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**MICROFINANCE THROUGH SELF-HELP
GROUPS AND ITS IMPACT
ON SOCIOECONOMIC EMPOWERMENT
OF THE POOR**

A. Swapan Kumar Singha

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A CASE STUDY OF KAMRUP DISTRICT OF ASSAM

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CHAPTER 1

INTRODUCTION TO THE PROBLEM

1.1. INTRODUCTION

After 50 years of economic planning and Governmental efforts to eradicate poverty through various poverty alleviation programmes, 37.3 per cent of the population still live below the poverty line of which as high as 74.2 per cent live in the rural areas (Shanmugam, E, 1999). The growth strategy followed in the 1960s and 1970s assumed that higher rate of economic growth through its 'trickle-down' effect will raise the standard of living of the poor. But experiences have belied the expectation of the policy makers and the poor were by and large bypassed by development impulses. With economic reforms of 1991 leading to privatization and globalization of the economy, intra-personal and intra-regional disparities have tended to widen. It is seen that the market forces are making the rich richer and the poor poorer.

With a view to enabling the poor to cross the poverty line, the Government has initiated a number of anti-poverty programmes since 1997, such as IRDP, DWACRA, TRYSEM, IAY, GKY etc. But, owing to many factors including non-association of grass roots institutions in implementation, the programmes could not yield the expected result. Because of the non-involvement of the grass roots institutions in the process of identification of the poor under the poverty alleviation schemes, many genuine poor do not get selected. Even those who got selected as beneficiaries are imposed schemes without considering their skill and aptitude. As a result the schemes do not yield the expected result. The plans are formulated at the top and imposed on the beneficiaries. In a country like India,

where the socioeconomic structure of each and every community is different, we can hardly expect successful implementation of a programme in every state, district, block and village without the involvement of local institutions. Small wonder 'IRDP became political rather than an economic tool' (Dasgupta, Rajaram, July 1999). The same is true for other poverty alleviation programmes.

Some of the major reasons for the failure of the anti poverty programmes include the following:

1. Wrong identification of beneficiaries resulting from political interference.
2. Administrative bungling.
3. Selection of activities by the officials and not by the beneficiaries leading to mismatch between skills and activities assigned.
4. Politicization of the programmes due to subsidy element.
5. Poor quality of assets.
6. Leakages of fund through malpractices and diversion to consumption.
7. Low loan repayment rate (35-40%).
8. Cumbersome process involved in receiving the benefits.
9. Lack of peoples participation, etc.

1.2. THE PROBLEM

One of the most important reasons for the failure of the Governmental effort to eradicate poverty is low accessibility of credit to the poor. There has been rapid expansion of bank branches after the nationalization of banks in 1969. The Lead Bank Scheme was introduced aiming at making credit available at grassroots level. Again in 1975, Regional Rural Banks were established with the same aim. Under the branch expansion scheme of commercial banks, stress was given on opening new branches in rural and semi-urban areas. There were 1,34,000 rural credit outlets or one outlet for every 4,100 population (Mukharjee, 1999). In spite of rapid expansion of bank branches, the poor have little or no access to formal credit. A World Bank study (1998) found the IRDP to be the only programme having a formal credit component which the poor could avail (Jha, Abhas Kumar, 2000). In conventional banking system, the poor were not regarded as creditworthy, as they cannot provide any physical collateral. Loan under the traditional banking system is collateral oriented. The poor often perceive banks as an alien institution, which is meant to serve the credit requirement of the rich who can provide physical collateral. The poor need small but regular and urgent loans for con-

sumption besides their credit for small investment. The conventional banking system does not cater to these needs of the poor. The banks neither lend small amounts nor entertain loans for consumption. Further, they cannot provide quick loans when needed (Fernandez, 1994). Muhammad Yunus, father of microfinance, rightly remarked, "Poverty is not created by the poor, nor it is sustained by them. The roots of poverty can be found in our institutions, concepts and theoretical frameworks" (Yunus quoted in Das, 1999).

Some of the core issues faced in rural finance in India are as follows:

1. High transaction cost of the bank in financing a large number of small borrowers who need credit frequently in small quantities.
2. High cost involved in providing saving facilities to small, scattered savers in rural areas.
3. The risk involved in providing credit to small borrowers who cannot provide physical collateral.
4. Lack of flexibility to the need of the poor.
5. Lengthy documentation formalities which the illiterate poor cannot observe.
6. Banks do not assess the credit absorption capacity of the poor.
7. Social and physical distance between banks and the poor.
8. Lack of provision for financing consumption requirements of the poor.
9. Inability to differentiate between loan and subsidy by the beneficiaries.
10. Schedule of recovery does not suit the poor borrowers. The schedule of recoveries could be disturbed due to changing situation-not just by natural calamities like flood, draught etc., but also by other unexpected developments, which are not accounted for when the schedule was worked out (Fernandez, 1994).

The result is that the financial services of the conventional banking system have remained inaccessible to majority of the poorer section of the society. So, the poor have to borrow from informal credit sources like professional moneylenders, traders, friends and relatives, etc., who operate outside the legal and regulatory framework of formal banking. The moneylenders and traders charge a very high interest rate. A study has found that 39% of the rural indebted households is served by the informal credit sector (Shanmugam, E, 1999). Informal credit sources have advantages of availability of credit immediately and often without collateral, since the lenders rely on personal knowledge of the borrowers and their circumstances. Due to the exploitative nature of informal credit sources, the poor borrowers can hardly come out of the poverty trap. In such a situation, the poorer section of

population has to sell their labour or sell products at a much cheaper rate than the market rate. The following sequence may illustrate how the poor cannot come out of the poverty trap.

Low income → Low saving → Low investment → Low income generation → Low credit worthiness → Dependence on informal sources of credit for consumption → Debt trap → Low repayment.

The problem does not end here. Women constitute a large number of the poor, unemployed and socially and economically disadvantaged groups in our society. Women are deprived of their economic status, especially in rural areas. The income earned by them through their hard labour help to meet their subsistence. Further, they do not have control over their own income. According to a World Bank study, the women in India do 51% of total conventional and non-conventional work. They form about 33% of the total agricultural labour and 87% of the labour force engaged in dairy and other animal husbandry activities. They shoulder heavier workloads and bear sole responsibility for family welfare and household management. Owing to socioeconomic factors, the mobility of women is restricted. The lesser mobility results in lesser and limited choices for livelihood, skill up gradation, training, technology, market etc. This restricts the options available to women for income generation and development avenues (Gian, T.S, Raji, July 1999). In India, women earn only 10% of income and own 10% of property and wealth of the country (Karmakar, K.G., 1999). In such a male dominated society, it is not surprising that there were hardly any credit schemes designed specifically for rural poor women before 1990. Moreover, since they do not have property rights, the concept of women's share in credit accessibility in their effort of survival was never noted.

During the early eighties it had become clear that the existing credit delivery system in the rural areas (including co-operatives) could not cope with the existing demand. To expect the system to achieve the social objectives of providing credit to the poor and marginal farmers, which require intensive fieldwork in order to identify potential borrowers, advise them and follow up on utilization and recovery in time is unrealistic (Fernandez, 1994).

1.3. A SOLUTION TO THE PROBLEM

An effort has been made to solve the problem by providing an alternative system of banking for the poor. Against the above-mentioned backdrops, microfinance

through self-help groups (SHGs) has been recognized as one of the most promising and effective tools of poverty alleviation in most of the developing countries of the world. The success story of the Grameen Bank of Bangladesh has been an eye opener to many countries of the world. The experience of Grameen Bank proves beyond doubt that the assumption of the traditional banking system of poor being non-bankable and non-credit worthy is false. They are bankable, trustworthy and have saving potential. They are required to be properly guided and monitored by the NGOs or Self-Help Group Promotion Institutions. Prof. Yunus remarked, "Small amount of financial resources does wonder in the life of the borrowers. It immediately opens up the opportunity for the poor to translate their individual unused potential into concrete economic action to create an income flow" (Yunus quoted in Das, 1999).

Self-help group (SHG) is a small group of poor people having a homogeneous social and economic background joining together voluntarily with an intent to carry on savings in a common fund to meet their emergency need and to provide collateral-free loans including consumption loans with terms decided by the group. SHGs are mostly informal groups that relend their pooled savings within the group on rotational or need basis. Since the SHGs were able to mobilize savings from their members who were not expected to have any savings and could recycle effectively the pool savings among their members, they succeed in performing banking services in a cost effective, simple, flexible way at their doorstep and without any default in repayment due to group pressure. The microfinance programme through SHGs has solved many problems, which defied a solution under the formal banking system. They have proved that:

1. Poor have saving potential.
2. The poor are bankable and trustworthy.
3. The transaction cost for savers, borrowers and bankers is very low, and
4. The risk involved in providing credit services to the poor is also very low.

Microfinance is defined as small scale financial services to the people who work in agriculture, fishing and herding; who operate small and micro enterprises, who provide services; who work for wages or commisiion; and other individuals and groups at local levels of dveloping countries both under rural and urban areas (Robinson quoted in Kaladhar, K., 1997). Microfinance can be interpreted in a broader context to contain both microcredit and micro savings, even though microcredit and microfinance has come to be used interchangeably. From the

very definition it can be deduced that the amount of saving and credit is small.

Microcredit has been defined by the Microcredit Summit as "Programmes that provide credit for self-employment and other financial and business services (including savings and technical assistance) to very poor persons (Microcredit summit 1997, Draft Declaration and Plan of Action quoted in Kaladhar, K., 1997). The Summit has accepted the definition of the 'poor' and the 'poorest' determined by Policy Advisory Group (PAG) of the World Bank's consultative Group to Assist the Poorest (CGAP). The PAG defines the poor as those people living below the poverty line as drawn by each country and the poorest as those people in the bottom 50 percent of that group (Shanmugham, E, 1999).

1.4. THE ROLE OF NGOs IN MICROFINANCE INITIATIVE

The Seventh Five-Year Plan document defines the NGO as essentially a non-profit and non-partisan organization. The Eighth Five Year Plan emphasized on peoples' participation and involvement of NGOs in developmental activities of the country. The NGOs have a great role to play in the successful implementation of micro-finance programme. Studies have revealed that NGOs are more successful in implementing welfare and developmental programmes. The reasons behind the success of the NGOs may be cited as follows:

1. NGOs have greater touch with the grassroots bodies and persons contact. They understand the actual socio-economic conditions and needs of the local people.
2. They can adapt themselves to the changing situation and emerging ideas and change their strategy according to the needs.
3. NGOs are dedicated and do work within a time framework.

The role to be played by the NGOs in the successful implementation of microfinance through SHGs can be spelt out as follows.

1. Organizing the poor people into groups.
2. Training and helping them in organizational, managerial and financial matters.
3. Helping them or playing the role of intermediary in accessing credit from formal financial agencies.
4. Channeling the group effort to various developmental activities.
5. Helping them in availing opportunities thus widening the options available for economic betterment, and

6. Helping them to sustain the group effort independently even after the withdrawal of NGO support (Gian, T.S., 1999).

There are broadly three models of SHG-bank linkage in India:

1. NGOs as Self-Help Group Promotion Institutes in which they help in promotion, training and linkage with the bank.
2. NGOs as financial intermediaries in which they not only promote and train the groups but also take the role of financial intermediary between the group and the formal financial agencies, and
3. Banks acting as Self-Help Group Promotion Institutes in which the banks themselves promote, train and provide credit support to the SHGs.

1.5. MICROFINANCE INITIATIVE IN INDIA AND ASSAM

Banking with poor particularly with women through SHGs has been a major concern for some NGOs in some part of India since 1980s. The organizations like Mysore Rehabilitation and Development Agency (MYRADA), SHANTIDAN, Rural Development Trust (RDT) etc., have been providing credit and thrift services to the poor especially women. On the other hand, realizing the gaps in providing credit and thrift services to the poor, in 1988, National Bank for Agriculture and Rural Development (NABARD) sponsored an action research project on MYRADA'S -- Alternative Credit Delivery System. Again in 1989, a wider survey was conducted. Finding an impressive response, NABARD took up the initiative for a policy framework of alternative credit delivery to the poor through self-help groups (SHGs). In 1991, Reserve Bank of India issued a circular to the commercial banks informing the launching of the pilot project establishing linkage of SHGs with banking structure of the nation. NABARD issued the policy guidelines on the pilot project in 1992 and launched the project in the same year.

The microfinance project launched in India tries to cover those people who do not have access to formal credit. They may belong to the following categories- small and marginal farmers, landless agricultural and non-agricultural labourers, artisans and craftsmen, persons involved in small business like vending and hawking.

During 1990's in Assam, many national, state, local NGOs took up microfinance programme in their effort to empower the poor both socially and economically. In most of the cases, NGOs in Assam not only promote, guide, and nurture the

SHGs but also take the role of financial intermediaries. Only a few NGOs took the role of Self Help Group Promotion Institute which work as a catalyst in promoting, nurturing, training and linking the banks with the SHGs.

NABARD has so far sanctioned Rs. 76.1 lakhs to 4 NGOs of Assam as grant and Revolving Fund Assistance (RFA). The grants are given to the NGOs for promoting, monitoring and nurturing or to meet a part of the administrative cost. On the other hand, the RFA is used for providing credit facilities to the SHGs. The four NGOs and the amount sanctioned to them are as follows.

Table 1.1: Cumulative amount of grant and RFA to NGOs in Assam till November 2000 (in Rs.)

Name of the NGOs	Amount of Grant	Amount of RFA	Total
RGVN	784000	4000000	4784000
BRO	800000	1500000	2300000
GRAMIN	437000	---	437000
National Alliance	89000	---	89000
Total	2110000	5500000	7610000

Source: NABARD, Guwahati

Beyond providing refinance to the NGOs, NABARD also provides awareness-training programme at block and district levels in collaboration with banks or local NGOs. District level bankers' meet aim at sensitizing of bank officials. NGOs training programmes (sponsored by NABARD) are conducted to popularise the programme.

North Eastern Development Finance Institute (NEDFi) also launched the micro credit programme in 1999. Till November 2000 NEDFi sanctioned Rs. 16.09 lakhs to four NGOs of Assam.

The NEDFi has also conducted training programmes of chief functionaries of NGOs in collaboration with North Eastern Institute of Bank Management, Guwahati. Microcredit seminars are organized and sponsored at different places of Assam by the financial organization to increase the acceptability of the programme.

Table 1.2: Amount sanctioned by NEDFi to NGOs in Assam till November 2000

Name of the NGO	Amount of credit (in lakhs of Rs.)	Project proposal
Sipajhar Diamond Club and Community Centre, Darang	3.00	Agriculture, agricultural implement, transport
Madhavpur Milan Banijyik Unnayan Samiti, Nalbari	8.09	Petty trade, smal hotels, cane and bamboo handicrafts
Suryodaya Bikash Monoha, Morigaon	1.50	Agricultural, Piggery, weaving, mushroom cultivation
Pub Betbari Social Welfare Samiti, Barpeta	3.50	Agricultural implements
Total	16.09	

Source: NEDFi, Guwahati

With a view to promoting and strengthening the SHG programme, Small Industries Development Bank of India (SIDBI) launched a Microcredit Programme in March 1994. It has financially supported 20 NGOs engaged in micro finance programme in North Eastern Region. The total assistance sanctioned till 31st March, 2000 was Rs. 504.95 lakhs including Rs. 20 lakhs of grant assistance.

CHAPTER 2

RESEARCH METHODOLOGY

2.1. DEFINITIONS

The following definitions are used in the study:

Target group: The target group consists of small and marginal farmers, agricultural labourers, rural artisans, etc, whose annual family income is below the poverty line.

Poverty line: According to the 9th plan, poverty line varies from state to state and it varies from Rs. 13000 to Rs. 19500. In case of Assam, the families whose annual income is less than Rs. 19500 have been taken as poverty line in the study.

Marginal farmers: Farmers with land holding of less than 1 hectare.

Agricultural labourers: A person without any cultivable land other than homestead land and deriving more than 50% of his income from agricultural wages.

Internal loans: The loans provided to group members from the group savings.

External loans: The loans provided by the supporting NGOs.

2.2 STUDY INTENT

The study has been conducted to make an assessment of the microfinance

programmes launched by three sample NGOs namely, Rashtriya Gramin Vikas Nidhi, Gyan Vigyan Samiti Assam and Bosco Reach-Out.

Rashtriya Gramin Vikas Nidhi and Bosco Reach-Out act as financial intermediaries in which the organizations not only promote and train the groups but also take the role of financial intermediary between the groups and the formal financial agencies. The third sample, Gyan Vigyan Samiti Assam's 'Prochesta' is a thrift programme in which the members of the groups are encouraged to save so that in the long run they can avail loans from the pooled saving fund. In this programme the groups are not provided external credit support.

The main objectives of the study are as follows:

1. To ascertain the role of microcredit in promoting income generating activities.
2. To ascertain the role of the SHG programmes in promoting saving habits of the poor.
3. To ascertain the role of SHGs in poverty alleviation.
4. To ascertain the role of the programme in social and economic empowerment of poor in general and women in particular.
5. To make a comparative study of the Programmes launched by the three NGOs.

2.3. HYPOTHESIS OF THE STUDY

The study assumes that microfinance through SHG programme helps empowering the poor in general and the women in particular.

2.4. LIMITATIONS OF THE STUDY

The study has the following limitations:

1. Since most of the SHG members are illiterate, they do not keep a record of their income, production and consumption.
2. Since the fieldwork was done in the months of June-July in an area which was affected by flood, some of the SHGs in inaccessible villages could not be covered.

2.5. METHODOLOGY OF THE STUDY

In this study, both qualitative and quantitative methods of research have been used. Focussed group discussions with SHG members and NGO personnel are held with a view to knowing the problems and the impact of the programme on the beneficiaries. Two structured questionnaires are canvassed to collect the quantitative data.

Universe of the study:

The universe of the study is the SHG members of the three NGOs in Kamrup district of Assam.

Sample frame:

In this study, a two stage sampling method has been used.

1st Stage Sample: In the first stage sampling, 15 SHGs from each NGO are randomly selected.

2nd Stage Sample: In the second stage sampling, three members from each sample SHG are randomly selected for the study.

Thus the total sample consists of 135 members of 45 SHGs.

Questionnaire design:

Keeping in view the objective of the study, one questionnaire each for ascertaining the SHG profile and SHG members' personal profile the prepared. The SHG questionnaire is formulated to investigate the working structure of the groups. The SHG member's personal profile questionnaire is formulated to examine the socio-economic condition of the members and to ascertain the impact of the programme on them.

Sources of data:

a) **Primary Data:** The primary data required for the study are collected by interviewing the members with the help of the prepared questionnaires. Information gathered from unstructured interaction with the NGO personnel constitutes another source of primary data.

b) **Secondary Data:** The existing literature on the issue and the files maintained by the respective organizations are the sources of secondary data.

Data analysis:

The data so collected through primary and secondary sources are manually tabulated and presented in a systematic manner.

CHAPTER 3

A PROFILE OF THE SAMPLE NGOS

This chapter is devoted to bring out the salient features of the sample organizations implementing the microfinance programme and the impact of the programmes.

3.1.1. INTRODUCTION

RGVN, a national NGO support agency was established in 1990. The organization is registered under the Societies Registration Act XXI of 1860 and Section 6(i) of Foreign (Contribution) Regulation Act, 1976. The organization is sponsored by the IFCI, IDBI and NABARD. The organization has its headquarter at Guwahati and is working with many partner NGOs in North Eastern region, Bihar, Uttar Pradesh, Madhya Pradesh and Andhra Pradesh.

The main objectives of the organization are:

1. To promote, support and develop local NGOs engaged in social and economic development of the weaker section of the population.
2. To provide credit support to socially and economically disadvantaged population/groups.

Keeping the objectives in view, RGVN has launched two programmes:

1. Non-Governmental Organization Supporting Programmes (NGOSP) aiming at providing financial support to local NGOs to work for the well-being of the orga-

nizations' target population in their respective target area, and

2. Credit and Saving Programme (CSP).

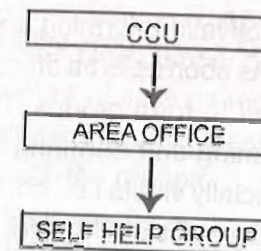
3.1.2. CREDIT AND SAVING PROGRAMME

CSP is basically a microcredit programme. It was launched in 1995 as a pilot project of the organization. The programme is directly implemented by the organization and is handled by a Central Co-ordination Unit (CCU) with its head office at Guwahati. Rashtriya Gramin Vikas Nidhi acts as the financial intermediary in which the organization not only promotes, nurtures and trains the groups but also takes the role of financial intermediary between the group and the formal financial institutions. Encouraged by the success of the programme in Assam, it has been extended to Meghalaya and Orissa.

The organizational structure of the programme is shown in the following figure.

Figure 2.1.1

Organizational Structure of CSP



The Director is the head of the CCU. In every area office, the organization appoints an Area Supervisor and a number of Field Supervisors. The main objectives of the CSP are to:

1. Institutionalize a non-formal banking system in rural areas which would provide credit facilities to the poor under special terms and conditions so as to facilitate them to start income generating economic activities.
2. To cultivate saving culture among the poor to meet their future requirements.
3. To bring together poor people of similar socio-economic background to fight against poverty through self-help effort, and

4. To create a poverty free society.

Inconsonance with the current terminology 'banking with the poor', RGVN's CSP is also an effort to make the target population bankable.

Target Area: The target area consists of areas having little or no accessibility to banks, and other financial institutions and inhabited by poor people or people who despite their poverty have enormous credit absorption capacity.

Target Population: The CSP aims at targeting poor families having a family income of less than Rs. 25,000 per annum (earlier it was Rs. 18,000). The beneficiaries should be within the age limits of 18 to 50 years. Only one member from a family can derive the benefit. The programme is meant for unemployed, marginal and small farmers, agricultural labourers or non-farm wage earners or any other disadvantageously placed groups like rickshaw-pullers, poor fishermen, petty traders, street vendors, artisans etc. When the programme was launched it was meant for both males and females. But as time passed, the programme was confined to women as they were found more bankable and safe.

The area office is responsible for motivation, forming and nurturing the self-help groups known as "Village Groups". As soon as area office is established, the area office staff move to the field in order to form groups. The field supervisors are given the charge of motivation, forming and nurturing of the groups. The area office tries to make their office financially viable i.e., covering all annual expenditure by annual returns and generating sufficient fund for lending.

Village Groups are basically self-help groups composed of not less than 15 members and not more than 20 members. The members are poor, belong to the same sex, and social and economic background. Not more than one member in a group can be from the same family and even it is tried not to form groups among close relatives. The members should be from family owning less than three bighas of cultivable land or with an annual income of less than Rs. 25,000. After formation of the group, the group members are required to meet once a week and deposit the weekly saving of Rs. 5 with the group treasurer who puts the pooled saving with a bank for at least three months at a stress. During these months, the group members come to know each other better. After taking into account the activities (regularity of saving, meeting and seriousness of the group members), about their responsibilities, the area office sanctions loans for different income gener-

ating activities as proposed by the group members. The CSP does not provide consumption loan. The groups are free to take any decisions on activities at the group meeting. The groups elect/select one chief and one treasurer for a term of one year. The byelaws of the village groups are prepared by themselves according to their convenience in consonance with the guidelines of the CSP.

3.1.3 AREA OF OPERATION

As mentioned above the area of operation of RGVN-CSP is Assam, Meghalaya and Orissa. The CSP has 8 area offices and 6 outreaches. The area offices are at Mukalmua (Nalbari, Assam), Matia (Goalpara, Assam), Tikrikilla (West Garo Hills, Meghalaya), Jania (Barpeta, Assam), Bejara (Kamrup, Assam), Morigaon (Morigaon, Assam), Sapatgram (Orissa) and Bhejiput (Orissa). The Matia area office has four outreach at Krishnai, Kaboitori, Lakhipur, Samaria. The Bejiput area office has an outreach at Nachumi while the Jania area office also has an outreach at Kalgasia.

3.1.4. PERFORMANCE OF CSP

The total number of village group formed till 30-9-2000 was 1667. The total female member numbered 28403 and the number of male members was 1045, giving a total 30018. The total amount of savings mobilized from the members was Rs. 1,48,18,100 of which the total amount deposited in CSP was Rs. 1,43,00,213 and the remaining amount is with the groups.

The total amount of loan disbursed was Rs. 10,01,00,800 to 1141 groups. The number of loanees was 19233. The overall loan recovery rate was 91.89%.

The total number of group as on 30-9-2000 in Kamrup district was 222 and the total members were 4288. The total amount of saving raised was Rs. 6,41,031* and the total loan amount sanctioned was Rs. 10,20,000.**

Most of the male groups have become defunct. It has been found that male members of the groups are not good repayers and do not take the programme seriously. So, the organization is presently emphasizing on the development and promotion of female groups.

* The saving data does not include Somoria area office

** The loan data does not include Mukalmua (Kamrup) Area Office

3.1.5. SOCIO-ECONOMIC PROFILE OF THE SAMPLE GROUPS

The groups are organized among themselves motivated by the principle of self-help. The size of the groups range from 15 to 20 members, average being 18. The members of the groups are exclusively women. The group members are from similar socio-economic background. The percentage of women with very poor family income is 35%. 45% per cent of the members are from poor families and 20% is from family owning land for cultivation and doing low paid services with supplementary activities like animal husbandry, poultry, duckery, weaving etc.

Religion of the Members:

So far as religious composition of the members of sample SHGs of RGVN-CSP is concerned, it has been found that of 274 members, 108 constituting 39.42% are Hindus and 166 (60.58%) are Muslims.

Figure 2.1.2: Diagrammatic representation of the religion of the members of the sample SHGs



Age structure of the members:

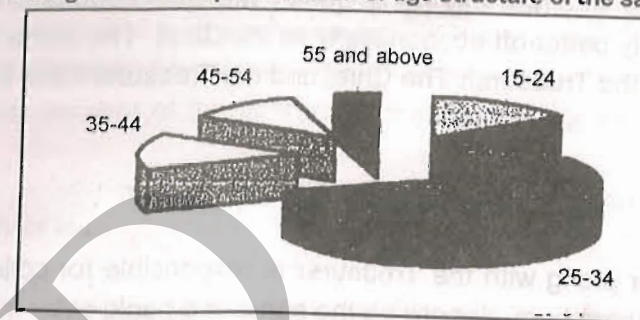
The age structure of the same members is given in table 2.1.1.

Table 2.1.1: Age structure of the members of the sample SHGs

Age Group	Number of members	Percentage
15-24	33	11.68
25-34	123	44.89
35-44	33	30.29
45-54	26	4.49
55 and above	10	3.65
Total	274	100.00

Source: Field Survey

Figure 2.1.3: Diagrammatic representation of age structure of the sample members



It is clear from the table that majority of the members belong to the age group of less than 35.

Educational Attainment:

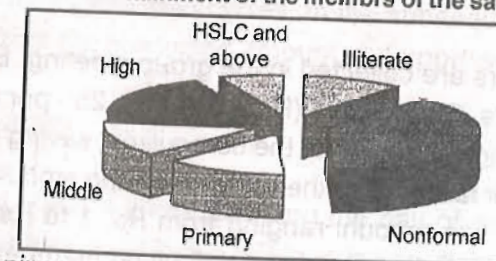
The educational attainment of the sample members is presented in Table 2.1.2. It is obvious from the table that a very high percentage of the members are found having non-formal education.

Table 2.1.2: Educational Attainment of the members of the sample SHGs

Educational Attainment	Literate	Literate					Total	Grand Total
		Non Formal	Primary School	Middle School	High School	HSLC and Above		
Number of Members	29	106	35	37	48	19	245	274
Percentage	10.58	38.69	12.77	13.53	17.53	6.93	89.42	100.00

Source: Field Survey

Figure 2.1.4: Educational attainment of the members of the sample SHGs



Group Functioning:

The group selects one Chief and one Treasurer from among the members. In some cases, the field supervisor helps them to identify/ select the group leader.

They select a member who has leadership quality with some educational attainment or comparatively better off economically as the Chief. The same criteria is followed in selecting the Treasurer. The Chief and the Treasurer have the following functions:

- The group leader has to maintain the documents/ register.
- The group leader along with the Treasurer is responsible for collecting the savings from the members, depositing the same in a bank.

The group meetings are held once a week. According to the convenience of the members, the group fixes a time and day for the meeting, which is attended by the field supervisors. 6 (13.33%) sample groups were found having 100% attendance with rare exception of absence of some members for unavoidable works. 39 (86.67%) groups had less than 100% but more than 75% attendance. 24 (53.33%) groups did not charge any fine on the members for not attending group meetings. On the other hand 21 (46.67%) group charged a fine ranging from Rs. 1 to Rs. 2, if the member could not give satisfactory reason for not attending the meeting. The rate of participation in group discussion ranged from 75% to 100%.

Maintenance of Registers:

All the groups had maintained attendance, savings, minute books, internal (personal) passbook and loan registers. All the groups maintained their registers very well. Since the field supervisors attend the group meetings, they check the registers and help the group leader to maintain them properly.

Group fund:

The savings of the members are collected in the group meeting. Every member has to save an amount of Rs. 5/- per week (Rs. 20/- to Rs. 25/- per month). There is option for voluntary savings in excess of the compulsory saving if any member wishes. In case any member fails to raise the personal saving amount, 12 (26.67%) sample groups charged a fine amount ranging from Rs. 1 to Rs. 2. In case of other groups, the fellow members pay for the defaulting members, which is recovered subsequently. The annual group savings ranged from Rs. 2500 to Rs. 3500. In case of most of the groups, the amount of weekly savings increases with the increase in the loan amount. The group leaders are responsible for keeping accounts of the saving and deposit collections in a bank as group fund. As soon

as the loan repayments start, the group savings is deposited with RGVN CSP on which 9% interest is paid on the savings. If the group saving amount with CSP reaches a sizeable amount, the group members can take loan from it with a unanimous consent of the all the members at an interest rate decided by the group.

Availability of loan:

The groups have provision for both internal and external loans. The groups disburse credit to their members as per decision taken in the group meetings. Internal loans are used not only for investment but also for consumption or to meet any emergency of their members. The rate of interest charged on internal loan ranges from 36% to 120% per annum. The lowest amount of internal loan taken by a member is Rs. 75 and the highest cumulative loan amount is Rs. 275. The repayment rate of the internal loan is 100%.

CSP Credit Support:

Under the programme loans are not provided individually. The group has to submit a joint application after deciding the amount of loan to make available to each member. The applications are to be duly forwarded by the group leaders and recommended by the field supervisors after satisfying themselves with the seriousness of the group members as reflected in regularly attending the meetings, depositing weekly savings and the viability of the schemes. The external loan from RGVN-CSP is meant for income generation activities (IGA) only. Each member receives Rs. 2000 in the first cycle. On repayment of the 1st loan cycle, the groups become eligible for the 2nd loan cycle of Rs. 4000. The same process continues in subsequent loan cycles. In the subsequent cycle, the loan amount gets doubled from the preceding amount, the upper limit being Rs. 15,000.

Repayment of loans:

The repayment starts a week following the day of disbursement of credit. The repayment schedule of RGVN-CSP loan is very tight. Borrowers have to repay the loans in their weekly meetings. The members accept collective responsibility for the repayment of loan. The organization charges 15% flat interest rate. The principal and the interest amount are divided into 50 equal installments to be re-

paid weekly in a year. The repayment starts a week following the day of disbursement of credit. Loan repayment schedule of the borrower-members is described in the following table 2.1.3.

Table 2.1.3: Loan Details

Loan Details		Repayment Details		
Cycle of Loan	Amount	Principal	Interest	Total
First Cycle	Rs. 2000	Rs. 40	Rs. 6	Rs. 46
Second Cycle	Rs. 4000	Rs. 80	Rs. 12	Rs. 92
Third Cycle	Rs. 8000	Rs. 160	Rs. 24	Rs. 184

Source: CCU-RGVN-CSP

Credit is disbursed to all members at a time. Only in Bejara area office, the credit is disbursed to the group members in phases. In the first phase, 3 to 5 members receive the loan. After 2-3 months, taking into account the repayment regularity of the earlier loanees, loan is made available to a fresh batch of members. This system is introduced on the suggestion by the NABARD, Guwahati and implemented only in Bejara area office.

Drop-outs:

There are cases of drop-outs of members in some SHGs. The reasons behind this are found to be as follows:

1. Not taking loan.
2. Husbands not allowign them attend group meetings.
3. Married off to other village, etc.

3.1.6. SOCIO-ECONOMIC PROFILE OF THE SAMPLE MEMBERS

To understand the impact of the programme, we have to analyze the data collected through the second stage sample.

The socio-economic profile of the group members is given by Table 2.1.4, 2.1.5 and 2.1.6.

Age Structure: The age structure of the sample members is tabulated in Table

Table 2.1.4: Age group wise distribution of sample members

Age Group	No. of Members	Percentage
15-24	6	13.33
25-34	18	40.00
35-44	14	31.11
45-54	6	13.33
55 +	1	2.23
Total	45	100.0

Source: Field Survey

Marital Status: The marital status of the sample members is described in Table 2.1.5.

Table 2.1.5: Sample members: Marital status

Marital Status	Numbers of Members	Percentage
Currently married	35	77.78
Never married	7	15.55
Widow	3	6.67
Total	45	100.00

Source: Field Survey

Educational attainment:

The educational attainment of the sample members is described in Table 2.1.6.

Table 2.1.6: Sample members: Educational attainment

Educational Attainment	Illiterate	Literate					Total	Grand Total
		Non Formal	Primary School	Middle School	High School	HSLC and Above		
No. of members	5	10	7	7	8	8	40	45
Percentage	11.11	22.22	15.55	15.55	17.78	17.78	88.89	100.00

Source: Field Survey

As regards the type of houses, only 2 (4.45%) sample member households are found having pucca houses, 5 (11.11%) member households reside in semi-pucca houses and an overwhelming 38 (84.44%) member households reside in kutcha houses. Kerosene is the source of lighting for as high as 65 (144.44%)

household. Only 10 (22.22%) found having electricity connection in their houses. The status of sanitation and hygiene among the sample members is found to be very poor. Only 2 (4.45%) sample members household have sanitary latrines with septic tank. 12 (26.67%) households have low cost sanitary latrines. As many as 31 (68.89%) sample member households are found using open space for defecation.

Land Ownership and Agricultural Production:

Most of the beneficiaries are from the families of landless labourers, marginal farmers, petty traders etc. This is evident from the Table 2.1.7, which gives the distribution of members by their land ownership.

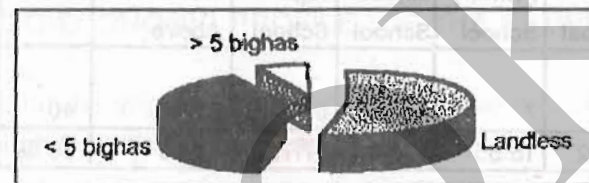
The agricultural production of the farming households consist of paddy, vegetables, betelnut etc. 11 (24.44%) member households have paddy production less than 25 mounds, which they utilize for self consumption. 10 (22.22%) households have some surplus production, which they sell in the market. The vegetables produced by them are mostly for family consumption. 25 (55.55%) households are found earning some income from the sale of betel nut.

Table 2.1.7: Sample members: Land ownership pattern

Land holding	Number of members	Percentage
Landless	24	53.33
<5 bighas	18	40.00
>5 bighas	3	6.67
Total	45	100.00

Source: Field Survey

Figure 2.1.5: Sample members: Distribution of land ownership pattern



Animal husbandry is generally found in every household of the beneficiaries. The members own ducks, hens, goats, cows, bullocks etc. The yearly income from animal husbandry ranges from Rs. 600 to Rs. 3000 (approx).

Calculation of family income of the rural people is a very difficult job. However, an

attempt is made to make a rough estimate of the household income of the sample members. It is found that 25 (55.56%) households have family income less than Rs. 13500. The family income of 15 (33.33%) households is between Rs. 13500 to Rs. 19500. Thus as high as 40 (88.89%) families are from below the poverty line. Only 5 (11.11%) households have an income above the poverty line.

Sources of credit before joining SHGs:

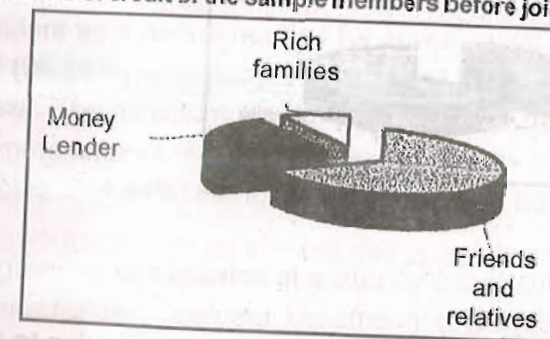
Before joining SHG, the members had to depend on different sources of non-formal credit. 42 members took loans mostly for consumption purposes; very limited investment credit was availed by them. The details of credit sources, rate of interest charged and their percentage of contribution in the rural credit is given in Table 2.1.8.

Table 2.1.8: Sources of credit of the sample members before joining SHGs

Sources	Number of members	Percentage of share	Rate of interest
Friends and relatives	28	66.66	-
Moneylender	10	16.67	120%
Rich families	4	7.14	-
Total	42	100	-

Source: Field Survey

Figure 2.1.6: Sources of credit of the sample members before joining SHGs



From Table 2.10, it becomes clear that friends and relatives happen to be the major sources of non-formal credit to the sample members before joining SHGs. On such loans, the lenders charged no monetary rate of interest. But, they got some free services from the loaners. The next important source of credit was moneylenders who charged an interest rate of as high as 120% per annum. The rich families also made loans available to few members in return for work or part

of the produced raised.

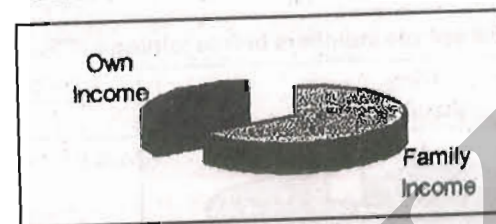
3.1.7. AWARENESS AND GROWTH OF THE PROGRAMME

21 (46.67%) sample members have been motivated by field supervisors, 17 (37.78%) by members of other SHGs and 7 (15.56) by fellow members of own SHGs. The members are attracted to access to formal credit from CSP at a lower interest rate and leading to higher income thus enabling them to save a part of the expanded income.

Source of Savings of sample members:

The sample members saves in the group fund either from their own income or from family income. 15 (33.3%) sample members are found saving from their own income earned from household activities like weaving, duckery, poultry, goatary, etc. Other 36 (66.6%) members are found saving from income earned by other family members (especially husband or father). The amount of yearly savings range from Rs. 240/- to Rs. 325/-. Figure 2.1.7 can explain the distribution of members by sources of saving.

Figure 2.1.7: Sources of saving of sample members



Credit Availability:

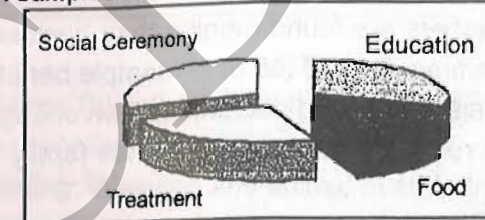
Internal Loans: Each SHG keeps some fund in its possession to meet an emergency of their members. 16 (35.56%) sample members have been found taking loans from group fund, which is, used for purposes like consumptin, educaion, medical treatment, social ceremonies, etc. The minimum internal loan taken by a member is Rs. 275/-. The purposes of internal loans are given in Table 2.1.9.

Table 2.1.9: Sample members: Purposes of internal loans

Purpose	Number of loans	Percentage
Education	8	29.63
Food	4	14.81
Treatment	7	25.93
Social Ceremony	8	29.63
Total	27	100.00

Source: Field Survey

Figure 2.1.8: Sample members: Purposes of internal loans



The group charges an interest ranging from 24% to 60% per annum on internal loans. The repayment rate of the internal loan is found to be more than 90%.

External Loans:

RGVN-CSP makes credit available to the group members after 3 to 4 months which it considers as a period needed for sensitization of the group. Out of 45 members, 43 (95.56%) have received loan from CSP after the period of sensitization was over. The minimum amount of loan taken by a member is Rs. 1000 and the maximum amount of cumulative loan taken by a member is Rs. 14000 in three loan cycles. 2 (4.44%) sampled members have not taken any loans.

Since the programme was initiated at a later date in Kamrup district compared to other districts like Nalbari, Goalpara, the amount of loan received by the beneficiaries has been found to be their less in comparison to their counterparts in other districts. The number of sample members receiving loans of different cycles is shown in Table 2.1.10.

Table 2.1.10: Number of members receiving different cycles of loan

Cycles of Loan	Number of Members
1st	17
2nd	13
3rd	13
Total number of loans	82

Source: Field Survey

Utilization of Credit:

13 (28/89%) sample group members are found running their business with the credit received under the programme. But, 30 (66.67%) sample beneficiaries receiving credit under the programme are found not running own enterprises; they are financing family enterprises run by other members of their family.

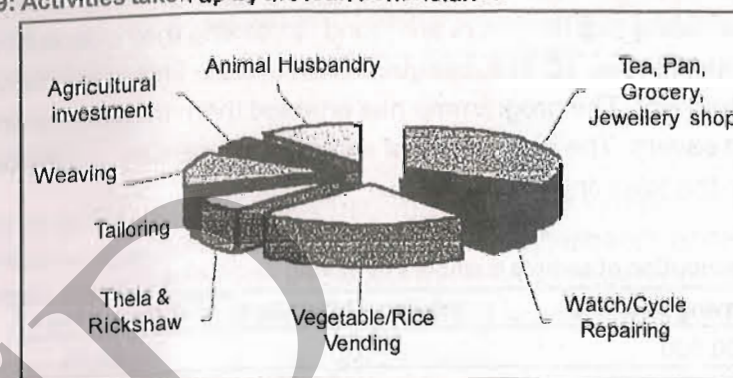
After receiving the credit, 8 (41.86%) sample members have started their income generating activities. But, 27 (58.14%) sample members are found utilizing the credit to expand their business. The following Table 2.1.11 shows activities taken up by the beneficiaries.

Table 2.1.11: Activities taken up by the loan beneficiaries

Activities	Numbers of Loans	Percentage
Tea stall, Pan shop, Grocery, Jewellery vending	15	33.34
Watch/ Cycle Repairing	3	6.67
Vegetable/Rice Vending	10	22.22
Thela & Rickshaw	3	6.67
Tailoring	1	2.22
Weaving	6	13.33
Agricultural Investment	2	4.44
Animal Husbandry	5	11.11
Total	45	100.00

Source: Field Survey

Figure 2.1.9: Activities taken up by the loan beneficiaries



It is evident from Table 2.1.11 that the maximum number of loans are received by members for running petty business followed by members engaged in vegetable and rice vending. Weaving and animal husbandry are other important activities receiving a significant number of loans.

In many cases it is observed that the credit received is not solely utilized in a particular activity; it is utilized in a number of activities.

3.1.8 IMPACT OF THE PROGRAMME

CSP has made significant positive impact on the sampled beneficiaries of the rural areas. Women are found participating in gainful economic activity. The programme is more successful among the Muslim women groups. The Muslim women members appear to be more serious and dedicated to the programme. The impact of the programme is assessed with the help of the following indicators:

Saving:

Before joining SHG, the members did not realize the importance of saving. Nor did they realize that they did have the saving potential. Out of 45 sample members only 7 (15.5%) beneficiaries had saving bank accounts with the post office or bank before joining SHG. After joining SHG, each member has to make a saving, which is held in the name of the group in a saving bank account or with CSP. Thus, the programme has succeeded in cultivating a habit of saving among the members. Their internal personal passbook show balances ranging from Rs.

200 to Rs. 820. Now, the beneficiaries look at savings enhancing family security. Some of the sample group members are found increasing their quantum of weekly savings from Rs. 5 to Rs. 15 in subsequent loan cycles. This is indicative of their economic betterment. The programme has enabled them to make savings. They are now proud savers. The distribution of sample members by saving categories is described in the following Table 2.1.12.

Table 2.1.12: Distribution of sample members by saving categories

Saving Category	Number of Members	Percentage
200-500	26	57.78
501-1000	19	42.22
Total	45	100.00

Source: Field Survey

Figure 2.1.10: Distribution of sample members by saving categories



Credit:

The programme has made the sample members free from the clutches of non-formal sources of credit with an exorbitant rate of interest. They no longer seek credit from the village moneylenders and other informal sources. The members now avail consumption loans from their pooled savings whereas credit from investment is availed from RGVN-CSP. Thus, the programme has made them accessible to formal credit. This has enabled as much as 43 (95.56%) sample beneficiaries to start or expand their income generating activities. Increase in credit absorption capacity of the poor borrowers is also an indicator of positive impact of the programme on their economic condition.

Income:

Before joining SHGs, nearly 80% of the beneficiaries (who are all women), being housewives, earned no income. But after receiving loans, 13 (28.89%) sample members have started income generating activities of their own with the help of the loans received from CSP and earning income from these activities ranging

from Rs. 15 to Rs. 30 per day. This has helped the beneficiaries to increase their family income. 30 (66.67%) sample beneficiaries have utilized the loans on their family enterprises, thereby increasing the family income.

Financial independence of women:

The sample women beneficiaries become financially independent after joining the programme. Earlier they had to depend on their husbands or parents even for a very small amount. Now they are not required to depend on their husband/parents. Some of them are even found paying school fees of the children and buying household items from their own income.

Asset creation:

There is a positive impact on borrowers in creation of assets like livestock, land and consumer durables.

Poverty alleviation:

It has been found that the sample group members who have received the 3rd loan cycle and are in the process of repayment have improved their income standard substantially. As many as 7 (15.56%) members out of the sample members have crossed the poverty line. Their yearly income ranges from Rs. 23000 (Rs. 65 per day) to Rs. 29000 (Rs. 80 per day). It is to be noted that these members have already repaid the loan received under the first two loan cycles and are in the process of repayment of the third loan cycle. Further, it is found that the sample members (loanees) have higher and more stable income than what they had before joining the group.

Employment:

The programme is found to make an impact on self-employment generation. The beneficiaries of family members who were earlier wage earners, agricultural labourers are now engaged in micro enterprises of their own such as tea stall, pan shop, grocery shop, etc.

Quality of Life:

Significant changes in the quality of life of the SHG members are also observed which is reflected in increased intake of food, more clothing, more expenditure on education of children, increased expenditure on household items, health care, etc.

Social Impact:

The programme has made an impact on the social life of women particularly the Muslim women. Most of the Muslim women were stating thus: "Before joining I never used to go out and talk with unknown male but now, I atleast attend group meetings and meet different persons including males." The programme has made women more important in the family. Participation in group meetings also indicates social empowerment of women.

Status of women:

The programme has made a positive impact on status and role of women in family life. Since the beneficiaries are contributing to family income either directly or indirectly, their importance in the family has increased. They are now participating in the financial decision-making of the family. A sense of pride is written large on the face of SHG members.

Literacy:

The programme has helped in making the illiterate members partially literate. They can put their signatures now.

Confidence building:

Most of the members are no more dependent on their spouse for small amounts of money. Since they are economically empowered, the programme has facilitated confidence building among the poor women.

Freedom of movement:

The programme has brought a change in their lifestyle. They enjoy freedom of movement, which has facilitated some of the members to carry out their activities individually and collectively outside their homes.

In total, the programme is found to have produced positive impact on empowerment of women, improvement of their status, economic conditions, accessibility to credit, etc.

3.2. GYAN VIGYAN SAMITI ASSAM (GVSA)

3.2.1. INTRODUCTION

The Assam Science Society, a voluntary organization, one among the 26 science organizations in India, was established in 1953. The success of Kerala Shaksharata Sahitya Parishad in making Ernakulam district fully literate inspired the programme "Gyan Vigyan Yatra" in 1990 by all Science societies of India. The Assam Science Society formed the Gyan Vigyan Samiti, Assam on 18th July 1990. GVSA has also been recognized as Assam State Resource Centre.

The main objectives of GVSA are:

1. To link up the government and non-government organizations working for literacy and to work together in the mission.
2. To work for the achievement of total literacy and to build mass awareness amongst the poorer people for attainment of self-reliance.
3. To work for building linkages between literacy and other development processes.
4. To work for emancipation of women.

From the objectives mentioned above it is clear that GVSA is a voluntary organization basically dedicated to literacy mission, which is not possible without addressing the broader issues of the poor. The State Resource Centre found that there were non-formal groups already in existence in the rural areas trying to improve the economic condition of the group members without external assistance. With the wave of SHG movement gaining ground, GVSA planned to bring these non-formal groups together in an organized manner. In January 1998, GVSA launched an SHG programme called "Prochesta" meant only for women. The Programme was also registered under the Societies Registration Act XXI, 1860. The Assam Gyan Vigyan Samiti's "Prochesta" is a thrift programme in which the groups are encouraged to save so that in the long run the members can avail loan facilities from the group fund. Prochesta believes in self-help without any external assistance. It starts with the basic premise that even the poorest of the poor have some saving potential. If the potential savings can be pooled together by motivating the poor particularly through the literacy programme, in course of time they will be in a position to solve some of their economic problems. The independence from external sources of finance will give the members self-dignity.

The main objectives the programme are:

1. To make a common platform for the rural women to meet and share their prob-

- lems, views and to help each other in solving their problems through self-help.
2. To strengthen the literacy mission through SHGs.
 3. To empower the women through socio-economic self-reliance.
 4. To conduct awareness programmes on health, hygiene and make the members aware of different health problems and remedial measures to be taken etc.

3.2.2. INITIATION AND EXPANSION OF THE PROGRAMME

The programme was initiated with a few groups formed in 11 districts of Assam. To give a formal shape to the programme and to train rural women to form saving groups, the first state level workshop on "Mahila Vikas Prochesta" was held from 30th January to 1st February 1998. Representatives of groups from 11 districts of Assam attended the workshop. Now, the programme has increased its area of operation to 17 districts in the state. The volunteers and the resource persons of the GVSA have worked hard for the successful implementation of the programme. The service rendered is fully voluntary and unpaid. The total number of groups formed till 31st December 2000 was 1467 and the total number of members were 22,989. The total amount of savings raised was Rs. 29,50,639 and the total amount of credit disbursed was Rs. 2,63,010. The programme was spread across 112 panchayats.

In Kamrup district the organization till 31st December 2000 formed 46 groups in which there are 483 members. The total amount of savings mobilized is Rs. 1,32,914 and the total amount of internal credit disbursed is Rs. 2,250.

3.2.3. PROFILE OF THE PROCHESTA SAMPLE SHGs:

The Prochesta group is a group of women joining together voluntarily for their common benefit. The group members are generally from the community. The number of members in the sample SHGs range from 10 to 21, averaging 14. In the sample selected, all the members are from Hindu families. The socio-economic background of the members is discussed below:

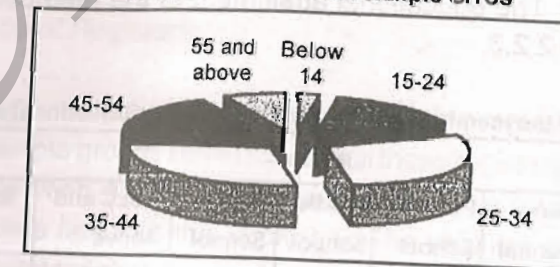
Age Structure: The age wise distribution of the sample SHGs is explained in Table 2.2.1

Table 2.2.1: Age structure of the members of sample SHGs

Age group	Number of Members	Percentage
Below 14	5	2.30
5-24	33	15.21
25-34	64	29.50
35-44	62	28.57
45-54	37	17.05
55 and above	16	7.37
Total	217	100.00

Source: Field Survey

Figure 2.2.1: Age structure of the members of sample SHGs



It is evident that majority of the group members belong to the age group 24-44

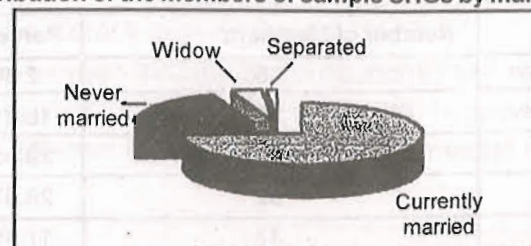
Marital Status: The marital status of the group members is explained in Table 2.2.2.

Table 2.2.2: Distribution of members of sample SHGs by marital status

Marital status	Numbers of Members	Percentage
Currently Married	160	73.73
Never married	45	20.74
Widow	9	4.15
Separated	3	1.38
Total	217	100.00

Source: Field Survey

Figure 2.2.2.: Distribution of the members of sample SHGs by marital status



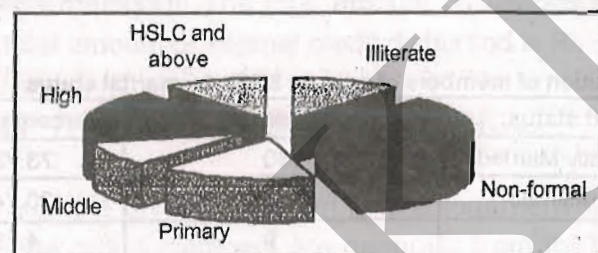
It is obvious from the table that there is a dominance of married members in the groups.

Educational attainment: The educational attainment of the members of sample groups is given in Table 2.2.3.

Table 2.2.3: Distribution of the members of the sample SHGs by educational attainment

Educational attainment	Literate						Total	Grand Total	
	Illiterate	Non Formal	Primary School	Middle School	High School	HSLC and Above			
No. of members	24	75	3	4	21	40	23	193	
Percentage	11.06	34.56	15.67	9.68	1	8.43	10.60	88.94	100.00

Figure 2.2.3: Distribution of the members of the sample SHGs by educational attainment



It is evident that about 90% of the members of the sample SHGs could put their signature themselves.

Working of the Groups:

The members of the group select a Secretary and a President from among themselves for a term of one year. But not a single group has so far changed its group leaders. Generally an educated, well to do and proactive member is selected as the group leader. The volunteers help them in the selection of the group leader.

Attendance in the group meeting:

The group meetings are held monthly. The attendance in the group meetings range from 50% to 100%. 6 (40%) of the sample groups have attendance ranging from 75% to 100% whereas 9 (60%) groups have attendance of less than 75%. The group does not charge any fine on their members for not attending the group meetings. All decisions are taken in the group meetings. Only 6 (40%) groups are found fixing date and time of monthly meetings. According to the members, at the initial stage they are very regular in the group meetings, but many members have stopped attending group meetings as the programme does not provide external support.

Maintenance of Registers:

All the groups maintain attendance and saving registers and minute books. 8 (53.33%) sample groups have maintained these registers well whereas 7 (46.67%) groups have been poor in maintaining these. The responsibility of maintaining these registers lies with the Secretary. The volunteers of GVSA also help the groups in maintaining the registers.

Group Savings:

The members raise their saving in the monthly meetings. The members are to deposit Rs. 10 monthly as compulsory saving and there is no scope for voluntary saving in excess of this amount. In case of 6 (40%) sample groups, the group leaders are found going door to door to collect the monthly savings. Some members are found sending the contribution through someone to the group leader's house without attending the group meetings. 13 (86.67%) sample groups are regular in raising the groups savings. 6 (40%) groups have been charged a fine amounting to Rs. 1 to Rs. 2 as late fine. All the group saving bank accounts either in a bank or in the post office. The groups have never faced any problem in opening and operating their accounts. After checking account books and loan registers of the groups it has been found that the group savings range from Rs. 1,225 to Rs. 10,467.

Credit Availability

The programme being thrift based, the groups are encouraged to save. The mem-

bers cannot take loans from the group fund for at least one year. The programme tries to make the women self-sufficient to meet their credit needs without any external support. The groups are also directed not to deliver credit before the group members are trained under loan workshop. 7 (46.67%) group members have already started providing internal loans on group activities for income generation and to meet consumption needs of their members.

Dropouts:

There are cases of dropouts among the members. The causes behind these are:

1. Disagreement among the members about their leaders.
2. When the members joined they expected loans/grants in cash or kind, but as time passed, they were upset for not receiving the same.
3. There was disagreement among the members about yearly membership fee of Rs. 10 to be paid to the Central Committee fund. Some of the members did not pay the amount.
4. Superiority complex among the well to do members, etc.

3.2.4. SOCIO-ECONOMIC PROFILE OF THE PROCHESTA SAMPLE MEMBERS

Since the programme is meant for women irrespective of their economic status, the family income background of the members is heterogeneous.

Of the 45 sample members, 31 consisting of 68.89% is found having kutcha houses. The number of members having pucca and semi-pucca houses stand at 6 (13.33%) and 8 (17.78%) respectively. 29 (64.44%) households use kerosene as source of lighting while 16 (35.56%) use electricity.

Land ownership and agricultural production:

The members have their own plots of land and own houses. The cultivable land ownership of the sample members is shown in Table 2.2.4.

While there is predominance of landless and marginal farmers, there are quite a few members having land ownership of more than 5 bighas. Paddy, vegetables and betelnut are some of the agricultural products produced by the members.

The production of paddy ranges from 6 mounds to 300 mounds. 15 (33.33%) sample members do not produce paddy to meet their own requirements. The vegetables produced is mostly for family consumption and earnings are insignificant. The sale proceeds from betel nut contribute Rs. 300 to Rs. 1500 per annum per family. 39 (86.67%) members earn some income from animal husbandry like poultry, duckery, piggery, goatery, etc.

Table 2.2.4: Land ownership of the sample members

Land ownership	Number of members	Percentage
Landless	9	20.00
< 5 bighas	21	46.67
5-10 bighas	8	17.78
10-15 bighas	2	4.44
15-30 bighas	2	4.44
Total	45	100.00

Source: Field Survey

Sources of family income of the members:

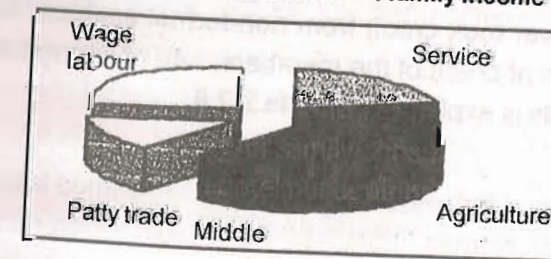
Table 2.2.5 classifies the main sources of family income of the sample members.

Table 2.2.5: Sample members: Main sources of family income

Sources of income	Number of families	Percentage
Service	9	20.00
Agriculture	18	40.00
Petty trade	6	13.33
Wage labour	12	26.67
Total	45	100.00

Source: Field Survey

Figure 2.2.4: Sample members: Main sources of family income



28 (62.22%) members are found to be below the poverty line.

Age structure: Table 2.2.6 describes the age group of the sample members.

Table 2.2.6: Sample members: Age group wise classification

Age group	Number of Members	Percentage
Below 14	3	6.67
15-24	13	28.89
25-34	19	42.22
35-44	5	11.11
45-54	3	6.67
55 and above	2	4.44
Total	45	100.00

Source: Field Survey

Marital Status: The marital status of the group members is described in Table 2.2.7.

Table 2.2.7: Sample members : Marital status

Marital status	Numbers of members	Percentage
Currently Married	36	80.00
Never married	7	15.56
Widow	2	4.44
Total	45	100.00

Source: Field Survey

Sources of credit before joining SHGs:

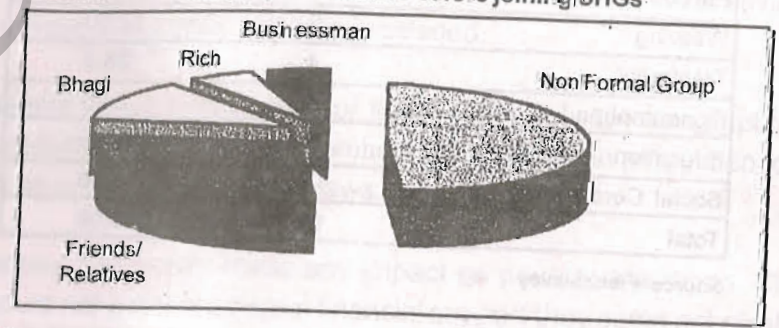
The richer members were exposed to banks before joining the SHGs. 9 (20%) members had saving bank accounts in their names or in the name of family members. Most of the members depended on non-formal sources of credit for their consumption loans. Credit for investment was not available to the poor members. 3 (6.67%) members never took credit from non-formal sources. Before joining SHGs, the main sources of credit of the members, rate of interest and their contribution in the rural areas is explained in Table 2.2.8.

Table 2.2.8: Sources of credit of sample members before joining SHGs

Sources	No. of members.	Percentage	Rate of interest per annum
Non-formal groups	19	48.72	36%-60%
Friends/Relatives	11	28.20	-
Bhagi ¹	5	12.82	1/2 mound for 1. mound paddy
Rich persons	2	5.13	For work
Businessman	2	5.13	60%-120%
Total	39	100.0	-

Source: Field Survey

Figure 2.2.5: Sources of credit of sample members before joining SHGs



In implementing the literacy mission, the organization has succeeded in receiving tremendous amount of enthusiasm and good will from the rural people. Thus the volunteers of the organization could motivate as high as 34 (73.34%) sample members. The remaining 11 (26.66%) members were either motivated by fellow members of own SHGs or by the members of other SHGs. The volunteers could convince the prospective members about the benefits they can derive from small saving which facilitated the formation of SHGs.

Saving:

The members have to save Rs. 10 monthly. 20 (44.44%) sample members have saved from own income earned through household industry, animal husbandry, etc, whereas 25 (55.56%) members have saved from income earned by their spouse or other family members. The personal savings of the group members ranged from Rs. 120 to Rs. 360 till July 2000. There is no scope of voluntary savings.

Credit:

Since the central committee directed the groups not to deliver interest...

sumption loan; whereas 35 (77.78%) members did not receive internal loans. The minimum internal loan received by a member is Rs. 50/- and the maximum cumulative loan taken by a member is Rs. 300/-. The interest charged ranges from Rs. 36 to Rs. 60 per annum.

Utilization of the Loans:

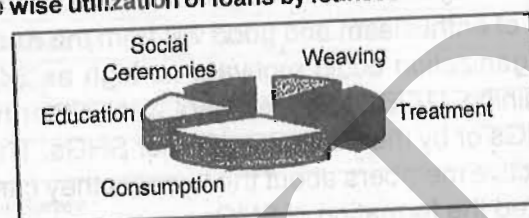
The utilization of the loans is summarized in Table 2.2.10.

Table 2.2.10: Purpose wise utilization of loans by loanees

Purpose	Numbers of Loans	Percentage
Weaving	2	12.50
Treatment	4	25.0
Consumption	5	3.25
Education	3	18.75
Social Ceremonies	2	12.50
Total	16	100.00

Source: Field Survey

Figure 2.2.6: Purpose wise utilization of loans by loanees



From the above Table we can derive that maximum percentage of the credit is consumed and utilized in medical treatment. A very low percentage of credit is used for investment purposes.

Repayment:

Since there is no hard and fast repayment stipulation (though a period of time is indicated), the loanees are found delaying in making repayment. So, the repayment rate has been found rather poor, around 60%.

3.2.5. IMPACT OF THE PROGRAMME

The programme could produce limited socio-economic impact on the poorer section of sample members, while such an impact is not visible on the richer section. The programme was not targeted at the rural poor women; the target group consisted of women in general, both rich and poor.

The richer section of the members had access to bank and hence they were half hearted in participating in small savings (although they have participated). Almost all the 28 poor members consisting of 62.22% of total sample members were found cultivating saving habits being convinced of the importance of savings. The personal savings of the poor had also increased.

The programme could make some of them accessible to consumption credit from their pooled savings. A group member can withdraw an amount up to 80% of her savings as credit as per the byelaws.

The programme has hardly made any impact on poverty alleviation. Since the members could not get any external financial support they could not climb up the income ladder. But if we take the increase in saving of the members as a measuring rod of the increase in economic standard, we may state that a limited economic impact has been made by the programme.

The programme has made many illiterate members literate. 16 (34.56%) sample members were made literate through the programme. The programme has helped the women who were engaged in only household works earlier, to come out and participate in social activities. The members are empowered in the sense that they participate in discussions on different socio-economic issues in their group meetings and try to find out the solutions.

3.3 BOSCO REACH-OUT'S SHG PROGRAMME:

3.3.1. INTRODUCTION

Bosco Reach out is the official service wing of the Salesian of Don Bosco, North East India. The Organisation was founded in 1983. During the first phase of growth of the organisation, the major activities taken up by the organisation were relief and rehabilitation. Since 1996-97, the organisation has taken up development

programmes through self-help groups. The main objectives of the BRO are as follows:

1. To motivate, create awareness and involve people at planning, implementation, monitoring and evaluation work.
2. To play the role of a catalyst in providing support to the people and their initiatives.
3. To provide training/capacity building programme so as to improve the opportunities of the people in their livelihood promotion efforts.
4. To provide marketing linkages, and
5. To enable them to access credit.

Bosco Reach-Out acts as financial intermediary in which the organization not only promotes, nurtures and trains the groups but also play the role of financial intermediary between the groups and the formal financial agencies. The objectives of the BRO's SHG programme are:

1. To help the members to become economically self-sufficient.
2. To promote self confidence among the poor.
3. To enable the members to participate in decision making, individually and collectively.
4. To facilitate the development of rural economy, etc.

The overall objective of the programme is to ensure the SHGs and their members to achieve intergrated sustainable socio-economic development even after the BRO withdraws its support.

3.3.2. INITIATION AND EXPANSION OF THE PROGRAMME

The programme was launched in 1996-97 in Assam and Meghalaya. The present area of operation of the programme is 8 districts of Assam and 5 districts of Meghalaya. The members are motivated through organizing group discussions, awareness and motivation programmes. BRO charges a fee of Rs. 100 per year to the groups to be registered with it. The organization has formed 645 SHGs till September 2000 in which more than 5816 families were covered. The total amount of saving raised is Rs. 37,44,981 giving an average saving per member of Rs. 643. The organization has so far formed 68 groups in Kamrup district in which there are 680 members. The organization charges 12% rate of interest on their lending. BRO

provides credit support to the group after a maturity period of 6 months of functioning. The following Table 2.3.1 shows the amount of credit disbursed in Assam and Kamrup district.

Table 2.3.1: Year wise disbursal of loan by BRO in Assam and Kamrup district

All figures are in Rs.

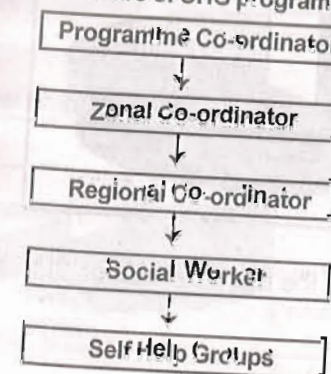
Year	Total amount of loan disbursed in Assam	Total amount of loan disbursed in Kamrup district
1996-97	53000	10000
1997-98	50000	0
1998-99	37000	8000
1999-2000	424000	1000
2000-2001	499000	50000
Total	1468000	150000

Source: BRO-SHG Desk

Other than credit support, BRO provides training on awareness, motivation and skill upgradation. The training is imparted centrally at the Regional Rural Training Centre at Umran, Meghalaya.

Under the programme, there are four zones with 22 regions in Assam and Meghalaya, 11 each in each state. A zonal co-ordinator heads each zone and a regional co-ordinator heads each region. The social workers help the regional co-ordinators in promoting, guiding and nurturing the SHGs. The organizational structure of the SHG Desk is explained in Figure 2.3.1.

Figure 2.3.1: Organizational structure of SHG programme



3.3.3. SOCIO-ECONOMIC PROFILE OF THE BRO'S SHGs:

A BRO SHG is a group of people irrespective of their gender joining together for promoting their common interest. The number of members of BRO sample SHGs range from 8 to 12. 10 (63.33%) sample groups are exclusively for women and the remaining 6 (37.67%) groups are male or mixed groups. Almost uniform socio-economic status and living together in the same village or locality are observed among the members of the sample groups. The socio-economic structures of the group members are as follows.

Age structure : Table 2.3.2. gives age group classification of the members.

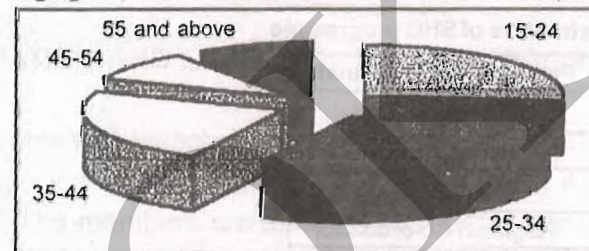
Table 2.3.2: Age group classification of the members of sample groups

Age Group Class	Number of members	Percentage
15-24	39	26.71
25-34	45	30.82
35-44	34	23.28
45-54	14	9.59
55 and above	14	9.59
Total	146	100.00

Source : Field Survey

It is obvious from the Table 2.3.2 that more than 80% of the members belong to the age group of less than 45 years.

Figure 2.3.2: Age group classification of the members of sample groups



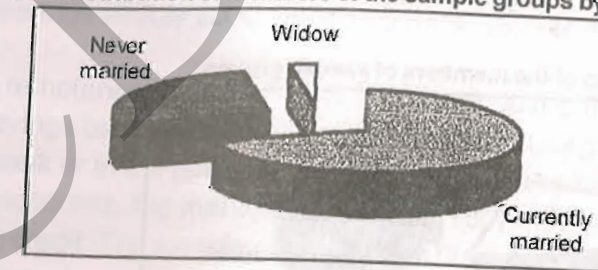
Marital Status: Table 2.3.3 explains the marital status of the sample group members.

Table 2.3.3: Distribution of members of the sample groups by marital status

Marital status	Numbers of members	Percentage
Currently married	102	61.86
Never married	40	27.40
Widow	4	2.74
Total	146	100.00

Source: Field Survey

Figure 2.3.3: Distribution of members of the sample groups by marital status



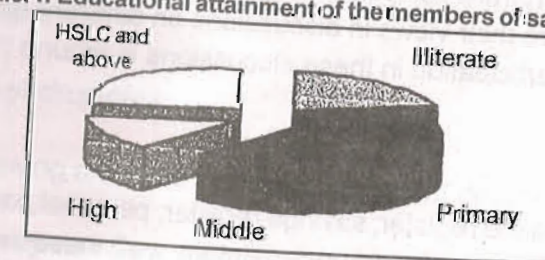
Educational attainment: Table 2.3.4 presents the educational attainment of the members.

Table 2.3.4: Educational attainment of the members of sample groups

Educational Attainment	Literate						Total	Grand Total
	Illiterate	Non Formal	Primary School	Middle School	High School	HSLC and Above		
No. of members	17	11	36	15	38	29	129	146
Percentage	11.64	7.53	24.66	10.27	26.03	19.87	88.36	100.00

Source: Field Survey

Figure 2.3.4: Educational attainment of the members of sample groups



Religion: The religious break-up of the members of the sample SHGs is shown in

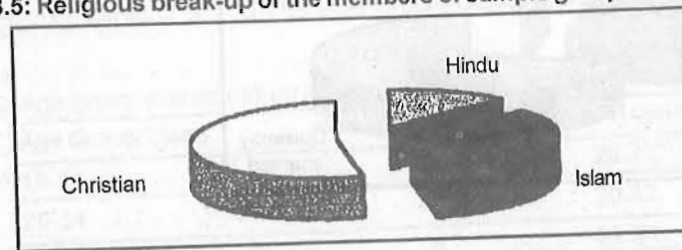
Table 2.3.5

Table 2.3.5: Religious break-up of the members of sample groups

Religion	Number of members	Percentage
Hindu	20	13.70
Islam	49	33.56
Christian	77	52.74
Total	146	100.00

Source: Field Survey

Figure 2.3.5: Religious break-up of the members of sample groups



Working of the group:

The group members select a President and Secretary from among themselves for a term of one year. Although the posts of the Secretary and the President are rotatory, so far no sample group are found changing its group leaders.

Group meeting and attendance:

The group meetings are held once a week. 9 (60%) sample are found holding meetings regularly whereas 6 (40%) groups are irregular in holding meetings. 6 (40%) sample groups have a fixed time and date for group meetings. 10 (66.67%) groups charge a fine ranging from Rs. 1 to Rs. 2 for not attending group meetings. The group members share their views in discussions on different issues in group meetings. The rate of participation in these discussions is around 75%.

Maintenance of Registers:

All the groups maintain attendance register, savings register, personal passbook and minute book. 10 (66.67%) sample groups maintain well these registers whereas 5 (33.33%) of these groups do not maintain them well. The Secretary or the President are to maintain these registers.

Saving pattern:

The saving rate per member per month range from Rs. 20/- to Rs. 25/-. 5 (33.33%) groups are regular in raising group savings. 5 (33.33%) of the groups charge a late fine ranging from Rs. 1 to Rs. 2 for irregularity in depositing their savings in the group fund. The groups collect savings from members in the group meetings. Since the group meetings are not held regularly, 10 (66.67%) group leaders collect the savings from the members by visiting their houses. The average yearly savings of the members range from Rs. 240/- to Rs. 300/-. The total amount of group savings till July 2000 ranged from Rs. 200/- to 1200/-.

Due to remoteness of the villages from bank/post offices, all the groups do not have savings bank account. Only 5 (33.33%) sample groups have account either with a bank or in the post office. In the case of sample groups, which don't have saving accounts, the monthly collection is kept with group leaders or members needing credit. The sample groups, which have saving bank accounts, don't face any problem in opening and operating their accounts. The President and the Secretary jointly operate the accounts.

Credit:

The groups have provision for both internal and external loans. The credit demand of the members is satisfied only if the need is genuine. The internal loan is provided for consumption purposes in the initial stage. As the group fund increases loans are also made available for other purposes. The internal loans are short term in nature, which have to be repaid within 4 to 5 months. There is no particular schedule of repayment. The interest rate charged ranges from 36% to 60%.

External loan was made available to 4 (26.67%) sample groups of which 1 (25%) loan benefitted group is found defaulter in repayment. The external loans are utilized for agricultural activities, fisheries, petty trade, small business, animal husbandry, etc.

Causes of drop-outs:

The following are more important causes of dropouts of the group members:

1. The family members discourage attending the women members in group meetings.
2. In some cases, there are differences of opinion among the group members.
3. Some non-Christian members have dropped out as BRO is an organization domi-

nated by Christians. They are apprehensive that the organization has some ulterior motive.

3.3.4. SOCIO-ECONOMIC PROFILE OF THE SAMPLE MEMBERS

The members of the SHGs are either from lower middle class families or poor families. 3 (6.67%) sample member households own pucca houses, 17 (37.78%) sample member households own semi-pucca houses and 25 (55.55%) of them own kutcha houses. The source of lighting of 13 (28.8%) sample member households is electricity whereas 32 (71.11%) households use kerosene. The place of defecation of 3 (6.67%) of the sample households is sanitary latrines. 14 (31.11%) have non-sanitary latrines. But as high as 28 (62.22%) sample households use open space for defecation.

Age group: The age structure of sample members is given in Table 2.3.7.

Table 2.3.7: Age group wise distribution of the sample members

Age group	Number of Members	Percentage
15-24	9	20.00
25-34	18	40.00
35-44	13	28.89
45-54	4	8.89
55 and above	1	2.22
Total	45	100.00

Source: Field Survey

It is obvious that the overwhelming majority of the members are aged less than 45.

Marital Status: Table 2.3.8 represents the marital status of sample members.

Table 2.3.8: Marital status of sample members

Marital status	Number of Members	Percentage
Currently married	35	77.78
Never married	9	20.00
Widow	1	2.00
Total	45	100.00

Source: Field Survey

It has found that majority of sample members are married.

Educational Status: Table 2.3.9 explains the educational status of the sample members.

Table 2.3.9: Distribution of the sample members by educational attainment

Educational Attainment	Illiterate	Literate					Total	Grand Total
		Non Formal	Primary School	Middle School	High School	HSLC and Above		
No. of members	3	1	14	10	12	5	42	45
Percentage	6.67	2.22	31.11	22.22	11.	11	93.33	100.00

Source: Field Survey

It is noteworthy that the number of illiterate members is found to be very small.

Land ownership and agricultural production:

Most of the members are landless labourers and marginal farmers. 15 (33.33%) sample members are landless labourers, 20 (44.44%) of them own less than 5 bighas of cultivable land, 6 (13.33%) members own more than 5 bighas but less than 10 bighas and only 4 (8.89%) members own more than 10 bighas but less than 25 bighas of cultivable land.

The agricultural produce include paddy, vegetables, fruits and betel nuts. But 20 (44.44%) sample members do not produce enough of paddy for meeting family requirements. The paddy production of the members range from 3 mounds to 228 mounds. The vegetables produced are meant for family consumption but about 18 tribal members earn some income from the sale of vegetables. The sale proceeds from betel nuts and fruit production range from Rs. 500 to Rs. 2500 (approx) per annum.

Main sources of income:

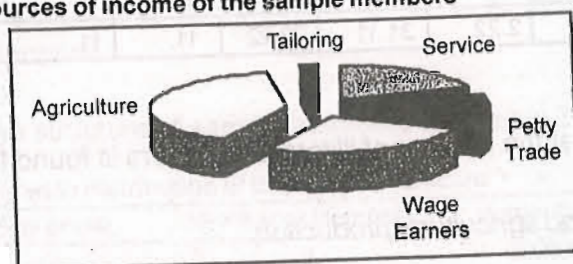
The main sources of income of the family members are described in Table 2.3.10.

Table 2.3.10: Main sources of income of the sample members

Activity	Number of Members	Percentage
Service	9	20.00
Petty trade	5	11.11
Wage earners	12	26.67
Agriculture	18	40.00
Tailoring	1	2.22
Total	45	100.00

Source: Field Survey

Figure 2.3.6: Main sources of income of the sample members



In addition to the above-mentioned family sources of income, the members earn some amount of money from household industries like weaving, animal husbandry, production and sale of country liquor.

As per the collected data, 25 (55.56%) sample member households are found to be below the poverty line whereas 20 (44.44%) member households are found to be above the poverty line.

Sources of Credit before joining SHG:

Before joining SHGs, the members were found to be dependent on non-formal sources of credit. 8 (17.78%) sample members have never taken credit from any sources. The non-formal sources of credit, their percentage share and rates of interest charged are given in Table 2.3.11.

Table 2.3.11: Sources of non-formal credit of sample members before joining SHGs

Sources of Credit	No. of members	Percentage	Rate of Interest
Money lenders	5	13.51	120%
Friends/relatives	12	32.44	-
Businessman	5	13.51	120%
Rich families	5	13.51	120%
Non-formal groups	10	27.03	36%-60%
Total	37	100.00	-

Source: Field Survey

It is evident from the above Table, friends and relatives contribute the highest share of non-formal credit who charge no interest rate. The other non-formal groups contribute a good share and they charge an interest rate ranging from 36% to 6%. The interest rate charged by moneylenders, businessman and rich families is as high as 120%.

Motivation of the Members:

25 (55.56%) sample members are motivated by field workers and below members of own SHGs, or, members of other SHGs have motivated other sample members. All the members are motivated to save facilitating access to formal credit for investment purposes at a low rate of interest.

Savings:

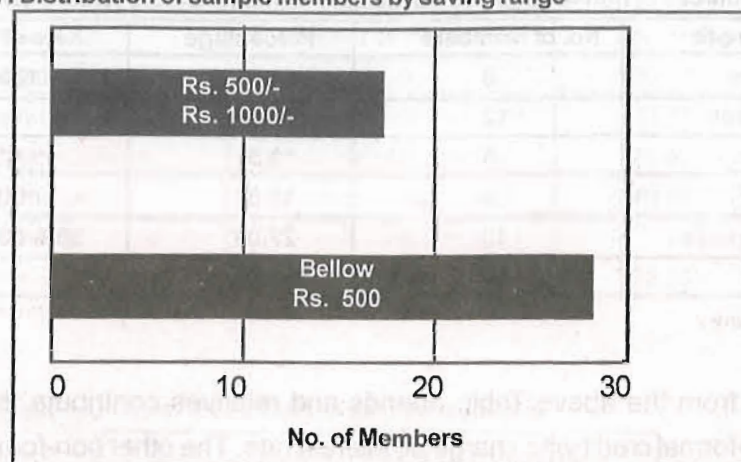
The savings are collected in group meetings. The monthly saving amount in the group funds range from Rs. 20/- to Rs. 25/-. There is option for voluntary savings. Some of the groups work together and the incomes earned are saved in the group fund. Their personal passbooks show balance ranging from Rs. 150/- to Rs. 962/-. Table 2.3.12 represents distribution of the sample members by savings category.

Table 2.3.12: Distribution of sample members by savings range

Saving Range	Number of Members	Percentage
Below Rs. 500	28	62.22
Rs. 501 - Rs. 1000	17	37.78
Total	45	100.00

Source: Field Survey

Figure 2.3.7: Distribution of sample members by saving range



Sources of Savings

The members are found saving from the incomes earned from household income generating activities like weaving, animal husbandry, sale of country liquor etc., or from income earned by their family members (husband/father). The male members save from their own income.

Credit:

The SHG programme of BRO facilitates both internal and external loans.

Internal Loan:

All the groups have provided loans to their members both for consumption and investment purposes. 25 (55.56%) sample members have taken internal loans. The minimum loan taken by a member from group fund is Rs. 70/- and the maximum cumulative is Rs. 6750/-. The loans are sanctioned as per the decision of the members in group meetings.

External Loan:

Though BRO is supposed to provide credit support to group members, only 8 (17.78%) sample members have received BRO loans. The loan amount received by a member range from Rs. 1000/- to Rs. 12,000/-.

Utilization of Loan:

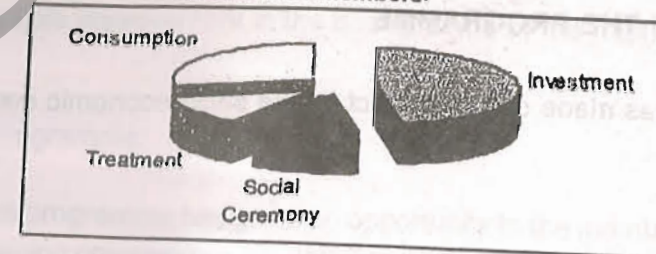
Table 2.3.13 shows the utilization of credit consisting of both internal and external loans.

Table 2.3.13: Credit utilization by loanee members

Purpose	Number of loan	Percentage
Investment	15	46.88
Social Ceremony	4	12.50
Treatment	4	12.50
Consumption	9	28.13
Total	32	100.00

Source: Field Survey

Figure 2.3.8: Credit utilization of loanee members.



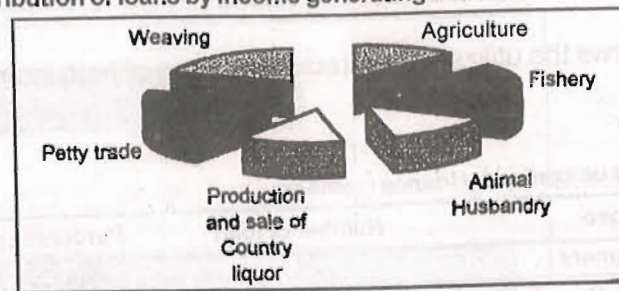
Internal loans are mostly utilized for consumption, social ceremony and medical treatment, whereas BRO credit support to members are made available for investment in different income generating activities. The credit utilized in different income generating activities is summarized in Table 2.3.14.

Table 2.3.14: Distribution of loans by income generating activities

Activities	Number of loans	Percentage
Agriculture	2	13.33
Fishery	3	20.00
Animal husbandry	2	13.33
Production and sale of country liquor	2	13.33
Petty trade	3	20.00
Weaving	3	20.00
Total	15	100.00

Source: Field Survey

Figure 2.3.9: Distribution of loans by income generating activities



Repayment of loan:

There is rigid repayment schedule. The members repay their loan according to their convenience. The rate of repayment of external loan is about 67%.

3.3.5. IMPACT OF THE PROGRAMME

The programme has made certain impact on the socio-economic conditions of the poor.

Saving:

The programme could cultivate saving culture among the rural poor section of the society where there is no banking facility. It has helped the members to understand the importance of savings.

Credit accessibility:

The programme has made consumption and investment credit available to the poor. It has freed some of the members from clutches of non-formal sources of credit, which generally charge a high rate of interest.

Income Generating Activities:

About 15 (33%) sample members have started income generating activities. The credit made available to male members is utilized in agriculture, fishery, petty trade etc., whereas the credit given to the female members is utilized in production of country liquor, weaving, piggery, duckery, poultry, etc.

Income

The impact on the income standard could not be ascertained as a very few members earn a regular income. The investment made in some income generating activities like agriculture, fishery, and animal husbandry is not quick yielding. This has made difficult to ascertain the difference in the income levels of the members before and after joining SHGs.

Employment:

The programme has helped the loanees to employ themselves in subsidiary household activities like weaving, poultry, duckery, etc.

Quality of life:

No perceptible improvement in the quality of life of the members has been noticed.

Training Programme:

Though the programme has given an opportunity to the members to acquire skill through training programmes centrally conducted at Regional Rural Training Centre at Umran, Meghalaya, only 9 (22%) sample members could avail the benefit. Since the medium of instruction is in English, those members who could not follow English did not derive any benefit from the training.

Social Impact:

The programme could produce some positive social impact. The women now take part in decision making of the family. The members who have received loans have developed some type of self-confidence to start economic activities to fight against poverty.

CHAPTER 4

COMPARATIVE STUDY OF THE PROGRAMME

The microfinance programmes of the sample NGOs have both positive and negative elements. This chapter is devoted to understand the positive and negative elements of the micro finance programmes of the NGOs.

4.1. RASHTRIYA GRAMIN VIKAS NIDHI- CSP

Some of the positive elements of the SHG programme of the RGVN are as follows:

1. The programme targets rural poor population under the poverty line who do not enjoy formal credit facilities.
2. The socio-economic homogeneity is found among group members.
3. Due to similar socio-economic background the group solidarity is being found.
4. There is a perfect monitoring system in the programme. The field supervisors attend the weekly meeting and clear doubts of the members.
5. The programme is credit driven and so CSP is a more focussed programme.
6. CSP believes that credit support will help to empower the poor both socially and economically.
7. The programme is feasible or successful among the petty traders, small businessmen, who earn daily or weekly income.
8. Saving component of the programme also helps the poor to meet their emergency needs.
9. The gap between application for loan and credit disbursement is very small.
10. The programme is client friendly.

Some of the negative elements of the programme are:

1. The execution of the programme appears to be very commercial. There was an undue haste in providing credit to the members. Sufficient effort was not paid to identify the income generating activities suited to their skill and aptitude.
2. The programme is not suitable for agricultural sectors. But, we cannot expect every member to be a successful trader.
3. No training input is provided for optimal utilization of the credit provided.
4. The programme has not succeeded in empowering the women in true sense of the term as the male members of their family are mostly using the credit amount.

4.2. GYAN VIGYAN SAMITI ASSAM - PROCHESTA

Some of the positive elements of the Prochesta programme of GVSA are as follows:

1. The programme targets women population exclusively who as a class remain deprived.
2. It emphasizes on voluntary effort.
3. It is thrift driven. It also provides awareness motivation for literacy as a vehicle for socio-economic betterment.
4. It believes that even poor women with own-pooled savings, if properly sensitized, can fight for social and economic empowerment without any external assistance.

Some of the negative elements of the programme are:

1. The socio-economic background of the members being heterogeneous, the group solidarity is comparatively less among the members.
2. The monitoring of the programme is not up to the mark, as the volunteers have to perform their task without any monetary return/ compensation.
3. The idea of discouraging all external assistance severely limits the scope of generating economically gainful activities on a scale required to push up the income levels of the members. Moreover, to make a dent on poverty only with the help of pooled savings of the members, it may require an inordinate amount of time.

4.3. BRO'S SELF-HELP GROUP PROGRAMME

Some of the positive elements of the SHG programme of the BRO are as follows:

1. The programme targets rural poor population of both sexes.
2. The socio-economic homogeneity is found among the members. Group solidarity is found among the women group only but this is lacking among the members of male and mixed groups.
3. The programme not only provides credit support but also imparts skill developments.

Some of the negative elements of the programme are:

1. The gap between loan application and credit disbursement is found lengthy. Moreover, there is a longer time gap between two successive loans.
2. Though there is an established monitoring system, the functioning of the groups are found not being properly monitored.
3. The working of the programme is found adversely affected by frequent changes of regional coordinators or field workers.
4. It has failed to gather response from non-Christian rural population (though a limited response has been found).

From the comparative study we can conclude the following:

- The SHG programme is found to be more effective and successful among the people living below the poverty line. A volunteer of GVSA told that Prochesta is not fit for well to do members.
- The groups with members from similar socio-economic background are found to be more successful.
- Proper monitoring and nurturing is must for successful running of the programme.
- External credit support is must to bring up the target population above the poverty line. The time gap between application of the loan and receiving the loan and receiving two successive loans must be short. A SHG programme with no external financial support may take longer time to bring up the poor members above the poverty line.

- Credit component of the programmes also bring together the members more closely.
- Training for skill development imparted to the members help the members run their business profitably.

CHAPTER 5
CONCLUSION

The study of the self-help groups promoted through the...
The programme has made an impact on savings of the...
and cultivated saving habit among the poor. It has...
the poor have saving potential. The self-help groups...
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succeeded to some extent in motivating the poor...
poor these savings for mutual benefit of the members. The...
have enabled some of the SHGs to receive loan support...
The credit made available by the SHGs has been...
number of micro-entrepreneurs from which some of the...
monetary benefits. But more important than the...
logical benefit to the members who now perceive...
micro-entrepreneurs.

The microfinance programme has made...
members. In the process many of the group members...
non-formal sources of credit. The programme has...
the poor are not bankable and credit worthy. However...
rate of repayment of loan received under the microfinance...

CHAPTER 5

CONCLUSION

The study of the self-help groups promoted, nurtured by the three leading NGOs, viz., Rashtriya Gramin Vikas Nidhi, Gyan Vigyan Samiti Assam, and Bosco Reach-out reveals that microfinance through SHGs is an important tool for socioeconomic empowerment of the poor, particularly the women.

The programme has made an impact on savings of the self-help group members and cultivated saving habit among the poor. It has proved beyond doubt that even the poor have saving potential. The self help groups provide an institutional framework for converting these potentials into reality. Further SHGs have promoted group solidarity and collective action. In a sense the microfinance programme has succeeded to some extent in motivating the poor to make some savings and pool these savings for mutual benefit of the members. The pooled savings also have enabled some of the SHGs to receive loan support from external sources. The credit made available by the SHGs has been instrumental in setting up a number of micro enterprises from which some of the members are receiving some monetary benefits. But more important than the monetary benefit is the psychological benefit to the members who now perceive themselves as proud owners of micro enterprises.

The microfinance programme has made institutional credit accessible to the members. In the process many of the group members have been freed from the non-formal sources of credit. The programme has also disproved the myth that the poor are not bankable and credit worthy. Noteworthy that in many cases, the rate of repayment of loan received under the microfinance programme is as high

as 90% to 100%. The study proves beyond doubt that if the poor are properly motivated and sensitized through education and training, they themselves can generate some funds for setting up micro enterprises, which if effectively monitored by a dedicated NGO, can go a long way in improving condition of the poor and marginalised, besides conferring self respect and dignity on them. Although the programme has certain limitations as already mentioned in proper places, it carries the seeds of successful germination. It holds the promise of being an instrument of socioeconomic transportation of rural poor.

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