinance was the establishment of Self-Employed Women’s Association (SEWA) in Gujarat. SEWA was registered as a trade union of self-employed women workers of the unorganized sector in 1972. This trade union established their bank known as SEWA bank in 1974. To establish this bank, four thousand union members contributed Rs. 10 each as share capital. Since then this bank is registered as a co-operative bank, has been providing banking services to poor women, and has become a viable financial venture.

The origin of the modern concept of micro finance could be traced back to the beginning of the cooperative movement in Europe, where the movement was started way back in 1844 in the field of cooperative based credit system. However, microfinance emerged as a new concept and development intervention tool in the 1970s mainly due to the establishment of “Grameen Bank” in 1976, by Prof. Muhammad Yunus in Bangladesh. Infact, the origin of the concept of microfinance in today’s context is considered especially from 1976 onwards.

2.3 DELIVERY MODELS OF MICROFINANCE:

The concept of micro finance involves informal and flexible approach to the credit needs of the poor. There is no single approach or model that fits in all the circumstances. Therefore, a number of micro finance models emerged in different countries/ states according to the suitability to their local conditions. Broadly, the micro finance delivery methods can be classified into six groups i.e. Grameen Bank Model, Joint Liability Group Model, Individual Lending Model, The Group Model, Village Banking Model and Credit Unions and Co-operatives. In India, the group based credit delivery method known, as **SHG-BLP** is a predominant method of providing microfinance.

2.4 INSTITUTIONAL ARRANGEMENT AND DISBURSEMENT OF MICRO FINANCE IN INDIA:

In India, there is a wide variety of institutions in public as well as private sector, which provides micro finance to the poor. These institutions can be broadly divided into two types. First type is the traditional formal financial institutions, while the second type is Micro Finance Institutions (MFIs). The traditional financial institutions comprise of commercial banks, regional rural banks and co-operative banks. They provide micro finance services in addition to their general banking activities and are referred to as micro finance service providers. On the other hand, MFIs are different types of financial institutions whose main financial activity is providing micro finance only. Many of these institutions are NGOs, Mutually Aided Co-operative Societies (MACS) and Non-Banking Financial Companies (NBFCs).

These financial institutions use a hierarchical network starting from the apex wholesale level to the retail level financial institutes. The retail level banks and MFIs borrow funds from apex financial institutions and use their branch network to provide microfinance at the doorstep of poor people.

Some of these apex and retail level financial institutions have been also discussed. Apex financial institutions include National Bank for Agriculture and Rural Development (NABARD), Small Industries Development Bank of India (SIDBI), Rashtriya Mahila Kosh (RMK), Friends of Women World Banking (FWWB), Housing Development Finance Corporation (HDFC), Housing and Urban Development Finance Corporation Limited (HUDCO) and Rashtriya Gramin Vikas Nidhi (RGVN). These apex institutions provide

bulk amount of funds to retail level banks and MFIs for on lending to the poor. At the retail level commercial banks, Regional Rural Banks, Co-operative Banks and different type of MFIs provide micro finance services. On an average, there is at least one retail credit outlet for about 4700 rural people. These banks used to provide loans directly to **SHGs**. The commercial banks and regional rural banks also provide their credit facilities to MFIs for its on lending to groups.

2.5 ORIGIN AND CONCEPT OF SELF HELP GROUPS:

The origin of Self Help Groups (SHGs) is the invention of Grameen Bank of Bangladesh, founded by Prof. Mohammad Yunus in 1975. He tried out a new approach to rural credit in Bangladesh Grameen Banks gave loans without asking borrowers either to provide collateral or engage in paper work. In India, NABARD initiated Self Help Groups in the year 1986-87 but the real effort was taken after 1991-92 from the linkage of Self Help Groups with the banks. Providing microfinance through SHGs has been one of the major policies of RBI in India since 1996.

According to the National Bank for Agriculture and Rural Development (NABARD), a self-help group is a small economically homogeneous and affinity group of rural poor voluntarily coming together: to save small amounts regularly, to mutually agree to contribute to a common fund, to meet their emergency needs, to have a collective decision making, to solve conflicts through collective leadership and mutual discussion, to provide collateral free loans with terms decided by group at market driven rates.

The main objective of SHG BLP concept is to improve the economic development of poor people/ women and facilitating them for their social transformation so that gender discrimination and poverty could be eradicated. The ideal size of SHG is between 10 to 12 members and not mandatory for registration. The group consists of either men or of only women and members of the group should have similarity with respect to socio-economic profile. Compulsory attendance of group members in-group meetings is necessary and from one family, only one member could participate.

Each SHG is given a name and each group has a head, cashier and secretary, democratically elected by the group members to manage the group affairs. The members are encouraged to make a voluntary thrift on regular basis. The group

members mutually decide about the amount and frequency for individual savings to be deposited in the group account. They use this pooled resource to make small interest bearing loans to their members within the group. This process, known as inter-lending, gradually builds financial discipline among the group members and they learn to handle resources of a size that is much beyond their individual capacities. The SHG members begin to understand that resources are limited and have a cost. Once the groups show this mature financial behavior (generally after six months of group formation), banks are encouraged to provide loan to the SHG in certain multiples (three to four times) of their accumulated savings.

2.6 ORIGIN AND CONCEPT OF SHG-BANK LINKAGE PROGRAMME:

Research paper written by Sharmila Shah³ on “Micro financing through SHG-BLP of NABARD” revealed that the country has a wide network of rural bank branches, consisting of 33000 rural branches of commercial banks, 14500 RRB branches and 9200 Primary Agricultural Cooperative credit Societies, these branches were implementing poverty alleviation programmes for creation of self employment opportunities through bank credit for almost two decades, a large number of rural poor were not benefited from the formal banking system. These studies further pointed out that the present banking system, procedure and policies and deposit and loan product were perhaps not most suited to meet the immediate needs of the very poor. In case where credit was made available to the poor through special programmes, absence of an integrated savings component and something to fall back upon in case of any adversity was leading to poor repayment performance. The problem was further compounded as the beneficiaries refused to distinguish between state subsidy support and bank credit. The political expediency for removing poverty at a stroke was putting resources for running micro-enterprises in the hands of the poor without nurturing them to handle such resources. In the absence of institutional support, the poor continued to approach intermediaries in the informal credit market like moneylenders, traders and whole sellers for meeting their consumption and production need. Thus, inspite of the huge expansion by the banking sector in terms of rural branches, there were still a very large number of people they bypassed. In 1992, therefore NABARD began an experiment. It was looking at innovative ways of reaching the banking system to these poor rural people. The organization thus,

³ **Source:** Sharmila Saha (2014) “Micro financing through SHG-Bank Linkage Programme of NABARD” Asian J. Management 5(2): April-June, 2014, pp. 173-178.

started a project on a pilot basis involving the creation of informal structure of self-help groups of people and trying to link them to the banking system. NABARD started with a pilot project of 500 such Self Help Groups (SHGs) (Majumdar, 2003). This experiment of NABARD achieved great success to cater to the micro credit need of the rural poor through SHGs. Under SHGs, NABARD ensured that every poor people come together, start saving, start lending to each other and once they are able to reach a stage that they can enforce the will of the group on the individual, the banks can start coming into the picture and lending them funds.

The SHG-BLP has emerged as a dominant model in terms of number of borrowers and loans outstanding. This model is flexible, independent creating and imparts freedom of saving and borrowing according to the requirements of group members. Due to wide spread of rural bank branch network, the SHG-BLP is very suitable to the Indian context.

Microfinance movement started in India with the introduction of SHG-Bank Linkage Programme (SHG-BLP). The programme uses SHGs as an intermediation between the bank and the rural poor to help in reducing transaction cost for both the banks and rural clients. Banks provide the resources and bank officials/ NGOs/ government agencies organize the poor in the form of SHGs. Under this programme, loans are provided to the SHGs with three different models:-

Model-I: SHGs Formed and Financed by Banks-

In this model, banks themselves take up the work of forming and nurturing the groups, opening their saving account and providing them bank loans.

Model-II: SHGs Formed by Agencies other than Banks, but Directly Financed by Banks-

In this model, NGOs and other formal agencies in the field of micro finance facilitate organizing, forming and nurturing of SHGs and train them in thrift and credit management. The banks directly give loans to these SHGs.

Model-III: SHGs Financed by Banks Using Other Agencies as Financial Intermediaries-

This is the model where the NGOs take on the additional role of financial intermediation along with the formation of group. In areas where the formal banking system faces constraints the NGOs are encouraged to form group and to approach a suitable bank for bulk loan assistance. This method is generally used by most of the NGOs having small financial base.

2.7 REVIEW OF LITERATURE:

The purpose of the literature review is to summarize pre-sectives that might have a direct or indirect bearing on the conceptual design dealt with in this study and to prepare framework through which one could have a better understanding of the problem. The components of the various frameworks covered by the review and their analysis are subsequently used for supplementing the findings of the study.

From the foregoing discussion on existing literature in the field of related study title, it is observed that, despite a large number of studies relating to micro finance and its different aspects have been undertaken by different renowned scholars in different states of India, micro level studies on micro-finance in the North Eastern Region particularly in study sample states are very few in number and that too few states. Therefore, the present study is expected to bridge the gap with the empirical study on the microfinance. However, an attempt has been made to present the review of literature on the related subject by covering NER and other parts of the country.

Tiken Das (2013),⁴ Research Associate at North Eastern Research Centre has written a paper entitled “An Analysis of Non-Performing Assets and Recovery Performance of Self Help Group Bank Linkage Programme- Unique Preference to North Eastern Region of India”. In the paper, he analyzed the NPAs and recovery performance of SHGs in Southern Region and in NER. Performance of SHGs-BLP has been analyzed by taking SHGs saving with banks, loan disbursed to SHGs and loan outstanding. The researcher

showed the uneven pattern of SHG-BLP. According to him, the SHGs savings with bank as on 31st March 2012 stood highest in southern region at Rs. 10080 per SHGs and North Eastern Region recorded the lowest balance of Rs. 4159 per SHG. Commercial banks account for 58 percent of the savings account maintained by SHGs and RRB 27 percent and co-operatives banks the remaining 15 percent. Further, the average size of fresh loans extended ranged from 1.8 lakh per SHGs in the Southern Region to Rs. 0.75 lakh in western region as on March 2012. The average size of fresh loan for NER was Rs. 0.88 lakh for NER. Moreover, during the same time period, among the total number of credit linked SHGs, only four percent was located in NER, while in Southern Region share of credit linked SHGs was 54 percent. In addition, among the total number of credit linked SHGs, 60 percent was in commercial bank, 30 percent was in RRBs and the remaining 10 percent was in co-operative bank. Researcher in his paper concluded that SHG-BLP was concentrated in southern states and its performance was not satisfactory among the Northeastern states. As per the findings of his research paper, southern region achieved higher amount of saving balance of SHGs with banks in comparison with NER. Similarly, the amount of loan disbursed to SHGs by banks also higher in southern region in comparison with NER. The researcher has also analyzed the NPAs and recovery performance of NER in his paper. Researcher studies the same by taking data of NABARD. Researcher found that although the amount of saving balance of SHGs with banks and amount of loan disbursed to SHGs by banks was lower in NER in comparison with southern region but the share of NPAs to total loan outstanding was higher and percentage of recovery to demand of total SHGs was lower in NER.

Dr. Hedayatullah Choudhary and Dr. Ananta Pegu⁵ in his research paper (March 2015) entitled "Rural Agricultural Development through Microfinance in North East Region" has explained that the NER states which has started the microfinance programme through SHGs-BLP during the late nineties shows a relatively high growth rate. According to researcher, the programme was low start in the initial years and till the end of March 1999, the cumulative number of SHGs credit linked in the entire region was only 93 in number, which was less than half a percent of the cumulative number of SHG

⁴ **Source:** Tiken Das (2013) "An analysis of Non-Performing Assets and Recovery performance of Self Help Group Bank Linkage Programme- unique preference to North Eastern Region of India, IOSR Journal of Economics and Finance, volume 1, Issue 1, May-June 2013, PP 05-14. (www.iosrjournals.org)

⁵ **Source:** Choudhary & Pegu (2015) Research paper on "Rural Agricultural Development & through Microfinance in North East Region, IRJMS, Volume I, Issue II, March 2015, Pg. No. 7-12, Scholar Publication, Karimganj, Assam

credit linked in the country under the programme. During March 1999 to March 2013, the cumulative number of SHGs in NER increased from 93 to 877. Researchers also examined the performance of banks in providing credit to SHGs. As per their analysis, Assam and Tripura have shown good performance so far as banks help in providing credit to the SHGs, while it is poor in other states of the region. It is quite interesting that Mizoram has experienced a very poor movement of SHGs (only 251 number of credit linked SHGs), however the highest amount per group was lent in this state. According to them, RRBs are playing a lead role in the SHG movement in the NER. The poor performance in the progress of microfinance in the NER state except Assam. Research paper also states that the SHGs movement also varies from state to state in NER and within states from one district to another.

Purna Prasad Sharma & Ambika Prasad Pati⁶ (May 2015) has published a paper entitled “Subsidized Micro Finance and Sustainability of SHGs: Observation from North Eastern Region”. Researchers randomly selected 150 subsidized SHGs operating in Meghalaya to conduct the study. The study established that subsidy has negatively influenced the longterm sustainability of the SHGs. In case the subsidy is withdrawn, the SHGs would be less sustainable-operationally as well as financially. Further more, the withdrawal of subsidy would increase the onward lending rate manifold to discourage the members to take any loan from the group, thus threatening the entire programme.

Bansal (2004)⁷ have dealt with issues of explanation of differences in spread of the SHGs linkages programme across regions. She tried to probe whether the spread of the programme across India has systematic pattern. To investigate this she calculated the coefficient of correlation of the number of SHGs linked with the population, Human Development Index (HDI), incidence of poverty and spread of NGOs across Indian states. The results indicate that at the macro level the SHGs have moved away from poorer states and are mainly following the presence of NGOs in various states.

⁶ **Source:** Purna Prasad Sharma & Ambika Prasad Pati (2015) “Subsidized Microfinance and Sustainability of Self Help Groups (SHGs):- Observation from North East India, Volume 9, Issue 5, May 2015, Indian journal of Finance.

⁷ **Source:** Bansal, H (2004): “SHG-Bank Linkage Programme in India: An Overview”, Journal of Microfinance, Vol. 5, No.1. pp-21-48.

Swain and Varghese (2009)⁸ further emphasizes the importance of NGOs by finding out that training by NGOs have positive effects on SHG members in helping them to productively use the loans. But, they also find that this effect is higher for states with better infrastructural facilities. Thus, complementary facilities are required to make such programmes more attractive for the intended clientele.

Sriram and Kumar (2005)⁹ while identifying the causes for regional variation in the spread of SBLP, pointed out three factors that may have led to the growth of the programme in the state with higher penetration rates. These are incidence of poverty, population density and number of outlets of formal financial institutions. Other factors that may affect outreach are higher density of population, large number of formal financial institutions outlets, active state government intervention and presence of enterprising MFIs.

Reji (2010)¹⁰ revealed that the effective functioning of groups is influenced by a host of factors involving: quality of group meeting, saving habit, adequacy and accessibility to resources, repayment behavior, group cohesion, group leadership, group interaction, autonomy, sense of self equity, accountability and transparency.

Research paper written by **Dr. Jyotish Prakash Basu**¹¹ on “Micro finance and women empowerment” revealed that, in Tripura and Mizoram in northeastern states, being members of SHGs is still not perceived either by the women and their families as an opportunity to enhance their economic & social status. Further study findings reveal that women members role in decision making at household level is much lower when compared to decision making at the collective group level. This is quite understandable that the women are in better position to take decisions as a collective than individual at the household level.

⁸ **Source:** Swain R.B and Varghese A (2009) “the Impact of Skill Development and Human Capital Training on Self Help Groups”, working paper 2009:11, Department of Economics, Upasala University

⁹ **Source:** Sriram M.S (2005), “Microfinance and State- Exploring Areas and Structure of Collaboration”, Economic & Political Weekly, Vol. 40, No.17 pp. 1699-1704.

¹⁰ **Source:** Reji E.M (2010), “What Makes Self Help Groups (SHGs) Successful? Journal of Rural Development, Vol. 29, No.1. pp. 89-96, NIRD, Hyderabad.

¹¹ **Source:** Dr. Jyotish Prakash Basu “Microfinance and Women Empowerment: An Empirical Study with special reference to West Bengal, pp. 21-22, Research paper, Hooghly, West Bengal”.

Karmakar (1999)¹² in his study of SHGs and Bank Linkage found that in India, SHGs had been able to provide rudimentary banking services to SHG members on a cost effective basis and meet urgent credit requirement which ensured almost 100 percent repayment of loans. Further, the study has suggested that in India, where cheap, low cost funds are not available, the need of the bank linkage of SHGs is necessary in view of the low initial savings capacity of the really poor rural people.

Mysore Resettlement Development Agency (MYRADA 2000)¹³ made a study on women's empowerment in the state of Andhra Pradesh and it had found that empowerment of women was only possible by the micro-finance programme through SHGs. Under the micro-credit scheme given by women's development co-operation, (NGOs) provide better employment opportunities for women with a target goal of making them economically independent and self reliant.

NABARD (2000)¹⁴ in its evaluation study on impact of microfinance on SHG members examined the economic and social benefits accruing to SHGs members using various parameters such as asset structure, income, savings and borrowing, employment, consumption level and social empowerment. The study report observed that the micro-finance programme had substantial impact in increasing saving and lending habits of the SHG members, income equality, boosting their self-confidence and improving their communication skills during the post SHGs situation.

NABARD (2002)¹⁵ in their study mentioned that SHGs could play a vital role in Assam in educating and training the group members, enhancing skill and acting as effective link between the rural poor and the banks, both for credit delivery and recovery of loans. However, the study revealed the lack of awareness among members, uncertain law and order situation and the apprehension of bankers regarding recovery of loans had greatly hampered the progress of the SHG-Bank Linkage Programme in Assam.

¹² **Source:** Karmakar K.G. (1999): "Rural Credit and Self-Help Groups" Micro Finance Needs and Concepts in India, Sage Publication, India, pp. 40-69

¹³ **Source:** MYRADA (2000):- The MYRADA Experience: A manual for capacity building of Self Help Groups, MYRADA, Bangalore.

¹⁴ **Source:** NABARD (2000): Microfinance for Rural People: An Impact, Evaluation, NABARD, Mumbai, India, pp. 46-71.

¹⁵ **Source:** NABARD (2002): Report of the Expert Committee on Microfinance, NABARD, Mumbai, India, pp. 64-73.

Singh (2004)¹⁶ had made an attempt to investigate into the efficiency of SHGs of **Manipur** in providing credit to the needy people for sustaining income and generating self employment. In that study, he pointed that SHGs could be used as suitable agents for extending credit to the poor and disadvantaged groups and providing necessary care and guidance for utilizing the credit. Further, his analysis also revealed that the loan recovery rate of SHGs was notable high, which ranged from 90 to 100 percent as against 1 to 3 percent in centrally sponsored credit linked.

Sharma (2004)¹⁷ in his study depicted that most of the demand for credit in the rural areas of Assam was micro in nature and most of loans extended by the banking institutions in the rural areas were also small (less than 25000). But, he observed that the banks faced some problems in providing micro-credit due to high transaction costs both for borrowers and the banks.

In another study, **Dey and Bhattacharya (2004)**¹⁸ focused on some major problem of SHGs in Tripura, a tiny and poor state of the NER. The scholars made an interesting conclusion that in Tripura, majority of the rural people did not show interest in forming SHGs due to lack of awareness, absence of bank's co-operation and inadequate infrastructure especially the transport facility to the interior places.

Bora (2004)¹⁹ remarked that the State Institute of Rural Development (SIRD) based at Khanapara in Guwahati (Assam) had attained highly enviable success in its goal of community development and thereby boosting the state's rural economy scenario over the years by developing and supporting SHGs and making them self dependent farm mechanization on an entrepreneurial basis and developing Panchayati Raj Institutions. He found that more than 500 SHGs had been formed under its guidance of which about 80 percent had already become fully economically viable and self-dependent.

¹⁶ **Source:** Singh, Y.S (2004): "Self Help Group- A means for reaching credit to Needy Masses- A Case Study of Imphal East District Manipur, Seminar volume published by Dibrugarh Univeristy, Dibrugarh, pp. 225-231.

¹⁷ **Source:** Sharma A (2004): "SHG Bank Linkage Programme in Assam- A Review Seminar Volume Organized by Department of Economics, dibrugarh University, pp 233 to 236.

¹⁸ **Source:** Dey, U and Bhattacharya M (2004): Self-Help Group in Tripura: problems and prospects "seminar V. Ruma, organized by Department of Economic, D.U. Editted by Jayanta Kumar Gogoi, pp. 241-250.

¹⁹ **Source:** Bora, Abhijit, (2004): "A Role Model for development & Echo North East, zone, p.37.

Hajarimagum (2004)²⁰ in her study dealt with how the NGOs took responsibility in empowering women through various activities and programmes in Manipur. She found that under the scheme of micro-credit, women benefited more as the scheme carried out a wide range of activities including identification of women entrepreneurs, preparation of self viable project, providing technical consultancy services, facilitating availability of credit through banks and other financial institutions (through the scheme of margin money assistance), promoting and strengthening women's co-operatives, SHGs arranging training of beneficiaries, project formulation and financial management. Moreover, she suggested that NGOs should be skilled in the above component to ensure that they can play a committed role at micro and macro level as well as to enhance the SHGs-Bank Linkage Programme.

Saikia (2004)²¹ had made a study on the role of SHGs in uprooting the problem of rural credit in Assam. The study has highlighted the fact that SHG members have easy access to institutional credit and that too at reasonable rate of interest. The recovery performance of SHG members is also found to be high. The study has observed that SHG-bank linkage programme can be considered as an effective instrument for sustaining the economic condition of the SHG members.

Devi (2006)²² made a field survey on the functioning of the tribal women's SHGs operating in Demoria block of Kamrup district in Assam and examined their role in economic empowerment of the tribal women. The study found that there was significant increase in both income and saving of the SHG members formed by the plains tribal women. The study has rightly asserted that micro-finance through SHG BLP has been recognized as one of the most promising and effective instruments for poverty alleviation and empowerment generation in most of the poor women of interior villages.

NABARD (2005)²³ had made a field survey in Uttar Pradesh to assess the impact of the SHG-Bank Linkage Programme on the SHG members and found that the SHG Bank Linkage Programme has brought out encouraging and positive features like increased

²⁰ **Source:** Hajarimagum, J. (2004): Role of NGOs in Empowerment of Women in Manipur" Seminar volume, Organized by ICSSR, N.D, pp. 7-9.

²¹ **Source:** Saikia, D. (2004): Role of SHGs in Uprooting the Problem of Rural Credit: A Case study of Agrobased Economy of Assam, Seminar volume, Published by Debrugarh University, pp. 274-276.

²² **Source:** Devi, Namita (2006): "Economic Empowerment of Scheduled Tribes through SHGs- Journal of North East India Council for Social Research Vol. 30, No.2, October, pp. 35-38.

²³ **Source:** NABARD (2005): Evaluating the Performance of Indian Micro Finance, Micro Credit Innovation Department, NABARD, Mumbai, pp 57-63.

the loan volume as well as loaning pattern of the SHG members from non-income generating activities to production activities. Besides, the study revealed that it reduced the transaction costs for both the banks and the borrowers.

Ahmad (1999)²⁴ analyzed a case study on thrift groups in Assam and the study highlighted that women have come to the administration directly for their justice, rights and to address their grievances boldly. **Gaonkar (2004)**²⁵ studied the impact of SHGs on women in Goa and concluded that SHG movement could significantly contribute for the reduction of poverty and unemployment in the rural sector of the economy. **Sultana (2005)**²⁶ revealed that the women empowerment could be achieved through self-help groups should be increased and encouraged for the development of the economy and removal of poverty among the poorest of poor. **Sahu and Das (2007)**²⁷ analyzed the role and performance of self-help groups (SHGs) in promoting women's empowerment in Gajapati district of Odisha. Study concluded that the operational efficiency and group dynamics could be attributed to several factors like background of SHGs formation, internal problem, support provided by promoters and effective leadership. It focused on the economic improvement of women after they had joined the Self Help Groups (SHGs). The study was undertaken in northern Tamil Nadu and had covered three villages from north districts. The study concluded that the income of the SHG members has increased due to positive change in their income but rate of growth of savings was low because the incremental expenditure was high.

Angaswamy (2009)²⁸ focused on Self Help Groups formed by rural people those were mostly women. The study concluded that the livelihood of women improved through collective savings and investment in income generating activities. **Arora and Meenu (2011)**²⁹ analyzed the role of microfinance interventions in promoting women empowerment in rural India. The study has been conducted in the rural area of three

²⁴ **Source:** Women Empowerment:- Self Help Groups: Kurukshetra, April 1999.

²⁵ **Source:** Rekha R. Gaonkar (2004): "Working and Impact of Self Help Groups in Goa". *Indian Journal of Agricultural Economics*. Vol. 56 (3), P. 485 July-Sept. 2004.

²⁶ **Source:** Sultana, Muneer 2005 "Women Empowerment through Self Help Groups; with reference to Vikarabad Mandal of Ranga Reddy district in Andhra Pradesh" *Small Enterprises Development, Management & Extension Journal* (2005), Sep. Vol-32(33). PP 25-34.

²⁷ **Source:** Ananta Basudev Sahu & Sandhya Rami Das (2007). Women Empowerment through Self Help Groups- A Case Study, Seminar on Gender Issues and Empowerment of Women. Retrieved 12-1-2009.

²⁸ **Source:** Chikkarangaswamy (2009) "Self Help Groups and it's impact on Economic Empowerment of Women:- A Study of Mysore District".

²⁹ **Source:** Arora. Sangeeta & Meenu (2011) "Women Empowerment through Micro Finance Intervention in the commercial Banks- An Empirical Study in the Rural India with Reference to the State of Punjab".

districts of Punjab namely Amritsar, Jalandhar and Ludhiana. The study found that there was good saving habits among females and maximum number of respondents was having their saving bank accounts and post office savings. **Sardagi (2012)**³⁰ explained that Self Help Groups (SHGs) has been potential source to empower the women. The study analyzed that SHG-Bank Linkage has emerged as popular means of assisting the poorest of the poor in Karnataka. The study concluded that women empowerment aimed at enabling them to realize their identities, potentially and power them in all spheres of their lives.

Sarangi (2007)³¹ carried out a study in Betul and Sehore district of Madhya Pradesh on SHGs. The study analyzed that the main purpose of members to join the SHG was to avail credit for income generation besides fulfilling consumption needs. He also stated that dependency ratio and education level had negative effect on participation of members in the groups. Sahu (2010) in his study pointed out that only 33 percent SHGs were having more than 50 percent BPL category members whereas about 18 percent SHGs did not have even members from BPL category, which implied that micro finance programme is shifting its focus from poor to non-poor. According to his findings, respondents have cited a variety of reasons for joining SHGs. The most important one is for saving and credit (36 percent), followed by to get loans in need at low interest rate (23.55 percent), and influenced by SHPI (9 percent).

Anjugam and Ramasamy (2007)³² conducted a study in Tamilnadu. The study concluded that landless and marginal farm households and socially backward households participated more in the SHGs. In addition, households having informal borrowings have been found to have higher priority to the group formation.

Study conducted by **EDA Rural System and APMAS (2006)**³³ in Andhra Pradesh, Karnataka, Odisha and Rajasthan cited that about 51 percent of the SHG members were from BPL while another 32 percent were in borderline. About 38 percent members worked as casual labourers, 29 percent work in own agriculture and 17 percent were engaged in non-farm enterprise. In addition, study also concluded that the dropout rate

³⁰ **Source:** Sardagi, S. S. (2012). Women Empowerment through SHGs, Indian Streams Rs. Journal, II (2): 1-4.

³¹ **Source:** Sarangi, Niranjana (2007), Research Paper on "Micro Finance and the Rural Poor: Impact Assessment Based on Field Work in Madhya Pradesh, India". Paper Presented in Delhi School of Economics, Delhi, 6-8 February 2007.

³² **Source:** M. Anjugam and C. Ramaswamy (2007), Determinants of Women Participation in Self Help Group Led Micro Finance Programme in Tamilnadu" Agricultural Economics Research Review, Vol. 2, Issue 2, 2007.

³³ **Source:** EDA Rural System & APMAS (2006). "Self Help Groups in India- A Study of the light and Dark Sides".

from the SHGs was under 10 percent of membership and almost 50 percent of the SHGs had no dropout. Migration for employment outside the village and financial difficulties especially in making regular savings deposits in the main reason for dropout.

Borbora and Mahanta (2001)³⁴ conducted a study in Assam on the performance of SHGs on micro-credit. The study concluded that annual savings per member ranged from Rs. 240 to Rs. 325 and overall recovery rate was 90.92 percent. Minimum internal loan was Rs. 75 and maximum cumulative was Rs. 275. Ninety six percent of the total members received loan from credit and saving programme and 28.89 percent members started earning Rs. 15 to 30 per day after receiving loan.

According to Rao (2009)³⁵ study in Assam, the groups have retained over three-fourths of the total savings (about 20 lakh) with bank and earned about Rs. 15 lakh as interest income. In addition, groups have accessed about Rs. 26.9 lakh as grants and subsidies and over Rs. 58.9 lakh as external loans. However, banks retained over 80 percent of loan outstanding amounts in saving accounts and as fixed deposits.

Despite of being successful SHG-BLP, there are still disparities in the programme in its level of progress across different regions particularly between North East Region (NER) and Southern Region (SR) of the country. The programme remains concentrated in the southern states of India. The SHGs-BLP has been operating in India since 1992-93, but has gained momentum only since 1997-98. Right from the inception, the programme has been a major success in South India (Bansal, 2003). It shows a spatial preference especially for the southern region- Andhra Pradesh, Tamilnadu, Kerala and Karnataka (**Fouillet and Augsburg, 2007**)³⁶. The southern region accounts for 65 percent the SHGs linked and over 75 percent of the amount disbursed (**Basu and Srivastava, 2005**)³⁷.

³⁴ **Source:** Barbara S, Mahanta. R (2001). Micro Finance through Self Help Groups and its Impact:- A Case of Rashtriya Gramina Vikash Nidhi- Credit and Saving Programme in Assam. Indian Journal Agricultural Economics. (56 (3): 43-51.

³⁵ **Source:** Rao. Bhaskar. C (2009). "Quality and Sustainability of SHGs in Assam" APMS, Hyderabad, September 2009.

³⁶ **Source:** Fouillet, Cyril and Britta Augs Burg, 2007. "Spread of the SHG Bank Linkage Programme in India". International Conference on Rural Finance Research: moving Results, held by FAO and IFAD, March 19-21, Rome, Italy.

³⁷ **Source:** Basu. P & Srivastava, P. (2005). Exploring Possibilities: Micro Finance and Rural Credit Access for the Poor in India. Economic and Political Weekly, 40 (17): 1747-1756.

A study conducted by FWWBs (Friends of Women's World Banking) reported that majority of households (93 percent) save their money with the SHGs followed by 47 percent considered the liquid cash kept at their residence as saving and 26 percent of the households have been saving in Marpus. The traditional rotational saving groups found widely in the region. Only 13 percent of the households have accessed the services of banking in savings. Study findings also shows that 39 percent saved money lies in liquid form with the clients houses, bank, though accessed by a fewer household account for 36 percent of all savings. Both SHGs and Marpus claims only small shares of savings despite having large share in out reach.

CHAPTER – 3

STUDY AREA CHARACTERISTICS

3.1 SUMMARY INSIGHT:

Northern Eastern Region is composed of eight states Assam, Manipur, Meghalaya, Arunachal Pradesh, Mizoram, Nagaland and Sikkim. This study has been conducted only in 6 states except Assam and Arunachal Pradesh. Though the NER are often characterized as one geographical area with similar traits, each has distinct physical features, diverse social and cultural practices and varying economic levels. Despite being rich in natural resources, NER lags far behind the rest of the country in infrastructure and economic development. The economy of NER continues to remain primarily agrarian, where more than 75 percent of the workforce is engaged in the agricultural sector. The area is primarily a subsistence economy; however, with increased mobility and exposure to open market, the cash economy is increasingly gaining importance.

An attempt in this chapter has been made to present the profile of study states with respect to geographical, socio-cultural, infrastructure and major economic activities and livelihood options. Assessment and analysis of these variables of the study states will provide an insight to understand the various aspects of the study in in-depth and to collate the findings of the study with justification.

3.2 GEOGRAPHICAL CHARACTERISTICS:

3.2.1 Manipur:

Manipur with a geographical area of 22,327 sq. KM. lies in the extreme northeastern part of the country. The state has international boundary of about 355 KM with Myanmar in the east and remaining 402 KM of boundary is shared with Nagaland, Assam and Mizoram in the North West and south respectively. The state lies between 93 degree 20' E to 94 degree 47'E of longitude and 23 degree 5' N to 25 degree 4' latitude. The state has nine districts of which four lie in valley and five in hilly area. Physiographically, Manipur may be characterized into distinct physical region an outlying area of rugged hills and narrow valeys and the inner area represents the feature of flat plain topography with all associated landforms. The two areas are not only distinct in respect of physical features but are also conspicuous about various floras and faunas. The valley stretches about 60 KMs north to south and 32 KM east to west. The hilly areas constitute about 90 percent of the total geographical area.

3.2.2 Mizoram:

Mizoram is a land locked state in North-East India whose southern part shares 722 KM long international borders with Myanmar and Bangladesh and northern part share domestic borders with Manipur, Assam and Tripura. It is fifth smallest state of India with 21,087 KM² areas. It extends from 21⁰56'N to 24⁰31'N and 92⁰16'E to 93⁰26'E. Mizoram is a land of rolling hills, valleys, rivers and lakes. There are three autonomous district councils for ethnic tribes Mizoram, namely Chakma Autonomous District Council, Lai Autonomous District Council and Mara Autonomous District Council. There are eight districts in the state.

3.2.3 Meghalaya:

The state of Meghalaya is mountainous, with stretches of valley and highland plateaus. State covers an area of approximately 22,430 square kilometers. The state is bounded to the south and west by Bangladesh and to the east by Assam. The state is wettest region of India, recording an average of 12000 MM rains a year. About 70 percent of the state is forested. The elevation of the plateau ranges between 150 meter to 1961 meter. The highest point in Meghalaya is Shillong Peak. The Meghalaya forests are considered to be among the richest botanical habitats of Asia. State has currently 11 districts of which 2 falls under Jaintia division, 4 in Khashi and 5 in Garo Hills.

3.2.4 Nagaland:

Nagaland borders the state of Assam to the West, Arunachal Pradesh and part of Assam to the north, Burma to east and Manipur to the south. The state capital is Kohima and largest city is Dimapur. It has an area of 16,579 square kilometers. Nagaland is largely a mountainous state. State has a largely monsoon climate with high humidity levels. Annual rainfall averages around 70-100 inches, concentrated in the months of May to September. About one-sixth of Nagaland is covered by tropical and subtropical evergreen forests including palms, bamboo, and rattan as well as timber and mahogany forests. There are total of 11 districts in the state. The major urban centers of Nagaland include Dimapur & Kohima. There are five urban agglomeration areas with population of more than 40,000 in the state.

3.2.5 Sikkim:

The state is located on the foothills of Eastern Himalayas between latitude of 27 degree 49" and 28 degree 10" north and the longitudes of 88 degree 28" and 88 degree 55" east. It is a very small state in the Eastern Himalays, extending approximately 115 KMs from North to south and 65 KMs from east to west, surrounded by Vast stretches of Tibetan Plateau in the North, Chumbi valley of Tibet and the Kingdom of Bhutan in the east, Darjeeling district of West Bengal in the south and the kingdom of Nepal in the West. The total geographical area of the state is 7096 sq. KM divided into four district- East Sikkim, West Sikkim, North Sikkim and South Sikkim and the headquarter is Gangtok. These four districts are further divided into subdivisions. There are 28 administrative blocks and 166 Gram Panchayats units administering 989 Gram Panchayat wards. The forest regions of the state exhibit a diverse range of fauna and flora and has wide variety of plants, from tropical species to temperate. Nearly 81 percent of the area of Sikkim comes under the administration of its forest department.

3.2.6 Tripura:

Tripura is one of the seven states in the northeastern part of India located between 22 degree and 56 minutes and 24 degree and 32 minutes north latitude and between 90 degree and 09 minutes and 92 degree and 20 minutes east latitude. It is bounded on the north, west, south and southeast by Bangladesh for a distance of 856 KM whereas in the east it has a common boundary with Assam and Mizoram for a distance of 53 KM and 109 KM respectively.

Tripura's physical feature differs from the north to south. It is land of high hills, hillocks and interspersed with river valleys. Tripura receives an average rainfall of 2100 MM. Due to sufficient and well distributed rainfall, the state has an ideal composition of land mass and water that houses a large variety of flora and fauna. The government has recognized the administrative units in 2012 by creating four new districts, six new sub-divisions and five new blocks, in order to further decentralize the administration for better and effective delivery of services and implementation of development programme. At present state has 8 districts, 23 sub-divisions, 58 blocks and one TAADC (Tripura Areas Autonomous District Council) created under the sixth schedule of the constitution.

3.3 SOCIO-CULTURAL AND DEMOGRAPHIC CHARACTERISTICS:

3.3.1 Manipur:

The population of Manipur as per 2011 census was **27.21 lakh** which constitute nearly 0.23 percent of the total population of India, while geographical area is only 0.7 percent of India. The hill district numbering 5 and covering 90 percent of the state area accounts for 41.20 percent while the valley covering only 10 percent of the total state area accounts for 58.90 percent of the total population. The density of population is 107 persons per square KM whereas it is as high as 629 persons per square KM in the valley.

Manipur is inhabited by three major ethnic groups the Maitei, in the valley and Nagas and Kukichin tribes in the hills. Maitei Muslims form a third community. People are predominantly Mangoloid and speak Tibetan-Burmese languages. English is the official language and also the languages of doing business. There are 33 schedule tribes in Manipur, some of them are Aimol, Anal, Angami, Chiru, Chothee, Gangte, Hmar and Kabui etc. They lived mostly in the hill district of Manipur. According to 2011 Census, the Scheudled Tribes population was 7.41 lakh. There are 29 dialects spoken in Manipur. The six main hill dialects recognized by Govt. of Manipur for the medium of instruction and examination upto class XII. About 41.3 percent of Manipur people are Hindus. Hinduism is mostly professed by Maitei people. However, a large minority of Maitei people practices sanamahism and Christianity.

3.3.2 Mizoram:

The great majority of Mizoram's population consists of several ethnic tribes. These ethnic groups are collectively known as Mizos. Some important tribes of the state are Kukis, Lusheri, Paite, Lai, Mara, Hmar, Thadou, Ralte and several others. These tribes are divided into numerous clans and these clans are further subdivided into sub clans. According to 2011, Mizoram has a population of 10.91 lakh with 5.52 lakh males and 5.38 lakh females. The sex ratio of the state is 976 females per thousand males higher than the national average 940. The density of population is 52 persons per square KM. The literacy rate of Mizoram in 2011 was 91.33 percent higher than the national average 74.04 percent. About 52 percent Mizoram population lives in urban areas, much higher than India's average.

Mizo is the official language and the most widely used language for verbal interactions but English, being important for education and administration. The major languages spoken as per census 2011 are Mizo followed by Chakma, Lakher, pawl, Tripuri, Hmar, Paite etc. The majority of Mizos are Christians followed by Buddhist and Hindu.

3.3.3 Meghalaya:

Meghalaya's population has been growing at an increasing rate, which is higher than national average. As per the census 2011 state has a population of **29.64** lakh. Population density of the state was also reported as high as 130.5 person sq. KM. As in any hilly region, population density varies tremendously across the state from 241 persons per square KM in the East Khasi Hills to only 54 in the South Garo Hills. The capital Shillong is located in the East Khasi Hills, the most densely populated.

It's ethnically diverse population is 85.9 percent tribal, mainly comprising people from the Khasi and Garo Tribes. The Khasis are the dominant group, constituting more than half (56.4 percent) the total population of the state followed by the garos (34.6 percent), so that the two groups together account for 91 percent of the total tribal population of Meghalaya. The other main tribal groups are the Hajong (1.6 percent), Raba (1.4 percent) and Koch (1.1 percent) followed by smaller tribal groups like the Man, Dimasa, Chakma, Pawl and Lakher.

The state is predominantly rural, with over 80 percent of its population living in the countryside. Here the East Khasi Hills district is again an outlier, with only 58 percent of it's population in the rural areas compared to all the other districts, which have over 88 percent rural based population.

Meghalaya's literacy rate is 75.48 percent, which is margin above the national literacy rate of 74.04 percent. Male literacy rate is 77.17 percent whereas female literacy rate is 73.78 percent in 2011 census. There is considerable variation in literacy rate across the districts, with rates ranging from low of 63.26 percent in Jaintia Hills and 68.38 percent in West garo Hills to 84.7 percent in East Khasi Hills. Overall, rural and urban literacy rate as per 2011 census is 57 and 87.12 percent respectively.

3.3.4 Nagaland:

The population of the state is nearly two million people, of which 1.04 million are males and 0.95 million females. Among its various districts, Dimapur has the largest population (3.79 lakh) followed by Kohima (2.70 Lakh). The least populated district is Longleng (50.9 thousand). Seventy five percent of the population lives in the rural areas. As of 2013, about 10 percent of rural population is below the poverty line, among the people living in urban areas 4.3 percent of them are below the poverty line. English is the official language of the state. The major languages spoken as per 2001 census are Konyak, Lotha, Angami, Phom and Sema etc. 88 percent of the state population follow the Christianity. Among Christians, Baptist have contributed more than 75 percent of the state population. Hinduism, Islam and Jainism are also found in Nagaland. These religions are in minority in the state. Traditional tribe related festivals revolve around agriculture, as vast majority of population of Nagaland is directly depended on agriculture. Literacy rate of the state is 80 percent. Majority of the population in the state speaks English.

3.3.5 Sikkim:

Sikkim is India's least populous state, with 6.10 lakh population according to 2011 census. The population density of the state is 86 persons per square KM (2011 census). The sex ratio is 889 females/ 1000 males. Nepali is the major language of Sikkim, while Sikkimese (Bhutia) and Lepcha are spoken in certain areas. English is also spoken and understood in certain areas. The rural population constitutes 74.85 percent whereas urban population constitutes 25.15 percent. Scheduled caste share in total population is 4.63 percent whereas scheduled Tribe share stands upto 33.8 percent of the total population. The majority of Sikkim's residents are of Nepali ethnic origin. The native Sikkimese consists of the Bhutias. Tibetan resides mostly in the northern and eastern reaches of the state. Migrant resident communities include Biharis, Bengalis and Marwaris, who are prominent in commerce in South Sikkim and in Gangtok. Hinduism is the state's major religion and is practiced mainly by ethnic Nepalis. Almost 58 percent of the total population of the state are happened to be followers of Hinduism followed by Buddhism with 27 percent followers.

3.3.6 Tripura:

Tripura ranks second only to Assam as the most populous state. The state has a population of 3,671,032 with 1,871,867 males and 1,799,165 females. The sex ratio of the state is 961 females per thousand males higher than the national ratio 940. The literacy rate of Tripura in 2011 was 87.75 percent higher than the national average 74.04 percent. In the 2001 census of India, Bengalis represented almost 70 percent of Tripura's population while the Tripuri population amounted to 30 percent. The state's "scheduled tribes" historically disadvantaged groups of people consist of 19 ethnic groups and many subgroups with diverse languages and cultures. In 2011, the largest such group was the Kokborok (17.1 percent) followed by Reang (16.6 percent), Jamatia (7.5 percent), Chakma (6.5 percent), Halam (4.8 percent), Mog (3.1 percent) and Munda (1.2 percent).

3.4 ECONOMIC ACTIVITIES CHARACTERISTICS:

3.4.1 Manipur:

State economy is primarily based on agriculture, forestry, cottage and on trade. Manipur acts as India's "Gateway to the East" through Moreh and tamu, the land route for trade between India and Burma and other South Asian countries. State has the highest number of handicrafts units and the highest number of crafts persons in the northeastern region of India. Traditionally, people in the hills cultivate on high slopes and abandon the plots after few years in the practice of Jamming of shifting cultivation. Arable land is by and large marginal and hence agriculture had persistently been on subsistence level in Manipur. Agriculture being the main occupation of the people of Manipur, it has an important place in the economy of the state. Agriculture sector contributed major share to the total state domestic product and provides employment to about 62.25 percent of the total workers in Manipur. Agriculture is however, of subsistence type without any diversification. In some places double cropping is also carried out. The main crops grown are paddy, sugarcane, pulses and potato.

State has vast potential for commercial plantation of various horticulture crops gifted with suitable agro-climatic conditions. State is home to various food and cash crops, fruits and vegetables. The cultivation of horticulture crops is by and large practiced as non

commercial enterprises by farmers in their homestead and orchard, it hardly helps in development of proper market of horticultural crops.

The animal husbandary is another main livelihood of the people in Manipur as majority of population is non-vegetarians. The state has predominance in cattle and poultry birds. Manipur is traditionally famous for its cottage industries especially in spinning and weaving. State has also vast potential of fisheries resources comprising ponds, tanks, natural lakes, marshy area and low-lying paddy fields.

3.4.2 Mizoram:

The biggest contribution to state's GSDP growth are agriculture, public administration and construction work. As of 2013, according to the Reserve Bank of India, 20.4 percent of total state population is below poverty line. Rural poverty is significantly higher in Mizoram with 35.4 percent below the poverty line. Mizoram has highly literate workforce. Between 55 to 60 percent of the working population of the state is annually deployed on agriculture. Agriculture has traditionally been a subsistence profession in Mizoram.

It is seen as a means for generate food for one's family, ignoring its potential for commerce, growth and prosperity. In horticulture and floriculture, Mizoram is significant producer and global exporter of Anthurium and roses. It is also significant producer and domestic supplier of banana, ginger, turmeric, and passion fruit. Mizoram is one of the leading producers of bamboo in India, has 27 species of bamboo and supplies 14 percent of India's commercial bamboo. Sericulture is an important handicraft industry engaged by nearly 8000 families in over 300 Mizo villages. Mizoram faces difficulties in the advancement of industries. Lack of transport infrastructure is one of the major drawbacks. Other problems faced by the state include shortage of electricity, capital, telecommunication and export market access.

3.4.3 Meghalaya:

An overwhelming proportion of Meghalaya's population depends on agriculture for its livelihood, but a large majority of the people engaged in agriculture have substance living. While 79.9 percent of the population resides in rural areas of the state, income generated from the primary sector as whole in 2010-11 was just about 17 percent, with the secondary and tertiary sectors contributing 31.4 percent and 51.6 percent, respectively. As per the estimate of Meghalaya government's on poverty, there is 48 percent population who falls in poverty. An important reason for the persistence of high

poverty is that in rural areas of the state, there are few employment and income generating opportunities, poor linkages with markets and low productivity arising from shifting cultivation and traditional methods of cultivation. The slow pace of industrialization and limited capacity of the population to engage in productive economic activities has resulted in a high rate of unemployment and under employment, especially among young people.

3.4.4 Nagaland:

Most of the state's population, about 68 percent of the total, depends on rural cultivation. The main crops of the state are rice, millet, maize and pulses. Cash crops, like sugarcane and potato, are also grown in some parts. Plantation crops such as premium coffee, cardamom and tea are grown in hilly areas in small quantities, but a large growth potential. Most people cultivate rice, as it is the main staple diet of the people. About 80 percent of the cropped area is dedicated to rice. Oil seeds is another higher income crop gaining ground in Nagaland. Jhum and Terraced cultivation farming are practiced in the state by majority of the population. The state does not produce enough food and depends on trade of food from others states of India.

Forestry is also an important source of income. Cottage industries such as weaving, woodwork and pottery are also an important source of revenue. Tourism has a lot potential, but largely limited due to insurgency and concern of violence over the last more than five decades.

3.4.5 Sikkim:

The economy of Sikkim is linked with agriculture that serves as source of livelihood and economic security of sizeable native population. Due to low production and productivity in Sikkim, which is lower than both the regional and national average for all major field crops. Agriculture is practiced on terrace fields that have been laboriously created from step hillsides. Distribution of operational holding depicts a skewed pattern in the state. As per the Agricultural Census of 2010-11, the state had 73,426 farm holding. Small and marginal holdings accounted for 77 percent of the total number of holdings while occupying only 33 percent of the total area. The average of a holding of marginal and small farmers being only 0.90 hectare. Sikkim economy is largely agrarian, based on the terraced farming and the cultivation of crops such as maize, millet, wheat, oranges, tea and cardmom.

Ginger is cultivated widely in Sikkim and it is one of the most important cash crops especially for marginal and small farmers. Apart from large cardmom, ginger and turmeric which are the principal cash crops, mandarin orange, guava, mango are the other principal fruit crops grown in abundance. Ecotourism has emerged as an important economic activity in the region, which includes trekking, mountaineering and river rafting.

3.4.6 Tripura:

Tripura is an agrarian state with more than half of the population dependent on agriculture and allied activities. However, due to hilly terrain and forest cover, only 27 percent of the land is available for cultivation. Rice, the major crop of the state, is cultivated in 91 percent of the cropped area. According to the Directorate of Economics & Statistics, Potato, Sugarcane, Mesta, Pulses and Jute were the major crops cultivated in the state. Jackfruit and pineapple top the list of horticulture products. Traditionally, most of the indigenous population practiced Jhum method of cultivation.

Pisciculture has made significant advances in the state. Rubber and Tea are the important cash crop of the state. Tripura ranks second only to Kerala in the production of natural rubber in the country. The state is known for its handicraft particularly hand-woven cotton fabric, woodcarving and bamboo products. High quality timber including sal, garjan, teak and gamar are found abundantly in the forests of Tripura. Tata Trusts signed a pact with Govt. of Tripura in July 2015 to improve fisheries and dairy in the state. The industrial sector of the state continues to be highly under developed brickfields and tea industries are the only two organized sector. Tripura has considerable reservoirs of natural gas. Tourism industry in the state is growing.

The economy of Tripura can be characterized by high rate of poverty, low capital formation, inadequate infrastructure facility, geographical isolation and communication bottlenecks, inadequate exploration and use of forest and mineral resources, slow industrialization and high unemployment. More than 50 percent population depends on agriculture for sustaining their livelihood. However, agriculture and allied activities to Gross State Domestic Production (GSDP) is only 23 percent; this is primarily because of low capital base in the sector.

3.5 INFRASTRUCTURE AND COMMUNICATION CHARACTERISTICS:

3.5.1 Manipur:

Development process and progress of a state depends upon the geo-economic background of the area. Among the infrastructures, transport and communication are of prime importance. Manipur state is one of the most backward states. It is because of the fact that the minimum requirements of transport and communication facilities are not yet attained in the state. As a result, almost the whole of the state and more specifically hill districts are the worst affected areas. There are three National Highways in Manipur named NH-39, NH-53 and NH-150. National highways 39, is the lifeline of the state, which connect it with rest of the country. The national highways covering 967 KMs constituted 11.8 percent of total road length and state highway constitute for 7.72 percent. The state has a total road length of 8648 KM, of which surfaced roads cover 4573 KM and unsurfaced roads, 4075 KMs. The road density of the state is 45 KM compared to all India 62 KMs. Since transport is the only means available, cost of incoming/ outgoing goods is naturally high. This problem is further compounded by imposition of various legal and illegal taxes throughout the NHs. Ahead to transport system, the communication system comprises postal services, telegraph services and telephone and mobile services. Over the years, the state witnessed a steady growth in communication system. BSNL is the major service provider in the state. Major marketing centers are concentrated in Imphal city. The others though small in size are Thoubal, Kakching, Churachanpur, Bishnupur, Moirang and Moreh a border town trade center.

3.5.2 Mizoram:

Mizoram had a road network of around 8500 KM including in-surfaced village's roads to surfaced national highways. State has 871 KM of national highways, 1663 KM of state highways and 2320 KM of surfaced district roads. Total 59 percent villages are connected by all weather roads. There is a rail link at Bairabi but it is primarily for good traffic. Print journalism remains a popular news medium in Mizoram i.e. Vanglaini and the Zoram Times. Private television cable channels are popular besides Doordarshan. Mizoram is not self sufficient in power. The hydroelectric power potential of Mizoram was assessed to be about 4500 MW, if half of this is realized, the state could supply all its citizen and industry with 24/7 electricity, as well as earn income from India's National grid. The topography of Mizoram hydroelectric resources is ideal for power projects.

3.5.3 Meghalaya:

Meghalaya has a road network of around 7633 KM, out of which 3691 KM is black topped and remaining 3942 KM is graveled. Meghalaya is also connected to Silchar in Assam, Aizawl in Mizoram and Agartalla in Tripura through national highways. The state of Meghalaya has vast potential in generation of hydel power however there is shortage of electricity and substantial numbers of villages have not been even electrified. In the state of Meghalaya, railway transportation is yet to be improved. Today, constrained connectivity, abysmal infrastructure, low productivity and limited access to border market, thus posing difficulties in sustaining high growth.

3.5.4 Nagaland:

The railway network in the state is minimal. Broad gauge lines run 12.84 KM, National Highway roads run for 365 KM whereas state roads are for 1095 KM distance. Road is the backbone of Nagaland's transportation network. The state also has over 15000 KM of surfaced roads but these are not satisfactory maintained given the weather damage. In terms of population served for each kilometer of surfaced road, state is second best state in the region after Arunachal Pradesh.

State is deficit in terms of generation of electricity and this phenomenon compels state to buy the electricity from national grid. The state has significant hydroelectric potential, which if realized could make the state a power surplus state. In terms of power distribution, every village and town, and almost every household has an electricity connection.

3.5.5 Sikkim:

Sikkim roads are maintained by the Border Road Organization- an offshoot of the Indian Army. The roads in southern Sikkim are in relatively good condition, landslides being less frequent in this region. The state government maintains 1857 KM of roads that do not fall under BROs Jurisdiction. State has 100 percent rural electrification. The southern urban areas of Sikkim have English, Nepali and Hindi daily newspaper. Important local dailies and weeklies include Hamro Prajashakti, Himalayan Mirror, The Samy Dainik, Sikkim Express and Sikkim Now. The Sikkim Herralid is an official weekly publication of the Government.

3.5.6 Tripura:

Only one major road, the National Highway 44 (NH-44), connects Tripura to the rest of India is often called the lifeline of Tripura. However, the highway is single lane and of poor quality, often landslides, rains or other disruptions on the highway cut the state off from its neighbors. A hilly and land locked state, Tripura is dependent mostly on roads for transport. Residents in rural areas frequently use waterways as mode of transport. The total length of roads in the state is 16,931 KM of which national highways constitute 448 KM and state highways (689 KM). Rail transport was absent in the state until 2008-09 when a rail connection was established between the capital Agartalla and Lumding Junction in Assam. As of 2009-10, the total length of railways track in the state is 153 KM.

As of 2014, 56 daily and weekly newspapers are published in Tripura. Most of the newspapers are published in Bengali, except for one Kokborik daily (Hachukni Kok), one Manipur weekly (Marup) ,two English dailies and three bilingual weeklies. Most of the major Indian telecommunication companies are present in the state.

3.6 BANKING:

3.6.1 Manipur:

As on 31st March 2013, organizational structure of banking sector in the state comprises 17 commercial banks, one RRB, one SCB and few other co-operative banks, with a branch network of 133. Of these, 87 branches are concentrated in the four valley districts, of which as many as 45 branches are in Imphal west district alone. The Manipur Rural Bank, only RRB in the state has 28 branches, of which 8 are nonfunctional. Manipur SCB's network comprises 10 branches- 5 rural, 3 semi-urban and 2 urban. Other banks are in the co-operative fold account for 10 branches. The per branch population is 20,464 as against national average of 15000.

3.6.2 Mizoram:

State has 25 banks (22 scheduled commercial banks, one each of Regional Rural Bank/ State Cooperative Bank/ Urban Cooperative Bank) are extending financial services to the state through their 154 branches as on March 2014. Rural and semi urban branches are 63 and 40 respectively. The banks have covered all the villages having population of 5000 and above and 2000 and above.

3.6.3 Meghalaya:

The banking network in the state, as on 31st March 2014 comprised of 29 commercial banks (22 public sector commercial banks and 7 private sector commercial bank), Meghalaya Rural Bank, Meghalaya Cooperative Apex Bank Ltd. and State Cooperative Urban Bank. Banking services in the state are provided through a network of 359 branches of which 261 branches (72.7 percent) comprised rural/ semi urban branches. Branch network increased from 319 as on 31st March 2013 to 359 on 31st March 2014. The number of household per branch thus improved from 1718 as on 31st March 2013 to 1527 as on 31st March 2014.

3.6.4 Nagaland:

State has 24 nationalized scheduled banks along with 146 branches besides regional rural banks and co-operative banks. The major banks in the state include SBI, Cooperative banks, regional bank, UBI and Bank of Baroda. Micro financial institutions in the state are very active.

3.6.5 Sikkim:

Sikkim has a network of 31 commercial banks (22 public sector banks and 8 private sector banks) and 1 state co-operative banks. As on 30 September 2015, the total number of branches was 136 comprising 102 rural and 34 semi urban branches. Besides, there is an exclusive bank namely State Bank of Sikkim, which is not governed under BR Act 1949. The population per bank branch is 4490. The public sector banks continue to have the higher share in the deposit followed by private sector banks. The quantum of deposit continue to show an increasing trend. Overall deposit growth reduced from 11.08 percent in 2013-14 to 3.3 percent in 2014-15.

3.6.6 Tripura:

Tripura, like other North-Eastern States, historically had an under developed banking infrastructure. In 1956, when Tripura became a Union Territory, it had only two bank offices and a population of 3,00,000 persons per bank office. In 1961, the number of bank offices in the state had increased to four and the population per bank office had come down marginally with the adoption of the policy of social and development banking after bank nationalization, there was a district expansion of banking infrastructure in Tripura. In 1975, the population per bank branch in the state had declined to 77,900 persons. The spread of banking continued to increase thereafter and by 1990, Tripura had a population per bank branch of 17,900 persons. However, even after such an expansion in banking, the average spread of banking in Tripura continued to be much below the All India average. When compared with the average for the Northeastern region as a whole, however, the spread of banking in Tripura was better. The expansion in banking network in Tripura since the 1970s was attributable to public sector banks. After the establishment of Regional Rural Banks (RRBs) in 1974, this institution emerged as another important source of banking in the state.

CHAPTER – 4

KEY STAKEHOLDERS IN SHG's PROMOTION AND PROGRESS STATUS OF SHG-BLP IN NE STATES

4.1 SUMMARY INSIGHT:

There is no definitive date that determine for the actual conception and propagation of SHGs in NER, however the practice of small groups of rural and urban people banding together to form a saving and credit organization is well established in India and in NER too. Researchers believed that the SHG movement started late in NER and is confound by many regional complexities. During 1990's, the government, NABARD and other funding agencies initiated several projects for the promotion of SHGs. Indira Mahila Yojana, Swashakthi, Swayamsidha, Swabalamban, Deep, etc. are the some of the government projects to name in this context. An attempt under this section has been made to assess the promotional efforts made by various stakeholders to promote the SHGs-BLP in the state followed by its progress over the period of time.

4.2 KEY STAKEHOLDERS IN SHGs UNDER VARIOUS PROGRAMME IN NE STATES:

4.2.1 NERLP:

NERLP (North East Rural Livelihood Project) is a central sector project being implemented in NER by covering two districts each in state of Nagaland, Mizoram, Tripura & Sikkim. This project is being implemented by NELP Society. It has three pronged approach i.e. social empowerment, economic empowerment and partnership and linkages. The project mainly banks on the community structure at village level where Community Development Groups (CDGs) have been formed. The number of CDGs in the villages have been formed on the basis of population size and number of households. There are more than one **CDGs** in a village depending on the spread of household size. CDGs have been groomed to formulate comprehensive planning of village development. Another important community institution where the project has focused in the formation of **SHGs** comprising of women. SHGs of the villages have come together to form a village federation. The vision behind establishing a SHGs federation is to promote a selfreliant and a collective women force which works towards financial

independence and social empowerment in a sustainable fashion. SHG federations are acting as a financial intermediaries and service providers facilitating linkage of groups with the banks. Project has also laid emphasis on the formation of youth groups and producer organization. Producer organizations are being encouraged to achieve economies of scale by pooling for marketing, input procurement, knowledge/ technology access etc.

The project's institutional arrangement is designed to plan, implement and monitor the project right from the community level to regional level. Each intervention district has a Project Management Unit and district team that manage the field level implementation through the Project Facilitation Teams (PFTs) setup to covering cluster of villages. Followings are the salient features of the project:-

- ☞ Empowering the most disadvantaged people in the community through building coalitions and their institutions to participate more effectively in the development process.
- ☞ Enabling the target group to take full advantage of the poverty reduction programme of government and other agencies through effective convergent action with local government, line departments and technical agencies.
- ☞ Enhancing saving capacity of the SHGs and increase their access to source of credit through linkages with banks.
- ☞ Providing skill development programmes to village youth and SHGs for gainful employment.

4.2.2 NRLM/SRLM:

As per the guideline of NRLM, the state government have formed states societies. The society is registered under the state specific society registration Act and designated as the nodal agency of the implementation of NRLM in the states. The basic purpose of forming this society is to put in place a dedicated and sensitive support structure from the state level down to sub district level, which focus on building strong and self managed institution of the poor at different level. The status of NRLM/SRLM implementation in the study states has been summarized and presented in the form of table 4.1 given below. Indicators given in table indicate that the implementation of NRLM in the study states is at nascent stage and under progress. Most of the study states have started their work on various indicators like outreach programme, SHGs formulation and revivals, training to

SHGs, social capital formation, disbursement of startup funds, revolving funds, SHG bank linkages programme and identification and training of VOs. Attempt has been made to analyse the few performance indicators of NRLM. It was observed that as on March 2016 there were 23 intensive districts, which covered 33 blocks and 731 villages to start the intensive initiatives under the NRLM. 4460 SHGs were found under NRLM fold by covering all the study states, which really shows a poor progress. Out of these 69 percent were found with possession of saving accounts in the banks. Around 92 percent SHGs under NRLM have been provided to basic training. Only Rs.342 lakh were observed as the saving amount in all SHGs. Around 233 SHGs out of 4460 have been credit linked which shows that only 5 percent SHGs have been credit linked under NRLM as on March 2016. Manipur and Sikkim have shown a poor performance in comparison to others on various performance indicators. State wise performance of SHGs under the NRLM have been presented in Table 4.1:

Table 4.1
Performance of NRLM in Study States (As on March 2016)

SI. No.	Performance Indicators	Meghalaya	Mizoram	Manipur	Nagaland	Sikkim	Tripura	Total
1.	Intensive Districts	7	2	2	9	2	3	23
2.	Intensive Blocks	7	4	4	9	3	6	33
3.	No. of villages where incentive strategy initiated	142	33	20	164	92	280	731
4.	Number of SHGs under NRLM fold	573	786	70	1706	300	1025	4460
5.	Number of SHGs with saving bank account	450	250	10	1706	NA	700	3116
6.	Number of SHGs provided basic training	458	786	70	1706	NA	641	3661
7.	No. of SHGs followed Punch Sutra	573	744	70	1706	NA	1000	4093
8.	Total amount of saving in all SHGs (Lakh)	120	NA	NA	180	NA	42	342
9.	SHGs provided RF	180	703	NA	508	NA	450	1841
10.	Amount of RF (in lakh)	27	89	NA	76.2	NA	56	248
11.	No. of SHGs provided CIF	98	100	NA	908	NA	150	1256
12.	No. of SHGS repaying CIF to VOs	NA	NA	NA	NA	NA	4	4
13.	No. of SHG credit linked (1 st)	21	77	NA	110	NA	25	233
14.	Amount of credit (Lakh)	9.6	61	NA	93.6	NA	15	180

Source: NRLM Data

4.2.3 NERCORMP (North Eastern Region Community Resource Management Project):

The NERCORMP is a rural development project working in three states of Northeast with the overall objective of improving the livelihood of vulnerable groups in sustainable manner through improved management of resources. The project is a joint effort between North Eastern Council, DONER and IFAD. The core thrust of this project lies on community institution building through Natural Resource Management Groups and Self Help Groups. NERCORMPS operates in two districts each in the state of Assam, Manipur and Meghalaya.

This project seeks to bring together the knowledge, expertise and ideologies of the government, IFAD, local civil societies and communities to unleash the potential for development tapped in the backward areas. Project is involved in following activities:-

- Capacity building of local communities and change agents to equip them with decision-making capability.
- Provide avenues to generate livelihood in resource poor households in crops, horticulture, forestry, livestock, fish production and non-farm activities.
- Strengthening the indigenous institutions and institutionalize new conservation practices.

The actual field level intervention begins with community institution building activities of forming Natural Resource Management Groups (NARMGs) and Self Help Groups (SHGs). To catalyse creation of community institution, supplementary capacity building activities and monitoring at village level, the project establishes partnership with local NGOs having strong community presence. Both NARMGs and SHGs are linked with various other institutions such as banks for financial support and proficient project implementation.

In order to give a collective voice to the wider community and to serve as a pressure group for availing development fund from different line departments NARMGs Cluster Associations are formed. 10-15 NARMGs come together to form an association. SHGs federation are also formed of 10 to 15 SHGs in a bid to assist the individual SHGs in capacity building, providing need based credit to individual SHGs and taking up matters of common interest including education, business and setting up of successful cluster enterprises.

4.2.4 Rashtriya Mahila Kosh:

The Rashtriya Mahila Kosh (RMK), established in 1993 is a national level organization as an autonomous body under the aegis of Ministry of Women and Child Development, for socio-economic empowerment of women. RMK provides loans to NGO-MFIs which on lend to SHGs of women. RMK extends micro credit to the women in the informal sector through a client friendly, without collateral and in a hassle-free manner for income generation activities. RMK has taken number of promotional measures to popularize the concept of micro-financing, enterprise development, thrift and credit, formation and strengthening of women-SHGs through intermediary organization in North Eastern Region.

4.2.5 Centre for Microfinance & Livelihood (CML):

CML is a recently formed umbrella organization for capacity building, research, collaborative interventions and policy advocacy in the social sector. CML was established in 2008, under the active support of Tata Social Welfare Trust (TSWT), an affiliate of Sir Dorabji Tata Trust, Mumbai. CML is centrally located in Guwahati, Assam. CML has been formed to provide a platform for resource and capacity building support to social sector in Northeast India.

4.2.6 Rashtriya Grameen Vikas Nidhi (RGVN):

RGVN is non-profit organization founded in April 1990 having its head quarters at Guwahati. RGVN operates in 14 states of the country but its focus is on Northeastern India and most of the programmes are operating in North Eastern Region. RGVN also has a separate microfinance programme of its own called RGVN-Credit and Savings Programme (RGVN-CSP). Apart from other social activities, in microfinance RGVN has supported several smaller organizations through its NGO Support Programme (NGO-SP) and NGO Microfinance Programme (NGO-MF).

4.2.7 Asomi, Guwahati:

Asomi is a leading microfinance institution (MFI), currently operating in the state of Assam. With over 53 branches and 235 employees, Asomi has, just within a space of 9 years, established itself as one of Assam's leading NGO engaged in social transformation. Supported by leading governmental and private finance institutions, such as NABARD, Central Bank of India, Assam Grameen Vikash Bank, IDBI, State Bank of India etc.

4.2.8 Nedan Foundation, Kokrajhar:

Nedan Foundation is an NGO working in the villages of the Northeast India particularly in the Bodoland Territorial Council of Assam. It is trying to strengthen existing livelihoods opportunities in this region through forming groups of weavers in Kokrajhar district of Assam. The NGO is working in the Northeast region particularly at Bodo Territorial Council for alternative livelihoods promotions in weaving sector and helping weavers to get loans from MFIs.

4.2.9 Manab Sewa Sangha, Guwahati:

An NGO working in Northeast India, providing microfinance services to the poor organized into groups. A development organization involved in microfinance activities, is presently working in three districts of Assam- Kamrup, Nalbari and Barpeta. Following the 'group methodology', it is organizing poor women into SHGs and joint Liability Groups.

4.2.10 Youth Volunteers Union Manipur:

A Microfinance organization imparting microfinance services to the poor based in north-east India. They are providing microfinance services to rural and urban poor in the six districts. Recently they expand their microfinance operations in urban areas of Guwahati city in Assam.

4.2.11 Bandhan, Kolkata:

Bandhan is a Micro Finance Institutions working with the poor women through community participation initiatives. Presently, it is working in 29 districts of five states. After looking at the demand potential of microfinance in Northeast India, it has now expanded its operations to Tripura, Assam and Meghalaya. Bandhan was set up to address the dual objective to poverty alleviation and women empowerment.

4.2.12 NABARD:

NABARD being an apex development financial institution with mandate for microfinance and the originator of SHG-Bank Linkage Programme in the country is a key stakeholder for provision of microfinance in Northeast India. NABARD has its regional offices in each of the eight states in North-east India.

4.2.13 SIDBI:

SIDBI being an apex financial institution with significant presence in the Northeast India and being an agency, which spurred the growth of microfinance at national level, becomes a natural stakeholder for catalyzing growth of micro-finance in Northeast India. SIDBI Foundation for Micro Credit (SFMC) provides bulk loans and technical support to Microfinance Institutions in the Northeast region of India including Assam.

4.2.14 Industrial Credit and Investment Centre of India (ICICI Bank):

Bank is providing market loans and capacity building support to NGO-MFIs from North-East India and is developing a strategy to expand operations in North East. ICICI funded SIDBI Foundation for Micro Credit (SFMC), which provides bulk loans and technical support to Microfinance Institutions in the North East region of India including Assam.

4.2.15 North Eastern Development Finance Corporation (NEDFC):

NEDFC was established on August 9, 1995 with its registered office at Guwahati, Assam, NEDFC has been jointly promoted by several financial institutions and after the creation of DoNER, NEDFC has been playing a proactive role by financing MFIs and also organising capacity building programmes for them. NEDFC aims to continue its support to microfinance, which makes it one of the stakeholders.

4.2.16 Friends of Women's World Banking-India (FWWB-I):

FWWB-I was promoted in 1982 by SEWA Bank, as an affiliate of Women's World Banking, a global network created to focus on the need for women's direct access financial services. FWWB-I's mission is to provide financial and capacity building services to organizations promoting livelihoods and self-reliance of poor women. FWWB provides the services like institution building, capacity building, monitoring and assessment services for MFIs, community based organizations and partner organizations.

4.2.17 Commercial Banks and RRBs:

There are several public sector banks, cooperative societies and regional rural banks operating in Northeast India. State Bank of India is the biggest bank in outreach in the region. Nationalized Commercial Bank and other Private sector banks are also now expanding in Northeast. Apart from these banks, RRBs and Cooperative Societies are also key stakeholders in SHG promotion and financing.

4.2.18 International Fund for Agricultural Development (IFAD):

IFAD is providing funding support to Government of India and NGOs for promotion of microfinance and livelihoods programmes in the Northeast. It ran an eight-year Women's development project (January, 1990- December, 1998).

4.2.19 Agricultural and Processed Food Products Export Development Authority, New Delhi:

New Delhi based organization also act as a donor in SHG movement in Notheast India. They develop agricultural commodities and promote their exports in the Northeast region with financial assistance for market, infrastructure and quality development. It extends financial assistance through the group model.

4.2.20 Department For International Development (DFID):

DFID is the largest bilateral donor of development-focused research. DFID supports poverty alleviation and capacity development and will continue to focus on inclusive growth through microfinance, livelihood improvements, and urban reforms over the period 2012-2016 in selected sates of NER, including Bihar, Madhya Pradesh and West Bengal. DFID alos supports the urban basic services component of the Jawaharlal Nehru National Urban Renewal Mission (JNNURM), which is excuted by the Ministry of Housing and Poverty Alleviation. ADB collaborates with DFID in support of capacity development in Kolkata and Madhya Pradesh, with similar collaboration proposed in NER.

4.3 STATUS AND CHARACTERISTICS OF COMMERCIAL BANKS:

Despite nationalization of banks, which led the large-scale expansion of bank branches across the country, it is seen that large areas in the NER are still out side the network. North Eastern Region is the most financially excluded region in the country. The region offers low investment opportunities which is reflected by low credit deposit ratio. As for as direct microfinance is concerned, it is still in its nascent stage. It is largely limited to the state of Assam and some Parts Manipur and Tripura. In the absence of adequate formal financial institution, few indigenous community based institutions operate successfully within the NER.

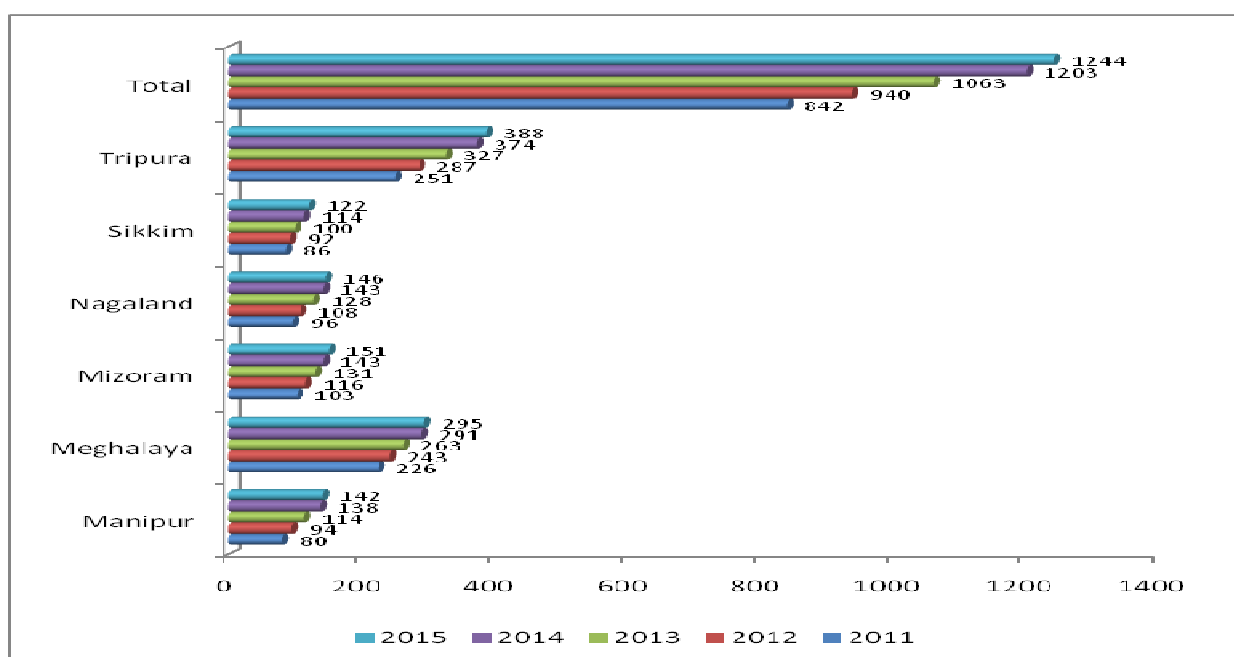
NER excluding Assam and Arunachal Pradesh has a network of 1244 scheduled commercial banks as on 31 March 2015. There is a growth of 47.74 percent in banking network in NER between F.Y. 2011 to 2015. Today a fairly large network of bank branches exists in the region. However, even with this impressive growth over the study reference period, the population served by each bank is not proportionate with that served by bank branches elsewhere in the country. Statistics given in table 4.3 reflect that Tripura has more banking network (388) followed by Meghalaya (295). Sikkim has experienced comparatively poor bank networking among the study states followed by Manipur and Nagaland. Details have been given in below table 4.2.

Table 4.2
Number & Functioning Offices of Commercial Banks

Sl. No.	Years	Manipur	Meghalaya	Mizoram	Nagaland	Sikkim	Tripura	Total
1.	2011	80	226	103	96	86	251	842
2.	2012	94	243	116	108	92	287	940
3.	2013	114	263	131	128	100	327	1063
4.	2014	138	291	143	143	114	374	1203
5.	2015	142	295	151	146	122	388	1244

Source: RBI- Statistical Tables Relating to Banks in India (2014-15)

Figure 4.1
Number and Functioning Offices of Commercial Banks



4.4 STATUS AND PROGRESS OF SHG BANK LINKAGES:

SHGs in the NER have been linked to banks via SHPIs, for opening saving account and for their credit requirement. Thus, there has been two types of linkages i.e. SHGs-Saving Linkages and SHGs Credit Linkages. Generally, banks lend to SHGs after assessing their credit worthiness on parameters such as group discipline, regularity of meetings, savings, rotation of funds, maintenance of books account, group record keeping and repayment of loans etc. An attempt in this section has been made to assess the progress of SHG-BLP in the region with respect to saving and credit linkages of SHGs to banks.

4.4.1 Status and Growth of SHGs Saving Linkages:

Statistics given in Table 4.3 shows that a total of 2,37,253 SHGs were saving linked with banks over five years (2010-11 to 2014-15) in NER excluding Assam and Arunachal Pradesh. As can be seen from Table 4.3 that there were 17,312 SHGs saving linked with the banks in financial year 2010-11 which further went up to 57,627 in FY 2011-12, which shows a net increase of 40,315. Such a sharp increase can be attributed to collective efforts of both SHPIs and Government. Further data shows an absolute decline of 4862 SHGs at saving linkages in FY 2012-13 over previous year. However, there has been slight improvement in the financial year 2014-15 to the tune of 4007 SHGs saving linkage with the banks. Data presented in Table 4.3 reflects a steady progress of SHG-BLP in the region over the study reference period. It appears from the analysis that there is lack of concentrated efforts on the part of SHPIs/NGOs and banks, in mobilizing and motivating SHGs for continuity in thrift and credit. Besides, socio- economic configuration prevailing in the region was also observed as the main cause of steady progress of SHG saving linkages in NER. Below given table 4.4 shows the details of SHGs saving linkages progress in the region over a period five financial years.

Table 4.3
Trends of SHGs Saving Linked to Bank under SHG-BLP over a Period of 5 Years
(in numbers)

Sl. No.	Financial Years	Manipur	Meghalaya	Mizoram	Nagaland	Sikkim	Tripura	Total
1.	2010-11	1361	12047	2854	883	167	N/A	17312
2.	2011-12	2643	13626	2230	826	106	38196	57627
3.	2012-13	1216	8464	2194	460	51	40380	52765
4.	2013-14	1887	7283	2724	454	291	44133	56772
5.	2014-15	1527	4059	1911	626	282	44372	52777
TOTAL		8634	45479	11913	3249	897	167081	237253

Source: SLBC Data

The analysis given in Table 4.3 also depicts comparative performance of SHG saving linkages by states. In comparison, Tripura has shown good performance by saving linking of 1,67,081 SHGs with the banks over a period of five years and followed by Meghalaya with 45,479 SHGs saving linked. The lowest performance with this regard was observed in the states like Sikkim, Manipur and in Nagaland.

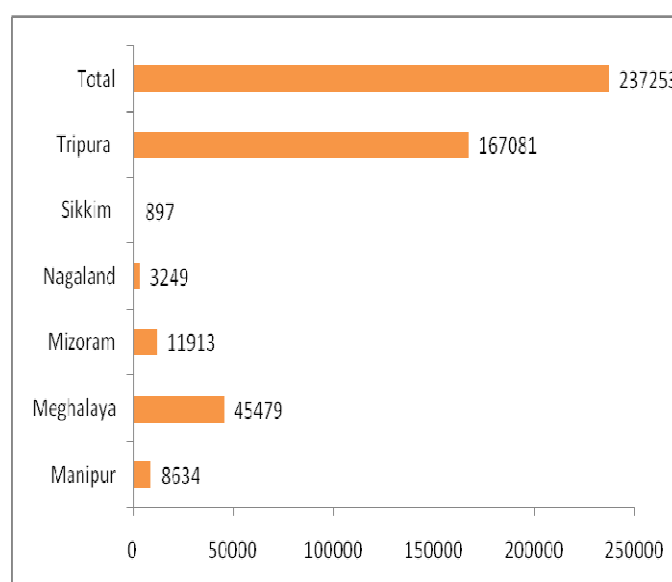


Figure 4.2 - Trends of SHGs Saving Linked to Bank under SHG-BLP 2010-11 to 2014-15 (in numbers)

Further data given in Table 4.4 shows the performance of SHGs saving linkages by agency:

Table 4.4
SHGs Saving Linked with Bank by Agency (in numbers)

Year	Agency	Manipur	Meghalaya	Mizoram	Nagaland	Sikkim	Tripura	Total
2010-11	Commercial Bank	478	7174	283	792	113	N/A	8840
	Regional Rural Bank	389	2382	2035	91	-	N/A	4897
	Co-operative Bank	494	2491	536	0	54	N/A	3575
2011-12	Commercial Bank	1896	8296	28	626	78	13186	24110
	Regional Rural Bank	495	2750	2202	200	-	19112	24759
	Co-operative Bank	252	2580	0	0	28	5898	8758
2012-13	Commercial Bank	743	2805	205	354	36	13718	17861
	Regional Rural Bank	290	2886	1336	106	-	19606	24224
	Co-operative Bank	183	2773	653	0	15	7056	10680
2013-14	Commercial Bank	1281	1092	258	454	142	14112	17339
	Regional Rural Bank	302	3406	1888	0	-	20484	26080
	Co-operative Bank	304	2785	578	0	149	9537	13353
2014-15	Commercial Bank	995	22	36	302	154	13722	15231
	Regional Rural Bank	123	4035	1297	111	-	20661	26227
	Co-operative Bank	409	2	578	213	128	9989	11319
TOTAL		8634	45479	11913	3249	897	167081	237253

Source: SLBC Data

Sl. No.	Name of Bank	Total Numbers	In %
1.	Commercial Bank	83381	35.14
2.	Regional Bank	106187	44.75
3.	Cooperative Bank	47685	20.01
4.	Total	237253	100.0

Figure explains agency wise performance of SHG saving linkages. Here we have seen that RRBs have the largest share of 44.75 percent SHGs saving linkages followed by Commercial banks 35.14 percent and Co cooperative banks with only 20.09 percent share of SHGs saving linkages. Analysis implies about the good performance of RRBs because of its wide spread and state government's instruction towards the SHGs BLP. Similarly, there is need to strengthen the role of commercial and co-operative banks towards the SHG BLP in the NER.

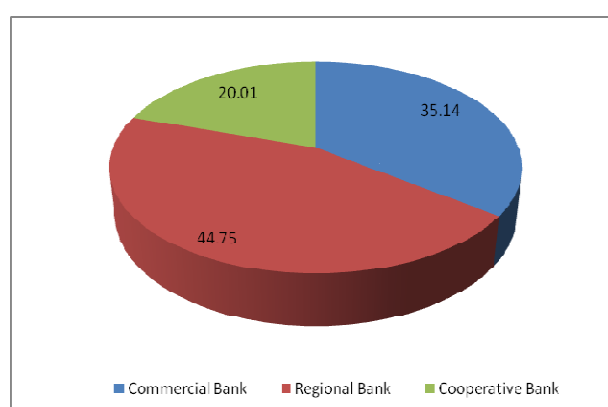


Figure 4.3 - Agency wise Share in Number of SHG Saving Linkages under SHG-BLP (in %)

The saving amount of SHGs through bank linkages shows an increase in 2011-12 over the financial year 2010-11 at the tune of Rs. 4909 lakh and it has further increased by Rs. 308 lakh in FY 2012-13. The collection of saving amounts by banks under SHG BLP in FY year 2014-15 has shown a slight decline of Rs. 914 lakh in comparison to previous year however, an increase of Rs. 353 lakh was observed in FY 2014-15 over the previous financial year. Analysis implies a moderate collection of saving amounts under this programme in the region over a period of five years. The reason behind such a moderate collection may be attributed to the poor socio-economic condition of group members. State wise shares in total saving mobilization has also been presented in the table and it was observed that Tripura has a largest share of around 76 percent followed by Meghalaya (10.8 percent) and Mizoram (7.5 percent). Sikkim has recorded a lowest share of 0.24 percent followed by Manipur and Nagaland.

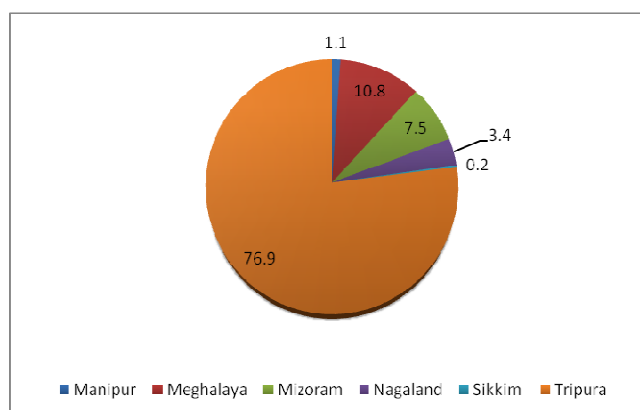


Figure 4.4 - State wise Share of SHG Saving Mobilization (in %)

Table 4.5

SHGs Bank Linked Saving Amounts (in lakh)

Sl. No.	Financial Years	Manipur	Meghalaya	Mizoram	Nagaland	Sikkim	Tripura	Total
1.	2010-11	25.12	1077.48	891.89	518.13	10.14	N/A	2522.76
2.	2011-12	76.43	734.07	507.21	75.50	6.60	6031.81	7431.62
3.	2012-13	64.06	552.89	570.18	317.88	2.10	6232.70	7739.81
4.	2013-14	136.70	522.08	63.94	32.01	30.91	6039.37	6825.01
5.	2014-15	46.38	537.02	338.87	144.99	27.38	6084.15	7178.79
TOTAL		348.69	3423.54	2372.09	1088.51	77.13	24388.03	31697.99

Source: SLBC Data

Sl. No.	Manipur	Meghalaya	Mizoram	Nagaland	Sikkim	Tripura	Total
TOTAL (%)	1.1	10.8	7.5	3.4	0.2	76.9	100.0

Further data given in below table 4.6 shows the agency wise share of saving amounts under the SHGs BLP. Overall, Regional Rural Banks had the highest share of 46.81 percent in total mobilization of saving amounts followed by commercial banks with a share of 44.13 percent.

The co-operative banks have reported the lowest share of only 9.05 percent in total saving mobilization of SHG-BLP. The relative share of the cooperative banks in saving mobilization seems to very poor mainly because of poor setup of co-operative banks networks in the NER.

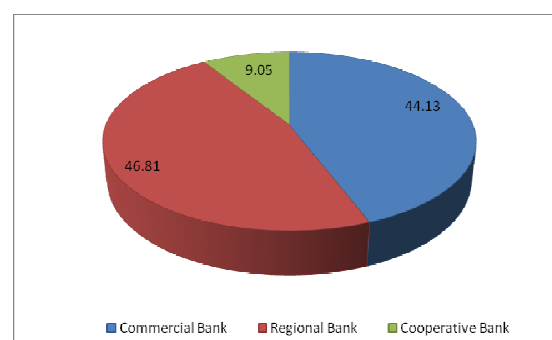


Figure 4.5- Agency wise Share of Saving Amount Mobilization under SHG-BLP (in %)

**Table 4.6
SHGs Saving Linked to Bank by Agency (in lakh)**

Year	Agency	Manipur	Meghalaya	Mizoram	Nagaland	Sikkim	Tripura	Total
2010-11	Commercial Bank	20.24	894	26.02	484.05	4.84	N/A	1429.15
	Regional Rural Bank	2.01	144.92	844.42	34.08	-	N/A	1025.43
	Co-operative Bank	2.87	38.56	21.45	0	5.3	N/A	68.18
2011-12	Commercial Bank	69.52	550.5	0.17	49.98	4.95	2613.39	3288.51
	Regional Rural Bank	3.52	143.16	507.04	25.52	-	2639.08	3318.32
	Co-operative Bank	3.39	40.41	0	0	1.65	779.34	824.79
2012-13	Commercial Bank	58.16	191.31	4.53	304.65	1.5	2680.55	3240.7
	Regional Rural Bank	3.36	361.58	547.12	13.23	-	2713.2	3638.49
	Co-operative Bank	2.54	N/A	18.53	0	0.6	838.95	860.62
2013-14	Commercial Bank	127.35	87.6	26.32	32.01	10.85	2726.64	3010.77
	Regional Rural Bank	3.72	389.53	21.12	0	-	2835.88	3250.25
	Co-operative Bank	5.63	44.95	16.5	0	20.06	476.85	563.99
2014-15	Commercial Bank	38.77	23.75	80.28	128.78	13.97	2733.81	3019.36
	Regional Rural Bank	2.29	512.4	242.09	5.58	-	2845.09	3607.45
	Co-operative Bank	5.32	0.87	16.5	10.63	13.41	505.25	551.98
TOTAL		348.69	3423.54	2372.09	1088.51	77.13	24388.03	31697.99

Source: SLBC Data

Sl. No.	Particulars	Total	In %
1.	Commercial Bank	13988.49	44.13
2.	Regional Rural Bank	14839.94	46.81
3.	Cooperative Bank	2869.56	9.05
4.	Total	31697.99	100.0

4.4.2 Status and Growth of SHG Credit Linkages:

Data given in Table 4.7 highlights the relative position of NER and its state with respect to SHG credit linkages. In case of SHG credit linkages with banks, NER has recorded total credit linkages of 63,527 SHGs, which seems to be 26 percent of the total saving linked SHGs (237253) over a period of five years. State wise share of

SHGs in credit linkages was found highest in Meghalaya (46.38 percent) followed by Mizoram (21.17 percent) and Tripura with

20.48 percent. Further data given in Table 4.7 also reflects the progress status of credit linkages over the study reference years. It can be observed from the Table 4.7 that FY 2011-12 has experienced an absolute increase of 2653 SHG credit linkages over the previous year 2010-11 and further it has been declined by 8358 SHGs credit linkages in FY 2012-13 over the previous one. It can be observed from the data that the pace of SHG credit linkages in NER has shown declining trends from the FY 2012-13 onwards till 2014-15. Overall, the pace of progress in terms credit linkages are not matching with the progress pace of SHGs saving linkages.

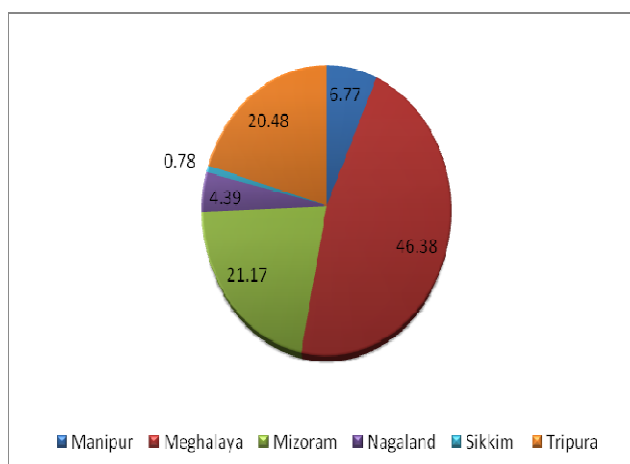


Figure 4.6- State wise Share of Credit Linkages (in %)

Table 4.7
SHGs Credit Linked to Banks under SHG-BLP over a Period of 5 Years
(in numbers)

Sl. No.	Financial Years	Manipur	Meghalaya	Mizoram	Nagaland	Sikkim	Tripura	Total
1.	2010-11	1159	8657	3462	849	146	2261	16534
2.	2011-12	1347	9237	3082	826	157	4538	19187
3.	2012-13	769	4748	2746	560	80	1926	10829
4.	2013-14	386	4035	2977	403	16	2448	10265
5.	2014-15	645	2787	1188	151	98	1843	6712
TOTAL		4306	29464	13455	2789	497	13016	63527

Source: SLBC Data

Sl. No.	Manipur	Meghalaya	Mizoram	Nagaland	Sikkim	Tripura	Total
TOTAL (%)	6.77	46.38	21.17	4.39	0.78	20.48	100.0

Further assessment has been made to understand the performance of banks in terms of their share in mobilizing SHGs credit linkages. Regional Rural Banks have bagged a highest share of 41.16 percent in terms of mobilizing SHGs credit linkages followed by commercial banks with a share of 39.45 percent. Performances of co-operative banks were found only 19.38 percent in the total SHGs credit linkages.

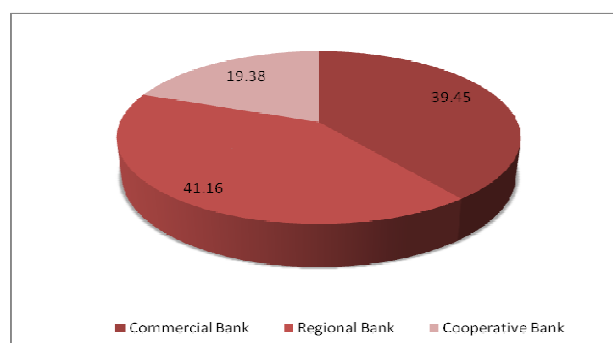


Figure 4.7- Agency wise Share of SHGs Credit Linkages (in %)

Table 4.8
SHGs Credit Linked to Bank by Agency (In Numbers)

Year	Agency	Manipur	Meghalaya	Mizoram	Nagaland	Sikkim	Tripura	Total
2010-11	Commercial Bank	592	5329	222	685	110	685	7623
	Regional Rural Bank	518	2323	3139	47	-	1183	7210
	Co-operative Bank	49	1005	101	117	36	393	1701
2011-12	Commercial Bank	891	5635	199	505	117	914	8261
	Regional Rural Bank	425	2444	2857	0	-	1520	7246
	Co-operative Bank	31	1158	26	321	40	2104	3680
2012-13	Commercial Bank	430	2650	148	349	69	400	4046
	Regional Rural Bank	311	784	2568	66	-	820	4549
	Co-operative Bank	28	1314	30	145	11	706	2234
2013-14	Commercial Bank	316	1974	146	403	8	739	3586
	Regional Rural Bank	19	700	2803	0	-	512	4034
	Co-operative Bank	51	1361	28	0	8	1197	2645
2014-15	Commercial Bank	508	670	77	28	90	176	1549
	Regional Rural Bank	120	744	1087	21	-	1139	3111
	Co-operative Bank	17	1373	24	102	8	528	2052
TOTAL		4306	29464	13455	2789	497	13016	63527

Source: SLBC Data

Sl. No.	Particulars	Total	In %
1.	Commercial Bank	25065	39.45
2.	Regional Rural Bank	26150	41.16
3.	Cooperative Bank	12312	19.38
4.	Total	63527	100.0

Analysis has also been carried out to understand the performance of banks in terms of disbursement of credit to the SHGs over the study reference period of five years.

Table 4.9

SHGs Bank Linked Credit Amount under SHGs-BLP (in lakh)

Sl. No.	Financial Years	Manipur	Meghalaya	Mizoram	Nagaland	Sikkim	Tripura	Total
1.	2010-11	578.63	4036.66	3402.16	602.69	274.65	3481.10	12375.89
2.	2011-12	970.71	4538.83	4033.53	695.48	384.56	6695.74	17318.85
3.	2012-13	552.97	2631.49	2086.50	568.27	184.73	5593.96	11617.92
4.	2013-14	570.68	1764.94	1897.68	192.36	17.12	2396.16	6838.94
5.	2014-15	291.42	1524.63	1423.08	136.30	34.05	977.00	4386.48
TOTAL		2964.41	14496.55	12842.95	2195.1	895.11	19143.96	52538.08

Source: SLBC Data

Sl. No.	Manipur	Meghalaya	Mizoram	Nagaland	Sikkim	Tripura	Total
TOTAL (%)	5.64	27.59	24.44	4.17	1.70	36.43	100.0

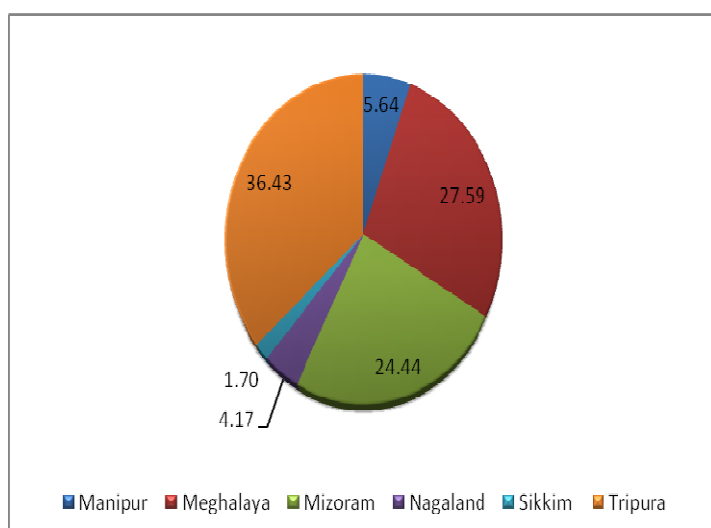


Figure 4.8- State wise Credit Disbursement Share (in %)

Table 4.9 explains the FYs wise performance of credit disbursement to SHGs in the study area over a span of five years. Here we have seen that a total of Rs. 52538.08 lakh have been disbursed as the credit to the SHGs under the programme. State wise share performance in terms credit disbursement indicates that Tripura has the highest share of 36.43 percent in total credit disbursement followed by Meghalaya with a share of 27.59 percent and Mizoram with 24.44

percent. The lowest share with respect to credit disbursement was observed in Sikkim (1.70 percent) followed by Nagaland (4.17 percent) and Manipur with 5.64 percent share. Analysis of data on FYs wise progress of credit disbursement shows declining trends from financial year 2012-13 onwards till the FY 2014-15. Analysis simply indicates that there are still comprehensions and complexities with regards to disbursement of loans to the SHGs because of poor management and functioning of SHGs and apprehension of banks regarding recovery of loans.

Further attempt has also been made to present the share of different banks in disbursing credit to SHGs. It is obvious from the data that RRBs had the highest share of 46.20 percent in total disbursement of credits to the SHGs followed by commercial banks (37.31 percent). Co-operative banks have reported only of 16.46 shares in total disbursement of credit to SHGs.

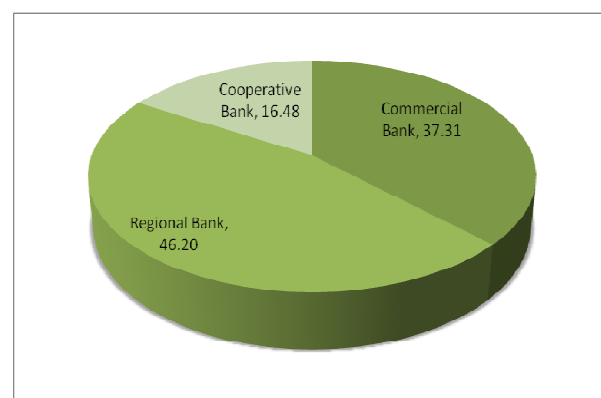


Figure 4.9- Credit Disbursement Share by Agency (in %)

Table 4.10
SHGs Banks Linked Credit Amount by Agency (in lakh)

Year	Agency	Manipur	Meghalaya	Mizoram	Nagaland	Sikkim	Tripura	Total
2010-11	Commercial Bank	335.98	2321.81	531.13	462.53	218.26	1460.01	5329.72
	Regional Rural Bank	210.90	1308.59	2844.7	53.14	-	1064.00	5481.33
	Co-operative Bank	31.75	406.26	26.27	87.02	56.39	957.09	1564.78
2011-12	Commercial Bank	768.11	2539.76	343.35	393.10	284.94	1788.16	6117.42
	Regional Rural Bank	194.63	1457.75	3651.64	0	-	2872.62	8176.64
	Co-operative Bank	7.97	541.32	38.54	302.38	99.62	2034.96	3024.79
2012-13	Commercial Bank	342.07	1433.65	221.97	251.93	167.94	1360.08	3777.64
	Regional Rural Bank	203.43	535.25	1803.49	146.86	-	2748.86	5437.89
	Co-operative Bank	7.47	662.59	61.04	169.48	16.79	1485.02	2402.39
2013-14	Commercial Bank	373.12	1015.12	270.19	192.36	9.44	1596.56	3456.79
	Regional Rural Bank	150.36	508.84	1579.11	0	-	201.10	2439.41
	Co-operative Bank	47.20	240.98	48.38	0	7.68	598.50	942.74
2014-15	Commercial Bank	157.10	484.74	153.85	8.30	20.55	94.66	919.20
	Regional Rural Bank	110.82	773.66	1226.95	35.59	-	594.84	2741.86
	Co-operative Bank	23.50	266.23	42.28	92.41	13.50	287.50	725.42
TOTAL		2964.41	14496.60	12842.90	2195.10	895.11	19144.00	52538.00

Source: SLBC Data

Sl. No.	Particulars	Total	In %
1.	Commercial Bank	19600.77	37.31
2.	Regional Rural Bank	24277.13	46.20
3.	Cooperative Bank	8260.12	16.48
4.	Total	52538.02	100.0

CHAPTER - 5

SURVEY AND DISCUSSION FINDINGS ON STATUS AND FUNCTIONING OF SHGs IN NORTH EASTERN REGION

5.1 SUMMARY INSIGHT:

Self Help Group is a method of organizing the poor and marginalized people to come together to solve their individual problem. SHGs are formed in the belief that rural poor of the region have competencies and given in the right support can be successful producers of valuable goods/services. The SHG method is used by the government, NGOs and others as a holistic programme of micro-enterprises covering all aspects of self employment by organization of the rural poor into a SHG, their capacity building, activities planning, infrastructure support, technology integration, credit and marketing. In this process, the poor collect their savings and save it in banks. In return, they receive easy access to loans with a small rate of interest to start their micro unit enterprise.

In view of the above, an attempt has been made in this chapter to present the comprehensive functional assessment of SHGs in North Eastern Region (NER) based on the primary survey data and qualitative discussion contents. This chapter consists the various features of SHGs in terms of their composition, formation, types, capacity building, key activities, bank linkages, SHPI support, marketing strategy and initiative taken by various agents to encourage SHGs bank linkages in the region. Analysis of primary data has been carried out by type of promoting agency and presented in details. Analysis by SHGs age group has also been given in annexure 2 for the reference.

5.2 SAMPLE COMPOSITION OF SHG BY PROMOTING AGENCY AND AGE GROUP:

A total of 600 SHGs were surveyed by covering 100 SHGs from each study sample state named Meghalaya, Mizoram, Manipur, Nagaland, Sikkim and Tripura. Majority of SHGs (55.3 percent) of the sample were promoted by NRLM/SRLM followed by 36.3 percent SHGs promoted by SHPI with support of NABARD grant and remaining 8.3 percent SHGs were found to be promoted by NERLP. Details of sample composition by promoting institutions has been presented in Table 5.1:

Table 5.1
Distribution of SHGs Sample by Promoting Institutions

Programme/ Promoting Institution	Meghalaya		Mizoram		Manipur		Nagaland		Sikkim		Tripura		Total	
	N	%	N	%	N	%	N	%	N	%	N	%	N	%
NRLM	25	25.0	85	85.0	86	86.0	50	50.0	43	43.0	43	43.0	332	55.3
NABARD	75	75.0	15	15.0	14	14.0	50	50.0	57	57.0	7	7.0	218	36.3
NERLP	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	50	50.0	50	8.3
Total	100	100.0	100	100.0	100	100.0	100	100.0	100	100.0	100	100.0	100	100.0

Source: Primary Survey Data

Further, age wise distribution of SHGs in the sample has been given in table 5.2. Analysis findings have revealed that majority of SHGs in the sample (73.5 percent) were observed in the age group of 1 to 3 years followed by 26.5 percent SHGs in the age group of 3 to 6 years.

Table 5.2
Distribution of SHGs Sample by Age Group

Particulars	NRLM		NABARD		NERLP		Total	
	N	%	N	%	N	%	N	%
1 to 3 years	320	96.4	71	32.6	50	100.0	441	73.5
3 to 6 years	12	3.6	147	67.4	0	0.0	159	26.5
Total	332	100.0	218	100.0	50	100.0	600	100.0

Source: Primary Survey Data

Analysis given in above tables clearly indicates the higher share of NRLM supported SHGs in comparison to NABARD and NERLP in study sample. Majority of SHGs under NABARD were found in the age group of 3-6 years whereas as high as 96 percent SHGs under NRLM were found in the age group of 1-3 years.

5.3 CHARACTERISTICS OF SHGs BY PROMOTING AGENCY:

5.3.1 Background Characteristics of SHGs:

Indicators like age groups, number of members, types of SHGs, association with SHGs federation, BPL/APL status of members, education level of members, occupation of members and primary source of income for the SHGs member's households have been considered to analyze the background characteristics of SHGs. Details of statistics have been presented table 5.3 below.

Table 5.3
Background Characteristics of SHGs (by Promoting Institutions)

Particulars	NRLM		NABARD		NERLP		Total	
	N	%	N	%	N	%	N	%
Member of SHG Federation								
Yes	102	30.7	8	3.7	0	0.0	110	18.3
No	230	69.3	210	96.3	50	100.0	490	81.7
Age Group of SHGs								
1 to 3 years	320	96.4	71	32.6	50	100.0	441	73.5
3 to 6 years	12	3.6	147	67.4	0	0.0	159	26.5
Types of SHG								
Exclusively women SHG	327	98.5	189	86.7	40	80.0	556	92.7
Others	5	1.5	29	13.3	10	20.0	44	7.3
Total	332	100.0	218	100.0	50	100.0	600	100.0

Source: Primary Survey Data

Analysis given in Table 5.3 indicates that majority of SHGs (82 percent) cutting across the types of promoting agencies are not having the membership possession of SHGs federation. Only 18 percent SHGs have reported about their association with SHGs federation in across the study region. Those SHGs who had reported about the membership of SHGs federation, most of them (31 percent) were promoted by NRLM/SRLM followed by 3.7 percent SHGs by NABARD. SHGs those reported about their membership with SHGs federation was found highest in Mizoram (59 percent) followed by Nagaland (31 percent) and Tripura (20 percent). In remaining states of Manipur, Sikkim and Meghalaya, membership possession of SHGs under SHG federation was found lacking.

Further, analysis reveals that majority of SHGs in the study sample were found exclusively as women group cutting across the promoting agency. The size of SHGs is measured by the number of group members present in the group. On an average majority of SHGs (60 percent) had consisted 10 members followed by 15 percent SHGs with 11-12 members. Analysis given in Table 5.4 indicates the size of members by promoting institutions.

Table 5.4
Number of Members in SHGs (by Promoting Institutions)

Number of Members in Groups	NRLM		NABARD		NERLP		Total	
	N	%	N	%	N	%	N	%
6	0	.0	19	8.7	0	.0	19	3.2
7	7	2.1	22	10.1	0	.0	29	4.8
8	25	7.5	18	8.3	0	.0	43	7.2
9	21	6.3	26	11.9	0	.0	47	7.8
10	209	63.0	117	53.7	32	64.0	358	59.7
11	29	8.7	7	3.2	6	12.0	42	7.0
12	40	12.0	8	3.7	5	10.0	53	8.8
13	0	.0	1	.5	0	.0	1	.2
14	1	.3	0	.0	0	.0	1	.2
15	0	.0	0	.0	7	14.0	7	1.2
Total	332	100.0	218	100.0	50	100.0	600	100.0

Source: Primary Survey Data

5.3.2 Socio-Economic Characteristics:

The study of social profile is very important to understand the findings of any social study. The socio-economic characteristics of the SHG members are presented in Table 5.5. It was found that about 95 percent SHG members in the sample were females and majority of them (92 percent) were from BPL family. A total of 77 percent SHG members in the sample were from ST community followed by OBC & SC. Majority of SHG members (67 percent) were observed as the followers of Christianity followed by Hinduism (28 percent). It was also found that illiteracy was very low among the SHG members in across the study states. Majority of the members (49 percent) had education upto matriculation and above. Occupational background of SHG members was also analyzed. Findings revealed that majority of SHG members found to be from agricultural background as their occupation. Details have presented in Table 5.5.

Table 5.5
Socio-Economic Characteristics of SHGs Members (by Promoting Institutions)

Particulars	NRLM		NABARD		NERLP		Total	
	N	%	N	%	N	%	N	%
Gender								
Male	104	3.1	159	7.9	37	6.7	300	5.1
Female	3237	96.9	1843	92.1	514	93.3	5594	94.9
BPL								
Yes	3115	93.2	1814	90.6	480	87.1	5409	91.8
No	226	6.8	188	9.4	71	12.9	485	8.2
Category								
SC	148	4.4	77	3.8	136	24.7	361	6.1
ST	2485	74.4	1733	86.6	305	55.4	4523	76.7
OBC	389	11.6	149	7.4	43	7.8	581	9.9
Others	319	9.5	43	2.1	67	12.2	429	7.3
Religion								
Hindu	946	28.3	252	12.6	451	81.9	1649	28.0
Muslim	52	1.6	25	1.2	49	8.9	126	2.1
Christian	2294	68.7	1607	80.3	51	9.3	3952	67.1
Budhist	49	1.5	118	5.9	0	.0	167	2.8
Physically Challenged								
Yes	9	.3	4	.2	7	1.3	20	.3
No	3332	99.7	1998	99.8	544	98.7	5874	99.7
Educational Qualification								
Illiterate	32	1.0	48	2.4	0	.0	80	1.4
Upto Primary	350	10.5	407	20.3	0	.0	757	12.8
Middle School	1495	44.7	655	32.7	3	.5	2153	36.5
Matriculate and above	1451	43.4	887	44.3	534	96.9	2872	48.7
Technically Qualified	13	.4	5	.2	14	2.5	32	.5
Current Occupation								
Agriculture and related activities	2280	68.2	1114	55.6	350	63.5	3744	63.5
Livestock and forestry	414	12.4	326	16.3	40	7.3	780	13.2
Mining and Quarrying	14	.4	38	1.9	0	.0	52	.9
Household Industry	243	7.3	282	14.1	52	9.4	577	9.8
Other Industry	128	3.8	96	4.8	0	.0	224	3.8
Construction	6	.2	17	.8	1	.2	24	.4
Trade and Commerce	64	1.9	26	1.3	20	3.6	110	1.9
Services	24	.7	12	.6	0	.0	36	.6
Others	168	5.0	91	4.5	88	16.0	347	5.9
Total	3341	100.0	2002	100.0	551	100.0	5894	100.0

Source: Primary Survey Data

5.4 FUNCTIONING OF SHGs:

An attempt has been made in this section to assess the functioning of SHGs with respect to periodicity of SHGs meetings, participation of members in the meeting, thrift and credit activities and document maintenance.

5.4.1 Meetings of SHGs and Member's Participation:

Analysis findings reveal that in general 47 percent SHGs conducted meeting once in week followed by once in a month (30 percent). Analysis by promoting institutions reveals that majority of NABARD promoted SHGs (49 percent) have organized their meeting once in a month whereas SHGs promoted by NRLM (68 percent) have organized the meeting once in a week. Response on member's participation in the meeting was found around 60 percent in favour of partial participation whereas 39 percent respondents have responded about the full participation of members in the meetings. NRLM and NERLP supported SHGs have an edge over NABARD in terms of partial participation of members in the meeting. Analysis findings reveals about the need of encouragement/motivation among the SHG's members towards the participation in SHGs meeting. The details of data by promoting agency has been given in Table 5.6.

Table 5.6

Frequency of SHGs Meetings & Members Participation (by Promoting Institutions)

Particulars	NRLM		NABARD		NERLP		Total	
	N	%	N	%	N	%	N	%
Frequency of Meetings								
Weekly	228	68.7	36	16.5	21	42.0	285	47.5
Fortnightly	26	7.8	39	17.9	8	16.0	73	12.2
Monthly	57	17.2	108	49.5	15	30.0	180	30.0
At Irregular interval	21	6.3	35	16.1	6	12.0	62	10.3
Participation of Members								
Yes all	132	39.8	90	41.3	16	32.0	238	39.7
Yes Some	200	60.2	128	58.7	34	68.0	362	60.3
Total	332	100.0	218	100.0	50	100.0	600	100.0

Source: Primary Survey Data

During qualitative interaction, when asked about why members missed group meetings, the common answers in across the states were found as personal reason, sickness, engagement in religious programme, family problem and engagement in social programme etc.

5.4.2 Thrift and Credit Activities:

In this section the information on savings, loaning and repayment performance have been depicted. As high as 72 percent SHGs in across the study states had reported about the practice of thrift and credit policy whereas 28 percent SHGs had responded negatively. It means almost 28 percent SHGs do not actively practising thrift & credit system. Asked question, why SHGs do not practice thrift and credit practice during the qualitative discussion, it was commonly responded in across study states that members do not contribute towards regular savings in the group because of their poor socio-economic condition and poor confidence about the group sustainability. Data given in below table 5.7 reflects that NABARD supported SHGs (75 percent) have actively participated in thrift and credit practices followed by the 71 percent NRLM promoted SHGs and 68 percent NERLP promoted SHGs.

Table 5.7
Thrift & Credit Activities (by Promoting Institutions)

Particulars	NRLM		NABARD		NERLP		Total	
	N	%	N	%	N	%	N	%
Taking Thrift and Credit Activities								
Yes, Actively	236	71.1	164	75.2	34	68.0	434	72.3
Not Actively	96	28.9	54	24.8	16	32.0	166	27.7
Total	332	100.0	218	100.0	50	100.0	600	100.0

Source: Primary Survey Data

5.4.2.1 Internal Saving Performance of SHG's & Its Members:

During the qualitative discussion, it was noticed that SHG members mainly saved once in month. The average per month per member saving contribution was calculated in the range of Rs. 38 to 50 for majority of SHGs who actively participating in thrift and credit practices. The data presented in Table 5.8 reflects that almost 43 percent SHGs have saved Rs. 500 in their saving accounts per month followed by Rs. 500 to 1000 by 38 percent SHGs. Only 16 percent SHGs have shown saving of Rs. 1000 to 1500 per month in their saving account. The data presented in Table 5.8 indicates the amount of per month saving by SHGs.

Table 5.8
Internal Saving Performance of SHGs (by Promoting Institutions)

Particulars	NRLM		NABARD		NERLP		Total	
	N	%	N	%	N	%	N	%
SHG Practising Saving								
Yes Regularly	204	61.4	125	57.3	31	62.0	360	60.0
Not Regularly	128	38.6	93	42.7	19	38.0	240	40.0
Total	332	100.0	218	100.0	50	100.0	600	100.0
Amount of Savings (in Rs.)								
Less than 500	85	41.7	60	48.0	8	25.8	153	42.5
501 to 1000	83	40.7	37	29.6	16	51.6	136	37.8
1001 to 1500	32	15.7	19	15.2	5	16.1	56	15.6
1501 to 2000	4	2.0	7	5.6	2	6.5	13	3.6
2001 and above	0	0.0	2	1.6	0	0.0	2	0.6
Total	204	100.0	125	100.0	31	100.0	360	100.0

Source: Primary Survey Data

5.4.2.2 Internal Loaning Performance:

The SHG gives out loans to its members from savings fund, which is known as internal loan. Based upon the needs the members democratically decide upon who shall get the loan in case the number of loan applicants is higher than the available fund to be credited. A question was asked among the 1800 sampled members of 600 SHGs across the study states that whether they have got internal loan from their SHG and it was found that almost 43 percent sampled members have positively responded on availing internal loan from their SHG. Majority of NABARD promoted SHGs members (59.6 percent) have taken internal loan followed by NERLP SHGs (37 percent) and NRLM SHGs (32 percent). Further, it was found that majority of SHGs members (64 percent) have taken loan varied in the range of Rs. 1000 to Rs. 3000. Detail analysis has been presented in Table 5.9.

Table 5.9
Internal Loaning Performance of SHGs (by Promoting Institutions)

Particulars	NRLM		NABARD		NERLP		Total	
	N	%	N	%	N	%	N	%
Members Availed Intrenal Loan								
Yes	322	32.3	390	59.6	55	36.7	767	42.6
No	674	67.7	264	40.4	95	63.3	1033	57.4
Total	996	100.0	654	100.0	150	100.0	1800	100.0
Amount of Internal Loan (in Rs.)								
Less than 1000	29	9.0	9	2.3	0	0.0	38	5.0
1000 to 2000	159	49.4	113	29.0	15	27.3	287	37.4
2001 to 3000	88	27.3	95	24.4	22	44.0	205	26.7
3001 to 4000	27	8.4	44	11.3	9	16.4	80	10.4
4001 to 5000	15	4.7	43	11.0	5	9.1	63	8.2
5001 to 6000	4	1.2	42	10.8	3	5.5	49	6.4
6001 and above	0	0.0	44	11.3	1	1.8	45	5.9
Total	322	100.0	390	100.0	55	100.0	767	100.0

Source: Primary Survey Data

5.4.3 Record Keeping Performance of SHGs:

In general, a SHG should maintain records like minute's books, attendance register, loan ledger, cashbook, loan passbook, saving passbook, individual members passbooks, repayment particulars, internal saving records, internal lending records, loan sanctioned procedure and interest rate calculation format. Data analysis presented in Table 5.10 reflects that majority of SHGs across the states and by promoting institutions have maintained records related to SHGs functioning. NABARD supported SHGs had an edge over others in terms of maintainance of MIS.

Table 5.10
Record Keeping Performance of SHGs (by Promoting Institutions)

Particulars	NRLM		NABARD		NERLP		Total	
	N	%	N	%	N	%	N	%
Maintenance of Minutes Book								
Yes, Always	259	78.0	175	80.3	38	76.0	472	78.7
Not Always	73	22.0	43	19.7	12	24.0	128	21.3
Maintenance of Attendance Register								
Yes, Always	248	74.7	183	83.9	37	74.0	468	78.0
Not Always	84	25.3	35	16.1	13	26.0	132	22.0
Maintenance of Loan Ledger								
Yes, Always	152	45.8	153	70.2	8	16.0	313	52.2
Not Always	180	54.2	65	29.8	42	84.0	287	47.8
Maintenance of Cash Book								
Yes, Always	202	60.8	173	79.4	23	46.0	398	66.3
Not Always	130	39.2	45	20.6	27	54.0	202	33.7
Maintenance of Loan Passbook								
Yes, Always	132	39.8	133	61.0	10	20.0	275	45.8
Not Always	200	60.2	85	39.0	40	80.0	325	54.2
Maintenance of Saving Passbook								
Yes, Always	221	66.6	186	85.3	29	58.0	436	72.7
Not Always	111	33.4	32	14.7	21	42.0	164	27.3
Maintenance of Individual Passbook								
Yes, Always	213	64.2	162	74.3	30	60.0	405	67.5
Not Always	119	35.8	56	25.7	20	40.0	195	32.5
Maintenance of Repayment Particulars								
Yes, Always	177	53.3	147	67.4	22	44.0	346	57.7
Not Always	155	46.7	71	32.6	28	56.0	254	42.3
Maintenance of Internal Saving Records								
Yes, Always	237	71.4	181	83.0	32	64.0	450	75.0
Not Always	95	28.6	37	17.0	18	36.0	150	25.0
Maintenance of Internal Landing Records								
Yes, Always	236	71.1	180	82.6	40	80.0	456	76.0
Not Always	96	28.9	38	17.4	10	20.0	144	24.0
Maintenance of Sanctioned Procedure								
Yes, Always	212	63.9	160	73.4	34	68.0	406	67.7
Not Always	120	36.1	58	26.6	16	32.0	194	32.3
Maintenance of Interest Calculation								
Yes, Always	211	63.6	164	75.2	31	62.0	406	67.7
Not Always	121	36.4	54	24.8	19	38.0	194	32.3
Total	332	100.0	218	100.0	50	100.0	600	100.0

Source: Primary Survey Data

5.4.4 Capacity Development Programme:

An attempt in this section has been made to assess the implementation of training programme to the SHGs members in the study states. Analysis of training programme has been categorized into three category namely orientation/ sensitization programme followed by technical skill training and managerial training. Analysis of primary data has revealed that majority of SHG members (76 percent) have gone through the orientation training programme. Further, analysis also reveals that NABARD promoted SHG members (92 percent) have completely acuried orientation training followed by NRLM supported SHGs members (77 percent). Analysis implies that orientation programme to SHG members was found more among the NABARD supported SHGs in comparision to NRLM & NERLP supported SHG members. Details of orientation training among the SHGs by promoting institution has been presented in Table 5.11.

Table 5.11
Orientation Programme for SHGs Members (by Promoting Institutions)

Particulars	NRLM		NABARD		NERLP		Total	
	N	%	N	%	N	%	N	%
SHG Members Undergo with Orientation Programme								
Yes Fully	258	77.7	200	91.7	0	0.0	458	76.3
Not Fully	74	22.3	18	8.3	50	100.0	142	23.7
Total	332	100.0	218	100.0	50	100.0	600	100.0

Source: Primary Survey Data

Further analysis of data also reveals that around 54 percent SHGs members have also been imparted training on technical skill whereas 59 percent SHGs members have acquired training on managerial skills. In comparison, NABARD supported SHGs members have acquired more training on technical and managerial skills rather than NRLM or NERLP.

Table 5.12
Training Programme for SHGs Members (by Promoting Institutions)

Particulars	NRLM		NABARD		NERLP		Total	
	N	%	N	%	N	%	N	%
SHGs Members Trained on Technical Skills								
Yes Fully	191	57.5	131	60.1	0	0.0	322	53.7
Not Fully	141	42.5	87	39.9	50	100.0	278	46.3
SHGs Members Trained on Managerial Skills								
Yes Fully	220	66.3	138	63.3	0	0.0	358	59.7
Not Fully	112	33.7	80	36.7	50	100.0	242	40.3
Total	332	100.0	218	100.0	50	100.0	600	100.0

Source: Primary Survey Data

Analysis of data on the organizers of training, reveals that majority of NABARD's promoted SHGs have been trained by NGOs (SHPIs) whereas NRLM team have been deployed to organize the training among NRLM promoted SHGs. Majority (>80 percent) SHG members have been trained by the NRLM team under NRLM fold except Sikkim. It was noticed that NGOs have been roped up in Sikkim under NRLM to impart training to SHGs. Details of analysis has been presented in Table 5.13.

Table 5.13
Organizers of Training Programme (by Promoting Institutions)

Particulars	NRLM		NABARD		NERLP		Total	
	N	%	N	%	N	%	N	%
Organizers of Technical Skills Orientation								
Line Department	3	1.5	0	0.0	0	0.0	3	0.9
NGOs	20	10.5	115	87.8	0	0.0	135	41.9
NRLM Team	168	88.0	16	12.2	0	0.0	184	57.1
Organizers of Managerial Skills Orientation								
NGOs	21	9.5	120	87.0	0	0.0	141	39.4
NRLM Team	199	90.5	18	13.0	0	0.0	217	60.6
Total	332	100.0	218	100.0	0	0.0	600	100.0

Source: Primary Survey Data

5.4.5 SHGs Perception on Acquired Skills through Training:

A question was asked among the SHG's to understand their perception/ feedback on the contents of training programme. As high as 47 percent SHGs across the states had reported about the procurement of training on record keeping/ documentation followed by micro-level activities planning (22.3 percent), leadership skill training (15 percent) and training on critical decision-making process for conflict resolution. Data analysis on the SHGs perception by promoting institutions have been presented in Table 5.14.

Table 5.14
Perception on Acquired Skills through Training (by Promoting Institutions)

Particulars	NRLM		NABARD		NERLP		Total	
	N	%	N	%	N	%	N	%
Leadership	53	16.0	29	13.3	7	14.0	89	14.8
Micro planning	72	21.7	52	23.9	10	20.0	134	22.3
Documentation	158	47.6	106	48.6	20	40.0	284	47.3
Critical decision making processes	49	14.8	31	14.2	13	26.0	93	15.5
Total	332	100.0	218	100.0	50	100.0	600	100.0

Source: Primary Survey Data

Further 46 percent SHGs have also stated about the procurement of training on product development and marketing linkages followed by training on financial literacy and bank linkages. Fourteen percent SHGs have also stated about the procurement of training on existing marketing potential and linkages. A total of 24 percent SHGs across the states have also reported about the training on micro financing. SHGs responses on the contents of training was observed much better among NABARD promoted SHGs followed by NRLM & NERLP.

Table 5.15
Contents of Training (by Promoting Institutions)

Particulars	NRLM		NABARD		NERLP		Total	
	N	%	N	%	N	%	N	%
Existing marketing potential and linkages	42	17.4	21	10.6	0	0.0	63	14.3
Product development and marketing linkages	105	43.4	96	48.2	0	0.0	201	45.6
Financial literacy and bank linkages	45	18.6	23	11.6	0	0.0	68	15.4
Direct micro financing	50	20.7	59	29.6	0	0.0	109	24.7
Total	242	100.0	199	100.0	0	0.0	441	100.0

Source: Primary Survey Data

5.4.6 Activities Selection:

It was found that majority of SHGs in across the states and by types of promoting institution have opted for Piggery (26 percent) followed by Poultry (20 percent) as the income generating activities. Fishery, handlooms were also observed as the economic activities of sample SHGs. The details of data has been presented in Table 5.16.

Table 5.16
Selection of Activities (by Promoting Institutions)

Particulars	NRLM		NABARD		NERLP		Total	
	N	%	N	%	N	%	N	%
Piggery	83	25.0	56	25.7	15	30.0	154	25.7
Poultry	67	20.2	40	18.3	12	24.0	119	19.8
Paddy Agriculture	9	2.7	34	15.6	0	.0	43	7.2
Fishery	22	6.6	4	1.8	10	20.0	36	6.0
Handloom traditional shawl	26	7.8	4	1.8	0	.0	30	5.0
Bamboo craft	15	4.5	1	.5	8	16.0	24	4.0
Cardmom cultivation	2	.6	18	8.3	0	.0	20	3.3
Potato cultivation	9	2.7	4	1.8	0	.0	13	2.2
Ginger Agriculture	9	2.7	1	.5	2	4.0	12	2.0
Goatery	5	1.5	7	3.2	0	.0	12	2.0
Sesame cultivation	10	3.0	2	.9	0	.0	12	2.0
Petty shop vegetables	8	2.4	4	1.8	0	.0	12	2.0
Grocery Shop	7	2.1	5	2.3	0	.0	12	2.0
Pickle making	5	1.5	6	2.8	0	.0	11	1.8
Petty Shop Paan	9	2.7	1	.5	0	.0	10	1.7
Candle making	3	.9	7	3.2	0	.0	10	1.7
Pineapple farming	10	3.0	0	.0	0	.0	10	1.7
Others	33	9.9	24	11.0	3	6.0	60	10.0
Total	332	100.0	218	100.0	50	100.0	600	100.0

Source: Primary Survey Data

During the discussion, it was noted that selection of activities of SHGs have been carried out in the consultation with members keeping into account availability of local based materials.

5.5 SHG BANK LINKAGES:

As the matter of fact, the SHG-Bank Linkages Programme is a major plank of the strategy for delivering financial services to the poor in a sustainable manner. Analysis of data given in Table 5.17 reflects that as high as 93 percent SHGs across the study districts have been linked with the banks, means they have opened the account in the banks. It was also revealed that majority of SHGs (45 percent) have opened the account in nationalized commercial bank followed by in Regional Rural Banks (40 percent), Co-operative banks (14 percent). Majority of SHGs (52 percent) have stated that they got the support from NRLM to be linked with the banks in terms of opening the account followed by SHPIs (48 percent). Analysis given in Table 5.17 presents the status of SHG-BLP linkages by promoting institutions.

Table 5.17
Status of SHGs Bank Linkages & Support (by Promoting Institutions)

Particulars	NRLM		NABARD		NERLP		Total	
	N	%	N	%	N	%	N	%
SHG linked with financial institutions								
Yes	303	91.3	214	98.2	43	86.0	560	93.3
No	29	8.7	4	1.8	7	14.0	40	6.7
Total	332	100.0	218	100.0	50	100.0	600	100.0
Types of Linked Banks								
Nationalized commercial bank linkages	129	42.6	107	50.0	14	32.6	250	44.6
Pvt. commercial bank linkages	6	2.0	3	1.4	0	.0	9	1.6
Regional rural bank linkages	135	44.6	67	31.3	21	48.8	223	39.8
Cooperative linkages	33	10.9	37	17.3	8	18.6	78	13.9
Total	303	100.0	214	100.0	43	100.0	560	100.0
Support for the Bank Linkages								
Yes	256	84.5	158	73.8	38	88.4	452	80.7
No	47	15.5	56	26.2	5	11.6	108	19.3
Total	303	100.0	214	100.0	43	100.0	560	100.0
Support Provided by								
NRLM	235	91.8	0	0.0	0	0.0	235	52.0
NIECORD	0	0.0	22	13.9	0	0.0	22	4.9
Kripa Foundation	0	0.0	2	1.3	0	0.0	2	0.4
Nongstion Social Service Center	0	0.0	16	10.1	0	0.0	16	3.5
Achik Welfare Society	0	0.0	22	13.9	0	0.0	22	4.9
NERLP	0	0.0	0	0.0	38	100.0	38	8.4
RBA	0	0.0	18	11.4	0	0.0	18	4.0
Bhavishya Bharat	0	0.0	44	27.8	0	0.0	44	9.7
Himalayan Education Society	21	8.2	7	4.4	0	0.0	28	6.2
Rongmei Naga Baptist Association	0	0.0	2	1.3	0	0.0	2	0.4
Diocesan Social Service Society	0	0.0	6	3.8	0	0.0	6	1.3
People Development Society	0	0.0	3	1.9	0	0.0	3	0.7
World Vision India	0	0.0	7	4.4	0	0.0	7	1.5
Centre for Peace and Development	0	0.0	4	2.5	0	0.0	4	0.9
Golaghat Welfare Society	0	0.0	5	3.2	0	0.0	5	1.1
Total	256	100.0	158	100.0	38	100.0	452	100.0

Source: Primary Survey Data

As we are aware, there are two important linkages namely saving linkages and credit linkages under the SHG-bank linkages programme. Further attempt was made to assess the extent and magnitude of saving linkages profile of SHGs followed by credit linkages characteristics. Analysis given in Table 5.18 reflects that as high as 60 percent SHGs of the study region reported about the saving linkages behavior, it implies that a large proportion of SHGs (40 percent) are still not showing saving linkages behaviour. About 43 percent saving linked SHGs have reported their saving to the bank at the tune of Rs. <500 per month followed by 38 percent SHGs at the tune of Rs. 501 to 1000 where as only 20 percent SHGs have reported their savings in the range Rs. 1000 to 2000 /- month to the respective linked banks. Analysis implies a poor saving pattern of SHGs in terms of quantum of amounts. Further, it was also observed that majority of SHGs have been saving linked with nationalized banks. SHGs promoted through NABARD were having edge among others in terms of savings. Details have been given in Table 5.18.

Table 5.18
Saving Linkages of SHGs (by Promoting Institutions)

Particulars	NRLM		NABARD		NERLP		Total	
	N	%	N	%	N	%	N	%
SHGs having Saving Amount								
Yes regularly	204	61.4	125	57.3	31	62.0	360	60.0
Not regularly	128	38.6	93	42.7	19	38.0	240	40.0
Total	332	100.0	218	100.0	50	100.0	600	100.0
Amount of Saving								
Less than 500	85	41.7	60	48.0	8	25.8	153	42.5
501 to 1000	83	40.7	37	29.6	16	51.6	136	37.8
1001 to 1500	32	15.7	19	15.2	5	16.1	56	15.6
1501 to 2000	4	2.0	7	5.6	2	6.5	13	3.6
2001 and above	0	.0	2	1.6	0	.0	2	.6
Total	204	100.0	125	100.0	31	100.0	360	100.0

Source: Primary Survey Data

Further data analysis presented in Table 5.19, also presents the performance of SHGs in terms of credit linkages. A total of 22 percent SHGs have reported about availing loan from banks. Analysis implies that still a large proportion of SHGs (78 percent) have not been credit linked with the banks. The reason behind the poor disbursement of credit to SHGs by banks was cited as irregularity in saving behavior of SHGs and partly because of lengthy procedure setup by banks to disburse credit to the SHGs. Majority of SHGs (48 percent) have got the credit linkages from Regional banks followed by Nationalized bank and co-operative banks. Promoting agency wise analysis has been given in Table 5.19.

Table 5.19
Credit Linkages of SHGs (by Promoting Institutions)

Particulars	NRLM		NABARD		NERLP		Total	
	N	%	N	%	N	%	N	%
SHG received the loan from bank/ financial institutions								
Yes	54	16.3	79	36.2	0	.0	133	22.2
Not	278	83.7	139	63.8	50	100.0	467	77.8
Total	332	100.0	218	100.0	50	100.0	600	100.0
If yes, types of bank/ financial institution								
Nationalized bank	20	37.0	33	41.8	0	.0	53	39.8
Regional/ Gramin bank	33	61.1	31	39.3	0	.0	64	48.1
Cooperative bank	1	1.9	15	19.0	0	.0	16	12.0
Total	54	100.0	79	100.0	0	.0%	133	100.0

Source: Primary Survey Data

The amount of loan sanctioned to the SHGs by banks has also been analyzed. Analysis of data reveals that as high as 54 percent credit linked SHGs have secured loans of Rs. less than 50,000 followed by 44 percent SHGs who have taken credit in the range of Rs. 50000 to 100,000. Only 8 percent SHGs have reported the procurement of loan of more than Rs. 100,000. Promoting institution wise analysis have been given in Table 5.20.

Table 5.20
Credit Linkages Amount of SHGs (by Promoting Institutions)

Particulars	NRLM		NABARD		NERLP		Total	
	N	%	N	%	N	%	N	%
Less than 50000	19	35.2	53	67.1	0	.0	72	54.1
50001 to 100000	28	51.9	25	31.6	0	.0	53	39.8
100001 and above	7	13.0	1	1.3	0	.0	8	6.0
Total	54	100.0	79	100.0	0	.0	133	100.0

Source: Primary Survey Data

5.6 CONSTRAINTS FACED BY SHGs:

The SHG becomes mature and sustainable when the members as a team achieve the goals and aspiration and members are able to face conflicts, challenges and constraints. For any strategic approach to be sustainable (SHG-BLP), it is important to track the deficiencies and constraints for making necessary correction and adjustment at the policy level and at implementation level. It is in this view; an attempt has been made to assess the problems faced by SHGs, which hinders them to make the programme

successful. Analysis given in table 5.21 reflects that around 55 percent SHGs have reported problems faced by banks in terms of their co-operation, inordinate delay in making loan available, repeated visits to banks, absence of good financial institution at their doorsteps and communication gap from bank,s correspondance. Besides, 29 percent SHGs have stated about the problem of capacity building and training programme for both SHGs and NGOs functionaries. Promoting agency wise analysis has been given in Table 5.21.

Table 5.21
Problems/ Constraints Faced by SHGs (by Promoting Institutions)

Particulars	NRLM		NABARD		NERLP		Total	
	N	%	N	%	N	%	N	%
Problems/ Constraints Faced by SHGs								
Yes	294	88.6	197	90.4	45	90.0	536	89.3
No	38	11.4	21	9.6	5	10.0	64	10.7
Total	332	100.0	218	100.0	50	100.0	600	100.0
Types of Problems/ Constraints								
Bankers are not cooperative	39	13.3	26	13.2	7	15.6	72	13.4
Delay in availability of loans	38	12.9	30	15.2	5	11.1	73	13.6
Repeated visits to bank	42	14.3	21	10.7	7	15.6	70	13.1
Absence of banks in nearby area	43	14.6	30	15.2	5	11.1	78	14.6
Lack of training & orientation programmes	57	19.4	31	15.7	11	24.4	99	18.5
Lack of proper support from NGOs_SHPis	22	7.5	35	17.8	0	.0	57	10.6
Vast documentation process	16	5.4	1	.5	0	.0	17	3.2
Lack of proper support from SHG Federation	9	3.1	3	1.5	0	.0	12	2.2
Communication gap from banks	10	3.4	11	5.6	3	6.7	24	4.5
Lack of proper guidance	18	6.2	9	4.6	7	15.6	34	6.3
Total	294	100.0	197	100.0	45	100.0	536	100.0

Source: Primary Survey Data

5.7 SHPIs OPERATING IN THE STATES AND THEIR ROLE IN PROMOTING SHG-BLP:

Under this section, an attempt has been made to present the presence of SHPIs in the study states. Further, their role in the promotion of SHGs BLP has also been discussed. State wise details of SHPIs operating in the study states have been presented below:-

MIZORAM

World Vision India

WVI is a Christian Humanitarian Organization working to create lasting change in the lives of children, families and communities living in poverty and injustice. It has a presence across 174 districts of India besides sample area. Their thrust area of activities operation includes capacity building and Micro Enterprise Development. This SHPI works with enterprising members, helping them realize their economic potential and trained them to develop their own small micro-enterprises. They also facilitate the formation SHGs to save, share and build capacity. Besides, they also work in the field of community development, relief, advocacy, HIV & AIDS.

Center for Peace & Development

This organization also operates in the state as SHPIs. Besides, it also works in the area of civic issues, disabilities, disaster management, legal awareness, women development & empowerment. This NGO works towards the promotion of sustainable development. It has good credential in the field of women and child related development work.

COD NERC

NGO was established in the year 1992 with an objective to work in the field of community development through advocacy and research. The major core area where this NGO operates includes elderly care, animal husbandry, art & craft, education & literacy, natural resource management, livelihood promotion, micro finance (SHGs) etc. Besides, this NGO has also acted as SHPI for the promotion of SHG-BLP linkages in the state.

Open Doors

NGO was registered in the year 2008 with an objective of serving the economically backward and marginalized sections of society. It was established with the aim of providing services for all round development of people and ensure sustainable livelihood for the community through local capacity building and enhancement of management skills on community resources.

As an organization, Open Doors is putting its efforts to sensitize and collaborating with local NGOs', community based organization (CBOs), and various government departments to fulfill its objectives for the disadvantaged people in the community and continuing foster towards networking to create a larger platform to address pertinent issues and bring in overall development of the community.

This organization is mainly engaged in the activities of livelihood promotion, women & child development, promotion of health, protection of human rights, awareness generation on various issues.

MANIPUR

Rongmei Naga Baptist Association

Rongmei Naga Baptist Association (RNBA) is the parent body of Rongmei churches of Manipur and Assam in North East India, with its head office at Tamenglong Town, in a District west of the Imphal the state capital city. RNBA is affiliated to Manipur Baptist Convention and Council of Baptist Churches in North East India.

Development & Relief Department is the social wing of Rongmei Naga Baptist Association (RNBA) working with partners NGOs in capacity building, fund raising and mainstreaming development in North Eastern states of India. RNBA is working with 13 partners NGOs in thematic issues like sustainable natural resources management and livelihood, Food Security, Women Empowerment, Engagement with Youth, Renewable Energy and education.

Diocesan Social Service Society

Diocesan Social Service Society was established during 1999 for the purpose of carrying out various social service activities as per its memorandum. Its head office is in Guwahati. Diocesan Social Service Society is committed for the upliftment of the poor and marginalized and empowerment of women and weaker section of the people.

This organization is mainly engaged in education & literacy, health & hygiene, women empowerment, organizing seminar & conferences and also in various social and charitable works. Besides, this organization is also engaged in mobilizing and promoting SHGs under micro finance.

People Development Society

People Development Society was registered with an aim to empower the weaker sections of the society through implementing various social development programmes. This organization is engaged in running craft training centers, career counseling centers, computer training programme, training programme on cane and bamboo, destitute women & child development, aged welfare programme, piggery development programme, environment awareness programme, handloom & handicraft training programme, and HIV/AIDS awareness programme. Besides, this organization is also engaged in under micro finance in terms of promotion and mobilization of SHGs in their catchment area.

MEGHALAYA

Nongstion Social Service Society

NONGSTION SOCIAL SERVICE SOCIETY, Nongstion is the Non Governmental Organisation working for the general welfare of the people especially of West & South West Khasi Hills District of Meghalaya. It was started on the 27th April, 2006. It was registered under the Society Act in the year 2007. NSSS mainly focuses on three thrust areas i.e. economic, health and education. Some of the major activities of the organization are –

- Livestock Management for SHG Members
- Entrepreneurship Awareness Programme
- Entrepreneurship & Skill Development Programme
- HIV/ AIDS Awareness Programme
- Malaria Awareness Programme
- Book Keeping Training for SHG Leaders
- Capacity Building on Financial Management for SHG Leaders
- Workshop on Community Led Total Sanitation
- Financial Literacy Campaign
- Refresher Course for Nurses
- Community Based Rehabilitation
- Women Empowerment
- Training for Youths

NEICORD (North East India Committee on Relief & Development)

NEICORD exists as a non-denominational evangelical Christian organization to serve poor and downtrodden people by providing physical aid and facilitating community transformation by empowering the needy in North East India (NEI).

Since its inception in 1981, NEICORD has a trackrecord of helping the people who are affected by natural disasters, poverty, diseases, famine and communal clashes, with the purpose of restoring dignity, peace and tranquility in the region. NEICORD also provides vocational training courses to dropouts and support children and their families through community development programmes. Besides, it also promotes SHGs in the state.

NEICORD serves and reaches out to the needy communities through partner churches and organizations in NEI irrespective of colour, race, creed, gender and religion. It aspires to ensure that poor people work towards improving their lives and livelihoods and have a say for their future that will affect them.

Shillong Social Service Center

SOCIAL SERVICE CENTRE (SSC) is the social action wing of the Archdiocese of Shillong working for the integral development of all sections of society. Its Office is located at Shillong. It is a registered non – governmental, non-profit and non-political organization registered under the Meghalaya Societies Act, XII of 1983. It is working towards integrated development for all sections of society irrespective of caste, ethnic

groups and religion, with a special focus on the poor and the marginalized, in the spirit of love and service. Formerly its area of operation included the West and Jaintia Hills districts of Meghalaya. With the bifurcation of the Archdiocese of Shillong into the Dioceses of Jowai and Nongstoin, its present area of operation is in the East Khasi Hills and Ri-Bhoi districts of Meghalaya only. It has completed 25 years of service and facilitated the all round growth and development of people through initiating, planning, formulating, implementing, monitoring and evaluating various projects and programmes for the upliftment of the unorganized, needy poor and marginalized. This NGO is engaged in health awareness, food security, livelihood, community development programmes. It also conducts social audit under MGNREGS.

Kripa Foundation

Kripa Foundation is one of the largest Non-Governmental Organization in India, affiliated with the Union Ministry of Social Justice & Empowerment, working among people afflicted with chemical dependency & HIV infection. Over a quarter century of service, Kripa Foundation has evolved a module of non-discriminating, supportive community living, empowering people to introspect and bring about a change in lifestyle.

The organization had humble beginnings in a church compound in Bandra in 1981, with three patients in residence, a priest, a doctor & a recovering alcoholic as a role model for recovery and sobriety. Since then, this Public Charitable Trust has spread its tentacles all over India with 69 varied facilities addressing Chemical Dependency and HIV/AIDS in 12 states across the country.

Today, Kripa is at the forefront in facilitating training in Chemical Dependency, Rehabilitation and HIV/AIDS. Besides, organization is also actively involved in micro finance, livelihood, training & research in various parts of the country.

NAGALAND

Rongmei Naga Baptist Association

Rongmei Naga Baptist Association (RNBA) is the parent body of Rongmei churches of Manipur and Assam in North East India, with its head office at Tamenglong Town, in a District west of the Imphal the state capital city. RNBA is affiliated to Manipur Baptist Convention and Council of Baptist Churches in North East India.

Development & Relief Department is the social wing of Rongmei Naga Baptist Association (RNBA) working with partners NGOs in capacity building, fund raising and mainstreaming development in North Eastern states of India. RNBA is working with 13 partners NGOs in thematic issues like sustainable natural resources management and livelihood, Food Security, Women Empowerment, Engagement with Youth, Renewable Energy and education.

Achik Welfare Society

Achik Welfare Society is a NGO operates in the state of Nagaland and works in the area of civic issues, disabilities, rehabilitation, women empowerment and also in awareness generation programmes. Besides, this NGO works towards the promotion and sustainable development of SHGs.

SIKKIM

Himalayan Education Society

Himalayan Education Society was registered during 2004 with a mission to educate, organize and empower the weaker section of rural people (especially the tribal, poor and needy) who would be in future act like catalyst in promoting gender equality, justice, economic growth and self-reliance. Motto of the organization is to educate, organize and empower rural people. Major activities of the organization are as follows –

- ❖ Promotion of farmers clubs and Self Help Groups under NABARD
- ❖ Skill Development (cutting and tailoring) under NABARD
- ❖ Formation of Farmers producer Organization under NABARD
- ❖ Mid day meal monitoring in throughout Sikkim under HRDD, Govt. of Sikkim
- ❖ Special Training Residential Centre (drop out School) under HRDD, SSA Govt. of Sikkim
- ❖ Formation of SHGs and CDGs in four Blocks of south District i.e., Temi, Sumbuk, Namthang and Sikkip Block under NERLP
- ❖ Participatory Rural Appraisals (PRA) Exercise and reported, under NERLP

Bhavishya Bharat

Bhavishya Bharat is a not-for-profit organisation having expertise in implementing integrated social development programmes, corporate social responsibility (CSR) activities and planning, execution and evaluation of local area development programmes (LADP) for corporates and government agencies. It aims at promoting integrated and inclusive development through social, economic and environmental interventions.

Bhavishya Bharat is working in the southern, central and north eastern regions of the country in the fields of five thematic areas – basic healthcare, education, social infrastructure (common property resource) development, sustainable livelihood and disaster risk reduction.

United Progressive Organization of Sikkim

United Progressive Organisation of Sikkim (UPOS) has been working for the upliftment of the poor tribal people in the three backward villages of Ray, Mindu & Tempyem since its inception in 2004. It has been implementing various ways to help benefit the people, its current project being “WADI” which helps the farmers to achieve sustainable livelihood. Wadi in Gujarati term means “Orchard”, thus covering almost 300 odd families who have already joined together in maintaining their own orchard i.e of Oranges & Guava. “Chalum Sing” is the term given to this project by the local people which in Lepcha language means Orange Orchard. The funding partner for this project is through NABARD Regional Office Gangtok. Every possible step is taken by the NGO to ensure that the farmers are brought to the learning curve of maintaining their orchard, for this frequent trainings and exposure visits are organised. NABARD has played a vital role for granting the project and help people benefit through it.

United Progressive Organisation of Sikkim has also introduced the concept of “Village Tourism” in the three Tribal belts. People have been trained on hospitality management, sanitation & hygiene. Almost 46 families are part of the Village Tourism where in they can accommodate tourist from different countries. Tourist are welcomed in the traditional way, traditional rituals and dances are performed and not to forget the tradition lepcha dishes are served. Local sight – seeing is also conducted where in the tourist have the opportunity to see the natural flora and fauna, bird watching, visit to the nearby Gumpa of Ray, Rumtek & Lingdum. NABARD is the key funding partner for the Village Tourism in the three villages.

Tumin Shivalin Club

Tumin Shivalin Club was registered during 1990 and it is operational in the state of Sikkim. The organization works for the upliftment of the rural women and children. It is engaged in promotion of SHGs. The organization also organizes various sports meet for the local youths. It has also organized various camps with regard to alcohol, tobacco and drug abuse. Core operational areas of organization is art & culture, child upliftment, environment & forest, health & family welfare, HIV/AIDS, sports, vocational training, women development & empowerment

TRIPURA

Golaghati Welfare Society

The emergence of Golaghati Welfare Society (GWS) is not-for-profit organization was initiated by a few educated youths of the area to do some welfare and development activities for the fellow persons of the community.

Since registration, the GWS has formally completed its seventh dedicated years of its development services to the people of this state and gathering various experiences in services the rural deprived poor and treble people of its operational area. Major activities of the organization are as follows –

- Advocacy, Communication and Social Mobilization
- RNTCP (Revised National Tuberculosis Control Programme)
- HIV/AIDS Awareness
- Bee-Keeping Training Programme
- Legal Awareness Programme
- National Environment Awareness Campaign
- Livelihood Development
- Sports & Culture

Netaji Welfare Center

Netaji Welfare Centre, a rural NGO based at Krishnanagar under Belonia sub-division of south Tripura district was got registered under Societies Registration Act 1860 in the year 1998. Organization is involved in running computer training center, Sishutirtha Vidyamandir (a pre-primary school), mentor youth club project.

Organization has also got support from Tripura Bamboo Mission for organizing workshop on “Bamboo-A tool for livelihood development”. Besides, this organization is also engaged in promotion of SHGs and capacity building of SHG members.

Samadrita

Samadrita is a non-governmental organization (NGO). It was established in the year 2007. Samadrita works in the area of Art & Culture, Children, Disability, Education & Literacy, Environment and natural resource management, Health & Nutrition, Human Rights, Labour & Employment, Legal Awareness & Aid, Sports, Vocational Training, Women’s Development & Empowerment, etc. The organization works towards the promotion of sustainable development. The organization operates in Tripura..

During the discussion, it was revealed that above mentioned NGOs have extended their help especially under the banner of NABARD in organizing the poor into the groups besides undertaken training programme for awareness and understanding building of groups. They also facilitated the groups in organizing their meetings and in running their thrift and credit system. They have also helped to groups in maintenance of accounts and link them with the banks for credit requirement.

Further, an attempt has been made to assess the group perceptions on the role of SHPIs in SHG-BLP promotion. Analysis presented in given table 5.22 indicates that around 42 percent SHGs were of the view that SHPIs facilitated in the process of SHG-BLP linkages followed by facilitation in the marketing activities (15 percent), providing financial literacy (19 percent) and process of micro financing (22 percent). Further analysis also depicts that SHPIs facilitation on these components were found much better among the NABARD promoted SHGs in comparison to NRLM and NRELP supported SHGs.

Table 5.22
Nature & Types of SHPIs Support to SHGs (by Promoting Institutions)

Particulars	NRLM		NABARD		NERLP		Total	
	N	%	N	%	N	%	N	%
Support in SHGs Bank Linkages								
Yes	67	20.2	148	67.9	37	74.0	252	42.0
No	265	79.8	70	32.1	13	26.0	348	58.0
Support in Marketing Product								
Yes	18	5.4	68	31.2	8	16.0	94	15.7
No	314	94.6	150	68.8	42	84.0	506	84.3
Support in Financial Literacy								
Yes	24	7.2	78	35.8	13	26.0	115	19.2
No	308	92.8	140	64.2	37	74.0	485	80.8
Support in Micro Financing								
Yes	32	9.6	86	39.4	12	24.0	130	21.7
No	300	90.4	132	60.6	38	76.0	470	78.3
Total	332	100.0	218	100.0	50	100.0	600	100.0

Source: Primary Survey Data

Analysis of data has also been carried out to understand the visits of various SHPIs to SHGs to supervise their functioning and follow-up suggestions. Majority of SHGs (49 percent) have stated about the visits of SHPIs followed by line department's officials (58 percent) & bank officials. SHPIs visits was found comparatively more to NABARD promoted SHGs. The details of data has been given in Table 5.23.

Table 5.23
Visit of Different Stakeholders to the SHGs (by Promoting Institutions)

Particulars	NRLM		NABARD		NERLP		Total	
	N	%	N	%	N	%	N	%
SHPIs								
Yes	79	23.8	177	81.2	39	78.0	295	49.2
No	253	76.2	41	18.8	11	22.0	305	50.8
BDOs								
Yes	103	31.0	47	21.6	11	22.0	161	26.8
No	229	69.0	171	78.4	39	78.0	439	73.2
Line Department								
Yes	207	62.3	121	55.5	23	46.0	351	58.5
No	125	37.7	97	44.5	27	54.0	249	41.5
Nationalized Bank Officials								
Yes	140	42.2	88	40.4	10	20.0	238	39.7
No	192	57.8	130	59.6	40	80.0	362	60.3
Cooperative Bank Officials								
Yes	116	34.9	51	23.4	10	20.0	177	29.5
No	216	65.1	167	76.6	40	80.0	423	70.5
Total	332	100.0	218	100.0	50	100.0	600	100.0

Source: Primary Survey Data

5.8 ROLE OF SHG FEDERATION:

SHG Federation has been formed in the study states under the NRLM, however their numbers were low. The federations have been formed to guide, monitor, nurture, sustain and streamline the activities of the SHGs. A total of 40 SHG federations were interacted and most of them were found at nascent stage. All the SHG federations were found registered under society registration act. The SHG federation had outreach ranging from 1 to 2 GPs, 5 groups to 10 groups and 50 to 100 members. None of SHGs federations reported about the loan disbursement to member SHGs because of their formative stage. Their role was observed to conduct capacity building of SHGs found under NRLM fold. Besides, they are also establishing collaboration with a number of development players including banks with a purpose of gaining access to finance, capacity building and technical input. None of the SHGs federation have reported about the receipt of fund. In nutshell, one can say that SHGs federations of the study area are under the formative stage and thus they have not become full functional.

5.9 ROLE OF MFIs IN SHG-BLP:

Under this section, an attempt has been made to assess the role played by MFIs in the promotion of SHGs BLP in NER by conducting discussion with concerned officials. It was told that MFIs in NER are playing role as a platform for poor to participate and get benefitted from the growth of the country. Most of the borrowers of NBFC-MFIs in NER are women. Predominantly loans have been disbursed in groups (SHGs). Group formation, participation in group's activities and exposure to managing finance is giving women much needed confidence to become self-reliant. MFIs spread across the NER are the registered agency and serving the NER in the field of livelihood promotion. The organization identifies the potentiality of the area and form the groups with relevant activities. After necessary verification and appraisal, the loans are sanctioned and disbursed to the groups. They also conduct follow-up of the progress of the activities for which loan is taken.

An attempt has been made to present a profile of MFIs who are very much functional in different parts of NER and they can be tied up for the further improvement of SHG BLP in the NER.

Table 5.24
Profile of MFIs Functional in NE

1.	RGVN (North East) Micro Finance Ltd.	
	Legal Form	NBFC
	Established	2008
	Area of Operation	Arunachal Pradesh, Assam, Meghalaya
	No. of Branches	106
	Staff	549
	Product & Services	Micro Credit, Livelihood Promotion, Houny, Energy, Health, Sanitation, Capacity Building & Training
	Client Outreach	Rs. 1.68 Lakh as on 2014
	Gross Loan Portfolio	Rs. 124.32 Crore as on 2014
2.	ASOMI FINANCE PVT. LTD.	
	Established	2008
	Area of Operation	Assam
	No. of Branches	44
	Product & Services	Micro Credit
	Client Outreach	Rs. 0.47 Lakh
	Gross Loan Portfolio	Rs. 32.23 Crore
3.	UNNACO FINANCIAL SERVICES PVT. LTD.	
	Legal Form	NBFC
	Established	2008
	Area of Operation	Assam, Manipur, Tripura
	No. of Branches	28
	Staff	173
	Client Outreach	Rs. 47 Lakh
	Gross Loan Portfolio	Rs. 32.23 Crore
4.	MORIGAON ZILLA GRAMYA PUTHIBHARAL SANGHA	
	Legal Form	Society
	Area of Operation	Assam
	No. of Branches	1
	Staff	19
	Product & Services	Micro Credit, Capacity Building, Livelihood Promotion
	Client Outreach	Rs. 0.30 Lakh
	Gross Loan Portfolio	Rs. 1.57 Crore

5.	NIGHTINGALE FINANCE PVT. LTD.	
	Legal Form	NBFC
	Established	1987
	Area of Operation	Assam
	No. of Branches	2
	Product & Services	Micro Credit
	Client Outreach	Rs. 0.19 Lakh
	Gross Loan Portfolio	Rs. 15.25 Crore
6.	GRAMEEN SAHARA	
	Established	2002
	Area of Operation	Assam, Meghalaya
	No. of Branches	15
	Staff	85
	Product & Services	Micro Credit, Capacity Building
	Client Outreach	Rs. 0.16 Lakh
	Gross Loan Portfolio	Rs. 17.56 Crore as on 2014
7.	NORTH EAST REGION FIN SERVICES LTD.	
	Legal Form	NBFC
	Established	2002
	Head Quarter	Manipur
	Area of Operation	Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland
	No. of Branches	125
	Staff	947
	Product & Services	Micro Credit, Livelihood Promotion
	Client Outreach	Rs. 1.28 Lakh
	Gross Loan Portfolio	Rs. 385.04 Crore
8.	WSDS- INSTITUTE OF INNOVATIVE TECHNOLOGY TRANSFER & ENVIRONMENT	
	Legal Form	Society
	Established	1989
	Area of Operation	Manipur & Mizoram
	No. of Branches	7
	Product & Services	Micro Credit, Hourn & Energy
	Client Outreach	Rs. 0.15 Lakh
	Gross Loan Portfolio	Rs. 4.10 Crore
9.	YUV FINANCIAL SERVICES PVT. LTD.	
	Legal Form	NBFC
	Area of Operation	Assam & Manipur
	No. of Branches	7
	Product & Services	Micro Credit
	Client Outreach	Rs. 0.14 Lakh
	Gross Loan Portfolio	Rs. 7.40 Crore

10.	ORGANIZATION FOR RURAL IMPROVEMENT	
	Legal Form	Society
	Established	2003
	Area of Operation	Manipur
	Product & Services	Micro Credit & Micro Insurance
	Client Outreach	Rs. 0.11 Lakh
	Gross Loan Portfolio	Rs. 2.03 Crore
11.	YOUTH VOLUNTEERS UNION	
	Legal Form	Society
	Established	2006
	Area of Operation	Manipur
	Product & Services	Micro Credit & Livelihood Promotion
	Client Outreach	Rs. 0.06 Lakh
	Gross Loan Portfolio	Rs. 8.55 Crore

During the discussion, it was revealed that most of the MFIs still lack of professional support to run the MFIs operation successfully and profitably. MFIs also lack of funding sources at lower rate of interest. MFIs borrow money from commercial banks, at a higher rate of interest and because of this, they usually face high running cost to manage the micro-finance programme. Consequently, MFIs have low credit off take from the banks.

5.10 BANK PENETRATION AND SHG-BLP IN NER:

Like many other socio-economic indicators, banking indicators also are not uniform across regions in NER. It is observed that banking density is poor in North Eastern Region as compared to other parts of the country. The bank credit-GDP ratio for NER is also observed to be low (13.2 percent) in comparison to other part of the country. Overall, it appears that the spread and depth of banking is much lower in NER. The pattern of banking penetration appears to be formidable challenge in the way of faster and more inclusive growth and SHG-BLP programme. As the matter of fact, banks have been the major drives of the SHG movement so far in the country. As the matter of fact it is now established that there is a positive correlation between SHG spread and banking network. As it is obvious, the number of branches of scheduled commercial banks is lower in the North-Eastern region when seen against the size of their population. It is noticeable that these are also the region where SHG-bank linkage movement needs to intensified, particularly in terms of the disbursement of loans to the SHGs linked to the banks. In view of the above, policy should incentivize branch expansion and alternative models of BC/BF model, bank mitra model, bank sakhi model. With the objective of ensuring greater financial inclusion and increasing the outreach of

banking sector, the RBI has permitted banks to utilize the services of intermediaries in providing financial and banking services through the use of BC/BFs. As reported by SLBC under their financial inclusion plan nearly 1157 BC/BF agents had been deployed in study states (Manipur represents the data of SBI only). District wise details (except Nagaland) of BC deployment have been presented in below given table 5.25 except Nagaland.

Table 5.25
District Wise BC/BF in Study States

Sl. No.	State	Districts	No. of BC/BF
1.	Sikkim	East Sikkim	34
		West Sikkim	43
		North Sikkim	5
		South Sikkim	34
2.	Meghalaya	East Garo Hills	9
		East Khasi Hills	38
		Ribhoi	16
		South Garo Hills	12
		West Garo Hills	54
		West Jaintia Hills	16
		West Khasi Hills	12
		East Jaintia Hills	7
		North Garo Hills	9
		South West Garo Hills	22
		South West Khasi Hills	11
3.	Tripura	West Tripura	77
		Khowai	55
		Sepahi Jhala	59
		North Tripura	56
		Unakoti	45
		South Tripura	72
		Gomati	85
Dhalai	70		

SI. No.	State	Districts	No. of BC/BF
4.	Mizoram	Aizawl	44
		Champai	24
		Kolasib	12
		Lawngtlai	21
		Lunglei	11
		Mamit	12
		Siaha	12
		Serchhip	9
5.	Manipur (only SBI data)	Bishnupur	5
		Chandel	6
		Churchandpur	9
		Imphal West	21
		Senapati	8
		Tamelong	1
		Thoubal	10

Source: SLBC Data

During the discussion, it was told that Bank correspondanc has been deployed in NER to facilitate following activities like MGNREGA payments, loan recovery, account opening of both commonman and SHGs, saving deposits etc. It was revealed from the discussion that though the number of BC transactions increased considerable, it was observed that the increase in the volume of transaction was not commensurate with the increase in the number of BCs engaged and the accounts opened through them. A review of BCs model highlighted that the cash management system followed by the banks for BC operations was one of the major impediments in the scaling up of the BC model.

Further, it was also extracted from the discussion that BCs operating in a relatively small geographical areas and with limited volume of transactions tended to be squeezed out. It is clear that BC would have to operate on a large scale to be successful in this potentially low margin, high volume environment.

5.11 SHG-BLP AND MEMBERS EMPOWERMENT:

Various FGDs (Focus Group Discussions) were conducted among the SHG members to assess the impact of programme on different empowerment indicators. During the discussion, members were asked questions on indicators like economic empowerment, personal empowerment, social empowerment and psychological empowerment. The majority of the SHGs members who had received the loan under the programme reported that their income has been increased after receiving the loans from SHGs. Most of the members of the sample states reported increase in saving after participation in SHG. The number of SHG members reported increase in saving was significantly higher in Tripura, Meghalaya, Manipur, and Nagaland in comparison to other states. A considerable proportion of the SHG members also reported that their household's assets have increased after joining the SHGs. Majority of SHGs members in across the study states felt that now they can make purchase decisions independently and similarly majority of members of the group informed that market access has increased after participation in SHGs.

On the question of personal empowerment, a large proportion of the SHGs members, especially Tripura, Meghalaya, Manipur and in Nagaland reported that they get less time in household work due to greater involvement in the SHGs as they have to attend meetings, look after the activities and market the products. This is an important issue because sometimes it may lead to tension within the family but in many cases women reported that they get enough of supports and helps from their household. It was also observed during the discussion that most of the women members used to participate in the family decision making process. The decisions on household day-to-day purchase were mainly taken by SHG's women members in their household.

Components related to social empowerment were also assessed among the members of SHGs. It was observed that most of the SHGs members in across the study states had participated in religious and social programme in their neighborhood. In Manipur, they participated in different social programmes i.e. anti-liquor, extortion and in various cultural programmes and the same situation were also found more or less in other study states also. Nearly all of the SHG members expressed that they do not have any restriction on mobility. Majority of the SHGs members in the study areas found to be

visiting the markets frequently. Most of the SHG's members reported that participation in SHGs helped in development of better network among the members.

Approximately all of the sample SHGs members in all the six states stated that their self confidence and self worth increased, attitude of society towards women's role changed in positive direction and fear of domestic violence reduced due to participation in SHGs.

The participation in political and legal process by the members was found very few in all the study states. Hardly they had held any political post though most of them casted their votes without any pressure. The number of SHG members who reported increase access to information was comparatively higher in Sikkim, Meghalaya, Tripura and in Nagaland. It is revealed from the discussion that majority of the SHG members became economically empowered after participation in SHGs in all the study states. Magnitude of economic empowerment was found more among those groups who had received bank loans. However, the share credit disbursement to SHGs by banks were reported comparatively low in the study areas.

5.12 PRESENCE OF LOCAL LEVEL TRADITIONAL INSTITUTIONS:

- It was reported that there is **Pastoral Centre for Savings**, a welfare group prevalent amongst the Christian members of Tripuri tribes. A compulsory deposit of a fixed amount by each household is made to the **center**. It is lent out at lower than market interest rate to address emergencies or extreme distress. Members can take out loan in amount more than the amount they have deposited. Besides, **Jami Ren** system is also existing in tripuri tribe. Under this system, landowners lease their land on lease to moneylenders at the time of need rather than liquidating the assets. The **Pastoral center for saving** of Tripura is an important and effective socio-economic organization, which provides security to every household at every stage. As banks and other formal sectors, financial institutions are absent or in some cases not within the reach, people have less knowledge of its benefit. However, this traditional system of local financial institution, which is meant for mutual help, is the only institution that can provide these savings and lending facilities. This informal financial institution is maintained by committees headed by village man. They also maintain MIS in the form of members meetings, book keeping, records of saving and credits.

- It was reported that a system of Accumulating Saving and Credit Association is functional in the state in the name of Sonchay, Somobay and Samiti. These are saving based groups of generally 25 to 40 people where members deposit monthly savings of fixed amounts in to a central pool from which money is lent out to members and non members. It is a purpose-based group which generally run for 1 to 2 years and often liquidates and provides payouts prior to festivals. Members earn interest in proportion to their saving amounts. This **Association** is an important and effective socio-economic organization, which provides security to every household at every stage. As banks and other formal sectors, financial institutions are absent or in some cases not within the reach, people have less knowledge of its benefit. However, this traditional system of local financial institution, which is meant for mutual help, is the only institution that can provide these savings and lending facilities. This informal financial institution is maintained by committees headed by elected leader. They also maintain MIS in the form of members meetings, bookkeeping, records of saving and credits.
- There is **Mahari Association**, a welfare groups prevalent amongst the Garo Clan of Meghalaya. A compulsory deposit of a fixed amount by each household is made to the **Mahari**. It is lent out at zero or lower than market interest rate to address emergencies or extreme distress. Some amount is also used for community needs. The deposit amounts are being fixed by is also used for community needs. The deposit amounts are being fixed by the committee headed by Nokma (village headman). Generally, Mahari fund is used for the general welfare of the clan for marriage, death ceremonies and emergencies etc. The **Mahari Association** of Meghalaya is an important and effective socio-economic organization, which provides security to every household at every stage. As banks and other formal sectors, financial institutions are absent or in some cases not within the reach, people have less knowledge of its benefit. However, this traditional system of local financial institution, which is meant for mutual help, is the only institution that can provide these savings and lending facilities. This informal financial institution is maintained by committees headed by village man. They also maintain MIS in the form of members meetings, book keeping, records of saving and credits.

- It was reported that there are the presence of **Marups**, a group prevalent amongst the Manipuries. It is group of money collectors and lenders and other providers of retail financial services. These are lawful entities but unregulated Rotating Savings and Credit Associations. These groups are famous as friendship organization and having good networks and creditibility among the community. Educated people have also been associated with this system. This system provides a strong financial network to people who involves directly or indirectly to business activities as well as in their day-to-day livings. It is an important and effective socio-economic organization, which provides security to every household at every stage. As banks and other formal sectors, financial institutions are absent or in some cases not within the reach, people have less knowledge of its benefit. However, this traditional system of local financial institution, which is meant for mutual help, is the only institution that can provide these savings and lending facilities. These informal financial institutions are maintained by committee headed by elected president, seceratary and treasurer. They also maintain MIS in the form of member's meetings, book keeping, records of saving and credits.

CHAPTER – 6

STATUS OF NPAs UNDER SHG-BLP IN NER

6.1 SUMMARY INSIGHT:

Banking Institutions play a significant role in the economic development of a country. There are certain issues of concern that affect their performance and efficiency. One of the major issue is the credit risk involved in the banking sector. According to the Narasimhan Committee, Non-Performing Assets (NPAs) are considered as one of the important indicators of profitability and efficiency of any bank. Lesser NPAs indicate a better position of a bank in terms of solvency. More NPAs lead to less profit because of non-repayment of interest and principal amount of loan by the creditors, thereby affecting the overall profitability of a bank. Under the SHG Bank Linkage Programme (SBLP), the Self Help Groups are linked to banks where these groups are provided financial services for the benefits of their members. Credit disbursed to a SHG under this scheme is without collaterals. The credit disbursed under this scheme increases the risk for the banks. The main purpose of this section was to assess the status of NPA in the study region. NPAs have been analyzed from both primary and secondary source of data.

6.2 ANALYSIS OF NPA BASED ON PRIMARY SURVEY:

In general, analysis has shown in preceding chapter a poor credit disbursement to SHGs under SHG-BLP in the NER. Only 22 percent SHGs in our sample have reported about the receipt of loan from the banks. A question was asked to assess the reason behind such a poor credit disbursement. During the discussion, it was told that generally, banks keep SHGs saving as collateral and the credit of group corpus is linked to the amount of savings. Besides, they also consider the regular saving habits of SHGs before sanctioning loans. Since most of the SHG members of the study area belong to poor economic background, they do not follow the regular saving contribution at least for six months continuously and due to that SHGs have not saved a good corpus in their saving accounts in the banks. Besides analysis in preceding chapter has also highlighted that around 28 percent SHGs cutting across the promoting institution have not followed the thrift and credit practices on regular basis and also a sizable numbers of SHGs have not conducted regular meetings with full participation of members. These are the few situations which led to poor credit disbursement to the the SHGs in the NER.

Further, it can also be noted that the sampled SHGs promoted by NRLM under this study were from intensive blocks where as NABARD promoted sampled SHGs were from non-intensive blocks. Analysis given in table 6.1 clearly indicates that SHGs belong to non intensive fold have an edge over the SHGs belonging to Intensive fold in terms of availing the loan facility. None of the SHGs promoted by NERLP have reported about availing the loan facility in the sample.

Overall, the magnitude of credit availed by SHGs varied in the range of Rs. 25000 to Rs. 50000 for almost 54 percent SHGs followed by in the range of Rs. 50, 000 to 1,00,000 among 39 percent SHGs. Only 6 percent SHGs have reported about the receipt of loans in the range of Rs. 1,00,000 to 1,25,000. Here it has been seen that the share of large amount creditors in the sample was only 6 percent. Table 6.1 presents the disbursement of credit to SHGs by promoting institutions.

Table 6.1
Credit Amount of SHGs

Amount (Rs)	NRLM (Intensive)		NABARD (Non intensive)		Total	
	N	%	N	%	N	%
25000	0	0.0	3	3.8	3	2.3
30000	2	3.7	13	16.5	15	11.3
32000	0	0.0	1	1.3	1	0.8
35000	0	0.0	5	6.3	5	3.8
40000	8	14.8	14	17.7	22	16.5
44000	0	0.0	1	1.3	1	0.8
45000	2	3.7	3	3.8	5	3.8
48000	1	1.9	0	0.0	1	0.8
50000	6	11.1	13	16.5	19	14.3
52000	0	0.0	1	1.3	1	0.8
53000	1	1.9	1	1.3	2	1.5
55000	0	0.0	3	3.8	3	2.3
60000	5	9.3	10	12.7	15	11.3
70000	1	1.9	0	0.0	1	0.8
75000	2	3.7	0	0.0	2	1.5
80000	10	18.5	0	0.0	10	7.5
85000	1	1.9	0	0.0	1	0.8
90000	3	5.6	6	7.6	9	6.8
95000	1	1.9	0	0.0	1	0.8
100000	4	7.4	4	5.1	8	6.0
110000	2	3.7	1	1.3	3	2.3
120000	4	7.4	0	0.0	4	3.0
125000	1	1.9	0	0.0	1	0.8
Total	54	100.0	79	100.0	133	100.0

Source: Primary Survey Data

Repayment period of bank loans to SHGs has also been analyzed. As high as 62 percent SHGs had reported a period of 3 years as the repayment period of bank loans followed by 2 years by 26 percent SHGs. The **repayment status** for the bank credits of SHGs have been analyzed by the state and promoting institutions. Analysis of data presented in table 6.2 has revealed that a sum of Rs. 39,81,000 have been disbursed to NABARD promoted SHGs in across the study states as the loans of which Rs. 32,60,400 have been repaid by the SHGs. The repayment rates among the NABARD supported SHGs were worked out to be almost 81.9 percent. At other hand a sum or Rs. 38,66,000 has been disbursed as loan to NRLM supported SHGs of which Rs. 9,77,300 have been reported as the repayment. The repayment rate for NRLM supported SHGs was calculated as 25.3 percent. Analysis indicates that NABARD supported SHGs have performed well with respect to repayment of loans in comparison to NRLM supported SHGs. **Default** in terms of loan payment was found more among NRLM supported SHGs. During the discussion, it was noticed that sizable number of the SHGs have utilized the loans in consumption purpose rather than economic activity and assets creation and consequently they got hardship in repaying the loans. Analysis findings clearly indicates that there is need to keep in place a mechanism of supervision and follow up of the disbursed loans to SHGs by banks to improve the loan repayments ratio.

Table 6.2
Loan Repayment Status of SHGs

States	NABARD				NRLM			
	Loan Received	Loan Repaid	Outstanding	Paid %	Loan Received	Loan Repaid	Outstanding	Paid %
Meghalaya	1662000	1580400	81600	95.1	0	0	0	0
Mizoram	1110000	857000	253000	77.2	1985000	524000	1461000	26.4
Manipur	430000	195400	234600	45.4	880000	191400	688600	21.8
Nagaland	299000	215600	83400	72.1	796000	190400	605600	23.9
Sikkim	420000	389500	30500	92.7	0	0	0	0
Tripura	60000	22500	37500	37.5	205000	71500	133500	34.9
Total	3981000	3260400	720600	81.9	3866000	977300	2888700	25.3

Source: Primary Survey Data

6.3 ANALYSIS OF NPA BASED ON SECONDARY DATA:

In the absence and non availability of SBLC data, an attempt was made to use NABARD data for conducting NPAs assessment in NER with a view to understand the pattern and magnitude of NPAs faced by banks under SHG-BLP.

This section describes the NPAs against bank loan to SHGs in terms of percentage of loan outstanding over a period of five financial years (2010-11 to 2014-15). Secondary data analysis reflects that NER had experienced a NPA of 8.42 percent as on March 2011 and the same was declined to 5.17 percent in the financial year 2011-12. The decline in NPAs was reported to the extent of 3.25 percent over the financial year 2010-11. Further data shows an increase in the NPAs over the financial years 2012-13 onwards. There has been an increase in the percentage of NPAs with the extent of 3.19 percent in financial year 2014-15 in comparison to 2012-13 financial years. State wise analysis on NPAs revealed a highest magnitude of percentage (61.83 percent) to loan outstanding in Mizoram for the financial year 2013-14 whereas Manipur has shown 49.19 NPAs against bank loans to the SHGs for the financial year 2014-15. Above analysis implies that there is a continuous increase in NPAs against loans to SHGs over the financial years. This is a matter of concern for the micro finance sector.

Table 6.3

Non Performing Assets against Bank Loans to SHGs (% to total outstanding)

Year	India	NER	STATES					
			Manipur	Meghalaya	Mizoram	Nagaland	Sikkim	Tripura
2010-11	4.72	8.42	17.40	8.45	52.06	14.26	31.22	2.16
2011-12	6.09	5.17	20.72	33.08	5.12	12.28	5.33	2.79
2012-13	7.08	8.56	35.56	8.13	1.49	14.32	9.85	3.95
2013-14	6.83	8.88	55.09	19.37	61.83	20.82	10.0	7.49
2014-15	7.04	11.75	49.19	19.73	9.36	26.21	8.51	18.53

Source: Status of Microfinance in India, NABARD

Further, an attempt has also been made to assess the magnitude of NPAs by banks. During the period 2013-14 and 2014-15 in NER, the total private sector commercial bank NPAs to the total loan outstanding has shown a decline of 18.43 percent, whereas public sector banks & cooperative banks have experienced an increase in NPAs at the tune of 5 percent and 19 percent respectively. Detail analysis on NPAs against bank loans to SHG by agency (in % to loan outstanding) has been given in Table 6.4.

Table 6.4

Non Performing Assets against Bank Loans to SHGs by Agency (% to total outstanding)

Year	Agency	NER	STATES					
			Manipur	Meghalaya	Mizoram	Nagaland	Sikkim	Tripura
2010-11	Pvt. S.C.B.	93.94	N/A	N/A	N/A	N/A	93.94	N/A
	Pub. S.C.B.	8.67	10.38	4.16	52.42	16.16	30.45	4.03
	Co-operative Bank	3.91	N/A	N/A	0	7.12	40.91	2.41
	Regional Rural Bank	9.72	42.06	15.81	N/A	1.21	N/A	0
2011-12	Pvt. S.C.B.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Pub. S.C.B.	6.88	13.95	10.11	65.46	13.78	11.96	3.63
	Co-operative Bank	8.25	78.51	11.94	0.0	11.80	2.41	13.79
	Regional Rural Bank	2.98	44.04	73.30	0.0	2.14	0.0	2.45
2012-13	Pvt. S.C.B.	71.98	0	0	0	100	0	0
	Pub. S.C.B.	11.94	40.02	23.70	37.63	19.09	9.85	3.95
	Co-operative Bank	20.39	0	0	0	0	N/A	N/A
	Regional Rural Bank	19.01	17.20	0	0	0	0	N/A
2013-14	Pvt. S.C.B.	29.93	0	0	0	2.32	0	0
	Pub. S.C.B.	12.08	56.94	27.17	61.83	21.61	10.0	7.49
	Co-operative Bank	18.20	0	25.78	0	0	0	0
	Regional Rural Bank	3.45	0	8.62	0	0	0	0
2014-15	Pvt. S.C.B.	11.50	0	0	0	62.62	0	0
	Pub. S.C.B.	17.41	0	0	0	2.14	0	0
	Co-operative Bank	37.14	0	0	0	0	0	0
	Regional Rural Bank	3.84	44.50	12.57	0	0	0	0

Source: Status of Micro finance in India, NABARD

6.4 STATE WISE POSITION OF OUTSTANDING BANK LOANS AGAINST SHGs IN NER:

The state wise position of outstanding bank loans against SHGs in NER excluding Assam and Arunachal is depicted in Table 6.5. As it can be seen from the table that there was a total loan outstanding of Rs. 84138 lakh against SHGs in NER over a period of five financial years (2010-11 to 2014-15). State wise share in the total

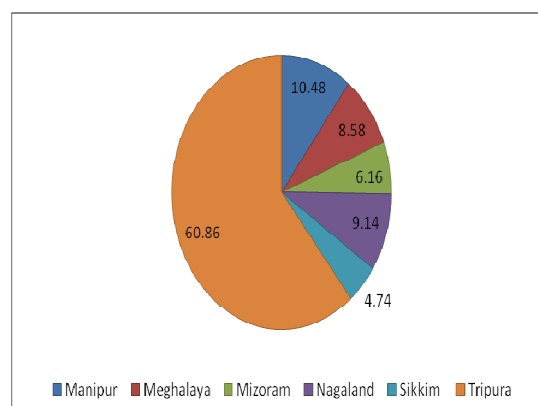


Figure 6.1- State wise Share in Total Outstanding (in %)

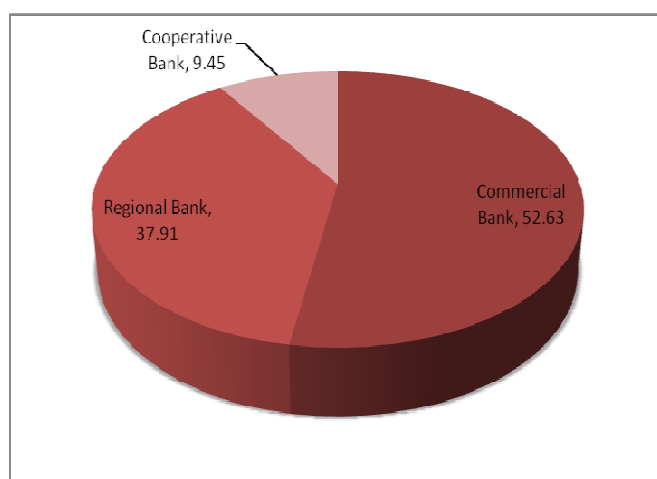
outstanding loans was recorded highest for Tripura (60.86 percent) followed by Manipur (10.48 percent) and Nagaland (9.14 percent). The lowest share contribution in total outstanding loans was found for Sikkim (4.74 percent) followed by Mizoram and Meghalaya.

Table 6.5
SHGs Bank Linked Outstanding Amount under SHG-BLP (in lakh)

Year	NER	STATES					
		Manipur	Meghalaya	Mizoram	Nagaland	Sikkim	Tripura
2010-11	17042.76	2036.73	1484.54	620.49	1895.58	700.44	10304.98
2011-12	33014.06	2300.18	1394.64	1003.37	1789.79	1208.27	25317.81
2012-13	14431.44	2092.57	1761.58	1946.60	1793.85	1237.84	5599
2013-14	9530.28	1387.92	1268.25	209.97	1260.26	231.96	5171.92
2014-15	10119.46	1004.26	1317.61	1407.43	956.18	615.39	4818.59
Total	84138.00	8821.66	7226.62	5187.86	7695.66	3993.90	51212.30

Source: Status of Microfinance in India, NABARD

Sl. No.	Manipur	Meghalaya	Mizoram	Nagaland	Sikkim	Tripura	Total
TOTAL (%)	10.48	8.58	6.16	9.14	4.7	60.86	100.0



Further data analysis presented in Table 6.6 depicts about the loan outstanding amount against SHGs in NER by agencies. As it can be seen from the table that commercial banks have experienced a highest share of 52.63 percent as the outstanding loans against the SHGs in comparison to RRBs (37.91 percent) and co-operative banks (9.45 percent).

Figure 6.2 - Agency wise Contribution in Outstanding Loan Amounts against SHGs (in %)

Table 6.6

SHGs Bank Linked Outstanding Amount under SHG-BLP by Agency (in lakh)

Year	Agency	NER	STATES					
			Manipur	Meghalaya	Mizoram	Nagaland	Sikkim	Tripura
2010-11	Commercial Bank	9412.03	1585.16	938.55	616.17	1551.99	658.49	4061.67
	Regional Rural Bank	4870.49	451.57	545.99	N/A	82.76	N/A	3790.17
	Co-operative Bank	2760.24	N/A	N/A	4.32	260.83	41.95	2453.14
2011-12	Commercial Bank	10474.33	1789.36	645.32	313.19	1228.83	1083.92	5413.71
	Regional Rural Bank	22269.93	504.77	499.62	3651.64	162.94	0	17450.96
	Co-operative Bank	3269.8	6.05	249.70	38.54	398.02	124.35	2453.14
2012-13	Commercial Bank	10342.24	1683.12	604.17	77.07	1341.09	1237.84	5398.95
	Regional Rural Bank	3201.98	409.45	836.58	1808.49	147.46	0	N/A
	Co-operative Bank	687.17	0	320.83	61.04	305.30	N/A	N/A
2013-14	Commercial Bank	8690.98	1342.98	473.89	209.97	1260.26	231.96	5171.92
	Regional Rural Bank	556.62	44.94	511.68	0	0	0	0
	Co-operative Bank	1361	0	1361	0	0	0	0
2014-15	Commercial Bank	7403.77	565.87	368.28	112.75	956.18	582.10	4818.59
	Regional Rural Bank	2472.05	438.39	773.66	1260.00	0	0	0
	Co-operative Bank	243.64	0	175.67	34.68	0	33.29	0
Total		88016.27	8821.66	8304.94	8187.86	7695.66	3993.9	51012.25

Source: Status of Micro Finance in India, NABARD

Agency	Total Outstanding	Percentage
Commercial Bank	46323.35	52.63
Regional Rural Bank	33371.07	37.91
Co-operative Bank	8321.85	9.45

CHAPTER – 7

SUMMARY CONCLUSION AND WAY FORWARD

7.1 SUMMARY INSIGHT:

Micro finance refers to the provision of various financial services like savings, credits, money transfer and insurance etc. in small doses for the poor to enable them to raise their income levels and improve living standards. It is in this view; SHG-BLP was started by NABARD. It is believed that the SHG movement started late in the NER and is compounded by many regional complexities. The region is one of the backward part of India characterized by low per-capita income, low capital formation, inadequate infrastructure facilities, geographical isolation and communication bottleneck. Present chapter highlights the conclusive summary findings of the study. The Micro finance programme in India started near about two decades back. But, it's progresses are not uniform throughout various regions and states. Tripura and Meghalaya are the leader states of NER excluding Assam and shows relatively better performance, compare to the other study states of NER. On the other hand, Sikkim shows relatively poor performance followed by Manipur, Mizoram and Nagaland. The differences in the progress of scheme in NER states are mainly due to differences in communication facility, literacy, geographical positions and more over the difference between the activities and availability of the banking agencies, SHPIs/ NGOs and poor management of existing SHGs. In the light of above observation, present chapter would highlight the major findings of the study and way forwards for the success of this programme in NER.

7.2 SUMMARY CONCLUSION:

7.2.1 Summary Assessment of SHG-BLP Performance:

7.2.1.1 SHGs Saving Linkages:

- Secondary statistics given in Chapter IV highlight about the SHG saving and credit linkages progress in NER excluding Assam and Arunachal Pradesh over a period of five financial years. In case of saving linkages with bank, the NER recorded a total linkages of 2,37,253 SHGs over a span of five financial years (2010-11 to 2014-15). Similarly, study findings have also revealed that Regional Rural Banks have the largest share of 44.75 percent in SHG-saving linkages compare to 35.14 percent of commercial and 20.09 percent of cooperative banks.

State wise performance in terms of saving linkages was observed to be good in Tripura followed by Meghalaya whereas Sikkim, Manipur and Nagaland have shown an average performance.

- Secondary data analysis also depicts a moderate collection of saving amounts under SHG-saving linkages in the NER over a period of five years. Tripura has recorded a highest share of around 76 percent in total mobilization of savings followed by Meghalaya (10.8 percent) and Mizoram (7.5 percent). Sikkim has recorded a lowest share of only 0.24 percent followed by Manipur and Nagaland. Agency wise share of saving amounts was recorded highest for RRBs (46.81 percent) followed by commercial banks (44.13 percent) and cooperative banks (9.05 percent).
- Survey data analysis depicts that a total of 60 percent SHGs across the NER have been saving linked with bank and remaining 40 percent SHGs yet to be saving linked with the banks. Those who have been linked with banks, majority of them (43 percent) have reported saving at the magnitude of Rs. 500/- month and only 20 percent SHGs have reported saving in the range of 1000-2000/- month. Analysis implies a poor saving performance of SHGs in the banks.

7.2.1.2 SHGs Credit Linkages:

- As per secondary data, NER has recorded total credit linkages of 63,527 SHGs with the banks over the five years, which are only 26 percent of the total saving linked SHGs. State wise share of SHGs credit linkages was found highest in Meghalaya (46.38 percent) followed by Mizoram (21.17 percent) and in Tripura by only 20.48 percent. Regional Rural Banks have the lion share of 41.16 percent in the mobilization of SHG credit linkages followed by commercial banks (39.45 percent) and co-operative banks with only 19.38 percent.
- A total of Rs. 52,538.08 lakh have been disbursed as the credit to the SHGs over the period of five years, which seems to be 0.82 lakh per SHG loan disbursement. State wise performance in terms of credit disbursement was recorded highest in Tripura (36.43 percent) followed by Meghalaya (27.59 percent) and Mizoram (24.44 percent). The lowest share in total credit disbursement was recorded in Sikkim (1.70 percent) followed by Nagaland (4.17 percent) and in Manipur (5.64 percent).

- RRBs have the highest share of 46.20 percent in total credit disbursement to the SHGs in the NER followed by commercial banks (37.31 percent) and co-operative banks (16.46 percent).
- Primary data findings have revealed around 22 percent SHG credit linkages. It implies that still there are large number of SHGs in NER, who have not been credit linked with the banks.

7.2.1.3 Out Standing Bank Loans Against SHGs in NER and NPAs:

- As per the NABARD data, NER has recorded a NPA of 8.42 percent as on March 2011 and the same was declined to 5.17 percent in the F.Y. 2011-12. Further study findings reveal an increase in NPAs for the FYs 2012-13 to 2014-15 in rows.
- State wise share in the total outstanding loans was recorded highest for Tripura (60.86 percent) followed by Manipur (10.48 percent) and Nagaland (9.14 percent).
- Commercial banks have experienced a highest share of 52.63 percent in the total outstanding loans against SHGs comparing to RRBs (37.91 percent) and Co-operative banks (9.45 percent)

WAY FORWARD

- ☞ Afore said conclusion on SHG-BLP performance indicates that although the amount of saving balance of SHGs with banks and amount of loan disbursed to SHGs by banks was very much low in comparison with other parts of the country, the share of NPAs to total loans outstanding seems to be higher. Consequently, one point come to mind is that, because of higher NPAs, SHGs-BLP had not achieved reasonable achievement in NER. There is need to slow down the NPAs and enhance the progress of SHG –BLP linkages.
- ☞ Primary data findings have depicted a poor progress in terms of SHGs savings behaviours, which is pre requisite for SHGs to get credit linked with banks. Need to deploy NGOs to monitor and motivate to SHGs for their regular practice of saving contribution.
- ☞ The poor performance in the progress of SHG –BLP in NER may be attributed to the factors like poverty of SHG members, sparse population density and poor spread of financial institutions.

7.2.2 Summary Assessment of SHGs Functioning:

- Organization of regular meeting and active participation of members in the meeting is one of the important components for the functioning of good SHG. It was observed that in most of the cases, SHGs have not followed a set pattern on organization of groups meeting. Besides, a full participation of the members in the meeting was also found lacking among 60 percent of surveyed SHGs. Study findings indicate towards the need of conducting regular meetings with full participation of members.
- Maintenance of MIS in-terms of books and records is also one of the crucial issues for the SHGs. It was observed that around 68 percent SHGs have managed their records properly and also maintained continuity whereas a significant number of SHGs (32 percent) managed their records properly in the initial period but later they stop updating the records. It was also observed that they keep the records in rough copy. Study findings indicate towards the need of regular updating of records & MIS.
- A sizable percentage of SHGs (28 percent) were found who do not regularly practice or even started the thrift and credit activities because of member's defaults in saving contribution. Magnitude of per member monthly saving contribution was also observed poor because of poor economic status of members. Study findings indicate towards the need of SHGs monitoring on a regular basis to reduce the default in savings by the group's members.

WAY FORWARD

- ☞ Maintenance of records is of paramount importance for maintaining transparency, belief and confidence among the SHG members and better performance of the groups. Hence, focus should be on regular updating of records, organization of meetings and full participation of members in the meeting. It should be kept in mind that any external credit to the SHGs are strictly linked with their regular updates and functioning.
- ☞ Regular monitoring of SHGs by SHPIs/ NGOs may help in regular meeting of SHGs, enhancing member's participation in meetings and reduction of defaults in savings. Incentives should be given to SHPIs/ NGOs for regular monitoring of SHGs meetings, thrift and credit activities and record keepings. In the form of incentives, provision of annual prizes may be initiated for the best SHPIs/ NGOs. It is also suggested to have the provision of nominal remuneration for the member who keeps the records in the groups.

7.2.3 Summary Assessment of Capacity Development Programme:

- It was found that training on documentation for book keeping, record maintenance were provided to majority of SHGs followed by on leadership skill, micro planning and decision making. Further, training on income generating activities was also provided to the SHGs. Most of the SHGs stated their concerns on duration and frequency of training. It was observed that most of the SHGs have got only one time training on these aspects for a duration of 2 to 3 days.

WAY FORWARD

- ☞ It is suggested that training on documentation should be given to all the SHG members, who have atleast the required educational qualification, because in absence of one, another member can update the records. One time training on documentation, do not instill confidence among the members, hence it is also suggested to have the provision of refresher training.
- ☞ Training on income generating activities (skill development) should be mandatory for all the SHG members. Because. it will help even if the member does not get any share in external loan.
- ☞ Majority of the groups expressed the need for training on account maintenance, record keeping and SHGs functioning management. Piggery, poultry, paddy cultivation, fishery, handicraft etc. are the major areas in which SHG members wish to be trained more. Training on toy making, soap and candle making etc. are also in demand in Manipur. In Nagaland, some SHGs expressed their wish for training on floriculture and farm management.

7.2.4 Summary Assessment of SHPIs Role in SHG-BLP:

- NER has a number and variety of SHPIs. Traditionally NGOs have been in the forefront in the promotion. Formal and informal financial institutions are also involved in the SHG-BLP promotion. Few farmers clubs, government departments and international bodies are also engaged in SHGs promotion either directly or indirectly.
- SHPIs, whether NGOs, banks or state governments have been playing a vital role in promoting, nurturing and sustaining the SHG under SBLP. SHPIs grooms SHGs, which ultimately deliver financial services. The quality of SHGs functioning in NER appears slightly weak because of their own varying capacities. As the matter of fact, the quality of SHGs being nurtured depends on the quality and strength of SHPIs/ NGOs.

WAY FORWARD

- ☞ There are several agencies working for SHG promotion in NER. However, almost all these agencies are neither having proper collaboration with other agencies nor having an umbrella structure or a mentor to give a direction to their action. There is need to enhance collaboration within the stakeholders to avoid duplicacy and further convergence of activities.
- ☞ SHPIs especially NGOs need a wide range of capacity building on identification and formation of groups, preparation of self viable projects, skill on technical consutation and facilitating SHGs with credit availability through banks.

7.2.5 Summary Assessment of SHG Federation and MFIs:

- Most of the SHG federation formed in the NER under NRLM fold were observed at nascent stage. Their role to guide, monitor, nurture, sustain and streamline the activities of the SHGs was found at preparatory stage. There is need to accelerate the pace of federation formation and its capacity development programme in the NER to realize their set role for SHGs promotion under SBLP.
- MFIs spread across the NER are the registered agency and serving the NER in the field of livelihood promotion. Their modus of operandi includes to identify the potentials of the area and formation of groups with relevant activities. After necessary verification and appraisal, the loans are sanctioned and disbursed to the groups. They regularly conduct follow-up of the progress of the activities for which loan is taken. This USP helps them to mitigate the risk of NPAs. In the discussion, MFIs stated that they borrow money from commercial banks at a higher rate of interest and because of this, they usually face high running cost to manage the MFIs.

WAY FORWARD

- ☞ Accelarate the pace of SHGs federation formation and it's capacity development programme in a time bound manner to realize it's potentiality in guiding, monitoring, nurturing and financing to SHGs.
- ☞ MFIs have low credit off take from the banks because of higher rate of interest and consequently it effects their functioning with SHGs under SHG-BLP. There is need to take note from this statement to promote MFIs under SBLP.

7.2.6 Bank Penetration vs SHG-BLP:

- It was observed that banking density and credit ratio is poor in NER as compared to other parts. As the matter of fact, banks have been the major drives of the SHG movement and it has been established that there is positive relation between SHG spread and banking network. It is in this view, there is need of branch expansion and placement of appropriate alternative models in terms of quality and committed Bank Correspondents (BCs).
- As per SBLC, BCs had been deployed in NER with a view to facilitate banks in the process of MGNREGS payments, loan recovery, account opening & deposits. During the discussion, it was noted that BCs are facing problem of low margin in this business model because of small geographical area with limited volumes of transaction. They are also not paying required attention towards SHGs because of their involvements in other works like MGNREGA and opening of accounts to common people.

WAY FORWARD

- ☞ Need to incentivize branch expansion in the rural areas to realize further progress of SHG-BLP in the NER.
- ☞ BCs should be motivated to facilitate SHGs and NGOs for regular saving deposits and credit disbursement from the banks.

7.2.7 Member's Empowerment under SHG-BLP:

- In the front of women empowerment, it was found that the SHG members are doing well because of liberal and women favourable societal norm in the region. However, their political participation/empowerment in terms of holding any responsible post in committees was found discouraging.
- Except Manipur, the social activities in which the SHG members participated are mainly limited to religious and cultural activities.

WAY FORWARD

- ☞ SHPIs/ NGOs may try to motivate the women members of SHGs to be part of political process i.e. putting the candidate in local panchayat or council elections by organizing awareness programme and motivational talks by successful women representatives.
- ☞ The SHG members may be motivated and made aware of the role they can play in social issues viz, education, women and child oriented issues etc. A small amount of fund may be plugged with the fund for micro enterprises, which will help in betterment of the society in addition to the increase in income.

7.2.8 Summary assessment of Traditional Local Level Financial Institution:

There are several traditional systems of savings and lending prevalent in the study states of NER. For instance, **Pastoral** centre for savings in Tripura started by Tripuri tribes, **Marups** in Manipur started by Meti communities and **Mahari Associatio**s and **Village Durbar** in Meghalaya, Village Development Boards (**VDBs**) in Nagaland, and Young Mizo Association (**YMA**s) in Mizoram. These traditional institutions provides services in the field of saving, lending, retail financial and other socio-cultural services. These institutions are meant for mutual help and had the wide networking in remote areas. These institutions could be further activated by imparting skill development training and by associating in SHG – BLP programme.

WAY FORWARD

- ☞ Need to conduct a comprehensive social mapping of traditional local institutions spreads in various parts of NER to associate them with SHG-BLP.
- ☞ Need to make them work in organized way by providing skill training and financial incentives.