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Research Design and Methodology

2.1 Genesis of the Problem
Micro finance is widely regarded as an effective programme for reducing poverty as well as empowerment of the poor. The Saving Bank Linkage Programme (SBLP) is the main micro finance model and institutional finance mechanism to provide financial credit support to the micro-entrepreneurs (including farmers, artisans, women etc.) in the country. It is reported in many studies that SHG are most effective poverty alleviation and empowerment programmes and most cost effective credit delivery system in India. In India, the group-based model of self-help is widely practiced for rural development, poverty alleviation and empowerment of women and that is why the movement has emerged as the world’s largest and most successful network of Community Based Organisations. Self Help Groups (SHGs) in India established themselves as credible institutions for financial inclusion, livelihood promotion and social development and cultural changes (APMAS, 2009). As a result, many official agencies, civil society organisations and corporate bodies are adapting, or collaborating with SHGs in pursuing of their own agendas. Due to patronage from apex institutions, consequent implementation of multi-agency approach of development and further directives from Reserve Bank of India (RBI) on formal financial institutions about priority sector financing and many more, the SHG movement in India showed a remarkable progress. However, there exist regional disparities and lack of uniformity in the growth of the SHG movement with limited progress in eastern and western regions (as refereed earlier in Chapter 1).

A rapid growth has been observed in the SHG movement during the last decade and particularly in the last few years. The reasons for such spectacular growth of SHG movement in general and SHG banking in particular are many. Studies revealed that (a) National Bank for Agriculture and Rural Development’s (NABARD) role in policy guidance and capacity building; (b) consistent support from many Government departments and agencies; (c) subsidised funding and training from banking and financial institutions including bilateral and multilateral support institutions; and (d) innovations and pioneering work of local, national and international Non-Government Organisations (NGO) etc. are the major reasons for such progressive growth of SHG movement in India.
Many studies also reported that due to the fast growth of the SHG Bank Linkage Programme (SBLP) in India, the quality of SHGs has come under stress (e.g. Reddy & Prakash, 2003; Sa-Dhan, 2003; Devaprakash, 2005; BASICS, 2007; Kumar, 2010; Sinha, 2012). Similar experiences were shared by CMF-NABARD (2008) and argued that there are quality and sustainability issues of the SBLP that still need to be address. According to CMF-NABARD (2008) report, “....the target-base approach and profit motives ignore the quality of the SHG entities themselves. Again, the approach lacks an enabling environment that can drive and expand the scope of livelihood options for SHGs.” Therefore, quality of SHGs is considered as one of the challenges (Sa-Dhan, 2003) and how to ensure the quality of SHGs in an environment of exponential growth is one of the top most discussion among the policy makers and users/practitioners of micro finance (AFC, 2008).

BASICS (2007) identified variety of factors that deteriorates the quality of SHGs such as the intrusive involvement of government departments in promoting groups, inadequate long-term incentives to NGOs for nurturing them on a sustainable basis, and diminishing skill sets on part of the SHG members in managing their groups. At the same time, recent research findings (e.g. Reddy, 2005; Sen and Sircar, 2006; APMAS, 2006; Singh, 2006; Sharma, 2007; Govt. of Haryana, 2007; Roy, 2007; Sahu, 2010) also observed the poor quality of SHGs in the country and also identified different factors leading to poor quality of SHGs in the respective study area. The findings of other micro level studies (e.g. Josily, 2006; ASEED, 2007; Feroz and Chauhan, 2009; Srinivasan, 2009; Henrique and Gaonkar, 2011; Das, 2012a; Das, 2012b; Das, 2012c) on SHGs performance also reflects the miserable state of quality of SHGs. Such revelations are quite alarming as quality of SHGs has a direct bearing on the future prospects of the SHG movement\[^1\]. Devi (2006) while reporting a study sponsored by National Institute of Rural Development pointed out that “....the quality of formation is however, not encouraging as only-half would pass 1st grading and only 20.24% could pass 2nd grading. All these evidenced that SHG as a movement in Assam has not found its solid ground under SGSY.” Radhakrishnan Committee (2009) reported, “......the adhocism in SHG formation under SGSY is also seen as a result of target oriented approach. The target orientation tied to subsidy disbursement orientation has resulted in the public image that Swaranjayanti Gram Swarozgar Yojana (SGSY) is a government programme where one could take liberties with repayment. It also resulted in banking agencies exercising extra

caution by delaying the release of sanctioned loans and looking upon back-end subsidies as that which could be held back as security against default.” National Council of Applied Economic Research (NCAER) Sector Report (2008) indicates that only 69.2% of the SHGs had an excellent record of recovery and 22.6% SHGs had recoveries of less than 75% of demand.

The SBLP that evolved in India as a micro credit model has proved successful in southern states but failed to achieve its goal to benefit poorer states (Kumar and Goalit, 2009) particularly in North Eastern States (Naaraayana, 2006). The quality of the SHGs in the North East Region is extremely poor (IIBM, 2008). The study of Sharma (2011) validates the findings of other studies which points out the poor quality of the SHGs in Assam. Only around one-fourth of the SHGs are of ‘Grade- A’ quality in the region. However, except for Assam and Tripura, the other states like Mizoram, Meghalaya and Manipur, the ‘Grade- A’ quality SHGs were only 10%. The study also points out to the effects of poor quality on the repayment rate of the SHGs. The study further observed that the ‘subsidy culture’ associated with the SGSY programme and its short-term vision has slowed down the SHG movement and has affected the SBLP in a very negative manner. This has affected the SBLP making the long-term growth of the SHGs unsustainable (Sharma, 2011). APMAS (2009) points out that only 2% of the sampled SHGs are ‘Grade-A’, 62% of ‘Grade-B’ quality and 36% are of ‘Grade-C’ quality in Assam. The Report have squarely blamed the ‘corrupting influences’ of the SGSY programme and also to the poor governance and management of the SHGs for this dismal scenario of the SHG movement in the state of Assam. However, Tripura has relatively better quality of SHGs than the other states of the North Easter Region (APMAS, 2009).

Sa-Dhan (2003) while preparing and publishing a discussion paper on “Quality Parameters of SHGs” raises many issues that sets out in the quality assessment of SHGs. Further, this discussion paper revealed a comparative study (Appendix 6) of assessment tools developed by different organisations like NABARD, BASIX, MYRADA, CARE, APMAS, etc. who represents a varied mix of institutions like Apex bank; Commercial Micro Finance Institutions (MFI); NGO/not for profit society; donor agency; rating agency; commercial bank; and Government development agency. These tools have been formulated by different agencies for different purposes and consider different sets of users. The Sa-Dhan sub-committee further discussed each of the parameters and formulated a “Model Quality
Assessment Parameters for SHGs” (Appendix 5). The main unresolved key issues to develop quality indicators for SHGs, includes “---

- Whether SHG is primarily an empowerment model or a financial model?
- What are the common indicators that best reflect the characteristics or quality of an SHG?
- What aspects (like design, governance, operational, impact etc.) of SHG should be considered while assessing the quality of an SHG?
- Whose perspective (whether promoters or donors or financial institutions or group itself) should determine the quality indicators?
- What should be the pre-dominant purpose (like self-administration by SHG, for credit linkage by banks, monitoring progress of SHG by promoting institution, associating SHG to a federal structure, making withdrawal decision by promoting institution, etc.) of applying quality indicators to SHGs?
- Whether the quality indicators should be neutral to user, purpose, geographical location of SHG, operational features of SHG, age of SHG, etc. or differential set of indicators are required?
- Whether the aspects like Impact on members of SHG and its involvement in larger social issues should be peripheral or core components of quality indicators?”

Therefore, an attempt has been made in this study to resolve the unresolved key issues as pointed out by Sa-Dhan to develop quality indicators for SHGs.

2.2 Rationality of the Study

Different organisations have promoted, supported and nurtured SHGs from different perspective and agenda. The outlook of SHGs largely depends how the promoters see them in the long run, whether they are intended to be temporary or permanent organisations. Looking across the prevalent perspectives on SHGs, it could be said that they are loaded with wide range of expectations on the part of different stakeholders (Sa-Dhan, 2003). It is observed that different stakeholders have promoted SHGs with different expectations and understanding, and have sorted different parameters of quality assessment of SHGs. However, most of these were restricted to understanding the creditworthiness of SHGs and employed indicators on performance on basic group functions and credit absorption.
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capabilities (Das, 2012d). Social issues, Environmental issues, Capacity building, Social empowerment, Familial empowerment, Psychological empowerment and other behavioural and social aspects of SHG functioning rarely found a place in the rating system. Thus, it is necessary to identify a common ground and set appropriate benchmarks for SHGs operation. Moreover, in defining the domain of standards for the quality assessment, several issues and questions present themselves.

Now the policy makers had also played an important role in promoting SHGs in the country. A new poverty reduction programme known as National Rural Livelihoods Mission (NRLM) is being brought with support from the World Bank (NRLM Report, 2009). But for the sustainability, maintaining quality of groups and enrichment of SHGs and even for graduating members of the SHG, there is no direction from the government (except a few like passing of Micro finance Regulation Bills etc.), sponsoring NGOs or Banks as to the next stage of their economic development. In the words of Reddy (2005) “........it is vitally important that both government and NGOs work to bear all the costs in mind of interventions to make them sustainable, otherwise the SHGs will be overburdened and destined to failure. Government regulations could help to manage this risk and increase the emphasis on sustainability of SHGs. There are key areas of SHG like financial management, quality services and operational sustainability etc. that need to be improved such as internal controls, accounting, management stewardship, organisational efficiency and others”.

Reddy (2005) further reported, “the government was to enact policy that would regulate the quality of SHGs and tied this to their eligibility for SHG Bank Linkage, then this would help bring about a more measured and responsible growth to the movement. Both for SHGs and SHG federations there is a need to aspire to attain standards following the best practices. There is a need for a well-developed third party rating system for SHG/SHG federations before they are linked with financial institutions to act as an intermediary as they handle large volume of funds from the bank linkage and undertake savings from their members”. There is growing attention to enhance the quality of SHGs and their Federations, and everyone including the Government is insisting on quality of the SHGs. Consequent on the recommendation of various committees and research reports, in recent years the demand for ‘Quality Assessment’ is increasing. To ensure sustainability of SHGs and their federations and the parent MFIs, awareness about the standards and quality assessment process is critical.
Hence, in view of the above, it is believed that a study of sustainability problems evolves standard and assumption that qualitative assessment would lead to sustainability. This study had provided a way to the different stakeholders of SHGs (like Promoter, Donors, Financer and the Groups members) to share their views, feelings and experiences i.e. perceptions regarding the quality parameters of SHGs and other key issues to develop quality indicators for SHGs.

2.3 Review of the Existing Literature

This section of the thesis is a description of the literature relevant to different dimensions of Self Help Groups that is carefully taken out from the vast literature by keeping present research in mind. It gives an overview of what has been said, who the key researchers are, what are the prevailing theories and hypothesis, what questions are raised, and what methods and methodologies are appropriate and useful etc. for the present study. Thus, this scholarly resource gives a direction to the research how to proceed in the primary research effectively.

The present study is new in its subject treatment. However, an attempt is made here to put together some of the closely related research findings. The literature surveys on different dimensions are presented in the following sub-heads.

2.3.1 Performance of SHGs in India

This can be analysed under the following heads:

a) Motivation for forming groups

Kulshreshta and Gupta (2001) reported that poor people learnt the importance of SHGs from exchange of information from neighbours and guidance given by local NGO’s who motivated them to join SHG. Later, they realised the importance of group strength rather than individual efforts, which motivated them to take up development activities. Das (2003) reported that group approach concept given by NGO’s made people to organise in to SHGs in different parts of the country in order to improve their quality of life. Tripathy (2004) revealed that the success of the economic activities that are taken up by the self-employed persons largely influenced the poor people and they were motivated by the decision-making process and broader financial base of the groups in their village. RajKumar (2009) found that the main reason for joining SHG was to get bank loans and to reap socio-economic empowerment.
Reddy & Reddy (2012) observed the reasons for forming groups in many cases are (a) to avail of credit for taking up income generation activities, (b) for fulfilling social needs and obligations; (c) to promote savings, (d) to minimise household consumption expenditure for future needs such as children’s education and marriages, health, old age security, and to build a house; and (e) to avail credit easily at low interest rates, without collateral and with flexible repayment norms, unlike loan from moneylenders. Das (2012c) observed that 38% of sample groups are formed to obtain the financial support from the government, the NGOs and the financial institutions, 14% of selected groups are formed to improve their economic status while 8.67% of selected groups are formed to improve social status and rest of the selected groups are formed to promote saving habit among the members.

Thus, it is observed from the above reviews that most of the SHGs are formed to get economic benefit, to get rid of poverty, and to increase standard of living.

b) Workings and overall performance of SHGs

Saving Bank Linkage Programme (SBLP) had been proved very successful for the socio-economic empowerment of poor, providing financial services to them and preparing them to take up economic activities for poverty alleviation. Although this programme was not a panacea for the problems of rural poverty, yet it had the potential for becoming a permanent system of rural lending in the country with full participation from the formal banking system and without any interference from the government (Sheokand, 1998; Bansal, 2011).

Singh (2003) explained the failure of government initiated anti-poverty programmes and the success of micro finance programme as an effective poverty alleviation strategy in India. According to him, the government-implemented rural development programmes have failed because these were centrally invented which lacks participation of local level institutions, politically motivated, had leakages, misappropriation and heavy administrative expenses. He further observed that many NGOs who were following SHG promotion approach such as MYRADA in Karnataka, SHARE in Andhra Pradesh, RDO in Manipur, PREM in Orissa and Andhra Pradesh, PRADAN in Rajasthan came forward in this sector and were proving very successful in reducing poverty level of its clients and generating additional employment opportunities (Singh, 2003).
Society for Economic Development and Environment Management (SEDEM, 2004) in the context of Himachal Pradesh observed that majority of respondents believed that the main objective of SHGs is to improve the socio-economic status of members. Majority of the sampled SHGs believed that they could manage diverse activities, including Government programmes. However, a few Integrated Child Development Services SHGs (ICDS–SHGs) were not doing well because of lack of knowledge, illiteracy and poor leadership.

Srivastava (2004) while studying the functioning of SHGs and their role in different areas concerning women like health, education, local politics, gender sensitisation and economic empowerment observed that (a) 25% of the groups earned income through agriculture and 13% groups played a role in the political sphere, (b) more than 50% of the groups were involved in development and welfare activities in Bihar and Chhattisgarh, (c) about 25% of the groups worked on gender related issues in Bihar and 20% SHGs played a role in civil society in MP, (d) around 10% of the groups were involved in solving problems, which arose due to government mal-functioning, (e) the participation of women in decision-making regarding girls’ education, marriage etc., increased from 7% to 25%, and (f) 62% SHGs played a role in promoting health activities and 75% SHGs promoted education.

Asian Society for Entrepreneurship Education and Development (ASEED, 2007) while undertaking a comparative study to assess the differential effectiveness of SHGs promoted under the guidelines of NABARD and those promoted by SGSY has found that “...a little less than half of NABARD supported SHGs (5 out of 12) and two-thirds of the SGSY supported SHGs (12 out of 18) held less than 48 meetings in a year, which was very few. The situation was not that good in the case of SGSY SHGs in record keeping, and the records available with them varied in between 86% to 100%. The study further revealed that 19.83% NABARD supported SHGs and SGSY supported SHGs were such in which inter-loan repayment was completely stopped by all the members who received the loans. There were at least 136 out of 291 SHGs (46%) in which all the members were regular in making loan payments. In the SGSY supported SHGs a greater number of SHGs had not started income generating activities after having received bank loans after Cash Credit Limit was sanctioned, whereas in the case of NABARD supported SHGs, almost all the Cash Credit Limit sanctioned SHGs might have started income generating activities.”
Premchander and Vanguri (2007) concluded that microcredit programmes must include strategies and funding for building the capacity of SHGs to manage savings and credit, augment vocational skills and promote enterprise, and design a wide range of financial producers and services to meet the needs of poor women. There is a need to help women to own and manage their own institutions of which SHGs are the foundation. Shiralashetti and Hugar (2008) while reviewing the progress and linkages of SHGs with banks in Karnataka concluded that SHG movement is a powerful tool for alleviating poverty. Kumararaja (2009) while evaluating the performance of SHGs in Tamil Nadu observed that there has been a steady progress in the number of SHGs and amount of loan sanctioned. The study concluded that a timely and regular check of the micro-credit through SHGs would contribute to a healthy progress and to the overall development of rural women. Parida and Sinha (2010) had examined the performance and sustainability of three different types of SHGs and found that in terms of savings financial sustainability of the groups, financial management aspects and loan repayment, female SHGs stood out. The male SHGs, according to the researchers suffered from ego problems, irregular loan repayment schedules and bad economic performance. Study of Henriques & Gaonkar (2011) in the context of Goa revealed that the SHG movement has not necessarily eliminated the dependence of the respondents on other financial institutions and channels to source their credit requirements. Sajeev & Thangavel (2011) while studying the performance of SHGs in Kerala through data mining method & clustering analysis observed that the potential of SHGs in developing as local financial intermediaries to reach the poor through bank has gained recognition and showed an improved performance.

Bera (2011) while studying SHGs in West Bengal has identified remarkable improvement in the income level and employment generation by the member beneficiaries and found significant increase in savings of the member’s. Singh et al. (2011) revealed that (a) the SHGs in term of number and amount of micro loan have significantly increased during the study period, (b) Commercial bank plays a vital role in creating of SHGs and providing micro finance in the study area, and (c) lack of awareness about SHG programme, poor functioning of NGOs, low literacy among women and (d) finally, non-cooperative behaviour of bankers etc. are the major cause for poor SHG spread in NER.

Das et al. (2012) observed that in Assam the idea of SHG had flourished in 90’s at a time when formation of NGOs has become a trend with the objective of improving the socio-
economic conditions of both the urban and the rural poor. Mula et al. (2012) studied the status of SHGs under SGSY and revealed that the progress of micro finance in Cooch Behar district of West Bengal which was significantly good in terms of rate of credit linkage (2nd position) in spite of being slower physical growth of SHGs (7th position) with respect to other districts in the state. Similar finding also observed by Das, B. M. (2012) while studying the SHGs in Nalbari district of Assam and further revealed that more than 95% of respondents are empowered through micro finance in the study district.

2.3.2 Micro finance- SHGs and Cross Country Experiences

The steadily growing popularity of micro finance led to reach of this programme in many developing countries all over the world. United Nation proclaimed [2] the year ‘2005’ as the year of Micro credit to globally promote the benefits and potentials of micro finance as means to fight poverty. In 2006, Muhammad Yunus, founder of micro finance programme in Bangladesh and the Grameen Bank were awarded the Nobel Peace Prize for his contribution in the economic and social development of poor people.

Hossain (1988) in the study of Bangladesh; Todd (2001) in the study of Andhra Pradesh; Chen and Donald (2001) in their study of SEWA Bank in Ahmadabad; Chowdhury et al. (2005) in their study of Bangladesh; and Kabeer & Noponen (2005) in the study of PRADAN in Jharkhand of India have confirmed that micro finance programme has reduced poverty in the respective study area and the concerning participants enjoyed higher standards of living. The non-income indicators showed that programme beneficiaries spend greater income on food, child education, health and household improvements as compared to the non-beneficiaries.

Singh (2001) in a study of Uttar Pradesh; Banu et al. (2001) in the study of Bangladesh; Raghavendra (2001) in the study of Karnataka; Gaonkar (2001) in the study of Goa; MYRADA (2002) in the study of southern India; Puhazhendhi & Badatya (2002) in the study of eastern India; Misra (2006) in the study of western and central parts of India; and Hoque (2008) in the study of Bangladesh concluded that group loans have reduced the dependence of the beneficiaries on money-lenders; and the participant households are able to face financial crisis through their own savings and group loans.

Develtere and Huybrechts (2002) in their study of Bangladesh; Swain (2007) in the study of five Indian states; and Hoque (2008) in the study of Bangladesh concluded that microfinance programme has succeeded in reducing consumption as well as income vulnerability. Recent studies have shown evidence of positive impact as it relates to first six out of seven Millennium Goals (McCulloch and Baulch, 2000; Wrigth, 2000; Zaman, 2001; Adam, 2007; Irobi, 2008), all subscribed to the believe that micro finance is an effective and powerful tool for poverty reduction. Littlefield et al. (2003) explained that micro finance programme is helpful in attaining Millennium Development Goals (MDGs) by reducing poverty, hunger, infectious diseases and through empowering women. Hannover (2005) while reviewing micro finance linkage banking on the Millennium Development Goals (MDGs) indicate that improved access of SHG members to sustainable microfinance services contribute in several direct and indirect ways to most impact aspects of MDGs 1 to 6. Khandker et al. (1998) and World Bank (1999) in their studies of Bangladesh; Sarangi (2007) in the study of Madhya Pradesh; and Borbora & Mahanta (2008) in the study of Assam reported that in microfinance programme participants are (a) engaged in gainful micro-enterprises, (b) they shifted from wage-employment and are mainly self-employed in non-farm activities, (c) led to higher levels of women empowerment too. Stewart et al. (2010) while reviewing the empirical research on the impact of micro finance on poor people in sub-Saharan Africa to enable policymakers, donors and practitioners to understand the nature of the evidence available and concluded that “particularly micro-credit clients are made poorer, and not richer, by microfinance enables poor people to be better placed to deal with shocks is not universal”.

Hashemi et al.(1996); Yunus & Jolis (1998) in their studies of Bangladesh; Puhazhendi and Satyasai (2000) in the study of eleven Indian states; Manimekalai and Rajeswari (2001) in the study of Tamil Nadu of India; Puhazhendi and Badatya (2002) in the study of eastern India; Tracey et al. (2006) in the study of Rajasthan in India; and Sharma, P. R. (2007) in a study of Nepal concluded that the participation in the programme has led to greater levels of women empowerment in terms of increase in knowledge, self-confidence, economic, social and political awareness, mobility, development of organisational skills etc. It is also found in some studies that the members in the older groups are more benefited as compared to the new member (Husain et al., 2010) whose findings to some extent contradicts with the findings of Chowdhury et al. (2005).
However, some of the studies (e.g. Morduch, 1998; Coleman, 1999) observed that there was no significant impact of the programme in generating income and in reducing poverty. Misra (2006) while studying in the context of western and central part of India found that loans from the micro finance programme are mainly used for non-income generating activities such as consumption and other emergency needs.

Amin (1993) and White (1995) in their studies showed that the participant women have a limited or no control over the loan use and loans are utilised by other male members of the family. Some other studies (e.g. Develtere & Huybrechts, 2002; Sarangi, 2007) found that very poor people or the people at the lower end of income distribution are excluded from the micro finance scheme. On the other hand some studies (e.g. Pitt and Khandker, 1998; Montgomery, 2005; Hietalahti & Linden, 2006) indicated that micro finance programme has successfully reached the bottom line poor people and had a greater impact on the poorest of its borrowers.

Karlan and Zinman (2009) carried out a randomised evaluation in the Philippines to measure the impact of micro credit, and found that businesses of borrowers shrank though profits at the household level increased through productivity gains. Studies on non-income impacts of micro finance such as those on contraceptive use, wages, child nutrition and women’s empowerment have been conducted (Goldberg, 2005). Many of them suggest positive impacts on outcomes, though some studies do not use very rigorous methodologies. Moreover, in the case of outcomes such as empowerment, which involve assessment of subjective factors, there are measurement challenges.

Some researchers have observed positive outcomes that are being generated by members through participation in SHG activities. For instance, Mayoux (2000) pointed out that the use of savings and credit for economic activities generates income and assets which leads to increase in consumption standards (Rahman, 1986) and more importantly reduces vulnerability of poor households by smoothening seasonal fluctuations in household income and consumption levels (Zaman, 2001). The additional income may also act as a safety net by helping the family tide over emergencies (ESCAP, 2002). Participation in SHG movements and access to credit also leads to a change in the status of members within their households. It has been observed that the economic contribution of women may increase their role in household decision-making (e.g. Hashemi et al., 1996; Pitt and Khandker, 1996; Mayoux,
This may lead to improved household-level outcomes with respect to health, education (particularly education of the girl child), nutrition and family planning (e.g. Hashemi et al., 1996; Hulme and Mosley, 1997; Mayoux, 1997, 1998, 2000; Kabeer, 2001; Kumar, 2009). Other positive outcomes in joining SHGs have been observed—greater respect within household (Mayoux, 2000; FAO, 2002), increase in mobility, ability to articulate, self-confidence and esteem (e.g. Hashemi et al., 1996; Krishnaraj and Kay, 2002; Putnam, 2002; FAO, 2002; Dollard et al., 2006), growth of a collective identity (Larence, 2001) and political awareness (Hashemi et al., 1996). The incidence of violence against women has been found to decrease at the involvement in micro finance activities (e.g. Hashemi et al., 1996; Schuler et al., 1996).

Hossain (1988) study regarding impact assessment of Grameen Bank’s micro finance programme in Bangladesh (based on the comparison between the Grameen Bank members and eligible non-participants in Grameen Bank) helped in alleviating poverty. Pitt and Khandekar (1996) considered the impact of Grameen Bank and two other group-based micro credit programmes in Bangladesh on labour supply, schooling, household expenditure and assets found that the programme has larger positive impact on the behaviour of poor if the borrowers are women rather than men. Further, Pitt and Khandker (1998) showed that the poverty rate of Bangladesh Rehabilitation Assistance Committee (BRAC) members fell by around 15% for moderate poor and 25% for ultra poor. Similar results were also observed for the other two programmes in Bangladesh. This rate of poverty reduction appeared to decline with the duration of membership and with cumulative loan size.

Coleman (1999) studied in the context of Thailand and showed no evidence that (a) programme had an impact on any asset or income variable, and (b) increase in the productive activity as the access to bank loans increase. Chowdhury et al. (2005) examined empirically the impact of micro-credit on poverty in Bangladesh and found that (a) objective and subjective poverty rates were 54.6% and 60.2% respectively, (b) there was also a clear poverty differential between ‘new’ and ‘old’ group members.

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[3] BRAC (Bangladesh Rehabilitation Assistance Committee) was established in 1972 to provide humanitarian relief to the tens of millions of Bangladeshis suffering after the war of independence and later environmental disasters. Subsequently it moved on to development work, and has evolved into the world’s largest service delivery NGO.

Hietalahti and Linden (2006) studied the socio-economic impact of micro-credit on women’s welfare in North Eastern South Africa using a qualitative semi-structured interview method observed that a number of poor women had been released from deepest poverty through the opportunities provided by Small Enterprise Foundation’s. Hoque (2008) while examining the relationship between households’ involvement in BRAC’s micro-credit programmes and showed that 54.6% of the BRAC households and 43.5% among the non-BRAC households faced economic hardships mainly because of sickness of householders, crop loss, damage of houses or businesses, losses due to natural disaster and the death of householder.

Other relevant positive impacts of micro finance can be referred from the observation of different researcher in different country context. Augsburg et al. (2012) in the context of Bosnia and Herzegovina explained the positive effect of micro credit on income diversification (business creation and development), employment (hours worked), business expenditure and household savings. Barnes (2001) has observed positive impact on clients but found no impact on expenditure on housing improvements and acquisition of a television, electric fan or means of transport etc. Brune et al. (2011) observed that farmers in each of the six savings treatment conditions had significantly higher deposits than farmers in the control group. Cuong (2008) estimates for poverty reduction using different scales and suggest significant reductions in the treatment group compared to the control group. Dupas (2011) observed that those who accessed their accounts appear to have significantly higher levels of savings and have positive impact on increase in expenditure. Takahashi et al. (2010) in the context of Indonesia suggest intervention groups had higher income, but neither of these impacts were statistically significant. Brannen (2010) study from Zanzibar in Tanzania explored associations between micro credit and engagement in economic opportunities and found that membership of the credit programme was linked to an increased number of income generating opportunities.

Thus, from the above reviews it is observed that internationally micro finance programme-SHG approach is considered as a tool for economic development for vulnerable sections of society and has some positive impacts. Moreover, it is proved beneficial to promote both social and economic empowerment among beneficiaries.
2.3.3 Role of SHGs in Poverty Alleviation and Entrepreneurial Abilities

Microfinance obtained a consensus as an important tool for alleviating poverty in many developing countries (e.g., Johnson & Rogaly, 1997; Simanowitz & Walter, 2002; Gibbons & Meehan, 2002; Fernando, 2004; Armendariz & Morduch, 2005; Bakhtiari, 2011). Kabeer and Noponen (2005) while studying socio-economic impact of PRADAN’s microfinance programme carried out in Jharkhand observed that as far as basic needs were concerned, the members had reported a more favourable overall food situation in terms of adequacy and diversity of diet as compared to non-members. Members had better access to clean drinking water, improved housing with more rooms and doors. Sowjanya (2007) conducted a study on comparative analysis of successful and unsuccessful SHGs in Gadag district of Karnataka and revealed that the income generating activities taken up by the members of SHGs were agriculture (43.75%), dairy (20.53%) and sheep rearing (19.64%). Gladis (2008) conducted a study of SHGs in Ernakulam district of Kerala and found that majority (82%) of the women in SHGs stated that they had become economically independent after forming SHGs and starting economic activities.

Yamuna (2007) while studying the status of SHG participants in Coimbatore district observed that (a) all the participants who received bank loans under this scheme started their own business, (b) an increase in the income level, savings, value of assets and household durables after joining the SHGs, and (c) developed women’s relationships with government department and banking institutions. Sarangi (2007) while evaluating the impact of microfinance programme (government supported SGSY programme, NABARD’s SHG bank linkage programme, and World Bank promoted Swashakti programme) on rural poor households in backward regions of Madhya Pradesh in India observed that (a) a significant positive effect of programme participation on increase in the income of the households, (b) the income of households reporting self-employment in off-farm activities was much higher for the participant households than their counterparts. Samanta (2009) while examining the success and failure of microfinance programme in ameliorating poverty, generating livelihoods and empowering women SHG members (based on field survey in five Rural Development blocks of Burdwan district of West Bengal) found that the impacts of microfinance programme are mixed in nature.
Deininger & Liu (2009b) while discussing longer-term economic impacts of SHGs in India observed that longer programme exposure has positive impacts on consumption, nutritional intake and asset accumulation and suggest that even the poorest households were able to benefit from the programme and overall benefits exceeded programme cost by a significant margin even under conservative assumptions. In another study conducted by Peoples Education and Development Organisation (Singh, 2006) about their SHGs programme made an attempt to evaluate social and economic impact on households of SHGs members and observed that SHGs programme have (a) increased involvement in decision making, (b) promote awareness about various programmes and organisations, (c) exchange information about the different sources of credit and (d) the evidences of increased household income, food security and standard of living. Borbora and Mahanta (2008) in their case study of RGVN credit and saving programme in Assam examined the role of credit in generation of employment opportunities for the poor, the role of SHGs in promoting the saving habits among the poor and the contribution of the programme in social and economic empowerment of the poor in general and of women in particular. The analysis of survey data revealed that (a) 80% of the members in the selected SHGs were from poor families, (b) engaged in gainful economic activities, and (c) the programme had succeeded in inculcating the habit of saving among the members.

Meetei (2011) reported that micro finance through SHGs promoting during the last 10 years in Manipur increases average monthly income earning capacity and in turn saving capacity and effective productivity of SHG members and have ensured better economic life of rural women in Manipur. Centre for Micro finance & Livelihood (2009) in a survey in Arunachal Pradesh reported that “....though the micro finance-SHG approach have a positive impact but due to low population density, lack of information and training etc. the progress of the movement is not up to the mark”. Baruah (2009) while conducting a study at Nalbari District of Assam highlighted the necessity of asset creation for lifting the people out of poverty in which the SHGs did not succeed. Sarkar & Baishya (2012) observed that micro finance sector in Assam is growing fast and has a huge untapped potential that suffers from several constraints. The study suggest that (a) women’s access to credit has a role in improving the household decision making capacity, (b) workforce participation rate, control over resources and political and legal awareness would provide ample opportunities for greater empowerment of women of Assam. Sahoo (2011) observed that (a) SHG promote awareness among the women members and provide sufficient opportunities to combat with poverty, (b)
acting as a significant factor in generation of income and occupations of the members, and (c) argued for better disbursement of the micro credit to the members. Nath Sarmah & Das (2012) found that after joining the SHGs the poor rural people can increase their income and improve their standard of living by performing economic activities independently. Rural SHGs helps members in different ways (a) raises the income level, (b) improves the living standards of the rural women and (c) proved the way for economic independence of rural women. Bhagawati (2012) observed that SHGs, especially of women, are thus emerging in different parts of the world as a grass root mechanism to provide credit to its members. The main reason for the popularity of the SHGs is their democratic way of functioning. The study concludes that the process of empowerment of SHG women members and their contribution towards rural development in Sonitpur district, Assam is presumed outstanding.

From the above reviews, it is observed that SHG and micro financing programme in India and abroad have a positive impact in alleviating poverty and consequent development of standard of living of the poor sections and rural women.

2.3.4 Extension Participation and Extension Contacts

Chandra (1999) in her study conducted at Mumbai reported that NGOs with the help of government extension agencies provided training and awareness building for the use of better technologies, inputs, seeds, desired cropping pattern and practices animal health care etc. Abdulla (2000) concluded that many of the SHG members with their popularity are (a) occupying important positions in gram panchayats, cooperatives and other social organisations, and (b) dealing with socio-economic problems such as prohibition of alcohol, child marriages and dowry in the community. Mohan Rao and Sivaram (2001) in the context of Nagaur district of Rajasthan observed that training to SHGs gained importance in implementing livestock hybridisation programmes, organising agro-processing systems, generation and maintenance of common assets, community bio-gas plants, community solar illumination systems etc. Chandra (2002) in the context of Nilgiris district of Tamil Nadu Kattery Watershed Management Programme (KWMP) revealed that people’s participation as measured by using the ‘People’s Participation Index’ was high to medium at the planning (0.71), implementation (0.56) and post-implementation/ maintenance (0.46) stages of the project. It is also reported that educational status and income level had a positive influence on people’s participation in the watershed programme. Jain et al. (2003) pointed that about 44%
of the respondents had high level of participation in group action followed by 30% and 25% women having medium and low participation in group action respectively.

Purushotham (2004) while conducting a survey at all-India level reported that some of the SHG members involved in micro-enterprises and non-farm activities and further get training from Block Mahila Samakya office. Chethan et al. (2004) while studying the impact of SGSY on women beneficiaries in Bangalore Rural district of Karnataka noted that there was an increase in the number of days of employment, women beneficiaries in terms of education, social participation and achievement motivation. Kumararaja (2009) in analysing the impact of Mahalir Thittam of Tamil Nadu observed that women members of SHGs monitor the normal and proper functioning of the ration shops, maintain vigil on brewing of illicit liquor and help the aged, deserted and widows to obtain loan.

In brief, studies evaluating the role of SHGs in poverty alleviation offer contradictory opinions on the problem. Some researchers (e.g. Vatta and Singh, 2001; Tankha, 2002 and Galab et al., 2003) reported that SHG activities have improved the level of income of women, on the other hand some researchers (e.g. Panda, 2003; Mahajan, 2004; Rajasekhar, 2004) believed that the income through SHGs has limitations in meeting the financial requirements of members and do not provide any security for them.

2.3.5 Impact of SHGs on Member’s: Social, Economic and Empowerment of Women

The first comprehensive research on the economic impact of micro credit programme done by Hossain (1988) which reported that about one-third of the members were unemployed before joining micro finance programme. The impact assessment of the Grameen Bank of Bangladesh noted that the increase in self-employment among the poor with access to credit has been resulted an increase in rural wages (Khandker & Chowdhury, 1995). However, the first ever impact study of the SBLP in India was carried out for NABARD by Puhazhendi and Satyasai (2000) and the study revealed that the average value of assets per household (including consumer durables and livestock) increased by 1.72 times in the post-SHG period from the level of ₹ 6843 during the pre-SHG period. They also found that involvement in SHGs had significantly contributed to (a) the self-confidence of the participating women, (b) a decline in family violence after members joined SHGs, (c) increase in the composite index of different socio-economic parameters from 40 to 65 from the pre-SHG to post-SHG period.
Puhazhendi and Badatya (2002) assessed the impact of the SBLP on SHG members in the Indian states (Orissa, Jharkhand, and Chhattisgarh) and found an increase in household savings and assets for the SHG members after they formed the group. Anjugam and Ramasamy (2007) argued that the factors like the age of women and value of productive assets other than land have a significant negative influence on their participation. On the other hand, social backwardness, indebtedness and presence of other micro finance programmes in the vicinity have a significant positive influence on their participation. NCAER (2008) survey which was carried out for the country as a whole covering a total of 4791 households from 961 SHGs spread over six sample States from five different regions (viz., Andhra Pradesh and Karnataka (south), Maharashtra (west), Odisha (east), Uttar Pradesh (central) and Assam (north-east)) and reported that (a) the net household income of SHGs registered a significant growth of 6.1% per year between the pre and post-SHG periods, (b) the share of households living below the poverty line decreased from 58.3% to 33.0% between the two periods, and (c) about 92.0% of households reported that women were more empowered socially after joining SHG. Sarswathy et al. (2009) in the context of Krishnagiri district of Tamil Nadu claims that majority of members agree to the point that their income has increased after joining SHG and further concluded that “SHGs have become the development ambassador of villages”.

Kumar (2009) in a study in Coimbatore found that the participation of women in watershed development programme is influenced by various household specific factors like educational level of women, their households, number of dependents, income from other sources, and pressure of their watershed institutions. Banerjee et al. (2009) carried out a randomised evaluation of the impact of introducing microcredit in a new market in the slums of Hyderabad. They found no impact on average monthly expenditure per capita or on measures of health, education or women’s education, after fifteen to eighteen months of lending in the concerned treated areas. However, expenditure on durable goods increased in treated areas and the number of new business increased by one third. A collaborative study by NABARD and APMAS (2009) based on primary data collected from four districts of Assam during 2007-08 revealed that the SBLP yielded social and economic benefits as (a) more than 80% of the SHGs experienced improvement in savings habit, access to formal credit and its availability; (b) over 80% of SHGs experienced increase in income, and (c) more than 50% experienced increase in expenditure on food, education and health; (d) about 75% experienced decline in family debts, interest burden and dependence on moneylenders; and
(e) more than 80% have positive experience about women leadership development and their interaction with government officials.

It is also reported that micro finance programmes ensures the economic and social gains of participation in the programmes at the household or individual or enterprise level (e.g. Hossain, 1988; Otero and Rhyne, 1994; Schuler and Hashemi, 1994; Schuler, Hashemi and Riley, 1997; Pitt and Khandker, 1996, 1998; Khandker, 2003). There exists a trade-off between outreach and sustainability (e.g. Adams and Von Pischke, 1992; Montgomery, 1996; Rogaly, 1996; Buckley, 1997; Wood and Shariff, 1997; Morduch, 1999). Assessment of micro finance programmes on the other hand has also revealed that the programmes largely exclude the poorest (e.g. Hulme and Mosley, 1996, 1998; Diagne and Zeller, 2001). Further, the results of some micro-level studies has also demonstrated positive impact of SBLP on the socio-economic conditions of SHGs members (e.g. Moyle et al., 2006; De and Sarker, 2010; Dhanya and Sivakumar, 2010; Kashyap and Kashyap, 2010; Kumar, 2010a).

Current researchers are also looking at gender impact of micro-finance programmes (e.g. Chen, 1996; Johnson, 1997). Shrestha (1998) reported that women were able to make small purchases of necessary items but larger purchases and personal purchases always required the consent of the husband, representing incomplete progress toward empowerment in this area. However, Ashe and Parrott (2001) conducted a study on the women empowerment programme in Nepal and showed that 68% of women in the programme experienced an increase in their decision-making roles in the areas of family planning, marriage of children, buying and selling of property and sending of their daughters to school, earlier all these areas of decision-making were traditionally dominated by men. Sharma (2007) while examining the impact of participation in micro finance programme by comparing pre and post-SHG participation showed that programme led to women’s greater participation in household decision-making, greater access to economic resources, wider social networks and freedom of mobility. Minh-Phong and Wahhaj (2010) argued for widely heterogeneous impacts and can adversely affect the bargaining power of some women. Gurumoorthy (2000) and Roy (2011) reported that SHG participation have the power to create a ‘social-economic revolution’ in the rural areas of the country and can act as an important tool for socio-economic empowerment of the poor, particularly women.
A study by MYRADA (2002) on women’s empowerment of SHG members in the Southern region of India (surveyed SHGs and covered four professionally managed NGOs viz. DHAN, RASS, CHASS and MYRADA) found that majority of the members in both the groups agreed that their financial position and overall level of confidence had changed positively signifying an improvement in level of empowerment. National Commission for Women (2004) while studying on effectiveness of women SHGs in micro enterprises development in Rajasthan and Tamil Nadu observed that (a) beneficiaries are reported a marginally higher income, (b) about 58% of the households reported increase in assets, and (c) the activities that SHGs undertook were provision of drinking water, plantation of flower and fruit trees, cashew nut production, formation of youth clubs, AIDS prevention groups, and cooperatives. Joshi (2004) in the context of Watershed Project in Karnataka revealed that women gain respect and self-confidence by participation in SHGs. This is made possible by meetings, trainings and exposure visits ultimately led to confidence building and self-esteem amongst women. Sudhindra (2005) found that the members of the SHGs clear off their old debts through their savings and have started economic activities like goat rearing, milk selling etc. Bokil (2005) while studying the usefulness of SHGs in tackling the issue of domestic violence in Pune (India) area revealed that (a) their potential was not fully realised as the members were not equipped with knowledge about women’s rights and legal provisions, (b) unable to provide shelter and security to the victim, and (c) the promoting NGOs did not necessarily build their capacity in this regard.

Mukherjee (2006) while studying the impact of SGSY programme on empowerment of women in Kolkata observed that (a) about 64% women of the control group and 92% of the experimental group were found to be economically independent, (b) 50% to 75% respondents of the control group took decisions about various important aspects of household management like expenditure on education of child, marriage of child, medical care, etc. while in case of the experimental group, decision making power was exercised by only 24% women and 52% women took decisions with respect to the daily meal and dress. Sahu and Das (2007) studied the performance of SHGs in promoting women empowerment in Gajapati district of Orissa and found that though the members were not economically well-off but they perceived several other benefits such as increased self-confidence (81.54%), promotion of saving habits (76%), increased social interaction (75.17%) and freedom from old debts (63.36%) through their membership in SHGs. Gaiha and Nandini (2007) assessed some key
dimensions of empowerment of women participants of SHGs in six villages of Pune district in Maharashtra and observed that the loans were used largely for health and education purposes of the children and for production related expenses. Gladis (2008) conducted a study on empowerment of women through SHGs (promoted by district cooperative bank) in Ernakulam district of Kerala state observed that (a) 76% of the respondents got more courage to go out and experienced free and healthy interaction with others, (b) 26% of the respondents got respect from husband and children, and (c) majority of the respondents were participating in group activities, taking important decisions at home and providing additional facilities for family. Virender et al. (2008) conducted a study on impact of micro financing on employment income and empowerment in three districts of Himachal Pradesh and revealed that in case of marketing related decisions, two-fifth of the respondents expressed such freedom in Kangra and Solan districts, but it was only one fifth in Mandi. Mohindra et al. (2008) found that SHG participation appears to offer protection against exclusion to health care, regardless of whether the participant is an early joiner or a late joiner. Even a woman who is a non-member but living in house with an SHG member faces less exclusion. The study concludes that reduction in health exclusion is an unintended benefit of the programme. Sinha (2008) while reporting to GTZ-NABARD on impact of SBLP observed that SHGs have been performing better as financial service providers and creators of women empowerment. Kalpana (2008) argued that micro credit programme does not have any inherent qualities that empower their women clients or alleviate poverty. The ways in which the poor experience reduction in poverty or empowerment are subject to the institutional context of the programme. Garikipati (2008a) while studying two drought prone villages of the Mahabubnagar district in Andhra Pradesh argued that participation in the SHG scheme suggests that “if the household’s demand for credit is high and if it is able to divert the loans given to the woman as required then, given her lack of co-ownership of family’s productive assets, her access to credit may not result in her empowerment. In such a situation, the household may benefit, but the woman herself is likely to see further deepening of the ‘gender resource divide’ between her and her husband”. From the same set of data (Garikipati, 2008b) further concluded that “the linkage between the participating women’s credit accessibility and self-employment, which in turn, is supposed to enhance their self-esteem and empowerment. Only women from wealthier families who have ownership over productive assets are capable of spending more time on self-employment, especially since, their husbands have other productive assets in sufficient quantity”. Further, the positive correlation of the involvement of women in the SHG movement and the increasing political participation

Deininger and Liu (2009a) while comparing the empowerment impact on the new and the old women participants of a Community Driven Development (CDD) programme channelised through SHGs in the state of Andhra Pradesh observed that (a) positive spill over effects on non-participants, (b) longer programme exposure positively impacts upon the participants and even the poorest accumulate assets, and (c) that social capital and economic empowerment increased equally for participants and non-participants in programme areas, consistent with the notion that the programme generated positive social externalities. Shurmann and Johnston (2009) addressed the question of whether participation in group lending reduces health inequalities by promoting social inclusion. Researcher observed that micro credit can affect health status by (a) taking care in case of emergencies, (b) providing improved nutrition, (c) facilitating health education and (d) increasing social capital through group meeting and mutual support.

Swain and Floro (2010) by using cross sectional SHG rural household data collected from five Indian States in 2003 showed that vulnerability is not significantly different among SHG member households as compared to those who are non-participants (control groups) even though member households are poorer than non-members. Based on the same set of data, Swain and Varghes (2010) concluded that (a) the training positively influences asset creation and not income, and (b) for income generation, other factors like marketable goods infrastructure etc. are required. Devi et al. (2007) studied an impact analysis of technological training on women SHGs and observed that the technological training programmes attended by the members of women SHGs resulted in the incremental increase in their employment pattern and asset position. Gosh and Banerjee (2010) in order to find out the continuance of employment among female members of SHGs created under SGSY concluded that the decision of the women to work depends on probability of the success of women employment, which in turn, depends on the socio-economic and demographic factors of the household as well as on the local political stability, besides the past occupation of the participants. Uddin (2012) studied women SHGs role in decision making in Sagar division of Madhya Pradesh and found that members of SHGs belonged to sub-urban population were more democratic in comparison to rural population. Reddy & Reddy (2012) while assessing the quality of SHG observed that the confidence levels of SHG women have gone up with reference to learning
to sign (88%), to speak to visitors (94%), to participate in Gram Sabha (71%) and to attend meetings (87%), when compared to ‘before joining the groups’. In terms of mobility, the dependency of women on family members and others has decreased as reported by 66% of women members who can go alone to meetings outside their village.

Krishnan (2009) concluded that the SHG and NHG (NGO promoted SHG) movement have beneficial impact on women empowerment. There is not much difference between the functioning of NHG and SHG in the study area. Banerjee (2009) studied the impact of SHGs created under SGSY programme and revealed that (a) there was positive economic empowerment which encouraged the women to have more hygienic habits, (b) more optimal allocation of food expenditure among the family members, (c) the family health related expenditure decreased, and (d) the rate of school dropouts has significantly lowered in the families of the participants than in the case of the families which are non-participants. Hussain et al. (2010) based on the survey conducted in six municipality areas of West Bengal, attempts to test the significance of the programme effect of SHGs argued that the micro finance programmes though SHG are evaluated in terms of economic parameters only and that the programme has not succeeded in challenging the traditional social structures. Khan and Dinesh (2010) revealed that the participations of women are only within the Panchyat Raj Institutions in name, but in reality, it is the male family members who hold the power.

Another distinct feature of the study conducted by Rajagopal et al. (2011) in Tamil Nadu that women’s entry into local politics as a result of mandatory reservation is more empowering than their participation in micro finance programme. They claimed that micro finance reaches the poor is not confirmed by the research because the benefits of the programme are mainly enjoyed by the wealthier participants. Soroushmehr et al. (2012) attempted to understand empowerment process as articulated by the rural women themselves and observed that women who are involved in SHGs have (a) high mobility, legal knowledge and decision making autonomy, (b) access and control of household budget as compared to those who are not members. Bhardwaj & Gebrehiwot (2012) study revealed that (a) the best results are found under NABARD category III followed by NABARD model II, (b) access to credit, asset building, and skills appeared as the top three dimensions, and (c) the defunct SHGs were found under SGSY and NABARD model III.
Choudhury (2008) studied the success stories of women SHGs in Nalbari (Assam) and had narrated the positive differences that have been brought in the lives of many in these real life settings. She has observed that (a) SHGs has made the vulnerable section of society empowered and economically self sufficient, (b) apart from providing basic livelihood and empowerment, this women centric strategy restricts the vulnerable women in falling prey to militants, traffickers and into prostitution, (c) SHGs provides the women a sense of positive self identity and a developed self, constructively and constantly contributing for the development of society and the nation. Pati and Benjamin (2011) reported that micro finance through SHGs has had a positive impact on income, expenditure and savings of the women clients in Meghalaya. Das, S. K. (2011) in one study in Karbi Anglong districts of Assam observed that the social constraints viz., ‘dependable nature of women suppress them in their empowerment’ was ranked first followed by ‘lack of gender based academic institutions causes women illiteracy’ which was ranked II. Again, ‘social taboos, superstitions, unhealthy tradition and customs hinder in women empowerment’ was ranked III, and ‘the right of free avenues of expression to women lacks’ was ranked IV. Further, ‘the family members unanimously oppose the gender to participate in social activities’ was ranked V. In another study Das (2012e) attempted to study quality practices of SHGs towards empowerment in three district of Assam and observed that impact on participation ranks first followed by power element and then indicators of ‘Building of awareness and capacity’. Indicators of ‘Entitlement’ ranks fourth while indicators of leadership traits ranks the fifth and so on. While studying ‘the functioning and sustainability of women SHGs in Assam’, Bora and Talukdar (2012) observed that SHG helped the women members to attain both economic and social empowerment and further concluded the need to become more careful in selection of enterprises for income generation. Das, B. M. (2012) while studying the basic ideas to reflect the economic status of women through SHGs in Assam and concludes the role of SHGs in creating the awareness among the women to generate income in order to contribute in the development of the rural economy. Dutta (2012) observed that SHGs are functioning well in organising the poor women section into a self-serviced economic forum and conclude that the formation of SHGs can create opportunities for the women to participate into the various income earning activities in the study area. Das (2012f) studied the entrepreneurial activities of SHGs towards women empowerment in the context of two hill districts of Assam and observed that (a) SHGs have been successful in empowering rural women through entrepreneurial activities, (b) increase in income, expenditure and saving habits of rural women, (c) the SHGs had major impact on social and economic life of rural women, (d) an
increase in social recognition of self, status of family in the society, size of social circle and involvement in intra-family and entrepreneurial decision making, and (e) there was an increase in self confidence, self reliance and independence of rural women due to the involvement in the entrepreneurial and other activities of SHGs. Das (2012g) in the context of Assam observed that educated middle aged women show keen interest in joining SHGs with the primary motive is to get a ‘chance to show their talents’ and the urge to save money for future use. The study also concludes that SHG have brought higher psychological and social empowerment than economic empowerment.

However, the relevance of SHGs as powerful instruments of social, political and economic empowerment of women has been unanimously accepted in different studies (e.g. Antia and Kadekodi, 2002; Sinha and Sinha, 2002; Jahan et al., 2004). Thus, from the above reviews it is observed that the micro finance programme- SBLP, SGSY or MFI linkage have a positive impact on both economic and social empowerment on members in general and the women members in particular.

2.3.6 SHGs & Financial Inclusion

The 12th Five Year Plan of Government of India elaborately talks about the inclusive growth and the Reserve Bank of India (RBI) has been pursuing the goal of ‘financial inclusion’ (Tenth Five Year Plan [5]). The SBLP has completed two decades of its existence. Presently, there are more than 7.5 million SHGs having a savings bank account reaching out to more than about 97 million families in India. Approximately 80% of these SHGs are of women from poor households [6]. The Ministry of Rural Development, Government of India has launched the National Rural Livelihood Mission (NRLM) and Ministry of Urban Development, Government of India has launched similar mission as National Urban Livelihood Mission (NULM). Ministry of Finance (Department of Financial Services) has entrusted the task of strengthening SHG movement in about 170 most backward districts of the country [7]. In addition to these, various programmes of central and state governments (like watershed development) also place SHGs as an important strategy for mobilising poor

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and to address their exclusion and poverty. NABARD has also come out with its ‘SHG-2’ policy where it has reiterated the strategic importance of community based model of micro finance and livelihoods promotion[8]. Under financial inclusion drives, banks are also looking towards SHGs and SHG federations to act as ‘Business Facilitators’ (BFs) and ‘Business Correspondents’ (BCs) on their behalf. These are working with the objective of providing financial services to the bottom of the pyramid (i.e. the largest, but poorest socio-economic group). These institutions targeted people who were previously excluded by the formal banking sector for the lack of security, documentation and various other reasons. According to Micro Finance Institutions Development and Regulation Bill (2011), “it shall be the duty of RBI to promote and ensure orderly growth of micro finance sector in accordance with such measures as it deems fit, for promoting financial inclusion. Indian micro finance is dominated by SHGs that are playing a powerful role in promoting financial inclusion”. Karmakar (2009) analysed the financial inclusion schemes implemented by the government and testifies to the success of various innovative schemes like SHG bank linkage programme. However, he urged that total poverty alleviation is possible only if serious issues like rural livelihoods, entitlements, agro processing, land and water problems, under-employment issues, supplementary income sources etc. are given top priority.

A lot of researcher viewed micro finance as an important tool for economic development of common masses thereby eliminating poverty (e.g. Srinivasan and Sriram, 2006; Srinivasan, 2009). Sangwan (2008) empirically ascertained the determinants of financial inclusion (based on cross-section data of 42 regions from different states and UTs of India) and observed that most of SHGs in the study area are promoting financial inclusion in the region by credit and saving linkage. Shetty (2008) while examining micro finance in promoting financial inclusion observed that about 89% of the clients are financially included in post-micro finance period. Barman et al. (2009) examined the effectiveness of micro finance as an alternate source of formal finance. Agarwal (2008) believed that because of non-price barriers and behavioural aspects, financial inclusion would not happen on its own, it needs the support of the policy makers. Micro Finance Development and Regulation Bill (2011) highlighted the need for the promotion and orderly development of micro finance institution to speed up the process of financial inclusion. Rupa et al. (2012) observed that SHG-bank linkage programme has

established its efficacy in linking the financially excluded poor to the formal banking system. Shetty and Veerashekarappa (2009) examined the importance of microfinance in bringing about financial inclusion and observed that the impact of the increasing gap in demand and supply of financial services in India which has led to the increasing population of the country to be excluded from the formal financial credit system. Thus, microfinance has been identified as an important tool in bringing about financial inclusion of the masses (Sinha, 2009; Bi & Pandey, 2011).

2.3.7 Quality, Sustainability and Quality Parameters of SHGs

In the beginning, considerable effort was initiated to popularise SBLP among the bankers and other practitioners but the emphasis on quality was not given the required priority. While most of the grading tools were kept simple to encourage the field functionaries, the tool could not be administered with the seriousness, as it was required. Some years back, Sa-Dhan (2003) made a comparative study of assessment tools developed by various organisations viz. NABARD, BASIX, MYRADA, CARE, APAMAS etc. and have identified eight broad thematic areas with various indicators and their benchmarks. The study also felt that unless a tool could provide an instant and clear analysis of the state of affairs of SHG, it would not popular in practice. Further, Sa-Dhan has developed a SHG Performance Measurement Tool (Sa-Dhan, 2005) based on its applied research with an objective of helping the Self Help Promoting Institutions (SHPIs) and Banks to understand the SHGs in required detail to assess its performance, including decision making for credit linkage.

APMAS (2005) while carried out a study to ascertain the socio-economic profile of the SHGs and their members, the quality and extent of financial services to members and issues, perceptions around SHG bank linkage, and the impact of bank-linkage on SHGs members etc. revealed that (a) they value their association with their SHGs and the SHG’s association with its bank and that their income levels and savings had improved, (b) the members admitted that they had been positively empowered with respect to many variables like confidence, ability to make decisions, leadership quality and education levels.

A study by Meissner (2006) which examined the viability of SHG lending by Alwar Bharatpur Anchalik Grameen Bank (ABAGB) in Alwar district of Rajasthan and supported the viability of the SHG lending operations of the branch and further found that (a) the branch
accumulated more profits from SHG lending (3.9% of loan outstanding) than that from other (normal) lending operations (3.1%), (b) the importance for the viability of SHG lending operations lies in the low risk costs of SHG lending in comparison to normal transactions.

Sa-Dhan (2005) while assessing the overall performance of SHGs across the country, a composite index has been constructed through ‘Range Equalisation Method’ and observed that (a) 48% of SHGs are graded as ‘A’, 47% as ‘B’ and 5% as grade ‘C’, (b) of the total ‘A’ graded SHGs, 28% belong to Tamil Nadu followed by Maharashtra and Uttar Pradesh respectively, and (c) among the states covered in the study, all the SHGs in Jharkhand have been reported as grade ‘A’ performer followed by Karnataka (85%).

EDA Rural Systems and APMAS (2006) observed that 30% of the sample SHGs was involved in community actions while only 15% of the sample SHGs has good quality of records that are maintained by the group members. Sharma (2007) shows that (a) the SHG movement has not get success in some North-eastern states for reasons that are peculiar to the region and (b) the banking constraints as a factor that hinders the quality of SHG in North-east India. APMAS (2009) reported that “the SHG programme has extended social and economic benefits to a significant scale to the sample groups. Despite all round support from the Government of Assam, NABARD, NGOs, RRBs and active participation of primary members, the condition of SHGs in the state is far from satisfaction. The study also revealed that the proliferation of SHG has posed a serious challenge to sustain this movement by maintaining quality of SHGs and hence, the quality assessment of SHGs is now being considered as a key concern. The study also articulated some serious challenges like uneven growth of SHGs in different parts and uneven quality of SHGs across the country and issues related to their sustainability” (APMAS, 2009).

Kumar (2010b) while comparing the differences in quality of SHGs between SHGs under the umbrella of federations and other SHGs that are not part of federation observed that federation type SHGs are functioning well. He assesses the quality of SHGs by using NABARD CRI and advised all banks to access the quality of SHGs using the CRI before every credit linkage. Tripathy and Jain (2010) in the context of two districts each of Haryana and Orissa assessed the governance issues in the operation of SHGs. Varimax factor analysis of the performance parameters identified a number of factors which have an impact, as the governance of SHGs and the performance of micro finance ventures. The main problems that
were found by the researcher includes (a) low financial base due to absence of appropriate credit linkages, (b) non-provision of socio-economic incentives to members, and (c) lack of group’s commitment to task accomplishment. Veenapani (2012) in the context of Mahbubnagar District in Andhra Pradesh observed that (a) most of the SHGs were linked to Grameen Banks, (b) on the group governance parameter only five groups had very good score and 33% had moderate governance, (c) groups scored well on financial transaction, group discipline, and record maintenance parameters and scored the least on group governance parameter, (d) there was no significant difference in the mean score on group governance parameter across good and poor performers, and (e) there was a significant difference in the mean score on group discipline, financial transactions of the group and record maintenance, repayment pattern for good and poor performers.

Das (2012a) in the context of Nagaon district of Assam observed that the quality of groups in the study area is quite low in comparison to other states of the country and concluded that strict random sampling may be one of the reasons for poor quality of SHGs in the study area. He further observed that (a) the actual number of SHGs on the ground is not available, (b) a good number of SHGs in selected Development Block are defunct in nature and they are just in records only, (c) most of the SHGs which are formed in the block are organised mainly to get financial benefits and subsidies, and (d) the attraction to avail short term gains is another major hurdle in the progress of the SHG movement in the study area. While discussing factors affecting quality of SHGs, the researcher observed the key factors includes (i) the target oriented approach of the government in formation of group, (ii) inadequate incentive to NGO’s for nurturing their groups, (iii) lack of proper monitoring, and (iv) absence of quality enhancement mechanism. Such factors that affect the quality of SHGs in the study district as was observed by Das (2012a) were also reported by other researchers (e.g. Anand, 2002; Jha, 2002; Harper, 2002; Arvind, 2002 and Kadiyala, 2004).

Das (2012b) whiling studying the quality issues and perceptions of SHG Member’s in the context of Barak Valley of Assam observed that (a) ‘Financial management’ is the most critical factor where respondents have perceived strong support followed by ‘Plans & Vision’, (b) ‘Organisational capacity’ and ‘Saving & credit’ are among the some other parameters which are perceived at next higher level, (c) ‘Empowerment and Influence’ & ‘Awareness and attitudes’ undertaken by group/members are perceived as less supportive
parameters in measuring quality of SHGs. Similar observation was also revealed in the context of Nagaon districts of Assam (Das, 2012h).

Further, the effectiveness and sustainability of community initiated collective action along with sufficient awareness creation in programmes of natural resource management has been proved by different studies (e.g. D’Silva and Pai, 2003; Ghate, 2003 and Bhattacharya & Hussain, 2004). Success of collective action emerges from higher levels of social capital due to a sense of community among people, presence of a committed local administration and local leadership. The activities of SHGs in environmental conservation have been well documented in many studies including those of Thomas (2002), Cronwell (2003), Datar and Prakash (2004).

While addressing the problem associated with the SHG movement in India few studies were reviewed for reference. Arunkumar (2004) reported the problems faced by the SHG members were (a) lack of timely support from banks/other organisation, (b) inadequate number of organisations linked up, (c) unequal distribution of work among members, (c) non-introduction of agriculture based IGA, (d) non-availability of information about IGA, and (e) difficulty in getting external loans. Bharathi (2005) while conducting National Agricultural Technology Project on Empowerment (NATP) promoted SHGs reported that the problems faced by members were (a) lack of formal education, (b) lack of training, (c) lack of social mobility, (d) insufficient loans, and (e) technical problems like non-availability of spare-parts, shortage of electricity and unskilled women group members. Darling (2005) in the context of Kanyakumari district reported that the members came across certain difficulties in marketing their products in time. Joseph and Easwaran (2006) in the context of Mizoram identified the perceived constraints in the functioning of SHGs that includes (a) lack of government attention, (b) high rate of interest on loans, (c) insufficiency of loan for income generation, and (d) inability to repay the loan etc. Josily (2006) in context of Dindigul District of Tamil Nadu identified the key problems faced by SHG members which includes (a) economic problems i.e. problems in raw material procurement, timely loan availability, lack of adequate profitability in their enterprise, lack of adequate marketing facilities, big distances from markets and transport problems ranked higher in priority, (b) conflicts among group members, (c) social problems i.e. lack of time after attending household work, lack of education, (d) inadequate institutional support, and (e) among the economic problems, improper savings was found to be major problem by majority of the members. Raheem and
Yasmeen (2007) identified indifferent attitude of bankers, lack of proper planning and management, indifferent attitude of SHGs promoting institutions and large scale migration of labour for employment that were responsible for the poor performance of SHG. Githamma (2007) in the context of Kolar district of Karnataka reported that (a) 55.33% of SHG member’s felt difficulty in procurement of raw material, (b) among social problems, 56% of SHG member’s felt conflicts among the groups, (c) among economic problems, 55.33% of SHG member’s felt margin of profit is not sufficient, and (d) among marketing problems, 58.66% of them felt lack of transportation as a major problem. Sowjanya (2007) while conducting comparative analysis of successful and unsuccessful SHGs in Gadag district of Karnataka observed that major constraints faced by the respondents were (a) lack of assistance from organisations (94.64%), (b) high marketing cost (89.28%), (c) insufficient margin of profits (83.92%), and (d) lack of infrastructure facilities (78.57%) in successful SHGs. Further, in unsuccessful SHGs the major constraints faced by the respondents were (a) no market for the product (100%), (b) problems in raw material procurement (96.42%), and (c) lack of infrastructure facilities (89.98%). Sakthivel Murugan and Begum (2008) in the context of Chennai City revealed that social and cultural barriers are prominent formidable block for the development of women entrepreneurs in the concerned study area.

Researchers (like Badiger, 2009; Phougat and Hooda, 2010; Prasad Rao et al., 2011) reported that the inability to marketing the products by members forced them to quit the ventures were highlighted. Murlidhar (2010) identified lack of simple arithmetical knowledge that makes the members vulnerable to being exploited by dominant members. Researcher further observed that lack of social mobility prevented the members to start gainful and profitable ventures in places away from the places of domicile of members. Domination by male members, male chauvinism and lack of cooperation from family members in the case of joint families were reported to be the major problems interfering with the pursuit of ventures (e.g. Rajeswari and Sumangala, 1995 and Kushawaha and Srivastava, 2003). Dhar et al. (2008) while studying SBLP in India and consequent bankers perceptions on this regard observed that the main problem were (a) timely communication with these bodies, (b) lack of understanding of banking operations by the members, and (c) faulty identification of beneficiaries. Sundar & Baskar (2012) studied the constraints faced by SHG members and reveals the various problems faced by the SHG members in the pursuit of their ventures viz. marketing problem, higher rate of interest, even lesser number of instalments and inadequacy of loans are hindering the smooth functioning of groups. Concerns have been raised in
various studies regarding the nature of leadership, lack of transparency, unilateral decision making and lack of literacy among SHG members. Many enquiries have taken note of the declining and near lack of book-keeping abilities among SHGs members and examined the role of SHPIs or NGOs as evidenced in the study of EDA (2006); Srinivasan (2009); and Parida & Sinha (2010).

Sharma (2007) observed that the SHG movement has not successfully implemented in some North Eastern States of India because of the region’s peculiar geographical location and other infrastructural problems such as banking constraints. Some studies (conducted by Sarath Kamala, 2004; Bannar, 2006) highlighted that higher rate of interest, inadequate capital, lesser instalments, low returns due to poor marketing etc. were major stumbling blocks in the otherwise smooth journey of SHGs in the study area. Pitfalls in the training have been found to be the root cause for the poor functioning of SHGs (Devi, 2010).

With the above reviews on the problems of SHG members, it is very clear that SHG members & rural women members are facing (a) personal problems like lack of training and education, lack of freedom to take decision, responsibility of performing household activities etc., (b) common social problems which includes lack of social mobility, lack of cooperation among members, caste system in the village, cultural norms etc. and (c) economic problems such as insufficient loans, little income, high cost of raw materials, lack of marketing facilities etc.

Briefly, SHG movement in the world involves in-

- **Improving the efficiency of credit system:** The SHG helps the vulnerable sections of the society to meet their credit requirements that cannot be possible through formal banking system. Further, by providing large-scale micro credit, it reduces the costs of credit delivery and improves the efficiency of credit system.

- **Providing channels to financial inclusion:** Financial inclusion aims at providing easy credit at affordable costs to the vulnerable sections of the society. SHGs are an important tool in financial inclusion. Moreover, through SHGs funds are provided mostly to socially and economically backward people like BPL, SC, ST and rural women etc.
• **Helps in resource mobilisation:** SHGs play a crucial role in mobilising the small savings of the poor.

• **Promoting savings & banking habits:** A large number of poor, rural populations including women do not have access to banks. SHGs motivate this segment of people to save by explaining the benefits derived from such savings. These savings are pooled together and the funds so created are deposited in the banks. Undoubtedly they promote thrift among the members.

• **Reduction in poverty and improving living conditions:** One of the main aim of SHG is the reduction of poverty in rural areas. The provision of micro credit leads to self-employment in the rural areas and help in reduction of poverty. This improves the living conditions of the people. Moreover, membership in SHGs enabling poor households to achieve better school attendance and lower dropout rates of their kids.

• **Empowering women:** There is a direct relation between SHG membership and women participation in decision-making. Further, by joining into SHG, women members achieve both social and economic empowerment on different dimensions.

• **Enhancing social & economic justice:** SHGs promote socio-economic justice in a unique manner. Self-employment through SHGs promotes economic justice whereas empowerment of women, SCs, STs and other weaker sections promotes social justice.

• **Disseminating social awareness:** Members of SHGs spread social awareness among people of their locality and villages. They make people aware of their social rights & responsibilities. Involvement in SHGs by the women have positive influence on achieving lower child mortality, improved maternal health, better nutrition, housing & health.

• **Developing individual skills of group members:** The rural people are not very educated or skilled. While working as members of SHGs, they develop various skills and acquire knowledge on various subjects like record keeping, credibility, effective problem solving, teamwork, leadership etc.
• **General employment:** SHGs provide micro credit to members & take up entrepreneurship & other self-employment activities. This reduces disguised, seasonal or total unemployment in rural areas.

• **Reducing influences of unorganised sectors:** SHGs provide bank-supported credit to its members. This reduces the influences of the unorganised sector of money market who charge exorbitant rate of interest, on the credit provided to the people.

• **Lending benefit to financial sector:** The linkage of SHGs with the banks proved beneficial to the financial sectors. It opened up a new, large market i.e. low income household where transfer costs are low & repayment rates are high.

Further, the above reviews find out the major areas of strength and weakness of SHG-based model of micro finance as summed up below Table No. 2.1

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Areas of strength</th>
<th>Sl. No</th>
<th>Areas of weakness</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Coverage of backward classes.</td>
<td>1</td>
<td>Little change in asset structure.</td>
</tr>
<tr>
<td>2</td>
<td>Strong savings motivation.</td>
<td>2</td>
<td>Weak credit linkage.</td>
</tr>
<tr>
<td>3</td>
<td>Small increase in income.</td>
<td>3</td>
<td>Capacities and skills.</td>
</tr>
<tr>
<td>4</td>
<td>Higher rates of recovery.</td>
<td>4</td>
<td>Exclusion of extremely poor.</td>
</tr>
<tr>
<td>5</td>
<td>Improvement in empowerment aspects of women.</td>
<td>5</td>
<td>Lack access to credit for weaker members.</td>
</tr>
<tr>
<td>6</td>
<td>Sustainability of old groups.</td>
<td>6</td>
<td>Not always homogeneous on wealth ranking.</td>
</tr>
<tr>
<td>7</td>
<td>Participation in development initiatives.</td>
<td>7</td>
<td>Membership of closely related families.</td>
</tr>
<tr>
<td>8</td>
<td>Increase in self-confidence.</td>
<td>8</td>
<td>Drop out of membership.</td>
</tr>
<tr>
<td>9</td>
<td>Feminisation of banking in India.</td>
<td>9</td>
<td>Declining rates of recovery.</td>
</tr>
<tr>
<td>10</td>
<td>Low cost MF service provider.</td>
<td>10</td>
<td>Weak group management.</td>
</tr>
<tr>
<td>11</td>
<td>Increased ability of Community to face conditions of calamities and crisis.</td>
<td>11</td>
<td>Setting up economic enterprise still a complex issue.</td>
</tr>
<tr>
<td>12</td>
<td>Increased capacity to plan.</td>
<td>12</td>
<td>Dearth of high quality groups.</td>
</tr>
<tr>
<td>13</td>
<td>Traditional livelihood scope increase.</td>
<td>13</td>
<td>Not yet linked with insurance and money transfer.</td>
</tr>
<tr>
<td>14</td>
<td>Increase in social capital.</td>
<td>14</td>
<td>Public investments-in productive infrastructure declining.</td>
</tr>
<tr>
<td>15</td>
<td>Participation in political process.</td>
<td>15</td>
<td>Inadequacy of credit to scale up livelihood activities.</td>
</tr>
<tr>
<td>16</td>
<td>Coverage of women.</td>
<td>16</td>
<td>Low level of awareness about government.</td>
</tr>
<tr>
<td>17</td>
<td>Improvement in standard of living.</td>
<td>17</td>
<td>Inadequate and in appropriate utilisation of revolving fund.</td>
</tr>
<tr>
<td>18</td>
<td>3 M's- micro-finance, micro-planning and micro market help livelihood scope.</td>
<td>18</td>
<td>Diversity in approach towards SHG formation.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>19</td>
<td>Lack of in house and external quality assessment system.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>20</td>
<td>Other than a co-operative, NGO-MFIs have limited scope of evolving as a community based financial institution under present legal</td>
</tr>
</tbody>
</table>
Sl. No | Areas of strength | Sl. No | Areas of weakness
--- | --- | --- | ---
21 | Lack of extension services. | framework.
22 | Lack of rotation amongst SHG leadership. | 24 | Reliance on subsidies available for government training and risk of women undertaking training for financial benefit only.
23 | Lack of optimisation of income of SHG micro-businesses. | 25 | Lack of Post-Training formal follow-up to assist in making improvements / assessing impact.

*Source: Based on survey of literature*

Very little attention has been given to quality questions or ways in which both empowerment and sustainability aims may be accommodated. Failure to take into account the impact on income also has potentially adverse implications for both repayment and outreach, and hence also for financial sustainability. In India, most of the studies had been carried out in central and southern regions and there is a dearth of impact of micro finance studies in Northern India and North-eastern India. Further, in Indian context there is dearth of literature on quality assessment of SHG and no such study ever made on assessing the perceptions of different stakeholders on quality assessment in India. Moreover, no studies have so far been made in the State of Assam about quality parameter, quality indicators and benchmark for quality assessment of SHGs. Hence, effort was made in the present study to access the perception of different stakeholders on SHGs like the Promoter, Donors, Financer and the Groups members itself about quality parameters and other perceived opinion about some unresolved issues of quality assessment under the title “QUALITY ASSESSMENT OF SOME SELECTED SELF HELP GROUPS (SHG): AN EMPIRICAL STUDY”.

### 2.4 Scope of the Research Study

Research is the process of enhancing our knowledge to discover & understand the truth. The process itself raises new questions, throws up fresh questions and opens up new areas of inquiry. To carry out research in social sciences in the present time, a research has two approaches- quantative and qualitative. These are also known as positive and interpretive epistemological approaches (Castellan, 2010). This research applies a mix of both methods in its study of phenomena of SHG’s quality parameters and stakeholders’ perception on unresolved key issues of quality indicators.
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The present study indeed, is exploratory cum descriptive in nature with empirical analysis. Psychometrics approach, Meta analysis and Survey method was undertaken to access the perceptions of the stakeholders (i.e. Promoter, Donors, Financer and the Groups members) on the issue of quality indicators of SHGs (like design, governance, operational, impact etc.). However, the study was undertaken keeping into consideration the following parameters:

a. **Jurisdiction and duration of study:** The present study covered all the direct stakeholders of SHGs of Nagaon district of Assam. Some State level MFIs and SHPIs were also covered within the purview of the study since they have place(s) of business or directly linked with SHGs promotion in the study district. Information through questionnaires was collected during first half of 2012 i.e. from March 2012 to July 2012.

b. **Coverage of the study:** Since SHGs are operating under different models-most particularly in Savings Bank linkage Programme (SBLP) and Micro Finance Institutions (MFIs) linkage, so SHGs belonging varied models existed in the study area were well covered. Further, SHPIs including Commercial Banks, RRBs, Government departments, NABARD Officials, Farmers Club, NGOs etc. which were covered within the scope of the study. In brief, special efforts were given to cover all direct stakeholders of SHGs directly or indirectly linked with promotion, nurturing and financing of SHGs in the study district.

c. **Issues and aspects covered in the study:** The researcher has developed the instrument used in this study after an extensive review of literature in the subject and related theory and following survey design procedures found in the literature (e.g. Alreck & Settle, 1995; Gaddis, 1998; Long, 1998; Leedy & Ormrod, 2001). Researcher drafted a pool of variables on each issue, which were submitted to seven (7) content judges for review and to determine the face and content validity of the items. In these ways, five separate instruments were designed to study specific issues (Details are in section 2.9.11 of chapter 2). All these instruments or scales that were used in the present study which were developed by the researcher and these were recognised & published in international journals of repute.
d. Types of respondents: In the present study, the different direct stakeholders of SHGs who are associated with the promotion, nurture and support of SHGs in Nagaon districts are covered. In brief, Promoter, Donors, Financer and the Groups members of SHGs in Nagaon districts are the key respondents of the present study.

2.5 Objective of the Study

The study is pursued keeping in view the following objectives

a) To assess the opinion of the direct stakeholders (i.e. Promoters, Donors, Financial Institutions and Group itself) of SHGs regarding the parameters (like design, governance, operational, impact etc.) to be considered while assessing the quality of SHGs.

b) To examine the opinion of the direct stakeholders whether promoters or donors or financial institutions or group itself should determine the quality indicators of SHG.

c) To examine the opinion of the direct stakeholders whether SHG is primarily an empowerment model or a financial model.

d) To examine the opinion of the direct stakeholders whether the aspects like impact on members of SHG and its involvement in larger social issues should be peripheral or core components of quality indicators of SHG, and

e) To provide suggestions, if any, bearing out the present study.

2.6 Hypotheses of the Study

Given the survey of literature and objectives, the study is pursued to test the following statistical hypothesis:

a) There is no significant association in the opinion of the direct stakeholders of SHGs regarding the parameters to be considered while assessing the quality of SHGs.
b) There is no significant association in the opinion of the direct stakeholders of SHGs regarding the perspectives of Promoters, Donors, Financial Institutions and Group itself while determining the quality indicators of SHGs.

c) There is no significant association in the opinion of the direct stakeholders of SHGs regarding the issue whether SHG is an empowerment model or financial model.

d) There is no significant association in the opinion of the direct stakeholders of SHGs regarding the issue whether impact on members of SHGs and its involvement in large social issues be peripheral or core components of quality indicators.

2.7 Relevance to Development Studies

According to International Year of Micro credit 2005, “Micro finance is one of the practical development strategies and approaches that should be implemented and supported to attain the bold ambition of reducing world poverty by half”. Micro finance programme has been viewed as a unique programme for the reduction of vulnerability, and hence the achievement of the Millennium Developmental Goals (Adam, 2007). Micro finance perceived as a vital dynamic mechanism towards attaining the millennium target of reducing poverty and hunger (Fernando, 2004; Simanowitz & Walter, 2002). Other development agendas that emphasise micro finance in reducing poverty include the G8 Declarations of 2005; the UN 2005 World Summit, the Commission on Private Sector Development, the Brussels Programme of Action; and the Africa Commission Report. All their documents considered Micro finance as an alternative to achieve Millennium Development Goals by 2015. Therefore, doing a research on micro finance (Self Help Group Approach) as a strategy for poverty reduction, financial intermediation and women empowerment and its quality issues is relevant to development studies.

2.8 Theoretical Background

Generalising to a theory or conceptualisation is a matter of identifying evidence that supports that conceptualisation (Firestone, 1993). In analytical generalisation, the investigator is striving to generalise a particular set of results to some broader theory (Yin, 2003). A theory is defined as “a statement of relationships between units observed or approximated in the empirical world” (Bacharach, 1989). Every research is based on theory as knowledge base. Eisenhard (1989) argued that “binding the emergent theory with existing literature
strengthens the internal validity, generalisability (external validity) and theoretical level of theory building from case study research”.

Scientific knowledge is based on empirically tested theories. Empirical facts are understood in the light of a specific theory. Indeed, “theory and research are so intertwined that neither can exist without the other and both are needed for a strong science. In the field of social sciences, perspectives change with context and situation” (Wallis, 2010). Thus, existing theories are constantly subjected to critically scrutiny, test, modification and even rejection. New theories based on current understanding take the place of old ones. This is a continuous process. Thus, while studying and understanding emerging phenomena; it is important to locate a theoretical connection with the existing perspective and knowledge. Such a linkage would help the present study to contribute to fundamental understanding of a process or phenomenon as well as strength existing theories. The literature review yielded a few broad theoretical connections to the present study such as

(i) Social Group Works Theories & Practise- Group Approach in Social Work
(ii) Empowerment Theories or framework and development of SHG members
(iii) Good Governance and role of institutions in development of masses.
(iv) Social Capital and civil societies in development of society.
(v) Theory of Change.
(vi) Theory of Affiliation.
(vii) Prospect Theory.
(viii) Theory of Groups Principles
(ix) Sen’s Capability Approach
(x) Participatory and Democratic Approach in development of poor and marginalised
(xi) Social Learning Theory
(xii) Social Action Theory
(xiii) Social Support Theory
(xiv) Meta Theory
(xv) Bloom’s Taxonomy
(xvi) Theory of Community Psychology
(xvii) Game Theory

However, the present study will examine the perceptions of different stakeholders of SHGs on quality assessment parameters and other allied quality assessment issues viz. whether
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SHG as empowerment or financial model; on whose perspective quality parameters to be determined and impact on members of SHGs and involvement in social issues as core or peripheral. Thus, it is pertinent to know the indicators of quality parameters and other quality issues of SHGs. The researcher had narrowed down and focused the theoretical literature review to the thrust areas for the purposes of the study, only the following thematic connections are considered. Further, the theoretical and conceptual framework of the present works as a whole is depicted in the Chart No. 2. 1. However, objective wise through conceptual frame work of the study is also discussed in the respective chapter.

2.8.1 Social Capital Theory

Social capital can be defined at several levels: country, community and the individual (Glaeser et al., 2000). At the country level, social capital is viewed as the degree of trust in government or other societal institutions (Fukuyama, 1995). At the community level, Jacobs (1961) posits that social capital exists as “neighbourhood networks”, or as Putnam (1995) suggests, it signifies “features of social life-networks, norms, and trusts-that enable participants to act together more effectively to pursue shared objectives”. Social capital could be thought of as the extent and quality of connections within communities. Lastly, social capital can be attributed to the individual level. As Glaeser et al. (2000) note, “…an individual’s social capital is that individual’s social characteristics- including charisma, status and access to networks- that enable that person to extract private returns from interactions with others.” Further, the concept of social capital is central to a social inclusion agenda (Woolcock, 1998) as it is understood as a way of building empowerment, well-being, and community development toward an improved civil society (Skinner et al., 2008). However, it is insightful to note that “social capital relies on social inclusion: it cannot develop if people are unwilling (or unable) to participate” (Shortall, 2008). The notion of social inclusion, trust, bonding and reciprocity are particularly important due to the nature of self help group formation and operation in an Indian village. Nan Lin (1999) formulated a theory of social capital as “resources embedded in a social structure which are accessed and/or mobilised in purposive actions” (Lin, 1999). This definition of social capital has relevance for the present purpose of exploring women’s social ties within the power structures and how they can be accessed for purposes of empowerment. In the context of micro finance, social capital plays a very important role as it has very close and positive relations with empowerment of women that is one of the most important objectives of most micro finance programmes. Ronchi (2004) states that social capital and micro finance are
reinforce each other. The social capital theory postulates that when people act or function in a group as in a cooperative society or Self Help Group, it leads to the economic and social development of the group, individuals in the group and the immediate community where such group operates from (World Bank, 1998; Anderson et al., 2002). Social development is the improvement in relationship between people while the economic development is divisible into two parts as improvement in financial condition and physical progress such as material acquisition (Jainaba et al., 2005; Holmgren, 2011; Onafowokan, 2012). The economic development in social capital includes improvement in economic condition of the people that may be physical and financial. The interaction of the economic developments in social capital theory to standard of living is an indication that participation in an association such as a Group can lead to physical capital and financial capital (Anderson et al., 2002). The theory also recognises healthy social and political environment which should help the social group to act and meet their personal and group interest without which economic development potentials will not be achieved (Bastelaer, 2000; Rankin, 2002). The focus of the social capital theory is to use social network, association and relationship for the social and economic development of individuals, the group and the community. In this study, special attention has given while framing the questionnaire to theme of the Social Capital Theory.

2.8.2 Social Learning Theory

Social Learning Theory is a cognitive oriented theory, which suggests that “People are neither driven by inner forces nor buffeted by environmental stimuli - rather, psychological functioning is explained in terms of a continuous reciprocal interaction of personal and environmental determinants” (Bandura, 1977). This theory initially outlined by Bandura and Walters (1963) and further developed in 1977. “Social learning theory explains human behaviour in terms of continuous reciprocal interaction among cognitive, behavioural, and environmental influences” (Bandura, 1977; Turnock and Joan, 2007). Social learning theory integrated behavioural and cognitive theories of learning in order to provide a comprehensive model that could account for the wide range of learning experiences that occur in the real world [9]. The theory is related to Vygotsky’s Social Development Theory and Lave’s Situated Learning, which also emphasise the importance of social learning. This theory is used to provide a theoretical rationale for a relationship between social support & SHG member’s behaviours. Especially, self-efficacy is viewed as a mediating factor between

social support & SHG participation. It is assumed that social support influences self-efficacy, knowledge and perceived stress that in turn impact the SHG participation.

### 2.8.3 Social Group Works Theories & Practise: Group Approach in Social Work

Since the 1940s, social work professionals used “social group work” as one of the methods for helping their clients- individuals as well as communities (Konopka, 1983). Social Group Work theories and social change considers social group process which includes areas like group approach, group relationship, decision making process, group dynamics, nature of membership, group leadership, conflict resolution process, group control mechanism, sub-groups within the groups etc. are important factors to be taken care of while studying the group. SHGs are called solidarity groups (Harper, 2003; Hazeltine and Bull, 2003; Mann et al., 2011) and are formed more for a social and financial intermediation purpose of micro finance delivery system for providing finance to the poor or to those who are little above poor (Harper, 2003; Johnson and Rogaly, 1997; Ledgerwood, 1999). In professional social work practise and theory, there are different scientific methods for working with and helping individuals, groups & communities. To work with more than one individual, social workers use a purposeful group experience for individuals who have similar needs and problems. This approach is called ‘Social Group Work’ method which works on the broader philosophical assumptions that an individual can learn better and change his or her life change as a member of the group. The social group work model applies to SHGs also since SHG formed under the axioms “of the people, by the people and for the people” and it is a democratic process to bring desired change collectively. Further, SHG works together in bringing change in the lives of its members in a number of ways viz. Savings, skill development, livelihood promotion, income generating activities etc.

### 2.8.4 Social Action Theory

The Social Action Theory (Max Weber along with Durkheim and Marx) is a community-oriented model that is used to increase the problem-solving ability of entire communities through achieving concrete changes towards social justice. That is, individuals within communities come together to redress the imbalance of powers or privileges between a disadvantaged group and society at large. The Social Action Theory applies key concepts that are used within many community-organising and community-building models (Stall & Stoecker, 1997). According to Minkler (2008), “the key concept of this theory include

empowerment (any social process that allows people to gain mastery over their lives and their community); critical consciousness (mental state by which members in a community recognise the need for social change and are ready to work to achieve those changes); community capacity (presence of leadership, participation, skills, sense of community); social capital (community resources and Community capacity); issue selection (specific goals that unify and build community strength); and participation and relevance (plan of action)”. Self-help as a strategy for social development emphasises self-reliance, human agency and action (Sabhlok, 2006). According to Social Action Theory, people take action towards their goals as groups within the context of their social environment. They have their own, locally defined motives and beliefs, their own interpretations of the meaning of a situation, and they control their own actions (Weber, 1991 cited in Singh et al, 2011).

2.8.5 Social Support Theory

Social support is defined as the resources provided by others (Cohen & Syme, 1985) which can include informal as well as formal resources (Chappell, 1992). Social support is the perception and actuality that one is cared for, has assistance available from other people, and that one is part of a supportive social network (Cohen & Wills, 1985). “These supportive resources can be emotional (e.g. nurturance), tangible (e.g. financial assistance), informational (e.g. advice), or companionship (e.g. sense of belonging) and intangible (e.g. personal advice)” [11]. According to Semmer et al. (2008) social support includes two main types of support; instrumental and emotional support. Instrumental support is defined as helping behaviours that people do for another person, to help that person cope with a chronic or acute stressor (Lane, 2004). Conversely, emotional support is the reassurance or emotional support offered to reinforce sense of worth and feelings of self-efficacy. Both types of support are helpful for those who are faced with chronic and acute stress (Dietrich, 2010). The hope is that social support systems offer the members of a group the feeling of belonging, security, and a greater sense of self worth (Mayo Clinic Staff, 2008). According to social support theory, social support is defined as informal support; including instrumental, cognitive, emotional, or appraisal support (Roehrle & Strouse, 2008). Social support theory is a general theory that seeks to explain the process of assistance provided through human relationships (Coreil, 2010). According to this theory, the social support system is comprised

of family, friends, co-workers, and others who are socially connected with one another. It is important to note that social support can help or hinder the coping process (Dietrich, 2010).

Moreover, various social science theories, such as the theories of affiliation, attribution, change, coping, deviance and social exchange provide some explanations of why participation in Self Help Groups empowers members. Steward (2005) concluded, after synthesising some theoretical and empirical studies, that the provision of social support and social learning in SHGs is the major factor in Self Help Groups effectiveness.

2.8.6 Meta Theory

According to Science Council (2010), “Science is the pursuit of knowledge and understanding of the natural and social world following a systematic methodology based on evidence” which includes: (1) Objective observation: Measurement and data (possibly although not necessarily using mathematics as a tool); (2) Evidence; (3) Experiment and/or observation as benchmarks for testing hypotheses; (4) Induction: reasoning to establish general rules or conclusions drawn from facts or examples; (5) Repetition; (6) Critical analysis; and (7) Verification and testing: critical exposure to scrutiny, peer review and assessment. Meta theory is primarily the study of theory, including the development of overarching combinations of theory, as well as the development and application of theorems for analysis that reveal underlying assumptions about theory and theorizing (Steven, 2010). “Meta-theory is a critical exploration of the theoretical frameworks or lenses that have provided direction to research and to researchers, as well as the theory that has arisen from research in a particular field of study” (Neufeld, 1994; Edwards, 2010). Meta theory is focused on the analysis of theories. Meta theory may also be understood to integrate multiple theories (Anchin, 2008; Ritzer, 1988). Meta-theorizing is the process of performing meta-theoretical research. That process includes many different kinds of activities including sorting theories and/or sorting their components into categories (Wallace, 1992), the use of reflexivity (Ritzer, 2009), deconstruction and reconstruction (Ritzer, 1992), statistical analyses of the literature (Meehl, 1992). Therefore, the present study is also based on the holistic approaches of Meta theory since the study is based on different statements gathered from different studies relating to quality parameters of SHGs and other quality issues which are assembled in designing the scale that is developed for assessing quality issues of SHGs from the existing literature and theories.
Chapter II

Chart No. 2.1
Theoretical framework of the study

**THEORETICAL FRAMEWORK ON QUALITY ASSESSMENT OF SELF HELP GROUPS**

**Quality Parameters Orbit of SHGs**
Journey from Poverty to Prosperity through SHG.
[Flow of SHG Formation & Promotion]

- Formation of SHG
- Regular Thrift
- Rotation of Internal Fund
- Basic Needs Satisfying
- Linking with Banks
- NFI NABARD, SIDBI, NEDFI.
- MFI NGO, NBFC
- Meta theory, Bloom’s Theory of testing
- SHG Linkage Approach
- DIFFERENT QUALITY ASSESSMENT & QUALITY PARAMETERS DEVELOPED BY DIFFERENT STAKEHOLDERS
- Social Capital Theory, Social Learning theory, Social Group works Theories , Social Action Theory, Social Support Theory

**Mushroom Growth of SHG by different Participants resulted Quality under Stress**

**SHG Linkage Approach**

**Source:** Based on Survey of Literature
2.8.7 Bloom’s Taxonomy

Literature supports that the criteria for measurement of quality of groups include validity, objectivity, fairness, reliability, difficulty, degree of discrimination, depth of knowledge and absence of bias. These criteria are not separate entities, but they overlap, they depend on each other, and augment each other. Bloom’s taxonomy is a classification of learning objectives within education proposed in 1956 by a committee of educators chaired by Benjamin Bloom, who also edited the first volume of the standard text, “Taxonomy of educational objectives: the classification of educational goals” (1956). Bloom’s Taxonomy is a classification system for educational outcomes in the cognitive domain (knowledge). It grades the depth of cognition from simple to complex in the following six levels: Knowledge—recall of facts; Comprehension—understand meaning, Application—apply information in a new situation, Analysis—break down in components; Synthesis—assemble elements, form unique whole and Evaluation—make judgements, based on criteria (Bloom, 1967; Edwards, 2010). Bloom (1967) while developing the theory “Toward a Theory of testing which includes Measurement- Evaluation-Assessment” argued that there are three approaches of testing viz. Measurement- Evaluation-Assessment. He further indicates the ways in which some of the powerful aspects of each testing approach may be brought together into a more complex way of handling test problems. The present study is based on the premises of this theory of testing i.e. Bloom’s Taxonomy and adapted the method of testing such as development of scale (instrument), reliability of instrument, validity of instrument and statistical testing (Table No. 2.2).

<table>
<thead>
<tr>
<th>Category</th>
<th>Dimensions</th>
<th>Application in the present study</th>
</tr>
</thead>
<tbody>
<tr>
<td>Knowledge</td>
<td>Recalling</td>
<td>Survey of literature on micro finance and SHGs</td>
</tr>
<tr>
<td></td>
<td>Comprehending</td>
<td>Identifying the problem i.e. quality issues of SHGs</td>
</tr>
<tr>
<td>Application</td>
<td>Applying</td>
<td>Applying theory and to sort the connectivity of the exiting theories on group functioning, group management and impact on members of the group and other practises to solve problems.</td>
</tr>
<tr>
<td>Problem- Solving</td>
<td>Analysing</td>
<td>Sorting of statement/ features of concerned quality issues of SHGs, empowerment, financial approach and impact in social issues.</td>
</tr>
<tr>
<td></td>
<td>Synthesising</td>
<td>Building a structure and designing hypothesis</td>
</tr>
<tr>
<td></td>
<td>Evaluating</td>
<td>Evaluating the reliability and validity of research findings including generalisation of findings.</td>
</tr>
</tbody>
</table>
2.9 Methodology of the Study

The research design is a comprehensive master plan of the research study to be undertaken, giving a general statement of the methods to be used. It is a framework, a blueprint for the research study that guides the collection and analysis of data stating measurement procedure and sampling details. The selection of an appropriate research methodology is crucial to the effectiveness of a research work. Methodology in social sciences falls within the categories of positivist, interpretive and critical. Majority of the research belongs to the first two categories (Neuman, 2003). Majority of applied economics, business and marketing research encompasses with the positivist or quantitative and qualitative methods. A quantitative methodology was employed in order to obtain data to address the research objectives. According to Yin (1994), qualitative method is suitable to empirical studies. Therefore, present study has followed explanatory and conclusive research design to derive empirical result. It is exploratory in the sense that study tried possible insights that may help in identifying areas of further rigorous study, by adopting a method of survey of existing literature. The exploratory research or formulative research involves flexible research design, non-probability sampling design, no pre-planned designed for analysis and unstructured instrument for data collection. It is conclusive in the sense that it tested hypotheses and insights and examined the relationships among defined variable. Conclusive research is meant to provide information that is useful in reaching conclusions or decision-making. It tends to be quantitative in nature that is to say in the form of numbers that can be quantified and summarised. It relies on both secondary data, particularly existing databases that are re-analysed to shed light on a different problem than the original one for which they were constituted, and primary research, or data specifically gathered for the current study. The purpose of conclusive research is to provide a reliable or representative picture of the population using a valid research instrument. In the case of formal research, it will also test hypothesis. It is empirical in the sense that it is a data based research used to achieve meaningful conclusion that are capable of being verified by observation or expectations. Empirical research relies on experiences or observation alone, often without due regard for


system and theory (Kumar, 2008). It is database research, coming with conclusions that are capable of being verified by observation or experiment. It is appropriate when proof is sought that certain variables affect other variables in some way.

Thus, the present endeavour is empirical research with exploratory and conclusive in nature. Moreover, some psychometrics and Meta analysis characteristics were also adopted for the research. Further, mix model approach is used in the present study. Some authors (e.g., Firestone, 1987; Mays and Pope, 2000; Silverman, 2001; Onwuegbuzie and Leech, 2005) “advocate combining qualitative research with quantitative measures of populations, purposive sampling and theoretical sampling. Combining sampling strategies may be used within a single method or mixed method research design (Kemper et al., 2003)” [16]. The mixed method is a combination of both quantitative and qualitative methods of data collection and analysis (Saunders et al., 2009). The mixed method ideologies postulate that a meaningful impact assessment should involve the use of both qualitative and quantitative data. Firstly, based on secondary data and survey hypotheses were framed. A pilot survey (Details in section 2.9.7 of chapter 2) was conducted and on the feedback of the primary data, the final hypotheses were reframed and questionnaires were refined. In order to carry out the study of the research problem, the following methodology was adopted.

2.9.1 Research Design

The study adopted exploratory, conclusive and descriptive study design; as such design was crucial in capturing the socio-economic characteristic of the study groups such as demographics data, economic status, social benefits, and entrepreneurial activities. Moreover, the study follows both the quantitative and qualitative approach of research (i.e. mixed model). Further, the study adopted the approaches of Meta Analysis (Egger, 1997) as well as Psychometric Approach (Michel, 1997) based on empiricism. Psychometrics refers to the measurement of abilities, traits and attitudes with questionnaires and tests. It is the field of study concerned with the theory and technique of psychological measurement, which includes the measurement of knowledge, abilities, attitudes, personality traits, and educational measurement [17; 18; 19]. Again, Meta-analysis is the use of statistical methods to

combine results of individual studies. “Meta-analysis is a systematic review of a focused topic in the literature that provides a quantitative estimate for the effect of a treatment intervention or exposure. Meta-analysis findings may not only be quantitative but also may be qualitative and reveal the biases, strengths and weaknesses of existing studies” (Russo, 2007). Therefore, the present study also featured both the approaches. As the title suggests, the empirical method of research under survey method with Psychometrics, Meta-analysis and mix model properties has been adopted.

The study design as depicted diagrammatically in Chart No. 2.2 includes sources of data collection, identification of relevant variables analysis and tabulation of data, their interpretation, critical opinion of official and non-official stakeholders and report writing.

**Chart No. 2.2**
Design of the Study

- Design of the Study
- Selection of Topic
- Aims and Objectives
- Survey of Existing Literature
- Redefined Objectives and Hypotheses
- Development of the Instruments
- Pilot Survey and Reliability and Validity Tests
- Modification of the Instruments
- Collection of Primary Data
- Collection of Secondary Data
- Data Analysis
- Result and Findings
- Recommendations
- Direction for Future Research

*Source: Designed Based on Study*

### 2.9.2 Profile of the Study Area

Assam is situated in the North-east region of India – bordering seven States viz. Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Tripura and West Bengal and two countries viz. Bangladesh and Bhutan, with a geographical area of 78,438 sq. km. i.e. about

2.4% of the country’s total geographical area. Assam provides shelter to 2.57% population of the Country. According to the Census of India, 2011 the population of Assam stands at 3, 11, 69, 272, of which 1, 59, 54,927 are males and 1, 52, 14,345 females. The decadal growth of the State’s population works out to 16.93% during the decade 2001-2011 as against 17.64% for the country as a whole. The density of population of the State has gone up to 397 as against India’s density 382 as per 2011 Census.

The Central Assam District of Nagaon (spelled by the British as Nowgong) is one of the largest districts of Assam. It sprawls across almost four thousand square kilometres of fertile alluvial plains and thickly forested hills. Nagaon extends from 250-45' to 260 -45' North Latitude and 920 -33' -6” East Longitude. The district is bounded by Sonitpur district and the river Brahmaputra in the north, West Karbi Anglong and North Cachar Hills in the south and East Karbi Anglong and Golaghat district in the east. Lying at a distance of 123 Kilometres by road from Guwahati, Nagaon town constitutes a vital corridor linking the Upper Assam districts of Golaghat, Jorhat, Sivasagar, Dibrugarh, Tinsukia and the North Assam districts of Sonitpur and North Lakhimpur. Nagaon has covered total area of 3,993 sq. km. The demographic profile and micro finance profile of the study district are briefed in Table No. 2.3 and Map No. 2.1 respectively.

### Table No. 2.3
Demographic Profile of Nagaon district of Assam, India

<table>
<thead>
<tr>
<th>Variables</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative Profile of Nagaon District</td>
<td>3 civil sub-division viz. Nagaon Sadar, Kaliabor and Hojai; 10 revenue circles and 18 development blocks.</td>
</tr>
<tr>
<td>Total Population</td>
<td>2,826,006</td>
</tr>
<tr>
<td></td>
<td>1,440,307 (Males); 1,385,699 (Female)</td>
</tr>
<tr>
<td>Total ST Population</td>
<td>89394</td>
</tr>
<tr>
<td>Total SC Population</td>
<td>215209</td>
</tr>
<tr>
<td>Male literacy</td>
<td>78.19%</td>
</tr>
<tr>
<td>Female literacy</td>
<td>69.21%</td>
</tr>
<tr>
<td>Population Density</td>
<td>711 per sq. km</td>
</tr>
<tr>
<td>Total House Holds</td>
<td>378778</td>
</tr>
<tr>
<td>BPL House Holds</td>
<td>177697</td>
</tr>
<tr>
<td>BPL P/C</td>
<td>46.91</td>
</tr>
<tr>
<td>No. of SHG Formed</td>
<td>24156 (Up to March 2011)</td>
</tr>
<tr>
<td>Number of Villages (As per 2011 Census)</td>
<td>1412</td>
</tr>
<tr>
<td>Number of Gaon Panchayat as on 2011</td>
<td>239</td>
</tr>
<tr>
<td>Number of Anchalik Panchayat as on 2011</td>
<td>20</td>
</tr>
<tr>
<td>Number of Zila Parishad as on 2011</td>
<td>11</td>
</tr>
<tr>
<td>Number of Community Development Block as on 2011</td>
<td>18</td>
</tr>
</tbody>
</table>

The SHG linkage approach operating in the districts of Nagaon is to some extent similar with the state structure. While undertaking pilot survey at preliminary stage in order to examine whether all models exist in practice, it was found that NGO as MFIs and NGO as financial intermediary does not exist separately. Therefore, Model II A and Model II B have

[23] ibid.
been clubbed together into a single category termed as Model II (NGO as Financial Intermediary). Further, a few MFI i.e. ASOMI, RGVN and fifty-four Farmer Clubs are also promoted SHGs in the district. Besides, there are five Cooperative SHGs in the district of Nagaon[24]. The overall progress of SHGs under SHG-Bank linkage and MFI-Bank linkage in the study district are depicted in Table No. 1.19 and the major stakeholder’s in the promotion of SHGs in the Nagaon districts are depicted in Table No. 1.21 of the earlier Chapter I.

2.9.3 Universe of the Study

All the direct stakeholders of SHGs of Nagaon districts of Assam constituted the universe of the study.

2.9.4 Sample & Sample Unit

Choosing a sample for a study is an important step in research. Onwuegbuzie and Leech (2002) argue that making sampling and sample size considerations is central to qualitative research. Selection of the appropriate method of sampling depends upon the aim of the study (Marshall, 1996). Many scholars (e.g. Miles and Huberman, 1984; Ding et al., 1995; Marshall, 1996; Bock and Sergeant, 2002; Patton, 2002; Khalil Nor, 2005) have argued that a qualitative research typically involves small samples. The 100 to 150 samples to be the minimum acceptable sample size in the qualitative study to draw conclusion. However, researchers (e.g. Bertaux, 1981; Romney, Batchelder and Weller, 1986; Guest et al., 2006; Crouch and McKenzievery, 2006; Mason, 2010 and Marshall, 1996) mentioned that fifteen is the smallest acceptable and quite sufficient in providing complete and accurate information within a particular segment. Even a small convenience sample would likely render useful information in the case study. Researcher (e.g. Nunnally, 1978; Coakes and Steed, 1997 and Oppenhein, 1992) have stated that 10 respondents form each category and 100 respondents as a whole are desirable to conduct qualitative study. Comfrey and Lee (1992) suggest that “the adequacy of sample size might be evaluated very roughly on the following scale: 50 – very poor; 100 – poor; 200– fair; 300– good; 500– very good; 1000 or more – excellent”. Guadagnoli and Velicer (1988) reviewed several studies and concluded that absolute minimum sample sizes, rather than subject to item ratios, are more relevant. These studies

range in their recommendations from a sample size of 50 (Barrett & Kline, 1981) to 400 (Aleamoni, 1976).

Multi-stage random sampling method was used for the present study to collect primary data. As no such study was conducted in the context of Nagaon district of Assam and again the area being the native district of the scholar, have purposively chosen for the present study. At the next level, five Development Blocks were selected randomly. In the later stage, five revenue villages from each of the selected Development blocks were purposively selected. From each revenue village, three SHG members, who are associated actively, were selected randomly. The information about the number of SHGs in respective development blocks and number of other stakeholders was obtained from the Office of DRDA, Nagaon. The year of existence of SHGs and the age of the group are coded so that SHGs with one year and above and had income generating activities were purposely selected. Similarly those other direct stakeholders who were directly engaged in SHG promotion and financing in the study district were included in the study. Further, while selecting the sample special care was taken so that they represents active, older (at least more than 1 yr. of existence), women’s groups, mostly bank linked (with a bank loan) before March 2010 and after April 2000.

Self Help Promoting Institutions, whether NGOs, banks or State governments, have been playing a vital role in promoting, nurturing and sustaining the SHG programmes under SBLP in Assam. The major promoter of SHGs in the study districts are District Rural Development Agency (for SGSY scheme), Banks and NGOs. A few NGO-MFI are also promoting SHGs in the study district. In this study respondent as promoter includes some officials of NGOs such as ASOMI, Prochesta-MFI, RGVN-MFI, Commercial banks, Rasthiya Krishi Vighyan Yojana, SIRD, DDM-NABARD, ASFABC, Agriculture Departments, Farmers Club etc. who are engaged in SHG promotion are included. In this way out of 165 respondents, 55 respondents belong to Promoter category.

‘Donors and investors’ encompass a range of funding agencies, including bilateral donors, foundations, multilateral development banks, and socially oriented private investors. While NABARD and RMK etc. remains a major donor to NGOs and SHG institutions in India and have been receiving a fraction of required funds for their development. In the study district NABARD, State Government under SGSY and NGO-MFIs are the major donors in SHG funding. In this study respondents belonging form Donor includes some officials of NGO-
MFI such as ASOMI, Prochesta-MFI, RGVN-MFI, Dristi Foundation, RuTAG-NE, Srimanta Sankardeb Sangstha; Officials of District Veterinary & Animal Husbandry, NABARD, NERCRMP, SIRD, Agriculture Departments etc. In this way out of 165 respondents, 16 respondents comprises Donor category. Self Help Promoting Institutions include banks, NGOs, NGO-MFIs and state governments. Here, in the state and even in the study district SHPIs acts both promoter and financier. However, for the sake of study, researcher has collected perceived opinions of different stakeholders on different scale of capacity, i.e. bank is considered financier, promoter and donor. In this study respondents belonging form Financial Institutions includes Officials of State Bank of India and other nationalised commercial banks, RRBs i.e. AGVB etc. In this way out of 165 respondents, 19 represented from Financial Institutions. Table No. 2.4 shows the sample design of the study that covers different stakeholders of SHGs i.e. Promoter, Donor, Financer and SHG members from the study district.

Here each stakeholder was considered as the unit of study. Sample selection was based on multi-stage random sampling basis. However, considering the time and resources constraints, the sample size was fixed at 190 (adequate for construct validity, e.g. Gorsuch, 1983; Cattell, 1978; Comrey & Lee, 1973; Roger and Tiffany, 2006).

<table>
<thead>
<tr>
<th>Name of Dev Block</th>
<th>Name of Revenue Villages</th>
<th>No of Sample SHGs</th>
<th>Name of NGO/ NGO-MFI/ Promoter</th>
<th>No of Sample Govt. Stakeholders / Promoter / Financer</th>
<th>No of Sample</th>
<th>Name of the Bank/ Financier/ Promoter</th>
<th>No of Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Binakandi</strong></td>
<td>Farmers Club</td>
<td>15</td>
<td>Farmers Club</td>
<td>3</td>
<td>BDO, Agr. Extension Officers and Village Extension officers</td>
<td>3</td>
<td>UBI, SBI, AGVB</td>
</tr>
<tr>
<td>Name of Dev Block</td>
<td>Name of Villages</td>
<td>No of Sample SHGs</td>
<td>Name of NGO/ NGO-MFI/ Promoter</td>
<td>No of Sample</td>
<td>Govt. Stakeholders / Promoter/ Financer</td>
<td>No of Sample</td>
<td>Name of the Bank/ Financier/ Promoter</td>
</tr>
<tr>
<td>-------------------</td>
<td>------------------</td>
<td>-------------------</td>
<td>-------------------------------</td>
<td>--------------</td>
<td>----------------------------------------</td>
<td>--------------</td>
<td>--------------------------------------</td>
</tr>
<tr>
<td>Dhalpukhuri</td>
<td>Mainapur, Kapilipar, Howaipur, Pachim Lankagaon, Singimari</td>
<td>15</td>
<td>Farmers Club</td>
<td>3</td>
<td>BDO, Agr. Extension Officers and Village Extension officers</td>
<td>3</td>
<td>UBI, SBI, UCO, AGVB</td>
</tr>
<tr>
<td>Odali</td>
<td>No. 2 Pipal pukhuri, Lankajan, Ranipukhuri, Tiniali Bazargaon, Borpukhuri;</td>
<td>15</td>
<td>Farmers Club</td>
<td>2</td>
<td>BDO, Agr. Extension Officers and Village Extension officers</td>
<td>3</td>
<td>UBI, UCO</td>
</tr>
<tr>
<td><strong>District level (Nagaon)</strong></td>
<td>Nil</td>
<td><strong>NGO-MFI= 3</strong></td>
<td><strong>Govt. Depts.= 7</strong></td>
<td><strong>NGO= 6</strong></td>
<td><strong>DRDA Officials= 3</strong></td>
<td><strong>Financer = Nil</strong></td>
<td></td>
</tr>
<tr>
<td><strong>State Level (Assam)</strong></td>
<td>NIL</td>
<td>MFI = 3</td>
<td>NABARD = 2</td>
<td>NIL</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>75</td>
<td>38*</td>
<td>20</td>
<td>19</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Total survey consists of 190 since from one NGO more than one questionnaire are collected and ultimately sample remains fixed at 165

Source: Primary data

After collection of 190 filled up questionnaires from the respondents, editing of the data was undertaken in order to ensure the omission, completeness and consistency of the data (Zikmund, 2003; Sekaran, 2000). Out of 190 questionnaires distributed during the survey, 165 either were returned or collected by the researcher, which shows approximately 87% response rate. The questionnaires were distributed and collected during March 2012 to July 2012. Finally, 165 respondent’s comprising direct stakeholders of SHGs (75 group members, 55 promoters, 16 donors and 19 financial institutions) were identified and selected as representative sample size after series of screening.

### 2.9.5 Profile of the Respondents

‘Stakeholders’ means the persons or institutions with whom any stake or interest is vested or created to facilitate the promotion of SHG movement, which shall include the regulators, promoters, donor, financier, educators and facilitators of the SHG movement. Major
stakeholders in SHGs are, therefore includes all SHPI i.e. Promoter, Donor, Financier and the SHGs itself. This section explains profile of sample respondent’s who are direct stakeholders of Self Help Groups viz. Promoters, Donors, Financial Institutions and the Group members. The socio-economic conditions of the sample Group members and profile of other stakeholders are also incorporated in this section. Socio-economic conditions of sample group members include age, caste, religion, literacy level, type of family, and annual income of the sample respondents. As detailed in the Sample size explained in section 2.9.4 of this chapter, the final sample size of the study is 165. Out of the 165 sample respondents, 75 respondents belonged to Group members, 55 respondents belongs to Promoters, 16 respondents belongs to Donor category and 19 belongs to Financial Institutions.

A) Socio-economic profile of group members

i. Gender: Most of the SHGs formed in the country were women dominated and mainly emphasised women’s upliftment and empowerment. It can be concluded that women are found to be the dominant gender in the SHGs (e.g. Dwarki et al., 1996; Sherin, 1999; Banerjee, 2002). This study consists of respondents from all groups i.e. both male and female. Out of 75 respondents belonging to Group members, 38 (50.7%) are male and 37 (49.3%) are female (Table No. 2.5). Sincere effort is given to cover equal number of members from each group so that study is free from gender bias. Further, it is observed from the field report and other secondary resources that in the study area there are ample number of both women SHGs and SHGs.

<table>
<thead>
<tr>
<th>Stakeholders Category</th>
<th>Male</th>
<th>Count</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group Members</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gender of SHG Member</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td></td>
<td>38</td>
<td>50.7%</td>
</tr>
<tr>
<td>Female</td>
<td></td>
<td>37</td>
<td>49.3%</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>75</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Source: Compiled from the Questionnaire

ii. Age composition of the sample respondents: Researchers (like Arunkumar 2004; Bharathi, 2005; Sowjanya, 2007; Reddy & Reddy, 2012) observed that that majority of the respondents’ belonged to young age group while the studies (e.g. Banerjee, 2002; Bevenahalli, 2005) reported that majority of the respondents was middle aged.
It can be inferred from the reviews that majority of SHG members belonged to the young age group and extent of participation in group activities was more among youngsters (i.e. 30-40 yrs). This study consists of respondents from all age groups. Distribution of the sample respondents by age composition is furnished in Table No. 2.6. It is pertinent from the table that majority of the sample respondents belong to 40 & above age group (50.7%). At the next level, majority of the respondents are 30-40 years of age (28%), while study also consists of 21.3% of the respondents, who are below 30 years of age. Thus, it is revealed from the study that matured age respondents are actively participating in SHGs.

### Table No. 2.6
**Distribution of the Sample Respondents by Age**

<table>
<thead>
<tr>
<th>Age of SHG Member in Years</th>
<th>Count</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below 30 yr</td>
<td></td>
<td></td>
</tr>
<tr>
<td>30-40 yr</td>
<td></td>
<td></td>
</tr>
<tr>
<td>40 &amp; above</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>75</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

**Source:** Compiled from the Questionnaire

iii. **Caste of the respondents:** Caste is the social variable. Table No. 2.7 present distribution of the sample respondents by caste. It is observed from the table that the study covers all caste groups namely General Castes, Scheduled Castes (SCs) and Scheduled Tribes (STs). It is depicted from the table that 49.3% of the sample respondents are from general category, followed by 30.7% of the respondents from SC category, 17.3% of the respondents from ST category and the rest 2.7% of the respondents are from other category.

### Table No. 2.7
**Distribution of the Sample Respondents by Caste**

<table>
<thead>
<tr>
<th>Caste &amp; Sub Caste of SHG Member</th>
<th>Count</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>GEN</td>
<td>37</td>
<td>49.3%</td>
</tr>
<tr>
<td>SC</td>
<td>23</td>
<td>30.7%</td>
</tr>
<tr>
<td>ST</td>
<td>13</td>
<td>17.3%</td>
</tr>
<tr>
<td>OTHERS</td>
<td>2</td>
<td></td>
</tr>
</tbody>
</table>

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iv. **Social status of the respondents:** The study constitutes respondents from different members from all community having different social status, namely, Most Backward Community, Backward Community and Forward Community. Distribution of the sample respondents by social status is provided in Table No. 2.8. It is delineated from the table that largest percentage of the sample respondents belong to Backward Community (58.7%), while 30.7% of the respondents belong to Forward Community and 10.7% of the respondents belong to Most Backward Community.

![Table No. 2.8](image)

v. **Economic status of respondents:** Table No. 2.9 presents distribution of the sample respondents by Economic Status of family. It is portrayed from the table that huge proportion of the sample respondents are Others i.e. wage earner, disguised labour, non-agricultural labourers, private employees, job seeker (45.3%), 33.3% belongs to Below Poverty Level, 13.3% belongs to Green Card Holder and only 8.0% of the sample respondents are the Job Card Holder.

![Table No. 2.9](image)
vi. **Duration of membership in SHG of the sample respondents:** Table No. 2.10 below depicts the number of years a sample respondent being a member of the SHG. It is observed that 32.0% of the sample respondents remains member of a SHG during 1-4 years, 30.7% of the respondents are members of SHG during 4-5 years, 21.3% of the respondents are members of SHG more than 6 years while only 16% of the respondents are members of SHG during 5-6 years.

<table>
<thead>
<tr>
<th>Stakeholders Category</th>
<th>Group Members</th>
<th>Count</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job Card Holder</td>
<td></td>
<td>6</td>
<td>8.0%</td>
</tr>
<tr>
<td>Others</td>
<td></td>
<td>34</td>
<td>45.3%</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>75</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

*Source: Compiled from the Questionnaire*

vii. **Literacy level:** Researchers (e.g. Puhazhendi and Jayaraman, 1999; Arunkumar, 2004; Bharathi, 2005; Bevenahalli, 2005; Geethamma, 2007 and Reddy & Reddy, 2012) reported that majority of the respondents were illiterates while a sizable percent of the respondents who had primary level and middle school level of education. It could be concluded that majority of the women SHG members were illiterate and among literates, majority were educated up to primary level only. Table No. 2.11 shows distribution of the sample respondents by educational level. It is interesting to note from the table that only 42.7% of the sample respondents are above 10th Standard and the rest of the respondents are either neo literates or literates. The study comprises 28.0% of the respondents, who are neo-literates i.e. 10th Std. It is found from the table that 13.3% of the respondents among literates have completed above primary
education but less than 10th standard. Of the sample surveyed, 16% of them have studied up to primary education level.

Table No. 2. 11
Distribution of the Sample Respondents by Education level

<table>
<thead>
<tr>
<th>Educational Level of SHG Member</th>
<th>Stakeholders Category</th>
<th>Group Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary</td>
<td>Count</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>% of Total</td>
<td>16.0%</td>
</tr>
<tr>
<td>Below 10th Std.</td>
<td>Count</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>% of Total</td>
<td>13.3%</td>
</tr>
<tr>
<td>10th Std.</td>
<td>Count</td>
<td>21</td>
</tr>
<tr>
<td></td>
<td>% of Total</td>
<td>28.0%</td>
</tr>
<tr>
<td>Above 10th Std.</td>
<td>Count</td>
<td>32</td>
</tr>
<tr>
<td></td>
<td>% of Total</td>
<td>42.7%</td>
</tr>
<tr>
<td>Total</td>
<td>Count</td>
<td>75</td>
</tr>
<tr>
<td></td>
<td>% of Total</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

*Source: Compiled from the Questionnaire*

**viii. Annual income:** Banerjee (2002) and Dasarathramaiah et al. (2006) indicated that majority of the group member’s belonged to poorest of the poor category and was represented mainly by landless labourers with seasonal employment. It could be inferred that the average monthly income of SHG members was at subsistence level.

*Distribution of the sample respondents by annual income is presented in Table No. 2.12. It is inferred from the table that annual income of the majority of the sample respondents ranges up to ₹ 50, 000/- (52%). At the next level, 48% of the sample respondents’ annual income of the sample respondents ranges from ₹ 50,000 - ₹ 1 lakhs.*

Table No. 2. 12
Distribution of the Sample Respondents by Annual Income

<table>
<thead>
<tr>
<th>Annual Income of SHG Member</th>
<th>Stakeholders Category</th>
<th>Group Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to ₹ 50 Thousand</td>
<td>Count</td>
<td>39</td>
</tr>
<tr>
<td></td>
<td>% of Total</td>
<td>52.0%</td>
</tr>
<tr>
<td>₹ 50- ₹ 1 lakhs</td>
<td>Count</td>
<td>36</td>
</tr>
<tr>
<td></td>
<td>% of Total</td>
<td>48.0%</td>
</tr>
<tr>
<td>Total</td>
<td>Count</td>
<td>75</td>
</tr>
<tr>
<td></td>
<td>% of Total</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

*Source: Compiled from the Questionnaire*

**B) Profile of other direct stakeholder**

From the survey of literature and field study, it is observed that there is no specific boundary regarding the nature and functioning of SHPIs. It is observed that an SHPI can act as both promoter & donor. Similarly, Government departments are also acting both promoter and
Donor vis-a-vis financier. Therefore, the investigator collected information from such stakeholders who performed more than one task such as promoter, donor and financier, separate sets of questionnaire were supplied in separate capacities.

The section below depicts the detailed profile of Promoter, Donor, and Financial Institutions.

i. **Originality/Nationality of stakeholders:** It is observed from the Table No. 2.13 below that all the respondents belong to different categories of stakeholders of SHGs other than the group members are originated from India. However, some of them are either funded or assisted by the international organisations.

<table>
<thead>
<tr>
<th>Stakeholders Category</th>
<th>Promoter</th>
<th>Donor</th>
<th>Financial Institutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Originality/Nationality of Stakeholders</td>
<td>Indian</td>
<td>% of Total</td>
<td>61.11%</td>
</tr>
<tr>
<td>Total</td>
<td>Count</td>
<td>55</td>
<td>61.11%</td>
</tr>
</tbody>
</table>

*Source: Compiled from the Questionnaire*

ii. **Nature of promoting organisation:** Distribution of the sample respondents by Nature of Promoting Organisation is presented in Table No. 2.14. It is observed that majority of respondents comes from other Government agencies (49.1%) and 25.5% of the respondents belonging to NGO-Statehood. Further, there are adequate representations of Government departments (14.5%), NGO- Universal (1.8%), NGO-Nationhood (5.5%) and NGO-Region hood (3.6%). Therefore, it may also be concluded that a large variety of institutions that are engaged in the promotion of SHGs in the study districts are basically promoted by other government agencies i.e. DRDA (SGSY) is the major promoter of SHG in the study district.

<table>
<thead>
<tr>
<th>Nature of Promoting Organisation</th>
<th>Count</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Govt. Depts.</td>
<td>8</td>
<td>14.5%</td>
</tr>
<tr>
<td>Other Govt. Agencies</td>
<td>27</td>
<td>49.1%</td>
</tr>
<tr>
<td>NGO- Universal</td>
<td>1</td>
<td></td>
</tr>
</tbody>
</table>
### iii. Nature of donor organisation:

Distribution of the sample respondents by Nature of Donor Organisation is presented in Table No. 2.15. It is observed that majority of respondents comes from Government Departments (50%), while 31.2% respondents belong to NGO and 18.8% belong to Trust.

**Table No. 2. 15**

**Distribution of the sample Respondents by Nature of Donor Organisation**

<table>
<thead>
<tr>
<th>Nature of Donor Organisation</th>
<th>Count</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Govt. Dept</td>
<td>8</td>
<td>50.0%</td>
</tr>
<tr>
<td>Trust</td>
<td>3</td>
<td>18.8%</td>
</tr>
<tr>
<td>NGO</td>
<td>5</td>
<td>31.2%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>16</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

*Source: Compiled from the Questionnaire*

### iv. Nature of financial institution:

Distribution of the sample respondents by Nature of Financial Institution is presented in Table No. 2.16. It is observed that majority of respondents comes from Public Sector Financial Institutions like SBI and Other nationalised commercial banks available in the study district (78.9%), while 21.1% respondents belong to Regional Rural bank i.e. AGVB.

**Table No. 2. 16**

**Distribution of the Sample Respondents by Nature of Financial Institution**

<table>
<thead>
<tr>
<th>Nature of Financial institution</th>
<th>Count</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Sector FI</td>
<td>15</td>
<td>78.9%</td>
</tr>
<tr>
<td>RRBs</td>
<td>4</td>
<td>21.1%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>19</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

*Source: Compiled from the Questionnaire*
v. **Place of location of stakeholders:** Distribution of the sample respondents by Place of Location of Stakeholders is presented in Table No. 2.17. It is observed that majority of respondents belonging to Promoter located in Assam (70.91%), 25.45% of the respondents belonging to Promoter originated from outside North East India while 3.64% of the respondents belonging to Promoter originated from Outside Assam but within NER. Similarly, majority of respondents belonging to Donor located in Assam (68.75%), 12.5% of the respondents belonging to Promoter originated from outside North East India while 18.75% of the respondents belonging to Promoter originated from Outside Assam but within NER. Further, it is observed that majority of respondents belonging to Financial Institutions have functioning at all India level (63.16%) while 36.84 % of the respondents belonging to Financial Institutions are originated within Assam. However, majority of stakeholder have originated from Assam (63.33%), 5.56% respondents from other states of North-eastern region of India and 31.11% respondents whose existence is situated at all India level.

<table>
<thead>
<tr>
<th>Stakeholders Category</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promoter</td>
<td>57</td>
</tr>
<tr>
<td>Donor</td>
<td>5</td>
</tr>
<tr>
<td>FI</td>
<td>28</td>
</tr>
</tbody>
</table>

Source: Compiled from the Questionnaire

<table>
<thead>
<tr>
<th>Place of Location where from Stakeholders Functioning</th>
<th>Count</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assam</td>
<td>39</td>
<td>70.91%</td>
</tr>
<tr>
<td>Outside Assam but within NER</td>
<td>2</td>
<td>3.64%</td>
</tr>
<tr>
<td>Outside NER</td>
<td>14</td>
<td>25.45%</td>
</tr>
<tr>
<td>Total</td>
<td>55</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total</th>
<th>Assam</th>
<th>Outside Assam but within NER</th>
<th>Outside NER</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>57</td>
<td>5</td>
<td>28</td>
<td>90</td>
</tr>
</tbody>
</table>

Source: Compiled from the Questionnaire

vi. **Nature of programme/project of stakeholders:** Distribution of the sample respondents by Nature of Programme is presented in Table No. 2.18. It is observed that majority of respondents promoting or linked with SGSY (53.33%), while 46.67% of respondents linked other programmes. Further, it is observed that majority of the respondents belonging to Promoter and Donor connected with others programme i.e. not connected with SGSY while cent percent financial institutions are connected with Government sponsored SGSY scheme.
### Table No. 2.18
**Distribution of the Sample Respondents by Nature of Programme of Stakeholders**

<table>
<thead>
<tr>
<th>Stakeholders Category</th>
<th>Total</th>
<th>Count</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promoter</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donor</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Institutions</td>
<td>53.33%</td>
<td>48</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>46.67%</td>
<td>42</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>100.0%</td>
<td>90</td>
<td></td>
</tr>
<tr>
<td><strong>Name of the Programme/ Project of Stakeholders</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SGSY</td>
<td>50.91%</td>
<td>26</td>
<td>19</td>
</tr>
<tr>
<td>Others</td>
<td>49.09%</td>
<td>27</td>
<td>14</td>
</tr>
<tr>
<td>Total</td>
<td>100.0%</td>
<td>55</td>
<td>16</td>
</tr>
</tbody>
</table>

*Source: Compiled from the Questionnaire*

#### vii. Nature of promotion by stakeholders:
Distribution of the sample respondents by Nature of Promotion is presented in Table No. 2.19. It is observed that majority of respondents promoting or linked with financial assistance (51.11%), while 48.89% of respondents linked both financial & non-financial i.e. financial and training. Further, it is observed that majority of the respondents belonging to Donor category are connected with financial and non-financial assistance (87.5%) while 84.21% of respondents belonging to Financial Institutions are provided with only financial assistance.

### Table No. 2.19
**Distribution of the Sample Respondents by Nature of Promotion by Stakeholders Category**

<table>
<thead>
<tr>
<th>Nature of Promotion</th>
<th>Count</th>
<th>% of Total</th>
<th>Promoter</th>
<th>Donor</th>
<th>Financial Institutions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial</td>
<td>28</td>
<td>50.91%</td>
<td>2</td>
<td>12.5%</td>
<td>16</td>
<td>46</td>
</tr>
<tr>
<td>Both</td>
<td>27</td>
<td>49.09%</td>
<td>14</td>
<td>75.0%</td>
<td>3</td>
<td>44</td>
</tr>
<tr>
<td>Total</td>
<td>55</td>
<td>100.0%</td>
<td>16</td>
<td>100.0%</td>
<td>19</td>
<td>90</td>
</tr>
</tbody>
</table>

*Source: Compiled from the Questionnaire*

#### viii. Recover percentage of SHG promoted by stakeholders:
Distribution of the sample respondents by Recover Percentage of SHG Promoted is presented in Table No. 2.20. It is observed the table that from all categories of stakeholders, the recovery percentage is within 50%-75%. Further, it is observed that 15.79 % respondents belonging to financial institutions and 12.5% of the respondents belonging to Donor who reported recovery percentage is above 75%.
Table No. 2. 20
Distribution of the Sample Respondents by Recover Percentage

<table>
<thead>
<tr>
<th>Stakeholders Category</th>
<th>Below 25%</th>
<th>25-50%</th>
<th>50-75%</th>
<th>Above 75%</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Count</td>
<td>% of Total</td>
<td>Count</td>
<td>% of Total</td>
<td>Count</td>
</tr>
<tr>
<td>Total</td>
<td>1</td>
<td>5.26%</td>
<td>1</td>
<td>5.26%</td>
<td>14</td>
</tr>
<tr>
<td>Financial Institutions</td>
<td>0</td>
<td>0%</td>
<td>8</td>
<td>25.71%</td>
<td>6</td>
</tr>
<tr>
<td>Donor</td>
<td>1</td>
<td>2.86%</td>
<td>9</td>
<td>2.86%</td>
<td>20</td>
</tr>
</tbody>
</table>

Source: Compiled from the Questionnaire

ix. Quality assessment conducted by stakeholders: Distribution of the sample respondents by performing of Quality Assessment is presented in Table No. 2.21. It is observed from the table that 25.56% respondents from all categories of stakeholders conducted quality assessment. Only 37.5% of Donor respondents reported that they perform such quality assessment, while 78.18% of promoter reported that they never conducted such type of assessment.

Table No. 2. 21
Distribution of the Sample Respondents by Quality Assessment Conducted

<table>
<thead>
<tr>
<th>Conducted Quality assessment</th>
<th>Stakeholders Category</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Financial Institutions</td>
<td>Donor</td>
</tr>
<tr>
<td>No</td>
<td>Count</td>
<td>14</td>
</tr>
<tr>
<td>% of Total</td>
<td>73.68%</td>
<td>78.18%</td>
</tr>
<tr>
<td>Yes</td>
<td>Count</td>
<td>5</td>
</tr>
<tr>
<td>% of Total</td>
<td>26.32%</td>
<td>21.82%</td>
</tr>
<tr>
<td>Total</td>
<td>Count</td>
<td>19</td>
</tr>
<tr>
<td>% of Total</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Source: Compiled from the Questionnaire

x. Performance assessment conducted by stakeholders: Distribution of the sample respondents by performing of Performance Assessment is presented in Table No. 2.22. It is observed from the table that 45.56% of respondents from all categories of stakeholders conducted Performance assessment. Only 57.89% of financial institution respondents reported that they perform such Performance assessment, while 60% of promoter respondents reported that they never conducted such type of assessment.
Table No. 2. 22
Distribution of the Sample Respondents by Performance Assessment Conducted

<table>
<thead>
<tr>
<th>Stakeholders Category</th>
<th>Total</th>
<th>Promoter</th>
<th>Donor</th>
<th>Financial Institutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conducted Performance Assessment</td>
<td>No</td>
<td>Count</td>
<td>% of Total</td>
<td>Count</td>
</tr>
<tr>
<td></td>
<td></td>
<td>8</td>
<td>42.11%</td>
<td>33</td>
</tr>
<tr>
<td></td>
<td>Yes</td>
<td>11</td>
<td>57.89%</td>
<td>22</td>
</tr>
<tr>
<td>Total</td>
<td>Count</td>
<td>19</td>
<td>100.0%</td>
<td>55</td>
</tr>
</tbody>
</table>

Source: Compiled from the Questionnaire

xi. Impact assessment conducted by stakeholders: Distribution of the sample respondents by performing of Impact Assessment is presented in Table No. 2.23. It is observed from the table that only 15.56% respondents from all categories of stakeholders conducted Impact Assessment. Only 43.75% of Donor respondents reported that they perform such Impact Assessment, while 87.27% of promoter reported that they never conducted such type of assessment.

Table No. 2. 23
Distribution of the Sample Respondents by Impact Assessment Conducted

<table>
<thead>
<tr>
<th>Stakeholders Category</th>
<th>Total</th>
<th>Promoter</th>
<th>Donor</th>
<th>Financial Institutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conducted Impact Assessment</td>
<td>No</td>
<td>Count</td>
<td>% of Total</td>
<td>Count</td>
</tr>
<tr>
<td></td>
<td></td>
<td>48</td>
<td>87.27%</td>
<td>19</td>
</tr>
<tr>
<td></td>
<td>Yes</td>
<td>7</td>
<td>12.73%</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>Count</td>
<td>55</td>
<td>100.0%</td>
<td>19</td>
</tr>
</tbody>
</table>

Source: Compiled from the Questionnaire

To sum-up, it can be said that majority of the sample respondents belong to 40 years & above age group. Most of the sample respondents belong to general caste. However, considerable number of respondent has also belonged form SC and ST community. The study also consists of considerable number of respondents from Most Backward Community and Backward Community. The study also consists of considerable number of respondents from Other Economic Status i.e. wage earner, disguised labour, non-agricultural labourers, private employees, job seeker and Below Poverty Level. In the present study, illiterates constituted little percentage. Majority of the literates in the present study had studied above 10th standard (42.7%) of education. Further, 32.0% of the sample respondents remain member of a SHG.
During 1-4 years. As regards annual income of the sample respondents, it is found from the study that monthly income of the most of the sample respondents ranges up to ₹ 50,000- (52%).

Further, it is observed that direct stakeholder of SHG includes promoter, donor, financial institutions and the group member. Since there is no clear-cut demarcation about the specific job of stakeholder’s and hence everyone except the Group members engaged in more than one function viz. Promotion, financing, funding etc. Therefore, herein this study promoter includes banks, Government department, NGO, NGO-MFI at different level of operations, Farmers Club etc; donor includes Government department, NGO, NGO-MFI and other specialised institutions. Financier includes commercial banks and Regional Rural Banks only.

It is further observed that all most all respondent stakeholders are Indian. Majority of the promoting organisations of SHG in the study are from government agencies. It may also be concluded that a large variety of institutions that are engaged in the promotion of SHGs in the study districts are promoted by other government agencies i.e. DRDA (SGSY) which is the major promoter of SHG in the study district. Further, majority of donor respondents comes from Government departments (50%), while majority of financial institution respondents (78.9%) comes from Public Sector Financial Institutions like SBI and other nationalised commercial banks available in the study district. Further, most of the promoters covered within the study are originated from Assam while there are a good number of respondents who belongs to all India level and they are mostly financial institutions and Donor. Moreover, it is observed that most of the SHG are formed under SGSY (53.33%) and they are linked with SGH only by giving financial assistance.

It is observed the table that the recovery percentage is within the range of 50% -75% in case of all categories of stakeholders. Further, it is observed that 15.79% respondents belonging to financial institutions and 12.5% of the respondents belonging to Donor who reported that their recovery percentage is above 75%.

It is further observed that 25.56% respondents from all categories of stakeholders have conducted quality assessment. Moreover, 45.56% of respondents from all categories of stakeholders have conducted Performance assessment. And only 15.56% respondents from all categories of stakeholders have conducted Impact Assessment.
2.9.6 Data Requirements

For collecting primary data, discussion and interactions with various direct stakeholders of SHGs (i.e. Promoters, Donors, Financial Institutions and Group) at different levels were conducted along with questionnaires designed specifically for the purpose. To more specific, Group leaders of SHGs, members of SHGs, Bank officials, Executives of NABARD, Officials of Farmers Club, Officials of MFIs and NGOs, Officials of Government departments and DRDA etc. Primary data concerning Group members were collected by supplying questionnaires converted in regional language and all regional languages information’s are thereafter again translated in English.

Secondary data was collected from report on Micro finance Status by NABARD, Branch Banking Status of RBI, NEDFi Databank on Northeast, SBI Local Head Office, Zonal and Regional Offices of Commercial Banks, Head Offices of Regional Rural Banks, Census India, NSSO, Directorate of SGSY, Guwahati, DRDA, Nagoan, Assam, Government of Assam, State Level Bankers Committee, Assam and Economic Survey, Assam and literature published by different institutions on Microfinance have been used.

2.9.7 Pilot Study

“Obtaining help with undertaking a pilot study can also help researchers to uncover problems in the survey instrument and inform the data analysis process about what data is likely to be most/least useful” (Imp-act, 2005). “Wherever possible an impact assessment methodology should be piloted before full implementation” (Hulme, 2000). Given that pilot studies are a well known phenomenon, and bearing in mind the above, a pilot study was carried out in three revenue villages (for Group members) and Lumding & Nagaon Town (for other stakeholders) of the study area to test the response to each of the questions and the questionnaires as a whole. Thirty questionnaires were administered during the pilot test and responses to 18 questionnaires led to further corrections and modifications of the research instrument.

2.9.8 Questionnaire Design

In order to gain an in-depth understanding on the research topic a specially structured questionnaires were prepared. The questionnaires so drafted were circulated between three academicians and four micro finance practitioner for a critical review with regard derive face
validity and to wording, format and sequences. The questionnaires were suitably redrafted in the light of their comments. The questionnaire for the SHGs members was pre-tested with the help of the office bearers of the SHGs. The variables used in the study have been identified during the discussions with the officials of the NABARD, the NGOs and a preliminary interview with the selected SHGs. Pilot test was conducted with the questionnaires and to get the content validity, a group of seven expert’s suggestions was complied with (Detailed in Section 2.9.11(b) of chapter 2). The finalised questionnaire for studying the quality assessment parameters of SHGs and also to study some other specific objectives was composed of two different parts: Part A wherein general profile of the different stakeholders (Promoters, donors, Financer and group member’s) are included & Part B contains four different sections keeping specific statements relating to investigate the proposed hypothesis. Part A of the questionnaire that contains four different sections (viz. Promoters, Donors, Financer and SHG members) each containing 10 to 15 different questions relating to general and socio economic profile of the respondents. Part B of the questionnaire includes four different sections. Section I of the Part B includes the statements relating to ‘opinion about the quality parameters’ which contains 61 variables. Perceptions of different stakeholders on variable relating to quality parameters were numerically expressed based on 5 Point Scale [SA= Strongly Agree (2), A = Agree (1), NAND = neither agree nor disagree (0), DA = Disagree (-1), and SDA = strongly disagree (-2). Section II of the questionnaire covers 61 statements ‘to examine the opinion of the direct stakeholders whether promoters or donors or financial institutions or group itself should determine the quality indicators of SHG’. Perceptions of different stakeholders on the issue whether promoters or donors or financial institutions or group itself should determine the quality indicators of SHG were binary scale based on ‘yes’(1) and ‘No’ (0) method. Again, Section III covers 70 statements (40 statements relating to empowerment and 30 statements relating to financial aspects) to ‘to examine the opinion of the direct stakeholders whether SHG is primarily an empowerment model or a financial model’. Perceptions of different stakeholders on variable relating to empowerment or financial model were numerically expressed based on 5 Point Scale [SA= Strongly Agree (2), A = Agree (1), NAND = neither agree nor disagree (0), DA = Disagree (-1), SDA = strongly disagree (-2). Finally, Section IV covers 65 statements ‘to examine the opinion of the direct stakeholders whether the aspects like impact on members of SHG and involvement in larger social issues should be peripheral or core components of quality indicators of SHG’. Perceptions of different stakeholders on variable relating to impact on members of SHG and involvement in larger social issues were numerically expressed based
on 5 Point Scale [SA= Strongly Agree (2), A = Agree (1), NAND = neither agree nor disagree (0), DA = Disagree (-1), SDA = strongly disagree (-2)].

2.9.9 Questionnaire Administration

The questionnaire was personally administered to all direct stakeholders except Group member’s category. Some questionnaires are collected directly by the researcher on face-to-face method and some of them are collected by arranging meetings at village level. Information through Questionnaires collected during first half of 2012 i.e. from March 2012 to July 2012.

2.9.10 Operationalising the Concepts and Development of Instruments

For the purpose of scale development, based on the survey of literature, content judges, pilot study and discussions with the stakeholders of SHGs,

a) Sixty-one variables relating to quality parameters of SHGs were identified to assess the opinion of the direct stakeholders (i.e. Promoters, Donors, Financial Institutions and Group itself) of SHGs regarding the parameters (like design, governance, operational, impact etc.) to be considered while assessing the quality of SHGs. The instrument-I that intended to determine the quality parameters of SHGs, i.e. the ‘Scale for Determining Quality Parameters of Self Help Group’s’ consists of 61 items referring to Eight (8) different quality sub-scales, which include (a) Group constitutions i.e. Group formation strategy (4 items); (b) Organisational discipline (7 items); (c) Organisational systems i.e. covering governance and management control system (19 items); (d) Financial management and performance (8 items); (e) Credit policy (6 items); (f) External linkages (3 items); (g) Activities/ Services undertaken by group members (3 items); and (h) Capabilities and achievements (11 items) [Das & Chanu, 2013a; Das & Bhowal, 2013a; Das & Bhowal, 2014a].

b) The instrument-I i.e. ‘Scale for Determining Quality Parameters of Self Help Group’s’, which intended to determine the quality parameters of SHGs, is again used to examine the opinion of the direct stakeholders whether promoters, donors, financial institutions, or group itself should determine the quality indicators of SHG and renamed as ‘Scale on whose perspectives Quality Parameters of Self Help
Group’s Determined’ i.e. instrument II [Das & Bhowal, 2013a; Das & Bhowal, 2013b; Das & Chanu, 2013b].

e) To examine the opinion of the direct stakeholders whether SHG is primarily an empowerment model, forty (40) indicators were taken into consideration under different domains of empowerment including women empowerment that measures economic, socio-cultural, familial, political, psychological aspects of empowerment. The instrument-III i.e. ‘Scale to measure SHGs as Empowerment model’ includes Eight (8) sub-scales consisting (a) Economic (2 items), (b) Human & social (6 items), (c) Political (4 items), (d) Capacity building (9 items), (e) Control & influence (3 items), (f) Familial (4 items), (g) Community development (6 items), and (h) Personal (6 items). [Das & Chanu, 2014a; Das & Bhowal, 2013d; Das & Bhowal, 2013e].

Again, to examine the opinion of the direct stakeholders whether SHG is primarily a financial model, thirty (30) indicators relating to financial intermediation were gathered and an instrument- IV i.e. ‘Scale to measure SHGs as Financial model’ based on Seven (7) sub-scale was prepared which consists (a) Savings function (3 items), (b) Credit functions (5 items), (c) Risk & insurance (2 items), (d) Financial literacy and financial inclusion (8 items), (e) Fund management (9 items), (f) Record keeping (2 items), and (g) Financial relationship management (5 items). [Das & Chanu, 2014a; Das & Bhowal, 2013c; Das & Bhowal, 2013d; Das & Bhowal, 2013f]. In order to quantify the degree of perceptions of different stakeholders whether SHG is an empowerment model or financial model, five point scales were used. It was worth mentioning here that the variables relating to empowerment and financial model were included in the questionnaire without any clear arrangement so that the interviewer could not understand easily at a glance which one of the variable relates to empowerment and which one for financial model. Later on, for the purpose of analysis, the variable relating to empowerment and financial model were clubbed together separately to get the specific result.

d) To examine the opinion of the direct stakeholders whether the aspects like impact on members of SHG and its involvement in larger social issues should be peripheral or core components of quality indicators of SHG, sixty-five item based scale was developed keeping in consideration of likely impact of SHGs on members mostly on social sphere. The instrument-V, i.e. ‘Scale to measure impact on members of
SHG and its involvement in larger social issues' which intended to identify impact on members of SHG and its involvement in larger social issues should be peripheral or core components of quality indicators of SHG. This tool consisted of 65 items referring to Nine (9) different quality sub-scales such as (a) Economic Impact with 9 elements; (b) Participatory with 5 elements; (c) Empowerment with 17 elements; (d) Skill Development with 4 elements; (e) Access to Social Services with 3 elements; (g) Psychological with 7 elements; (h) Community Development with 4 elements; and (i) Capacity Building with 9 elements [Das & Bhowal, 2014b; Das & Chanu, 2014b; Das & Bhowal, 2013g; Das & Bhowal, 2013h].

2.9.11 Method of Data Analysis and Interpretation

In the present research work various statistical tools was used on the data which were collected through the questionnaire method and was analysed through the measures of descriptive statistics, parametric and non-parametric tests of statistics. A brief note of the statistical tools that were used in the present study (objective wise) is noted as below. The questionnaire was processed by using SPSS 20 version. Field notes were referred extensively in writing the report.

i) The specific statistical tools that were used in respect to objective and hypothesis number 1, includes measures of descriptive statistics like mean, median and standard deviation. Further, Cronbach’s alpha, one sample Kolmogorov-Test, Shapiro-Wilk Test, Eta Test and Kruskal Wallis Test were applied in analysing and interpreting the data.

ii) The specific statistical tools that were used in respect to objective and hypothesis number 2, includes measures of descriptive statistics like mean, median and standard deviation. Further, Cronbach’s alpha, one sample Kolmogorov-Smirnov Test, Shapiro-Wilk Test, Kruskal Wallis test and Cross Tabulation analysis were applied in analysing and interpreting the data.

iii) The specific statistical tools that were used in respect to objective and hypothesis number 3, includes measures of descriptive statistics like mean, variance, standard deviation, maximum, minimum etc. Further, Cronbach’s alpha, Kolmogorov-
Smirnov Test, Paired t Test, Paired correlation and ANOVA analysis were applied in analysing and interpreting the data.

iv) The specific statistical tools that were used in respect to objective and hypothesis number 4, includes measures of descriptive statistics like mean, median and standard deviation. Further, Cronbach’s alpha, Kolmogorov-Smirnov Test, Shapiro-Wilk Test, Eta Test and Kruskal Wallis Test were applied in analysing and interpreting the data.

These tests are explained below:

(a) Reliability: Reliability is the degree of consistency of an instrument. In other words, a reliable instrument is that which gives identical score at all times (Kerlinger, 2000). The rationale for internal consistency is that the individual items should all be measuring the same construct and thus be highly inter-correlated (Churchill, 1979; Nunnally, 1978). Four types of internal consistency may be examined- inter-item reliability; item-total reliability; Cronbach-Alpha reliability and split-half reliability (Crocker & Algina, 1986; DeVellis, 1991; Gregory, 1992; Henson, 2001). Though there are three different measures of coefficient alpha, the most widely used measure is Cronbach’s coefficient alpha (Posavac & Carey, 2007) which is based on the average inter-item correlation. Cronbach’s alpha is a reliability coefficient that measures inter-item reliability or the degree of internal consistency/homogeneity between variables measuring one construct/concept i.e. the degree to which different items measuring the same variable attain consistent results [25]. This coefficient varies from 0 to 1 and a value of 0.6 or less generally indicates unsatisfactory internal consistency reliability (Malhotra, 2004). In the social sciences, acceptable reliability estimates range from 0.70 to 0.80 (Nunnally & Bernstein, 1994). Standards for instrument reliability for Cronbach’s alpha by Robinson, Shaver and Wrightsman (1991) were used to judge the quality of the instrument: 0.80-1.00 =exemplary reliability, 0.70 - 0.79 =extensive reliability, 0.60 -0.69 = moderate reliability and ≤ 0.60 = minimal reliability. It is reported that if Cronbach α coefficient is between 0.60 and 0.80, then it will be adequate enough for

the instrument to be used in studies (Tavsancil, 2005; Ozturk, 2006). A commonly accepted rule of thumb for describing internal consistency using Cronbach’s alpha is as follows, however, a greater number of items in the test can artificially inflate the value of alpha and so this rule of thumb should be used with caution: \( \alpha \geq 0.9 = \text{Excellent; } 0.8 \leq \alpha < 0.9 = \text{Good; } 0.7 \leq \alpha < 0.8 = \text{Acceptable; } 0.6 \leq \alpha < 0.7 = \text{Questionable; } 0.5 \leq \alpha < 0.6 = \text{Poor; and } \alpha \leq 0.5 = \text{Unacceptable} \) (Cronbach, 1951 and George & Mallery, 2003). Keeping all these things in mind, the instruments that are used in the present study whose reliability of the scale are pointed out as below

i) The reliability of the scale (Instrument-I) was performed and coefficient of Cronbach’s Alpha was found out to be 0.786 for 61 items considered as acceptable for the specific study referred to objective one.

ii) The reliability of the scale (Instrument II) was performed and coefficient of Cronbach’s Alpha was found out to be 0.723 for 61 items considered as acceptable for the specific study referred to objective two.

iii) The reliability of the scale (Instrument III i.e. SHGs as Empowerment model) was performed and coefficient of Cronbach’s Alpha was found out to be 0.752 for 40 items considered as acceptable for the specific study referred to objective three. Again, the reliability of the scale (Instrument IV i.e. SHGs as Financial model) was performed and coefficient of Cronbach’s Alpha was found out to be 0.887 for 30 items considered as good for the specific study referred to objective three.

iv) The reliability of the scale (Instrument V) was performed and coefficient of Cronbach’s Alpha was found out to be 0.802 for 65 items considered as good for the specific study referred to objective four.

b) **Validity**: Reliability is important however, measures must also be valid (Jackson, 2009). Validity is the extent to which an instrument measures what it is supposed to measure (Carmines and Zeller, 1979). Validity is the measure of the accuracy of an instrument used in a study (Linn & Grondlund, 2000; Stewart, 2009). The researcher developed all the instruments that were used in this study after an extensive review of
literature. The researcher drafted a pool of 81 items for instrument-I & II, 50 items on each issue of empowerment and financial model (i.e. for instrument III and IV), and 100 items for instrument-V which were submitted to 7 content judges for review and to determine the face and content validity of the items. These judges had expertise in research design, survey design, micro finance management and group development. This panel of content judges included local university faculty members and microfinance practitioners of repute. The researcher requested this panel to check the instrument items for clarity, length, time to complete, difficulty in understanding and answering questions, flow of questions, appropriateness of questions based on the research topic, any recommendations for revising the survey questions (e.g., add, substituted or delete) and overall utility of the instrument. Based on their feedback and by adopting a scale some items of the sub-scales were revised according to appropriate demographic circumstances of the study district. Further, the scales for the final selection, the items were subjected to relevance rating by a panel of seven judges. The judges were asked to rate the relevance of the items on a four point continuum viz., very relevant, relevant, somewhat relevant and not relevant with scores 4, 3, 2 and 1 respectively. The midpoint of the four-point continuum ranging from 7 to 28, the minimum and maximum possible scores was 17.5. The items with scores above this were selected. At the final stage, 61 items under 8 sub-scales for instrument- I & II, 40 items under 8 sub-scales for instrument III, 30 items under 7 sub-scales for instrument IV, and 65 items under 9 sub-scales for instrument V were finalised. The external validity of the instruments were also assessed which were discussed in the concluding chapter of the thesis under the heading of generalisation of research findings (Section 7.3 of chapter 7). In traditional quantitative social research the problem of generalisation is discussed under the concept of external validity wherein the same result would be found under a different set of circumstances are analysed (Sarafino, 2005). Again, in quantitative research, generalisability is considered a major criterion for evaluating the quality of a study (Kerlinger and Lee, 2000; Polit and Beck, 2008). Further, instruments that were used in the study whose external validity was also proved by the researcher by comparing the findings of the other published works by using different set of data on the same study area (e.g. Das & Bhowal, 2013a; Das & Bhowal, 2013b; Das & Bhowal, 2013c; Das & Bhowal, 2013d; Das & Bhowal, 2013e; Das & Bhowal, 2013f; Das & Bhowal, 2013g; Das & Bhowal, 2014a; Das & Bhowal, 2014b; Das & Bhowal, 2013h). The validity of
the present research scale and external validity of the present findings of the study are elaborately discussed in Section- 7.3 of chapter 7.

c) **Tests for Normality:** To evaluate the normality of distribution of data on the perceptions of different stakeholders on different issues as specified in objectives of the study, the null hypothesis is that the data are normally distributed and the alternative hypothesis is that the data are not normally distributed. Since in the present study data set is composed of lower level (less than 2000), hence the researcher conduct Shapiro-Wilk test (on Total Score on each segment) and any confusion about normality test on field data is verified by resorting to Kolmogorov–Smirnov Test.

i) In respect to data that were collected for assessing perceptions in reference to objective number one and two, where $P$-value is 0.000. Hence, we reject the null hypothesis and conclude that the data do not come from population with normal distribution. Further, it was observed that only non-parametric Tests i.e. Kruskal Wallis Test would be suitable to study the significance of the main hypothesis.

ii) To evaluate the normality of distribution of data on the perceptions of different stakeholders on different variables relating to empowerment and financial model, Kolmogorov–Smirnov test was conducted on the total score on empowerment model and total score on financial model of SHGs separately (in reference to objective number three). Since the $P$-value is 0.096 for overall score of variables on SHG as Empowerment model and 0.159 for overall score of variables on SHG as financial model respectively, hence there would be no reason to doubt that the distribution is normal, so the researcher safely proceed with parametric Tests.

iii) With respect to data that were collected for assessing perceptions of the direct stakeholders whether the aspects like impact on members of SHG and its involvement in larger social issues should be peripheral or core components of quality indicators of SHG in reference to objective number four, where $P$-value is 0.027. Hence, the researchers reject the null hypothesis and conclude that the data do not come from population with normal distribution. Further, it was further
observed that only non-parametric Tests i.e. Kruskal Wallis Test would be suitable to study the significance of the main hypothesis.

d) Correlation Coefficient: Correlation coefficient is calculated to measure the degree of relationship between two variables. It ranges from -1 to 1. The + or – sign signify the direction of relationships and the values indicates the degree of relationship (Massey, 1951).

e) Kolmogorov-Smirnov Test: The Kolmogorov-Smirnov test is a goodness-of-fit test, which tests whether a given distribution is not significantly different from one, hypothesised (on assumption of a normal distribution). It is more powerful alternative to chi-square goodness-of-fit test when its assumptions are met. Whereas the chi-square test of goodness-of-fit tests whether in general the observed distribution is not significantly different from the hypothesised one, the K-S test examines whether this is so even for the most deviant values of the criterion variable. Thus, it is a more stringent test (Massey, 1951).

f) Shapiro-Wilk Test: The Shapiro-Wilk test is a specific test for normality, whereas the method used by Kolmogorov-Smirnov test is more general, but less powerful (meaning it correctly rejects the null hypothesis of normality less often). Shapiro-Wilk’s test is often used when estimating departures from normality in small samples (Shapiro & Wilk, 1965).

g) Kruskal–Wallis Test: The Kruskal–Wallis test is most commonly used when there is one nominal variable and one measurement variable, and the measurement variable does not meet the normality assumption of an ANOVA. It is the non-parametric analogue of a one-way ANOVA. The Kruskal–Wallis test does not make assumptions about normality. Like most non-parametric tests, it is performed on ranked data. The Kruskal-Wallis test evaluates whether the population medians on a dependent variable are the same across all levels of a factor. Kruskal-Wallis test evaluates differences in medians among groups (Green and Salkind, 2008).

h) Analysis of Variance: The one-way analysis of variance (ANOVA) is used to determine whether there are any significant differences between the means of two or more independent groups. The one-way Analysis of Variance (ANOVA) is used with
one categorical independent variable and one continuous variable. The independent variable can consist of any number of groups (levels).

i) **Paired t-test:** A paired (samples) t-test is used when there are two related observations (i.e., two observations per subject) and it is to ascertain means on these two normally distributed interval variables differ from one another. The t-test, which is often used in similar experiments with two groups, is only appropriate for situations where there are only two levels of one independent variable.

Findings thus arrived at have been presented in the form of Report as per plan mentioned under section 2. 10.

### 2.9.12 Ethical Considerations

In the process of the study, the following ethical issues were considered. In order to obtain an informed consent from the respondents, the purpose of the study was explained clearly. Members and leaders of the SHGs, DRDA officials, Bank officials, NGO officials and MFI officials were asked to give their informed consent orally before filling out the questionnaire or participating in any discussion. Information obtained from the respondents was promised to be kept confidential. Necessary efforts were made so that the languages in the data collection tools would consider the culture, language and the comprehending level of the respondents.

### 2.10 Plan of the Research Study

The report of the study was written in seven different chapters as demarcated in the below paragraphs.

**Chapter- I** prorated a bird’s eye view on the micro finance, SHG- concepts, approaches issues and progress and performances of SHGs in international, national and regional level.

**Chapter II** identified research methodology, objectives and rationality of the study.

**Chapter III** identified different aspects of quality parameters of SHGs like design, governance, operational and impact etc. while assessing the quality of SHGs. In brief, this chapter narrated the perceptions of different stakeholders on quality parameters of SHGs.

**Chapter IV** described the stakeholder’s perspectives of SHG quality assessment. In fact, this chapter explains the operational aspects, financial aspects, empowerment of members and non- financial aspects of SHGs on stakeholder’s perspectives. Further, perceptions of
Chapter II

stakeholders of SHGs regarding the perspectives of Promoters, Donors, Financial Institutions and Group itself while determining the quality indicators of SHGs are also explained in this chapter.

Chapter V explained different stakeholder’s perceptions on the issue ‘SHG –An Empowerment Model or Financial Model’.

Chapter VI described the stakeholder’s perception about the impact of SHG on their members and explains the perception of different stakeholders whether impact of SHG on its member is a ‘Core Issue or Peripheral Issues’.

Chapter VII covered overall conclusion including suggestions, limitations of the study, generalisation of the findings, direction for future research as well as contribution of the study to improve the quality of SHGs.

2.11 Conclusion

This chapter provides a genesis of the problem, review of existing literature, rationale for the research approach and methods undertaken in this study including analytical, statistical methods and instrument employed in the thesis. It first justified the qualitative, descriptive, and empirical with Psychometrics properties, Meta analysis and mix model within the context of the quality parameters of SHGs and other key issues concerning quality indicators of SHGs. As a survey method, 190 respondents were selected and 165 respondent’s perceptions are considered by using multi stage random sampling methods from different direct stakeholders of SHGs in Nagaon district of Assam, to gather appropriate primary information required to satisfy the objectives of the research. Both primary and secondary sources of data were used. Primary data were collected through questionnaire and collected data was analysed in SPSS 20.0. The descriptive statistics like, mean, standard error, percentage, and Cronbach’s alpha test, correlation, Kruskal-Wallis test, paired test, ANOVA and other required test were used to test the hypotheses.

REFERENCES


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Chapter II


Chapter II


