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6.1 Findings and a general overview

The study of the Self Help Groups promoted, nurtured by the NGOs and banks reveals that microfinance through SHGs is an important tool for socioeconomic empowerment of the poor, particularly the women.

From the above study it is clear that in NER and Assam there exists basically micro credit with little bit of micro saving. The other aspects of microfinance i.e. insurance, marketing, capacity building, technical assistance etc. are not happening in true terms. Again we find a skewed pattern of growth of SHGs within NER as well as within the districts of Assam. At the state level Assam is the largest beneficiary of SBLP programme followed by Manipur and Tripura. Performance of other states is quite stagnant. SGSY scheme is more successful in the backward states of the region than the SBLP. While analyzing the district wise progress of SHG-Microfinance Linkage programme within Assam most of the SHGs promoted and linked have been concentrated in the lower Assam and Central Assam districts. The districts of Upper Assam have very poor representation except Dibrugarh despite having substantial population. In terms of growth, Dibrugarh tops the list followed by Kamrup. In terms of total number of credit linked, Sonitpur achieved 1st position followed by Darrang. In case of SHGs passed Grade I and Grade II under SGSY also, we find skewed data with more emphasis on above stated districts. Our study finds that along with banks,
NGOs, SHPIs are plying important roles in promoting microfinance movement in the state.

The analysis suggests that overall growth of SHG-Microfinance Linkage Programme is encouraging especially after 1999-2000. This is because of the fact that SGSY scheme was launched during this period to supplement on going SBLP in the state of Assam. But except Assam other states of NER are still in take-off stage. Whatever progress has been achieved in those States are due to only SGSY scheme. Again, the popularity of Model I where there is a direct link between SHG and the sponsoring bank has increased in terms of reach and linkage than the other two models.

One of the important observations of the study is that SHG-Microfinance programme is in infant stage in NER. Insignificant relationships of SHGs under both the programme with literacy rate and non firm employment which may be assumed as the proxy for diversification of rural economy suggest that growth of SHG is particularly a rural phenomenon. The first and foremost objective of penetrating to rural areas has been met by SHG-Microfinance Linkage programme. This is due to the deliberate policy implementation by NABARD and govt. of India. But the real challenge awaits i.e., expansion of its horizon. Sustainability of this programme requires a better diversification of the rural economy. Along with that, greater empowerment of women is required since SHG is mainly controlled by women. To achieve these objectives SHG Microfinance Linkage programme should be incorporated by other social security programmes.

6.2 Summary and Policy Implication

The important findings and policy implications of the study are as follows.

(i) Number of bank branches can have a positive impact on the growth of SHGs. Therefore, financial inclusion of the poor in the state is possible through a
proper blend of expansion of bank branches and increasing the number of
SHGs credit linked. So higher emphasis should be given to establish more
bank branches particularly in rural areas.

(ii) Number of registered NGOs also shows a positive relation with the growth of
SHGs. The lack of NGOs specializing in SHG formation and dealing with
only microfinance activities is one of the inhibiting factors that has retarded
growth of the linkage programme in the region as well as in Assam.
Encouragement should be given by government to specific NGOs which are
keen to take interest in microfinance activities.

(iii) Along with that a proper regulating and monitoring system should be
incorporated by respective govt. agencies so that the self employment schemes
are taken seriously by members of SHGs. With respect to mobilization of
subsidy amount also care should be taken. Emphasis should be given on the
capacity building of the members.

(iv) There is a skewness in the spread of the programme within the region. This
should be removed by means of conscious effort of banks and government and
NGOs.

(v) To have a sustainable growth of the movement, quality management of the
SHGs is important. Greater involvement of members, effective participation
and change in the orientation of mindset is required. Along with that other
related issues like health care and education should be considered as thrust
areas and should be incorporated with the SHG movement for further
sustainability.

(vi) Unlike south India, so far we have seen only micro credit and not
microfinance in the region. So other elements of microfinance i.e., insurance,
marketing, providing technical assistance etc, should be introduced in the region as soon as possible.

6.3 Limitation of the study

Our study has its own limitations. The study is affected by the lack of adequate data. Secondly, we have not been able to go for an impact assessment of the SHG-Microfinance programmes because of constraints of resources and time. There is a scope for further research on this topic and the evaluation can be made more specific as well.

Summary

Thus, our study tries to present the contemporary picture of the SHG-Microfinance Linkage Programme in North East and more particularly in Assam (Asom). To evaluate the progress of the programme we have used various information from various sources as mentioned earlier and find that the programme may give high yield to the society in near future if implemented properly.
Bibliography:


