CHAPTER 6

Summary of Findings
Suggestions & Conclusion

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6.1 SUMMARY OF FINDINGS:

The introduction of extending banking services to the unreached poor section of the society through SHG –Bank Linkage has now been emerged as one of the most powerful tool for alleviation of poverty. As mentioned earlier, regarding the state of Assam the pilot project of SHG Bank Linkage Programme as forwarded by NABARD gathered momentum only from 2001-02. In this chapter the study findings of the analysis is forwarded regarding the performance of the programme in the state of Assam with special reference to Kamrup Districts, with respect to which certain fact has been highlighted. The study findings have been forwarded objective wise.

Findings against First Objective

1. With respect to the savings of SHGs with bank it is observed that there is an uphill inclination regarding the formation of SHGs and maintaining accounts in the bank and at the same time the savings amount of SHGs in bank also showed an uphill inclination.

2. The analysis regarding the status of bank loan disbursed to SHGs reveals that even though there is a continuous flow of bank finance for financing these SHGs but the trend is rather fluctuating both in terms of SHGs being disbursed with bank loan and the amount of bank loan disbursed.

3. With respect to the status of bank loan outstanding it can be remarked that both the amount of bank loan outstanding and the number of SHGs against which there is outstanding bank loan is mounting year by year.

4. For skill development of SHG members, NABARD launched a programme under the banner of Micro Enterprise Development Programme in the year 2006. Initially there is a decent response from the SHG members towards the Micro Enterprise Development Programme (MEDP) but from the year the 2010-11 there is no consistency with respect to number of SHG members participating in the Micro Enterprise Development Programme (MEDP).
5. Although the SHG Bank Linkage Programme has covered a long journey from its inception in the state of Assam yet its performance is not pleasing if compared with the overall performance of India as a whole.

a) With respect to the state of Assam the growth rate with number of SHGs formed is more than that of India as a whole. However with respect to the amount of savings of SHGs with banks the all India performance is better than that of Assam position except for the year 2011-12 during which the state of Assam showed an outstanding performance as against India performance.

b) On comparison of Assam position with that of India position with respect to bank loan disbursed to SHGs it can be observed that the performance of Assam is not impressive both in terms of number of SHGs disbursed with bank loan and the amount of bank loan disbursed to SHGs.

c) Again, on comparison of Assam position with that of India position with respect to bank loan outstanding it can be observed that the situation is quite adverse for Assam both in terms of number of SHGs against which there is outstanding bank loan and the amount of bank loan outstanding against SHGs.

d) With respect to Micro Enterprise Development Programme the analysis reveals that during the year 2008-09 the position of Assam is almost at par and during the year 2009-10 and 2011-12 the performance of Assam state is proved to be outstanding as compared with that of India position. However during the year 2010-11 and 2012-13 the position of Assam state is rather disheartening.

Findings against Second Objective

1. With respect to Kamrup District till the year 2009-19, there is a growth in number of SHGs linked under SBLP, but from 2010-11 onwards the trend started declining. On comparison of the position of Kamrup District with respect to Assam position it can be observed that the position of Kamrup District is better than the Assam position regarding the number of SHGs
linked under SBLP taking into consideration the CAGR calculated for both Kamrup as well as Assam.

2. With respect to disbursement of bank loan for SHG financing the analysis reveals that there is a continuous growth of bank finance in Kamrup District. At the same time on comparison of the position of Kamrup District with respect to Assam position it can be observed that the position of Kamrup District is better than the Assam position regarding the disbursement of bank loan to SHGs taking into consideration the CAGR calculated for both Kamrup as well as Assam.

Findings against Third Objective:

Through this section of the chapter an effort is made to portray the personal and socio-economic profile of the SHG members.

1. There is an improvement in the monthly income of the household of the respondents’ members after SHG membership. Majority of the respondents’ households had monthly income below Rs.3,000 before SHG membership with an average income of Rs.2,796.58 per households. After SHG membership, majority of the respondents households had a monthly income above Rs.5,000 with an average of Rs.6,754.33 per households. Further, the chi square test reveals that the improvement in monthly income of the households is proved to be statistically significant since the result of chi square test reveals that there is a significant difference in the monthly income of the households after SHG membership.

2. Before becoming a member of a Self Help Group 88.71% of the respondents had no earnings and remaining had an income of Rs.500 or less. However, after becoming a member of SHG, majority of the members have started earning little meager and more than 50% of the respondent members are earning more than Rs.500 per month which ultimately led to an enhancement in the income of the household in general to a great extent. At the same time the result of chi square test also reveals that the improvement in the monthly
earnings of the SHG members after becoming a member of the group is statistically significant since the result of chi square test reveals that there is a significant difference in the monthly earnings of the SHG members after SHG membership.

3. The average monthly household consumption expenditure of those SHG members under analysis after becoming SHG members, shows a handsome growth rate of 76.54%, which means that there is a considerable change in the expenditure of members, before and after becoming a member of the group. This is an indication of increase in the standard of living of the families of members of SHG. Considering the monthly food and non-food expenditure, it is being witnessed that out of total monthly consumption expenditure, about 72% was expended for food expenditure and the remaining for non-food expenditure before SHG membership and after SHG membership about 70% was expended for food expenditure and the remaining for non-food expenditure. At the same time the chi square test also indicated that the improvement reported after SHG membership is statistically significant since the result of chi square test reveals that there is a significant difference in the consumption expenditure pattern after SHG membership.

4. From the analysis, a witness can be made that there is a development among the respondent members with respect to necessity of work for earning their livelihood. An average of 23 days per month is spent for working after SHG membership as against 11 days before SHG membership.

5. In regard to food habit of the SHG members under analysis, it is being observed that there is an improvement in food habit with special reference to number of meals a day, intake of meat, fish or other luxury food, no. of days for which the meal consist of inferior foods only (in last 7 days), no. of days for which the household does not have enough to eat every day (in last 30 days), no. of months for which the household have at least one day without enough to eat, no of weeks for which the household have a stock of local
staple food, type of cooking fuel source primarily used etc., after becoming members of a Self Help Group:

a) Before SHG membership, about 36% of the respondents had claimed of having meals once a day, 49% claimed of having meals twice a day and 14% had claimed of having meals more than twice a day. After SHG membership about 12% of the respondent members are having meal once a day, about 56% of them are having twice a day and about 31% are having more than twice a day.

b) Regarding the intake of luxury food, about 62% had it weekly, about 31% had it fortnightly, about 5% had it monthly and 2% had it less than frequently a month before obtaining SHG membership and after SHG membership about 76% of the respondents reported of having it weekly, 27% are having it fortnightly and about 3% are having it monthly.

c) Regarding the number of days for which the meal consists of inferior goods (in last 7 days), the status before SHG membership is that about 15% of the respondent members had it for 1 to 3 days in a week, about 12% had it for 4 to 6 days in a week and 1% had it for all seven days and the remaining (i.e., 82%) do not intake any foods of inferior quality. But after SHG membership about 6% of the respondents have it for 1 to 3 days in a week, about 1% have it for 4 to 6 days in a week, about 2% had it for all seven days and the remaining (i.e., 91%) do not intake any foods of inferior quality.

d) About 14% of the respondents claimed of not having enough food to eat every day for about 10 days in a month before SHG membership which is now reduced to about 4% after SHG membership and the rest claimed of having sufficient food to eat every day.

e) Regarding maintaining stock of local staple food, about 20% of the respondent members did not maintained any such stock, about 55% maintained stock for less than a week, about 23% of the respondent members’ maintained stock for 1 to 4 weeks. After SHG membership about 50% of the respondent members are maintaining stock of less than a week, about 20% of them are maintaining stock for about 1 to 4 weeks and about 8% of the are maintaining stock for more than 4 weeks.
f) After SHG membership most of the respondent members started using kerosene and LPG as cooking fuel as against woods and charcoal before SHG membership. Further, the chi square value calculated for all the aspects discussed under the head ‘food’ infers that there is a significant difference after SHG membership and hence the improvement can be said to be statistically significant.

6. Reviewing the status of health and hygiene of the respondents, it is been observed that after SHG membership the awareness in the SHG members in relation to health and hygiene has been improved to a great extent. To measure the extent of awareness generated among the members a 7 point scale was used which includes attending of hospitals/ health centers/ doctors for medical treatment, affordability to buy medicines in emergencies, women in household attending hospitals/ health centers, immunization of children on time, malnourished children in household, sources of drinking water and type of toilet facility available:

a) 65% of the respondent members reported of attending hospitals/ health centers for medical treatment after SHG membership as against 61% before SHG membership.

b) About 97% of the respondents reported to be in an affordable condition of buying medicines in emergencies after SHG membership which was about 64% before SHG membership era.

c) Women’s participation in attending the hospitals/ health centers for medical treatment is also been surveyed to be about 72% after SHG membership era as against 66% before SHG membership.

d) Survey recorded a fact of about 96% of the respondents’ household of having immunization of children in time after SHG membership which was about 88% before SHG membership.

However, the chi square test reveals that, there is no significant difference between before and after SHG membership with respect to attending of hospitals/ health centers/ doctors for medical treatment and malnourishment of children and hence the improvement is said to be statistically significant.
But with respect to affordability to buy medicines in emergencies and immunization of children in time the chi square test result reveals that there is no significant difference after SHG membership and hence the improvement made after SHG membership is not statistically significant.

7. Comparison of land holding status and housing before and after becoming a member of the group showed that after becoming a member of self help group (SHG) there is a significant development in the land holding status viz., no. of landless is reduced from 26% to 21%, as regards dwelling house also the analysis showed that there is an improvement in the pattern of housing facilities maintained by the respondents regarding ownership of the house, type of roofing materials, type of external walls, type of flooring, type of electricity, type of house, no. of dwelling rooms, etc., used in the house.

a) About 26% of the respondent members reported to be landless before SHG membership which is now reduced to 22% after SHG membership.

b) About 89% of the respondent members reported of staying in their own before SHG membership and after SHG membership it is now about 95%, rest staying in rented house.

c) Only about 7% of the respondent members used brick tiles or concrete as roofing materials and the remaining used tarpaulin, plastic sheet, grass or straws before SHG membership. After SHG membership about 25% of the respondents are now using brick tiles or concrete as roofing materials.

d) Maximum of the respondents (about 93%) used bamboo twigs or mud walls as external wall during pre SHG membership period and after SHG membership about 66% of the respondents are now using iron sheets, timber or bricks for external walls.

e) About 68% were using mud and wood for flooring before SHG membership, 30% were using bricks and few used bricks with cement plaster, however, after SHG membership, about 67% are now using bricks and cement plaster as flooring their house.

f) Before SHG membership the structural condition of the main dwelling of the respondent members either were seriously dilapidated or need some
repairing, but after SHG membership the condition is being improved in the sense that only few need major repairs.

g) With respect to electricity supply, before SHG membership maximum (about 60%) of them had either no connection or shared connection but after SHG membership about 90% of them is now have their own connection.

Further, the chi square test conducted also discloses the fact that, there is a significant difference between before and after SHG membership with respect to various aspects which are analysed for assessing the condition connected to land holding status and housing. And hence it can be said that the improvement made with respect to land holding status and housing after SHG membership is statistically significant.

8. About 96% of the respondent members are now participating in various social activities and welfare programmes after SHG membership which means that there is an increased awareness among the respondent members regarding social responsibility. Moreover the chi square test further conveyed that the increased awareness among the respondents with respect to participation in various social activities and welfare programmes after SHG membership is proved to be statistically significant since the result of chi square test reveals that there is a significant difference in level of participation in social action.

9. After SHG membership about 81% of the respondent members had an access to local elites which was 75% before SHG membership. However, the chi square test reveals that there is no significant difference in accessibility of local elites after SHG members. And thus it can be said that this improvement is not statistically significant.

10. The highest percentage of the groups, i.e., 48% have completed more than 4 years of service followed by 36% which had completed more than 3 years of service.
11. The analysis revealed that 95% of the respondents have participation in SHGs only and the rest have involvement in membership in other networks apart from SHG.

12. Only about 58% of the respondent members received training under various programme implemented by various agencies.

13. Maximum of the respondents have undertaken individual activity and only a few have taken group activity and some of them are yet to start any activity.

14. 81% of the respondents created assets out of SHG loan which is operational.

15. Majority (82%) of the respondents opined about fairness in selecting members of SHG.

16. None of the respondent members are without any savings. The savings in SHGs varies ranging from Rs.101 to Rs.500 per week, however more than 50% of the respondents savings in SHG ranges from Rs.251 to Rs.400 per week.

17. All the SHGs under analysis had attained the opportunity of getting loan which benefited the respondent members in carrying their activities smoothly either through group activity or individual activity.

18. The purpose of taking loan indicated that majority had taken loan for undertaking some business activity. More than 50% of the respondents had undertaken weaving activity since the raw material is easily accessible.

19. Lastly, to measure the extent of the performance of SHG membership in enhancing the living status of the respondent members, their asset holding status is reviewed and it has been observed that after SHG membership more number of SHG members realized the importance of holding assets to enhance their living status.
6.2 SUGGESTIONS:

1. The outstanding amount of Bank Loan against SHG financing for the state of Assam continued to escalate and therefore the causes of any such declining performance are to be analysed and remedial measures to be initiated urgently.

2. Kamrup district being one of the pioneering districts in the micro finance movement of the Assam state, till now did not show any satisfactory performance with respect to SHG formation and bank loan disbursed, since a large section of BPL families of Kamrup District are still outside the coverage of SHG Bank Linkage Programme. Some vibrant policies are to be formulated for SHG financing in Kamrup district of Assam. NABARD in consultation with the state government is required to create a healthy environment where more and more SHG can be conveniently formed and can be effectively performed. For this banks and NGOs of the local areas along with DRDA are also to be involved. The members of the Self Help Groups thus formed are to be facilitated with various skill development programmes.

3. Majority of the respondent members have attained education upto primary level and only a handful of them are blessed with the facility of technical education. Therefore the concerned agencies must plan and execute the need base technical education programmes to improve upon the situation.

4. The SHG members are either self employed in agriculture or in non farm sector. Some need based training programmes are to be launched and executed by the concerned agencies for skill development of the SHG members, since training can contribute significantly to the success of the fulfillment of the very objective of micro finance movement. At the same time, proper monitoring must also be done at regular intervals in order to observe the benefit derived against such training programmes.

5. The SHG Bank Linkage programme is targeted to reach the poorest section of the society which is bypassed by the formal banking system. It is observed that the SHG are formed in the district consisting of members of those households
where the incomes of the SHG members are regarded as a supportive income. Therefore, due prominence to be taken care of while recognizing an SHG to be covered under the roof of SHG Bank Linkage programme so that the members of those Self Help Groups are from the poorest section of the society.

6. Some social awareness programmes must be put forward with the help of local NGOs where increasing number of SHG members are to be made active participation in order to encourage them for attractive participation in social spheres.

7. Local elites must be made more easily accessible for the SHG members in order to help the SHG members for discussing and solving their various issues where assistance is required.

8. Group activity must be given more priority against individual activity. Therefore, the mindset of the SHG members must be motivated regarding the importance and opportunities of group activity.

9. The members should be motivated by the concerned promoting agencies about the importance of regular savings to the extent possible (i.e., according to their ability).

6.3 SCOPE FOR FURTHER RESEARCH:
The present research study aimed at exploring all the aspects to analyse the impact of SHG in poverty alleviation. However, the research study ignores the following facts:

- No discrimination of male and female SHG members.
- Performance of SHG members are analysed irrespective of the period of participation.
- Inflation or price level changes are not taken into consideration.

A micro level study can therefore be planned out covering all the aspects as mentioned above.
6.4 CONCLUSION:

Advancement or what is better called growth is the mandate of one and all may be an individual or a nation as a whole. Development is the only possible way through which growth can be achieved. In a nutshell it can be rightly remarked that development leads to growth. Therefore, development specially, economic development is one of the most vital matter of consideration of every country specially developing countries. Proper economic development rests on the construction of vibrant plans and apposite execution of such plans.

Poverty alleviation is presently one of the most burning issues for the Indian planners for strengthening the rural economy. And therefore, many strategies had been put forward and instigated with the active participations from various organisations.

SHGs are now playing very decisive role for uplifting the socio economic condition of the underdeveloped masses through which a healthy economic development is expected. Infact, the concept of SHG along with full participation from formal banking system are recognised as one of the most prominent tool for poverty alleviation. The concept of SHG is formally introduced by NABARD in 1992 under the banner SHG –Bank Linkage Programme through the through the formal banking is extended to the deprived section of the society and NABARD has covered a long voyage thereby trying to properly steer the programme of SHG –Bank Linkage Programme the journey has proved to be quite fruitful. However, considering the extent of poverty, the outreach of the programme needs to be more fortified and enriched. The concept of effective based activity is gradually catching up. Beyond, financial intermediation, SHGs can bring about a sea change in the lives of the poor. It has clearly been recognised that credit delivery alone may not produce the desired result. Associate facilities and arrangements through which credit is delivered, ranging from group formation and training to awareness raising and a wide range of other supporting measures are critical to marque the impact of the programme strong and sustainable. In this regard the various Government organisations including Government departments, NGOs, financial institutions must come up with more effective and practical oriented strategies in consultation with experts from various fields to make the programme more productive in order to cover a wider range.