Chapter VI

Findings, Suggestions
and Conclusion
6.1 Findings of the Study

Findings of the present study are presented in the following section -

Findings based on Objective No. 1

1. The SHG-Bank Linkage Programme is being implemented in all the 15 development blocks of the district through Assam Gramin Vikash Bank, 14 Commercial Banks and the Assam Cooperative Apex Bank. Further, NGOs and Farmers Clubs are also involved in promotion and linkage of SHGs in the district. But the beginning for formation of SHGs was made in the district by Deshabandhu Club in the year 1997. It found that the micro finance movement through formation of Self Help Groups (SHGs) could break the vicious circle of poverty and also this can lead to empowerment of the vulnerable sections of the society. Thus realising the importance of SHGs for freeing the submissive masses from the deplorable condition, the organisation with a view to revamp the rural economy made the first ever attempt in the year 1997 of promoting SHGs in its adjoining villages as an experimental basis which is also a pioneering initiative in South Assam region.

2. As on 31<sup>st</sup> March 2011, a total of 7,380 SHGs were formed under the SHG-Bank linkage programme in the Cachar district of Assam which is only 3 percent of total SHGs formed in the state under the same programme. On the other hand, the number of credit linked SHGs in the district is 5,785 and Rs. 3343.70 lakh was disbursed to these SHGs as bank loan. Almost 67 percent of the total SHGs formed in the district are exclusively for women. Further the average loan per SHG during 2010-11 in the district is Rs. 75,000 which is more than the state’s figure of Rs. 58,000 but lower than the all India per SHG bank loan of Rs. 90,000.

3. As on 31<sup>st</sup> March 2011, the total number of SHGs credit linked with all the banking agencies stood at 5,628 SHGs with total bank loan of Rs. 1159.90 lakh as against only 106 SHGs with bank loan of Rs. 12.04 lakh as on 31<sup>st</sup> March 2002 thereby having a compound annual growth rate of 55.48 percent and 66.12 percent respectively.
4. The annual rate of growth of credit linked SHGs in the Cachar district is lower than the state Assam throughout the period i.e., 2001-02 to 2010-11 except during 2004-05.

5. The annual rate of growth in bank loan disbursed to SHGs in the Cachar district is lower than the state Assam throughout the period i.e., 2001-02 to 2010-11 except during 2005-06 and 2006-07.

6. The percentage share of the district in the total number of SHGs credit linked in the state as a whole is 10.4 percent as on 31\textsuperscript{st} March 2002. But gradually the share has declined over the years and as on 31\textsuperscript{st} March 2011, the share of the district to the total number of SHGs credit linked in the state is only 3.1 percent.

7. The percentage share of the district in the total volume of bank loan disbursed to SHGs in the state as a whole is 8.8 percent as on 31\textsuperscript{st} March 2002. But gradually the share has declined over the years and as on 31\textsuperscript{st} March 2011, the share of the district to the total volume of bank loan disbursed to SHGs in the state has reached to only 2.1 percent.

8. As on 31\textsuperscript{st} March 2011, the Cachar district has 7,380 savings linked SHGs which is only 3.1 percent of the total savings linked SHGs in the state. On the other hand, the district is having Rs. 795.09 lakh as SHG’s savings which is 7.1 percent of the total amount of savings in the state. This indicates that the performance of SHGs in terms of mobilisation of savings in the Cachar district is better than the state Assam. This is further evidenced by the per SHG savings in the district which is Rs. 10,774 far higher than the per SHG savings of Rs. 4,664 in the state Assam.

9. The Regional Rural Banks are in the lead position in deposit linkage of SHGs in both the district as well as in the state followed by Commercial Banks and Cooperative Banks. Further, the performance of Regional Rural Banks is better in the coverage of savings linked SHGs in the district than the state as a whole as 69 percent of the total savings linked SHGs were covered by this banking institution whereas for the state, the percentage is only 56 percent. On the other hand, the coverage of Commercial Banks in savings linked SHGs in the district is 30 percent whereas the state as a whole the figure is 35 percent thereby indicating a
comparatively poor performance of Commercial Banks coverage of savings linked SHGs in the district.

10. In the Cachar district, the Regional Rural Banks are having the maximum share in SHGs savings whereas in the state, it is the Commercial Banks which are having the maximum share in SHGs savings. On the other hand, the position of Cooperative Banks in SHGs savings in the district is almost negligible i.e., it has covered only 0.4 percent of total SHGs savings whereas in the state, the figure is as high as 10.1 percent.

11. The average bank loan disbursed per SHG in the Cachar district is Rs. 57,800 which is higher than the state’s average bank loan disbursed per SHG of Rs. 55,103. This indicates that the investment in micro enterprises promoted by SHG members is more than the state level.

12. As on 31st March 2011, the share of Regional Rural Banks is higher both in the district and in the state in terms of credit linkage of SHGs. But the performance of Regional Rural Banks are better in the district as 74 percent of the total credit linked SHGs are covered by the this institution whereas only 56 percent of credit linked SHGs are covered in the state. On the other hand, the coverage of credit linked SHGs by the Commercial Banks in the district is only 26 percent whereas the figure for the state as whole is 38 percent thereby indicating the better performance of Commercial Banks in coverage of credit linked SHGs in the state than the district Cachar. Further a comparison the credit linked SHGs by the Cooperative Banks reveals that only 0.5 percent of the total credit linked SHGs in the district are covered by this institution whereas the figure for the state as a whole is 6 percent. This indicates that the Cooperative Banks performance in credit linkage of SHGs is far better in the state Assam than the district Cachar.

13. As on 31st March 2011, the percentage share of Regional Rural Banks in total volume of bank loan disbursed to SHGs in the district is 69 percent whereas for the state as a whole the figure is only 36 percent. This indicates that the role of Regional Rural Banks in delivery of micro credit is far better in the district than the state as a whole. On the other hand, the performance of Commercial Banks and Cooperative Banks in delivery of micro credit is better in the state than the district.
14. As on 31st March 2011, the average bank loan disbursed per SHG under Model-I in the Cachar district is Rs. 42,786 which is higher than the states average bank loan disbursed per SHG of Rs. 34,953. This indicates that the investment in micro enterprises promoted by SHGs in the Cachar district is comparatively more than the state level investment. Further, the per SHG bank loan disbursed by Commercial Banks in the district is Rs. 45,437 which is much lower than the states figure of Rs. 68,625 indicating better performance of Commercial Banks in the state level than in the district level. On the other hand, the per SHG bank loan disbursed by Regional Rural Banks in the district is Rs. 42,460 which is much higher than the states figure of Rs. 18,591 indicating better performance of Regional Rural Banks in the district than in the state. The only one Cooperative Bank i.e., the Assam Apex Cooperative Bank Ltd is yet to venture its operations under direct financing of SHGs in the district.

15. As on 31st March 2011, the share of Regional Rural Banks both in the district as well as in the state are higher in credit linkage of SHGs under Model-I. But the performance of Regional Rural Banks are better in the district as 89 percent of the total credit linked SHGs are covered by this banking agency whereas the figure for the state is only 65 percent. On the other hand, the share of credit linked SHGs by the Commercial Banks in the district is only 11 percent whereas the figure for the state as a whole is 31 percent thereby indicating better performance of Commercial Banks in coverage of credit linked SHGs under this model in the state than the district level.

16. As on 31st March 2011, the percentage share of Regional Rural Banks in total volume of bank loan disbursed to SHGs under Model-I in the district is 88 percent whereas for the state as a whole the figure is only 35 percent. This indicates that the Regional Rural Banks are performing better in the district than the state as a whole. On the other hand, the performance of Commercial Banks are better in the state than the district as only 12 of the total volume of bank loan disbursed is covered by Commercial Banks in the district whereas the figure for the state as a whole is as high as 61 percent.

17. It is observed from the study that as on 31st March 2011, the total available funds in the hands of DRDA Cachar were Rs. 1829.19 lakhs as against only Rs.
380.95 lakhs as on 31\textsuperscript{st} March 2000 thereby having the compound annual growth rate of 15.33 percent. On the other hand, as on 31\textsuperscript{st} March 2011, the total expenditure under SGSY in the Cachar district of Assam was Rs. 1143.21 lakhs as against Rs. 280.23 lakhs as on 31\textsuperscript{st} March 2000 thereby indicating a compound annual growth rate of 13.63 percent. The percentage utilisation of funds ranges from as high as 97.91 percent during 2004-05 to as low as 62.50 percent during 2010-11.

18. The average percentage utilisation of funds during the period 2001-02 to 2010-11 in the district is 82 percent which is 4 percent lower than the percentage utilisation of funds in the state. On the other hand, the average percentage utilisation of funds during 2008-09 to 2010-11 in the district is 74 percent which is 14 percent lower than the state level figure of 88 percent thereby indicating worse performance of the district than the state in terms of utilisation of SGSY funds are concerned. The under-utilisation of available funds in the district could be due to lack of motivation on the part of poor as well as inability to shift from wage employment to self employment.

19. As on 31\textsuperscript{st} March 2011, a total of 9010 SHGs were formed in the district as against only 83 SHGs as on 31\textsuperscript{st} March 2001 thereby having the compound annual growth rate of 59.8 percent. About 57 percent (5095 SHGs) of these groups in the district were formed during the last three years, i.e., during 2008-09 to 2010-11 of the implementation of the SGSY. Moreover, it is also found that as on 31\textsuperscript{st} March 2011, a total of 8903 SHGs were passed Grade-I as against only 34 SHGs as on 31\textsuperscript{st} March 2002 thereby having the compound annual growth rate of 85.6 percent. On the other hand, as on 31\textsuperscript{st} March 2011, a total of 2830 SHGs were passed Grade-II as against only 79 SHGs as on 31\textsuperscript{st} March 2003 thereby having the compound annual growth rate of 56.4 percent.

20. It is further observed from the study that out of total 9010 SHGs that were formed in the district since inception of the programme, 8903 SHGs (99 percent) had passed Grade-I. On the other hand, only 2830 SHGs (31 percent) could pass Grade-II. This signifies that the SHG members are not in a position to avail bank loan for starting up of economic activities.
21. The percentage share of the district in the total number of SHGs formed in the state as a whole is only 1.9 percent during 2002-03 but rose to 3.8 percent during 2010-11 having a growth rate of 100 percent during these nine years period.

22. From the analysis, it is observed that as on 31st March 2011, a total of 3,635 women SHGs were formed in the district as against only 46 women SHGs as on 31st March 2001 thereby having the compound annual growth rate of 54.8 percent. Out of total 3,635 women SHGs formed in the district, majority of the SHGs were formed during 2002-03, 2003-04, 2008-09, 2009-10 and 2010-11. As on 31st March 2011, the percentage of women SHGs formed to the total number of SHGs formed in the district is around 40 percent whereas the figure for the state as whole is 64 percent. This indicates that the performance of the district in terms of formation of exclusive women SHGs is worse than the state of Assam.

23. It is observed from the analysis that on an average, 51 percent of the total groups formed in the district during 2002-03 to 2010-11 are exclusively women groups which is 12 percent lower than the states figure of 63 percent. On the other hand, during the last three years, the average percentage of women SHGs formed in the district is only 46 percent which is 19 percent lower than the states figure of 65 percent.

24. As on 31st March 2011, the average bank loan disbursed per SHG under SGSY in the Cachar district is Rs. 65,540 which is lower than the states average bank loan disbursed per SHG of Rs. 73,199. This indicates that the investment in micro enterprises promoted by SHGs in the Cachar district is comparatively less than the state level investment. Further, the per SHG bank loan disbursed by Commercial Banks in the district is Rs. 71,009 which is much lower than the states figure of Rs. 89,378 indicating better performance of Commercial Banks in the state level than in the district level. On the other hand, the per SHG bank loan disbursed by Regional Rural Banks in the district is Rs. 62,477 which is higher than the states figure of Rs. 56,841 indicating better performance of Regional Rural Banks in the district than in the state. Further, the per SHG bank loan disbursed by the only one Cooperative Bank i.e., the Assam Apex Cooperative Bank Ltd. in the district is Rs. 92,767 which is much higher than the states figure of Rs. 77,959 indicating better
performance of Cooperative Banks in credit mobilisation under SGSY in the district than the state.

25. It is observed from the analysis that the average recovery percentage of SGSY loans by the Commercial Banks is 13 percent lower than the average recovery percentage of Regional Rural Banks. On the other hand, the average recovery percentage of Commercial Banks is 2 percent lower than the average recovery percentage of all the banks and the average recovery percentage of Regional Rural Banks are 11 percent higher than the average recovery percentage of all the banks.

26. It is further observed that the average recovery percentage of SGSY loans during 2006-07 to 2010-11 by the Commercial Banks for the district is 36 percent which is marginally higher than the average recovery percentage for the state as a whole which is 35 percent. On the other hand, the average recovery percentage for the same period by the Regional Rural Banks in the district is 49 percent which is 17 percent lower than the average recovery percentage for the state as a whole signifying the better performance of the banks in the state than the district.

27. During the year 2009-10, Deshabandhu Micro Finance Institutions has promoted 304 JLGs in the district. The organisation has availed loan assistance of Rs. 50 lakh and Rs. 17.50 lakh from Assam Gramin Vikash Bank and Rashtriya Mahila Kosh respectively for onlending to the groups. As on 31st July 2011, 294 women and 12 male JLGs have been promoted and credit linked by the organisation. The agency has disbursed an amount of Rs. 147.11 lakh to the groups. The recovery was 100 percent and the amount outstanding was Rs. 44.42 lakh as on 31st July 2011.

28. Bandhan Financial Services Pvt. Ltd. (BFSPPL) started its microfinance operations in Cachar district in 2006 with only 2 branches located at Silchar and Udharbond. But as on 31st March 2011, the number of branches operating in the district has increased to 20 spread across the different parts of the district and during this 5 years of journey, the total number of borrowers has reached to 52,367 and the amount of loans outstanding has increased to Rs. 37.9 crores thereby having the per borrower loan of Rs. 7,241 which is just below the per borrower loan of Rs. 7714 for all over India.
29. UNACCO Financial Services Private Limited (UFSPL) launched its operations in the Cachar district on January 2009. At present it is operating in the district with 4 branch offices located at Silchar, Lakhimpur, Udharbond and Sonai. During the year 2010-11, the company has disbursed a loan amount of Rs. 978.95 lakhs to 13,370 clients. The outstanding loan portfolios of the company as on 31st March 2011 is to the extent of Rs. 509.25 lakhs.

30. North East Region Finservices Limited (NEREFS Ltd) started its operations in the Cachar district of Assam in the month of March 2010. During the year 2010-11, the company has disbursed a total loan of Rs. 200.1 lakhs to different category of borrowers (viz., Individuals, SHG Members, JLG Members, etc). As on 31st March, 2011, the company has total outstanding loans of Rs. 154.4 lakhs and overdues to the extent of Rs. 9.4 lakhs. It is presently operating with 7 numbers of branches in various parts of the district like Fulertal, Pailapool, Kashipur, Rongpur, Udharbond, Silchar and Tarapur.

Findings based on Objective No. 2

1. The age-wise distribution of the sample SHG members reveals that majority of the SHG members, i.e., 37.1 percent are in the age group of “26-35” followed by 27.1 percent in the age group of “36-45”, 19.3 percent in the age group of “25 & Below” and only 16.5 percent are in the age group of “46 & Above”. This suggests that most of the SHG members are in the productive age group which can lead to higher impacts on the target households. On the other hand, a comparison of the Treatment Group and Control Group reveals that only 9.7 percent of the Treatment Group members are in the age group of “25 & Below” whereas as high as 28.8 percent of the Control Group members belong to this age group. This shows that the micro financing through SHGs is increasingly becoming popular among the younger generations. Their involvement in the thrift, credit and economic activities of SHGs will definitely increase the sustainability of this programme.

2. The sex-wise distribution of sample SHG members reveals that only 11.9 percent of the total sample SHG members are men whereas as high as 88.1 percent
are female SHG members. It shows that SGSY has covered the participation of women members of the poor rural families in a desirable way.

3. Data on the educational status of the beneficiaries is one of the most important social indicator which is directly related with the economic well being of the people in our society. Moreover the level of education also affects the proper functioning of the SHG. From the analysis, it is observed that those who do not have any formal education comprise 14.6 percent. The percentage of beneficiaries who have studied upto primary level and middle class level are 20.3 percent and 16.5 percent respectively. Majority of the sample SHG members i.e. 35.6 percent have studied upto high school level and relatively small percentage i.e. 13.0 percent have studied upto HS Level and above. On comparison of the Treatment Group and Control Group reveals that only 10.6 percent of the Treatment Group members have studied upto HS Level and above whereas 15.3 percent of the Control Group members have studied upto HS Level and above. This indicates that people with higher levels of education is also joining the government sponsored microfinance programme i.e. SGSY as our Control Group members are the new SHG members.

4. The marital status of SHG members was also ascertained during the survey which shows that amongst the sample SHG members, 69.3 percent are married, followed by 20.6 percent unmarried, 7.4 percent widow and only 2.8 percent are divorcee. A comparison of the Treatment Group members and Control Group members shows that there is greater prevalence of unmarried people in the Control Group as compared to Treatment Group. These unmarried SHG members are likely to create problems in the stability of the SHGs. After getting married, they will probably leave the village and thereby discontinue their membership with the SHG. In this regard, our Treatment Group is more stable than the Control Group.

5. Caste is an important social factor in our society, which has a lot of socio-economic and political implications. It is found that majority of SHG members i.e., 46 percent of the sample SHG members are from General Caste, followed by 32.6 percent from OBC Category and only 21.4 percent are from SC Category. A comparison of the Treatment Group and Control Group reveals that about 44.1 percent Treatment Group SHG members belong to General Caste where as high as
47.9 percent Control Group SHG members belong to this category. On the other hand, there dominance of SC’s and OBC’s in the Treatment Group.

6. Around 66.1 percent of the total SHG members are Hindu and 33.9 percent are Muslim. On the other hand, the proportion of Hindus and Muslims both in the Treatment Group and Control Groups are almost similar.

7. About 54.9 percent of the sample SHG members belong to joint family and about 45.1 percent belong to nuclear family. A comparison of the Treatment Group and Control Group reveals that 56.4 percent Treatment Group SHG members are from Joint Families whereas 53.4 percent Control Group SHG members are from the same category of families. On the other hand, 43.6 percent Treatment Group SHG members are from Nuclear Family whereas 46.6 percent Control Group SHG members are from Nuclear Family.

8. Majority of the sample SHG member households i.e. 37.5 percent have “5 to 6” members in the family, followed by 30.7 percent have “3 to 4” members, 25.2 percent have “Above 6” members and only 6.6 percent have “Upto 2” members in the family.

9. Further, it is observed from the analysis that majority of the SHG member households, i.e. 42.8 percent have only one income earners, followed by 40.9 percent have two income earners, 12.1 percent have three income earners and only 4.2 percent have more than four income earners. On comparison of the Treatment Group households and Control Group households reveals that around 51.7 percent of the Treatment Group households have two income earners whereas only 30.1 percent of the Control Group households have two income earners. This could be because of SHG members involvement in economic activities as compared with their counterparts who are yet to be involved in the same.

10. Around 44.9 percent of the total sample SHG member households have number of children “Upto 2” followed by 34.3 percent have “No Children” and only 20.8 percent have more than three children.

11. Further, in terms of ownership status of the house of the sample SHG member households, it is observed that as high as 91.9 percent of the sample SHG member households are residing in their own house, followed by 5.7 percent of the
households staying in rented house. On the other hand, only 2.3 percent of the total sample SHG member households are residing in their in-laws house or in relatives house.

12. The land holding status of the sample SHG member households reveals that majority of the SHG member households, i.e. 52.3 percent are landless whereas 47.7 percent of the households have their own lands.

13. Economic activity wise distribution of sample SHG members reveals that majority of the SHG members i.e., 40 percent have chosen “Animal Husbandry” as their income earning activity. On the other hand, 19.1 percent are engaged in the “Service” sector whereas 15.0 percent are engaged in “Horticulture” sector. 10.2 percent of the sample SHG members are engaged in “Trading” activities whereas equal percentages of people are engaged in “Agriculture” and “Manufacturing” activities respectively. A comparison of the Treatment Group and Control Group shows that majority of the Treatment Group members have chosen “Animal Husbandry” whereas majority of the Control Group members have chosen “Service” sector.

14. It is further observed about 42 percent of the sample SHG member households have monthly income ranges from “6001 – 10000” followed by 31.4 percent in the range of “3001 – 6000”, 18.4 percent in the range of “10001 +” and only 8.3 percent in the income range of “<=3000”.

15. The microfinance programme with better access to credit is expected to bring increased income to the mature SHG member households than the new SHG member households. It is observed from the analysis that the growth rate (CAGR) of total household income of Treatment Group households during 2007 to 2010 is 9.21 percent which is higher than the growth rate (CAGR) of Control Group households which is only 7.97 percent thereby indicating higher income growth in case of Treatment Group. This shows that microfinance has positive impact on the income level of the beneficiary households.

16. The microfinance programme is also expected to have more impact on the consumption expenditure of the mature SHG member households than the new SHG member households. It is observed from the analysis that the growth rate (CAGR) of
monthly consumption expenditure of Treatment Group households is 9.15 percent which is higher than the growth rate (CAGR) of Control Group which is only 7.39 percent thereby indicating higher growth rate for the Treatment Group households than the Control Group households in terms of monthly household consumption expenditure is concerned. This shows that, more longer the association with the microfinance programme, the more is the impact on consumption expenditure. So we can say that microfinance has positive impact on the consumption expenditure of the beneficiary households.

17. The result of the Mann-Whitney Test shows that there is significant difference in the change of income of the households during 2007 to 2010 between the Treatment Group and Control Group. So we can conclude that the microfinance programme has a significant impact on the income level of the beneficiary households.

18. The result of the Mann-Whitney Test shows that there is significant difference in the change of households monthly consumption expenditure during 2007 to 2010 between the Treatment Group and Control Group. So we can conclude that the microfinance programme has a significant impact on the household monthly consumption expenditure of the beneficiary households.

19. The Chi-Square result shows that there is no significant difference between the Treatment Group and Control Group in terms of intake of number of meals a day. But on analysis of the data, it is found that 83.5 percent of the Treatment Group households takes meals more than twice a day whereas comparatively a lesser percentage i.e. 81.8 percent of the Control Group households takes meals more than twice a day. So the Treatment Group is relatively in a better condition in terms of intake of number of meals is concerned and thereby revealing the positive impact of microfinance on the client households who have longer duration of association with the microfinance programme.

20. The Chi-Square Test shows that there is significant difference between the Treatment Group and Control Group in terms of intake of meat/fish or other luxury items are concerned. On analysis of the data, it is found that 13.1 percent of the Treatment Group household takes meat/fish or other luxury food items on daily basis whereas only 10.2 percent of the Control Group household takes meat/fish or
other luxury items on a daily basis. On the other hand, 53.4 percent of the Treatment Group household takes meat/fish or other luxury items twice a week whereas only 35.2 percent of the Control Group household takes the same dish twice a week. So we can conclude that the Treatment Group is relatively in a better condition than the Control Group in terms of intake of meat/fish or other luxury items are concerned signifying positive impact of microfinance on the client households who have longer duration of association with the microfinance programme.

21. The Chi-Square Test shows the significant difference between the Treatment Group and Control Group in terms of intake of inferior food in the last seven days. On analysis of data, it is found that 16.1 percent of the Treatment Group households reported that they have not taken inferior food in the last week whereas only 4.2 percent of the Control Group households experienced such kind of situations. On the other hand, 36.4 percent of the Treatment Group households reported that their meal consists of inferior food for 1-3 days in the last week whereas 44.1 percent of the Control Group households reported that they have taken inferior food for 1-3 days during the last week. From these we can say that the Treatment Group households are relatively in a better position in terms of intake of healthy diet is concerned. So we can say that client households who have longer duration of association with the microfinance programme, take healthy and superior food than the client households who have just became part of the programme.

22. The Chi-Square Test shows that there is significant difference between the Treatment Group and Control Group in terms of intake of enough food in their daily meals in the last 30 days. On analysis of data it is found that 12.3 percent of the Treatment Group households have not experienced such kind of food shortage during the last 30 days whereas only 2.1 percent of the Control Group households have not experienced such kind of food shortage. On the other hand, 33.5 percent of the Treatment Group households have reported that they did not get enough to eat during 10-20 days in the last 30 days whereas in case of Control Group, the percentage is 39.8 percent. So we can conclude that the Treatment Group is relatively in a better position than the Control Group in terms of taking enough food in their daily meals over a period of time. So we can say that microfinance acts as a
tool of consumption smoothing for the mature client households than their counterparts.

23. The Chi-Square result shows that there is significant difference between the Treatment Group and Control Group in terms of households having a stock of local staple food. On analysis of data it is found that 11.9 percent of the Treatment Group households could not maintain stock of local staple food whereas 18.2 percent of the Control Group households reported that they could not maintain the stock. On the other hand, 26.7 percent of the treatment Group households reported that they could maintain the stock for less than a week whereas 40.7 percent of the Control Group households reported that they could maintain the stock for less than a week. Further 47.5 percent of the Treatment Group households could maintain the stock of local staple food for 1-4 weeks whereas only 33.9 percent of the Control Group households could maintain the stock for 1-4 weeks in their home. So from this we can say that the Treatment Group households are in a better situation in terms of maintaining the stock of local staple food than the Control Group households revealing the positive impact of microfinance on the Treatment Group households.

24. The chi-square result shows that there is no significant difference between the Treatment Group and Control Group in terms of usage of roofing materials are concerned revealing no impact of microfinance on the client households. But on analysis of the data, it is found that the Treatment Group households are in a bit disadvantageous position as 7.2 per of the Treatment Group households uses tarpaulin/plastic sheets whereas only 3.8 percent of the Control Group households uses the same materials for roofing purpose. On the other hand, 80.9 percent of the Treatment Group households uses iron sheets as roofing materials whereas 81.8 percent Control Group households uses the same. So we can say that relatively poorer people have joined the microfinance programme earlier than their counterparts. In other words, the microfinance programme has targeted relatively more poor people first than the relatively less poor people to join the programme.

25. The chi-square result shows that there is no significant difference between the Treatment Group and Control Group in terms type of external walls are concerned. But on analysis of data, it is found that the Treatment Group households are in a little bit disadvantageous position as they uses more mud and less bricks and
cement in construction of external walls of their houses as compared with the Control Group households.

26. The chi-square result shows that there is no significant difference between the Treatment Group and Control Group in terms of type of floors of their houses. But it is observed from the analysis that majority of the Treatment Group households have mud floors and less concrete floors as compared with the Control Group households. So the Treatment Group households are in a bit disadvantageous position than the Control Group household in terms of type of flooring is concerned.

27. The chi-square result shows that there is no significant difference between the Treatment Group and Control Group in terms of structural condition of the main dwelling. But on analysis of the data, it is found that the Treatment Group households are in a little bit disadvantageous position as 39.0 percent need major repairing of their house whereas only 36.9 percent of the Control Group households need the same. On the other hand, 20.3 percent of the Treatment Group households have sound structure whereas relatively a more percentage, i.e., 22.9 percent of the Control Group households have sound structure.

28. The chi-square result shows that there is no significant difference between the Treatment Group and Control Group in terms of type of toilet facility available. On analysis of the data, it is found that 61.9 percent of the Treatment Group households uses Kutchta toilet whereas only 55.1 percent of the Control Group households uses the same. Further only 17.4 percent of the Treatment Group households uses Pucca toilet whereas 21.6 percent of the Control Group households uses the same. So our Treatment Groups households are relatively poor than their counterparts.

29. The chi-square result shows that there is no significant difference between the Treatment Group and Control Group in terms of number of dwelling rooms are concerned. It is observed from the analysis that relatively lesser percentage of Treatment Group households have more than two rooms as compared with the Control Group households.

30. The chi-square result shows that there is no significant difference between the Treatment Group and Control Group in terms of availability of separate room for
kitchen. On analysis of the data, it is found that the Treatment Group households are in a bit disadvantageous position as 91.5 percent of the Treatment Group households have separate room for kitchen whereas 94.5 percent of the Control Group households have separate room for kitchen.

31. The chi-square result shows that there is no significant difference between the Treatment Group and Control Group in terms of type of electricity supply in their houses. But from the analysis, it is observed that the Treatment Group households are in a relatively better condition as 65.3 percent have own electricity connection whereas only 52.1 percent of the Control Group households have own electricity connection.

32. The chi-square result shows the significant difference between the Treatment Group households and Control Group households in terms of type of cooking fuel source used by them. Also the analysis shows that about 30.5 percent of the Treatment Group household uses collected wood for their cooking fuel whereas in case of Control Group households, the percentage is only 17.4 percent. This shows that the Treatment Group households are comparatively poorer than the Control Group households.

33. In terms of source of drinking water, 24.6 percent of the Treatment Group households rely on “Pond/Lake/River” whereas comparatively a larger percentage of Control Group households rely on the source for their drinking water. On the other hand, 14.4 percent of the Treatment Group households rely on “Public Water Supply” for their drinking water needs compared with only 9.7 percent of Control Group households. This suggests that the Treatment Group households had improved source of drinking water than the Control Group households. Further the chi-square result also shows the significant difference between the two groups.

**Findings based on Objective No. 3**

1. It is observed from the analysis that the mean score of Treatment Group SHG members are 2.19 whereas the mean score of Control Group SHG members are only 1.97 which indicates that the Treatment Group SHG members were in a
relatively more empowered than their counterparts in terms of decision making power in economic activities are concerned.

2. In terms of Women’s Work Participation/Freedom of Action and Mobility, it is observed that the mean score of Treatment Group SHG members is 2.29 which is slightly more than the mean score of Control Group SHG members which is 2.21 indicating a relatively advantageous position of Treatment Group than the Control Group in the ground as mentioned above.

3. While analysing the mean score of Treatment Group SHG members and Control Group SHG members in terms of Attainment of Economic Self Sufficiency, it is found that the former group is having more mean score than the latter indicating a higher level of empowerment in terms of Attainment of Economic Self Sufficiency is concerned.

4. It is further observed that, in terms of Ability to Control Resources/Properties, the mean score of Treatment Group SHG members is 1.53 whereas the same is only 1.50 for the Control Group. This indicates that, under this parameter, the relative position of Treatment Group is marginally higher than their counterparts.

5. The mean scores of both Treatment Group and Control Group SHG members in terms of Decision Making Power in Development Programmes shows that the mean score of Treatment Group is 1.52 whereas the mean score of Control Group is only 1.48 thereby indicating that the level of empowerment of Treatment Group SHG members are marginally higher than the Control Group SHG members.

6. It has been further noticed that the Treatment Group SHG members stood first with the total mean score of 9.14 than their counterparts which is having a total mean score of only 8.70. This indicates that more the duration of membership with the SHGs, the more is the level of economic empowerment.

7. The Chi-Square result shows that there is no significant difference between the Treatment Group and Control Group in terms of economic empowerment of women SHG members. So it is concluded that microfinance programme has no impact on the level of economic empowerment of women SHG members in the study area.
6.2 Suggestions

1. The target of the microfinance programme delivered under SGSY aims at self-employment in micro-enterprises built, owned and operated by SHGs. As such growth in the number of SHGs both in India as well as in the study area is laudable. However, care has to be taken in judging the success of the programme not only from the numbers of SHGs formed but in their economic viability and sustainability. Therefore, the target must not be quantity of groups formed or quantum of credit disbursed or amount of subsidy released but number of matured quality SHGs.

2. The unity among the SHG members should be ensured which is basically the root cause for dismantling of the SHG. The SHG members should be motivated so that they can understand the strength of working as a group.

3. Illiterate rural women of vulnerable sections of the society are the focal point of the scheme. So it is very natural that there would be many kinds of loopholes in their activities. Close supervision and effective monitoring can improve the situation. It need complete restructuring of monitoring network from GP level to district level where an officer at GP office must monitor each SHG in a GP, BDOs must monitor village wise, and PDs block wise.

4. The skill development training for the SHG members should be adequately met which is the need of the hour for graduating of SHG members in to micro entrepreneurs.

5. Government should make proper arrangement for marketing of the goods produced by the SHG members. In this regard, SHG Sales Centre.

6. The provision of micro insurance should be widened so that the SHGs situated in the remote corner can also get the livestock insured against all possible unforeseen circumstances.

7. The government should augment the building of infrastructural facilities for SHGs.

8. The formation of SHG Federation should be encouraged.

9. The functioning of minor irrigation projects at the lean season should be ensured.

10. The selection of appropriate income generating schemes which should be through the joint consultation of bank officials, NRLM staff and line departments.
11. Strengthening of the data base of the microfinance sector is very much essential in the block level, district level and state level.

12. Efforts should be taken in revitalize the defunct/dormant SHGs of the Cachar district of Assam.

13. The Commercial Banks in general and the Private Sector Banks in particular, should increase their businesses with the SHGs.

14. The tendency of the SHGs enrolling more and more of relatively better off households having better access to institutional sources of credit should be discouraged.

6.3 Conclusion

Access to finance by the poor and vulnerable sections of our society is a prerequisite for poverty reduction and inclusive growth strategy. It is widely recognized that access to financial services can play a critical role in helping poor people widen their economic opportunities, increase their asset base and reduce their vulnerability to unforeseen circumstances. This has to become an integral part of our overall financial sector development efforts which can promote inclusive growth. However, the extent of financial exclusion among the poor households varies widely across regions, social groups and asset holdings. The poorer the group, the greater is the exclusion. In this scenario of financial exclusion in India, microfinance, by reaching out to the poor, has emerged not only as a powerful instrument of inclusive finance but also as an inclusive growth strategy. The SHG - Bank Linkage Programme can be regarded as the most potent initiative under microfinance movement in India since Independence for delivering financial services to the poor in a sustainable manner and over 95 million poor rural households are now part of this world’s largest micro credit initiative. It is hoped that the Micro Finance Institutions (Development & Regulation) Bill, 2012, that is currently under review by a Parliamentary Standing Committee would provide adequate legislative framework for the sector’s regulation and development. The draft bill was widely welcomed by industry observers as a major step forward in the government’s engagement with the microfinance sector. If this bill is passed by Parliament in its present form it should signal the beginning of the end of the Indian microfinance crisis.