
The Promotion of Self-Help Groups (SHGs) In Mizoram: An Analysis of Self-Help Promoting Institutions (SHPIs)

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ABSTRACT

This study attempts to provide empirical evidence on the performance of Self-Help Promoting Institutions (SHPIs) under the SHG-Bank Linkage Programme in Mizoram. It mainly focused on the information collected from primary data sources, which includes 10 NGOs, 11 government agencies and 32 bank branches in different districts of Mizoram. The study revealed that NGOs performed better in promoting the credit-linked SHGs than government agencies. The exclusive women group were also found better in linking with banks. The study observed that the level of participation in SHG promotion within the sample NGOs, government agencies and banks were unevenly distributed. The study stresses the need for proper capacity building and training of SHG members, especially in the awareness of bank linkages and activity based skill development. Moreover, the SHPI should carefully nurture and facilitate the SHGs vibrant and creditworthy for banks in order to reduce the risk of loan default. On the other hand, the bankers' need to improve their awareness on the concept of SHG programme beyond the commercial aspect of SHG-Bank Linkage Programme.

Keywords: SHG-Bank Linkage Programme, SHPI, NABARD, Mizoram

I. INTRODUCTION

The promotion of Self-Help Groups (SHGs) in Mizoram is being implemented through various organizations, which acted as Self-Help Promoting Institutions (SHPIs); such as government agencies, non- governmental organizations (NGOs) and various banking institutions. Satish (2001) observed that an institution can be considered as SHPI, if it is in a position to foster and nurture the best practices for SHG promotion. Under NABARD, the SHPI may be NGOs, Banks, Farmers' Club, Individual Volunteers (IRVs) or SHG Federation. The SHPI plays a crucial role in promoting and nurturing the Self-help Groups. It bridges the gap between the financial institutions (banks) and the poor who are financially excluded under the formal financial system. For the sustainability of SHG movement, effective coordination is needed between the SHPIs and SHGs, SHPIs and banks as well as banks and SHGs. The effectiveness of SHPIs can be measured through their promoted SHG about their level of awareness, savings and borrowings, repayment of loan, maintenance of track record, sustainability of the group etc.

Starting from the pilot project for linking banks with Self Help Groups in 1992 by NABARD, SHG-Bank Linkage Programme (SHG-BLP) has been emerged as a widely accepted model for delivering formal microfinance services in the country. It is the largest and fastest growing microfinance program in the developing world (Seibel 2005). However, the SHG-BLP has started very late in Mizoram. During the period 2003-04, SHGs in Mizoram had

begun to access formal bank credit i.e., 21 SHGs were granted bank loan under Mizoram Rural Bank and one SHG under Commercial Banks. The Mizoram Cooperative Apex Bank financed to two SHGs during 2004-05 (NABARD 2004, 2005). Thereafter, the movement has gradually increased in Mizoram.

The condition of SHG movement in North-eastern region (comprising of eight states) was comparatively lower than other regions of India, except the northern region. As on 31st March 2016, NABARD reported that the north eastern region (NER) shares only 5.44 percent (i.e. 4.30 lakh SHGs) out of the total 79.03 lakh savings linked SHGs in the country. Within the NER, the Assam state shares the maximum SHGs which constituted 77.63 percent of the total SHGs, while Mizoram state accounts for only 1.88 percent (8,072 SHGs), able to manage only the sixth ranked in terms of the number of SHG saving-linkages, just before Arunachal Pradesh and Sikkim.

II. OBJECTIVES OF THE STUDY

- a) To study the different agencies of SHPI working in Mizoram
- b) To study the progress and performance of SHPIs in Mizoram.
- c) To find out the problems faced by SHPIs in organising the SHGs and bank linkages.
- d) To analyse the SHPI perceptions towards the impact shaped by SHG-Bank Linkage Programme to the members.

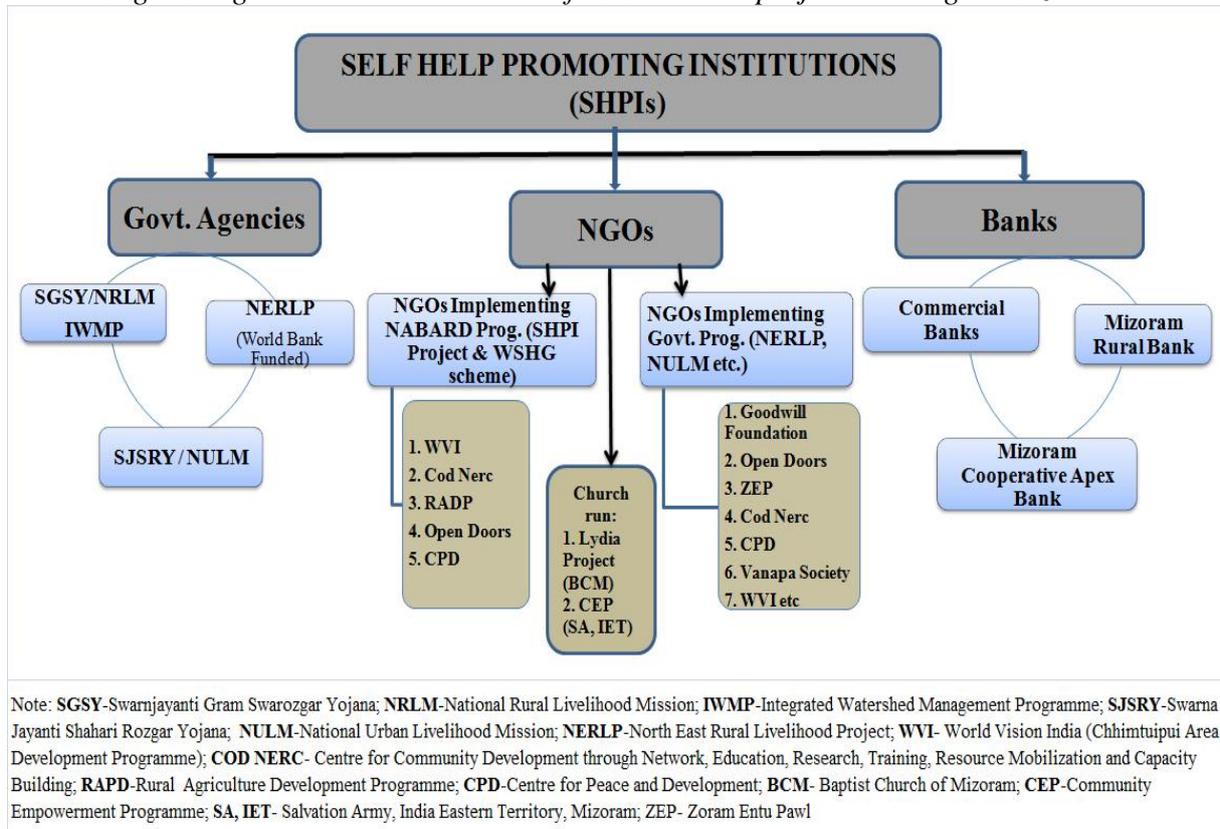
III. METHODOLOGY

The study involves collection of primary and secondary data. The purposive sampling technique was used to select the sample SHPIs. Therefore, the study selected a total of 53 SHPIs, including 10 NGOs (i.e., 05 NGOs under NABARD's SHG-BLP and 05 NGOs under government and church-sponsored programme); 11 government agencies under Urban Women Self Help Programme (UWSP) of SJSRY scheme; and 32 bank branches of Mizoram Rural Bank. Among the sample NGOs, the Bethany Social Welfare Society in Mamit district has ended SHG handholding support since 2011-12 due to the closure of SGSY scheme. However, it is important to assess the practical experiences and the viewpoint of Bethany SWS, functioning as SHPI in the government SHG programme in Mizoram. The fieldwork was undertaken during 2014-15 in all eight (08) districts of Mizoram. The collected data were analyzed using the appropriate statistical tools.

IV. SELF-HELP PROMOTING INSTITUTIONS (SHPIs) IN MIZORAM

In Mizoram, NGOs and Mizoram Rural Bank (MRB) have undertaken NABARD's SHPI project under SHG-Bank Linkage Programme. The government SHG programmes are also being implemented through the line department with the intermediation of NGOs. Besides, the non-governmental initiatives such as Church-led project (funded from abroad) have been implemented in Mizoram. Figure-1 presents the schematic presentation of SHPI and its project working in Mizoram.

Fig-1 Diagrammatic Presentation of SHPI and its project working in Mizoram



Source: Field Survey

Government Agencies

‘Government agencies’ is a term encompassing a wide range of state/central government entities that have begun to promote the SHGs under various schemes (Harper 2002). During the study period, the NRLM (a restructured SGSY scheme) covers 4 R.D. blocks of two districts in Mizoram viz., *Serchhip* and *Kolasib district*. Similarly, the World Bank funded-NERLP also covers 9 R.D blocks of two districts viz. *Aizawl* and *Lunglei district*. In addition, the Urban Women Self Help Programme (UWSP)-SJSRY scheme (later restructured into NULM) has been implemented in all district headquarters. Some SHGs are also formed and financed under the IWMP scheme.

Non-Governmental Organizations

Kropp & Suran (2002) observed that NGO plays the most prominent role in group formation and nurturing prior to establishing bank-linkages. They must have the clear aim of linking the SHGs to a bank for saving and credit (Harper, 2002). NABARD in Mizoram had started engaging 2 NGOs viz., Community Development Action and Reflection (CDAR), and Zonu Welfare Society, functioning as SHPI during 2004-05. At the end of March 2016, NABARD engaged 6 beneficiaries NGOs (SHPI) under SHG-BLP and one NGO under the scheme for promotion of Women Self Help Group. In addition, the Salvation Army, India Eastern Territory (Mizoram) had started the ‘Community Empowerment Programme’ (CEP) in six different areas of Mizoram since 2007 under the support of Salvation Army, United Kingdom Territory. Similarly, in the year 2011, the Baptist Church of Mizoram (Relief and

Development) had started implementing ‘Lydia Project’ in four districts of Mizoram for the benefit of Chin IDP (Internally Displaced Person) and the poor Mizos, funded by the Norwegian Agency for Development and Corporation and the Baptist Union of Norway.

Under the NERLP, three NGOs namely, World Vision India, Open Doors and Goodwill Foundation have taken up the role of Project Facilitation Team (PFT) in different selected Rural Development (RD) Block since 2013. Besides, the Mizoram State Urban Livelihoods Mission Society (MzSULMs) and six NGOs (Resource Organizations) namely, Zoram Entu Pawl, Cod Nerc, CPD, Goodwill Foundation, Vanapa Society and Open Doors have signed a Memorandum of Understanding (MoU) under the NULM/SJSRY scheme on April 20, 2015 for a period of two years, in order to create a model of SHG formation and for their Handholding support (GoM, 2015).

Banking Institutions

Banks are themselves SHPIs when branch staff promotes SHGs from scratch, and then mobilises their savings and lends (Harper, 2002). Bansal (2003) observed that Regional Rural banks were found dominant in terms of SHG credit-linkages than commercial banks in poorer states and were more successful as SHPIs. Similarly, the Mizoram Rural Bank (MRB) plays a dominant role in SHG-Bank Linkage Programme in Mizoram, constituting over 90 percent of the total number of SHGs linked with banks in terms of savings and credit linkages.

V. DEMOGRAPHIC DISTRIBUTION OF SELECT SHPIs

Table-1 exhibits the demographic distribution (district-wise) of sample NGOs, government agencies and banking institutions in Mizoram. Aizawl district hosts the highest number of sample group with 41.51 percent, followed by Kolasib district with 13.21 percent. Saiha district hosts the lowest number of sample group with less than 2 percent.

Table- 1 District-wise Distribution of sample SHPI

Sl. No	Name of District	NGOs	Govt. Agencies	Banks	Total	Percent
1.	Aizawl	2 (Open Doors & BCM)	5	15	22	41.51
2.	Lunglei	1 (Open Doors)	1	3	5	9.43
3.	Champhai	1 (Zomi Baptist Church)	0	4	5	9.43
4.	Kolasib	1 (Salvation Army)	1	5	7	13.21
5.	Lawngtlai	1 (World Vision India)	1	2	4	7.55
6.	Saiha	0	1	0	1	1.89
7.	Serchhip	2 (Cod Nerc & RADP)	1	1	4	7.55
8.	Mamit	2 (CPD & Bethany SWS)	1	2	5	9.43
Total		10 (18.87%)	11 (20.75%)	32 (60.38)	53 (100%)	100.00

Source: Field Survey

The sample NGOs were operated in 7 out of 8 districts of Mizoram (excluding Saiha district). However, the operational area of World Vision India covers Saiha district as well. The majority of NGO respondents (i.e. 90%) were Project Director/ Coordinator. Similarly, the sample government agencies also cover 7 districts headquarters under the SJSRY scheme. In

Aizawl urban area, five zones were selected for the study out of total seven zones/areas. The majority of respondents (i.e. 91%) from government agencies were community organizers (CO) under the SJSRY scheme who works for the main link between urban poor community and the implementing agencies. The sample bank branches from Mizoram Rural Bank were also collected from 7 districts of Mizoram, representing the urban and rural areas of the state. Over 70 percent of bank respondents were Branch Manager/ Assistant Branch Manager and the remaining respondents were other designated officers/ Clerk.

VI. PROFILE AND PERFORMANCE OF SAMPLE NGOS & GOVERNMENT AGENCIES

During the study period, the performance of NGOs in Mizoram is found satisfactory in terms of promoting the SHG saving-linkages, while the target achievement rate in terms of promoting credit-linkages was very low. The maximum number of beneficiaries NGOs in Mizoram under NABARD was recorded 17 NGOs at the end of March 2013. As on March 31, 2016, the present six beneficiaries NGOs under NABARD have achieved 79.46 percent SHG promotion and 12 percent SHGs credit linkages out of 550 SHGs to be promoted/credit-linked, and the NGO (World Vision India) under the scheme for promotion of Women SHG have also achieved 100 percent SHG promotion and 14.21 percent credit linkages out of 1450 SHGs to be promoted/ credit linked. NABARD have so far released grant support of Rs. 9.58 lakh (i.e. 28.60% of total sanctioned) under SHPI project, indicating the average cost of promotion at Rs. 4186.46 per SHG, as against Rs. 35.25 lakh (i.e. 24.31% of total sanctioned) under Women SHG scheme, signifying the average cost of promotion Rs. 2431.03 per SHG. The government schemes like SGSY/NRLM shares nearly 32 percent of the total SHGs in Mizoram, and the SJSRY/ NULM shares only 0.45 percent (NABARD 2016).

The descriptive statistics on the profile and performance of sample NGOs and Government Agencies in Mizoram (Table 2) shows that the sample SHPIs promoted a total of 3,376 SHGs with an average of over 160 SHGs per institution. Of this, the NGOs have registered 82.23 percent and the government agencies have registered only 17.77 percent. Only 13 percent of the total SHG promotions (i.e. 439 SHGs) have accessed formal bank credit, signifying the NGOs have achieved at 14.01 percent credit-linkages, as against 8.33 percent under the government agencies. Moreover, a total of 219 SHGs were recorded as group dormant, which accounts for 6.49 percent of the total SHG promotion.

A wide disparity is found on the performance of promoting the Self-help groups within the NGOs and the government agencies (Table-2). Among sample NGOs, the SHG promotions were largely contributed by Open Doors (i.e. 1080 SHGs), while the maximum credit-linked SHGs were contributed by Bethany Welfare Society (i.e. 144 SHGs), and the newly credit linked SHGs (2013-14) by World Vision India (i.e. 86 SHGs). The NGOs, implementing the church-led SHG programmes were also found lagged in bank linkage programme. However, such institutions have provided microcredit facilities to the SHG members. With regards to government agencies, the programme implementation of Urban Women Self Help Programme (UWSP) under SJSRY was overall unsatisfactory, especially in credit-linkages. The maximum numbers of credit-linkages were recorded by Lawngtlai district with 11 SHGs. However, the poor programme implementation of UWSP (SJSRY) may be attributed to the study was carried out during the transitional period from the SJSRY scheme to the newly launched NULM.

Table-2 Profile and performance of select NGOs & Govt. Agencies: Descriptive Statistics

Type of SHPI		No. of SHGs registered/promoted	No of SHGs newly registered (2013-14)	No. of SHGs credit linked	No. of SHGs credit linked (2013-14)	Only Deposit linked SHGs	No. of Group dormant
NGO	Sum	2776.00	824.00	389.00	112.00	2461.00	106.00
	Mean	277.60	91.56	38.90	11.20	246.10	13.25
	Maximum	1080.00	600.00	144.00	86.00	1028.00	53.00
	Minimum	29.00	0.00	0.00	0.00	13.00	0.00
	Total N	10	9	10	10	10	8
Govt. Agency	Sum	600.00	217.00	50.00	5.00	550.00	113.00
	Mean	54.55	24.11	4.55	.45	50.00	11.30
	Maximum	94.00	94.00	11.00	4.00	90.00	22.00
	Minimum	18.00	0.00	0.00	0.00	9.00	0.00
	Total N	11	9	11	11	11	10
Total	Sum	3376.00	1041.00	439.00	117.00	3011.00	219.00
	Mean	160.76	57.83	20.90	5.57	143.38	12.17
	Maximum	1080.00	600.00	144.00	86.00	1028.00	53.00
	Minimum	18.00	0.00	0.00	0.00	9.00	0.00
	Total N	21	18	21	21	21	18

Source: Field Survey

The Mann-Whitney U Test (Table-3) was run to determine the performance of SHG promotion between two independent groups (i.e. NGOs and government agencies).

Table-3 Performance of sample NGOs and Govt. Agencies in SHG promotion: Mann-Whitney U Test

Sl. No	Indicators	Mean Rank		Sum of Ranks		SHPIs (N=21)		
		NGO	Govt. Agency	NGO	Govt. Agency	Mann-Whitney U	Z	Asymp. Sig. (2-tailed)
1.	No. of SHGs registered/promoted	13.10	9.09	131.00	100.00	34.000	-1.481	.139
2.	No. of SHGs newly registered (2013-14)	9.61	9.39	86.50	84.50	39.500	-.089	.929
3.	No. of SHGs credit linkages	14.50	7.82	145.00	86.00	20.000	-2.483	.013*
4.	No. of SHGs credit linkages (2013-14)	13.10	9.09	131.00	100.00	34.000	-1.763	.078
5.	Only deposit linked SHGs	12.30	9.82	123.00	108.00	42.000	-.918	.358
6.	No. of Group dormant	8.69	10.15	69.50	101.50	33.500	-.581	.561

* $p < 0.05$

Source: Field Survey

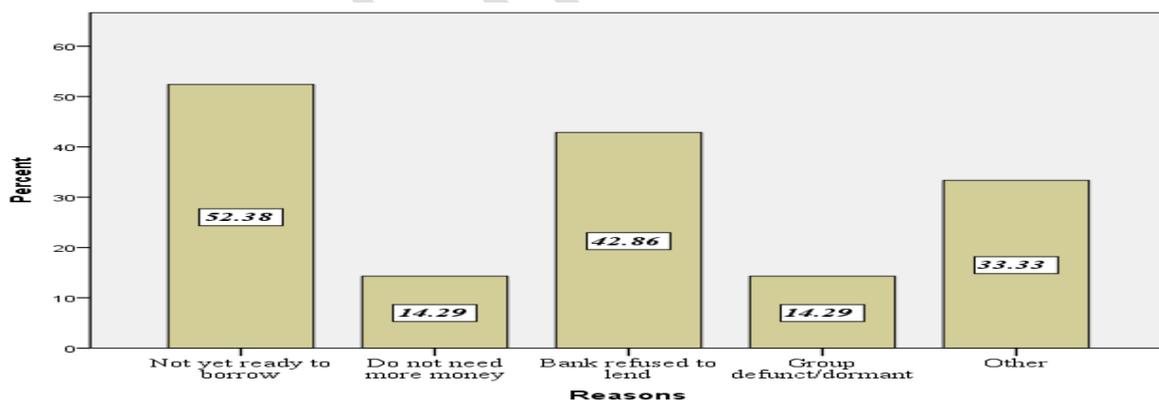
From Table-3, the results revealed that there was a significant (two-tailed) difference in the number of SHG credit linkages between NGOs and government agencies ($U=20, p < 0.05$). The value of mean ranking indicates that the NGOs (14.50) had scored significantly higher than government agencies (7.82). The finding indicates that the sample NGOs have performed better in linking SHGs with banks (credit linkages) than government agencies.

However, the Mann-Whitney U test were not significant (two-tailed) on the performance between NGOs and government agencies in respect of the number of SHG registered/promoted ($U=34, p>0.05$); the number of SHGs newly registered in 2013-14 ($U=39.50, p>0.05$); the number of SHGs newly credit linkages in 2013-14 ($U=34, p>0.05$); the number of only deposit linked SHGs ($U=42, p>0.05$) and the number of group dormant ($U=33.50, p>0.05$), indicating that there were no significance difference in the number of SHG promotion by NGOs and Government Agencies.

VII. REASONS FOR NOT BORROWING FROM BANKS: SHPI PERSPECTIVES (NGOs & GOVT. AGENCIES)

Figure-2 exhibits the perspective of sample NGOs and government agencies for not yet borrowed loans from bank among their promoted SHGs. It is evident that, ‘not yet ready to borrow’ and ‘bank refused to lend’ were the major reasons for not accessing loans from banks among their promoted SHGs. The highest ranked was accorded to ‘Not yet ready to borrow’ constituting 52.38 percent, followed by ‘bank refused to lend’ with 42.86 percent which emerges as one of the major problems faced by SHGs. ‘Other reasons’ accounts for 33.33 percent and both ‘group dormant’ and ‘do not need more money’ accounts for 14.29 percent each.

Fig-2 Reasons for not yet borrowed loans from banks by SHGs: SHPI Perspectives (Multiple Response Analysis)



Source: Field Survey

VIII. PROFILE AND PERFORMANCE OF SAMPLE BANKS

As on 31st March 2016, a total of 8,072 SHGs with 83,262 SHG members were registered under the formal financial institutions in Mizoram. Of this, the MRB shares 90.77 percent, while the public sector commercial banks (PCBs) and MCABs shares only 2.51 percent and 6.71 percent respectively. With regards to NABARD SHPI project, the bank have achieved

the target rate of SHG promotion at 68.82 percent and 61.29 percent credit linkages out of the total cumulative target of 700 SHGs to be promoted since 2006. The bank received grant support of Rs. 6.19 lakh (i.e. 49.52% of total sanctioned) from NABARD, indicating the average cost of promotion at Rs. 1284.23 per SHG (NABARD 2016).

Table-4 presents the profile and performance of sample bank branches (Mizoram Rural Bank) in Mizoram. A number of 3,159 SHGs were having savings account with the total savings of Rs. 140.16 lakh in the sample bank branches, which accounts for an average savings of Rs. 4,436 per SHG. The average proportion of SHG's savings against the sample branches' total deposit has also reached at 0.37 percent. Out of the total 3,159 SHGs, 21.81 percent (i.e. 689 SHGs) have accessed bank loans with the outstanding amount of Rs. 911.69 lakh. It signifies the average outstanding loan of Rs. 1.32 lakh per SHG. Moreover, the total sample bank branches registered the gross NPA of Rs. 129.50 lakh against SHGs and 35.90 percent of the total SHGs savings account (i.e. 1,134 SHGs savings account) has been reported as group dormant accounts.

<i>Table-4 Performance of the select Bank Branches: Descriptive Statistics</i>	No. of SHGs deposit Linkages (Savings A/C)	SHG Saving (Amt. in Rs. lakh)	Proportion of SHGs Savings against branch's total deposit (%)	No of SHGs Credit Linkages	SHG's loan outstanding (Amt. in Rs. lakh)	SHG's loan disbursed (2013-14) (Amt. in Rs. lakh)	Amount of Gross NPA against SHGs (Amt. in Rs. lakh)	No. of Group Dormant Account*
Sum	3,159.00	140.16	10.37	689.00	911.69	317.00	129.50	1,134.00
Mean	98.72	4.38	0.37	21.53	29.41	12.19	4.32	36.58
Maximum	691.00	18.54	1.42	74.00	203.82	93.00	41.32	279.00
Minimum	3.00	0.04	0.00	0.00	0.00	0.00	0.00	0.00
Total N	32	32	28	32	31	26	30	31

Note: *Inoperative / dormant Account: No transactions in the account for over a period of two years (RBI 2012).

Source: Field Survey.

It is evident that the level of involvement and participation among the sample bank branches under the SHG-Bank Linkage Programme were largely different in Mizoram. The maximum number of SHG savings account and savings volume were registered by MRB, Lawngtlai branch. However, the SHGs at Lawngtlai branch mobilized an average savings of only Rs.

2,683, as against an average SHG savings of Rs. 4,436 at the total sample banks. The branch also shared the highest dormant accounts among the sample bank branches. The MRB, Sihphir Branch (Aizawl district) registered highest proportion of SHG savings against total branch deposit (i.e. 1.42%). In addition, the maximum number of SHG credit-linkages was contributed by MRB, Champhai branch, while 3 bank branches among the sample banks have not provide bank loans to SHGs. Meanwhile, the highest gross NPA figures was reported by MRB, Aizawl branch, while eleven (11) sample bank branches from 29 branches which provide bank loans to SHGs reported ‘no NPA’ against the SHG. The percentage of NPA to SHG outstanding loan has reached an alarmingly high rate of 14.20% at the total sample banks, as compared to 8.88% in NER or 6.83% in the country at the end of March 2014. Sharma (2012) studied on delinquencies of SHGs in NER also found that the scale of NPA was very large for Mizoram as compared to other NE states.

The Correlation was run to determine the significance of relationship between the variables under Mizoram Rural Bank (Table-5).

*Table-5 Performance of sample bank branches in the promotion of Self-help groups:
Correlation Matrix (Spearman's Rho)*

Variable	X1	X2	X3	X4
No. of SHGs deposit-linkages (X1)	1.000			
No. of SHGs credit-linkages (X2)	.716**	1.000		
Amount of SHG's NPA (X3)	.337	.489**	1.000	
No. of SHG Dormant accounts (X4)	.751**	.734**	.435*	1.000

** . $p < 0.01$

* . $p < 0.05$

Source: Field Survey

From Table-5, the correlation coefficient of the number of SHG deposit-linkages with the number of credit-linkages ($r_s=.716$), the number of group dormant ($r_s =.751$), and the correlation coefficient of the number of SHG credit-linkages with the amount of SHG's NPA ($r_s= .489$) and number of group dormant accounts ($r_s= .734$) were positive and significant at 1 percent level. Also, there was a positive significant relationship between the amount of SHG's NPA and the number of group dormant account ($r_s=.435$, $p < 0.5$).

The result indicates that as the number of SHG deposit-linkages increases, the number of SHG credit-linkages tends to increase. However, the study found unhealthy trends in SHG promotion, indicating that the increase in the number of credit linked-SHG's likely to increase the amount of NPAs. Similarly, the increase in number of SHG deposit linkages, the increase in the number of credit linkages, and the increase in the amount of SHG's NPA tends to increase the number group dormant accounts.

IX. PERFORMANCE OF SHGs: SHPIs PERSPECTIVE

As the SHG programmes in the country are more focussed on women, the majority of SHG in the country are women members. Several studies observed that the SHG movement has largely contributed to women empowerment. At the end of March 2016, NABARD reported

that the exclusive women SHG constituted 85.6 percent of the total SHG in the country, while 54.35 percent of total SHGs in Mizoram are exclusive women group (NABARD 2016).

The SHPIs were asked about their experience on which type of SHGs, performed better in linking with banks (Table-6).

Table-6 Performance of SHGs: SHPI Perspectives

SHPI	Type of Self-Help Groups			Total (No.)
	All women group (No.)	Mixed Group (No.)	No opinion (No.)	
NGO	7 (70.0%)	0 (0.0%)	3 (30.0%)	10
Govt. Agency	8 (72.7%)	1 (9.1%)	2 (18.2%)	11
Bank	20 (62.5%)	5 (15.6%)	7 (21.9%)	32
Total N	35 (66.0%)	6 (11.3%)	12 (22.6%)	53

Note:i) Figures in parentheses denotes percentage of respective totals

ii) All male groups secured 0.0% in all SHPIs preferences

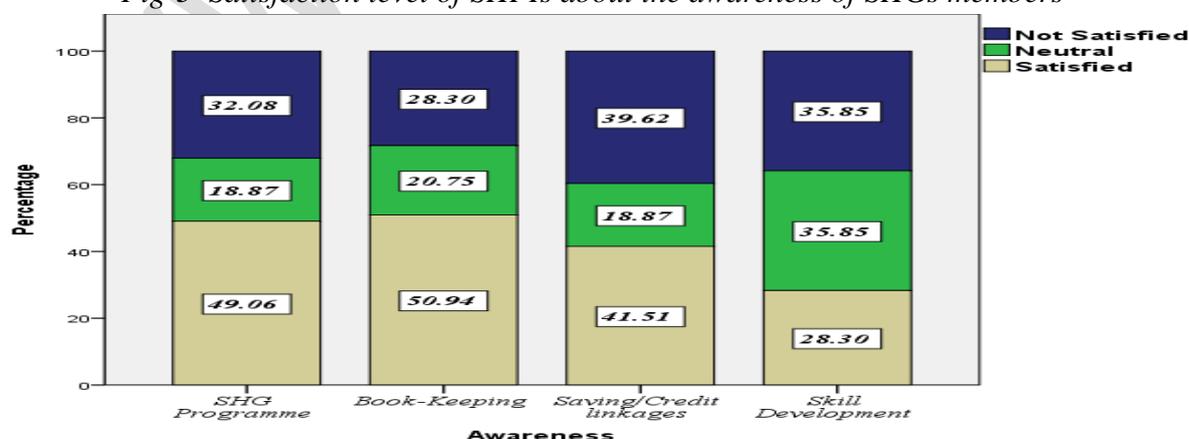
Source: Field Survey

From Table-6, the NGOs, government agencies and banks revealed that the exclusive women groups had performed better in linking with banks as compared to all male groups or mixed groups. As a result, 'all women group' constituted 66.0 percent and 'mixed group' accounts for 11.3 percent. However, 22.6% of SHPIs had no opinion on which type of SHGs, performed better in bank linkages. The findings also supported by the studies conducted by Sinha et.al (2012) in six states of India. They found that households whose members belonged to exclusive female SHGs have done much better in social and economic fronts than other type of SHGs households (i.e. male or mixed SHGs).

X. SATISFACTION LEVEL OF SHPI

Figure-3 exhibits the overall satisfaction level of the sample SHPIs about the awareness of SHGs/members.

Fig-3 Satisfaction level of SHPIs about the awareness of SHGs members



Source: Field Survey

From Fig-3, 50.94% percent of the total SHPIs were satisfied with the awareness of SHG members in 'Book-Keeping'. Besides, the satisfaction levels of SHPIs in 'SHG Programme', 'bank linkages (savings/credit linkages)' and 'Skill development' accounts for 49.06 percent, 41.51 percent, and only 28.30 percent respectively. However, the levels of dissatisfied among the SHPIs was high in bank linkages (39.62%), followed by skill development (35.85%), SHG Programme (32.08%) and book-keeping (28.30%).

XI. MAJOR PROBLEMS FACED BY SHPI IN SHG PROMOTION

The followings are the major problems faced by SHPIs in organising the Self-help group and bank-linkages:

- *Problems relating to Organising the Self-Help Groups:* Lack of participation in group activity, lack of cooperation and low level of awareness among SHG members are the major problems faced by the government agencies in organising the SHGs. Many members have no time available to participate in group activities due to the fact that they are poor (BPL family) busy mothers who are primarily responsible for all domestic chores in the family. In addition, the NGOs revealed that shortage of funds and low level of awareness among SHG members are the two major problems faced in organising the SHGs. It includes the limited cost of SHG promotion and difficulty in funding release system under NABARD SHPI project, lack of micro-credit fund under Church-led projects as well as shortage of travel funds and transportation problems to facilitate the SHGs in remote areas under NGOs undertaking government programmes.
- *Problems relating to Bank Linkages:* Difficulty in obtaining loans from banks by their promoted SHGs is considered to be the major problem faced by the government agencies and NGOs. The government agencies observed that banks have no confidence on loan recovery due to the SHG formed under SJSRY were BPL family and the bank loan provided to SHGs does not required any collateral. The NGOs also revealed that banks have no confidence due to the (past) experience of loan default among SHG. Besides, the negative perceptions or lack of awareness about the importance of SHG programme among some bank officials claimed another constraints faced by the NGOs. However, 36.4 percent of sample government agencies and 30 percent of sample NGOs have not faced any problems in linking their promoted SHGs with banks.
- *Bankers' Perspectives:* Loan default among SHGs was observed to be the major problems faced by banks in Mizoram. The banks experienced that negligence of loan repayment was more popular in government programmes. They observed that careless formation of SHGs in the initial stage; no credit planning and no proper selection of group activity distressed the SHG functions. They felt that many groups came into existence only for availing credit facility or availing benefits. In some cases, proper grading/assessment for sanctioning loan was not conducted in government programme due to the nodal agency forwarded their promoted SHG to avail bank credit so as to meet their credit targets. Moreover, lack of quality NGOs/Agencies which can help in the process of formation or identification of potential SHGs and shortage of bank staff have been reported as another problems faced by banks in linking with SHGs.

XII. PERCEPTION OF SHPIs TOWARDS IMPACT OF SHG

To measure the degree of the SHPIs perception towards the impact shaped by SHG programme to the SHG/ members, the data has been analyzed with the help of a scaling technique. For analyzing each variable, five points Likert Scale was used to collect information about the following 18 indicators of impact factors. The degrees of perceptions were assigned as – Strongly Agree (5), Agree (4), Neutral (3), Disagree (2) and Strongly Disagree (1). The Kruskal Wallis H test was run to examine if there were statistically significant differences among the NGOs, government agencies and banks.

*Table-7 Perceptions of SHPI towards the impact of SHG-Bank-Linkage Programme:
Descriptive Statistics*

Sl. No	Impact factors	N	Median	IQR (Q ₃ - Q ₁)
1.	A desired programme for self-employment	53	4.00	0.50 (4.5, 4)
2.	Create employment facility to other family members	53	4.00	1.00 (4, 3)
3.	Establish economic empowerment of women	53	4.00	1.00 (5, 4)
4.	Provide poor household to access formal banking system	53	4.00	1.00 (5, 4)
5.	Avoid high interest money lender	53	4.00	1.00 (5, 4)
6.	Improved housing facilities	53	4.00	1.00 (4, 3)
7.	Increase in income	53	4.00	0.00 (4, 4)
8.	Increase in savings	53	4.00	0.00 (4, 4)
9.	Provide better food, health & educational facilities in a family	53	4.00	1.00 (4, 3)
10.	Improved social prestige	53	4.00	1.00 (4, 3)
11.	Solving problems through Mutual help	53	4.00	0.00 (4, 4)
12.	Improves self confidence among members	53	4.00	1.00 (4, 3)
13.	Good programme for poverty alleviation	53	4.00	1.00 (4, 3)
14.	Practice of jhum cultivation has been reduced	53	3.00	1.00 (3, 2)
15.	Provides funds for emergency needs through common fund	53	4.00	1.00 (5, 4)
16.	Poor individual gains strength as part of the group	53	4.00	0.00 (4, 4)
17.	Developing leadership abilities	53	4.00	0.50 (4, 3.5)
18.	Awareness of Govt schemes among members	53	4.00	1.50 (5, 3.5)

Source: Field Survey

The descriptive statistics shows the number of respondents, median, and interquartile range (Q₃ - Q₁) of the various parameters (18 impact factors) relating to employment, social and economic development etc. With respect to the distribution of the respondents, the middle values of the distribution (median) for all of the impact factors are 4.00, except the median

value of 3.00 in ‘Practice of jhum cultivation has been reduced’. This implies that most of the SHPIs agreed on all the given impact factors, while the SHPIs have no opinion as to whether the SHG programme affects the jhum cultivation practices among the members.

Table-8: Perceptions of SHPIs- Kruskal Wallis Test

Sl No	Indicators of Impact Factors	Self Help Promoting Institutions (N=53)				
		Mean Rank			df=2	
		n=10 NGO	n=11 Govt. Agency	n=32 Bank	Chi- Square	Asymp. Sig
1.	A desired programme for self employment	35.00	29.55	23.63	6.469	.039*
2.	Create employment facility to other family members	24.20	25.68	28.33	.766	.682
3.	Establish economic empowerment of women	32.40	33.23	23.17	6.179	.046*
4.	Provide poor household to access formal banking system	25.20	32.73	25.59	2.482	.289
5.	Avoid high interest money lender	23.65	28.82	27.42	.777	.678
6.	Improved housing facilities	33.30	38.27	21.16	14.314	.001**
7.	Increase in income	25.40	33.50	25.27	3.504	.173
8.	Increase in savings	28.75	37.95	22.69	10.168	.006**
9.	Provide better food, health & educational facilities in a family	30.40	34.23	23.45	5.376	.068
10.	Improved social prestige	31.90	27.91	25.16	1.845	.397
11.	Solving problems through Mutual help	30.80	30.64	24.56	2.615	.270
12.	Improves self confidence among members	24.60	35.59	24.80	5.146	.076
13.	Good programme for poverty alleviation	26.55	35.14	24.34	4.461	.107
14.	Practice of jhum cultivation has been reduced	28.65	31.32	25.00	1.997	.368
15.	Provides funds for emergency needs through common fund	32.10	30.14	24.33	3.197	.202
16.	Poor individual gains strength as part of the group	27.45	29.45	26.02	.614	.736
17.	Developing leadership abilities	32.00	29.82	24.47	2.778	.249
18.	Awareness of Govt schemes	26.50	40.55	22.50	12.923	.002**

* $p < 0.05$ ** $p < 0.01$

Source: Field Survey

From Table-8, there was statistically significance on the 5 impact factors, indicating that the perceptions among NGOs, government agencies and banks (SHPIs) towards the impact of SHG- Bank Linkage Programme to the SHG members were significantly differences such as:

- ‘A desired programme for self employment’, $\chi^2(2) = 6.469$, $p < .05$, with a mean score of 35.00 for NGOs, 29.55 for Govt. Agency and 23.63 for Banks;
- ‘Establish economic empowerment of women’, $\chi^2(2) = 6.179$, $p < .05$, with a mean score of 32.40 for NGOs, 33.23 for Govt. Agency and 23.17 for Banks;

- '*Improved housing facilities*', $\chi^2(2) = 14.314$, $p < .01$, with a mean score of 33.30 for NGOs, 38.27 for Govt. Agency and 21.16 for Banks;
- '*Increase in savings*', $\chi^2(2) = 10.168$, $p < .01$, with a mean score of 28.75 for NGOs, 37.95 for Govt. Agency and 22.69 for Banks;
- '*Awareness of Govt. schemes among members*', $\chi^2(2) = 12.923$, $p < .01$, with a mean score of 26.50 for NGOs, 40.55 for Govt. Agency and 22.50 for Banks.

XIII. CONCLUSION

Although the roles and functions of SHPIs (NGO, government agency and bank) are different, the main objectives of them are to uplift the SHG of the poor, to increase their capabilities and linking them with the mainstream financial institutions. The SHPI and SHG members are the key stakeholders in SHG-BLP and the SHPI have a great influence on the success and outreach of the programme. Several studies concluded that SHG programme has significantly improved the socio-economic conditions of the SHG members in improving their banking habits, income, savings, asset holdings, employment, literacy as well as their confidence level etc (Puhazhendhi and Satyasai 2000, Puhazhendhi & Badatya 2002, NABARD 2005, Swamy & Tulasimala 2013). The present study of SHPI perceptions also concludes that the SHG-Bank Linkage Programme has made a significant contribution to the members relating to tangible and intangible benefits such as employment, economic and social development, formal banking system, awareness and confidence etc. Moreover, the Kruskal Wallis Test shows that there are statistically significance differences among the perception of SHPIs on the impact factors such as self employment, women empowerment, improved housing facilities, increase in savings and awareness of government programmes.

However, some studies have highlighted the major drawbacks of SHG implementation relating to banks and sponsoring agencies had not observed the guidelines issued by Government of India/Reserve bank of India (RBI 2003), lack of committed and motivated volunteers/fieldworkers (Motwani 2005), a wide disparity of inter-regional and intra-regional distribution of SHG and banking services (Kumar & Golait 2009), the burden of high interest rate charged on microcredit, the government involvements always bring political favouritism and corruption, and microcredit controlled by NGOs are also not accountable (Das and Abdul 2010), and a lot of emphasis on the provision of credit and subsidy (Ali 2011). The study also observed that the SHG programmes are widely distributed in Mizoram. The two major government programmes such as NRLM and NERLP in Mizoram have not yet covered the entire state and implemented only in selected districts of Mizoram. Similarly, NABARD presently engages only 5 NGOs under the SHPI project, which are not sufficient to cover a wide range of rural areas. It is, therefore, necessary to increase the outreach of government programme as well as NABARD programme, by identifying more viable NGOs to expand the movement. Commercial banks and cooperative banks are also needed to improve their level of participation. In addition, the Farmers' club, Individual Volunteers, the Federation of SHGs and cooperative banks, which have a potential characteristic for functioning as SHPI under NABARD, should be encouraged to increase the outreach of SHG movement in Mizoram.

During the study period, most of the SHGs under SJSRY in Mizoram have not accessed bank credit. In some areas, the study also found that only subsidy portion of the bank-loan was

disbursed to some SHGs. It appears that the beneficiaries under SJSRY were largely depended on revolving fund or subsidy. Such misleading concept could destroy the morale of SHGs members about the concept of self-help. In view of the government subsidized credit programme, Pati (2008) also revealed that many SHGs were formed due to the subsidy provision in the SGSY scheme and this had made the scheme popular in Meghalaya and the North-eastern Region. ASEED (2007) and VOICE (2008) in their study, recommended that the subsidised credit should be discontinued and the fund should be used for creating marketing support and incentives for good work, while Kashyap (2013) recommended the subsidy should be provided in accordance with their performance to encourage the viable SHG and put out the subsidy seekers.

Considering the problems faced by SHPIs, the study stresses the need for proper capacity building and training of SHG members, especially in activity based skill development and bank-linkages. On the other hand, the SHPIs are responsible for providing capacity building to increase the awareness levels of SHG members, to administer effective group coordination and maintain the SHG vibrant and creditworthy. Meanwhile, the bankers are also needed to improve their awareness on the importance and concept of SHGs beyond the commercial aspect of SHG banking, the objective of which is delivering formal bank credit to the needy poor. Moreover, NABARD must improve and timely deliver the grant support released to SHPI. Similarly, a study of SHPI carried out by Harper (2002) in Orissa, Uttar Pradesh and Karnataka also concluded that NABARD should redesign the SHPI incentive schemes, encourage banker's attitude towards SHGs and improve coordination between government programme and NABARD etc.

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