

Preface

The study taken up by the Centre for Social Audit & Research (CSAR), the ASEED team on comparative analysis study of SHG performed in the Northern Region has set a milestone in the movement of SHG formation initiated by several support institutions, particularly under the patronage of NABARD and SGSY, Ministry of Rural Development Government of India. Ground realities of such programmes have drawn attention for quite some time due to its inadequate institutional efficacy and delivery mechanism. District level institutional machinery have not learnt from their failure nor they seem to be willing to acquire competencies to streamline the community banking programme of the country that is driven to address the needs for the poorest of the poor. It is in this context that many private micro finance institutes have begun strong advocacy to offer comprehensive package of saving deposits and credit support to the poor as a viable alternative and strong competition to formal banking system. The Government of India initiatives particularly in the selected North Indian State have not made desired impact due to their low institutional sensitivity, inadequate follow-up mechanism with high target orientation and low - quality outcome.

It is evident from the comparative analysis that NABARD's supportive approach has made significant impact compared to SGSY scheme. However, there are several gaps that need to be plugged and addressed in order to have a strategic plan of action. The realization has eventually driven up on the policy thriller that the operating system towards poverty alleviation programme has to be geared with utmost sincerely and a higher sense of purpose to optimize appropriate use of tax savers' money and national resource for the cause of development goal.

We feel that the team had underestimated the volume of work while conceptualizing the idea. Therefore, it took more field days & time than estimated. The team deserves special appreciation, particularly to Dr. B. P. Sinha, Dr. C. K. Ambastha, Mr. Atul Shekhar, Sajjad Hussain and Nikhilesh Mohanty that had hard time to complete the work in the stipulated period, in view of inadequate cooperation from different stakeholders to fill up the missing links. Indeed, we are grateful to the Planning Commission for their considerate gesture in accommodating our request for extended time frame. The final report has been completed for your perusal.

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LIST OF ABBREVIATIONS

| <i>Short Form</i> | <i>Full Form</i> |
|-------------------|--|
| <i>AM</i> | All Man |
| <i>ADO</i> | Area Development Officer |
| <i>APL</i> | Above Poverty Line |
| <i>AW</i> | All Women |
| <i>BDO</i> | Block Development Officer |
| <i>BPL</i> | Below Poverty Line |
| <i>CCL</i> | Cash Credit Limit |
| <i>DDM</i> | District Development Manager |
| <i>DRDA</i> | District Rural Development Agency |
| <i>GS</i> | Gram Sabha |
| <i>LDM</i> | Lead District Manager |
| <i>NABARD</i> | National Bank for Agriculture and Rural Development |
| <i>NGO</i> | Non-Government Organization |
| <i>PD</i> | Project Director |
| <i>SC</i> | Scheduled Caste |
| <i>ST</i> | Scheduled Tribe |
| <i>SGSY</i> | Swaranjayanti Gram Swarojgar Yojana |
| <i>SHG</i> | Self-Help Group |

Part-1

Introduction

- ❖ **Self-Help Group: A New Initiative**
- ❖ **NABARD : The Primary Mover**
- ❖ **SHG Formation and Linkage Model**
- ❖ **Promotional Support by NABARD**
- ❖ **SHG Reinforcement under SGSY**
- ❖ **Distinctive Features of NABARD and SGSY**

Methodology

- ❖ **Selection of SHGs**
- ❖ **Sources of Data Collection**
- ❖ **Background Information**

INTRODUCTION

“...I know that our people have the ability to achieve the best in the world... I also know that their potential has gone untapped because we have become used to being subjugated and docile. What better project can I undertake than to tell my people that what you dream of can become possible, that they can have anything that comprises a good life: health, education, and the freedom to pursue their goals, and, above all, peace.”

*APJ Abdul Kalam*¹

While one can genuinely have a sense of pride in the extraordinary excellence the world has witnessed in the field of science and technology, this unique accomplishment has failed to percolate down to the so-called poor sections of the society living in rural agglomeration & the world over. A very sizeable chunk of humanity in the developing countries in particular continues to suffer from poverty, ignorance, malnutrition and diseases for generations. They are alienated from the national mainstream. This is largely because of centuries of deprivation and discrimination and not because of their inability to tread on the path of development. Given the opportunities and the needed support, they are capable of coming up in their lives. This realization has eventually generated enough confidence that the rural poor may be awakened to participate in a well-designed programme to alleviate their poverty with their involvement and initiatives. This has been engaging the attention of the planners, thinkers, administrators, economists, philanthropists, educationists, social activists, politicians, etc. in our country for the last several decades.

The historic decision of the Government of India about the nationalization of major commercial banks was towards speeding up the process of socio-economic development and poverty eradication by opening up the banking credit even to the poorest of the poor in the country. By any standard, the concept and the objective of bank nationalization were given a serious and honest trial. The rapid growth of

¹ A.P.J. Abdul Kalam, - *Ignited Mind* - Penguin 2005”

banking network in all the nook and corners of the country is unheard of in the history of the banking industry the world over. The growth was simply massive. Presently, the rural financial system in India functions through an impressively large network of more than 1,50,000 retail outlets. Despite such phenomenal expansion of the outreach of the formal banking structure, the All India Debt and Investment Survey (GOI), 1981 revealed that the share of non-institutional agencies (informal sector) in the outstanding credit dues of the rural households was quite high (38%). It was also found that the households in the lower asset groups were more dependent on the non-institutional credit - agencies. Even the National Bank for Agriculture and Rural Development (NABARD), in its research study conducted in the early 1980s# reported that a very large number of the poor continued to remain outside the fold of the formal banking system. The reasons were not far to seek. In spite of the initial euphoria, comparatively higher transaction cost in reaching out to a large number of people requiring very small doses of credit at frequent intervals dampened the interest and enthusiasm of the bankers. The same held true of the costs involved in providing saving facilities to the small and scattered savers in the rural areas.

The research findings further indicated that the existing banking policies and procedures were perhaps not suited to the immediate needs of the very poor. What they really needed was better access to the services and products rather than cheap, subsidized credit. The priority of the rural poor appeared to be consumption credit, savings, production credit and insurance. The consumption needs include credit for short periods for fulfilling urgent needs, which were usually met by informal sources at exploitative interest rates, as the poor borrowers were unable to offer any security to banks for small consumption loans.

Banks, in turn, faced constraints due to a large number of small amounts of the credit needs of the borrowers, widely scattered in the rural areas, as well as concerns related to recovery of such loans. All these clearly indicate that India faces a big challenge of poverty eradication which has to be met squarely, and in this regard sincere efforts are constantly afoot.

As per the Economic Survey of the Government of India (2004-05), there was a significant decline between the years 1997-98 and 1999-2000 in the proportion of people living below the poverty line (BPL) from 51.3 per cent to 26.1 per cent, and in the absolute number of poor from 328.9 million to 260.3 million. In spite of the impressive decline in poverty in the country as a whole, there are wide variations in the incidence of poverty across states and rural-urban divide. India being the country of sizeable number of families belonging to agricultural labourers, marginal farmers, rural artisans, etc. are still the victims of abject poverty. Even the small farmer families in the dryland area are no better. The Government of India is fully aware of, and alive to, the incidence of poverty and is committed to poverty alleviation at a faster pace. Towards this, it was being increasingly recognized that it was not only “providing greater opportunity to the poor to participate in the growth process, or launching special programmes for their socio-economic development alone, but how did they convert those opportunities and the programmes in their favour was of utmost importance for their poverty alleviation”. In this process, apart from other support systems, easy availability of credit support to them was considered to hold the key.

Self-Help Groups: A New Initiative

The post-Independence era witnessed high dependence on the government-supported projects towards community mobilization². In the light of the above, a need was felt to put in place a new vehicle of financial intermediaries, which could be cost-effective for the banks and user-friendly for the poor. This way, the poor could relate to banks in a better manner, and the banks, in turn, could consider banking with them as a better business proposition. The challenge, therefore, was to link a large number of economically underprivileged ones to the formal banking sector, in a sustainable and cost-effective manner.

² Community Mobilization Hand Book of facilitators for SHG Formation, ASEED-IDMAT 2002

The experiences of the famous Grameen Bank experiment of Bangladesh and the coordinated initiative of APRACA have paved the way for promoting SHG banking in Asia and the Pacific, as a measure to improve the access of a large majority of the rural poor and micro entrepreneurs in a cost-effective financial intermediation system. In this process, however, special attention was given to the existence and quality of the informal financial Self-Help Groups (SHGs), providing very cost-effective and valuable services to the rural people by mobilizing their savings and operating a functional credit portfolio with their members.

1.1 NABARD – The Primary Mover

NABARD, with its expertise and specialized operational background, has the unique distinction of playing the lead historic role in formulating suitable national-level SHG programmes for India. Its Action Research Project of SHGs in 1987 to test the strategic concept in the Indian context followed by installation as well as implementation of its strategic Pilot Project for linking 500 SHGs with banks in the year 1991-92 provided the necessary launching pad for the promotion of the SHG concept in India. To say the least, NABARD did not only lay the foundation stone for building the new financial structure for large-scale outreach of microfinance services to the poor in India, but also influenced the policy decisions, brick by brick, all through to ensure its sustainability with conceptual clarity.

In this context, NABARD has even drawn a distinction between micro-finance and credit for micro enterprises. The Task Force on Micro-Finance set up by NABARD came up with a definition which has become the last word in this context. That is to say, “Microfinance is a provision for thrift credit, and other financial services and products of very small amounts to the poor in the rural, semi-urban or urban areas for enabling them to raise their income levels and improve living standards.” With all this, however, growth of SHGs was slow during the initial years as it was not mandatory. But after the Reserve Bank of India’s decision in the year 1996, to include linkage banking as a mainstream activity of the banks under their priority sector lending as well as the national priority, awarded to the programme by the

Government of India through its recognition in the Union Budget 1999, as a primary anti-poverty and self-employment generation programme, this programme received the impetus and momentum in the country.

Ever since 1992, with the launching of a Pilot Project by NABARD, the SHG movement has traversed a long way. In course of time, micro finance has been widely accepted as an effective poverty alleviation programme and has become a major tool for implementing development schemes. It is evident from the available data in the NABARD Report (2004-05) on SHG Bank Linkage in India that what was started as a modest Pilot Project in 1992 for linking 500 SHGs with banks, now involves more than 41,000 branches of nearly 600 banks with an advance portfolio of around Rs. 7,000 crore in micro finance lending to SHGs. Financial services have reached the doorsteps of over 24 million very poor families through more than 16,00,000 SHGs, hand-held by over 4,300 development partners, including NGOs.

1.2 Self-Help Groups: Formation and Linkage Models

An SHG is coming together of an average 15 to 20 members from a homogeneous class with a clear understanding and commitment to make savings, exercising voluntary thrift, on a regular basis and to use the pooled resources as small interest bearing loans to the fellow members for addressing their economic problems. Once the group starts exhibiting matured financial behaviour, it is linked to the bank which grants loans to the SHG in certain multiples of its accumulated savings to further strengthen the extent of their interloaning capacities. In turn, it helps them meet any emergent need-be that for income-generating activity or for consumption, including health, education, housing, insurance services, etc. This massive movement in India is duly partnered not only by the banks, but also by nearly 3,000 Non-Government Organizations (NGOs) of various sizes and types, including farmers' clubs promoted by banks under the farmers club programme of NABARD and socially committed Individual Rural Volunteers (IRVs) for the SHG formation and

credit - linkage. As to the Credit Linkage Model, NABARD has reported the following on 31st March, 2005³

Model I: SHGs formed and financed by banks, covering 21% of the total number of SHGs.

Model II: SHGs formed by NGOs, government. Agencies and others, but directly financed by banks, covering 72% of the total number of SHGs.

Model III: SHGs financed by banks using NGOs and other agencies as financial intermediaries, covering 7% of the total number of SHGs.

1.3 Promotional Support by NABARD

It is worth mentioning that apart from policy-level intervention, NABARD has been providing constant support and promotional grant support to the partner agencies NGOs, RRBs, DCCBs, Farmers' clubs and IRVs to accelerate the process of promotion and credit linkage of SHGs in India. This support is invariably in the following forms:

(i) Financial Support

- Refinance facility to the banks.
- Direct loan fund support to NGOs, on MFIs (Micro Finance Institutions), SHG federations in the form of Revolving Fund Assistance (RFA).

(ii) Group Formation and Nurturing Support

- Grant assistance to NGOs, RRBs, DCCBs and Farmers' Clubs, sponsored by banks under the Vikas Volunteer Vahini (VVV) Programme.

(iii) Capacity Building Support

- Fund support by conducting and sponsoring various types of training programmes and exposure visits, viz.
- Awareness creation and capacity building programmes for SHG members.
- Awareness-cum-refresher programmes for NGOs.

³ NABARD Annual Reports 2003-2004 and 2004-2005

- Trainers' training programmes for bank officials.
- Exposure visits to banks and institutions, pioneering in microfinance initiatives for bankers, NGO officials, government officials etc.
- Awareness-cum-motivational programmes for members of Panchayati Raj Institutions (PRIs).
- Training programmes for bankers on SHG-bank Linkage, etc.

1.4 SHG Reinforcement under SGSY

Despite planned efforts made over the past few decades, rural poverty in India continues to be worrying. While the anti-poverty programmes have been strengthened in the successive years during the course of the period by launching various programmes like IRDP, TRYSEM, DWCRA, SITRA, resulting in the reduction of poverty levels in percentage terms from 54.9 per/cent of India's population in 1973-74 to 36.0 per/cent in 1993-94 and to 26.1 per/cent in 1999-2000, the number of rural poor has not reduced significantly. It is estimated that even by the year 2007, around 220 million persons would continue to remain below the poverty line. However, to redress the situation at a faster pace, a new restructured self-employment programme, known as "Swarnjayanti Gram Swarozgar Yojana" (SGSY), has been launched from April 1999, by doing away with the anomalies in the multiplicity of earlier programmes, to focus pointedly on the issue of ensuring sustainable income generation among the assisted poor families to bring them above the poverty line. SGSY is to focus on the vulnerable sections of the society. Accordingly, SCs/STs will account for at least 50 per/cent women 40per/cent and disabled 3 per/cent of those assisted.

By this time, success of the concept of SHG had gained wide currency. Significant growth of SHGs as well as SHG-bank linkage, bankers' recognition of SHGs as a medium of rural business expansion as well as their acceptance of the peer pressure within the SHGs as a substitute for collateral securities, and the interest as well as confidence exhibited by the rural poor in the concept of SHGs for their economic well being together with their far better loan repayment behaviour made the development

planners believe that there is a tremendous potential within the poor to help themselves and that microfinance through Self-Help Groups together with an element of additional financial support including technology infrastructure and marketing from the Government can be a better alternative to the existing methods of addressing rural poverty.

In the light of the above, SGSY, the holistic programme covering all the aspects of self-employment, made it obligatory that the objective of the SGSY will be achieved, interalia, by organizing the rural poor into Self-Help Groups (SHGs) through a process of social mobilization, enabling them to build their own organizations in which they could participate fully and directly and take decisions on all the issues concerning eradication of their poverty.

1.5 Distinctive Features of NABARD and SGSY-SHG

The basic concept remaining precisely the same, some additional features and working resilience have been incorporated in the SGSY-SHG for making the concept still more user-friendly and for achieving the avowed objectives of SGSY in their true spirit. An attempt has been made here to classify the comparative features of the SHGs under the NABARD guidelines vis-a-vis SHGs under the SGSY guidelines.

Exhibit 1: Notable Comparative Features of SHGs at a Glance

| | <i>SHGs - Under NABARD Guidelines</i> | <i>SHGs - Under SGSY Guidelines</i> |
|---|--|--|
| <i>A. Strategy</i> | <ul style="list-style-type: none"> Conceived as organizing generally poor people to address their common problems with voluntary thrift supported by bank loans and helping them imbibe the essentials of financial intermediation. | <ul style="list-style-type: none"> Conceived as a holistic programme of self-employment. It covers all the aspects of self employment of the rural poor, viz. organizing them in SHGs, their capacity building selection of key activities, planning of activity clusters, infrastructure build-up, technology and marketing support. |
| <i>B. SHG Formation</i> | <ul style="list-style-type: none"> SHG members are generally from poor families. | <ul style="list-style-type: none"> Specifically SHG members from BPL families with some exception for a few marginal APL families if acceptable to the BPL members of the group. |
| | <ul style="list-style-type: none"> Group size of about 15 persons | <ul style="list-style-type: none"> Group size of 10-20 persons, with the exception of deserts, hills and disabled persons where the number of members may vary from 5 to 20. |
| | <ul style="list-style-type: none"> SHGs may be formed with all-women members also. | <ul style="list-style-type: none"> Special focus on the formation of exclusive women Self-Help Groups. 50% of the groups formed in each block should be exclusively for women. |
| | <ul style="list-style-type: none"> SHGs are generally formed by banks, NGOs, Farmers' Clubs and IRVs. | <ul style="list-style-type: none"> SHGs are normally formed by NGOs, CBOs, Animators, Network of Community-based Coordinators, or team of dedicated functionaries of the government. |
| <i>C. Income-Generating Activities (Micro-enterprise selection)</i> | <ul style="list-style-type: none"> SHG members are free to choose their income-generating activities without any precondition. | <ul style="list-style-type: none"> SGSY Committee identifies about 10 farm and non-farm key activities per block for the individual/SHG Swarozgaris of the block to choose some of them as the sustainable income-generating activity for themselves. |
| | <ul style="list-style-type: none"> Income-generating activity is normally taken up by individual members. | <ul style="list-style-type: none"> Primarily, single income-generating activity by the group is given preference under group loan. Group, however, may go for multiple activities also under group loaning. Thus, IGAs are taken by the SHG members as a group activity or by individual Swarozgaris independently. |
| | <ul style="list-style-type: none"> There is no activity cluster approach for selection of IGAs by the SHG members. | <ul style="list-style-type: none"> The focus is on the development of activity cluster to facilitate forward and backward linkages to IGAs. |
| <i>D. Promotional Support</i> | <ul style="list-style-type: none"> There is no direct financial assistance to SHGs. | <ul style="list-style-type: none"> Revolving Fund Assistance (RFA) is provided to groups equal to their group corpus within the prescribed limit. |

| | | |
|---|---|---|
| <i>(i) Financial Support</i> | | <ul style="list-style-type: none"> ▪ Back-ended subsidy to the extent of 30% to 50% of the project cost is provided to individual beneficiary, and 50% of the project cost for group level activity is provided within the prescribed limits. |
| <i>(ii) Group Formation and Nurturing Support</i> | <ul style="list-style-type: none"> ▪ Maximum Grant Assistance of Rs.2, 000 is provided as a group building support for promotion and linkage of one SHG. | <ul style="list-style-type: none"> ▪ Financial Assistance is provided to NGOs/CBOs/SHPI, etc., for formation and development of SHGs, as mentioned below. ▪ Rs10,000 per SHG is paid for the formation and development of SHGs in four installments. ▪ 1st – 20% at the beginning of the group formation. ▪ 2nd – 30% when group qualifies for Revolving Fund. ▪ 3rd – 40% when group takes up economic activity. ▪ 4th --10% after the start of economic activity and on adherence of group to repayment of bank loan. |
| <i>(iii) Capacity Building Support</i> | <ul style="list-style-type: none"> ▪ Fund support is provided for conducting/sponsoring various types of training programmes for group members. | <ul style="list-style-type: none"> ▪ Fund support is made available to organize training of beneficiaries in group processes and skill development. |
| <i>(iv) Infrastructure Building Support</i> | <ul style="list-style-type: none"> ▪ There is a conceptual focus. | <ul style="list-style-type: none"> ▪ There is planned focus on infrastructure build- up, technology and marketing support to make self-employment activity economically sustainable. |

Going by the data reported in the Annual Report (2005-06) of the Ministry of Rural Development, Government of India, the achievement of SGSY is quite impressive. Since the inception of the programme, 21.74 lakh SHGs are reported to have been formed till December 2005. During this period, 30.29 lakh poor families as well as 31.99 lakh SHG members (Swarozgaris) have benefited from the scheme, involving disbursement of a total sum of Rs.13,301.38 crore - both as subsidy and credit components, amounting to per capita average investment of Rs.21,498/-.

1.6 Need for Study

The SHG concept is gaining wide currency the world over, and so also in India. Though the capacity of small doses of limited credit to SHG members to help them make their livelihood on a sustainable basis is under close scrutiny, SHGs have succeeded to earn a sort of national mandate as a tool to fight poverty. Hence, it is necessary to keep track not only of their physical growth, but also to assess whether anticipated results are accruing to the beneficiaries. If so, then which of the two samples of SHG promotion is more effective? In view of this, a comparative study of SHGs covered under the NABARD guidelines and SGSY guidelines, was considered useful, with the following specific objectives:

1.7 Objectives of the Study

1. *To find out the differential effectiveness of the SHGs promoted under the guidelines of NABARD and the SHGs promoted by SGSY under the Ministry of Rural Development.*
2. *To identify the policy and procedural constraints in promoting SHGs, if any, which retard/hinder the desired growth and development?*
3. *To assess the sufficiency and efficacy of bank linkages provided to SHGs.*
4. *To find out the socio-economic impact of SHGs.*
5. *To find out the constraints in the efficient functioning of SHGs.*
6. *To portray the stakeholders' views to make SHGs an effective instrument for socio-economic growth.*

1.8 Limitations

This evaluative study also suffers from certain limitations. In view of the dimension of exploration and geographical spread of the study area, the times as well as financial resources available were serious limiting factors for the study. Poor availability of secondary sources of data, particularly the lack of time series data on SHGs functioning and performances limited the portrayal of its past performance, which could have given a deeper insight into the future projections.

Whenever the primary- data analysis demanded further probe into the issue which surfaced, it could not be undertaken since the revisit to the research area for further data collection was not feasible due to shortage of time as well as financial resources. However, the issues thrown in the present investigation would provide valuable insights for future studies to be undertaken to make explorations into SHGs' functioning and performances.

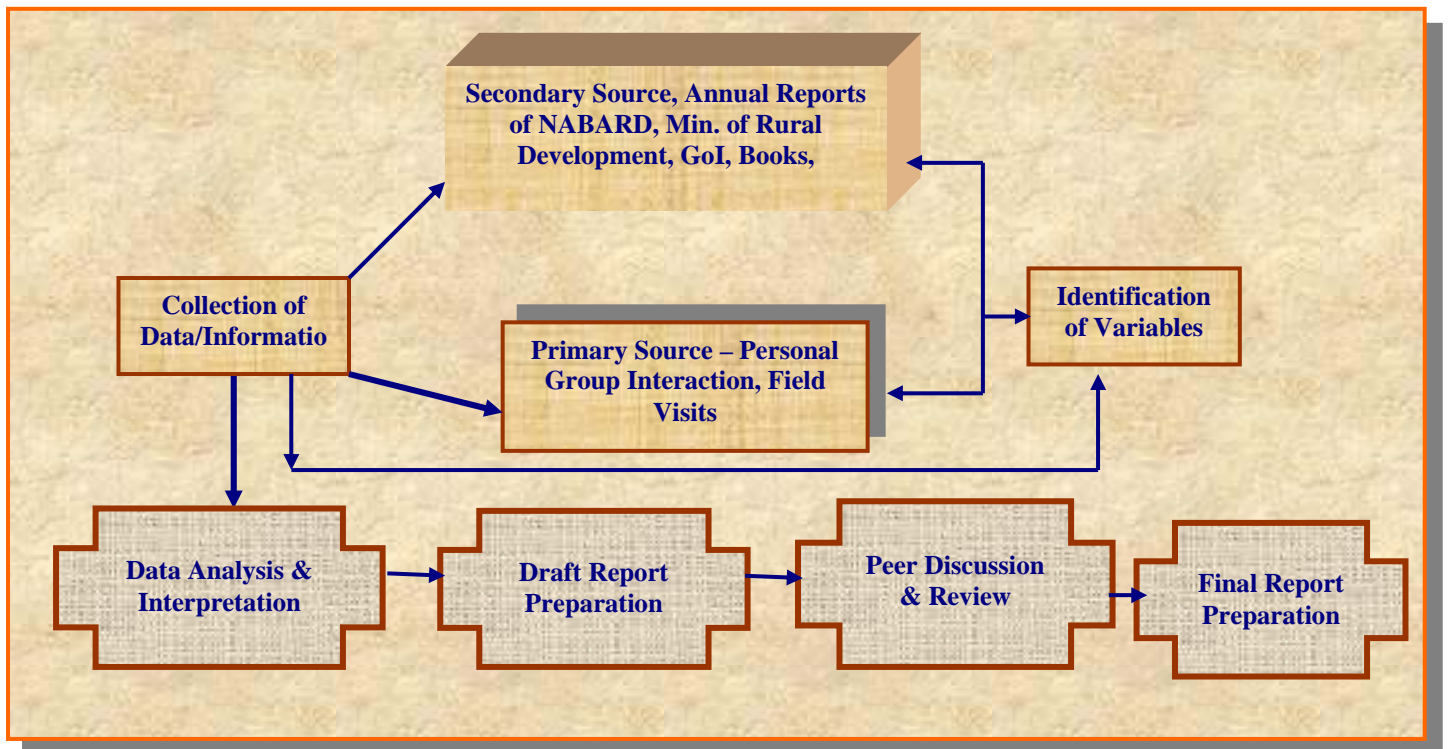
METHODOLOGY AND BACKGROUND INFORMATION

This chapter deals with the methodology followed to conduct the comparative study of the SHGs, operating under the NABARD as well as under the SGSY guidelines. The study design as depicted diagrammatically in Fig. 2.1 includes sources of data collection both primary and secondary, identification of relevant variables analysis and tabulation of data, their interpretation, critical opinion of official and non-official stakeholders and report writing.

It may be mentioned here that while NABARD has been providing the necessary support for implementation and monitoring of the SHG programme from H.O., R.O. and D.D.O. at the official level, by selected NGOs, banks, etc. at the grassroots level under the NABARD guidelines, they are associated with the implementation and monitoring of SHGs under the SGSY guidelines also.

However, implementation and monitoring of SHGs under SGSY are passing through specially built-in systems like Central Level Coordination Committee (CLCC) at the Ministry of Rural Development, Government of India, state-level SGSY Committee, Department of Rural Development of the state government, District Rural Development agencies, District SGSY Committee, Block-level SGSY Committee, Panchayati Raj institutions at the district, block and village levels, etc. assisted by NGOs, CBOs, SHPIs, Community Coordinators, Facilitators, Animators, etc. In view of this, necessary primary and secondary data in respect of this study were collected from the functionaries at various levels.

Exhibit- 2.1 Design of the Study



2.1 Locale of the Study

The study was conducted in the states of Uttar Pradesh, Rajasthan and Haryana in four districts in each selected for the purpose. While Uttar Pradesh and Rajasthan represent economically poor states of the country, Haryana represents one of prosperous states. Stratified random sampling technique was used to select the four districts in each state to ensure a fair representation of the concerned state. The state-wise list of the selected districts is as under:

Exhibit 2.2 Distribution of Study Location

| Uttar Pradesh State | | Rajasthan State | | Haryana State | |
|---------------------|----------|-----------------|----------|---------------|----------|
| 1. Bijnor | District | 1. Alwar | District | 1. Ambala | District |
| 2. Etawah | District | 2. Bikaner | District | 2. Bhiwani | District |
| 3. Faizabad | District | 3. Chittorgarh | District | 3. Gurgaon | District |
| 4. Gazipur | District | 4. Jodhpur | District | 4. Sirsa | District |

Note: Details of the blocks and villages may be seen in the annexure.

2.2 Selection of SHGs

A purposive random sampling technique was used to select SHGs. For this, separate lists of SHGs, under the NABARD and SGSY guidelines, were prepared. Out of these lists, those SHGs which existed for two or more years on 31.03.2004 were separated out to form the lists of SHGs eligible to be selected for this study. From these two lists, 40 SHGs operating under the NABARD guidelines and 40 SHGs operating under the SGSY guidelines were randomly selected for the study. However, in the two districts of Haryana - Ambala and Sirsa, all the SHGs, formed under the NABARD guidelines were, adopted by SGSY. Hence, the forty SHGs selected in these districts represented the SGSY-SHG only. Thus, the total numbers of SHGs included in the sample for this study were as follows:

$$\begin{aligned} \text{NABARD-supported SHGs} &= 10 \text{ districts} \times 40 \text{ SHGs} = 400 \text{ SHGs} \\ \text{SGSY-supported SHGs} &= 12 \text{ districts} \times 40 \text{ SHGs} = 480 \text{ SHGs} \end{aligned}$$

The total number of SHGs thus selected was, therefore, 880.

2.3 Selection of Respondents

The respondents selected for the study were of four categories which are detailed below:

(a) **SHG Members:** From each of the selected SHGs, two members who are not office-bearers of the SHGs were randomly selected for collection of relevant information, as per the schedule developed for the purpose. The actual number of respondents in this category is:

$$\begin{aligned} \text{NABARD-supported SHGs} &= 400 \text{ (No. of SHGs)} \times 2 \text{ (No. of members)} \\ &= 800 \text{ members} \end{aligned}$$

$$\begin{aligned} \text{SGSY-supported SHGs} &= 480 \text{ (No. of SHGs)} \times 2 \text{ (No. of members)} \\ &= 960 \text{ members} \end{aligned}$$

$$\text{Total No. Of Respondents} = 800 + 960 = 1,760$$

- (b) **SHG Office-Bearers:** From each of the selected SHGs, one office-bearer of the SHG was randomly selected to provide information, as per the schedule developed for the purpose. Hence, the number of respondents in this category was 400 for NABARD-supported SHGs and 480 for SGSY-supported SHGs, totalling 880 respondents(SHG).
- (c) **Official Stakeholders:** This category of respondents included Lead Bank Manager (LDM), District Development Manager (DDM), NABARD and Project Director (PD), DRDA (SGSY) posted in all the twelve districts of three states under study. Hence, their size of the sample was 3 (officials) × 12 (districts) of 3 states = 36.
- (d) **NGOs:** In each district, quite a few NGOs were working at the grassroots level for the formation and nurturing of SHGs. One such NGO in each district was randomly selected and their village-level functionary was interviewed with the help of a schedule prepared for them to provide the relevant data. The number of respondents in this category was 12.

2.4 Data Collection

(a) Sources of Secondary Data

The secondary data were collected from the Annual Reports and administrative guidelines of the Ministry of Rural Development, Government of India, and NABARD, as well as from the classified data available with the Regional Offices of NABARD and the state-level SGSY coordinating departments of the State Governments of U.P., Rajasthan and Haryana. Apart from these, offices of DRDA, DDM (NABARD) and Lead District Manager, coordinating the banks in the selected districts, together with books, journals, seminar papers, websites, etc. also formed the sources for the collection of secondary data for the study.

(b) Sources of Primary Data

The primary data were collected by personal interviews with the four categories of respondents as reported earlier with the help of schedules developed for each category of the respondents. The data collected with the help of four types of schedules as mentioned earlier were separately compiled for every information sought on various aspects of SHGs functioning, activities undertaken, results produced, opinions held, etc. The compiled data were suitably categorized, tabulated, their frequencies and row as well as column percentages were worked out and presented in the appropriate tables to be included in the report with suitable interpretations, generalizations and implications.

2.5 Background Information (Secondary Data)

The strata of rural families, handled through Self-Help Groups, are capital scarce, labour surplus, and, by and large, bereft of proper knowledge as well as management skill. But at the same time it also remains a fact that barring certain location limitations, rural areas do throw ample opportunities for installation of micro enterprises by making use of untapped manpower resources, available raw material of various forms, and existing market channels. Given the financial support, together with appropriate knowledge and skill input, the poor people, in general, have the propensity to make better use of labour and capital. Thus, installation of income-generation activities and micro enterprises in the rural areas, in a way, helps promote first-generation micro entrepreneurs with resource mobilization on their own through their SHGs.

Though enough specific initial data are not available on the impact of the programmes, this chapter deals with the growth and performance of SHGs in the states of Uttar Pradesh, Rajasthan and Haryana, which is based on the secondary data and the primary data collected from the state and district-level functionaries. The first part of this chapter is devoted to SHGs as reported by NABARD, and the second part covers the SHGs as reported by the Ministry of Rural Development,

Government of India, and other SGSY imprecating agencies. It may, however, be mentioned that while NABARD has been found to have included all the SHGs formed under the SGSY guidelines also in their reports on SHG-Bank linkage the SGSY report too has included all those SHGs formed under the NABARD guidelines which have been supported under SGSY.

2.5.1 Performance of SHGs as Reported by NABARD

Based on the trend of credit linkage of SHGs with banks, it is found that there are three different models of credit-linkage conceptualized as Model I, Model II and Model III. Table No. 2.1 presents the cumulative position of the models.

Table 2.1 State-wise SHG Formation and Bank Loans with Different Models of Credit Linkages

| SHG Bank Linkages (Model-wise) | Name of State | | | | | | | | |
|--|-------------------|---|------------------|---|-------------------|---|--------------------|---|------|
| | | U.P. | | Haryana | | Rajasthan | | Country as a whole | |
| | | Cumulative up to 31 st March of the year | | Cumulative up to 31 st March of the year | | Cumulative up to 31 st March of the year | | Cumulative up to 31 st March of the year | |
| | | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 |
| Model I SHGs formed (Nos.) | (28.28) 22407 | (22.11) 26451 | (24.83) 582 | (17.37) 582 | (19.66) 6654 | (13.49) 8,094 | 217624 (20.17) | 343,371 (21.21) | |
| Bank Loans provided (Rs. Million) | 621.15 | 765.09 | 27.09 | 27.09 | 137.75 | 172.31 | 5498.69 | 10,126.20 | |
| Model II SHGs formed (Nos.) | (66.05) 52,316 | (74,14) 88,710 | 1,762 (75.17) | 2,769 (82.63) | 27,185 (80.32) | 51,905 (86.50) | 777,326 (72.03) | 1,158,249 (71.57) | |
| Bank Loans provided (Rs. Million) | 1015.84 | 2311.26 | 119.34 | 173.54 | 594.99 | 1,240.73 | 31,647.17 | 55293.54 | |
| Model III SHGs formed | (5.67) 4487 | (3.75) 4487 | - | - | 7 (0.02) | 7 (0.01) | (7.80) 84,141 | 116,836 (7.22) | |
| Bank Loans provided (Rs. Million) | 79.43 | 79.43 | ----- | ----- | 1.00 | 1.00 | 1896.21 | 3,564.86 | |
| Total SHGs formed (Nos.) | 79,210 (7.34) | 1,19,648 (7.39) | 2,344 (0.21) | 3,351 (0.20) | 33,846 (3.14) | 60,006 (3.71) | 1,079,091 | 1,618,456 | |
| Bank Loans provided (Rs. Million) | 1716.42 | 3155.78 | 146.43 | 200.63 | 733.74 | 1,414.04 | 39,042.08 | 68984.60 | |
| Bank loans provided for each SHG (Rs.) | 21,670 | 26,375 | 62,470 | 59,871 | 21,678 | 23,565 | 36,180 | 42,624 | |

**Figures given in the parenthesis show percentage.*

Sources: NABARD Annual Reports on Progress of SHGs-Bank Linkages in India for 2003-2004 and 2004-2005.

Before the model-wise analysis is attempted, it is worthwhile to make conceptual clarity about the linkage Model itself. In fact, it has been observed that there are three models of credit – linkage of SHGs.

Model I: Banks themselves take up the work of forming and nurturing the SHGs, opening their savings accounts and providing them bank loans.

Model II: SHGs are formed by formal agencies other than banks as well as NGOs and others. Here, NGOs and formal agencies in the field of microfinance act only as facilitators. They facilitate organizing, forming and nurturing of groups and training them in thrift, credit management, etc. But as far as credit is concerned, banks give loans directly to these SHGs.

Model III: This is the Model wherein the NGOs take on the additional role of financial intermediation. In certain cases, NGOs approach banks for bulk loan assistance and, in turn, they provide loans to the SHGs. Similarly, in certain areas, intermediate agencies like federations of SHGs are acting as links between bank branches and member-SHG. These federations are availing loans from banks and, in turn, finance their member-SHG.

Coming to analysis of the data furnished, it is interesting to observe that there were 1,079,091 SHGs in the country as a whole as on 31st March, 2004, which increased by 50 per cent during the next one year, accounting for a total of 1,618,456 SHGs as on 31st March, 2005. It is further revealed that as on 31st March, 2004, a meagre sum of Rs.36, 180 was the per-SHG average bank credit which rose marginally to Rs.42,624 per SHG as on 31st March, 2005. Even if one makes a conservative estimate of on an average 10 members in each SHG, it goes to show that the bank credit to each SHG member was Rs.4,200 as on 31.03.2005. The adequacy of this scale of bank credit for a sustainable economic growth of the poor families appears to be very low.

Model-wise SHG-bank linkage analysis for the country, as a whole, further reveals that as on 31st March 2005, the highest number (71.57%) of the SHGs were bank-linked under Model II, followed by Model I (21.21%), and Model III (7.22%) in the descending order. It clearly shows that the MFIs are only at a formative stage.

State-wise SHG-bank linkage analysis is presented hereunder for the states of Uttar Pradesh (U.P.), Rajasthan and Haryana.

1. Uttar Pradesh

As compared to the simulative number of SHGs as on 31st March, 2004, the State recorded 50-per cent growth in the number of SHGs during the year 2004-2005. As on 31st March, 2005, there were, in all, 1,19,648 SHGs in U.P., accounting for 7.39 per cent of the SHGs of the country, which provided a total loan of Rs.3,155.78 million to the SHGs under all the three models of bank linkages. Thus, in effect, per SHG average bank credit worked out to be Rs.26,375 as on 31st March, 2005 and Rs.21,670 as on 31st March, 2004, which were much below the national averages of the respective years.

Model-wise linkage analysis for the state further reveals that as on 31st March, 2005, the highest number (74.14%) of SHGs had been bank-linked under Model II, followed by Model I (22.11%) and Model III (3.75%) in the descending order. It is, thus, obvious that the share of the cumulative number of SHGs linked under Model III was comparatively very small 3.75 per cent

2. Rajasthan

As in March 2005, there were, in all, 60,006 SHGs in the state of Rajasthan. This accounts for (3.71%) of the total SHGs of the country as a whole. Compared to the number (3,846) SHGs in the state as on 31st March, 2004, the growth of SHGs in the state had been phenomenal (60,006) within the next one year, accounting for 77- per

cent growth. It may further be interesting to note that since the total bank loan provided to all the 60,006 was to the tune of Rs.1,414.04 million, per SHG average bank credit worked out to be Rs.23,565, which was much below the national average, obtaining on 31st March, 2005.

In terms of Model-wise SHG-bank linkages as on 31st March, 2005, the highest number (86.50%) of SHGs had been bank-linked under Model II, followed by Model-I (13.49%), and Model-III (0.01%) in the descending order. SHG-Bank Linkage under Model III was negligible.

3. Haryana

Over the cumulative number of SHGs as on 31st March, 2004, the state recorded 43-per cent growth in the number of SHGs during the year 2004-2005. There were, in all 3,351 SHGs in the state of Haryana as on 31st March, 2005. As against the total SHGs of the country, the share of SHGs of Haryana accounted for 0.02%. The total bank loans provided to all these 3,351 SHGs as on 31st March 2005 was to the tune of Rs. 200.63 million, accounting for per SHG average bank credit of Rs.59, 871, which was way ahead of all-India average of the respective year.

Model-wise SHG-Bank linkages analysis for the state further brings to the fore that as on 31st March, 2005 the highest number (82.63%) of SHGs had bank-linked under Model II and the remaining (17.37%) under Model I. There was absolutely no presence of Model III SHG bank linkage in the state.

NABARD SHG-Bank Linkages in the Selected Districts

An attempt has been made to look into district-wise cumulative physical and financial progress in relation to the SHG-bank linkages in the districts specially selected for the study in the states of U.P., Rajasthan and Haryana. This will give an overview of the performance position with respect to the SHG-bank linkages over the years.

1. Uttar Pradesh

District-wise data with respect to cumulative physical and financial progress made in Uttar Pradesh in relation to SHG-bank linkages are furnished in the data.

Bijnor District

The district had 500 cumulative numbers of SHGs, provided with bank loans as on 31st March, 2003 which constituted 0.93 per cent of the state. However, up to 31st March, 2005, this number rose to 932, constituting 0.78 per cent of the state's total. Though the SHG-bank linkage percentage, computed against the State's total of the respective year marginally fell at the end of the year 2004-05 as against that of 31st March, 2003, the cumulative number of SHGs linked to banks just doubled during the period.

It is further interesting to note the average per SHG loan amount increased from Rs.20,400 as on 31st March, 2003 to Rs.24,216 as on 31st March, 2005. As compared to the amount of bank loan (Rs.0.95 million) disbursed during the year 2003-04, there was a multifold increase (Rs.11.42 million) in the loan disbursement during the year 2004-2005.

Etawah District

The cumulative number of SHGs credit linked with banks increased from 1,397 as on 31st March, 2003 to 2,504 as on 31st March, 2005. Total cumulative bank loans disbursed to SHGs increased from Rs.9.29 million as on 31st March, 2003 to Rs.34.33 million as on 31st March, 2005. As to the total bank loans disbursed to the SHGs during the year 2003-04 and 2004-05, it aggregated to Rs.12.85 million and Rs.12.19 million, respectively. This included repeat loans also, which were provided to the existing SHGs, already financed during the earlier years.

Faizabad District

As on 31st March, 2005, a cumulative number of 1,645 SHGs credit linked with banks as against 777 SHGs as on 31st March, 2003. Total cumulative bank loan disbursement also accordingly increased from Rs.13.23 million as on 31st March, 2003 to Rs.37.01 million as on 31st March, 2005. Correspondingly, the per SHG average loan amount also registered an increase from Rs.17,027 during the year 2002-03 to Rs.22,498 during 2004-05. Interestingly, as compared to the year 2003-04, both the number of SHGs provided with bank loan as well as the bank loan disbursement to SHGs registered a steep fall during 2004-05.

Ghazipur District

The cumulative number of SHGs provided with bank loans up to 31st March, 2005 aggregated to 1,854. The SHG-bank linkage growth in the district indicated an increasing trend, i.e. 39.76 per cent during 2003-04 and 56.98 per cent during 2004-05. The cumulative bank loan disbursement also increased from Rs.10.69 million as at the end of the year 2002-03 to Rs.36.94 million as at the end of the year 2003-04. However, total bank loans disbursed to SHGs during the year 2003-04 was very less (Rs.1.73 million). But this was made more than good (Rs. 24.52 million) during the year 2004-05.

2. Rajasthan

District-wise data with respect to cumulative physical and financial progress made in Rajasthan in relation to SHG-bank linkages are presented in the data.

Alwar District

It is revealed from Table 2.1 that the cumulative number of SHGs credit linked with banks increased from 1,648 as on 31st March, 2003 to 4,685 as on 31st March, 2005. The SHG-bank linkage growth both during 2003-04 and 2004-05 had been in the range of 66 per cent to 70 per cent Total cumulative bank loans disbursed to SHGs increased from Rs.56.02 million as on 31st March, 2003 to Rs.197.88 million as on 31st March, 2005. As to the total bank loans disbursed to SHGs, 1,162 SHGs were provided with bank loans of the order of Rs.45.77 million during the year 2003-04 and 1,875 SHGs of the order of Rs. 45.77 million during the year 2003-04 and 1,875 SHGs of the order of Rs.96.09 million during the year 2004-05, accounting for per SHG average bank loan disbursement of Rs.39,389 during the year 2003-04 and Rs.51,248 during the year 2004-05.

Bikaner District

As on 31st March, 2005, the cumulative number of 1,635 SHGs were credit linked with banks as against 303 SHGs as on 31st March, 2003 and 486 SHGs as on 31st March, 2004. There was an increase of 236 per cent in the number of SHGs during 2004-05 compared to that of 31st March, 2004. Accordingly, the total cumulative bank loan disbursement also jumped from Rs.17.35 million as on 31st March, 2004 to Rs.38.36 million on as on 31st March, 2005. The highest-ever bank loan disbursement to the order of Rs. 21.01 million in a single year in the district of Bikaner was made during the year 2004-05. As to the per-SHG average bank loan, the amount remained almost the same during all these three years, ranging between Rs.15,123 and Rs. 17,345.

Chittorgarh District

There were, in all, 1,989 cumulative numbers of SHGs as on 31st March, 2005, which were credit linked with bank. As compared to the cumulative number of bank credit

linked SHGs as on 31st March, 2003, the increase in the number of such SHGs, as on 31st March, 2005 was more than double. The cumulative bank loan disbursed up to 31st March 2005 aggregated to Rs.31.59 million which worked out to average per SHG loan of Rs,15,882 as on date. The per-SHG average loan as on 31st March, 2004 amounted to around Rs.14,000. It may, however, be interesting to note that per-SHG average bank loan disbursed during the years 2003-04 and 2004-05 was to the order of Rs.23,705 and Rs.19,000, respectively.

Jodhpur District

The cumulative number of SHGs credit linked with banks increased from 1,984 as on 1st March, 2003 to 3,750 as on 31st March, 2005. Total cumulative bank loan disbursed to SHGs also accordingly increased from Rs.42.01 million to Rs.122.90 million on the corresponding dates. As to the total bank loans disbursed to the SHGs during the years 2003-04 and 2004-05, it aggregated to Rs.38.15 million and Rs.42.74 million, respectively. While the per-SHG average cumulative bank loan stood at Rs.30,135 up to 31st March, 2004 and Rs.33,773 up to 31st March,2005, banks disbursed on an average Rs.56,435 per SHG during the year 2003-04 and Rs.39,211 per SHG during the year 2004-05.

3. Haryana

District-wise data with respect to cumulative physical and financial progress achieved in Haryana in relation to SHG-bank linkages are furnished.

Ambala District

As on 31st March, 2005, a cumulative number of 134 SHGs were credit linked with banks as against 70 SHGs as on 31st March, 2003 and 89 SHGs as on 31st March, 2004. Total cumulative bank loans disbursed to SHGs up to March 2005 aggregated to Rs.6.04 million, indicating per-SHG average loan of Rs.45,075.00. However, it was

interesting to note that during the year 2003-04 per-SHG average loan disbursed by banks amounted to Rs.1,05,000 and then it came crashing down to Rs.22,666.

Bhiwani District

The cumulative number of SHGs provided with bank loans up to 31st March, 2005, aggregated to 318. The annual SHG-bank linkage in the district shows an increasing trend, i.e. 30.32 per cent during 2003-04 and 100 per cent during 2004-05. Cumulative bank loan disbursement too increased from Rs.7.20 million as on 31st March, 2003 to Rs.25.28 million as on 31st March, 2005. On an average per SHG cumulative bank loan, stood at Rs.79,498 on 31st March, 2005. However, during the years 2003-2004 and 2004-05 per-SHG average bank loan disbursement was to the tune of Rs.1,66,486 and Rs.74,968, respectively.

Gurgaon District

Amongst the districts selected for the study from the state of Haryana, Gurgaon is enjoying a pride of place as far as the SHG-bank linkage is concerned. Numerically, the number of bank-linked SHGs is many times more than those of other districts. The cumulative number of SHGs provided with bank loans up to 31st March, 2003 was 772 which rose to 962 as on 31st March, 2004, and 1,343 as on 31st March, 2005. As to the total bank loan disbursed, 190 SHGs were provided with bank loans of the order of Rs.11.71 million during the year 2003-04 and 381 SHGs of the order of Rs.19.00 million during the year 2004-05 accounting for per-SHG's average bank loan disbursement of Rs.61,631 during the year 2003-04 and Rs.49,869 during the year 2004-05.

Sirsa District

The cumulative number of SHGs credit linked with the banks was 155 up to 31st March, 2005 with a total cumulative bank loan of Rs.14.94 million, disbursed till 31st March 2005. Thus, per-SHG average cumulative bank loan aggregated to Rs.96,387 as on 31st March, 2005. During the years 2003-04 and 2004-05, the loans disbursed by banks averaged to Rs.1,03,222 per SHG and Rs.67,903 per SHG, respectively.

Performance of SHGs under SGSY

The progress and performance of SHGs under the implementation of SGSY in the selected states is presented hereunder. This is based on the Annual Reports of the Ministry of Rural Development, Government of India, which includes even the provisional figures (see Annexure V).

It may be observed from the data that there has been continuous growth in the performance indicators over the years. Up to December 2005, a total of 21,74,000 SHGs were formed in the country under SGSY ever since the inception of the scheme, covering a cumulative number of 62,28,000 Swarozgaris with total credit and subsidy support aggregating to Rs.13,301.38 crore.

The programme aims at establishing a large number of micro enterprises in the rural areas, based on the ability of the poor and the potential of the area. An overview of the performance of SGSY programme with special reference to SHGs in the selected states, i.e. U.P., Haryana and Rajasthan, is presented above. State-wise performance analysis of SGSY-SHG bank linkage is presented hereunder for the states of U.P., Rajasthan and Haryana.

1. Uttar Pradesh

Up to 31.01.2005, a cumulative total of 2,98,173 SHGs were formed in the State under SGSY. During the year 2004-05 till 31.01.2005 alone, as many as 6,885 SHGs were formed. Of them, 1,694 (25%) were exclusively the all-women SHGs. During the same period, 9,984 SHGs took up economic activities, of which 2,276 (23%) were the all-women SHGs. It is further interesting to note that a total credit of Rs.20,767.98 lakh together with a total subsidy of Rs.14,339.98 lakh was disbursed during the period to both the SHG Swarozgaris and individual Swarozgaris, accounting for 71.82% of the total investment through SHGs and the remaining 28.18% through individual Swarozgaris. However, the per-family average investment under the SGSY programme was reported as Rs.23,949 during the period which is almost equal to that of the year 2003-04.

2. Haryana

A cumulative total of 7,519 SHGs were formed under the SGSY programme in the state of Haryana up to 31.01.2005. In all, 580 new SHGs were formed in the State during the year 2004-05 till 31.01.2005, of which 306 (52.75%) were all-women SHGs. During the same period, 477 SHGs took up economic activities of which 270 (56.60%) were all-women SHGs.

It is further interesting to note that during the same period, a sum of Rs.1,374.78 lakh was disbursed as credit component together with an additional sum of Rs.637.86 lakh as subsidy component to both the SHG Swarozgaris and the individual Swarozgaris, accounting for 72.82 per cent of the investment through SHGs and 27.18 per cent through individual Swarozgaris. However, the per-family average investment was recorded as Rs.29,972 under the SGSY programme in the state, which is very near to that of the year 2003-04, but well ahead of the national average, both for 2003-04 and 2004-05.

3. Rajasthan

In all, Rajasthan, as a whole, had a cumulative total of 21,664 SHGs under the SGSY programme as on 31.01.2005. During the year 2004-2005 till 31.01.2005, as many as 877 SHGs were formed under SGSY, of which 346 SHGs were exclusively the all-women SHGs. During the same reference period, a total of 413 SHGs took up economic activities, of which 115 (27.85%) were the all-women SHGs.

As to the financial intervention under the programme during the year 2004-05 (till 31.01.2005), a sum of Rs.4,521.11 lakh as a credit component and an amount of Rs.1,276.54 lakh as a subsidy component were disbursed to both the SHG Swarozgaris and individual Swarozgaris, accounting for 35.02 per cent of the total investment through SHGs and 64.98 percent through individual Swarozgaris. However, the per-family average investment during the year was recorded as Rs.39,102 under the programme, as compared to that of Rs.36,221 obtaining during the year 2003-04. In fact, in terms of average per-family investment, the state of Rajasthan was way ahead of not only U.P. or even Haryana but also of the national averages both for the year 2003-2004 and 2004-05 (up to 31.01.2005).

The methodology chapter, however, examines in detail the primary information collected from respondents, as indicated before.

Part-2

Findings and Discussions

- ❖ **Socio-Economic Characteristics of SHG Members**
- ❖ **SHG Management**
- ❖ **Micro Enterprise Initiation for Livelihood Security**
- ❖ **Capacity Building of SHG Members**
- ❖ **Socio-Economic Impact of SHGs**

Part II

FINDINGS AND DISCUSSIONS

As already reported in the Chapter on Research Methodology, the data for the study were collected from three states - Rajasthan, U.P. and Haryana. In each state, four districts were selected and from each district forty SHGs formed with the assistance of NABARD as well as SGSY were selected for specific data collection. Hence, the size of SHGs sample should have been 480, for each of the two assisting institutions, i.e. NABARD and SGSY, totalling 960. But it so happened that in the two districts of Haryana state, namely Ambala and Sirsa, the SHGs formed with the assistance of NABARD were adopted by the SGSY and hence all the SHGs existing in the district were considered as those assisted by SGSY only. As a result, the total size of the sample of NABARD-assisted SHGs were reduced to 400, whereas those assisted by SGSY remained as 480 aggregating a total of 880 SHGs.

The data for the study were collected with the help of a structured schedule from one office-bearer and two members of the SHGs included in the sample selected for the study. However, while collecting data from the office-bearers of the SHGs respondents from six NABARD-assisted SHGs and 10 SGSY-assisted SHGs could not be contacted for unavoidable reasons. Hence, the office-bearers' responses are available from 864 SHGs only, which included 394 NABARD-supported SHGs and 470 SGSY-supported SHGs. So, far as responses from two members of each SHG are concerned, the respondents from each of the 880 SHGs were available. Hence, the total respondents in this category were 1,760.

The comparative analysis of NABARD- and SGSY-supported SHGs in terms of their functioning and success achieved are given in the following chapters:

- Socio-Economic Characteristics of the SHG Members
- SHG Management
- Micro Enterprise for Initiation
- Capacity Building of SHG Members
- Socio-Economic Impact of SHGs

SOCIO- ECONOMIC CHARACTERISTICS OF SHG MEMBERS

It was considered important to portray the picture of Self-Help Group members in terms of their socio-economic characteristics. For this, 800 members of NABARD group of SHGs and 960 members of SGSY group of SHGs were interviewed with the help of structured schedule constructed for the purpose. The socio-economic characteristics (variables) included landholding, formal education, caste, occupation and marital status of the SHG members. The members' status in respect of these social characteristics is discussed as under:

- (a) **Landholding:** The data regarding area of land held by the SHG members in acres are reported in the Table 3.1 below:

Table 3.1: Landholding Pattern of SHG Members

| Landholding | NABARD SHGs | | | | SGSY SHGs | | | |
|---|---------------------|------------------------|----------------------|-----------------|-------------------------|------------------------|------------------------|----------------|
| | All-Men | AW | Mixed | Total | All-Men | All-Women | Mixed | Total |
| 1. Landless | 120* (754) | 354 (61.24) | 51 (82.25) | 525 (65.625) | 177 (68.60) | 490 (87.18) | 120 (85.71) | 787 (81.97) |
| 2. Marginal Holdings (up to 2.5 acres) | 21 (13.125) | 80 (13.84) | 0 | 101 (12.62) | 0 | 0 | 0 | 0 |
| 3. Small Holdings (2.5 to 5.0 acres) | 12 (7.5) | 90 (15.57) | 11 (17.74) | 113 (14.125) | 81 (31.39) | 72 (12.81) | 20 (14.28) | 173 (18.02) |
| 4. Medium Holdings (5.1 to 10 acres) | 6 (10.34) | 52 (8.99) | 0 | 58 (7.25) | 0 | 0 | 0 | 0 |
| 5. Large Holdings (above 10 acres) | 1 (0.625) | 2 (0.34) | 0 | 3 (0.375) | 0 | 0 | 0 | 0 |
| Total | 160 (20) | 578 (72.25) | 62 (7.75) | 800 | 258 (26.575) | 562 (58.54) | 140 (14.58) | 960 |

**Figures given in the parentheses are in row percentages.*

- *Poverty alleviation bias is well reflected In the data reported in Table 4.1, but not without aberration. Over 65 per cent members in the NABARD-supported SHGs are landless, over 26 per cent are marginal and small landholders, but there are also about 8 percent members who have medium to large landholdings. Small and marginal landholders may come under the rural poor category, but those who hold more than 5 acres and even above 10 acres of land can hardly qualify to become rural poor. Yet, they are members of SHGs. This indicates that NABARD-supported agencies have been liberal in the formation of SHGs in respect of economic status of the members.*
- *In case of SGSY-supported SHGs, about 82 per cent members were found to be landless who are most likely to conform to the criterion of being below poverty line (BPL). But 18 percent of the SHG members who are small landholders may or may not conform to this criterion. Even if it is accepted that these landholders belong to the BPL group, then how it is that no marginal landholder category could be included as members of SHGs. This may also be a case of aberration that marginal farmers were omitted and small farmers were included in the list of BPL available in the gram sabha record.*
- *Landholding is a good indicator of rural poverty. Yet, NABARD's approach to SHGs formation appears to be more comprehensive and inclusive than SGSY's approach which appears more restrictive and exclusive.*

3.2 Formal Education of SHG Members

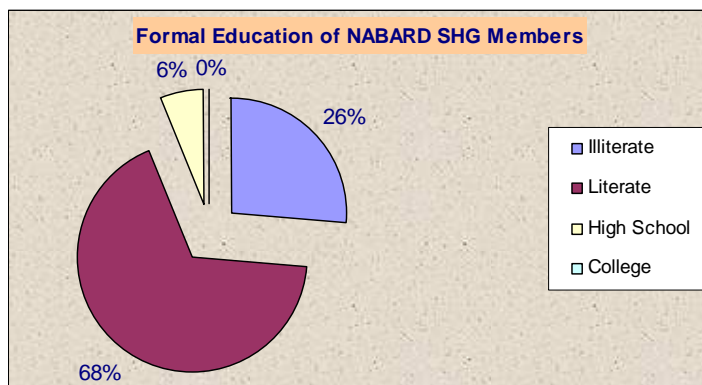
The level of education or formal schooling of SHG members is an important characteristic for the functioning of the group. Education will impact maintenance of records, starting of development schemes, linkage with banks, etc. Hence, data regarding formal schooling of SHG members were collected which have been reported in Table 3.2.

Table 3. 2: Formal Education of SHG Members

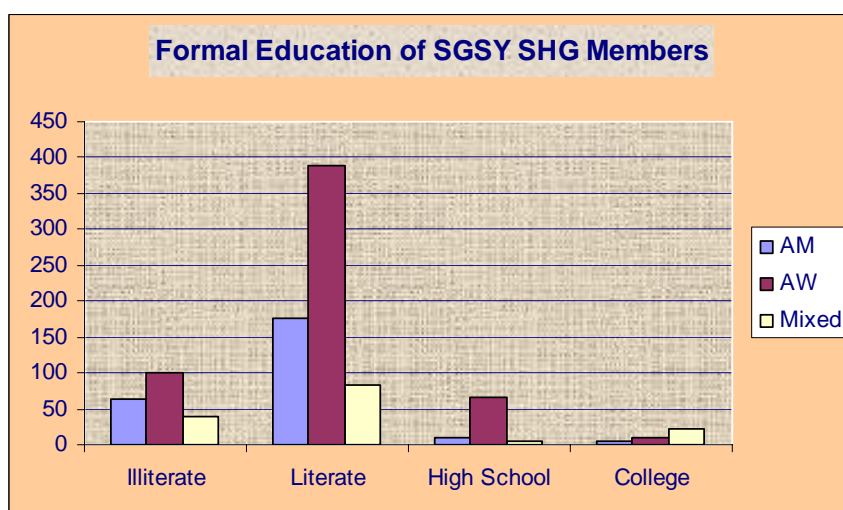
| Education Level | NABARD SHG Members | | | | SGSY SHG Members | | | |
|-----------------|---------------------|------------------------|----------------------|----------------|------------------------|------------------------|------------------------|----------------|
| | AM | AW | Mixed | Total | AM | AW | Mixed | Total |
| Illiterate | 42* (26.25) | 123 (21.28) | 19 (30.64) | 184 (23) | 63 (24.41) | 100 (17.79) | 40 (28.57) | 203 (21.14) |
| Literate | 108 (67.5) | 333 (57.61) | 40 (64.51) | 481 (60.12) | 177 (68.60) | 390 (69.39) | 84 (60) | 651 (67.81) |
| High School | 10 (6.25) | 101 (17.47) | 3 (4.83) | 114 (14.25) | 11 (4.26) | 66 (11.74) | 6 (4.28) | 83 (8.64) |
| College | 0 | 21 (3.63) | 0 | 21 (2.62) | 7 (2.71) | 6 (1.06) | 10 (7.14) | 23 (2.39) |
| Total | 160 (20) | 578 (72.25) | 62 (7.75) | 800 | 258 (26.87) | 562 (58.54) | 140 (14.58) | 960 |

**Data given in the parenthesis are in row percentage.*

As reported in Table 3.2, a great majority of the members were found to be educated and at least literate in both the groups of SHGs. Over 60 per cent members were capable of reading and writing, above 14 per cent



members in NABARD-supported SHGs and about 9 per cent members in SGSY-supported SHGs were found to be matriculate, the percentage of college educated members were over 2 per cent in both the categories. It is heartening to note that women members did not lag far behind in education than their male counterparts. In the case of NABARD SHGs, about 58 per cent women members were capable of reading and writing as against 67 per cent of male members, but 17 per cent of them were matriculates against only 6 per cent male members and only 3 per cent of them were college educated against none from the male counterparts. In the case of SGSY-supported SHGs, equal percentage of males and females were capable of reading and



writing and about 12 per cent were matriculates against 4 per cent of male members. In college education however, they were only little

behind the male members (1.06% against 2.7%). On the whole, this can be inferred from the data reported above that women SHG members are at least at par with the male members so far as their formal education is concerned.

3.3 Caste of the SHG Members

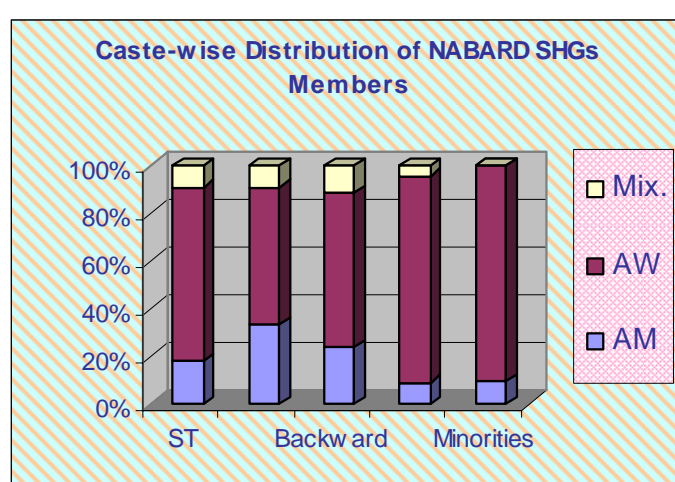
Caste is an important social factor in our society, which has a lot of socio-economic and political implications. Hence, caste-wise distribution of SHG members was considered important for this study. For this, well-recognized caste groups like Scheduled Caste, Scheduled Tribe, other backward caste, forward caste and religious minority groups were taken into account.

The caste-wise distribution of SHG members was worked out which is presented in Table 3. 3.

Table 3.3: Caste-wise Distribution of SHG Members

| Caste | NABARD SHG Members | | | | SGSY SHG Members | | | |
|--------------|---------------------------|------------------------------|----------------------------|----------------|------------------------------|------------------------------|------------------------------|----------------|
| | AM | AW | Mixed | Total | AM | AW | Mixed | Total |
| ST | 20* (12.5) | 81 (14.01) | 10 (16.12) | 111 (13.87) | 79 (30.62) | 181 (32.20) | 57 (40.71) | 317 (33.02) |
| SC | 61 (38.12) | 106 (18.33) | 17 (27.41) | 184 (23) | 115 (44.57) | 199 (35.40) | 49 (35) | 363 (37.81) |
| Backward | 54 (33.75) | 149 (25.77) | 26 (41.93) | 229 (28.62) | 53 (20.54) | 127 (22.59) | 20 (14.28) | 200 (20.83) |
| Forward | 18 (11.25) | 174 (30.10) | 9 (14.51) | 201 (25.12) | 7 (2.71) | 54 (9.60) | 5 (3.57) | 66 (6.87) |
| Minorities | 7 (4.37) | 68 (11.76) | | 75 (9.37) | 4 (1.55) | 1 (0.17) | 9 (6.42) | 14 (1.45) |
| Total | 160 (20) | 578 (72.25) | 62 (7.75) | 800 | 258 (26.87) | 562 (58.54) | 140 (14.58) | 960 |

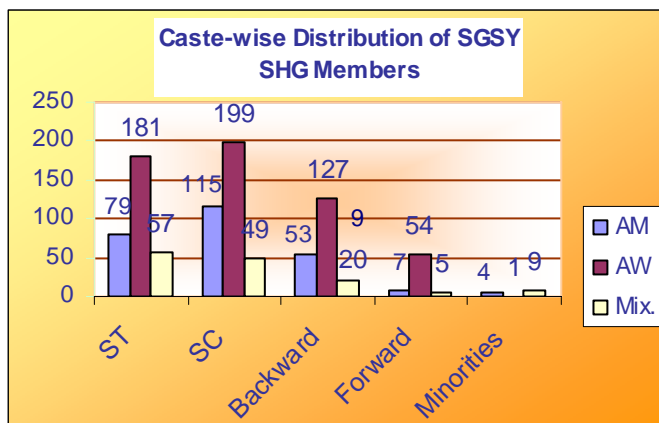
*Data given in the parenthesis are in row percentage.



The data reported in Table 3.3 indicate that the caste-wise distribution pattern of the members of the NABARD-supported SHGs is different from that of the SGSY-supported SHGs.

In the case of NABARD-supported SHGs, about 37 per cent members belong to Scheduled Caste and Scheduled Tribe. Quite close to this are the OBC members who constitute about 29

per cent of the membership. Next in quantity but quite substantial is the number of members belonging to the forward caste. They constitute one-fourth of the total membership. The caste-wise distribution of SHG members belonging to the majority community of the society is not highly skewed. So far as the minority community is concerned, about 9 per cent of the members belong to this group.



In sharp contrast to this distribution, in SGSY-supported SHGs over 70 per cent members belonged to SC, ST caste groups, about 21 per cent to OBC caste group and only about 7 per cent to the forward caste group. The minority community has just registered its presence by about 1 per cent membership. The distribution brings to light the distinctions as follows:

- *ST, SC members are the most major beneficiaries in the case of SGSY unlike the NABARD group of SHGs.*
- *Forward caste members are, by and large, kept away from the SGSY SHGs (only 6.87%) membership, whereas they are very substantial beneficiaries in the case of NABARD-supported SHGs (25.12%). So is the case with the members of the minority communities (1.45% against 9.37%).*
- *The distinction in the case of OBC is not that sharp, though their proportion is lower in the case of the SGSY group of SHGs (20.83% against 28.62%).*

The above distinctions appear to be the product of the SHGs policy of SGSY programme. In this case, the SHG members or Swarozgaris must come from the list of below poverty line (BPL) families and the minimum percentage of SC, ST Swarozgaris should be 50 per cent.

In contrast to this, in the case of NABARD SHGs, those below poverty line were not ignored, but others who are also very poor (though not included in the BPL list) and willing or psychologically prepared to undertake activities to come out of their poverty status, were encouraged to form SHGs irrespective of their caste and community. Those below the poverty line do need special attention, but other rural poor cannot be ignored in any poverty alleviation programme. Further, motivation and willingness on the part of the rural poor to participate in a poverty alleviation programme, is such that an asset which cannot be ignored or even neglected to make a programme successful and the national investment in it, productive. The restrictive features of SGSY SHGs (adherence to the BPL list, caste, etc.) deserve a serious look so that they do not become counterproductive.

Women from poor families are the poorest of the poor. There is a strong need to have poverty alleviation programme which lay greater emphasis on the empowerment of these women from poor families. This has been stated in Para 3.28 in the SGSY guidelines which emphasized the inclusion of a minimum of 40-per cent women in SHGs. When the gender ratio of the SHGs was worked out, all-women SHGs were only 58.54 per cent in the case of SGSY as against 72.25 per cent in the case of NABARD- supported SHGs. Hence, NABARD-supported SHGs seem to lay greater emphasis on the empowerment of women from the rural poor families.

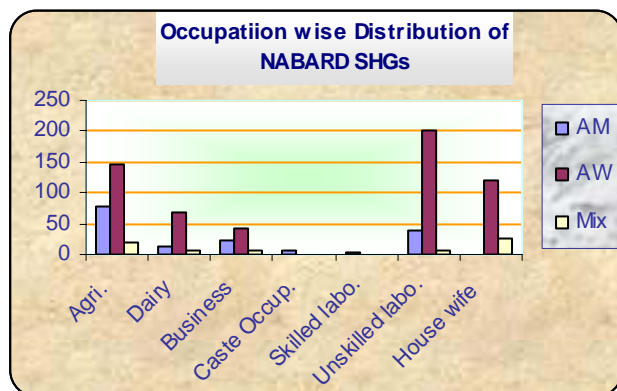
3.4 Occupation of SHG Members

Rural people are engaged in various occupations for earning their livelihood. Information about the occupation of the SHG members under study was collected. They were found to come from seven occupations, as reported in Table 3.4 below:

Table 3.4: Occupation-wise Distribution of SHG Members

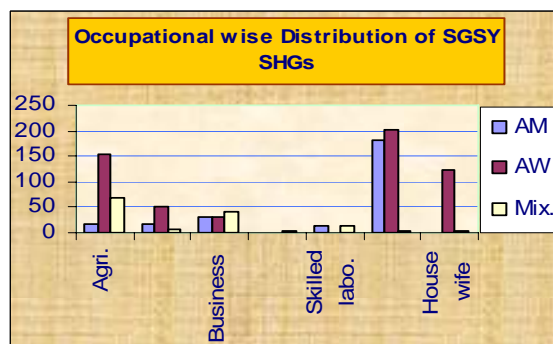
| Occupation | NABARD SHG Members | | | | SGSY SHG Members | | | |
|--------------------|---------------------|------------------------|----------------------|----------------|------------------------|------------------------|------------------------|----------------|
| | All-Men | AW | Mixed | Total | All-Men | AW | Mixed | Total |
| Agriculture | 77* (48.12) | 147 (25.43) | 18 (29.03) | 242 (30.25) | 17 (6.58) | 154 (27.40) | 68 (48.57) | 239 (24.89) |
| Dairy | 12 (7.5) | 68 (11.76) | 5 (8.06) | 85 (10.62) | 16 (6.20) | 50 (8.89) | 7 (5) | 73 (7.60) |
| Business | 23 (14.37) | 41 (7.09) | 6 (9.67) | 70 (8.75) | 31 (12.01) | 31 (5.51) | 42 (30) | 104 (10.83) |
| Caste Occupation | 6 (3.75) | 0 | 0 | 6 (0.75) | 0 | 0 | 3 (2.14) | 3 (0.312) |
| Skilled Labourer | 3 (1.87) | 0 | 0 | 3 (0.37) | 12 (4.65) | 0 | 12 (8.75) | 48 (2.5) |
| Unskilled Labourer | 39 (24.37) | 202 (34.94) | 6 (9.67) | 247 (30.87) | 182 (70.54) | 202 (35.94) | 5 (3.57) | 389 (40.52) |
| Housewife | 0 | 120 (20.76) | 27 (43.54) | 147 (18.37) | 0 | 125 (22.24) | 3 (2.14) | 128 (13.33) |
| Total | 160 (20) | 578 (72.25) | 62 (7.75) | 800 | 258 (26.87) | 562 (58.54) | 140 (14.58) | 960 |

*Data under the parenthesis are in row percentage.



The largest number of SHG members in both the categories of SHGs was found to come from the unskilled labourer, housewife and agricultural occupations. The next categories in number are those of business communities or traders and those engaged in milk

production and trading by maintaining a few herds of cattle or buffaloes. There are only a few skilled labourers like village artisans, mechanics and also those having their caste occupations like barbers, carpenters, etc., who joined the SHGs.



It is clear that poverty prevails in almost every occupation in the rural areas, but its magnitude is quite high in occupations like unskilled labourers, small and marginal farmers and housewives who are engaged in wageless activities in the homes.

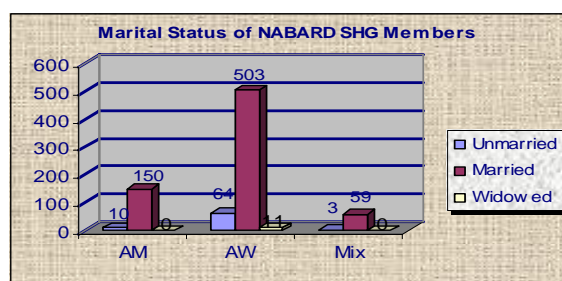
3.5 Marital Status of SHG Members

The marital status of SHG members was also ascertained during the interview, which was compiled and tabulated as reported in Table 3.5:

Table 3.5 Marital Status of SHG Members

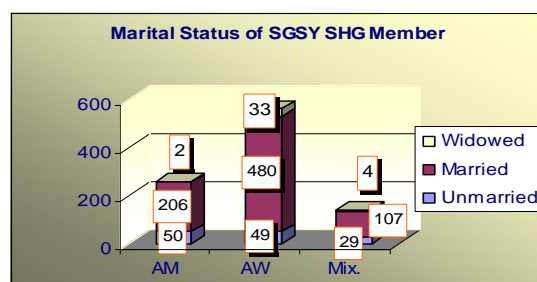
| Marital Status | NABARD SHG Members | | | | SGSY SHG Members | | | |
|----------------|---------------------------|------------------------------|----------------------------|---------------|------------------------------|------------------------------|------------------------------|----------------|
| | AM | AW | Mixed | Total | AM | AW | Mixed | Total |
| Unmarried | 10* (6.25) | 64 (11.07) | 3 (4.83) | 77 (9.62) | 50 (19.37) | 49 (8.71) | 29 (20.71) | 128 (13.33) |
| Married | 150 (93.75) | 503 (87.02) | 59 (95.16) | 712 (89) | 206 (79.84) | 480 (85.40) | 107 (76.42) | 793 (82.60) |
| Widowed | 0 | 11 (1.90) | 0 | 11 (1.375) | 2 (0.77) | 33 (5.87) | 4 (2.85) | 39 (4.06) |
| Total | 160 (20) | 578 (72.25) | 62 (7.75) | 800 | 258 (26.87) | 562 (58.54) | 140 (14.58) | 960 |

*Figures under the parenthesis are in row percentage.



So far as the marital status is concerned, the respondents were found to be either unmarried or married or widowed. A great majority of the respondents in the case of both the groups of SHGs were found to be

married (89% and 82.6%, respectively). In the case of unmarried category, 64 out of 578 women in the case of NABARD-supported SHGs were found to be unmarried, whereas 49 out of 562 women members in the SGSY- supported SHGs were unmarried. Though these numbers are not very large, yet they are likely to create the problem of discontinuance of their membership. When they get married and leave the village to stay with their husbands, they will most probably discontinue their membership and to that extent the SHGs would be disturbed.



SHG MANAGEMENT

The Self-Help Groups being formed have to initiate a number of activities to keep themselves lively, vibrant and productive. Such activities are well identified, but there is a need to ensure that they are undertaken by the SHG members both individually and collectively with interest, enthusiasm and understanding. This functional part is to be ensured by the process of management of SHGs. In this chapter, an attempt has been made to access this process of management to which the Self-Help Groups have been subjected. The following four components of the SHG management process have been empirically explored to find out the general health of the SHGs and their march towards maturation.

SHG management has four components:

- I. Period after SHG Formation (Age)
- II. Regularity of Meetings of SHG Members
- III. Record-keeping
- IV. Bank Linkage and Monetary Transaction / or Savings and Interloaning

The findings related to the above four components of SHG management are discussed as under:

4.1 Period after SHG Formation

The data related to-date SHGs were formed with the assistance of the two institutions, as reported in Table 4.1 below:

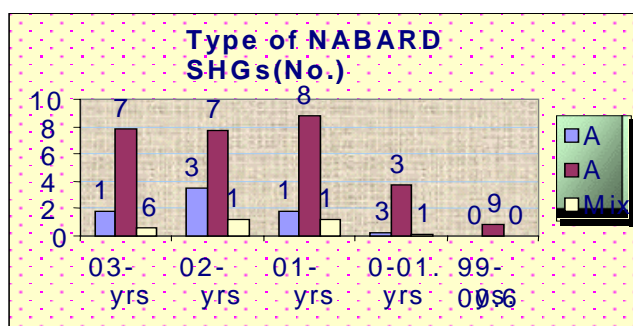
Table 4.1: Type of SHGs and Their Age

| Age as on March, 06 | NABARD SHGs (No.) | | | | SGSY SHGs (No.) | | | |
|---------------------|-----------------------|------------------------|----------------------|----------------|------------------------|------------------------|-----------------------|----------------|
| | AM | AW | Mixed | Total | AM | AW | Mixed | Total |
| (03-04)* 2 Years | 18@ (24.32) | 78 (26.98) | 6 (19.35) | 102 (25.88) | 27 (20.93) | 45 (16.60) | 20 (28.57) | 92 (19.57) |
| (02-03) 3 Years | 35 (47.29) | 77 (26.64) | 12 (38.70) | 124 (31.47) | 68 (52.71) | 152 (56.08) | 24 (34.28) | 244 (51.91) |
| (01-02) 4 Years | 18 (24.32) | 88 (30.44) | 12 (38.70) | 118 (29.94) | 29 (22.48) | 40 (14.76) | 13 (18.57) | 82 (17.44) |
| (00-01) 5 Years | 3 (4.05) | 37 (12.80) | 1 (3.22) | 41 (10.40) | 4 (13.33) | 23 (8.48) | 3 (4.28) | 30 (6.38) |
| (99-00) 6 Years | 0 | 9 (3.11) | 0 | 9 (2.28) | 1 (0.77) | 11 (4.05) | 10 (14.28) | 22 (4.68) |
| Grand Total | 74 (18.78) | 289 (73.35) | 31 (7.86) | 394 | 129 (27.44) | 271 (57.65) | 70 (14.89) | 470 |

*Year of SHG formation

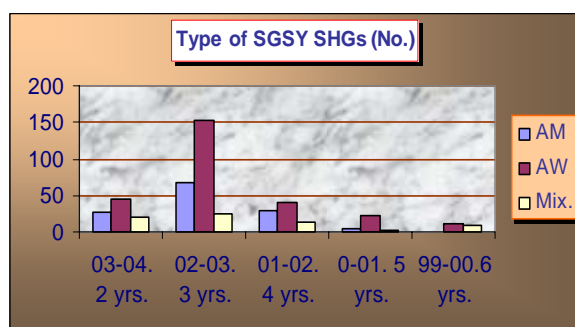
@Data given in the parenthesis are in row percentage.

AM = All-Men SHGs; AW = All-Women SHGs; Mixed = Men & Women composite SHGs



As reported in Table 4.1, there are three types of SHGs formed under the two groups. They are all-men SHGs, all-women SHGs and men-women mixed SHGs.

Women SHGs are the most prominent in the case of NABARD-promoted SHGs so far as the number are concerned (73.35%). In the case of SGSY-promoted SHGs, the number of women SHGs is the highest. Yet, they account for only 57.65% of the total SHGs. The all-men as well as mixed SHGs are proportionately much higher in the case of SGSY than NABARD.



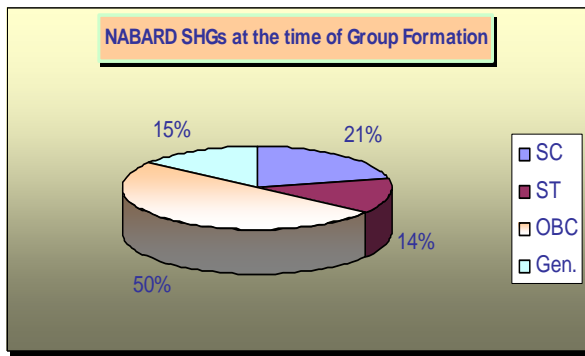
It appears that women from the poorest of the rural poor families were given greater priority by NABARD and in the earlier years, up to 2,000 all-women SHGs almost exclusively existed. It is only after 2001 that attention was diverted towards formation of all-men and men-women mixed SHGs. In the case of SGSY, a beginning was made in the year of inception itself when at least (0.77%) all-men and (14.28%) mixed SHGs were formed. From the figures of all-men and mixed SHGs formed in the last five years, it appears that in the case of SGSY relatively more emphasis was laid on the formation of all-men and mixed SHGs as compared to the SHGs formed with the support of NABARD.

So far as the age of the SHG is concerned, there are only a few SHGs which are more than five years old in the case of both NABARD as well as SGSY. Over 85 per cent of SHGs are between 3 and 5 years of age in the case of both the groups. Hence, they are almost identical in the area of investigation, so far as the time of SHGs formation is concerned. It is important that the men and women, who formed SHGs, must continue for a long period of time to make SHGs more and more functional and use them as a tool to promote their socio-economic growth. But in the case of SHG members in the study area, this does not seem to have happened, at least till the cut-off date chosen to select SHGs for this study, i.e. 31.03.2004. The change in the membership has been caused by both dropouts and additions. The data related to this aspect of the SHG membership, is reported in Table 4.2 below:

Table 4.2: Variations in SHG Membership over a Period of Time

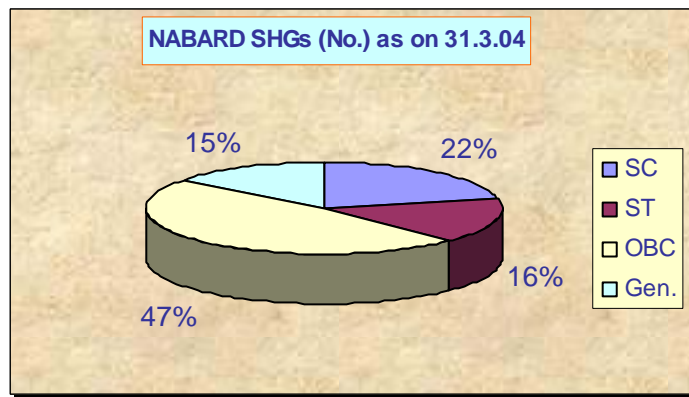
| Category of Members (Caste-based) | NABARD SHGs No. of Members | | | | SGSY SHGs No. of Members | | | |
|-----------------------------------|--------------------------------|-----------------|------------------|-----------------|--------------------------------|----------------|------------------|-----------------|
| | At the time of Group Formation | | As on 31.03.2004 | | At the time of Group Formation | | As on 31.03.2004 | |
| | Male | Female | Male | Female | Male | Female | Male | Female |
| SC | 214 * (21.16) | 1201 (39.28) | 226 (21.52) | 1201 (49.28) | 898 (48.85) | 1700 (0.52) | 816 (44.39) | 1320 (44.32) |
| ST | 143 (14.14) | 305 (9.97) | 170 (16.19) | 305 (12.51) | 250 (13.60) | 772 (23.90) | 250 (13.60) | 522 (17.52) |
| OBC | 501 (49.55) | 825 (26.98) | 501 (47.71) | 205 (8.41) | 638 (34.71) | 717 (22.19) | 638 (34.71) | 715 (24.00) |
| General | 153 (15.13) | 726 (23.74) | 153 (14.57) | 726 (29.79) | 52 (2.82) | 41 (1.26) | 134 (7.29) | 421 (14.13) |
| Total | 1,011 | 3,057 | 1,050 | 2,437 | 1,838 | 3,230 | 1,838 | 2,978 |

**Data given in the parenthesis are in row percentage.*



An overview of the data reported in Table 4.2 clearly indicates that the gender of the SHG members is related with their discontinuation or dropout. The figures reported in the last row reveal that in the case of SGSY SHGs, the number of men

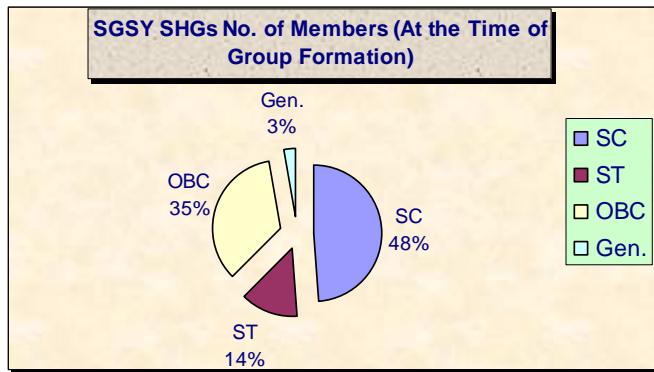
remained the same till the cut-off date. Even in the case of NABARD SHGs, the change in the number is quite small, but in the case of female members the reduction in their number is quite pronounced. It is 2,437 from 3,057, in the case of NABARD SHGs and 2,978 from 3,230, in the case of



SGSY SHGs. This shows that consistency in membership is higher in the case of male members than in the case of female members. However, when we looked into the caste-wise data of SHG members, then several interesting things came to light.

- In the case of NABARD SHGs, the number of male members has increased over time in the case of Scheduled Castes and Scheduled Tribes. This may be because till 2000 NABARD SHGs were women exclusive and only after 2000 they made a beginning with male SHGs. This change in the policy impacted SC and ST more maybe because of their poverty status, since there was a conscious effort to encourage the rural poor to form SHGs. This might have promoted lateral entry in All-Men SHGs of this category. In the case of SGSY SHGs, there is both a drop and an increase in the number of male members- the drop in the case of SC category and increase in the case of the general category. Since a much larger number of the SCs fall in the BPL category which is an important criterion for SHG formation, a large number of Scheduled Caste men were made members of SHGs without adequate motivation. This might be the reason that some of them later on lost their interest in SHGs and dissociated themselves from the SHGs. In the case of general category, non-inclusion of many names in the BPL category in the initial stage might have blocked their way to SHGs. In the subsequent years, they might have got their names included in the revised BPL list and then they might have earned the membership of SHGs. Hence, their number increased later on.*

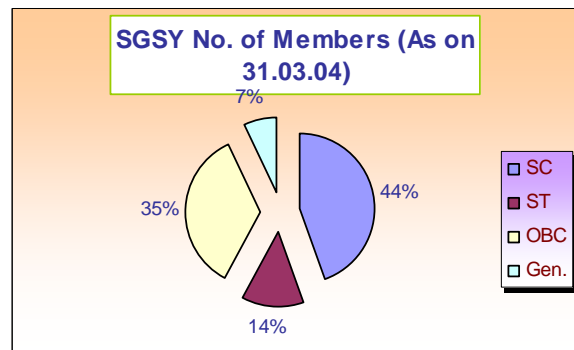
- As reported earlier, there is heavy reduction in the number of female SHG members in the case of both the SHG categories, but this reduction was found very substantial only in the case of OBC members in the NABARD SHGs and SC and ST members in the case of the SGSY SHGs. One possible reason for this reduction seems to be mixed caste group SHG formation in the initial stage. Because of similar economic status, SC, ST and OBC women might have been grouped together to form SHGs. For obvious social reasons, where untouchability still prevails and caste hierarchy continues to function, the mixed group of SC, ST and OBC may not be compatible groups. Perhaps, this was the reason that the minority caste group in SHGs slowly and gradually withdrew themselves from the SHGs. The other reason which also might have contributed to the dissociation process is that



some unmarried women were made members of SHGs who, after marriage, settled at different locations and hence could not continue in the group because of their discontinued living in the village. This provides us two lessons to be taken note of:

- The SHGs must be homogeneous groups, not only economically but also socially; and
- Any member whose physical location in the village for the coming several years is in doubt, should not be made a member of the SHG.

- It may be noted that in the case of upper (general) caste group, the number of both male and female SHG members increased manifold in the SGSY SHGs. Even in this case, the prerequisite of BPL status for inclusion in SHGs seems to have played active role. After having realized the benefit of SHGs, the upper caste group members might have influenced the village Panchayat for inclusion of their names in the BPL list. (It may also be clarified that many of such inclusions which caused revision in the BPL list in most of the villages are not illegitimate.) This expansion of the BPL list probably promoted lateral entry into the existing SHGs, resulting in increase in the number of male as well as female members of SHGs over a period of time.



4.3 Regularity of Meetings

Frequencies of meetings scheduled by SHGs were not uniform. Some SHGs decided to hold their meetings monthly, some fortnightly and some weekly. The data in this regard are reported in Table 4.3:

Table 4.3: Regularity of Meetings held

| Category of SHGs | Frequency of Meetings Scheduled | | | | No. of Meetings held in the last One Year | | | | | | |
|--------------------|---------------------------------|-----------------------|------------------------|----------------|---|------------------------|----------------------|-----------------------|----------------------|---------------------|----------------|
| | Weekly | Fortnightly | Monthly | Total | Less than 12 | 12 | Between 12 & 24 | 24 | Between 24 & 48 | 48 | Total |
| NABARD SHGs | | | | | | | | | | | |
| All -Men SHGs | 0 | 36 (38.29)* | 38 (13.19) | 74 (18.78) | 6 (40) | 32 (11.72) | 8 (40) | 28 (37.83) | 0 | 0 | 74 (18.78) |
| All-Women SHGs | 11 (91.66) | 47 (50) | 231 (80.20) | 289 (73.35) | 7 (46.66) | 224 (82.05) | 9 (45) | 38 (51.35) | 5 (100) | 6 (85.71) | 289 (73.35) |
| Mixed SHGs | 1 (8.33) | 11 (11.70) | 19 (6.59) | 31 (7.86) | 2 (13.33) | 17 (6.22) | 3 (15) | 8 (10.81) | 0 | 1 (14.28) | 31 (7.86) |
| Total | 12 (3.04) | 94 (23.85) | 288 (73.06) | 394 | 15 (3.80) | 273 (69.26) | 20 (5.07) | 74 (18.78) | 5 (1.26) | 7 (1.77) | 394 |
| SGSY SHGs | | | | | | | | | | | |
| All-Men SHGs | 2 (11.11) | 15 (38.46) | 112 (27.11) | 129 (27.44) | 3 (16.66) | 109 (27.59) | 3 (27.27) | 12 (42.85) | 2 16.66) | 0 | 129 (27.44) |
| All-Women SHGs | 10 (55.55) | 15 (23.07) | 246 (59.56) | 271 (57.65) | 12 (66.66) | 234 (59.24) | 5 (45.45) | 10 (35.71) | 6 (50) | 4 (66.66) | 271 (57.65) |
| Mixed SHGs | 6 (33.33) | 9 (23.07) | 55 (13.31) | 70 (14.89) | 3 (16.66) | 52 (13.16) | 3 (27.27) | 6 (21.42) | 4 (33.33) | 2 (33.33) | 70 (14.89) |
| Total | 18 (3.82) | 39 (8.29) | 413 (87.87) | 470 | 18 (3.82) | 395 (84.04) | 11 (2.34) | 28 (5.95) | 12 (2.55) | 6 (1.27) | 470 |

* Data given in the parenthesis are in row percentage.

In both NABARD-and SGSY-supported SHGs, an overwhelming majority of the SHGs decided to hold the meetings monthly. The percentages of such SHGs were 87.87 for SGSY-supported SHGs and 73.06 for NABARD-assisted SHGs. The next highest number of SHGs had decided to hold fortnightly meetings. They constituted 23.85 per cent in the NABARD-supported SHGs and 8.29 per cent in the SGSY-supported SHGs. In the case of NABARD, a little more emphasis seems to have been laid on the holding of two meetings per month as compared to SGSY. So far as the weekly meeting (4 meetings per month) is concerned, there are smaller numbers of SHGs which have appeared in both the cases (around 3%). This appears logical since the assembly of women/men from poor families so frequently in a month for group interactions is quite difficult.

When one-year data of the meetings held by the SHGs were collected, quite a few SHGs in both the categories were found not to have maintained the scheduled frequencies of the meetings. The greatest lapse was found in the case of the SHGs which scheduled four meetings in a month. A little less than half of NABARD-supported SHGs (5 out of 12) and two-thirds of the SGSY-supported SHGs (12 out of 18) were found to have faltered in this respect. They could hold less than 48 meetings in the last year. Next in the row are those SHGs which planned fortnightly meetings. In the case of NABARD-supported SHGs, 20 out of 94 SHGs (about 21%) and 11 out of 39 (about 28%) SGSY-supported SHGs could not adhere to their meeting schedule. The least casualty was found in the case of the SHGs which planned one meeting per month - only 15 out of 288 (5.2%) NABARD-supported SHGs and 18 out of 413 (4.3%) SGSY-supported SHGs failed to meet every month. Higher frequency of meetings may be more desirable in some cases, but the pragmatic frequency appears to be once in a month only, as evident from the above data reported in Table 4.3.

A cursory look at the data reported in Table 4.3 further suggests that there is hardly a variation in the gender-based groups of the SHGs so far as the regularity of holding meetings is concerned. However, on the whole, the NABARD-supported SHGs appear a little better than SGSY-supported SHGs in this respect.

4.4 Record-keeping

Out of several registers which an SHG is required to maintain, three are extremely important for the SHGs to remain functional as well as vibrant. They are maintaining a register in which proceedings of the meetings are recorded, saving-cum-loan register, which keeps almost the entire financial account and passbook which records the entire bank transactions data regarding maintenance of these three important registers are reported in Table 4.4.

Table 4.4: Record-keeping by SHGs

| Type of SHGs/Documents | NABARD SHGs (N=394) All-Men (74), All-Women (289), Mixed (31) | | | | | | | SGSY SHGs (N=470) All-Men (129), All-Women (271), Mixed (70) | | | | | | |
|------------------------|--|----|--------|----|---------------|-------------------|--------------------|---|----|--------|----|---------------|-------------------|-------------------|
| | Available | | In use | | Maintained by | | | Available | | In use | | Maintained by | | |
| | Yes | No | Yes | No | SHG Members | Others on Payment | NGOs Field Workers | Yes | No | Yes | No | SHG Members | Others on Payment | NGO Field Workers |
| All-Men | | | | | | | | | | | | | | |
| 1. Meeting Regis. | 73 | 1 | 73 | 0 | 73 | | | 120 | 9 | 120 | 0 | 105 | 0 | 15 |
| 2.Saving-cum-loan | 74 | 0 | 74 | 0 | 70 | | 4 | 129 | 0 | 129 | 0 | 120 | 0 | 9 |
| 3.Passbook | 74 | 0 | 74 | 0 | 74 | | 0 | 116 | 13 | 116 | 0 | 108 | 0 | 8 |
| All-Women SHGs | | | | | | | | | | | | | | |
| 1. Meeting Regis. | 284 | 5 | 284 | 0 | 282 | 2 | 0 | 245 | 26 | 245 | 0 | 240 | 0 | 5 |
| 2.Saving-cum-loan | 286 | 3 | 286 | 0 | 286 | 0 | 0 | 245 | 26 | 244 | 1 | 243 | 0 | 1 |
| 3.Passbook | 289 | 0 | 289 | 0 | 276 | | 13 | 245 | 26 | 245 | 0 | 245 | 0 | 0 |
| Mixed | | | | | | | | | | | | | | |
| 1. Meeting Regis. | 30 | 1 | 30 | 0 | 30 | | 0 | 60 | 10 | 60 | 0 | 60 | 0 | 0 |
| 2.Saving-cum-loan. | 31 | 0 | 31 | 0 | 31 | | 0 | 65 | 5 | 65 | 0 | 65 | 0 | 0 |
| 3.Passbook | 31 | 0 | 31 | 0 | 31 | | 0 | 70 | 0 | 70 | 0 | 70 | 0 | 0 |

As reported in Table 4.4, record-keeping is excellent in the case of NABARD-supported SHGs which varies from 97 per cent to 100 per cent. Another good thing about these SHGs is that all these registers are regularly maintained by them and barring 19 SHGs, all these registers are maintained by the SHG members themselves.

The situation is not that good in the case of SGSY SHGs. The records available with them vary between 86 per cent to 100 per cent. There are 115 SHGs which did not have one or the other of the three registers. However, one good thing about even these SHGs is that all the registers which they kept were being maintained. In overwhelming majority of these SHGs, these records are being maintained by the SHG members themselves. In small number of SHGs which vary from 1 per cent to 19 percent, their records are being maintained by NGO field workers or by somebody who is paid for the same. When the SHGs were categorized on the basis of gender of the members, it was observed that gender did not influence record-keeping behaviour of the SHGs of NABARD-supported SHGs. But in the case of SGSY-supported SHGs, the situation was found to be only a little different. All-men SHGs appear marginally superior to all-women and mixed group SHGs so far as record-keeping is concerned. However, it is extremely difficult to attribute this difference to the gender of the SHG members. This may be because of the factors associated with supervision and monitoring of the SHGs by the promoting organizations.

4.5 Bank Linkage and Monetary Transactions

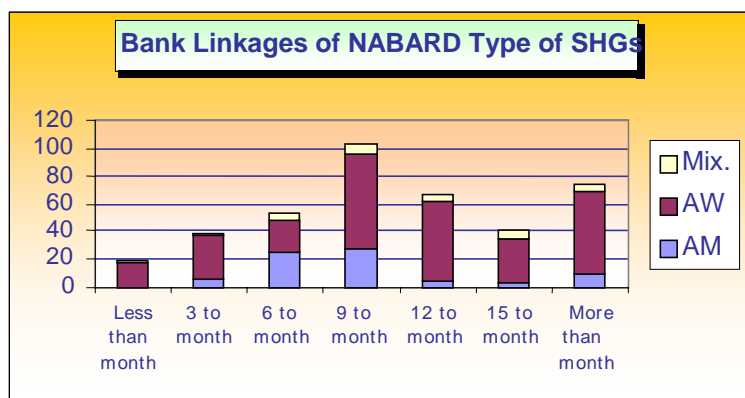
Linkage of SHGs with commercial banks is an important landmark in the life of SHGs. Micro credit is extremely important for income generation activities undertaken by an SHG and the starting point of this is its linkage with commercial banks. The data regarding bank linkage of SHGs are reported in Table 4.5:

Table 4.5: Bank Linkage of SHGs

| Age at Bank Linkage | NABARD SHGs/Type of SHGs | | | | SGSY SHGs/Type of SHGs | | | |
|---------------------|--------------------------|------------------------|----------------------|----------------|------------------------|------------------------|-----------------------|----------------|
| | AM | AW | Mixed | Total | AM | AW | Mixed | Total |
| Less than 3 months | 0 | 18 (6.22) | 1 (3.22) | 19 (4.82) | 4 (3.10) | 23 (8.48) | 8 (11.42) | 35 (7.44) |
| 3 to 6 months | 6 (8.10)* | 31 (10.72) | 2 (6.45) | 39 (9.89) | 22 (17.05) | 24 (8.85) | 6 (8.57) | 52 (11.06) |
| 6 to 9 months | 25 (33.78) | 22 (7.61) | 6 (19.35) | 53 (13.45) | 13 (10.07) | 10 (3.69) | 8 (11.42) | 31 (6.59) |
| 9 to 12 months | 28 (37.83) | 67 (23.18) | 7 (22.58) | 102 (25.88) | 24 (18.60) | 32 (11.80) | 18 (25.71) | 74 (15.74) |
| 12 to 15 months | 4 (5.40) | 58 (20.06) | 5 (16.12) | 67 (17.00) | 16 (12.40) | 49 (18.08) | 8 (11.42) | 73 (15.53) |
| 15 to 18 months | 3 (4.05) | 32 (11.07) | 5 (16.12) | 40 (10.15) | 5 (3.87) | 54 (19.92) | 7 (10) | 66 (14.04) |
| More than 18 months | 8 (10.81) | 61 (21.10) | 5 (16.12) | 74 (18.78) | 45 (34.88) | 79 (29.15) | 15 (21.42) | 139 (29.57) |
| Total | 74 (18.78) | 289 (73.35) | 31 (7.86) | 394 | 129 (27.44) | 271 (57.65) | 70 (14.89) | 470 |

* Data given in parenthesis are in column percentage.

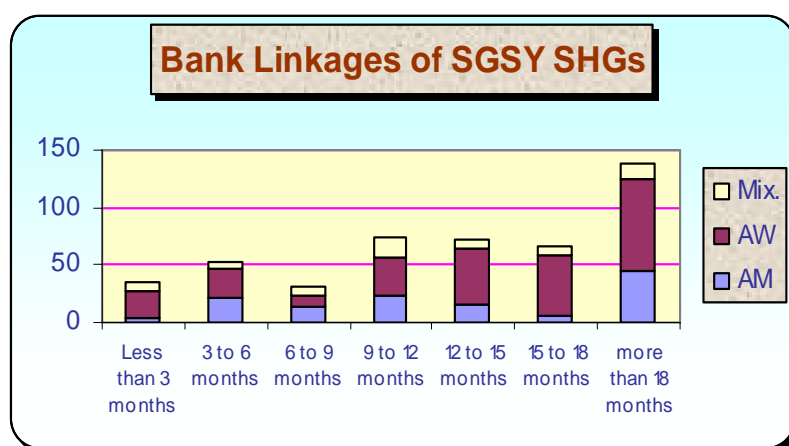
As reported in Table 4.5, there are seven linkage periods of the SHGs in which they could establish their linkage with banks. The linkage period starts from less than 3



months to more than 18 months after the SHG's formation. The mid or medium linkage period, as reported in the table is 9 to 12 months of the SHG formation. The table shows that the

highest number of NABARD-supported SHGs, i.e. 102 (25.88%), got bank linkage during this period. In the case of SGSY-supported SHGs, 74 SHGs (15.77%) could establish bank linkage during this period. The figures on either side of this median or mid point are quite interesting. In

the case of NABARD-supported SHGs, 28.16 per cent of SHGs got bank linkage before the mid linkage period,



i.e. before nine months of the formation, whereas 45.91 per cent of SHGs got linkage after the mid-linkage period, i.e. after 12 months of the formation. The corresponding figures in the case of SGSY SHGs are 25.09 per cent during pre-median or mid-linkage period and 59.14 per cent during the post-mid linkage period.

The above figures may be presented in a tabular form as under:

Exhibit 4.1: Bank Linkage Period

| | NABARD | SGSY |
|-----------------------------------|--------|--------|
| Pre-mid linkage period | | |
| Mid-linkage period (cut-off line) | 28.16% | 25.09% |
| Post-mid linkage period | 45.91% | 59.14% |

- The above figures clearly suggest that bank linkage was relatively quicker in the case of NABARD-supported SHGs than SGSY-supported SHGs. This is further substantiated by the fact that the highest number of SHGs, i.e. 139 (29.57%) in the case of SGSY SHGs, got bank linkage after 18 months of their formation. Maybe, the supervisory and educational support provided to NABARD-supported SHGs was better than those provided to SGSY-supported SHGs.
- It is important to examine the impact of the gender factor on the bank linkage of SHGs. For this, the data were regrouped into two gender categories - all-women and others which included all-men and mixed groups of men and women. The bank linkage during pre- and post-mid linkage period were worked out for both the groups of the two SHG categories (NABARD and SGSY). The data are reset as reported in the table given below:

Exhibit 4.2: Bank Linkage Period and Women Orientation

| | NABARD SHGs | | SGSY SHGs | |
|----------------------------------|-----------------|----------------|-----------------|----------------|
| | All-Women | Others | All-Women | Others |
| Pre-mid linkage period | 71 (24.55%) | 40 (35.09%) | 57 (21.02%) | 61 (30.65%) |
| Mid linkage period (cutoff line) | 151 (52.23%) | 30 (28.5%) | 182 (67.15%) | 96 (48.24%) |
| Post-mid linkage period | | | | |

Note: NABARD SHGs only define those SHGs which operate with its support or those which are developed under its guidelines either by NGOs or by other agencies (banks, RRBs, etc.). The report has used this term very often as a simplistic mode of communication for comparison purposes with other target groups.

The data reported in the above table clearly show that in the case of both the SHG groups, more percentage of other group SHGs got bank linkage during the pre-mid linkage period than the all-women Self-Help Groups. The reverse is true in the case of the bank linkages by them during the post-mid linkage period. This clearly shows

that the SHG groups having male members were quicker in establishing bank linkages than SHGs having only women members. The gender obviously seems to have played its role here. In our society, men are generally more extrovert and more prone to having outside contacts than women. Perhaps, this is the reason that men-dominated SHGs were able to establish contacts with bank officials earlier than the women SHGs. Even though this is true with both NABARD- and SGSY-supported SHGs, yet male-dominated SHGs of NABARD were found better performers in this respect than the male-dominated SHGs of the SGSY (38.09% as against 30.65% during the pre-mid period). This finding reinforces the earlier conclusion that NABARD-supported SHGs are better than SGSY-supported SHGs in establishing the bank linkage.

Bank linkage demands that somebody from the SHGs should establish and maintain contacts with the bank functionaries where the SHGs account is maintained. The process helps the person to build capacity to establish and manage contacts. It is, therefore, important to see who in the SHGs has developed this capacity. For this the relevant data are reported in Table 4.6:

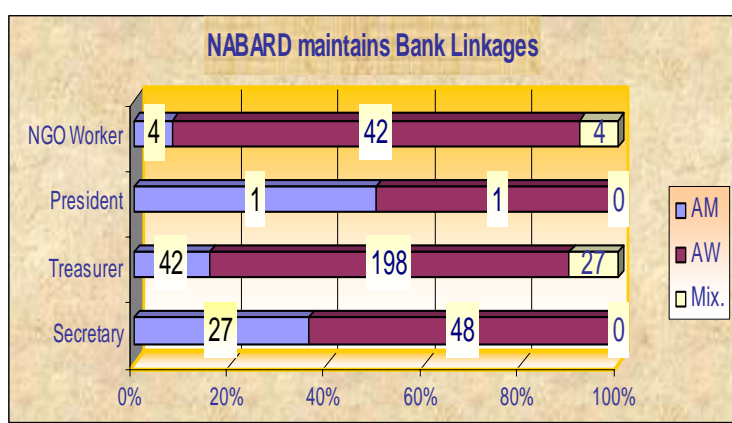
Table 4.6: Who Maintained Bank Linkages?

| A. Who Maintains Bank Linkages? | | | | | | | | |
|---------------------------------|-----------------------|------------------------|----------------------|----------------|------------------------|------------------------|-----------------------|----------------|
| | NABARD | | | | SGSY | | | |
| | AM | AW | Mixed | Total | AM | AW | Mixed | Total |
| (a) Secretary | 27 (36.48) | 48 (16.60) | 0 | 75 (19.03) | 54 (41.86) | 67 (24.72) | 5 (7.14) | 126 (26.80) |
| (b) Treasurer | 42 (56.75) | 198 (68.51) | 27 (87.09) | 267 (67.76) | 56 (43.41) | 105 (38.74) | 58 (82.85) | 219 (46.59) |
| (c) President | 1 (0.013) | 1 (0.34) | 0 | 2 (0.50) | 18 (13.95) | 49 (18.08) | 0 | 67 (14.25) |
| (d) NGO Workers | 4 (5.40) | 42 (14.53) | 4 (12.90) | 50 (12.69) | 1 (0.77) | 50 (18.45) | 7 (10) | 58 (12.34) |
| Total | 74 (18.78) | 289 (73.35) | 31 (7.86) | 394 | 129 (27.44) | 271 (57.65) | 70 (14.89) | 470 |

* Data given in the parenthesis are in row percentages.

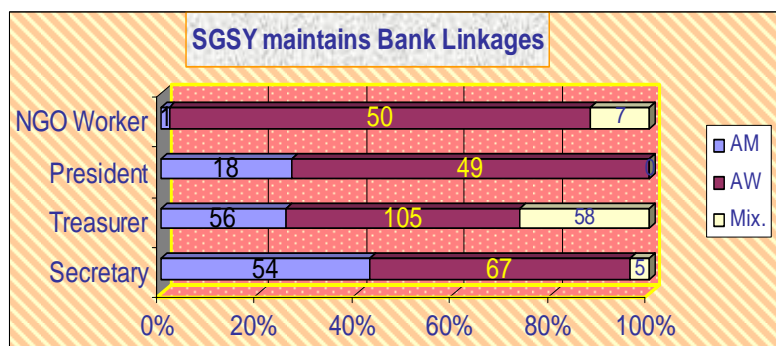
The data reported in Table 4.6 reveal that only about 68 per cent treasurers in the case of NABARD-supported SHGs and 47 per cent treasurers in the case of SGSY-supported SHGs are maintaining bank linkages. Since treasurers are the custodians of financial records and are supposed to deal with the financial matters of SHGs, it is legitimate that they should maintain contacts with the bank, but all of them were not found doing this. This activity was performed by about 46 per cent of the secretaries and 14 per cent of the presidents of SHGs taking both the types of SHGs together.

- *This suggests that the personal capacity of individuals (SHG members) is not fully taken into account while electing SHG office-bearers. Otherwise, all those secretaries and presidents who were found capable of maintaining bank linkages should have been elected as treasurers of their SHGs. This state of affairs also creates discrimination between the two types of SHGs - the*



NABARD-supported SHGs appear better than the SGSY-supported SHGs in this respect.

- *Another fact of the matter as revealed by the table, is more worrying. Over 12 per cent SHGs in both the types are such in which case the bank linkage function is performed by the NGO workers and not by an office-bearer of the SHGs. This is likely to generate dependency syndrome in the members of those SHGs, which are self-defeating. The NGO workers, who are supporting the SHGs, should try to build capacities in the SHG members to help them stand on their feet and be able to establish and manage linkage with the bank. Support rendered during the capacity building process is welcome, but taking away the function from them will deprive them of the opportunity of building capacity and will create psychological dependence on others in them.*



4.6 Managerial Role Holders in SHGs

In all SHGs, there are three important role holders - the president, the secretary and the treasurer, who jointly manage the functioning of SHGs. SHG, by nature, is a voluntary participative cooperative institution. Thus, every member should not only cooperate and participate in the SHG activities, but also contribute her mite to keep the group functioning and vibrant. This demands that even the managerial function should be shouldered by the members in rotation. If this does not happen, then the fear is that these functions would be monopolized by a few individuals who will continue in their roles for a very long period of time. If this happens, then the chances are that such members will create dependence in other members and may develop a tendency to manipulate things to perform the functions in their own way which may not be in the best interest of the group. Because of such apprehensions, the SHG guideline suggests that the role holders of the SHGs should be democratically elected periodically by the members and their tenure should be fixed for a definite period of six months or one year.

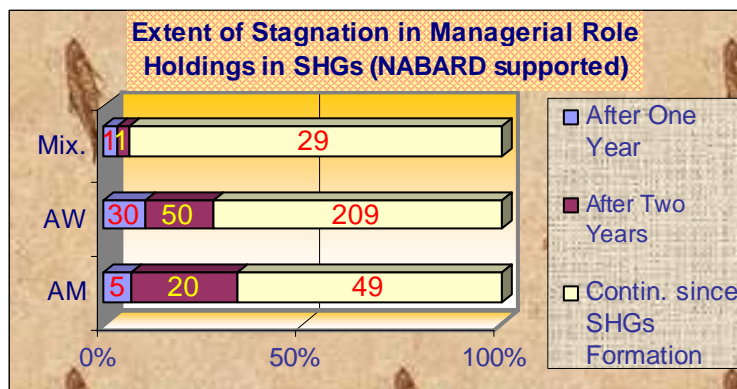
This provision is important for liveliness in the SHG functioning and also for promoting growth of leadership ability in the members. It is, therefore, important to see as to what extent this democratic function has been performed in the SHGs under study. For this, the data of the extent of change in the office-bearers' roles since inception were collected which are reported in Table 4.6 below:

Table 4.6.1: Extent of Stagnation amongst Managerial Role Holders in SHGs

| Change of Office-bearer | NABARD-supported SHGs | | | | SGSY-supported SHGs | | | |
|-----------------------------------|-----------------------|------------------------|----------------------|----------------|------------------------|------------------------|-----------------------|----------------|
| | AM | AW | Mixed | Total | AM | AW | Mixed | Total |
| a) After one year | 5 (6.75)* | 30 (10.38) | 1 (3.22) | 36 (9.13) | 27 (20.93) | 20 (7.38) | 6 (8.57) | 53 (11.27) |
| b) After two years | 20 (27.02) | 50 (17.30) | 1 (3.22) | 71 (18.02) | 25 (19.37) | 58 (21.40) | 13 (18.57) | 96 (20.42) |
| c) Continues since SHGs formation | 49 (66.21) | 209 (72.31) | 29 (93.54) | 287 (72.84) | 77 (59.68) | 193 (71.21) | 51 (72.85) | 321 (68.29) |
| Total | 74 (18.78) | 289 (73.35) | 31 (7.86) | 394 | 129 (27.44) | 271 (57.65) | 70 (14.89) | 470 |

* Data given in the parenthesis are in row percentage.

The data reported in Table 4.6.1 appear to be quite disappointing. In both the groups of SHGs, a great majority are such in which no change has taken place in role holders since inception. In other words, in 73 per cent of the NABARD-supported SHGs and

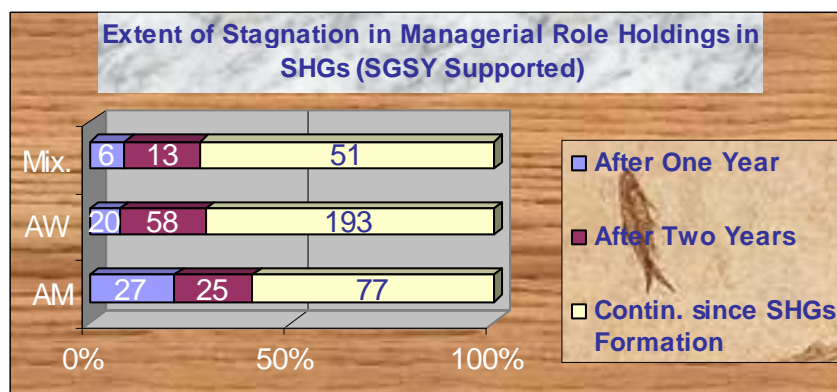


68 per cent of the SGSY-supported SHGs, the members elected as three important role holders at the time of formation of SHGs, were found to continue in the same role even after more than five

years of the formation. They obviously stagnated for a long period and the other members of the SHGs seem to have completely lost their initiative and willingness to come forward to take up these roles and responsibilities.

They have become completely dependent on the existing role holders. This is a very unhealthy situation and is likely to set in the process of institutional degeneration. However, there are 9 per cent SHGs in the NABARD groups and 11 per cent in SGSY groups in which role holders are changed every year. The period of role holders was found to be two years in the case of another 18- per cent SHGs of NABARD and 20 per cent SHGs of SGSY. Though the figure is very small, yet SGSY-supported SHGs seem to be a little better than the NABARD-

supported groups of SHGs in this respect. The gender impact on the change of leadership in both the cases is quite



variant and no definite trend emerges from the data. It appears that the role holding dynamics in SHGs is gender neutral.

4.7 Monetary Transactions

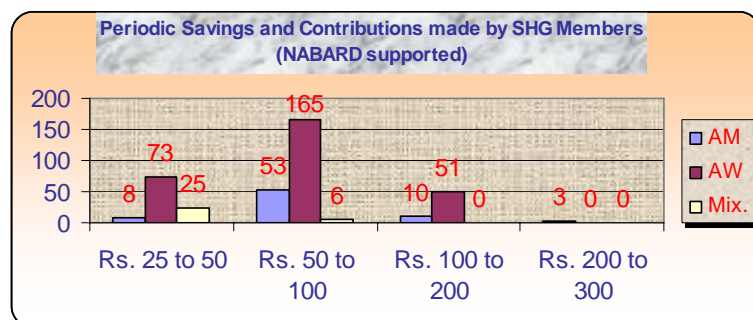
In the case of SHGs, monetary transactions start with periodic and regular contributions made by the members to generate group fund called group corpus.

For this, the members make savings on a regular basis and pool them together to create the group corpus. The periodicity of pooling their savings was found to be monthly in the case of all the SHGs included in the study, though they varied in amount of savings contributed to the group corpus. The data in this regard are reported in Table 4.7:

Table 4.7: Periodic Savings and Contributions made by SHG Members

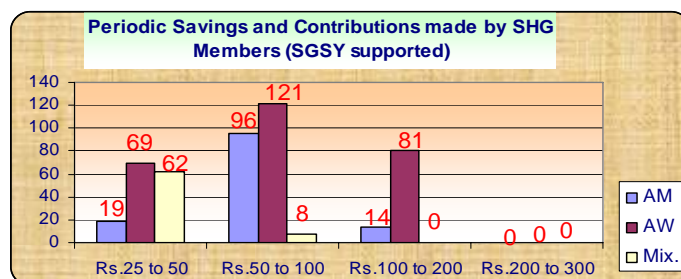
| Contribution | NABARD-supported SHGs | | | | SGSY-supported SHGs | | | |
|------------------|-----------------------|------------------------|----------------------|----------------|------------------------|------------------------|-----------------------|----------------|
| | AM | AW | M | TOTAL | AM | AW | MIXE D | TOTAL |
| Rs.25 to Rs.50 | 8 (10.81)* | 73 (25.25) | 25 (80.64) | 106 (26.90) | 19 (14.72) | 69 (25.46) | 62 (88.57) | 150 (31.91) |
| Rs.50 to Rs.100 | 53 (71.62) | 165 (57.09) | 6 (19.35) | 224 (56.85) | 96 (74.41) | 121 (44.64) | 8 (11.42) | 225 (47.87) |
| Rs.100 to Rs.200 | 10 (13.51) | 51 (17.64) | 0 | 61 (15.48) | 14 (10.85) | 81 (29.88) | 0 | 95 (20.21) |
| Rs.200 to Rs.300 | 3 (4.05) | 0 | 0 | 3 (0.76) | 0 | 0 | 0 | 0 |
| Total | 74 (18.78) | 289 (73.35) | 31 (7.86) | 394 | 129 (27.44) | 271 (57.65) | 70 (14.89) | 470 |

* Data given in the parenthesis are in row percentage.



The data reported in Table 4.7 reveal that the largest number of SHGs in both the groups were found to have members' contributions varying between Rs.50

and Rs.100. The next larger groups were making contributions ranging between Rs.25 and Rs.50, and the smallest number of SHGs used to collect contributions from the members above Rs.100 per month.



In order to make a comparison between NABARD- and SGSY-supported SHGs in this respect, the data were reset as under:

Exhibit 4.2.1: Range of Contributions

| | NABARD | SGSY |
|--|--------|--------|
| Less than cut-off contribution | 26.90% | 31.91% |
| Cut-off contribution* (Rs.50 to Rs.100) | 56.86% | 47.87% |
| More than cut off contribution | 16.24% | 20.21% |

* The modal class was taken as the cut-off point.

The largest number of SHG members were contributing Rs.50 to Rs.100 per month. Hence, this was treated as the cut-off point. In the cut-off category a larger percentage of NABARD-supported SHGs than SGSY-supported SHGs fell (56.86% as against 47.87%, but in the other two categories SGSY-supported SHGs outnumbered the NABARD SHGs, which blurs the distinction between the two SHG categories, though one thing is obvious that a larger number of SHGs in the SGSY group have gone for lower contributions (below Rs.50 per month) by their members. However, a cursory view suggests that the gender of the SHG members has some impact on the quantum of contributions made by them. For this, the data were reset as under:

Exhibit 4.2.2: Monthly Contributions and Women Orientation

| Monthly Contribution Category | NABARD-supported SHGs | | SGSY-supported SHGs | |
|--------------------------------|-----------------------|--------|---------------------|--------|
| | All-Women | Others | All-Women | Others |
| Less than cut-off contribution | 25.25% | 31.42% | 25.45% | 40.70% |
| Cut-off contribution | 57.01% | 56.19% | 44.64% | 52.26% |
| More than cut-off contribution | 17.64% | 12.38% | 29.88% | 7.03% |

The data reported in the above table clearly indicate that in both the groups and more so in the SGSY SHGs, a larger number of women (all-women SHGs) have contributed more than men members (other SHGs) and conversely a larger number of men members (other SHGs) contributed a lower amount per month than all-

women SHG members. Thus, it can be stated that the level of monthly contribution in the case of all-women SHGs was higher than that in the case of the other SHGs which have men members.

As in the case of SHGs, monthly savings start with periodic and regular contributions made by the members to generate group fund called Group Corpus Fund which is one of the most important parameters for group development and management. Thereafter the most critical concern for the SHGs is to receive loans from bank and their recovery. The related data on savings mobilized by groups and loan recovery rate are reported in Table 4.7.1:

Table 4.7.1: Categorization of SHGs on Average Savings mobilized and Loan Received Recovery Pattern (Per Annum)

| NABAR D | Group | Bank Linkages N = 394 | Savings Mobilized | Loan Received | Recovery Rate | CCL/IGA N = 256 |
|----------------|--------------|----------------------------------|--------------------------|----------------------|----------------------|----------------------------|
| | A = Good | 209 | 42,650 | 1,18,600 | 84.3% | 96 |
| | B = Average | 120 | 31,350 | 78,500 | 72.5% | 106 |
| | C = Poor | 65 | 24,075 | 49,850 | 57.3% | 54 |
| Total | A+B+C | 394 | 98,075 | 2,46,950 | | 256 |
| SGSY | Group | Bank Linkages N = 470 | Savings Mobilized | Loan Received | Recovery Rate | CCL/IGA N = 387 |
| | A = Good | 231 | 35,000 | 1,38,000 | 73.7% | 198 |
| | B = Average | 119 | 27,400 | 1,07,000 | 66.5% | 116 |
| | C = Poor | 120 | 19,000 | 88,500 | 51.2% | 73 |
| Total | A+B+C | 470 | 31,400 | 3,33,500 | | 387 |

It was a difficult exercise to estimate the average amount of savings mobilized by the group. While transacting with the bankers, it was found that they had no information in this regard. The research team had to work out their status in terms of savings mobilized, loan record and repayment orientation. The concept of saving mobilization at SHG limit is very critical before they resort to the interloaning process. Their loan repayment orientation is closely associated to overall repayment trend. The peer pressure to help refund the loans to banks has been quite obvious in most cases. As the data reported in Table 4.7.1 reveal that the overall recovery

percentage has been quite satisfying and has increased the confidence level of all stakeholders in the movement of SHGs in India. Nevertheless, there are several gaps and loopholes that need to be plugged through well-planned capacity building programme. It was quite satisfying to note that the recovery rate, on the whole, has been above average in most of the SHGs. However, it was found that NABARD-supported performance has been much better than SGSY groups in general. Even the poor category group had an average record of 57 per cent recovery rate in the NABARD-supported group on an annual basis. ⁴

Of those groups that had CCL for several income-generating activities, the recovery trend (of SGSY) had been on an average, 66.5 per cent per annum, falling in the moderate (B) performing category. However, the group under the NABARD-supported system had reached an average loan recovery of 84.3 per cent per annum. One could give credit to NGOs and other partner agencies that are associated with NABARD.

However, better performance and recovery may be attributed to close monitoring and better capacity building programme envisaged by NABARD for its partners from time to time. In this regard, DDC and his junior team at the district level showed lack of proactively poor mindset visible negative stance in many areas that adversely impacted the quality of the outcome.

4.8 Group Interloaning in SHGs

The corpus funds accumulated at the SHGs are generally utilized as intra-group loaning to its members for various purposes. This is commonly known as interloaning. Thus, the interloaning status of the SHGs was studied. The related data are reported in Table 4.8:

⁴ Of course, the research team could not ascertain the exact trend taking into account average of the past few years recovery pattern. But the specific year (2004-2005) data did give a satisfying status, as stated above. Most of the commercial bank branches refused to divulge such information so that one could rely on the estimates of primary respondent's information at various levels to work out the final picture.

Table 4.8: Group Interloaning in SHGs

| Interloaning Status | NABARD SHGs | | | | SGSY SHGs | | | |
|---------------------|-----------------------------|------------------------------|----------------------------|----------------|------------------------------|------------------------------|-----------------------------|----------------|
| | AM | AW | Mixed | Total | AM | AW | Mixed | Total |
| Yes | 62 (83.78)* | 278 (96.19) | 27 (87.09) | 367 (93.14) | 126 (97.67) | 245 (90.400) | 66 (94.28) | 437 (92.97) |
| Not Done | 12 (16.21) | 11 (3.80) | 4 (12.90) | 27 (6.86) | 3 (2.32) | 26 (9.59) | 4 (5.71) | 33 (7.03) |
| Total | 74 (18.78) | 289 (73.35) | 31 (7.86) | 394 | 129 (27.44) | 271 (57.65) | 70 (14.89) | 470 |

* Data given in the parenthesis are in row percentage.

The data reported earlier in the report bring to light that 93.14 per cent NABARD-supported SHGs and 92.7 per cent of SGSY-supported SHGs had already started interloaning to group members and the remaining about 7 per cent of the SHGs in both the groups have so far not started this. It may be recalled that at the time of data collection, the SHGs were at least two years old and some were as old as six years. After having accumulated members' monthly contributions for such a long period, how is it that they are not making use of this corpus so far? Two possible reasons for this state of affairs appear to be discernible. One may be that the group members might be taking monthly savings and accumulations of money as creation of wealth. Perhaps, they are not sufficiently educated about the fact that they can create more wealth by making productive use of the accumulated money rather than keeping them idle and earning only bank interest on it. The other reason may be manipulation of the SHG provision for personal benefit by some cunning fellows. It is possible that such persons might have formed fake SHGs by making fictitious members for receiving revolving fund amount of Rs.25, 000 from bank as per the provision under para 3.17 of the Swarnajayanti Gram Swarajgar Yojna guidelines, or for receiving credit in bulk in the proportion of savings in the ratio varying from 1:1 to 1:4, as per the linkage programme under NABARD (Sl. No. 13 in Circular No. DPD/104-Guidelines for the pilot project for linking banks with Self-Help Groups, 1992). This manipulative behaviour is one obvious possibility, though this aspect was not visualized at the time of data collection and hence was not explored in the present study.

Therefore, one may raise the following question for further investigation:

That individual member might be tempted to increase his savings in order to avail the bank's financial assistance. Such an idle fund might appear to be another way of manipulating the saving mobilization that needs very close monitoring and scrutiny by promoting agency.

4.9 Amount of Interloaning during Last One Year

During the last one year, the amount of interloaning made by the SHGs under study was found to vary between Rs.10,000 and Rs.50,000. This variation was classified into four groups with equal spacing of Rs.10,000 and the SHGs were grouped into these four categories. The data are presented in Table 4.9 below:

Table 4.9: Amount of Interloaning in Last One Year

| B. Amount Interloaned | NABARD SHGs | | | | SGSY SHGs | | | |
|-------------------------|-----------------------------|------------------------------|----------------------------|----------------|------------------------------|------------------------------|-----------------------------|----------------|
| | AM | AW | Mixed | Total | AM | AW | Mixed | Total |
| Below Rs.10,000 | 0 | 4 (14.36) | 0 | 4 (1.08) | 67 (53.17) | 79 (32.24) | 33 (50) | 179 (40.96) |
| Rs.10,000— Rs.20,000 | 35 (56.45)* | 64 (23.02) | 8 (29.62) | 107 (29.15) | 29 (23.01) | 59 (24.08) | 26 (39.39) | 114 (26.08) |
| Rs.20,000— Rs.30,000 | 15 (24.19) | 107 (38.48) | 6 (22.22) | 128 (34.87) | 22 (17.46) | 94 (38.36) | 7 (10.60) | 123 (28.14) |
| Rs.30,000— Rs.40,000 | 10 (16.12) | 4 (1.43) | 0 | 14 (3.81) | 8 (6.34) | 10 (4.08) | 0 | 18 (4.11) |
| Rs.40,000— Rs.50,000 | 2 (0.71) | 99 (35.61) | 13 (48.17) | 114 (31.06) | 0 | 3 (1.22) | 0 | 3 (0.68) |
| Total | 62 (16.89) | 278 (75.74) | 27 (7.35) | 367 | 126 (28.83) | 245 (56.06) | 66 (15.10) | 437 |

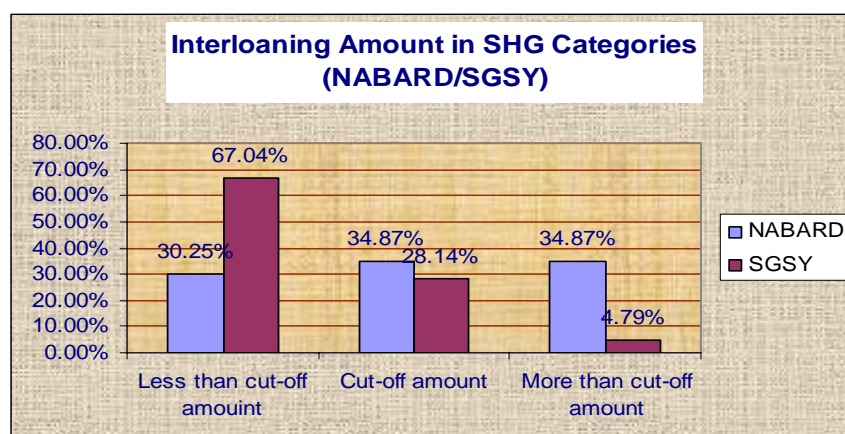
* Data given in the parenthesis are in row percentage.

As evident from the data reported in the Table 4.9 in the case of NABARD SHGs, the model class of interloaning amount is Rs.20,000 to Rs.30,000. A substantial percentage of SGSY SHGs also falls in this group. Hence, this category is treated as cut-off point and the data of Table 4.9 were reset as under in order to find out the difference between the two groups of SHGs and also to find out the impact of gender on interloaning. The data so reset are presented in Table 4.9.1:

Table 4.9.1: Interloaning Amount in SHG Categories

| Interloan Category | NABARD | SGSY |
|--------------------------|--------|--------|
| Less than cut-off amount | 30.25% | 67.04% |
| Cut-off amount | 34.87% | 28.14% |
| More than cut-off amount | 34.87% | 4.79% |

The data reported in Table 4.9.1 clearly indicate that a much larger number of SGSY SHGs have gone for lower amount of interloaning than the

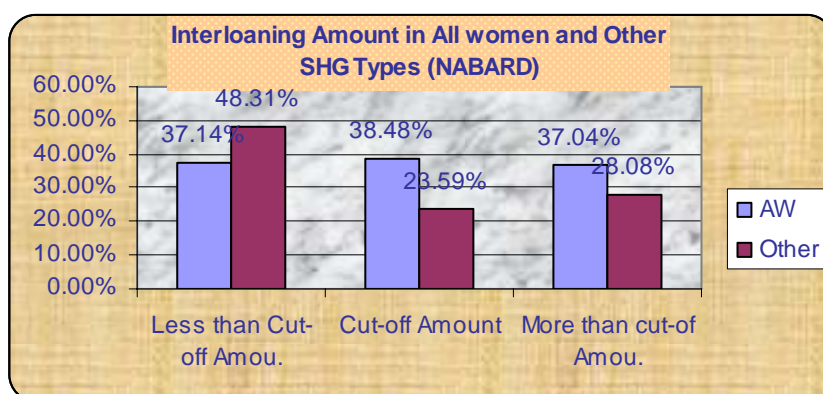


NABARD SHGs (67% as against 30%). Conversely, a much smaller percentage of SGSY SHGs have gone for a higher amount of interloaning than the NABARD SHGs (about 5% as against 35%). Thus, it is abundantly clear that in the case of interloaning NABARD SHGs are far ahead of the SGSY SHGs. So far as the gender impact on interloaning amount is concerned, the data reported in Table 4.9.2 are quite revealing:

Table 4.9.2: Interloaning Amount in All-Women and Other SHG Types

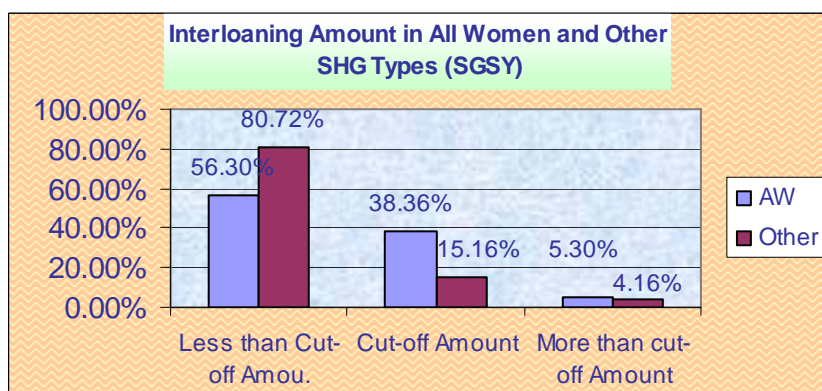
| Interloan Category | NABARD | | SGSY | |
|--------------------------|-----------------|------------|----------------|------------|
| | All -Women SHGs | Other SHGs | All-Women SHGs | Other SHGs |
| Less than cut-off amount | 37.14% | 48.31% | 56.3% | 80.72% |
| Cut-off Amount | 38.48% | 23.59% | 38.36% | 15.16% |
| More than cut-off amount | 37.04% | 28.08% | 5.3% | 4.16% |

In the case of both NABARD and SGSY SHG categories, a relatively larger number of all-women SHGs were found to have interloaned a higher amount than the other SHGs which have either exclusive or inclusive men members. This is so obvious from the pattern repeated earlier as well in this report. On the other hand, a much lower percentage of all-women SHGs than the other type of SHGs have gone for a



lower amount of interloaning as evident from the data repeated in row one. The reason why all-women SHGs have gone for a

higher amount of interloaning than others can be found out from the data already reported under the sub-head periodic saving and contribution made by SHG



members. It was found that all-women SHG members made a higher monthly contribution than the other SHG members.

Since they contributed more and accumulated a greater amount in their SHGs, it is quite logical that they are capable of a higher amount of interloaning.

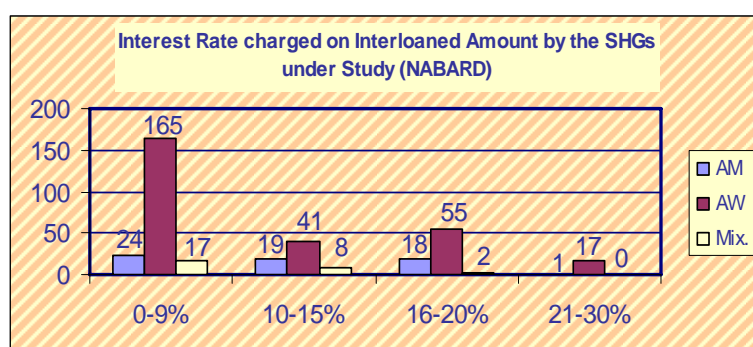
4.10 Interest Rate on Interloaning

The SHGs have the freedom to fix the rate of interest to be charged from members on the amount of interloan made to him or her. The SHGs under study were found to have exercised this freedom. They fixed the interest rate varying from less than 9 per cent to 30 per cent. This variation in the interest rate was grouped into four categories as reported in Table 4.10 given hereunder.

Table 4.10: Interest Rate charged on Interloaned Amount by the SHGs under Study

| Rate of Interest charged by Group annually | NABARD SHGs | | | | SGSY SHGs | | | |
|--|----------------|----------------|---------------|----------------|----------------|----------------|---------------|----------------|
| | AM | AW | Mixed | Total | AM | AW | Mixed | Total |
| 0–9% | 24 (38.70)* | 165 (59.35) | 17 (62.96) | 206 (56.13) | 70 (55.55) | 160 (65.30) | 51 (77.27) | 281 (64.30) |
| 10–15% | 19 (30.64) | 41 (14.74) | 8 (29.62) | 68 (18.52) | 35 (27.77) | 40 (16.32) | 8 (12.12) | 83 (18.99) |
| 16–20% | 18 (29.03) | 55 (17.78) | 2 7.40 | 75 (20.43) | 19 (15.07) | 18 (7.34) | 7 (10.60) | 44 (10.06) |
| 21–30% | 1 (1.61) | 17 (6.11) | 0 | 18 (4.90) | 2 (1.58) | 27 (11.02) | 0 | 29 (6.63) |
| Total | 62 (16.89) | 278 (75.78) | 27 (7.35) | 367 | 126 (28.83) | 245 (56.06) | 66 (15.10) | 437 |

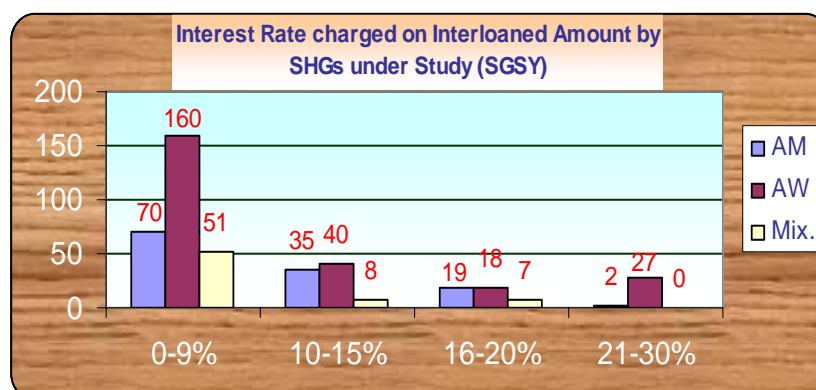
*Data given in the parenthesis are in row percentage.



As reported in Table 4.9, 367 NABARD-supported SHGs and 437 SGSY-supported SHGs were found to have started interloaning. The

distribution of these SHGs along with the interest rate categories and types of SHGs is reported in

Table 4.10. It may be noted that majority of the SHGs under both the support systems (56.13% & 64.30%) have gone for the



lowest interest rate of below 10% per annum. The percentages of SHGs in the highest rate category in both the cases are marginal (4.9% & 6.63%, respectively). The trend,

therefore, is clear that the SHG members have preference for lower interest rate on the amount they borrow from the group. Interestingly, this rate is lower than the bank interest rate charged on the loan advanced to SHGs (12%) and much lower than the interest rate on which loan from the village moneylender is available (36%). Only in the case of around 20% SHGs, higher interest rates up to 20% per annum were fixed probably in order to create pressure on the members to make timely repayment since delayed payment could substantially increase the interest burden. The interest rate consideration does not seem to vary between the two SHG categories - NABARD- and SGSY-supported. The gender of the SHG members also seem to be neutral so far as interest rates are concerned. The largest percentage of SHGs of all-women or others (all-men and mixed) has gone for the lowest interest rate and the trend in the interest rate variation does not appear to be strikingly different from each other.

4.11 Interloan Repayment Behaviour of SHG Members

The loan repayment behaviour of SHG members is known to be much better since the social pressure rather than the legal sanction operates quite forcefully in these groups. The loan recovery from SHG members is supposed to be much higher than the other categories of loaners. Yet, it is of interest to the extent of regularity maintained by the SHG members in making interloan repayments, since this is an important factor for successful functioning of SHGs. This will also indicate as to what extent the social forces, which in recent years have weakened in our society, has been regenerated and strengthened through SHGs.

As already reported, interloaning was made in 367 NABARD-supported and 437 SGSY-supported SHGs. Out of these SHGs, data for regularity of interloan repayment could be collected only from 291 NABARD-supported SHGs and 297 SGSY-supported SHGs for a variety of reasons. Even these numbers of SHGs under the two categories are quite substantial to make a generalization about members, interloan behaviour, quite accurately. Hence, the data received from these SHGs were tabulated and analyzed as reported in Table 4.11:

Table 4.11: Interloan Repayment Behaviour of SHG Members

| Type of SHGs | Percentage of Members making Regular Repayments. | | | | | | | | | | | |
|--------------------------------------|--|---------------|---------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|---------------|------------|
| No. of SHGs under Repayment Category | 100% | 90% | 80% | 70% | 60% | 50% | 40% | 30% | 20% | 10% | 0% | Total |
| (A) NABARD-supported SHGs | | | | | | | | | | | | |
| AM | 48 (8.27)* | 4 (6.27) | 3 (5.45) | -- | -- | -- | -- | -- | -- | -- | -- | 55 |
| AW | 102 (61.81) | 30 (15.18) | 20 (12.12) | 3 (1.81) | 1 (0.60) | 2 (1.21) | 1 (0.60) | 1 (0.60) | 3 (1.81) | 2 (1.21) | 1 (0.60) | 166 |
| Mixed | 16 (76.19) | 1 (4.76) | 1 (4.76) | 1 (4.76) | 1 (4.76) | -- | -- | -- | 1 (4.76) | -- | -- | 21 |
| Total | 166 | 35 | 24 | 4 | 2 | 2 | 1 | 1 | 4 | 2 | 1 | 242 |
| (B) SGSY supported SHGs | | | | | | | | | | | | |
| AM | 59 (64.83) | 25 (27.47) | 5 (5.49) | -- | -- | -- | -- | -- | -- | 2 (2.19) | -- | 91 |
| AW | 46 (30.26) | 81 (53.28) | 5 (3.28) | -- | -- | -- | -- | -- | -- | 3 (1.97) | 17 (11.18) | 152 |
| Mixed | 31 (64.58) | 16 (33.33) | 1 (2.08) | -- | -- | -- | -- | -- | -- | -- | -- | 48 |
| Total | 136 | 122 | 11 | -- | -- | -- | -- | -- | -- | 5 | 17 | 291 |

* Data given in the parenthesis are in row percentage.

It may be reported here that 48 (19.83%) NABARD-supported SHGs and 6 (2.06%) SGSY-supported SHGs were such in which interloan repayment was completely stopped by all the members who received the loans. In another NABARD-supported SHGs, 10 per cent of the members (2 out of 20) were found to have completely stopped interloan repayments. These SHGs have become dysfunctional. All other life-saving activities like holding regular meetings, making regular savings, etc. in case of these SHGs have stopped for a variety of social and interpersonal reasons like mutual bickering, loss of mutual trust, apathy and so on.

The data of the remaining 242 NABARD SHGs and 291 SGSY SHGs are, therefore, reported in Table 4.11. The data reported in the table indicate that in the case of NABARD-supported SHGs, 166 out of 242, i.e. 68.59 per cent, were found to be such in which all the members who received interloans, were making regular repayments, as per the schedule. This figure appears quite satisfactory. Another 35 SHGs, i.e. 14.46 per cent were such in which only 10 per cent members were irregular in making repayments. Such SHGs in which 80% members were regular in making payment numbered 24, i.e. 9.91 per cent. The numbers of SHGs falling in the lower categories of regular repayment behaviour are so small that they are not of much consequence. However, in the case of one SHG (0.41%) 100 members were found to be irregular in loan repayments which indicate that the SHG is on the brink of collapse.

A look at the data of SGSY-supported SHGs brings to light that there are at least 136 out of 291 SHGs (46.73%). Which of all the members were regular in making loan repayments? The number of SHGs whose 10 per cent members were found to be irregular in loan payments was also found to be quite substantial, 122 out of 281 i.e. 41.92 per cent. 20 per cent members were irregular in this respect in the case of 11 SHGs, which comes to 3.78 per cent. However, the number of SHGs on the brink of collapse in this case was found to be pretty high. Such SHGs are 17 in number, i.e. 5.84 per cent in which case all the members were found to be irregular in making loan repayments.

A comparative view of the two categories of SHGs very clearly brings to light that NABARD-supported SHGs are far better than SGSY-supported SHGs so far interloan repayment behaviour of SHG members is concerned. A tabular presentation of the situation as given below supports this generalization quite well in Table 4.11.1:

Table 4.11.1: A Comparative Status of Loan Repayment Behaviour

| S. No. | Loan Repayment | NABARD SHGs | SGSY SHGs |
|--------|---|-------------|-----------|
| 1. | 100% regular | 68.59% | 46.73% |
| 2. | 10% irregular | 14.46% | 41.92% |
| 3. | 100% irregular (on the brink of collapse) | 0.41% | 5.84% |
| 4. | Repayment already Stopped (SHG disintegrated) | 19.83% | 2.06% |

The loan payment behaviour vis-à-vis the gender of the SHGs members does not seem to form any uniform pattern. In the case of NABARD SHGs mixed group, SHGs are most regular in making repayment, followed by all-men and all-women SHGs. In the case of SGSY SHGs all-men SHGs are the best loan payer, followed by all-women and mixed group SHGs. In the case of regular repayment, NABARD women SHGs are spread over all the categories, whereas other types of SHGs are confined to the initial two or three categories. The picture, on the whole, that emerged, is quite confusing. Hence, it may be safely inferred that the gender of SHG members does not have any impact on their loan repayment behaviour.

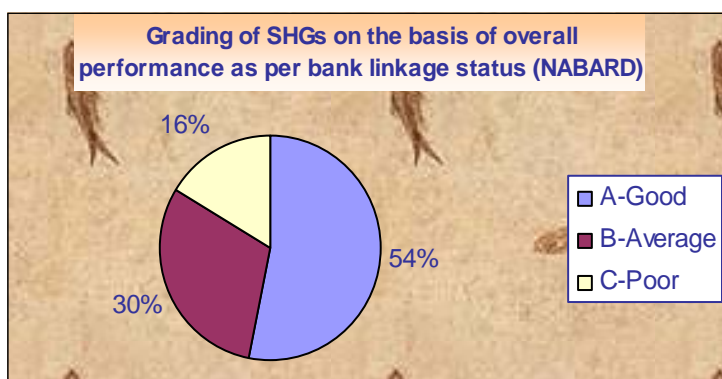
4.12 Grading of SHGs (as per their Bank Linkage Status)

The SHGs management and performance measured with different indicators to know the overall development with regard to socio-economic conditions of the group as a whole after the formation of SHGs. On the basis of that, the studied groups are classified into three different categories, which are depicted and presented in Table 4.12.

**Table 4.12 Grading of SHGs on the basis of Overall Performance
(as per Bank Linkage Status)**

| NABARD | A (Good) | B (Average) | C (Poor) | Total |
|---------------|------------------------|------------------------|------------------------|------------------------|
| AM | 35 (16.74)* | 28 (23.33) | 11 (16.09) | 74 (18.08) |
| AW | 160 (76.55) | 82 (68.03) | 47 (72.30) | 289 (73.35) |
| Mixed | 14 (6.69) | 10 (8.03) | 7 (10.76) | 31 (7.86) |
| Total | 209 (100.0) | 120 (100.0) | 65 (100.0) | 394 (100.0) |
| SGSY | A (Good) | B (Average) | C (Poor) | Total |
| AM | 57 (24.67) | 43 (36.13) | 29 (24.16) | 129 (27.44) |
| AW | 146 (63.20) | 54 (45.37) | 71 (59.16) | 271 (57.65) |
| Mixed | 28 (12.12) | 22 (18.48) | 20 (16.66) | 70 (14.89) |
| Total | 231 (100.0) | 119 (100.0) | 120 (100.0) | 470 (100.0) |

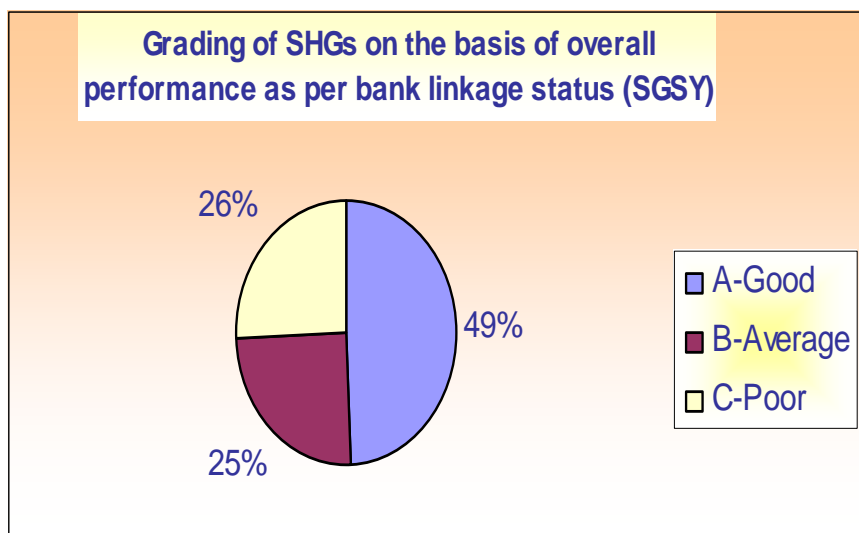
**Data given in the parenthesis are in row percentage.*



As reported in Table 4.12, there are three different categories of groups, which are classified into, Good, Average and Poor. Majority of the SHGs, which had acquired bank linkages, fell in "A" category from those of women exclusive group

(particulars of SGSY Support). Keeping in view the general apathy of the bankers towards small loans to SHGs in the rural areas, the above outcome is satisfying.

One could attribute it to their positive mindset towards women. In reality, it is the subsidy factor of SGSY that does attract bankers to go for quick linkage strategy. Keeping in view the general apathy of banks towards small loans to SHGs in the rural areas, the above outcome is satisfying.



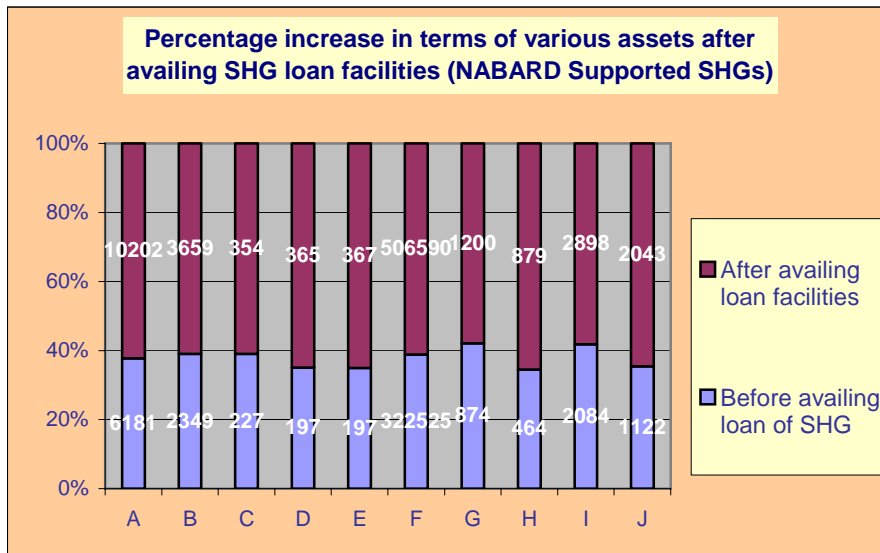
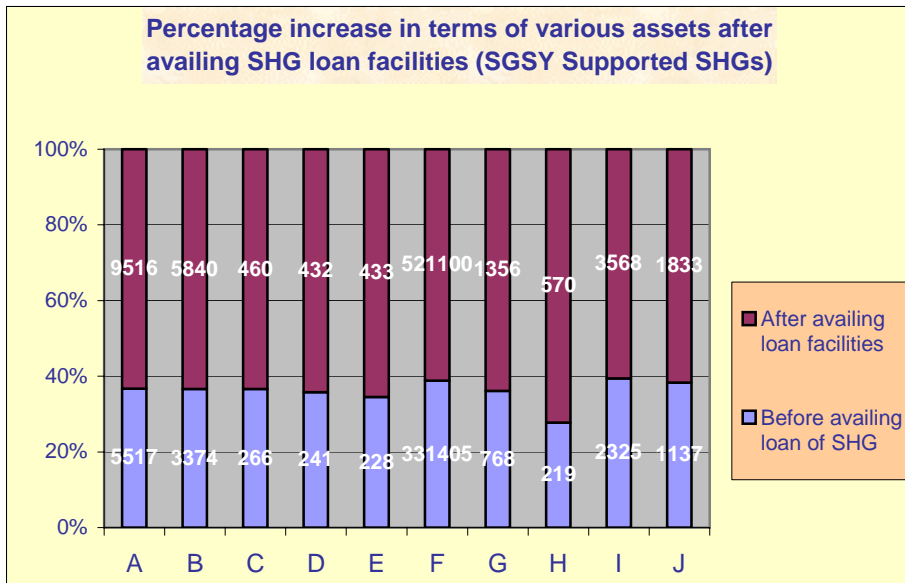
4.12.1: Increase in Assets After SHG Loan

It is evident from the comparison analysis that assets acquired by members of SHGs after availing loan facilities has generally increased. It has been perceptible from the benchmark year of their entry to SHG mobilizing stage⁵ Generally speaking, the numbers of such physical assets might not be visible parameters of the socio-economic well being as reported in the Exhibits below:

Exhibits 4.3: Percentage Increase in terms of Various Assets after Availing SHGs Loan Facilities

The percentage increase between SGSY- and NABARD-supported groups is quite convincing, giving NABARD a credible edge over the SGSY-supported group (Annexure – VII).

⁵ Each group member did not have uniform entry year .So the comparison could not be accurate and statistically very convincing. However, the range of 2-4 years life span did give us a chance of paradigm shift from data of availing the first interloan until the time of investigation. Counting of assets has been taken into account considering its acquisition by any of the close family members in the given life span.



The figure indicates that there is a substantial increase in percentage in both the categories. However, conspicuous increase was felt in bicycles, radios, motorbikes, etc. in the asset numbers. Of course, it was difficult to determine that assets have grown up just due to the money supply from SHG loan availability. There could be different reasons for increased assets acquisition in the family. However, the data on assets were collected in terms of their acquisition by anyone in their intimate family. As regards such acquisition however, it is believed that the exposure of the members due to SHG might have gained benefit from the overall economic scenario of the nation and expanding market outlets. The overall increased standard of living may

not be due to SHG membership, loan support, but their particular orientation and social awareness might have made an impact at various levels in different facts of their social life. The related data are reported in Table 4.13:

Table 4.13: Percentage Increase in Different Economic Parameters after availing SHG Loan Facilities

| Sl. No. | Impact Indicators | SGSY-supported SHGs (%) | NABARD-supported SHGs (%) |
|---------|--|-------------------------|---------------------------|
| 1. | No. of days of Self-employment/ per month | 72.48 | 65.05 |
| 2. | No. of days of family employment/per month | 73.1 | 55.76 |
| 3. | Landholding (in acres) | 73 | 56 |
| 4. | Land under irrigation (in acres) | 79.2 | 85.27 |
| 5. | Land under cultivation (in acres) | 90 | 86.3 |
| 6. | Monthly income (Rupees) | 57.23 | 57.06 |
| 7. | No. of children going school | 76.6 | 37.29 |
| 8. | No. of children going for wage earning | 160.27 | 89.4 |
| 9. | Bank & Market interaction/year (frequency) | 53.5 | 39.1 |
| 10. | Health and sanitation (practices adopted) | 61.21 | 82.08 |

Data reported in Table 4.13 reveal that the capacity building of SHGs, however, demands special attention to help them move forward and upscale their orientation in times to come. Delivery agents at the district and block levels need to be geared up who have close links with ground reality. It is evident from the data that SHG members, in general, have shown positive tendency to move forward after availing positive loan facilities in several of the economic parameters. For example, the increase in land under cultivation or more number of children going to schools has been quite obvious, which was also convincingly clear during the field observations. Of course, the differential increase between pre-and post-SHG loan accessibility was found to be a clear evidence of the convincing impact of SHG movement amongst the rural poor irrespective of their patronage (SGSY or NABARD).

However, there are several concerns that need urgent attention to avoid pilferage and wastage of our resources. The intended outcome could have been different from what it is if strong development orientation is inculcated down the line to enhance the delivery mechanism and its efficacy.

MICRO-ENTERPRISE INITIATION for Livelihood Security

After formation, SHGs take some time to get formalized and mature. The members, their experiences with SHGs' activities, particularly monetary transactions, linkage with local grameen banks, availing interloans, etc. increase their confidence in the SHGs as an institution and in their own capability of undertaking some income-generating activities. Initially, they get interested in securing their livelihood and then gradually they step into activities for creating economic prosperity. At this stage of their mental preparedness, they conceive of income-generating enterprise and approach financial institutions like grameen banks to provide financial support in terms of credit. With the help of support agencies, they prepare a project proposal and apply to bank for granting credit for the purpose. The bank examines the project proposals and status of the SHGs to which it belongs in the terms of self-accumulated funds, internal transaction of the funds, members interloan repayment behaviour and decides cash credit limit for the proposed project. Within this cash credit limit (CCL), the entrepreneurs (SHG members) are granted loans in several installments, depending on the needs of the enterprise at various stages of its implementation. However, micro-enterprise initiation needs to be understood from the perspective of economic activation and livelihood security through the community banking approach. The livelihood concept is more driven to the bottom line economic pursuit at a survival level, whereas increased value addition to the activity takes the group to the micro-enterprise creation ⁶

⁶ Singh 2002

5.1 CCL Sanction

This is a crucial stage in the life of an SHG entrepreneur, which keeps up, increases or dampens his spirit and enthusiasm. Thus, data regarding the time taken by bank in deciding the cash credit limit (CCL) were collected from the SHGs office-bearers. The data so collected were compiled and presented in a tabular form in Table No. 5.1:

Table 5.1: Time taken in the Sanction of CCL after Application made to the Bank

| CCL sanctioned period | NABARD SHGs | | | | SGSY SHGs | | | |
|-----------------------|-----------------------|------------------------|-----------------------|------------------------|------------------------|------------------------|-----------------------|------------------------|
| | AM (N = 74) | AW (N = 289) | Mixed (N = 31) | Total (N = 394) | AM (N = 129) | AW (N = 271) | Mixed (N = 70) | Total (N = 470) |
| Within 7 to 10 days | 3 (6)* | 7 (3.76) | 4 (20) | 14 (5.46) | -- | -- | -- | -- |
| Within 10 to 15 days | 7 (14) | 7 (3.76) | 4 (20) | 18 (7.03) | 41 (37.27) | 86 (39.63) | | 127 (32.81) |
| 15 to 30 days | 15 (30) | 108 (58.06) | 0 | 123 (48.04) | 25 (22.72) | 87 (40.09) | 20 (33.33) | 132 (34.10) |
| 30 to 45 days | 3 (6) | 12 (6.45) | 3 (15) | 18 (7.03) | 2 (1.81) | 3 (1.382) | 6 (10) | 11 (2.84) |
| 45 to 60 days | 8 (16) | 38 (20.43) | 6 (30) | 52 (20.31) | 7 (6.36) | 1 (0.46) | 5 (8.33) | 13 (3.35) |
| Above 60 days above | 14 (28) | 14 (7.52) | 3 (15) | 31 (12.10) | 35 (31.81) | 40 (18.43) | 29 (48.33) | 104 (26.87) |
| Total | 50 (67.56) | 186 (64.35) | 20 (64.51) | 256 (64.97) | 110 (85.27) | 217 (80.07) | 60 (85.71) | 387 (82.34) |

* Data given in the parenthesis are in row percentage.

The data reported in Table 5.1 reveal that out of the SHGs studied 64.97 per cent of the NABARD-supported SHGs and 82.32 per cent of SGSY-supported SHGs got the cash credit limit (CCL) finalized for providing financial support to the proposed income-generating project. The SGSY-supported SHGs obviously excelled in this respect. This result is quite interesting. If we look at the performance of SHGs of the two categories as reported in earlier tables, the NABARD-supported SHGs were generally found to have better performed than SGSY SHGs. But in the case of CCL sanctioned by the bank, the SGSY-supported SHGs have performed better. One of

the reasons which seems to have influenced this performance is the subsidy component in the loan advanced under the SGSY system. As per the provision, up to Rs.1.25 lakh is given as subsidy for group loaning to SHGs in this system. This subsidy amount is paid to the loan-granting bank. The bank treats this amount as recovery made as an equivalent amount is reduced from the loan already advanced to the SHGs. Hence, a quick and botheration-free recovery of such a substantial amount from each SHG is a big incentive for the bank, due to which they become liberal in processing loan papers and sanctioning CCL to the SHGs.

Perhaps, this is the substantive reason for better performance of SGSY-supported SHGs in this respect.

The data further suggest that the gender factor of SHG members has also influenced sanction of cash credit limit (CCL). In both the categories of SHGs, those having male members have an edge over the SHGs having only female members. So far as sanction of CCL is concerned, 67.56 per cent of all-men SHGs got their CCL sanctioned as against only 64.35 percent of all-women SHGs in the case of NABARD-supported SHGs. Similarly, in the case of SGSY-supported SHGs, while over 85 per cent of men SHGs got their cash credit limit (CCL) sanctioned as against only 80 per cent of the women SHGs. The reason may be that men are relatively more outgoing and hence might have pursued the bank officials more than the female counterparts.

The time taken in the sanctioning of CCL is another important factor, which speaks a lot about the performance of SHGs. There are a few SHGs in the NABARD group which got their CCL sanctioned within 7 to 10 days, whereas a few others got their CCL sanctioned after two months of application made. The other SHGs fell between these two extreme groups. So is the case with the SGSY group of SHGs with the difference that none in this group could get their CCL sanctioned within 10 days' time. A perusal of the data reported in table earlier brings to light that the highest percentage of SHGs in both the categories got their CCL sanctioned within 15 to 30 days, taking this period as the modal class the data were reset as reported in Table 5.2:

Table 5.2: Categorization of SHGs into CCL Sanction Periodicity

| Periodicity | NABARD SHGs (N = 256) | | | SGSY SHGs (N = 387) | | |
|------------------------------------|-----------------------|--------------------|--------------------|---------------------|---------------------|--------------------|
| | AW (N = 186) | Others (N = 70) | Total (N = 256) | AW (N = 217) | Others (N = 170) | Total (N = 387) |
| Less than 15 days (Early category) | 14 (7.52%)* | 18 (25.71%) | 32 (12.51%) | 86 (39.63%) | 41 (24.11%) | 127 (32.81%) |
| 15 to 30 days (Modal Category) | 108 (58.06%) | 15 (21.42%) | 123 (48.04%) | 87 (40.09%) | 45 (26.47%) | 132 (34.10%) |
| More than 30 days (Late category) | 64 (34.40%) | 37 (52.85%) | 101 (34.45%) | 44 (20.27%) | 84 (49.41%) | 128 (33.07%) |

** Data given in the parenthesis are in row percentage.*

The data reported in Table 5.2 reveal that the SGSY SHGs are almost uniformly distributed along the three-periodicity categories, whereas in the NABARD SHGs almost half of them got their CCL sanctioned in 15 to 30 days (Modal category), followed by the late category and only 12.50 per cent in early category. For small entrepreneurs, a waiting period of more than 30 days is a little long and the period beyond 60 days is certainly an undesirably longer period. It may be noted that over 26 per cent of SGSY SHGs and over 12 per cent of NABARD SHGs have suffered this longer wait reported in the earlier table. The bank management needs to take care of this to avoid the fear of loss of enthusiasm on the part of the SHG entrepreneurs.

When the gender effect on the periodicity of CCL sanctioned is looked at, the result appears quite interesting in the case of both the categories of SHGs. While a larger number of men-dominated SHGs could get their CCL sanctioned, majority of the sanctions awarded were in the late period category (52.85% and 49.41%, respectively! Despite the fact that men have greater outside contact, their CCL was sanctioned later than their women counterparts. Perhaps, in the eyes of bank officials, women are considered less litigant, more law-abiding and better payback masters than the male folk. This may be the reason that it took more time in deciding the cash credit limit (CCL) for the male-dominated SHGs. There may be a similar positive trend towards women support by the bankers knowing their general credit-worthiness,

initiatives and response to such programmes. The other reason may be that women groups are relatively easily available in the village when bank officials visit the village to make enquiries about the functioning of SHGs. Due to multifarious activities, men are less frequently available in the village during the day time when a bank official visits the village. On-the-spot enquiries of SHGs, therefore, might have delayed the decision to be taken by the bank officials in this respect.

5.2.1 Grading of SHGs (as per their CCL Sanctioned)

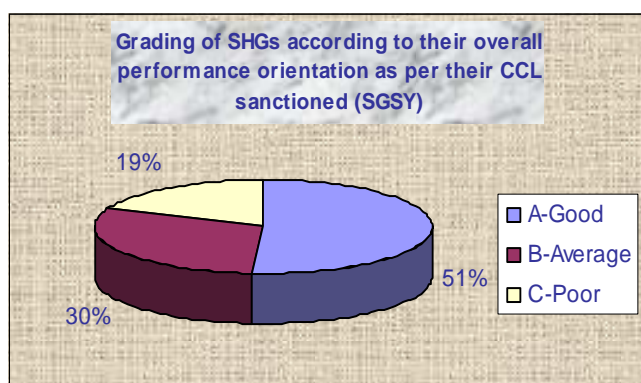
Grading of SHGs was taken up in order to understand the comprehensive performance orientation of groups under the comparative support system. Thus, to ascertain the credit behaviour of SHGs (after CCL sanctioning of group), all groups were graded into different categories. Data regarding the grading of SHGs (as per CCL sanction) based on different parameters were compiled and presented as evident in Table 5.2.1:

**Table 5.2.1: Grading of SHGs according to their Overall Performance Orientation
(As per their CCL sanctioned)**

| NABARD | A (Good) | B (Average) | C (Poor) | Total |
|---------------|------------------------|------------------------|-----------------------|------------------------|
| AM | 18 (18.75)* | 22 (20.75) | 10 (18.51) | 50 (19.53) |
| AW | 66 (68.75) | 80 (75.47) | 40 (74.07) | 186 (72.65) |
| Mixed | 12 (12.50) | 4 (3.77) | 4 (7.40) | 20 (7.82) |
| Total | 96 (100.0) | 106 (100.0) | 54 (100.0) | 256 (100.0) |
| SGSY | A (Good) | B (Average) | C (Poor) | Total |
| AM | 40 (20.20) | 45 (38.46) | 25 (34.72) | 110 (28.42) |
| AW | 136 (68.68) | 57 (48.71) | 24 (33.33) | 217 (56.07) |
| Mixed | 22 (11.11) | 15 (12.82) | 23 (31.94) | 60 (15.50) |
| Total | 198 (100.0) | 117 (100.0) | 72 (100.0) | 387 (100.0) |

**Data given in the parenthesis are in row percentage.*

Note: In order to focus on the reclassification/grading of groups on different parameters, three grades were identified, A = Good, B = Average, C = Poor. (For



details, see annexure.)

It was, however, clear that SHGs developed on the NABARD guidelines have performed better than the SGSY-supported groups as stated earlier in several other dimensions.

- Out of all good SHGs, in general women groups have done better as compared to men groups. The overall result is quite interesting. If we look at the performance of SHGs of two categories, NABARD-supported women SHGs were generally found to have performed better than SGSY-supported SHGs. On the basis of grading, about 19 per cent men groups are ranked into Grade A, whereas, more than 68 per cent of women groups fell in the best performing category (A), particularly in the NABARD-supported group.

It appears that women groups have a greater sense of cohesiveness and cordiality to coexist as an SHG considering their need for small amount of loan and higher loan repayment behaviour in general. One could also see the peer pressure amongst women to refund the loan to bank than those of men group in general.

By and large, mixed groups (men and women) have not shown reasonable performance orientation nor have their CCL limits been satisfactorily high, in most places. It does indicate that homogeneity of the groups is very critical in helping them towards success. It is interesting to note that cohesiveness and homogeneity of SHGs have better performance orientation. Such a theoretical belief has been substantiated by several studies and report as well. ⁷

⁷ Community mobilization (SHG function, Handbook of Facilitators ASEED—IDMAT 2001

5.3 IGA Initiation

After the sanction of cash credit limit (CCL), the next important stage is the initiation of income-generating activity, as per the proposals made. This is extremely important for the sustenance of SHGs. The data regarding the initiation of income-generating activities by the members of SHGs on a group as well as an individual basis, were collected from the selected SHGs, which are reported in Table 5.3:

Table 5.3: Income Generating Activities undertaken by SHGs

| Nature of IGAs | NABARD SHGs | | | | SGSY SHGs | | | |
|-----------------------------|-----------------------|------------------------|----------------------|----------------|-----------------------|------------------------|-----------------------|----------------|
| | All-Men | All - Women | Mixed | Total | All-Men | All - Women | Mixed | Total |
| On group basis | 8 (13.55)* | 32 (13.38) | 3 (21.42) | 43 (13.38) | 12 (12.63) | 28 (17.72) | 7 (16.66) | 47 (15.93) |
| On individual basis | 38 (64.40) | 157 (65.69) | 5 (35.71) | 200 (64.10) | 66 (69.47) | 100 (63.29) | 33 (78.57) | 199 (67.45) |
| On group & individual basis | 13 (22.03) | 50 (20.92) | 6 (42.85) | 69 (22.11) | 17 (17.89) | 30 (18.98) | 2 (4.76) | 49 (16.61) |
| Total | 59 (18.91) | 239 (76.60) | 14 (4.46) | 312 | 95 (32.20) | 158 (53.55) | 42 (14.23) | 295 |
| CCL sanctioned | 50 | 186 | 20 | 256 | 110 | 217 | 60 | 387 |

* Data given in the parenthesis are in row percentage.

The data reported in the last two columns of Table 5.3 are quite revealing. In the case of NABARD-supported SHGs, only 256 of them were sanctioned CCL, but 312 SHGs were found to have started some income-generating activities. These data bring to light the following facts:

- *There are a few SHGs, which did not get CCL sanctioned. Yet they started income-generating activities. Maybe they received financial support for these activities from the self-generated corpus through interloaning.*
- *This might have happened in some cases in the SGSY-supported SHGs also. If so, then a greater number of SHGs (greater than 387-- 295 = 92) in this case have not started income-generating activities after having received bank loan. Whereas in the case of NABARD-supported SHGs, almost all the CCL sanctioned SHGs (256 out of 312) might have started income-generating activities. This clearly speaks of the performance superiority of NABARD-supported SHGs over the SGSY-supported SHGs.*

- *The subsidy component in the case of SGSY SHGs might have played this dirty role. Acquisition of subsidy amount is such an incentive that it might have hastened the process of sanction of CCL without the required mental and physical preparation for the start of income-generating activities on the part of the SHG members. Subsidy, which was conceived as a much-needed support to the economically weaker sections of the society to enable them to start income-generating activities is generally taken as a goal to acquire a free gift and is valued as such. If adequate care is not taken of this mental make-up of the general people, the subsidy becomes counterproductive, and this seems to have happened in this case.*

Another important data reported in Table 5.3 relates to the nature of the income-generating activities whether they have been taken up collectively or individually by the SHG members.

Collective operation and management of an IGA has special significance in the case of the resource poor entrepreneurs. In their case, individual resources are meagre, but after pooling these meagre resources they may become capable to initiate and sustain an income-generating activity with reasonable outside support from financial and other institutions. But collectivity has its own limitations, since very few people have cooperating and coordinating orientation and attitude, for want of which collectivity becomes dysfunctional. So far as the SHGs under study are concerned, only about 14 per cent of NABARD SHGs and 16 per cent of SGSY-supported SHGs were found to have started IGAs on a group basis, and are overwhelming majority of SHGs in both the categories have gone for individual IGAs (about 64% and 67%, respectively). The next substantive number of SHGs (about 22% and 17%, respectively) have gone for both group as well as individually operated IGAs. In their case, the group size must be small for the collective IGAs taken. It is easier for smaller groups of people to seek mutual cooperation and coordination to start a common interest activity. Perhaps, this is why both types of IGAs were started in these SHGs. Only future will tell which type of IGAs perform better, but one thing is clear right now that there are not many members in these SHGs who are willing to make collective efforts to pull themselves out of their poverty states. The two types of SHGs (NABARD and SGSY) also do not seem to vary from each other so far as the nature of IGAs promotion is concerned. This seems to have been guided by the individual members' attitude and orientation and not by any design pursued by the

two SHGs promoting organizations - the NABARD and the SGSY. In the case of NABARD, loan for IGA promotion is always granted on a group basis to the SHGs as a whole, which seem to be guided by the intention to make loan recovery easier. This, by itself, does not promote group orientation in the members, which is evident from the fact that the great majority of the beneficiaries have gone for individual projects.

5.4 Nature and Type of IGAs

The income-generating activities actually initiated by the SHG members individually or collectively were listed during the data collection. Depending on the nature and type of activities, they were classified into four sectors as follows:

| Sl.No. | Sector | IGAS |
|--------|-------------|---|
| 1. | Agriculture | <ul style="list-style-type: none"> ▪ Kitchen gardening ▪ Mushroom cultivation ▪ Vermicompost preparation ▪ Organic farming ▪ Ornamental gardening ▪ Poultry for eggs and meat production ▪ Dairy for milk production |
| 2. | Industry | <ul style="list-style-type: none"> ▪ Candle - making ▪ Broom-making ▪ Soap - making ▪ Mat -making ▪ Food processing (Generally pickle making) ▪ Pot -making ▪ Basket - making |

| | | |
|----|----------|--|
| 3. | Services | <ul style="list-style-type: none"> ▪ Carpentry ▪ Barber shop ▪ Mechanic shop ▪ Washing cloth ▪ Blacksmithy |
| 4. | Business | <ul style="list-style-type: none"> ▪ Grocery shop ▪ Cloth shop ▪ Grain shop ▪ Carpet shop ▪ Electric shop ▪ Textile shop ▪ Egg and pakoda preparation - mobile as well as fixed |

The frequencies of the IGAs under each of the four sectors were worked out for each of the SHG groups. It was found that in many of the SHGs, the members initiated different activities which also fell in different sector categories. Hence, for such SHGs multiple sectors of IGAs were listed due to which the number of SHGs listed under various sectors got inflated. When the data were compiled, the total number of SHGs increased in this table as compared to the previous Table 5.4 due to this nature of multiple responses.

It was observed that in a few SHGs the income-generating activities were undertaken in one or more groups of the members. Such SHGs were around 15 percent. The second category of SHGs were such in which members took up income-generating activities individually-and not collectively. They form the majority and are over 60% of the SHGs studied. The third groups of SHGs were such in which IGAs were initiated both individually as well as collectively. Their population varies from 16 per cent to 22 per cent.

When the number of SHGs having IGAs under the four sectors (already mentioned) were compiled, as reported in Table 5.4, several interesting facts came to light.

Table 5.4: No. of SHGs having IGAs under Various Sectors

| IGAs Sector | NABARD SHGs | | | | SGSY SHGs | | | |
|---|---------------|----------------|--------------|----------------|---------------|---------------|---------------|----------------|
| | AM | AW | Mixed | Total | AM | AW | Mixed | Total |
| On Group Basis | | | | | | | | |
| Agri. | 5 (45.45)* | 18 (42.86) | 3 (100) | 26 (46.43) | 11 (68.75) | 32 (62.75) | 5 (71.42) | 48 (64.86) |
| Industry | 2 (18.18) | 5 (11.90) | 0 | 7 (12.5) | 3 (18.75) | 8 (15.69) | 1 (14.29) | 12 (16.22) |
| Services | 1 (9.09) | 8 (19.05) | 0 | 9 (16.07) | 0 | 4 (7.84) | 1 (14.29) | 5 (6.76) |
| Business | 3 (27.28) | 11 (26.19) | 0 | 14 (25) | 2 (12.5) | 7 (13.72) | 0 | 9 (12.19) |
| Total | 11 | 42 | 3 | 56 | 16 | 51 | 7 | 74 |
| On Individual Basis | | | | | | | | |
| Agri. | 30 (30.61) | 177 (39.51) | 5 (35.71) | 212 (37.86) | 37 (47.44) | 51 (24.52) | 27 (38.57) | 115 (32.30) |
| Industry | 25 (25.51) | 78 (17.41) | 6 (42.86) | 109 (19.46) | 9 (11.53) | 43 (20.67) | 10 (14.29) | 62 (17.42) |
| Services | 15 (15.31) | 88 (19.64) | 3 (21.43) | 106 (18.93) | 11 (14.11) | 48 (23.08) | 13 (18.57) | 72 (20.22) |
| Business | 28 (28.57) | 105 (23.44) | 0 | 133 (23.75) | 21 (26.92) | 66 (31.73) | 20 (28.57) | 107 (30.06) |
| Total | 98 | 448 | 14 | 560 | 78 | 208 | 70 | 356 |
| <i>*Data under parentheses are row % ages</i> | | | | | | | | |
| On Group & Individual Basis | | | | | | | | |
| Agri. | 12 (40)* | 42 (29.58) | 7 (58.83) | 61 (33.15) | 7 (29.17) | 25 (51.02) | 2 (100) | 34 (45.33) |
| Industry | 0 | 27 (19.01) | 5 (41.67) | 32 (17.39) | 4 (16.67) | 12 (24.49) | 0 | 16 (21.33) |
| Services | 7 (23.33) | 38 (26.76) | 0 | 45 (24.46) | 8 (33.33) | 5 (10.20) | 0 | 13 (17.34) |
| Business | 11 (36.67) | 35 (24.65) | 0 | 46 (25) | 5 (20.83) | 7 (14.29) | 0 | 12 (16) |
| Total | 30 | 142 | 12 | 184 | 24 | 49 | 2 | 75 |

** Data given in the parenthesis are in row percentagei.*

- *The underlying reason of inflation in the number of SHGs and the extent of inflation in number is the highest in the case of individual IGAs compared to the group (collective) IGAs. In the case of NABARD SHGs, the number inflated from 200 to 560 and in SGSY SHGs it inflated from 199 to 356. In the case of group SHGs, the number inflated from 43 to 56 and 47 to 74, respectively. The inflation in the case of the third group (Groups as well as individual basis) was found to be in between the two. They are from 69 to 84*

and 49 to 75, respectively. This indicates that in the case of individually initiated IGAs a larger variety of IGAs were undertaken than in the case of the collective IGAs.

The other revealing fact about the inflation (or increased figure) data is that the extent of increase in the case of NABARD-supported SHGs was much higher than the SGSY SHGs. In order to capture this variation, the data were reset in Table 5.4..⁸

Table 5.5: Comparative Inflation in the number of SHG due to IGA Multiplicity

| No. of SHGs | Type of SHGs | | | |
|--------------------------------------|--------------|---------|-----------------|---------|
| | All-Women | | All-Men + Mixed | |
| | NABARD | SGSY | NABARD | SGSY |
| No. of SHGs which initiated IGAs (X) | 239 | 73 | 158 | 137 |
| No. of SHGs due to multiple IGAs (Y) | 632 | 168 | 308 | 197 |
| Inflation % of $(Y/X * 100)$ | 264.43% | 230.13% | 194.93% | 143.79% |

As explained earlier, inflation in the number of SHGs is indicative of undertaking a variety of IGAs by its members falling under various IGA categories. The inflation percentages depicted at the bottom of Table 5.5 clearly indicate that NABARD-supported SHGs of both type undertook a more variety of income-generating activities than the SGSY-supported SHGs in which case inflation percentages are relatively lower.

Since there is no limit put on the type of IGAs to be taken by the members of NABARD SHGs, they exercise their own freedom to choose IGAs of their choice, which created greater variability. In the case of SGSY, the IGAs are predetermined based on the locally available resources, etc. Thus the members had a limited choice and hence the variability was less.

⁸ When the data reported in the earlier table is compared with the data reported in this table, inflation in the number of SHGs is perceived.

5.6 The IGA Sectoral Performance

A perusal of the data reported in the Table 5.6 suggests that there is a great variation in SHGs of both the categories in making choices of income-generating activities under the four sectors, Agriculture appears to be the most preferred sector as indicated by the percentages of SHGs falling under this sector, but the picture is not that clear so far as other three sectors are concerned. The percentage of SHGs falling under this category varies in a narrow range and data categories are so large that a comprehensive picture does not clearly emerge. It was, therefore, decided to rank order each sector in terms of the number of SHGs falling in each category, which will provide a relatively clearer picture. Thus, the rank order of the IGAs categories was worked out as reported in Table 5.6:

Table 5.6: No. of SHGs under Categories - Rank Ordered

| IGAs Sector | NABARD SHGs | | | | SGSY SHGs | | | |
|---|-------------|------------|----------|------------|-----------|-----------|------------|------------|
| | AM | AW | Mixed | Total | AM | AW | Mixed | Total |
| On Group Basis | | | | | | | | |
| Agri. | 5 (1)* | 18 (1) | 3 (1) | 26 (1) | 11 (1) | 32 (1) | 5 (1) | 48 (1) |
| Industry | 2 (3) | 5 (4) | 0 | 7 (4) | 3 (2) | 8 (2) | 1 (2.5) | 12 (2) |
| Services | 1 (4) | 8 (3) | 0 | 9 (3) | 0 | 4 (4) | 1 (2.5) | 5 (4) |
| Business | 3 (2) | 11 (2) | 0 | 14 (2) | 2 (3) | 7 (3) | 0 | 9 (3) |
| Total | 11 | 42 | 3 | 56 | 16 | 51 | 7 | 74 |
| On an Individual Basis | | | | | | | | |
| Agri. | 30 (1) | 177 (1) | 5 (2) | 212 (1) | 37 (1) | 51 (2) | 27 (1) | 115 (1) |
| Industry | 25 (3) | 78 (4) | 6 (1) | 109 (3) | 9 (4) | 43 (4) | 10 (4) | 62 (4) |
| Services | 15 (4) | 88 (3) | 3 (3) | 106 (4) | 11 (3) | 48 (3) | 13 (3) | 72 (3) |
| Business | 28 (2) | 105 (2) | 0 | 133 (2) | 21 (2) | 66 (1) | 20 (2) | 107 (2) |
| Total | 98 | 448 | 14 | 560 | 78 | 208 | 70 | 356 |
| On a Group & an Individual Basis | | | | | | | | |
| Agri. | 12 (1) | 42 (1) | 7 (1) | 61 (1) | 7 (2) | 25 (1) | 2 (1) | 34 (1) |
| Industry | 0 | 27 (4) | 5 (2) | 32 (4) | 4 (4) | 12 (2) | 0 | 16 (2) |
| Services | 7 (3) | 38 (3) | 0 | 45 (3) | 8 (1) | 5 (4) | 0 | 13 (3) |
| Business | 11 (2) | 35 (2) | 0 | 46 (2) | 5 (3) | 7 (3) | 0 | 12 (4) |
| Total | 30 | 142 | 12 | 184 | 24 | 49 | 2 | 75 |

* Data given in the parenthesis are in the rank order.

As depicted in Table 5.6, there are three types of SHGs in both the SHG categories (AM, AWand Mixed), and there are three bases of IGAs initiation (Group, individual, Group and individual). In the case of all the SHGs type and IGA-base agricultural sector has occupied rank one in the case of both NABARD and SGSY SHGs, rank two was occupied by the business sector in the case of NABARD SHGs, followed by the services sector and industry sector, on the basis of the majority of cell ranks.

The order in the case of SGSY SHGs seems to be a little different. So far as the agricultural sector is concerned, it occupies the first rank undisputedly, industry sector occupies the second rank in the case of group IGAs, but the business sector occupies the second rank in the case of individual IGAs, third rank is occupied by the services sector in the case of individual IGAs, and the business sector in the case of group IGA. The fourth rank was occupied by the small enterprises led by individuals and by the services sector in the group IGAs. The mixed groups of SHGs protect a confused pattern in this case, which can be ignored for the time being. The comparative ranking of sectors can be summarized as under:

Exhibit 5.1: Ranking in Group IGAs

| Ranking in Group IGAs | | |
|-----------------------|-------------------------|-----------|
| IGA Sector | NABARD SHGs | SGSY SHGs |
| Agriculture | I | I |
| Small Enterprises | IV | II |
| Services | III | IV |
| Business | II | III |
| Small Enterprises | Ranking Individual IGAs | |
| Agriculture | I | I |
| | III | IV |
| Service | IV | III |
| Business | II | II |

From the rank order summary, it is abundantly clear that the agricultural sectors IGAs occupy the first rank and it is far ahead of other IGAs in terms of number (Table 5.1). The second position is occupied by the business sector IGAs. The industry and services sector IGAs are so close to each other that they may be treated

at par. The NABARD and SGSY SHGs do not seem to vary in this respect. Since agriculture is the most dominant profession in rural India and almost every family draws their sustenance from land-based activities either partly or fully, it is natural that they preferred to go for an income-generating activity of this sector. Because of their preoccupation and familiarity with the land-based activities and existing market structures for the product, the SHG members would have little fear of failure and greater craze to face the risk, they went for agriculture-based IGAs in large numbers. The second IGAs sector, i.e. business, is also such with which villager's familiarity is high and the market risk is quite low because of the local consumption of the commodities dealt with. Since they are mostly of trading type, such IGAs promise quick and regular earning even though it may be small in magnitude. Perhaps, this is the reason why quite a few SHG members got attracted to this sector. So far as the services sector is concerned, all the IGAs taken up by the members are such as are caste-based for generations. Hence, only villagers of particular castes preferred their caste occupation to initiate or reinforce an income-generating activity. Their number as such would naturally be small. The industry sector IGAs are such that their entrepreneurs need to manufacture some products from locally available materials like straw, coconut leaf, bamboo, fruits & vegetables, etc. The products are not high profit fetching and their local consumptions are also not so high that they can sustain their livelihood easily. In the case of such products, they need to find access to some established markets which is very difficult for small entrepreneurs. For this reason, probably less number of SHG members got attracted to this sector.

- *The income-generating scenario emerging from the above discussion suggests that more care needs to be taken while mobilizing members for taking up an income-generating activity. It must be ensured that the income-generating activity undertaken by a member must add to the family income or in other words some extra income is guaranteed. This often would not happen if they go for an IGA in the family profession itself, whether land-based or caste-based. In such cases, it has been found that the occupation is carried as such and the financial support provided for IGAs is utilized for some other purposes. Further, the advantage inherent in the diversification of occupation is denied to such members. For example, if a member having agriculture as family occupation goes for business or industry, he increases his capability to withstand the failure in agriculture due to natural vagaries etc. and vice versa.*

CAPACITY BUILDING OF SHG MEMBERS for Livelihood Security

ural poor who join Self-Help Groups are helped to acquire capability and competence to maintain and manage their groups in a productive way. They are Rencouraged to undertake income-generating activities, to deal with financial, trading and input agencies and to manage their accounts and activities, etc. in such a way that they continue growing socially and economically and become progressive and responsible citizen of the nation. For this, they are exposed to various training programmes to provide them with the necessary knowledge skills, motivation and competence. Hence, the training programmes organized for the SHG members are of great significance in the poverty alleviation programme pursued through Self-Help Groups promoted by both NABARD and SGSY. SHG members interviewed to collect data for this study were also asked questions to collect information about the training programmes they underwent during the last one-year. The data so collected were tabulated as reported in Tables 6.1 and 6.2.

Table 6.1 reports data regarding the types of training programmes organized in the twelve districts of the three states where this study was conducted. The training programmes related to creating awareness and motivations about Self-Help Groups, maintaining various records and books for various SHG activities, imparting knowledge, skills and overall competence to undertake various income-generating activities and providing education for maintaining good health of family members. The data related to the training camps organized in various districts in the above-mentioned four training areas are reported in Table 6.1 below:

Table 6.1: Training Programmes conducted for NABARD and SGSY during the last one year

| Training Programmes on | | | | | | | | |
|------------------------|---------------|-------------|---------------|-------------|----------------------|-------------|------------------|---------------|
| No. of Districts | SHG Awareness | | Book-keeping | | Technology Education | | Health Education | |
| | NABARD (N=10) | SGSY (N=10) | NABARD (N=10) | SGSY (N=12) | NABARD (N=10) | SGSY (N=12) | NABARD (N=10) | NABARD (N=12) |
| | | 9 | 8 | 4 | 5 | 9 | 9 | 1 |

The data reported in the table earlier clearly point out that the highest priority was accorded to the training programme for technology education (IGA related) and SHG awareness creation by both NABARD and SGSY management. Next in priority was the training on book-keeping which was organized in four districts for the NABARD supported SHGs and five districts of SGSY-supported SHGs. The health education was not taken up seriously while organizing training programmes for the last one year, since this was organized in only one district for the NABARD-supported SHG members.

The SHG members interviewed in the study were asked: “How many training programmes did they attend in the last one year?” The responses to this question were compiled and tabulated as reported in Table 6.2:

Table 6.2 Number of Members attending of Training Programmes in the Last One Year

| 1. Training Programmes in One Year | | | | | | 2. Training Programmes in One Year | | | | | | 3. Training Programmes in One Year | | | | | |
|------------------------------------|--------------|---------|--------------|--------------|---------|------------------------------------|--------------|---------|---------|--------------|---------|------------------------------------|--------------|---------|--------------|--------------|--------------|
| NABARD | | | SGSY | | | NABARD | | | SGSY | | | NABARD | | | SGSY | | |
| Male | Female | Total | Male | Female | Total | Male | Female | Total | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| 71 | 72 | 143 | 81 | 232 | 313 | 36 | 134 | 170 | 19 | 57 | 76 | 34 | 137 | 171 | 56 | 86 | 142 |
| (14.66 %) | (14.87 %) | (29.91) | (15.25 %) | (43.69 %) | (58.94) | (7.43 %) | (27.68 %) | (35.12) | (3.57%) | (10.73 %) | (14.31) | (7.02%) | (28.30 %) | (35.33) | (10.54 %) | (16.19 %) | (26.74 %) |

Total NABARD = 484 (60.5%) (M = 141, F = 343) N = 800

Total SGSY = 531 (55.3%) (M = 153, F = 375) N = 960

**Data given in the parenthesis are in row percentage.*

It is interesting to note that out of 800 NABARD SHG members, only 484 are reported to have attended some training programmes and out of 960 SGSY members interviewed only 531 are reported to have attended some training programmes. The distribution of these numbers reported in the table makes further interesting revelations.

- *In the case of NABARD-supported SHGs, almost an equal number of members (about 35%) attended two and three training programmes in the last one year and only about 29 per cent of the members attended one training programme, whereas in the case of SGSY-supported SHGs a majority of them around 59 per cent attended only one training programme in the last one year, about 27 per cent attended three training programmes and only 14 per cent attended two training programmes in last year. More- over 45 percent of SGSY SHG members as against 40 per cent of NABARD SHG members did not attend any training programme in the last one year. The comprehensive picture that emerges out of the above statistics is that members of the NABARD-supported SHGs got more exposure to training programmes than the members of the SGSY-supported SHGs.*
- *The data reported in Table 6.2 further reveals that women members of both the categories of SHGs have outnumbered their male counterparts consistently in every category of the training exposure. Even though the number of women SHG members is more than the men members, the result conclusively points to the fact that women members received greater exposure to the training programmes than their male counterparts. This is in spite of the common belief that men are more outgoing and women suffer from many social and familiar restrictions in participating in the out-of-home activities. Perhaps, this is a clear indicator of rural women being on the path of social empowerment.*

6.3 The Trainee' Level of Satisfaction with Training Programmes

As reported earlier, three types of training were imparted to the SHG Members - SHG awareness training, book-keeping related training and technological knowhow related training programmes. We also saw that 484 SHG members of NABARD-supported group and 531 SHG members of SGSY-supported group attended these training programmes. Some of them attended only one training programme; some others attended two training programmes; and the remaining attended three training programmes. Because of the multiple attendance of training programmes, the number of members attending each type of training programme, when pooled

together, gave a higher number of trainees than the figures reported in the table earlier, i.e. 484 and 531, respectively.

These members were asked about each of the training programmes they attended. Whether they were satisfied or dissatisfied with the training programmes so far as their learning is concerned. The responses received from them are reported in the for the two groups of SHGs:

Table 6.3.1: Satisfaction Level of NABARD-supported SHG Members with the Training attended

NABARD N=996 (M = 245, F = 751)

| Type of Training | Satisfied | | | Not Satisfied | | | Grand Total |
|--------------------------------|------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------|
| | Male | Female | Total | Male | Female | Total | |
| SHG Awareness | 66 (72.52)* | 204 (63.94)* | 270 (38.84)@ | 98 (63.63)* | 327 (75.69)* | 425 (61.15)@ | 695 |
| Book-keeping | 14 (15.38)* | 35 (10.97)* | 49 (39.2)@ | 23 (14.93)* | 53 (12.26)* | 76 (60.80)@ | 125 |
| Technological Knowhow Training | 11 (12.08)* | 80 (25.07)* | 91 (51.70)@ | 33 (21.42)* | 52 (12.03)* | 85 (48.29)@ | 176 |
| Total | 91 (22.19)@ | 319 (77.80)@ | 410 (41.16)@ | 154 (26.27)@ | 432 (73.72)@ | 586 (58.83)@ | 996 |

* Data given in the parenthesis are in column percentage.

@ Figures given in the parenthesis are in row percentage.

Table 6.3.2: Satisfaction Level of SGSY-supported SHG Members with the Training attended

SGSY N=891 (M = 287, F = 604)

| Type of Training | Satisfied | | | Not Satisfied | | | Grand Total |
|----------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------|
| | Male | Female | Total | Male | Female | Total | |
| SHG Awareness | 88 (72.13)* | 236 (78.92)* | 324 (76.95)@ | 115 (69.69)* | 231 (75.73)* | 346 (7.36)@ | 670 |
| Book-keeping | 11 (9.01)* | 21 (7.02)* | 32 (7.60)@ | 11 (6.66)* | 33 (10.81)* | 44 (9.36)@ | 76 |
| Technological Knowledge Training | 23 (18.85)* | 42 (14.09)* | 65 (15.73)@ | 39 (23.63)* | 41 (13.44)* | 80 (17.02)@ | 145 |
| Total | 122 (28.47)@ | 299 (71.02)@ | 421 (47.25)@ | 165 (35.10)@ | 305 (64.89)@ | 470 (52.74)@ | 891 |

* Data given in the parenthesis are in column percentages.

@ Figures given in the parenthesis are in row percentages.

The data reported in Table 6.3.1 bring to light that in the case of NABARD-supported SHG members over 60 per cent of the trainees were not satisfied with the training imparted to them on SHG awareness and book-keeping. A slender majority of 51 per cent of respondents were found satisfied with the technological knowhow training. Even in this case, the dissatisfied lot is only marginally lower. When we look at the data reported in Table 6.3.2, majority of the SGSY trainees varying from over 51 to 58 percent were found to be dissatisfied with all the three types of training imparted to them. The overall picture that emerges from the two tables is that a larger number of SHG members were dissatisfied with the training imparted to them. This is a serious situation. It requires a deeper exploration to find out the precise reason or reasons due to which the dissatisfaction level is so high.

The mental preparedness to make learning a part of the trainees and physical preparedness on the part of the trainers and training organizations to make lessons intelligible, interesting and rewarding for the trainees are extremely important for the success of the training endeavour. Thus, there is a need to examine the training programmes on these planes and bring about necessary improvements in the efforts so that the capacity building process becomes more effective.

SOCIO-ECONOMIC IMPACT OF SHGs

The comparative impact analysis between SGSY and NABARD-supported SHGs has its own interesting outcome. Its social and economic indicators do confirm that SHGs developed on the NABARD-supported guidelines seem to have performed better than SGSY on the economic front, despite several constraints and challenges. Of late, NABARD has begun associating with RRBs and commercial banks in addition to NGOs to help form SHGs based on their guidelines. As stated earlier, NABARD, by itself, does not form SHGs. Yet, the modus operandi of their performance orientation is quite different and distinct.

The Non-Government Organizations (NGOs) engaged in the formation and promotion of SHGs are the most intimately associated with the SHG members. They see the members' growth and socio-economic changes taking place due to functioning of SHGs from very close quarters. Thus, it was decided to collect information about the socio-economic impact of SHGs from the field functionaries of the NGOs. For this, one NGO from each district was randomly selected and their field functionaries were interviewed with the help of a structured schedule developed for the purpose. The responses received from the field functionaries were analyzed to specify the socio-economic impact, which the SHG produced in the community. On the basis of this content analysis, the data were categorized into the following impact areas:

Exhibit 7.1 Impact Area and Frequency

| Sl.No. | Impact Area | Frequency |
|--------|---|-----------|
| 1. | Social Sensitization and Development | 8 |
| 2. | Personal Awareness and Growth (Empowerment) | 12 |
| 3. | Economic Activities for Livelihood Security | 7 |

The above data suggest that the largest evidences of personal awareness and growth were perceived in the behaviour of SHG members, followed by their sensitization towards social concerns and livelihood security.

The perceived behavioural changes which indicated personal awareness and growth are regularity in attending SHG meetings, confidence expressed in their own thoughts and actions, desire to attend training programmes, sincerity and devotion shown in the work undertaken, ability acquired to maintain SHG records and bank passbooks by the members.

The behavioural changes which indicated members' sensitization to the social issues and their positive orientation towards the society give the clarity in understanding the nature, worth and operational details of Self-Help Groups (SHGs), sensitivity towards health and educational problems prevailing in the society, concerns for social evils like drinking, petty thefts, litigation, mutual mistrust, etc., and sense of cooperation, coordination and strength in togetherness in the society. The SHG members' concern for livelihood security was inferred from their behaviours like taking interest in planning and initiating income-generating activities, mobilizing group resources like corpus fund generation, interloaning and taking interest in the outreach activities for cash credit limit (CCL) finalization and securing bank credits, etc.

From the above discussion, it becomes clear that SHG is an effective instrument in bringing about personal and social changes in the rural society which helps in alleviating rural poverty and generating livelihood security. However, this is only a

generalized impact of SHGs without any differentiation made between the SHGs promoted by NABARD as well as those promoted by SGSY.

7.1 Feedback Response from Support Functionaries:

Like any other programme, this programme of rural poverty alleviation also has impediments, which need be identified so that they may be removed or managed so that march towards success post may be made smooth. For this, relevant data were collected from the implementing agencies like Lead Bank Manager, (LDM) District Development Manager NABARD (DDM), Project Director (DRDA), and Non-government Organizations (NGOs). They were asked a direct question about the constraints and problems they experienced in implementing the SHG programmes. Their responses were in narrative forms which were content analyzed and categorized as under:

Exhibit 7.2 Constraints related to Frequency

| Constraints related to | Frequency |
|---|-----------|
| 1. NGO | 11 |
| 2. Bank | 22 |
| 3. Villagers | 17 |
| 4. SHG members/functionaries | 23 |
| 5. SHGs promoting agencies and their policies | 3 |

- *As indicated above, the critical hindrance variables perceived in the programme are the SHGs functionaries (members) and Rural Banks providing linkage to the SHGs. The general complaint about the banks are that they are not adequately sensitized to the SHGs needs and objectives and, as a result, they do not lend cooperation and support in providing bank linkage, credit limit fixations, credit advancement and good client relationship with the SHG functionaries.*
- *The SHG members were perceived as having not positively oriented towards the SHGs themselves. They perhaps lack conviction in SHGs as an instrument capable of alleviating their poverty. They are not well educated, do not have the necessary competence, have negative and non-cooperative behaviour towards other members and quite a few of them have tendency to misuse the credit and corpus funds for non-productive activities and non-essential consumption purposes. Quite a few of the officials are of the view that the village climate itself is not congenial for the growth of SHGs. They suffer from mutual rivalry and conflicts and are averse to group-based activities for common welfare. The officials strongly believe that the prevalence of this type of anti-growth climate in the village is reflected in the behaviour of SHG members due to which anticipated success is seldom achieved.*

- *The bank and SHGs promoting agencies also expressed serious constraints with the NGOs engaged in the formation and nourishing of SHGs. In their view, many NGOs are incompetent, They are themselves are not convinced of the potential of SHGs and they are interested in the activities for the money they get and not for the welfare of the society and alleviation of poverty. It is also the reflected in the kind of NGOs selected by the local agencies for SGSY programme in many places. DRDA officials did not appear to be sensitive to the quality of such partner agencies nor were they were transparent in their selection process.*
- *Aspersions were also cast on the officials of the SHG promoting agencies and their SHG related policies. It was alleged that their commitment level to the programme is low and some of the policies like subsidy in the case of SGSY in particular, was perceived as counter productive.*

The above discussion should not be taken as if every thing in SHGs promotion programme is absolutely hopeless. In facts these are only dominant negative perceptions held by implementing agency officials about some of the functionaries and not all of them. Even if there are a few in every stakeholder group, who are suffering from negative image as reported above, the smooth functioning of the SHGs would be adversely affected (and not completely stopped.) This adverse factor has to be dealt with so that their impact can be minimized and the success rate of SHGs may be enhanced. With this end in view, the same respondents were also asked to offer their suggestions to eliminate, reduce or manage the constraints they experienced in the course of implementing this poverty alleviation programme. Their responses were again in narrative forms, which were analyzed, categorized and are reported as under:

Exhibit 7.3 Suggestion related to Frequency

| Suggestions related to | Frequency |
|------------------------|-----------|
| 1. NGOs | 9 |
| 2. SHGs | 20 |
| 3. Banks | 13 |
| 4. Promoting agencies | 4 |
| 5. Villagers | 2 |

The largest number of responses was made for bringing about improvement in the functioning of SHGs. The specific suggestions offered are as follows:

- (i) Wherever the group is not cohesive, interpersonal differences should be removed through counseling and organizing special training programmes for them.
- (ii) SHGs awareness programme should lay greater emphasis on creating faith in the people about the potential of SHGs rather than overemphasizing the procedural and formal aspects of SHGs.
- (iii) Monitoring of SHGs should be made more rigorous to ensure
 - a) Regular and timely savings and contributions
 - b) Regular holding of SHGs meeting and members' attendance in it
 - c) Providing necessary guidance to the group to make every meeting meaningful and to take objective decisions regarding interloaning, interest rate, and loan recovery and bank linkage *e.t c.*
- (iv) Rotation of office-bearers of SHGs at regular intervals should be made mandatory.
- (v) Motivation training for income-generating activities and technological training for capacity building should be organized by competent agencies with greater seriousness.
- (vi) Training programme on (a) Health education (b) formal education for school going, school dropout children and awareness about prevalent social evils should be given adequate priority.

The next area of concern is the functioning of commercial banks, which provide linkage as well as financial support to the SHGs. The specific suggestions in this regard were offered as follows:

- (vii) The bank functionaries who deal with SHGs and branch managers should be exposed to SHGs sensitization programme especially designed for them
- (viii) Motivational training programmes should be organized for bank functionaries to generate in them a sense of cooperation and positive orientation towards SHGs' office-bearers.

- (ix) The bank functionaries, who deal with SHGs' account and bank lending. etc. should not be subjected to frequent transfers.
- (x) A rapport-building programme may be offered in the which bank functionaries, NGO functionaries, SHGs' office-bearers and other grass roots level stakeholders should participate.

NGOs play an important role in the formation and functioning of SHGs. These are some specific suggestions being made to improve the effectiveness of NGOs. They are as follows:

- (xi) Rigorous exercise should be undertaken to select only competent NGOs to lend their supporting hands to SHGs.
- (xii) The NGOs should be imparted skills in organizing motivational camps and training programmes so that they may motivate the villagers and create faith in them in the potential of SHGs, with greater transparency to avoid current mal -practices at DRDA level, particularly for SGSY- supported programmes.
- (xiii) NGOs should not be deployed only for the formation of SHGs they must stay and work with the SHGs till they mature.
- (xiv) The NGOs should actively help the SHGs in both backward and forward linkage and provide them market support in particular. Institutions like NABARD need to gear up their district -level delivery mechanism in closer partnership with the NGOs and encourage more decentralization of their decision-making process at the state level in order to give momentum to the community banking support process.

(xv) The officials of SHG-promoting organizations should also be exposed to SHGs sensitization programme so that they do not hold skeptic views towards SHGs and must have faith in the SHGs' ability to alleviate rural poverty.

(xvi) The subsidy provided under the SGSY programme should be discontinued and the amount should be spent on creating market support to the SHGs for their IGA products and also provide some sort of reward to the successful SHGs as an incentive for good work.

Over and above the high target orientation amongst DRDA (District Rural Development Agency) officials with low sensitivity to the quality of SHGs formation at the ground level was quite evident from their interactions .It demands greater attention, reorientation, strict vigilance and greater accountability for the outcome. A positive mindset towards NGOs and their stance to operate on a partnership mode would go a long way in reinforcing the support programme towards poverty alleviation initiative through SHGs. Majority of them down the line have never undergone any training exposure on such thematic issues to help unlearn their rigidity and stereotypes about the way such projects ought to move forward.

Part-3

Summary and Implications

- ❖ **Specific Objectives**
- ❖ **Findings and Discussions**
- ❖ **Implications**

SUMMARY AND IMPLICATIONS

The Self-Help Group movement has attained a new height for community banking programmes of the country. However, it has raised several concerns in terms of its efficacy and effectiveness in the backdrop of our ongoing support system by NABARD and SGSY. The evaluative study was conducted with the following objectives in view:

8.1 Specific Objectives

- To find out the differential effectiveness of the SHGs promoted under the guidelines of NABARD and the SHGs promoted under the guidelines of SGSY, Ministry of Rural Development.
- To identify the policy and procedural constraints in promoting SHGs, if any, which retard/hinder the desired growth and development.
- To assess the sufficiency and efficacy of bank linkages provided to SHGs.
- To find out the socio-economic impact of SHGs.
- To find out the constraints in the efficient functioning of SHGs.
- To portray the stakeholders' views to make SHGs an effective instrument for socio-economic growth.

The study was conducted in the states of Uttar Pradesh, Rajasthan and Haryana in twelve selected districts. While Uttar Pradesh and Rajasthan represented economically poor states of the country, Haryana represented better of the states.

Exhibit 8.1: Sample of Respondents covered

| Sl. No. | Category of Respondents | Respondents (Nos.) |
|---------|-----------------------------------|--------------------|
| 1. | SHGs Office bearers | 864 |
| 2. | SHG Members - non- Office-bearers | 1,760 |
| 3. | Partner Agencies, i.e. NGOs etc. | 12 |
| 4. | Official Stakeholders | 36 |
| | Total | 2,672 |

The above respondents provided primary data for the study, while the secondary data were collected from the Annual Reports and administrative guidelines of the Ministry of Rural Development, Government of India, and NABARD, as well as from the classified data available with the Regional Offices of NABARD and the State-level SGSY coordinating departments of the State Governments of U.P. Rajasthan and Haryana, published books, journals, seminar papers, websites, etc.

8.2 Findings and Discussions

8.2.1 Background Characteristics

1. Over 65 per cent members in the NABARD-supported SHGs were found to be landless. Over 26 per cent were marginal and small landholders, but there were also about 8 per cent members who have medium to large landholdings. In the case of SGSY-supported SHGs, about 82 per cent members were found to be landless who met the general criterion of being below poverty line (BPL).
2. Above 14 per cent members in the NABARD-supported SHGs and about 9 per cent members in the SGSY-supported SHGs were found to be matriculates. the percentage of college-educated members was over 2 per cent in both the categories. It was heartening to note that women members did not lag far behind in education than their male counterparts. In the case of NABARD SHGs, about 58 per cent women members were capable of reading and writing as against 67 per cent of male members, but 17 per cent of them were matriculate against only 6 per cent male members and 3 per cent of them were college educated against none from the male counterparts.
3. In the NABARD-supported SHGs, about 37 per cent members belonged to Scheduled Caste and Scheduled Tribe. Quite close to this were the OBC members, which constituted about 29 per cent of the membership. The caste-wise distribution of SHG members belonging to the majority community of

the society was not highly skewed. In sharp contrast to this distribution, in the SGSY-supported SHGs, over 70 per cent members belonged to SC, ST caste groups, about 21 per cent to OBC caste group and only about 7 per cent to forward caste group. The minority community has just registered its presence by about 1 per cent membership as against 9 per cent of them form part of NABARD-supported SHG beneficiaries.

4. Interestingly, in the case of NABARD SHGs those below poverty line were not ignored, but others who are also very poor (though not included in the BPL list) and willing or psychologically prepared to undertake activities to come out of their poverty status, were encouraged to form SHGs irrespective of their caste and community. Those below poverty line do need special attention, but other rural poor cannot be ignored in any poverty alleviation programme. The exclusion of other poor community from SGSY did draw critical attention since it did not create early role models to pick up lessons amongst those in BPL to help uplift their status. Therefore, the restrictive features of SGSY SHGs (adherence to BPL list, caste, etc.) deserve a serious look so that they do not become counterproductive.

8.2.2 SHG Management

5. There is a strong need to have poverty alleviation programme which lays greater emphasis on the empowerment of women from poor families. When the gender ratio of the SHGs was worked out, all-women SHGs were only 58.54 per cent in the case of SGSY as against 72.25 per cent in the case of NABARD-supported SHGs. *Hence, NABARD-supported SHGs seem to lay greater emphasis on the empowerment of women from the rural poor families even if it did not have exclusive focus on BPL target population.*
6. It may be noted that in the case of upper (general) caste group, the number of both male and female SHG members increased many in fold in the SGSY SHGs. The prerequisite of BPL status for inclusion in SHGs seems to have played its role. After having realized the benefit of SHGs, the upper caste

group members might have influenced the village Panchayat for inclusion of their names in the BPL list. (It may also be clarified that many of such inclusions, which caused revision in the BPL list in most of the villages, are not illegitimate.) This expansion of the BPL list probably promoted lateral entry into the existing SHGs, resulting in increase in the number of male as well as female members of SHGs over a period of time.

7. In the case of NABARD SHGs, the number of male members has increased over time in the case of Scheduled Castes and Scheduled Tribes. This may be because till 2000 NABARD SHGs were women exclusive and only after 2000 they made a beginning with male SHGs. This change in the policy, which impacted SC and ST more than others, may be because of their poverty status, since there was a conscious effort to encourage the rural poor to form SHGs. This might have promoted lateral entry in All-Men SHGs of this category.
8. In the case of SGSY SHGs, there is both a drop and an increase in the number of male members - the drop in the case of SC category and increase in the case of general category. Since a much larger number of SC falls in the BPL category, which is an important criterion for SHG formation, a large number of Scheduled Caste men were made members of SHGs without adequate motivation. This might be the reason that some of them later on lost their interest in SHGs and dissociated themselves from the SHGs resulting in such a group.

8.2.3 Record - keeping and Meetings

9. The greatest lapse was found in the case of the SHGs, which scheduled four meetings in a month. A little less than half of NABARD-supported SHGs (5 out of 12) and two-thirds of the SGSY-supported SHGs (12 out of 18) were found to have faltered in this respect. They could hold less than 48 meetings in the last year. Next in the row are those SHGs, which planned fortnightly meetings. In the case of NABARD-supported SHGs, 20 out of 94 SHGs (about

21%) and 11 out of 39 (about 28%) SGSY-supported SHGs could not adhere to their meeting schedule. Those SHGs, which planned a monthly meeting, were having greater regularity. *There is hardly a variation in the gender-based groups of the SHGs so far as regularity of holding meetings is concerned. However, on the whole, the NABARD-supported SHGs appear a little better than SGSY-supported SHGs in this respect.*

10. The situation is not that good in the case of SGSY SHGs in record keeping. The records available with them vary between 86 per cent to 100 per cent. There are 115 SHGs, which did not have one or the other of the three main registers. However, one good thing about even these SHGs is that all the registers, which they kept, were being maintained. In the overwhelming majority of these SHGs, these records are being maintained by SHG members themselves. In a small number of SHGs, which vary from 1 per cent to 19 per cent, their records are being maintained by NGOs' field workers or by somebody who is paid for the same. When the SHGs were categorized on the basis of gender of the members, it was observed that the gender did not influence record-keeping behaviour of the SHGs of the NABARD-supported SHGs. But in the case of SGSY-supported SHGs, the situation was found to be only a little different. Generally speaking, all-men SHGs appear marginally superior to all-women and mixed group SHGs so far as record-keeping is concerned.

8. 2. 4 Bank Linkage

11. Bank linkage was relatively quicker in the case of NABARD-supported SHGs than SGSY-supported SHGs. This is further substantiated by the fact that the highest number of SHGs, i.e. 139 (29.57%) in the case of SGSY SHGs got bank linkage after 18 months of their formation. Maybe, the supervisory and educational support provided to NABARD-supported SHGs was better than those provided to SGSY-supported SHGs.

12. Gender obviously seems to have played its role in bank linkage. In our society, men are generally more extrovert and more prone to having outside contacts than women. Perhaps, this is the reason that men-dominated SHGs were able to establish contacts with bank officials earlier than the women SHGs. *Even though this is true with both NABARD and SGSY-supported SHGs, yet-male-dominated SHGs of NABARD were found better performers in this respect than the male-dominated SHGs of the SGSY (38.09% as against 30.65% during pre- mid period). This finding reinforces the earlier conclusion that NABARD supported SHGs are better than SGSY-supported SHGs in establishing the bank linkage even without in-built subsidy available to the beneficiaries.*

8.2.5 Role Holding Ability

13. In both the groups of SHGs, a great majority are such in which no change has taken place in role holders since inception. In other words, in 73 per cent of the NABARD-supported SHGs and 68 per cent of SGSY-supported SHGs, the members elected as three important role holders at the time of the formation of SHGs, were found to continue in the same role even after more than five years of SHG formation. They obviously stagnated for a long period and the other members of the SHGs seem to have completely lost their initiative and willingness to come forward to take up these roles and responsibilities. They have become completely dependent on the existing role holders. This is a very unhealthy situation and is likely to set in the process of institutional degeneration.

8.2.6 Inter-loaning

14. The SHG members were found to have a preference for lower interest rate on the amount they borrow from the group. Interestingly, this rate is lower than the bank interest rate charged on the loan advanced to SHGs (12%) and much lower than the interest rate on which loan from the village moneylender is available (36%). Only in the case of around 20 per cent SHGs a higher interest rate up to 20 per cent per annum was fixed probably in order to create pressure on the members to make timely repayment since delayed payment

could substantially increase the interest burden. The interest rate consideration does not seem to vary between the two SHG categories - NABARD- and SGSY-supported. The gender of the SHG members also seems to be neutral as far as the interest rates are concerned.

15. It may be reported here that 48 (19.83%) NABARD-supported SHGs and 6 (2.06%) SGSY-supported SHGs were such in which inter-loan repayment was completely stopped by all the members who received the loans. In another NABARD-supported SHG, 10 per cent of the members (2 out of 20) were found to have completely stopped interloan repayments. These SHGs have become dysfunctional. All other life-saving activities like holding regular meetings, making regular savings, etc. in the case of these SHGs have stopped for a variety of social and interpersonal reasons like mutual bickering, loss of mutual trust, apathy and so on.

16. A look at the data of SGSY-supported SHGs brings to light that there are at least 136 out of 291 SHGs (46.73 %), of which all the members were regular in making loan repayments. The number of SHGs whose 10 per cent members were found to be irregular in loan payment was also found to be quite substantial - 122 out of 281, i.e. 41.92 per cent. 20 per cent members were irregular in this respect in the case of 11 SHGs, which comes to 3.78 per cent. However, the SHG on brink of collapse in this case was found to be pretty high. Such SHGs are 17 in number, i.e. 5.84 per cent in which case all the members were found to be irregular in making loan repayments. One of the reasons, which seems to have influenced this performance is the subsidy component in the loan advanced under the SGSY system. As per the provision, up to Rs.1.25 lakh is given as subsidy for group loaning to SHGs in this system. This subsidy amount is paid to the loan granting bank. The bank treats this amount as recovery made as an equivalent amount is reduced from the loan already advanced to the SHGs. Hence, a quick and botheration free recovery of such a substantial amount from each SHG is a big incentive

for the bank, due to which they become liberal in processing the loan papers and sanctioning CCL to the SHGs.

17. The time taken in the sanctioning of CCL is another important factor which speaks a lot about the performance of SHGs. There are a few SHGs in the NABARD group which got their CCL sanctioned within 7 to 10 days, whereas a few others got their CCL sanctioned after two months of the application made. The other SHGs fell between these two extreme groups. So is the case with the SGSY group of SHGs with the difference that none in this group could get their CCL sanctioned within 10 days' time.

8.2.7. Income-Generating Activities

18. *In the SGSY-supported SHGs, a greater number of SHGs (greater than $387-295 = 92$) have not started income-generating activities after having received bank loans after CCL was sanctioned. Whereas in the case of NABARD-supported SHGs, almost all the CCL sanctioned SHGs (256 out of 312) might have started income-generating activities. This clearly speaks of the performance superiority of the NABARD-supported SHGs over the SGSY-supported SHGs.*
19. The subsidy component in the case of SGSY SHGs might have played this dirty role of not starting Income-Generating Activities (IGA) after the sanction of the loan, Acquisition of the subsidy amount is such an incentive that it might have hastened the process of sanction of CCL without the required mental and physical preparation for starting of income-generating activities on the part of the SHG members. Subsidy which was conceived as a much-needed support to the economically weaker sections of the society to enable them to start income-generating activities is generally taken as a goal to acquire a free gift and is valued as such. If adequate care is not taken of this mental make-up of the general people, the subsidy becomes counterproductive, and this seems to have happened in this case.

20. It is easier for smaller groups of people to seek mutual cooperation and coordination to start a common interest activity. Perhaps, this is why both types of IGAs were started in the mixed group SHGs. Only future will tell which type of IGAs perform better. But one thing is clear right now that there are not many members in these SHGs who are willing to make collective efforts to pull themselves out of their poverty conditions. The two types of SHGs (NABARD and SGSY) also do not seem to vary from each other as far as the nature of IGAs promotion is concerned. This seems to have been guided by the individual members' attitude and orientation and not by any design pursued by the two SHGs promoting organizations - the NABARD and SGSY. In the case of NABARD, loan for IGA promotion is always granted on a group basis to the SHGs as a whole, which seem to be guided by the intention to make loan recovery easier. This, by itself, does not promote group orientation in the members, which is evident from the fact that the great majority of the beneficiaries have gone for individual projects.
21. Of course, the general mindset and members' sensitization to the social issues and their positive orientation towards the society do not seem to assume significance unless NGOs involvement and supportive orientation of local officers are blended to bring about convergence for SHGs sustainability. Sensitivity towards health and educational problems prevailing in the society, concerns for social evils like drinking, petty thefts, litigation, mutual mistrust, etc. and sense of cooperation, coordination, and strength in togetherness in the society need to cover the modular training for local officers since they lack this mindset. The SHG members' concern for livelihood security was inferred from their behaviour like taking interest in planning and initiating income-generating activities, mobilizing group resources like corpus fund generation, interloaning and taking interest in outreach activities for cash credit limit (CCL) finalization and securing bank credits, etc.

Exhibit 8.2: A Glimpse of Differential Support System to SHGs

| | NABARD SHGs | SGSY SHGs |
|-------------|---|---|
| HIGH | <ul style="list-style-type: none"> • <i>Regularity of Meetings of Members</i> • <i>Record-keeping is better.</i> • <i>Bank linkage of SHGs is quicker.</i> • <i>Managerial Role Holder less stagnant</i> • <i>Group Interloaning in SHGs</i> • <i>Amount of Interloaning</i> • <i>Interloan Repayment Behaviour</i> • <i>Income-generating Activities undertaken by SHGs</i> • <i>Exposure/Training of SHG Members</i> • <i>NGO Involvement Moderate satisfaction</i> | <ul style="list-style-type: none"> • <i>Variation in SHG Membership</i> • <i>CCL Sanction</i> • <i>NGOs dissatisfaction very high</i> • <i>Target orientation very high</i> |
| LOW | <ul style="list-style-type: none"> • <i>Variation in SHG Membership</i> • <i>Delayed CCL Sanction</i> • <i>Satisfaction Level with the Training</i> | <ul style="list-style-type: none"> • <i>Regularity of Meetings of Members</i> • <i>Record-keeping</i> • <i>Bank Linkage of SHGs</i> • <i>Managerial Role Holders in SHGs</i> • <i>Group Interloaning in SHGs</i> • <i>Amount of Interloaning</i> • <i>Interloan Repayment Behaviour</i> • <i>Income-generating Activities undertaken by SHGs</i> • <i>Exposure/Training of SHG Members</i> • <i>Satisfaction Level with Training and NGO involvement very low</i> |

8.3 Implications

From the above discussion, it becomes clear that SHG is an effective instrument in bringing about personal and social changes in the rural society, which helps in alleviating rural poverty and generating livelihood security. However, this is only a generalized impact of SHGs without any differentiation made between the SHGs promoted by NABARD as well as those promoted by SGSY. One may look at the critical implications mentioned below in view of the aforesaid analysis and findings.

- *NABARD- SHGs defines as those SHGs that has been operational on it's guidelines; since NABARD always does implementation with NGOs and formal banking set up on a partnership mode .Formal banks' (like RRBs and commercial bank) orientation towards SHGs is just begining to change, but they are yet not attuned to the capacity building concept of SHGs. Of course, the study has not differentiated the role efficiency of implementing agencies like NGOs & Bank on the formation of SHGs nor it was in the scope of the study. Observations, however, revealed that NGOs were found more exposed and sensitive to field realities and capacity building issues of SHGs. It is feared that Apex Bank's anxiety to increase the target of SHGs lending through formal banks and RRBs on the partnership mode might become non-productive if bankers do not learn to have the positive mindset towards SHGs process NABARD need to be cautious and restrain itself on this count*
- Needless to restate that the SHGs must be a homogeneous group not only economically but also socially.
- The bank and SHG promoting agencies also expressed serious constraints with the NGOs engaged in the formation and nourishing of SHGs. In their view, many NGOs are incompetent. They are themselves not convinced of the potential of SHGs and they are interested in the activities for money they get, and not for the welfare of the society and alleviation of poverty.
- Aspersion were also cast on the officials of the SHG-promoting agencies and their SHG-related policies. It was alleged that their commitment level to the programme is low and some of the policies like subsidy in the case of SGSY in particular, was perceived as counterproductive.
- *Thus, SHG-promoting officials and NGO functionaries should be exposed to Personal Growth Labs to improve their competence and heighten their commitments. SHGs awareness programme should lay greater emphasis on creating faith in the people about the potential of SHGs rather than overemphasizing the procedural and formal aspects of SHGs.*
- *Monitoring of SHGs should be made more rigorous to ensure regular and timely savings and contribution, regular by holding SHG meetings and members' attendance in it, providing necessary guidance to the group to make every meeting meaningful and to take objective decisions regarding interloaning, interest rate, loan recovery which bank*

linkage, etc. The SGSY monitoring system has to be on a regular basis, which is too weak to bring corrections.

- *It is desirable to have a system of office-bearers' rotation of SHGs at regular intervals. If possible, it may be made mandatory.*
- *Motivational training for income-generating activities and technological training for capacity building should be organized by competent agencies with greater seriousness than what is being carried on by SGSY stakeholders with routine. Lack of ideas, skills and negative mindset of grassroot district functionaries also contribute to such an apathy and inefficiency. The convergence of other development functionaries through proper training programmes on (a) health education, (b) formal education for school going, school dropout children and awareness about prevalent social evils should be given adequate priority.*
- *Rigorous and more transparent exercise should be undertaken to select only competent NGOs to lend their supporting hand to SHGs to avoid loopholes in their selection and prevailing biases and prejudices.*
- *The NGOs should be imparted skills in organizing motivational camps and training programmes so that they may motivate the villagers and create faith in them in the potential of SHGs. NABARD's effort to train and develop NGOs has been on, but SGSY has not paid any such attention to the above. In fact, the SGSY team continues to have more of dysfunctional rivalry adversely impacting the goal of community banking programme for poverty alleviation. District officials neither have adequate time (pressure due to other kinds of jobs) nor the right kind of mindset in coordinating with the chosen NGOs. Nor are NGOs associated till the maturity of SHGs.*
- *The NGOs should actively help the SHGs in both backward and forward linkages and provide them market support in particular. The officials of SHG promoting organizations should also be exposed to SHGs sensitization programmes so that they do not hold skeptic views towards SHGs and must have faith in the SHGs' ability to alleviate rural poverty.*
- *Resources should be allocated and spent on creating market support to the SHGs for their IGA products and also provide some sort of reward to successful SHGs as an incentive for good work.*

Annexures

Annexure-I

List of NGOs Interviewed

| S. No. | Name of NGO | District |
|---------------|---|-----------------|
| 1. | Purvanchal, Grameen Vikas Sanshtan. | Ghazipur |
| 2. | Jan Seva Khadi Grameen Udyog Sansthan | Etawah |
| 3. | Excellent Central Academy | Chittorgarh |
| 4. | Tagore Social welfare & Charitable Society | Ambala |
| 5. | Urmul Sri Ganga Nagar Road Bikaner | Bikaner |
| 6. | Grameen Mahila Shiksha Samiti, Gramesh Sansthan | Faizabad |
| 7. | Jai Bhim Vikas Shikshan Sansthan | Jodhpur |
| 8. | Lifeline Awareness & Serving Welfare Society | Sirsa |
| 9. | SNS Foundation 88-89, IDC, Mehrauli Road, Gurgaon | Gurgaon |
| 10. | Sumati Gram Utthan & Prasikshan Sansthan | Bijnor |
| 11. | Samaj Vikash Paryatan Kendra, Sohasra, Loharu | Bhiwani |
| 12. | AREDS, Alwar | Alwar |

Annexure-II

DETAIL OF OFFICIAL STAKEHOLDERS INTERVIEWED

| RAJASTHAN | | |
|---|--|---|
| Shri Kamal Kumar DDM, NABARD, Alwar | Shri. L.N. Choudhery,(CEO) Project Director DRDA, Alwar | Mr. G.L.Bhatiya LDM(Bank), Alwar |
| Shri Rakesh Gupta DDM, NABARD, Bikaner | Mr. Jayaswal, (CEO) Project Director DRDA, Bikaner | Mr. C.K.Mehta LDM (Bank) Bikaner |
| Shri Sudhanshu Kumar DDM, NABARD, Chittorgarh | Mr. H.P. Verma, (CEO) Project Director, DRDA,Chittorgarh | Mr. J.K.Chhjar LDM (Bank) Chittorgarh |
| Shri Mahesh Goyal DDM,NABARD, Jodhpur | Mr. M.L. Lohar,(CEO) Project Director, DRDA,Jodhpur | Mr. A.J.Singh LDM (Bank) Jodhpur |
| HARYANA | | |
| Mr. R.K. Singh DDM, NABARD, Ambala. | Mrs. Amneet P .Kuma, (ADC) Project Director, DRDA, Ambala | Mr. I.S. Bedi LDM (Bank) Ambala |
| Shri. N.K. Verma DDM, NABARD, Bhiwani | Mr. Vikas Gupta, (ADC) Project Director, DRDA, Bhiwani. | Mr.R.P. Punia LDM (Bank) Bhiwani |
| Shri.H.K.Sablania DDM, NABARD, Gurgaon | Mr. S.S.Dalal (ADC) Project Director, DRDA, Gurgaon | Mr. S.K. Bhatiya LDM (Bank) Gurgaon |
| Shri. Sunil Kumar DDM, NABARD, Sirsa | Shri Pankaj Yadav, (ADC) Project Director, DRDA,Sirsa | Mr.R.K.Makkadh LDM (Bank) Sirsa |
| UTTAR PRADESH | | |
| Mr. Subash DDM, NABARD Bijnor | Mr. S. Chandra Project Director, DRDA,Bijnor | Mr.B.D.Aggrwal LDM (Bank) Bijnor |
| Shri F.X.L. Runda DDM, NABARD, Etawah | Mr. V.S. Tripathi Project Director, DRDA,Etawah | Mr.H.S.Rathor LDM (Bank) Etawah |
| Arun Kumar Gupta DDM, NABARD Faizabad | Mr. Inderdev Dirvedi Project Director, DRDA,Faizabad | Mr.O.P.S. Talawat LDM (Bank) Faizabad |
| Mh. Izhar Khan DDM, NABARD, Gazipur | Mr. A.N.Roy Project Director, DRDA,Gazipur | Mr. B.R. Anand LDM (Bank) Gazipur |

| NABARD, CHANDIGARH | |
|--|--|
| S.No. | Name |
| 1. | Mr.S.R.Aluru CGM,NABARD |
| 2. | Mr.Manjri Deshpande AGM, NABARD |
| PANCHAYATI RAJ INSTITUTION LUCKNOW | |
| 1. | Mr. Sukhla Director |
| 2. | Mr. A.K. Singh (junior) (Planning & Schemes) |
| 3. | Mr. Chandola (Senior) |
| 4. | Mr. Rana (Publication Department) |
| NABARD LUCKNOW Kshetriya Karyalaya,11, Bipul Khand, Gomti Nagar, Lucknow-226010 | |
| 1. | Mr. Neeraj Verma, AGM, NABARD |
| 2. | Mr.Deepa Guha AGM Corporate Planning |
| 3. | Mr.P.Nayak (DGM) Corporate Planning |
| MINISTRY OF RURAL DEVELOPMENT LUCKNOW | |
| 1. | Mr. K.K. Sinha Principle Secretary, Rural Development |
| 2. | Mr. S.K. Mina Commissioner,Rural Development |
| 3. | Mr. C.P. Arun Additional Commissioner |
| 4. | Mr. Subash Srivastava Deputy Commissioner |
| 5. | Mr. Chauhan Statistics Assistant |
| MINISTRY OF RURAL DEVELOPMENT,DELHI | |
| 1. | Mr. K.N. Kumar Director |
| 2. | Dr.Amar Singh Joint Secretary |

Annexure – III

DISTRICT LEVEL FOR-NGO

Evaluation on SHGs on Behalf of the Planning Commission, Govt. of India

SCHEDULE –E

STATE _____ DISTRICT _____

1. BRIEF PROFILE OF NGO, (RESPONSIBLE FOR FORMATION & NURSING).

- NAME AND POSTAL ADDRESS

- AREA UNDER WHICH REGISTERED

- YEAR IN WHICH REGISTERED

- MAIN ACTIVITIES OF THE NGO.

- DETAILS OF AVAILABLE INFRASTRUCTURE (INCLUDING MANPOWER).

2. TYPES OF ACTIVITIES ORGANIZED BY NGO.

() FOR SGSY SHGs (UP TO 31.03.2004)

| ACTIVITIES UNDERTAKEN BY NGO | 2000-01 | | 2001-02 | | 2002-03 | | 2003-04 | | CUMULATIVE TOTAL TILL 2005-2006 | |
|--|---------|----------------------|---------|----------------------|---------|----------------------|---------|----------------------|---------------------------------|----------------------|
| | NO. | MEMBERS COVERED (No) | NO. | MEMBERS COVERED (No) | NO. | MEMBERS COVERED (No) | NO. | MEMBERS COVERED (No) | NO. | MEMBERS COVERED (No) |
| SHG FORMATION | | | | | | | | | | |
| MANAGERIAL TRAINING | | | | | | | | | | |
| SKILL DEVELOPMENT TRAINING | | | | | | | | | | |
| AWARENESS TRAINING PROGRAMME | | | | | | | | | | |
| MARKETING INFRASTRUCTURE DEVELOPMENT PROGRAMME | | | | | | | | | | |
| OTHER ACTIVITIES (SPECIFY) | | | | | | | | | | |

(B) FOR SHGs UNDER NABARD GUIDELINES

| ACTIVITIES | 2000-01 | | 2001-02 | | 2002-03 | | 2003-04 | | CUMULATIVE TOTAL TILL 2005-2006 | |
|--|---------|----------------------|---------|----------------------|---------|----------------------|---------|----------------------|---------------------------------|----------------------|
| | No. | MEMBERS COVERED (No) | No. | MEMBERS COVERED (No) | No. | MEMBERS COVERED (No) | No. | MEMBERS COVERED (No) | No. | MEMBERS COVERED (No) |
| SHG FORMATION | | | | | | | | | | |
| MANAGERIAL TRAINING | | | | | | | | | | |
| SKILL DEVELOPMENT TRAINING | | | | | | | | | | |
| AWARENESS TRAINING PROGRAMME | | | | | | | | | | |
| MARKETING INFRASTRUCTURE DEVELOPMENT PROGRAMME | | | | | | | | | | |
| OTHER ACTIVITIES (SPECIFY) | | | | | | | | | | |

3. WHAT ARE THE DIFFERENT TYPES OF CONSTRAINTS/PROBLEMS (USUALLY FACED & BEING FACED) WHICH SLOW DOWN THE PROGRESS AND EFFECTIVE IMPLEMENTATION OF SHGs SPONSORED BY DRDA/UNDER NABARD GUIDELINE IN THE DISTRICT.

| AREAS | SHGs UNDER SGSY | SHGs UNDER NABARD GUIDELINES |
|--|-----------------|------------------------------|
| RELATING TO THE VILLAGERS, WHERE SHGs ARE FORMED | | |
| RELATING TO SHGs | | |
| RELATING TO SHGs MEMBERS. | | |
| RELATING OPERATIONAL POLICIES OF THE STATE AND CENTRE LEVEL IMPLEMENTING AUTHORITIES OF THE SHG PROGRAMME | | |
| RELATING TO BANKS. | | |
| RELATING TO OTHER FINANCIAL SUPPORT TO SHG. | | |
| OTHERS | | |

4. SUGGESTIONS TO IMPROVE THE FUNCTIONING OF SHG TO BECOME EFFECTIVE INSTRUMENT OF SOCIO-ECONOMIC CHANGE (ATTACH MORE PAGES IF YOU WISH).

| AREAS | SHGs UNDER SGSY | SHGs UNDER NABARD GUIDELINES |
|--|-----------------|------------------------------|
| RELATING TO VILLAGERS | | |
| RELATING TO SHGs | | |
| RELATING TO SHGs MEMBER. | | |
| RELATING TO OPERATIONAL POLICIES OF THE PROGRAMME | | |
| RELATING TO BANKS. | | |
| RELATING TO FINANCIAL SUPPORT TO SHGs. | | |
| OTHERS | | |

5. NGOs OBSERVATION ON THE IMPACT OF SHGs.

| ON SHGs MEMBERS | ON COMMUNITY AS A WHOLE |
|-----------------|-------------------------|
| 1. | 1. |
| 2. | 2. |
| 3. | 3. |

DISTRICT LEVEL

**Evaluation on SHGs on Behalf of the Planning Commission,
Govt. of India**

Schedule-F

For Banks

**UP-TO-DATE INFORMATION WITH RESPECT TO ALL SHGs FORMED IN DISTRICT OF
STATE AS ON DATE 31.03.2004**

1. BANK INFRASTRUCTURE DETAILS OF DISTRICT AS ON 31.03.2004

| NAME OF BANK | NO. OF BRANCH OF THE BANK IN THE DISTRICT | NO. OF BRANCHES PARTICIPATING IN SHG LINKAGES |
|---------------------|--|--|
| | | |

**2. A. DETAILS OF SHGs FORMED UNDER SGSY GUIDLINES IN RESPECT OF THEIR BANKING OPERATIONS
AS ON 31.03.2004**

| NATURE OF SHGs | No. OF SHGs | No. OF MEMBERS | No. OF SHGs LINKED TO BANKS | AMOUNT OF SAVINGS MOBILIZED (CUMULATIVE) (Rs) | AMOUNT OF BANK LOANS AVAILED (CUMULATIVE RS. IN LAKH) | No. OF SHGs WHICH AVAILED LOANS | STATUS OF LOAN REPAYMENT OF SHGs | | | |
|-----------------------|--------------------|-----------------------|------------------------------------|--|--|--|---|--------------------------|---|--|
| | | | | | | | REGULAR (Nos.) | *IRREGULAR (Nos.) | *COMPLETELY STOPPED REPAYMENT (DEFUNCT) (Nos.) | AMOUNT OF LOAN BLOCKED WITH DEFUNCT SHGs. |
| ALL MALE | | | | | | | | | | |
| ALL WOMEN | | | | | | | | | | |

| | | | | | | | | | | |
|--------------|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | | |
| MIXED | | | | | | | | | | |

***REASONS FOR LOAN IRREGULARITY**

(I)

(VII)

(II)

(VIII)

(III)

(IV)

(V)

(VI)

(3) COMMENTS ON DIFFERENT TYPES OF CONSTRAINTS, PROBLEMS CHALLENGES WHICH SLOW DOWN THE PROGRESS & EFFECTIVE IMPLEMENTATION OF SHG PROGRAMMS IN THE DISTRICT.

| FOR SHGs UNDER SGSY | FOR SHGs OPERATED UNDER NABARD GUIDELINES |
|---------------------|---|
| | |

4. Your suggestions to improve the functioning of SHGs as an instrument of socio- economic change.

(a) RELATING TO NGOS. WHO PARTICIPATE IN SHG FORMATION & NURSING.

(b) RELATING TO VILLAGERS WHERE SHGs ARE FORMED.

(c) RELATING TO SHGs.

(d) RELATING TO SHGs MEMBER.

(e) RELATING TO OPERATIONAL POLICIES OF THE STATE/CENTRE LEVEL IMPLEMENTING AUTHORITIES OF THE SHG PROGRAMME.

(f) RELATING TO BANKS.

(g) RELATING TO FINANCIAL SUPPORT TO SHGs.

(h) OTHERS

Evaluation of SHGs on Behalf of the Planning Commission, Govt. of India

Schedule -H

SCHEDULE FOR SHG

STATE..... DISTRICT.....BLOCK.....

A1. NAME OF YOUR SHG DATE OF FORMATION AGE OF SHG ON 31.03.2004

2. NATURE OF SHG: ALL MALE/ ALL WOMEN / MIXED

3. OPERATING UNDER THE GUIDELINES OF : SGSY/NABARD

4. NAME OF THE ORGANISATION INVOLVED IN FORMATION & NURSING.....NGOs/BANKS.....FARMERS CLUB.....SHPI/COMMUNITY COORDINATORS/ANIMATORS/OTHERS (WRITE NAME)

B.

1. PRESENT AGE OF THE SHG AS ON 31.03.2004:MONTHS

2. DATE OF LINKAGE WITH FINANCIAL INSTITUTIONNAME OF THE FINANCIAL INSTITUTION
.....

3. DAIL OF THE SHG MEMBERS AT THE TIME OF GROUP FORMATION

| CASTE AND ECONOMIC CATEGORY OF MEMBER | | AT THE TIME OF GROUP FORMATION (Nos) | | AS ON 31.03.2004 (Nos.) | |
|---------------------------------------|---------------------|--------------------------------------|--------|-------------------------|--------|
| | | MALE | FEMALE | MALE | FEMALE |
| A | SC | | | | |
| | ST | | | | |
| | OBC | | | | |
| | GENERAL | | | | |
| | TOTAL | | | | |
| B | BPL | | | | |
| | APL | | | | |
| | TOTAL | | | | |
| C | AGRICULTURAL LABOUR | | | | |
| | MARGINAL FARMER | | | | |
| | SMALL FARMER | | | | |
| | BUSINESS COMMUNITY | | | | |
| | ARTISANS | | | | |
| | TOTAL | | | | |

4. PLEASE INDICATE WHETHER THE FOLLOWING DOCUMENTATION IS THERE WITH THE GROUP? WHETHER THESE ARE USED? WHO USES THEM?

| SL. No. | DOCUMENTS/MATERIAL | AVAILABLE WITH GROUP | | IN USE | | MAINTAINED BY | | |
|---------|-----------------------------|----------------------|----|--------|----|---------------|-------------------|--------------------|
| | | YES | NO | YES | NO | SHG MEMBERS | OTHERS ON PAYMENT | NGOs FIELD WORKERS |
| I. | MEETING/PROCEEDING REGISTER | | | | | | | |
| II. | CASH BOOK | | | | | | | |
| III. | SAVING CUM LOAN REGISTERS | | | | | | | |
| IV. | MEMBERS PASS BOOKS | | | | | | | |
| V. | CASH BOOK | | | | | | | |
| VI. | ATTENDANCE REGISTER | | | | | | | |
| VII. | BANK PASS BOOK | | | | | | | |
| VIII. | GENERAL LEDGER | | | | | | | |
| IX. | OTHERS (NAME) | | | | | | | |

5. WHAT IS THE FREQUENCY OF MEETING OF YOUR SHG (✓)?

| | | | | | | | |
|--------|--|-------------|--|---------|--|-----------|--|
| WEEKLY | | FORTNIGHTLY | | MONTHLY | | IRREGULAR | |
|--------|--|-------------|--|---------|--|-----------|--|

- NUMBER OF MEETINGS HELD DURING THE LAST ONE YEAR _____ (Nos.)
- NUMBER OF MEETINGS NOT ATTENDED BY THE NGO FIELD WORKER DURING THE LAST ONE YEAR. _____
- AVERAGE ATTENDANCE OF MEMBERS IN THE MEETINGS. _____
- ACTION TAKEN TO IMPROVE ATTENDANCE OF MEMBERS IN THE MEETINGS _____

(A) IS EACH MEMBER SAVING THE SAME AMOUNT EVERY MONTH? YES/NO

(B) IF 'YES' WHAT AMOUNT IS SAVED BY EACH MEMBER EVERY MONTH.....YES/NO

(C) IF 'NO' WHAT IS THE LOWEST AND THE HIGHEST MONTHLY SAVING BY THE MEMBER

LOWEST PER MEMBER PER MONTH RS.....

HIGHEST PER MEMBER PER MONTH RS.

(I) A. IS YOUR GROUP INVOLVED IN INTER-LOANING?

YES

NO

B. IF YES THEN, AMOUNT OF INTER-LOANING MADE DURING THE LAST ONE YEAR?

RS.....

C. WHAT IS THE RATE OF INTEREST YOUR GROUP IS CHARGING TO THE MEMBERS ?

.....%

D. FOR THE INTER LOANING, WHAT IS THE STATUS OF LOAN REPAYMENT BY THE MEMBERS?

REGULAR ...%

IRREGULAR %

COMPLETELY STOPPED.....%

6 (A). HOW HAVE IGAS BEEN UNDERTAKEN BY YOUR SHG PLEASE (✓) MARK

- (I) ON GROUP BASIS ONLY(II) ON INDIVIDUAL MEMBER BASIS ONLY
 (III) ON GROUP BASIS & INDIVIDUAL BASIS

(B). PLEASE GIVE THE FOLLOWING DETAILS ABOUT THE IGAS UNDERTAKEN BY YOUR SHG.

| UNDER INDIVIDUAL LOANING TO SHG MEMBER | UNDER GROUP LOANING TO SHG | |
|---|--|---|
| NAMES OF IGAS TAKEN BY INDIVIDUAL MEMBERS | NAMES OF IGAS AS SINGLE GROUP ACTIVITY | NAME OF IGAS AS MULTIPLE GROUP ACTIVITY |
| | | |
| | | |
| | | |
| | | |

(C). IF 'YES', PLEASE NAME THE IGAS UNDERTAKEN UNDER ACTIVITY CLUSTER APPROACH.

- 1
- 2
- 3
- 4
- 5

7. (I) DID YOUR SHG TAKE UP ANY GOVT SPONSORED DEVELOPMENT PROGRAMME DURING THE LAST ONE YEAR FOR THE BENEFIT TO YOUR MEMBERS / COMMUNITY TOWARDS THE CONCEPT & CONVERGENCE (LIKE SANITATION, DRINKING WATER, RURAL HOUSING, ROADS, IRRIGATION E.T.C)

Yes/No

(II) IF 'YES' PLEASE GIVE THEIR NAMES.

- (A)
- (B)
- (C)
- (D)

8. (A) HAS YOUR SHG DEVELOPED FUTURE PLANS FOR THE COMING YEARS TO BRING OVERALL IMPROVEMENT OF YOUR MEMBERS/ COMMUNITY ?

Yes/No

(B) IF 'YES' WHAT IS THE PLAN ?

(I) PLAN FOR IMPROVING INCOME LEVEL

(II) PLAN FOR DEVELOPING MARKETING INFRASTRUCTURE

(III) PLAN FOR IMPROVING HEALTH/ SANITARY CONDITIONS/ ROADS & COMMUNICATION

(III.) PLAN FOR EDUCATION AND ADULT LITERACY.

(V) PLAN FOR WOMEN & FEMALE CHILDREN'S HEALTH AND EDUCATIONAL ETC.

(VI) OTHERS

9. (A) WHAT ARE THE CONSTRAINTS FACED BY THE SHG FOR ITS FUNCTIONING

- (i) ABOUT FORMATION OF SHG.....**
.....
- (ii) DRDA FINANCIAL HELP.....**

- (iii) GOVERNMENT POLICIES ON SHGs.
- (iv) NABARD SUPPORT
- (v) CREDIT SUPPORT BY BANK
- (vi) MARKETING SUPPORT
- (vii) COMMUNITY DEVELOPMENT SCHEME
- (viii) LOAN REPAYMENT
- (ix) CAPITAL BUILDING ETC.
- (x) OTHERS (SPECIFY)

10. WHAT ARE THE SUGGESTIONS OF THE SHG MEMBERS TO MAKE THE SHG A SUSTAINING ENTITY SO THAT IT MAY CONTINUE TO CONTRIBUTE EFFECTIVELY FOR THE SOCIO ECONOMIC DEVELOPMENT OF ITS MEMBERS AND THE LOCAL COMMUNITY

(A). HAS THE NGO ASSOCIATED WITH THE FORMATION & NURSING OF YOUR SHG WITHDRAWN?

Yes/No

(B) IF 'YES' SINCE WHEN?.....

(C) COMPARATIVE SITUATION OF SHG BEFORE AND AFTER WITHDRAWAL OF THE SUPPORTING NGO AGENCY.

12 (A) HAS YOUR GROUP TAKEN UP ANY SPECIFIC MICRO-ENTERPRISE BY NOW ON GROUP BASIS? Yes/No

B. IF 'YES' PLEASE INDICATE

- (I) NATURE OF MICROENTERPRISES-----
- (II) DURATION OF THE MICROENTERPRISES-----

(D) HOW ARE YOUR MEMBERS SHARING THE FOLLOWINGS?

(i) PROFIT (ii) LOSS

(E) WHAT IS THE EXTENT OF SATISFACTION OF THE GROUP MEMBER WITH THE MICRO-ENTERPRISE

FULLY SATISFIED SATISFIED NEITHER SATISFIED/NOR DISSATISFIED

NOT MUCH SATISFIED NOT AT ALL SATISFIED

(F) WHAT IS THE ANNUAL INCOME FROM THE MICROENTERPRISE? Rs.

(G) WHAT IS THE EXTENT OF SATISFACTION WITH THE MONTHLY RETURN/INCOME FROM THE MICRO-ENTERPRISE?

MORE THAN EXPECTED AS PER EXPECTATION

BELOW EXPECTATION MUCH BELOW EXPECTATION

(H) WHAT STEPS WERE FOLLOWED FOR THE ADOPTION OF THE MICRO-ENTERPRISE BY THE SHG.

| STEPS | WHO DID OR HELPED* |
|---|--------------------|
| (I) IDENTIFICATION OF MICRO-ENTERPRISES | |

| | |
|---|--|
| (II) IDENTIFICATION OF TRAINING NEEDS TO TAKE UP THE ENTERPRISE | |
| (III) MEETING THE TRAINING NEEDS | |
| (IV) ARRANGE OF CREDIT SUPPORT TO HELP TAKING UP MICRO-ENTERPRISE | |
| (V) ARRANGING AVAILABILITY OF RESOURCE INPUTS. | |
| (VI) MARKETING OF PRODUCTS/PRODUCE | |
| (VII) MAINTAINING THE RECORDS OF SALE PURCHASE BANKING/CASH TRANSACTION E.T.C | |
| (VIII) MAINTAINING THE RECORDS OF SALES/PURCHASES ETC. | |

*WRITE THE NAMES OF ORGANISATIONS LIKE BANKS DRDA, NABARD, NGO, SHG MEMBERS THEMSELVES, ETC AS APPLICABLE.

Evaluation of SHGs on Behalf of the Planning Commission, Govt. of India
SCHEDULE –G

SCHEDULE FOR SHG MEMBERS

STATE :

DISTRICT:

NAME OF SHG :

TYPE OF SHG : MALE/ WOMEN/ MIXED

NAME OF RESPONDENT /MEMBER :

1. DURATION OF MEMBERSHIP WITH SHG :-----MONTHS

2. MARITAL STATUS OF THE RESPONDENT.

I. UNMARRIED

II. MARRIED

III. WIDOWED

IV. DIVORCED/SEPARATED

3. EDUCATIONAL LEVELS OF THE RESPONDENT.

I. LITERATES

II. NEO-LITERATES

III. PRIMARY

IV. UPPER PRIMARY

V. HIGH

VI. COLLEGE

4. CASTE/SOCIAL COMPOSITION OF THE RESPONDENT

**I. SCHEDULED TRIBES
MINORITIES**

II. SCHEDULED CASTES

III. BACKWARD CASTES

V. FORWARD CATEGORY III.

5. PRIMARY OCCUPATION OF THE RESPONDENT AS OF NOW.

| | | | |
|------------------------------|--------------------------------|------------------------------|---------------------------------|
| 1. AGRICULTURE | 2. AG. LABOUR | 3. FOREST LABOURERS | 4. LEATHER WORKERS |
| 5. INDUSTRIAL LABOURS | 6. CONSTRUCTION WORKERS | 7. MAT WEAVING | 8. WASHER WOMEN |
| 9. DAIRYING | 10. SERICULTURE | 11. SEASONAL BUSINESS | 12. BLACKSMITH/IRONSMITH |
| 13. PETTY BUSINESS | 14. SMALL ENTERPRISE | 15. WEAVING | 16. JOB-PRIVATE/GOVT. |
| 17. CARPENTRY | 18. BEEDI MAKING | 19. BASKET MAKING | 20. BARBER |
| 21. OTHER (SPECIFY) | | | |

6. LANDHOLDINGS OF THE RESPONDENT

| | | |
|------------------------------------|----------------------------------|-------------------------------------|
| 1. LANDLESS | 2. MEDIUM (5 TO 10 ACRES) | 3. VERY LARGE (>25 ACRES) |
| 4. MARGINAL (<2.5 ACRES) | 5. LARGE (10 TO 25 ACRES) | 6. SMALL (2.5 TO 5 ACRES) |

7. HOW MANY SUCH TRAINING PROGRAMMES DID YOU ATTEND DURING THE LAST ONE YEAR (MENTION NAME OF PROGRAMME) ?

1.

2.

3.

- (a) **HIGHLY SATISFIED** (B) **SATISFIED** (C) **NEITHER SATISFIED NOR**
DISSATISFIED
 (b) **NOT MUCH SATISFIED** (E) **NOT AT ALL SATISFIED**

8. WHERE YOU SATISFIED WITH THE QUALITY OF TRAINING PROGRAMMES? :

- (A) **HIGHLY SATISFIED** (B) **SATISFIED** (C) **NEITHER SATISFIED NOR**
DISSATISFIED
 (D) **NOT MUCH SATISFIED** (E) **NOT AT ALL SATISFIED**

9. NORMALLY AT WHAT INTERVAL ARE THE OFFICE BEARERS OF YOUR SHG CHANGED--

- (A) **ONCE A YEAR** (B) **ONCE IN TWO YEARS** (C) **SAME GROUP CONTINUES FOR YEARS.**

10. HOW MANY SHG MEETINGS DID YOU NOT ATTEND DURING THE LAST ONE YEAR?

----- Nos.

11. (A) DID YOU AVAIL LOANS FROM SHG ?

Yes/No

(B) IF 'YES' PROVIDE THE FOLLOWING INFORMATION:

| PURPOSES | WHEN THE LOAN WAS TAKEN | AMOUNT OF LOAN TAKEN (RS) | RATE OF INTEREST | COLLATERAL SECURITY OFFERED | REPAYMENT | | |
|-----------------------------|-------------------------|---------------------------|------------------|-----------------------------|-----------|-----------|-------------------|
| | | | | | REGULAR | IRREGULAR | STOPPED REPAYMENT |
| A. CONSUMPTION | | | | | | | |
| REPAYMENT OF EARLIER DEBT | | | | | | | |
| MEDICAL TREATMENT | | | | | | | |
| EDUCATION OF CHILDREN | | | | | | | |
| HOUSE REPAIR/ CONSTRUCTION | | | | | | | |
| DAUGHTER MARRIAGE | | | | | | | |
| PURCHASE OF FOOD MATERIAL | | | | | | | |
| B. IGAS | | | | | | | |
| PURCHASE OF DAIRY ANIMALS | | | | | | | |
| PURCHASE OF SHEEP/GOAT/PIGS | | | | | | | |
| CROP PRODUCTION | | | | | | | |
| BUSINESS AND TRADE | | | | | | | |
| OTHERS (SPECIFY) | | | | | | | |

(C) DO YOU FEEL THAT THE LOAN AMOUNT SANCTIONED TO YOU WAS SUFFICIENT TO MEET YOUR REQUIREMENT?

(I) FULLY ADEQUATE (II) MANAGEABLE ADEQUATE (III) INADEQUATE (IV) FULLY INADEQUATE

(D) NORMALLY AFTER HOW MANY DAYS OF REQUEST FOR A LOAN DID YOU ACTUALLY GET THE LOAN FROM SHG?

----- DAYS

12. WHAT IS THE IMPACT OF SHG ON YOUR PERSONAL/FAMILY ASSETS?

| ASSETS | BEFORE FORMING SHG (NOS.) | AFTER FORMING SHG (NOS.) |
|--|---------------------------|--------------------------|
| 1. AGRIL. IMPLEMENTS (NOS.) | | |
| 2. DAIRY ANIMALS (NOS.) | | |
| 3. BULLOCKS (NOS.) | | |
| 4. BORE-WELL (NOS.) | | |
| 5. INSTALLATION OF HAND PUMP FOR DRINKING WATER (NOS.) | | |
| 6. TELEPHONE | | |
| 7. MOBILE PHONE | | |
| 8. T.V. (COLOUR) NOS. | | |
| 9. T.V. BLACK & WHITE | | |
| 10. MOTOR CYCLE (NOS.) | | |
| 11. BICYCLE (NOS.) | | |
| 12. CHAIRS (NOS.) | | |
| 13. TABLES (NOS.) | | |
| 14. ELECTRIC FAN (NOS.) | | |
| 15. BULLOCK CARTS (NOS.) | | |
| 16. OTHERS (SPECIFY) | | |

13. WHAT IS YOUR PLAN FOR FUTURE.(IF ANY)

A. FOR EDUCATION OF YOUR CHILDREN

B. FOR INCREASING FAMILY INCOME.

C. FOR IMPROVING HEALTH/SANITARY CONDITION OF YOUR FAMILY

D. FOR BUYING HOUSE FURNITURE ETC.

(E) OTHER (SPECIFY)

14. HOW HAPPY ARE YOU WITH THE FUNCTIONING OF YOUR SHG.

(A) VERY HAPPY

(B) HAPPY

(C) NOT HAPPY AT ALL

15. WHAT ARE YOUR SUGGESTIONS TO IMPROVE FUNCTIONING OF YOUR SHG.

16 A. HAVE YOU STARTED YOUR OWN MICRO ENTERPRISE BY AVAILING LOAN FROM YOUR SHG?

YES/ NO

B. IF YES " PLEASE INDICATE"

(I) NATURE OF THE MICROENTERPRISE-----

(II) DURATION OF MICROENTERPRISE----- MONTH

(III) CAPITAL INVESTMENT IN THE MICROENTERPRISE Rs.

.....

17. WHAT IS THE EXTENT OF YOUR SATISFACTION WITH THE MICROENTERPRISES –

(A) NEITHER SATISFIED NOR DISSATISFIED

(B) NOT SATISFIED

(C) NOT AT ALL SATISFIED

18. WHAT IS YOUR ANNUAL INCOME FROM YOUR MICROENTERPRISE Rs. PER YEAR

19. (a) Are you a partner in any microenterprise taken by your SHG on group basis? Yes/No

b. If 'yes' please give the following details

| Names of persons engaged in the activity (yourself or your family members) | Nature of work being undertaken |
|--|---------------------------------|
| | |
| | |
| | |
| | |
| | |
| | |
| | |

(c). What are your personal views about the group level micro enterprise undertaken by your SHGs. (Make atleast three statements)

District Level

Evaluation of SHGs on Behalf of the Planning Commission, Govt. of India

SCHEDULE -D

AGM NABARD OFFICE

INFORMATION WITH RESPECT TO ALL SHGs FORMED INDISTRICT OF
STATE

1. KINDLY FURNISH YEAR WISE DETAILS OF SHGs PROMOTED UNDER NABARD GUIDELINES IN
THE DISTRICT.

| YEAR UPTO | NO. OF SHGs CUMULATIVE | | | | NO. OF MEMBERS OF THE SHGs (CUMULATIVE) | | | |
|-----------|------------------------|------------|------------|-----------|---|------------|------------|-----------|
| | MALE SHGs | WOMEN SHGs | MIXED SHGs | TOTAL SHG | MALE SHGs | WOMEN SHGs | MIXED SHGs | TOTAL SHG |
| 2001-2002 | | | | | | | | |
| 2002-2003 | | | | | | | | |
| 2003-2004 | | | | | | | | |
| 2004-2005 | | | | | | | | |
| 2005-2006 | | | | | | | | |

2. KINDLY FURNISH PERFORMANCE DETAILS OF SHGs FORMED UNDER NABARD GUIDELINES IN THE DISTRICT (CUMULATIVE TOTAL)

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | |
|---------|-----------------|-------------------------|-------------------------------|---------------------------------------|--|--------------------------------------|----------------------------------|---------------|
| | | | | | | | STATUS OF LOAN REPAYMENT BY SHGs | |
| YEAR | TOTAL SHGs (No) | TOTAL NO OF SHG MEMBERS | TOTAL OF SHGs LINKED TO BANKS | TOTAL AMOUNT OF SAVING MOBILIZED (Rs) | TOTAL AMOUNT OF BANK LOAN AVAILED (Rs) | TOTAL NABARD REFINANCE TO BANK (Rs.) | REGULAR (%) | IRREGULAR (%) |
| 2001-02 | | | | | | | | |
| 2002-03 | | | | | | | | |
| 2003-04 | | | | | | | | |
| 2004-05 | | | | | | | | |
| 2005-06 | | | | | | | | |

4. WHAT ARE YOUR SUGGESTIONS TO HELP SHGs BECOME SELF-SUSTAINING ENTITIES TO CONTRIBUTE TOWARDS SOCIO-ECONOMIC DEVELOPMENT IN RURAL AREAS?

5. WHAT ARE THE DIFFERENT TYPES OF CONSTRAINTS/PROBLEMS (USUALLY FACED & BEING FACED) WHICH SLOW DOWN THE PROGRESS AND EFFECTIVE IMPLEMENTATION OF SHGs SPONSORED BY NABARD IN THE DISTRICT.

a) Relating to NGOs who participate in the process of formation and nursing of SHGs.

b) **RELATING TO THE VILLAGERS, WHERE SHGs ARE FORMED.**

c) **RELATING TO SHGs**

d) **RELATING TO SHGs MEMBERS.**

e) **RELATING TO OPERATIONAL POLICIES OF THE STATE AND CENTRE LEVEL IMPLEMENTING AUTHORITIES OF THE SHG PROGRAMME**

f) **RELATING TO BANKS.**

g) **RELATING TO OTHER FINANCIAL SUPPORT TO SHG.**

h) OTHERS

6. WHAT ARE YOUR SUGGESTIONS TO IMPROVE THE FUNCTIONING OF SHGs AS AN INSTRUMENT OF SOCIO-ECONOMIC CHANGE?

(a) Relating to NGOs.

(b) RELATING TO VILLAGERS WHERE SHGs ARE FORMED.

(c) RELATING TO SHGs.

(d) RELATING TO SHGs MEMBER.

(E) RELATING TO OPERATIONAL POLICIES OF THE STATE/CENTRE LEVEL IMPLEMENTING AUTHORITIES OF THE SHG PROGRAMME.

(F) RELATING TO BANKS.

(G) RELATING TO FINANCIAL SUPPORT TO SHGs.

(H) OTHERS

7.YOUR OBSERVATION ON THE IMPACT OF SHGs.

| ON SHGs MEMBERS | ON COMMUNITY AS A WHOLE |
|------------------------|--------------------------------|
| | |

DISTRICT LEVEL

Evaluation of SHGs on Behalf of the Planning Commission, Govt. of India

SCHEDULE-C

FOR DRDA

INFORMATION WITH RESPECT TO ALL SHGs FORMED IN THE DISTRICT OF OF STATE
.....

**1. YEAR WISE DETAILS OF SHGs PROMOTED BY DRDA IN THE DISTRICT UNDER
SGSY GUIDELINES.**

| YEAR UPTO | NO. OF SHGs (CUMULATIVE) | | | | NO. OF MEMBERS OF THE SHGs (CUMULATIVE) | | | |
|-----------|--------------------------|---------------|------------------------|---------------|--|-------------------|---------------|------------------|
| | MALE SHGs | WOMEN SHGs | MIXED SHGs TOTAL | TOTAL SHGs | MAL E SHG S | WOME N SHGs | MIXED SHGs | TOTAL MEMBERS |
| 2001-2002 | | | | | | | | |
| 2002-2003 | | | | | | | | |
| 2003-2004 | | | | | | | | |
| 2004-2005 | | | | | | | | |
| 2005-2006 | | | | | | | | |

2. KINDLY FURNISH PERFORMANCE DETAILS OF SHGS FORMED UNDER SGSY GUIDELINES IN THE DISTRICT (CUMULATIVE TOTAL)

| YEAR UPTO | TOTAL SHGS (no) | TOTAL SHGS MEMBERS (no) | TOTAL AMOUNT OF SAVINGS MOBILIZED (RS.) | TOTAL SHGS LINKED TO BANKS (No) | TOTAL AMOUNT OF BANKS LOAN AVAILABLE (RS) | TOTAL AMOUNT OF SUBSIDY TO CONCERNED BANKS (RS) | TOTAL AMOUNT OF REVOLVING FUND RELEASED (RS) | * STATUS OF LOAN REPAYMENT | |
|-----------|-----------------|-------------------------|---|---------------------------------|---|---|--|----------------------------|---------------|
| | | | | | | | | REGULAR (%) | IRREGULAR (%) |
| 2001-2002 | | | | | | | | | |
| 2002-2003 | | | | | | | | | |
| 2003-2004 | | | | | | | | | |
| 2004-2005 | | | | | | | | | |
| 2005-2006 | | | | | | | | | |

3. WHAT ARE YOUR SUGGESTIONS TO HELP SHGS BECOME SELF SUSTAINING ENTITIES TO CONTRIBUTE TOWARDS SOCIO-ECONOMIC DEVELOPMENT IN RURAL AREAS?

4. WHAT ARE THE DIFFERENT TYPES OF CONSTRAINTS/PROBLEMS (USUALLY FACED & BEING FACED) WHICH SLOW DOWN THE PROGRESS AND EFFECTIVE IMPLEMENTATION OF SHGS SPONSORED BY DRDA IN THE DISTRICT.

(a) RELATING TO NGOS WHO PARTICIPATE IN THE PROCESS OF FORMATION AND NURSING OF SHGS.

(b) RELATING TO THE VILLAGERS, WHERE SHGS ARE FORMED.

(c) RELATING TO SHGS

(d) RELATING TO SHGS MEMBERS.

(e) RELATING TO OPERATIONAL POLICIES OF THE STATE AND CENTRE LEVEL IMPLEMENTING AUTHORITIES OF THE SHG PROGRAMME

(f) RELATING TO BANKS.

(g) RELATING TO OTHER FINANCIAL SUPPORT TO SHG.

(h) OTHERS

5. WHAT ARE YOUR SUGGESTIONS TO IMPROVE THE FUNCTIONING OF SHG AS AN INSTRUMENT OF SOCIO-ECONOMIC CHANGE?

(i) RELATING TO NGOS. WHO PARTICIPATE IN SHG FORMATION & NURSING?

(j) RELATING TO VILLAGERS WHERE SHGs ARE FORMED.

(k) RELATING TO SHGs.

(l) RELATING TO SHGs MEMBER.

(m) RELATING TO OPERATIONAL POLICIES OF THE STATE/CENTRE LEVEL IMPLEMENTING AUTHORITIES OF THE SHG PROGRAMME.

(n) RELATING TO BANKS.

(o) RELATING TO FINANCIAL SUPPORT TO SHGs.

(p) OTHERS

Annexure IV

Selected References

| S.No. | Selected References |
|-------|--|
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| 3. | Sidbi – Dhan Policy Conference - SA-DHAN, 2005 |
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| 5. | SGSY- Central Level Coordination Committee – Hyderabad (GOI) |
| 6. | Rural Non Form Sector – NABARD, GOI |
| 7. | Priodicity sector Lending – Special Programmes – Govt. Of India |
| 8. | Annual Report – NABARD, 2004, GOI |
| 9. | Reserve Bank Of India Policy on Credit Linkage – Govt. of India |
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| 11. | Swam Sahayata Samuh Abhiyan - Aseed, 2000, New Delhi |
| 12. | Banking With SHGs- Why & How - NABARD (GOI) |
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| 14. | State Level Banking Committee (Agenda Notes) – Bank of Baroda, Rajasthan |
| 15. | Swaran Jayanti Gram Swa Rozgar Yogna (Agenda Notes) – bank Of Baroda |
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| 18. | Potential Linked Credit Plan, 2004, Faizabad, Uttar Pradesh |
| 19. | District Credit Plan, 2005, Sirsa, Hariyana |
| 20. | Annual Credit Plan, 2006, Faizabad, Uttar Pradesh |
| 21. | Guideline on SGSY Facilitation, DRDA, Faizabad, Uttar Pradesh |

ANNEXURE-V

INDICATORS OF CATEGORIZATION OF GROUP

| Sl. No. | Indicators | A = Good | B = Average | C = Good |
|----------------|--|--------------------------------------|-------------------------|-----------------------------|
| 1. | Group size | 10- 15 member | 10 member | Less than 10 member |
| 2. | Number of meetings per month | 4 | 2 | 1 |
| 3. | Attendance of members | Above 90% | 70-80 % | Less than 50% |
| 4. | Participation of members in decision making | High | Average | Low |
| 5. | Collection of savings from group members | Regular | Per month | Twice a month |
| 6. | Amount to be saved | Fixed | Fixed | Variable as per convenience |
| 7. | Interest charged on internal Loan | Above 12% | 10-12% | Below 10% |
| 8. | Maintenance of all the books | Regular | Once in 15 days | Whenever time available |
| 9. | Knowledge of the rules of SHGs | Known to all | Known to office bearers | Guided by field workers |
| 10. | Rotation of office bearers | Once a year | Once in a two year | Same for many years |
| 11. | Loan repayment by SHG member to SHG | Above 95% | Up to 70- 90% | Up to 55% |
| 12. | Cohesiveness among members | Highly cohesive | Cohesive | Cohesive |
| 13. | Loan repayment by SHG to bank | 90% | 70-80% | Less than 65% |
| 14. | Amount of deposit of SHG per year | More than 45000/- | 20000-35000/- | Less than 25000 |
| 15. | Convergence of social intervention programme like literacy, hygiene,sanitation,gender issue etc. | More than three programmes in a year | One programme in a year | Nil |

ANNEXURE-VI

Percentage increase in terms of various assets after Availing SHG loan facilities

| SGSY Supported SHGs | | | |
|------------------------------|------------------------------------|---------------------------------------|-----------------------|
| ASSETS | Before availing loan of SHG | After availing loan facilities | Percentage (%) |
| Agr. implements | 2201 | 4256 | 93.36 |
| Dairy animals | 551 | 1199 | 117.64 |
| Bullock cart | 384 | 768 | 100 |
| Bore well | 261 | 492 | 88.50 |
| Hand pump | 159 | 503 | 216.35 |
| T. V/Radio | 28 | 99 | 253.57 |
| Motorcycle | 43 | 114 | 165.11 |
| Telephone/mobile phone | 20 | 55 | 175 |
| Bicycle | 22 | 82 | 272.7 |
| Chair/Table | 230 | 515 | 123.9 |
| Electric fan | 377 | 859 | 127.9 |
| NABARD Supported SHGs | | | |
| Agr. implements | 1314 | 3084 | 134.7 |
| Dairy animals | 452 | 976 | 115.9 |
| Bullock cart | 218 | 488 | 123.8 |
| Bore well | 211 | 458 | 117.06 |
| Hand pump | 196 | 409 | 108.67 |
| T. V/Radio | 57 | 139 | 143.85 |
| Motorcycle | 101 | 279 | 176.2 |
| Telephone/mobile phone | 23 | 53 | 130.4 |
| Bicycle | 18 | 46 | 155.55 |
| Chair/Table | 197 | 459 | 132.9 |
| Electric fan | 700 | 1604 | 129.14 |

ANNEXURE-VII

Percentage increase in terms of various assets after availing SHG loan facilities

| SGSY Supported SHGs | | | | |
|--|---|------------------------------------|---------------------------------------|-----------------------|
| Impact Indicators | | Before availing loan of SHG | After availing loan facilities | Percentage (%) |
| No of days of self employment/ per month | A | 5517 | 9516 | 72.48 |
| No of days of family employment/ per month | B | 3374 | 5840 | 73.1 |
| Land holding (in acres) | C | 266 | 460 | 73 |
| Land under irrigation (in acres) | D | 241 | 432 | 79.2 |
| Land under cultivation (in acres) | E | 228 | 433 | 90 |
| Monthly income (Rupees) | F | 331405 | 521100 | 57.23 |
| No of children going school | G | 768 | 1356 | 76.6 |
| No of children going for wage earning | H | 219 | 570 | 160.27 |
| Bank & Market interaction/year (frequency) | I | 2325 | 3568 | 53.5 |
| Health & sanitation (practices adopted) | J | 1137 | 1833 | 61.21 |
| NABARD Supported SHGs | | | | |
| No of days of self employment/ per month | A | 6181 | 10202 | 65.05 |
| No of days of family employment/ per month | B | 2349 | 3659 | 55.76 |
| Land holding (in acres) | C | 227 | 354 | 56 |
| Land under irrigation (in acres) | D | 197 | 365 | 85.27 |
| Land under cultivation (in acres) | E | 197 | 367 | 86.3 |
| Monthly income (Rupees) | F | 322525 | 506590 | 57.06 |
| No of children going school | G | 874 | 1200 | 37.29 |
| No of children going for wage earning | H | 464 | 879 | 89.4 |
| Bank & Market interaction/year (frequency) | I | 2084 | 2898 | 39.1 |
| Health & sanitation (practices adopted) | J | 1122 | 2043 | 82.08 |