

Chapter-VII

Conclusion and Policy Implication

7.1: Conclusion:

The present study had three main objectives. First, was to discuss the trend of women SHGs in terms of communities and products, i.e whether the actual number of female SHGs was growing over time or not. Second, was to assess the performance of female SHGs. This performance analysis helps us to understand the current working status and hence quality of a particular group. Last, but not the least was to suggest policy measures accordingly for improving their performance.

As far as the trends of the SHGs in urban Tripura was concerned the polynomial is increasing at an increasing rate upto 2010-11 thereafter it was increasing at a decreasing rate. Side by side, the trend for rural women SHGs were increasing at an increasing rate from 2001-02 to 2004-05 and 2010-11, thereafter it was increasing at a diminishing rate in 2006-07 to 2009-10. As far as community specific distribution of groups was concerned, most groups were mixed (67.57 percent) and quite a few groups were ST groups (2.74 percent). In case of income generating activities, most of the groups (44 percent) were engaged in construction work. Only 2 percent groups were engaged in service. It was very interesting to note that 2 women groups had taken rickshaw pulling as their economic activity. So far as the performance of the groups was concerned, mean score of all parameters of very good and good performing groups had significant difference at 1 percent level of significance. Another important finding was that 228 SHGs were rated as very good (78 percent) and 65 groups were rated as good (22 percent). No poor rated group was found in Agartala Municipal Council Area. So far as the performance measuring variables were concerned, age of the SHG, utilisation of savings by grants of internal loans,

group's internal loan recovery rate and members benefitted out of groups' internal loaning were the four important variables which affect the overall performance of the SHGs. And number of members', interest rate on groups' internal loans, maintenance of books and records were the least important variables in performance determination. Members' benefitted out of groups' internal loaning (MBGIL) had the maximum value of 0.952 in rotated component matrix and least value of 0.516 was in interest rate on groups internal loans(IGIL).

Table-7.1.1: Assessment of SHGs on the basis of Six Parameters

Variables	Parameters	Difference between Very Good and Good Performing Groups Significant or Not Significant
(i) Number of Members	1.Group Constitution	Significant
(ii) Composition of the group		
(iii) Age of the SHG		
(iv) Educational level		
(v) Monthly Meeting during last six months	2.Group Discipline	Significant
(vi) Attendance of members' in the Group Meetings		
(vii) Participation of Members' at Group Meetings		
(viii) Savings Regularity	3.Financial Management in Groups	Significant
(ix) Quantum of Savings		
(x) Utilisation of Savings by Grants of Internal Loans		

Variables	Parameters	Difference between Very Good and Good Performing Groups Significant or Not Significant
(xi) Interest Rate on Group's Internal Loans		
(xii) Group's Internal Loan Recovery Rate	4. Repayment Pattern	Significant
(xiii) Members' Benefitted out of Group's Internal loaning		
(xiv) Awareness among members'	5. Group Governance	Significant
(xv) Rotation of Group Leaders'		
(xvi) Maintenance of Books and Records with/without outside help	6. Record Maintenance	Significant

Source; Field Survey (2012-13)

The variables which affect the performance in order of importance will be tabulated below.

Table-7.1.2: Relative Importance of Sixteen Variables in Performance Determination

Variables	
1	Age of the SHG
2	Utilisation of Savings by Grants of Internal Loans
3	Groups' Internal Loan Recovery Rate
4	Members' Benefitted out of Groups' Internal Loaning
5	Monthly Meeting during last six Months
6	Quantum of Savings
7	Composition of the Group
8	Educational Level
9	Participation of Members' at Group Meetings
10	Awareness among Members'
11	Rotation of Group Leaders'
12	Attendance of Members' in the Group Meetings
13	Savings Regularity
14	Number of Members'
15	Interest Rate on Groups' Internal Loans
16	Maintenance of Books and Records

Source: Field Survey (2012-13)

7.2: Policy Implications:

Women SHGs in Tripura under SJSRY and SGSY has an increasing trend over the years. Side by side, most of the female Self Help Groups in Agartala Municipal Council Area are performing well. There are, however, some drawbacks, if rectified in time will provide avenues for their further growth and development. The following are some of the suggestions for improving performance of SHGs in urban area of Agartala Municipal Council, Tripura. Side by side, India has recorded an unprecedented growth of SHGs. Starting with 500 SHGs in 1992 in SHG Bank Linkage Programme in India, the number

increased to 73.18 lakh in 2012-13 with savings amount 8217.25 crore. Out of this, exclusive Women and SGSY SHGs are 59.38 lakh and 20.47 lakh with savings amount of Rs 6514.38 crore and 1821.65 crore respectively in 2012-13. Only in 2012-13 the absolute number of groups has reduced compared to the previous year. For instance, the total number of groups was 7960349 in 2011-12, it reduced to 7317551 in 2012-13.

1. Composition of the Groups: As per the existing literature, the members of the same group must have same social and economic background i.e they must come from same community and the level of income must be same. If they belong to the same community then they can understand each other better, interact more freely with each other, commonly determine the amount of savings, loans, date of meeting with each other, can discuss their common problems and try to find solution jointly. Mixed community groups, hence are not preferred. Again economic background also hinders them to mix with each other. In the sample data, most of the groups are mixed community groups. Quite a few groups are UR, SC, ST, OBC.
2. Economic activities: The most important factor that arises from the present study is that the development of economic activities is crucial for the success of an SHG. A large number of groups in this area are engaged in construction of road and drain as their economic activities and earning partial income. These works are not generating enough income since the middlemen took a lump sum amount for getting that job and it is laborious for women members. None of the groups are seen to be taking efforts to help the members to identify suitable income generating activities based on skills and aptitudes. All the groups have taken up individual economic activities but group activities are very few.

After the initiation of economic activities only few members actively work in the group. Presence of dormant members can be found in almost all groups. These groups are disintegrating due to the presence of these dormant members who do not work but earns only income. Non participation of all

members in group activity and the division of credit into individual members defeats the very purpose and aim of SHGs.

Marketability of the goods will have to be improved and the group members have to be trained for the initiation of proper economic activity.

3. **Paucity of Fund:** The another major problem which is to be corrected is the paucity of fund. The members of the group are poor who do not have sufficient income, savings, assets etc. Hence they are saving a small amount of money. Not only that, due to financial stringency they are not paying interest of loans and principal amount to the group. Most of the time the female members have to collect the savings from their husband, who are not willing to pay that amount , as a result the accumulated fund of the group is too little to undertake any large scale economic activity.

The government officials are not helping them in time. As a consequence most of the groups have taken more than normal time to pass Grade- I. Due to financial and organizational problems, the groups are not awarded Grade II in which case they are not getting pre determined lump sum amount. Hence government must come forward to solve the financial problem of the groups.

4. **Level of Education:** Most of the respondents have low level of education. In a SHG, simple and clear books for all transactions are to be maintained. The members must know simple mathematics for calculation of total savings made by the group, rate of interest on loans and the amount of unpaid loan etc. At the time of field visit, it was found that only President and Secretary of the SHGs have some education. The general members are poorly educated. As a result, they cannot understand the accounts maintained by the office bearers. In this way mutual trust among the members break down and in many cases the group become defunct. Lack of education becomes a hurdle to take decisions of the group in democratic and transparent way. As such it is desirable that each member

of the SHG should have minimum level of education to smoothly run the group activities.

5. Training: Intensive training and capacity building at the group level of the members of the group is necessary for their skill formation and improving quality of the group. Most of the members are partially educated and unskilled. Since they are unskilled, their productivity is low. As a result the quality of the goods produced by them is low and price charged by them is high. Faced by stiff competition in the market, they cannot sell their product. Consequently, most of the SHG stops production.

During field interview, it was found that most of the members are aware of benefits of training and they are interested to join. It was reported that due to paucity of fund, Agartala Municipal Council is unable to provide training for last few years. Agencies like Banks, NGOs and Agartala Municipal Council must come forward to impart training of the members of the Self Help Groups.

6. Cohesion of the group: It is well known fact that cohesion of the group is an important and integral factor behind the success of Self Help Groups. Mutual trust among the members, social interdependence (need satisfaction) among the members is necessary. From cradle to grave they face various economic and social problems. They look upon their own group as a support base to tackle these problems. For instance, husband of one member was critically ill and hospitalized. The member appealed to the group for help and received sufficient support in treatment so that he returned home hail no heart. Another member of the SHG needed money for reconstructing her house. She appealed to the group and received support which made her happy and to feel that the group cares for her.

Another aspect of social capital is the team spirit. Compared to other groups a successful SHG has better team spirit. It is found that the members of the group are participating with joy in various *melas* (Fairs). Cohesion of group will improve if the members of the group participate in the meetings regularly. In the

sample group members eagerly wait to take part in the meeting. For most of the groups four meetings are held in a month over ninety five percent participation. The groups are participating as a team showing great deal of team spirit in division of labour and cooperation.

So far as the growth rate of women SHGs in Tripura is concerned, SHGs under SJSRY Programme has increased at an increasing rate upto 2010-11 thereafter it has increased at an diminishing rate. Side by side the women SHGs under SGSY Programme have increased at an increasing rate upto 2004-05. In 2005-06 and 2006-07 the growth rate has increased at a decreasing rate. Again, the growth rate has increased at an increasing rate upto 2010-11thereafter in 2011-12 and 2012-13 it has increased at a diminishing rate. Alongside growth rate of female SHGs, in case of the community specific distribution of groups most groups were mixed and quite a few groups are ST groups . In case of income generating activities, most of the groups were engaged in construction work. Only few groups were engaged in service. So far as the performance of the groups was concerned, mean score of all parameters of very good and good performing groups have significant difference at 1 percent level of significance. Another important finding was that most SHGs were rated as very good. No poor rated group is found in Agartala Municipal Council Area. The sixteen variables has been ranked in order of importance as follows. Age of the SHG, utilization of savings by grants of internal loans, group's internal loan recovery rate and members benefited out of group's internal loaning affects performance the most. The other variables which influences performance in order of importance were participation of members' at group meetings, awareness among members' about rules of SHG, rotation of group leaders, attendance of members' in the group meetings, savings regularity, quantum of savings, monthly meeting during last six months, composition of the group, educational level, number of members, in the group, interest rate and maintenance of books and records.

Most groups in Agartala Municipal Council are performing well. Though there are certain challenges if rectified in time will provide avenues for further growth and development. The socio economic background of the members' of the

group is not uniform. Due to fund limitation and lack of skill the choice of their economic activity is not proper. Low level of education and lack of cohesion among the members' are another challenge faced by them. If these problems are solved in time then as the "little drops of water makes an ocean' the members' savings will slowly grow into large sums. Hence it is rightly said "**when women move forward, the family moves, the village moves, and the nation moves**".