CHAPTER 5

SUMMARY AND CONCLUSIONS

Linkages, both backward and forward play a determining role in the impact that a group has on its members. The aggregate effect of linkages determines the overall performance of SHGs. While it has been found that there are intra country differences in formation, functions and impact of SHGs, there have been certain processes which have been observed to be more or less uniform all over the country.

This research work therefore is an attempt to provide insights on the factors and processes in formation of SHGs in the study area against the factors and processes in the emergence of SHGs in India. This would develop greater understanding about perceived role (pre formation expectation) and post formation results. SHGs have been found in both rural and urban areas in nearly all parts of the country.

The neighbouring State of Assam has been found to have been at a relatively advanced stage in terms of formation, handholding and penetration of SHGs in rural areas. The socio economic and geographical conditions of rural areas of the neighbouring State bear similarities with the foothill areas of Arunachal Pradesh. Therefore an attempt has been made to study similar processes in reference to above, especially to develop greater understanding of processes and their corresponding impact.

A summary of major findings and their corresponding analysis are presented for perusal below:

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1. The age group of respondents (wherein 35 out of 40 (87.50%) of the respondents being SHG members), was significantly high from the working age. It was also found from the discussions with the respondents in Arunachal Pradesh and Assam that both NGO and official functionaries had influenced the membership into SHGs from amongst the working group population. This had emerged as an unsaid norm in both the States. Therefore, to this extent it can be said that formation of SHGs has been influenced by linkages.

2. The support in reference to initiating a villager to join into a SHG has been found to be largely coming from NGOs in both the States, whereas the role of official functionaries was found to be higher in Assam as compared to Arunachal Pradesh. 34.85 percent of the members have joined SHGs due to initiation by NGOs. Official functionaries (22.85%) and self initiation (22.85%) have been found to have influenced equally in reference to the joining in a SHG.

3. **In reference to the first objective** regarding understanding the factors and processes in formation of SHGs it was deduced that formation of SHGs has been influenced by role of NGOs and government functionaries as well as other SHGs, wherein role of NGOs and official functionaries has been established beyond doubt. Therefore it can be concluded that formation of SHGs is influenced by SHPIs and to that extent through the linkages of NGOs and government functionaries.
a. Expectation to obtain support from government and/or NGO remained the most predominant factor in formation of SHGs (64.76%) which includes expectation of access to credit.

b. In reference to above, the null hypothesis is not accepted that linkages to SHGs do not bear any influence on the process of formation of SHGs.

4. 96 percent of SHG members have been saving form their income inflows. It is pertinent to add that this may not indicate that these members would be having access to financial institutions or that they would be saving their surplus or thrift in savings bank accounts.

a. A high percentage of savings in Lohit (98.57%), Papumpare (92.85%) and Assam (100%) consequent to joining the SHGs can be attributed to dynamics of respective SHGs. Access to credit from respective SHGs was found to be high. Most of the consumption credit needs, especially credit needs of relatively smaller quantum were found to be met by the SHGs. However it was also learnt that SHGs were not able to meet all the credit needs all the time, leading to postponement of expenditure to availing credit from alternative sources.

5. NGOs were found to be providing most of the handholding support to the SHGs (43.4 %) followed by official functionaries (18.9%). Whereas 18.3 per cent of respondent SHGs held that they received support from both official functionaries and NGO representatives and that 19.4 per
cent respondents held that they did not receive handholding support from any one (either NGOs or official functionaries).

6. It is clear that those members from SHGs who are illiterate and semi literate are mostly facilitated by the NGOs in Arunachal Pradesh as against a fairly balanced support mechanism inferred from the responses from SHGs in Balipara. This could be an indicative that SHGs with members having low levels of education and lack of awareness are not able to solicit required amount of support from government officials and bankers as compared to the SHGs with relatively greater degree of awareness and higher literacy levels. \( r^2 = 0.97 \) is obtained using regression analysis of MS-Excel also establishes existence of a relationship between obtaining handholding support and educational levels of SHG members.

7. Most of the SHGs (47%) were formed between 5 to 6 years from present. While the SHGs that were formed less than a year comprised the least (6%). 85% of the SHGs comprised of such SHGs that were formed at least 3 years before the present research, thereby providing the set of respondent SHGs ideal for desired impact assessment of sustainability and linkages.

8. NGOs and government agencies were found to be providing need based linkages to the SHGs at various points of time. Involvement of NGOs and officials was largely found more in Assam as compared to Arunachal Pradesh.
a. NGOs and officials have been found to have come together for formation of bye-laws and regulations of respondent SHGs.

b. Support of officials has been found to be most for opening of bank accounts. Other SHGs in the neighbourhood have been instrumental in finalisation of interest rates.

c. It was observed that informal institutions were active in meeting credit needs and in certain cases the interest rates were exorbitantly high (between 120%–180% per annum). The SHGs were also observed being involved in lending to non members directly or indirectly. In the wake of these observations consensus in finalisation of interest rates assume importance.

9. SHGs in Assam were found to be the highest in terms of awareness and implementation of their bye-laws laws. In Arunachal Pradesh, while there was a nearly equally universal level of awareness regarding presence of rules pertaining to discipline including financial discipline in the bye-laws, full knowledge and practice of these regulations by the SHGs in letter and spirit was found to be relatively weaker as compared to the SHGs of Assam. Awareness about records and books of accounts was found to be high overall.

a. Overall knowledge and awareness remaining high, an emphasis on sensitisation about implementing rules framed by the groups for themselves will strengthen these groups and make them better equipped to prosper as capable and empowered institutions in Arunachal Pradesh. Therefore it can be deduced
that linkages especially through capacity building have scope for influencing performance of SHGs.

10. Ability in maintaining the records was differing amongst respondent SHGs across the study area. Analysis of data reveals that overall SHGs were able to maintain their respective records, while ‘Difficulty’ was observed in maintaining more elaborate records such as registers pertaining to savings and loans, etc.

   a. It is observed that for SHGs across both regions in Assam and Arunachal Pradesh, there was least difficulty in maintaining records pertaining to attendance and minutes of meeting.

   b. Despite a relatively lesser number of SHGs maintaining records pertaining to acknowledgements including money receipt records etc. the SHGs that maintain these records were found to be able to maintain these records ‘Easily’. *This leads to an important inference that given proper orientation and support the SHGs overall can be enable to inculcate better record keeping which promotes transparency and better financial discipline with relative ease. Therefore it reinforces the deduction that linkages especially through capacity building have scope for influencing performance of SHGs.*

11. The SHGs in both Assam and Arunachal (38.23%) were found to be lending to non members, therefore revealing prevalence of non member lending as a common practice in these regions. However the lending to
non members was found to be more prevalent (44.44%) in Arunachal Pradesh as compared to Assam (14.3%).

a. A combination of factors such as inability to generate a consensus on an economic activity, lack of avenues for perusal of viable livelihoods as compared to the option of earning through non member lending and in certain cases the option of following non member lending as a normal practice influenced by lack of awareness and sensitisation on pursuing more sustainable livelihoods and livelihood options with longer gestation periods have not only contributed towards non-member lending but have also made these SHGs in particular and other SHGs in general lesser credit-worthy by banks, thereby adversely influencing micro economic activity.

b. This also reinforces the deduction that provided these SHGs had been properly sensitised and provided with adequate skill development, it would have significantly reduced non member lending and would have certainly influenced greater retention of thrift capital within the SHG, which in turn highlights the scope of influence of linkages on performance of SHGs.

12. It was found that in instances where the groups meet frequently they were not found inclined to visit the banks to deposit their balance cash and normally prefer to keep the cash with them till the next meeting or even after consecutive meetings despite having regular savings. This was also statistically proved using regression analysis from MS-Excel,
where the value of adjusted $r^2$ was 0.50 indicating that that only half the groups would be depositing their cash balance in banks before the next meeting. It also indicates that regular savings and adherence to norms of the groups would not normally lead to increased transactions with the banks. It can also be inferred that federating of the groups could trigger an increased rotation of this balance that does not find its way into the formal financial sector due to various reasons.

a. This clearly suggests that provided adequate support these respondent SHGs could be better enabled for pursuing viable economic activity through federating them appropriately.

13. In reference to factors related with interaction (business) with banks, SHGs across both states have opted for hassle free disbursal of loans from banks as top most priority. Proximity of a bank branch near to the settlements / households appears to be a matter of concern for all SHGs in almost equal measure.

a. Proximity of a bank branch near the households appears to be a matter of concern for all SHGs in almost equal measure. This also leads to the inference that non availability of bank branches in easy to reach distances coupled with difficulties and negative attitude of bankers is contributing to development of alternative credit markets in rural areas and may also be promoting non member lending by SHGs.

b. While hassle free loan distribution was ranked as highest priority in reference to dealing with banks in both the States, locations of
bank branches in proximity to households was ranked second in Arunachal Pradesh and lower transaction time and better attitude of staff was ranked second in Assam.

**c.** Banks were ranked low reference to advice and support (non credit) for taking up micro economic activities indicating a perception that they are perceived as a medium for building capacities of its customers for taking up viable micro enterprise activities.

**14.** It was found that on average 40% of the SHGs had been able to evolve into micro enterprises in Arunachal Pradesh while 71% of the SHGs in Assam had evolved into micro enterprises.

a. In Namsai and Balijan (Arunachal Pradesh) as well as in Assam (Balipara) there were instances where SHGs were unable to accrue appreciable returns. Appropriate capacity building in entrepreneurship could in all likelihood result in increase in incomes from such micro entrepreneurial ventures.

b. No SHG in Assam held that ‘Lack of Skills or Lack of Experience’ was a hindering factor in reference to evolving into a micro enterprise.

c. It was observed that nearly all the SHGs held a perception that Government / government programmes as major source of support for starting a micro enterprise. Absence of ‘government’
support appeared to be a de-motivating factor including the perception of being ‘unable by default’.

d. In context of above, specific targeted interventions for adequate sensitisation of SHG members and make them aware of their potential, promotion of certain SHGs without 'government support' or subsidy allocation to showcase the potential of SHGs to the villagers could be considered for demonstration effect of potential of SHGs. **Skill development and market linkages would also positively influence evolution and promotion of micro enterprises in both States** depending upon location specific variability.

e. A relationship has been observed between lending to non members and evolving into micro enterprises. Using regression analysis (with a confidence level of 95%) between number of SHGs that do not lend or lend less to non members and number of such groups that have evolved into micro enterprises with number of groups that have (irrespective of) evolved into micro enterprises it was learnt that approximately 80 percent of the SHGs in the study area that do not / lend less to non members are able to form and operate their micro enterprise, which is significant.

15. Credit as a critical input in reference to perusal of an economic activity is largely linked with its timely availability. It was learnt that overall approximately half of the groups had received some form of credit
support. Credit support was observed to be substantially high in Assam (71.43%) as compared to Arunachal Pradesh (48.15%).

a. An analysis of the reasons as perceived by the respondents for ‘non repayment’ revealed that obtaining ‘lesser income than perceived’ and being ‘unable to market produce’ as important factors affecting repayment in both Assam and Arunachal Pradesh (37.04%).

b. Inability in tapping markets appears to be affecting Arunachal Pradesh and Assam in a combined manner. However ‘Inability to market produce’ seems to have been influenced by proximity to markets with lesser number of SHG respondents which were nearer to the market opting for this reason.

c. Diversion of credit to consumption needs was also considered as a major reason for the inability to repay credit.

d. Influence of peer SHGs in respect of repayment of credit emerged as another factor, not originally perceived by the researcher. Upon enquiring in the course of interaction with SHG respondents it was learnt that certain SHGs were not repaying their credit as ‘other SHGs’ in the neighbourhood were not repaying. Affirmative responses in this regards were obtained from Arunachal Pradesh only. During the course of interaction with SHG respondents it was also discussed that if they were aware of the possibility of being blacklisted for further credit assistance (including first time credit assistance to first time
seekers) in reference to which it was found that overall awareness regarding banking procedures and penalties was significantly low. It can be concluded that increase in levels of awareness regarding banking procedures and penalties would tend to influence repayment behaviour. Since financial institutions continue to be the medium of disbursal of all credit linked allocations under various government programmes, the need for greater awareness regarding banking procedures, penalties, etc. is even more pronounced. However it has been observed that banks seldom involve in any serious initiative of their own to increase awareness on these procedures.

16. In order to improve credit off-take and enable the groups to become sustainable it is suggested that sincerer efforts need to be undertaken to develop capacities at grassroots level for improving overall ability in marketing of the produce, there is a need for leveraging additional capital than normally available via financial institutions usually in the form of subsidy or capital grants. The credit for SHGs need to be provided as a holistic financial product that addresses local issues in a practical manner, viz. meeting consumption needs, etc.

17. It was found that SHPIs involved in initial handholding of SHGs tend to continue their support for linkages that are related with improvement of capacities at individual level in areas related with individual / community well being, literacy cum general awareness,
awareness and sensitisation about rights and entitlements of women (gender equity) and consequent ability to influence decisions and opinions related to women at community level to such respective SHGs as the case may be. This also has been found to be having a natural bearing on sustainability of SHGs.

a. NGOs were found to be having a greater role in ensuring sustainability in the above mentioned functions as compared to involvement of official functionaries.

b. Role of officials was found to be highest in enabling SHGs on health issues and lowest in terms of enabling on gender equity. The role of NGOs has been found to be highest in promoting literacy levels in Arunachal Pradesh which was found to be limited to handholding support for record maintenance of SHGs instead of concentrating on making the members fully literate.

c. A latent demand was found to exist for all the functions as mentioned above being studied in context of this research. From the analysis of responses it can be concluded that wherever mechanisms were found to be institutionalised for providing support and enhancement of capabilities, SHGs were found willing to take up these initiatives. This was found ‘true’ in both Arunachal Pradesh and Assam.

d. It was found that willingness to take up issues related with health and gender equity was high amongst SHG (respondents) in both
Assam and Arunachal Pradesh along with extent of support in terms of increasing awareness / capabilities for these functions. It is also observed that demand for being literate was equally high (Assam) and higher (Arunachal) indicating a latent need for increased literacy levels amongst SHG members (respondents).

18. In reference to nature of support to SHGs for marketing of produce in terms of direct marketing support and skill development support, no significant role of government agencies in providing direct marketing support to SHGs in the form of arrangement of buyer-seller meet, creation of basic infrastructure to market the produce was revealed. However Government agencies were found to be providing greater support in Assam as compared to Arunachal Pradesh. The responses indicated absence of such support from government agencies in Arunachal Pradesh.

19. Direct Buyer involvement was found to be significant. The role of direct buyers or private buyers was found to be higher in Assam (71.43%) as compared to Arunachal Pradesh (59.26%). The banks were found to be not playing any role in Direct Marketing Support with the SHG respondents in both Assam and Arunachal Pradesh. Direct buyer involvement indicates a scope for progression increase in increasing abilities of SHGs to increase incomes at both household and group level through more lucrative marketing options.

20. In reference to this study the responses related to receiving support for skill development was largely concentrated to advisory and awareness
creation. It was found that NGOs played the most significant role in this category of support. The role of NGOs was found to be lesser in Arunachal Pradesh (40.7%) as compared to Assam (57.14%). The private buyers as well as the banks were not playing any role in skill development and training of the SHGs respondents in the study area.

a. Absence of a direct role of bankers in both Assam and Arunachal Pradesh suggests that banks are largely seeing micro finance as a supply driven product (either under priority sector lending and/or as part of partners in disbursal of credit cum subsidy schemes of Government programmes) instead of a product that can be overall packaged in a manner to sustain itself. It is suggested that with increased research on scope and dimensions of micro finance and role of various linkages influencing micro finance, role of banks and credit cooperatives can be much better leveraged for not only meeting credit needs but also contribute in up-scaling the economic activities in a sustainable manner at grassroots level.

21. It was established through regression analysis that there was a 96% relationship between groups receiving support either in the form of direct marketing support and/or skill development support and groups that could/would establish a micro enterprise. Using the results from the same analysis it was established that 67% of the groups (study area groups) would be able to establish a micro enterprise if they had received direct marketing support and/or skill development support.
a. No statistical relationship could be established between number of groups that had been able to evolve into a micro enterprise and number of groups that had received direct marketing support. Similarly no significant relationship was observed between receipt of credit assistance and evolution of micro enterprises. This reveals that merely direct marketing support may or may not encourage the group as a whole to take up livelihood activity on a commercial scale, and that credit support alone does not constitute a good enough enabling factor for establishment of micro enterprise.

22. Participation in Trade Fairs and similar events for marketing of SHG products was observed to be low in both Assam and Arunachal Pradesh amongst the respondent SHGs.

a. Participation levels in this regards, i.e. the percentage of SHGs that could participate “Sometimes” was substantially higher in Assam (42.86%) as compared to Arunachal Pradesh (29.63%).

b. Lack of opportunities and requirement of due sensitisation to produce enough for participation in public events for marketing SHG products warrant the need for development of strong and enabling linkages to develop the capacities of SHGs at an institutional as well as commercial level.

c. It is suggested to bring about a perspective change in terms of approach in terms of building institutional as well production capacities of the concerned SHGs to enable them to participate
in such events as well as explore related opportunities on their own on a continual basis.

23. Association with federations was very low, especially in Arunachal Pradesh. No evidence was found pertaining to rules / norms regarding functioning of federations. A latent demand for exploring avenues for upscaling SHG activities particularly amongst those SHGs that have spent a considerable period since their formation was observed. A relationship between awareness levels regarding federations and interest in joining a federation also seem to be existing.

24. Maximum impact was observed due to membership in respective SHGs had resulted in on social factors revealed that most impact was observed in increasing the ability (of respondents) in voicing social concerns.

a. The ability and freedom to visit markets, hospitals, banks and other such places on their own is also reflective of the confidence and decision making ability regarding productive pursuit of their livelihoods and better control over lives by respondent SHG members. While overall socio-cultural environment in study area (both in Assam and Arunachal Pradesh) does not place restrictions over women’s mobility, low levels of exposure to banks, markets (as a seller / merchandiser / retailer) which more often than not are on account of limited to no avenues and hence perception of impact of SHGs in this context assumes importance.
i. 55.56 percent of the respondents in Arunachal Pradesh indicated a positive impact, while 71.43 percent of respondents of Assam held that they felt a positive impact consequent to their joining the SHG in reference to mobility. No significant perception of impact on mobility was found to be related to inability of respondents to acquire their own means of transport and hence mobility remaining much the same.

25. Perception of impact in reference to social recognition and acceptability of SHG members on the virtue of being a member of their respective SHG was found to be higher in Assam (71.43%) as compared to Arunachal Pradesh (51.85%).

a. Inability to meet initial levels of high expectation regarding obtaining government support for credit (subsidies), marketing support, and handholding regarding other issues, and even inability in appreciable rise in household level incomes were observed as the reasons for non positive responses in this context. The SHGs that could not form micro enterprises and could not get credit support from government did not indicate positive impact perception in both States.

26. A relationship has been observed between linkages for support for awareness/capacity building on health issues and perception of impact regarding accessing these services. Most of the SHGs had received support regarding awareness/capacity building on health issues
including communicable diseases, HIV/AIDS, maternity care, etc. in both Assam and Arunachal Pradesh.

a. 100% of respondents in Assam have held that consequent to their joining the SHG there has been a positive impact in terms of access to health services and sanitation; a significantly high (70.37%) of the SHGs in Arunachal Pradesh also held a positive impact in this regards. However this perception may not be construed with improvement in general health conditions per se, since the responses were being collected on the basis of recall regarding being able to access the health and related services.

27. A relationship between credit linkage and its impact on the SHG including perception of positive impact on ability of respective SHGs to meet exigency credit needs was observed. An attempt has also been made to establish this relationship using regression analysis.

a. That a higher percentage of groups in Assam (71.43%) had been able to establish micro enterprises as compared to Arunachal Pradesh (40.74%) is explained by a higher percentage of groups receiving credit assistance in Assam (71.43%) as compared to Arunachal Pradesh (51.85%). It was also observed that evolution of SHGs into micro enterprises was influenced by non member lending, where ‘lesser to non members’ and ‘no non-member lending’ groups were found to be more likely to evolve into a micro enterprise. It was found that 71.43% of the groups (5 out 7) were not lending to non members or were lending less to non
members, as compared to 9 out of 27 SHGs in Arunachal Pradesh (33.33%).

28. A relationship was observed between support / linkages and perception of positive impact regarding entrepreneurship abilities.

a. 74.07 percent SHGs in Arunachal Pradesh and 71.43 percent SHGs in Assam held that they were positively surer about setting up a small shop and/or take up entrepreneurship venture consequent to their joining their respective SHGs than before. This clearly reflects on the impact that various linkages related with development of entrepreneurial capacities had on these SHGs and it also reflects the motivational factor towards sustainable self employment venture amongst the SHG respondents. As a natural corollary, the impact perception of these groups is also accordingly expected to be ‘positive’ for these SHGs.

b. It was found from regression analysis that 99% of the groups would be able to establish micro enterprises if they are provided with all necessary linkages such as credit assistance, marketing support, receive skill development training.

29. It was found that members of SHGs came with background knowledge and awareness and were already recognising the need for taking up issues related with general awareness on prevention methods regarding communicable diseases, adult literacy, and other issues including those involving gender equity. The positive impact perception was higher (in
reference to percentage terms of support received), i.e. the perception of impact regarding voicing issues related with social concern was higher in percentage terms than the average support (read linkages) the respondent groups had received.

30. Role of NGOs was found to be significant in enabling SHGs in both initiation and supporting SHGs with issues related to adult education, health and gender etc. in Arunachal Pradesh as well as in Assam. It was also observed that ‘Other SHGs’ i.e. other SHGs in and around the location of respondent SHGs including SHGs and NGOs that were in interaction with respondent SHGs regarding purchasing of SHG products, etc. were also instrumental in influencing respondent SHGs in taking up issues mentioned above. Albeit the influence of ‘Other SHGs’ was found to be limited, this influence may be important in reference to formation and integration of federations.

   a. It is postulated that if SHPIs including government agencies increase interaction and institutionalise mechanisms for SHGs to interact and support each other, the federations (as and when formed) are likely to be more sustainable.

31. It was found that amongst the respondent SHGs, 59.25% in Arunachal Pradesh and 57.15% in Assam held a positive impact perception in reference to increased levels of participation in rural development programmes consequent to their joining the SHGs.

   a. It was observed that not all SHG respondents were promoted by government functionaries and that participation in SHG activities
and their individual livelihoods and household chores did not leave much time to participate in rural development programmes. Lack of enabling environment in their neighbourhood regarding participation in rural development programmes was also cited as one of the reasons for not being able to participate in rural development programmes.

32. The analysis on influence of linkages on positive impact perception on Core Functions revealed that maximum impact perception was observed in reference to record maintenance and book keeping while the least impact perception was observed in reference to receiving pre formation training.

   a. 29.62 percent in Arunachal Pradesh and 57.14 percent SHGs in Assam had received pre formation training.

   b. It is observed that those SHGs that had received training before formation were the only SHGs (respondents) that held a positive impact perception in reference to linkages linked with development of unity, common sense of purpose and greater clarity about roles and functions of their respective SHGs. This highlights the importance of pre-formation training.

   c. It was observed that a relationship exists between non member lending and those SHGs that had received credit support. The SHGs that held a positive impact perception regarding impact of credit linkages on their respective SHGs were those that either
did not lend to non members and/or were lending ‘Less’ to non members and the SHGs that had received credit support.

d. Using multiple regression analysis (through MS-Excel) where SHGs with positive impact perception regarding credit support were considered as dependent variable and SHGs with ‘less to no non-member lending’ and SHGs that had received credit support were considered as independent variables, the value of $r^2$ and value of adjusted $r^2$ were obtained as 0.882 and 0.765 respectively. This reflects a relationship of 88% between these factors. The multivariate analysis through multiple regression the value of ‘Y’ is obtained at 7.27 for 6 numbers of SHGs, reflecting 121% positive impact perception. This signifies that given 6 numbers of SHGs with less to nil non member lending and having received credit support would in all certainty be having a positive impact perception.

e. The relationship between numbers of SHGs that had received support for record maintenance and book keeping and the number of SHGs that held a positive impact perception has been found to be not influenced by factors such as literacy levels and lack of experience, skills and continued handholding support for maintenance of records. The value of $r^2$ is obtained as 0.2909 signifying a 30% relationship which is not significant. Lack of adequate and regular support for record maintenance as the primary reason for inability in record maintenance. Maintenance
of Records and Book Keeping was found to be difficult in the case of Arunachal Pradesh as compared to SHGs in Assam. In reference to results from Assam where in presence of handholding support (from NGOs and Other SHGs {members from the federation}) low levels of difficulty and positive impact perception was observed, while in Arunachal Pradesh where absence of support and low level of perception of impact, it is deduced that there is a relationship between assistance in skill development and other support for record maintenance and book keeping and positive impact perception.

33. It was observed that households of all SHG (respondent) members that had been able to increase savings at their respective household level had also been able to register an increase in their household incomes.

a. These respondents had also indicated that they were able to save regularly ever since joining the SHG. This indicates that membership to the SHG has a potential to influence behaviour at individual and even at household level.

34. Positive impact perception amongst the inter-related functions was observed highest in reference to health expenses (73.53%). SHGs that held that there was a positive impact in regards to health expenses consequent to their the SHGs had been able to significantly reduce the amount of health expenses or were spending lesser on medication charges subsequent to their joining the SHG. This was attributed to the
interventions by NGOs and health workers as well as a realisation on the need to stay healthy and productive.

35. A set of 10 proposed linkages was placed forward in reference to which 74.71 percent of respondents held that the proposed linkages would benefit their respective SHGs while 15.3 percent of respondents expressed their lack of conformity on whether or not the given linkages would result in improvement of performance. Only 10 percent of the respondents replied in negative.

a. All respondents held Skill Development Training and Buy-Back arrangements would result in improvement of performance indicating a high priority for 100% sale of their produce while being equally interested in acquiring new skills.

b. SHG respondents in Arunachal Pradesh accorded a high priority to visits to best performing SHGs reflecting the need for visiting successful SHGs in other parts of the country.

c. Surprisingly increase in consumption credit was not accorded high priority by the SHG respondents indicating a perception that increase in consumption credit might not result in improvement in performance of their respective SHGs.

**Hypothesis Testing**

In reference to above findings and discussions and detailed analysis in Chapter 4 of the research report, the following results are obtained regarding hypothesis: -
It is established that process of formation bears an effect on overall performance of SHGs therefore it can be reasonably said that the first hypothesis is rejected.

- The limits at 95% confidence level are 29.55 and 36.55 respectively and since the proposed $\mu = 33.05$ which is within the interval limits, it is reasonable to assume that if this population distribution is normally distributed or if ‘n’ is large enough or if we were to construct 100 such similar intervals, we would expect to find our population mean in 95 of them and 5 would not contain the population mean. **Therefore the null hypothesis is rejected.**

It is established at all stages that obtaining / receiving linkages or support have influenced positive impact perception and therefore the second hypothesis is accepted.