

THE INTERNATIONAL JOURNAL OF BUSINESS & MANAGEMENT

Self Help Group Businesses and Motivation of SHG-Members with Special Reference to Meghalaya

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Abstract:

The development of Self Help Groups (SHGs) has become the medium and is conversantly targeted to combine them under the broader umbrella of rural development programmes being a national objective for the purpose of eradication of poverty and employment generation in the country. At large, SHGs are given more importance as an intervening tool with a view to ease out the work of implementation of rural development schemes in the last couple of decades. Hence, their formation, promotional activities and capacity building programmes are also become a part of government's policy making and budgeting item in the economic plan of the country. But the most important fact is that the bureaucratic policies are also involved in the activities for the development of SHGs for the purpose of savings and credit deliveries to them. The present growth and development of SHGs programmes indicates that the scenario of exclusionary denial due to un-bankable status which was existed before and the inclusionary programmes through micro credit has become two sides of the same coin. As the growth and development of SHG businesses and the motivation of SHG-members would not able to reach a position, although rural development programmes have been implemented, they could not achieved the self sufficiency of resources that a poor family required after promoting a SHG business. However, this present study is an endeavour to show some hints of success and failure in this direction that how the members of SHGs are motivated to participate in the capacity building programmes and to the businesses of SHGs. These are highlighted through the activities of promotion, savings, repayment of loans, members' performance in the clearance of outstanding loans and maintenance of clean record not being a NPA defaulter. These variables are explained to see their significance in the sustainability of SHG businesses in the region as well as in the country.

Keywords: Bank credit and capacity building and training support programmes for SHGs and Motivation of members of SHG towards the SHG businesses.

1. Introduction

In the world, with the beginning of movement of microfinance with the new dimension, India has also flooded in the same wave of hope and programmes especially for those who were being deprived of since a long time from formal financial support and this problem has reduced in 1992, when NABARD had officially started microfinance movement in the form of SHG-Bank linkage programme in the country. The many empirical evidences based on literature of microfinance programmes justifies that SHGs movement has evolved into a very effective and productive programme for poverty reduction and employment generation for masses than any other programme ever implemented before. Programmers, implementing report, and researchers literally statements, governments project reports, etc. are the proven documentary evidences of SHGs' growth and development, although the picture of these growth and development in the real field are varied from the target and objectives of national rural development programmes. However, the poor families of any country should accept the programme as 'something is better than nothing' might be considered as a logic behind the picture of growth and development of microfinance programme in the country and especially in the state of Meghalaya.

The growth and development of SHGs cannot take place itself, no matter how much financial support and nourishment activities are carried out through training and capacity building programmes will not give a desired result until and unless this desire takes birth in the minds of SHG-members for their self motivation for the same. The policy makers and programmers have organised many programmes along with SHG businesses to eradicate poverty or generation of income through economic activities. However, the magnitudes of motives of members of SHGs is the degrees of keenness towards the activities of SHG businesses which can give the ultimate decision, whether a particular SHG business will sustain for a long or short period of time. In a case study of Morogoro in Tanzania (Selejio, O. et. al, 2005) expressed that access to credit is supposed to enhance households' ability to manage scarce resources more effectively and protection against risk and provision for the future are more important. It is argued that one of the reasons for the high mortality rate and loan default is the change in agent's attitude towards risk caused by access to credit. The

government of different countries and donor agencies emphasise development of programmes directed particularly to owners of micro-enterprises (Webster, 1991). There have been several models in which credit intervention to the microenterprises has been carried out either through group or individual lending. Nevertheless, whatever methods of interventions, the mortality rate of microenterprises is pervasive and loan defaulting even at higher rounds of access is now uncommon. Recent studies in Tanzania show that less than 30 percent of the microenterprises survive to their third anniversary (Selejio 2002, Mduma and Wobst 2005). A proper access to credit stimulates entrepreneurs as well as selection of entrepreneurial activities which may be risky undertakings but may give high returns to them and at the same time credit providers also need to devise some mechanism that force the credit recipients to concentrate on activities that would enable them to repay the loan in time. However, the effects towards risky undertakings can have serious implications among financial institutions that cater for the microenterprises because default is likely to occur at higher rounds of loaning, which normally involves larger amounts than the initial loan and in this respect, very little effort is directed to the expansion of the microenterprises (Simtowe et al. 2005).

The sustainability and success of SHG businesses is the degree of response of the members of the SHGs on the each of the factors that are responsible for the establishment of SHGs either they are may be of financial or non-financial nature but overall success lies with self motivation of members towards the activities for which they are involved (Vijayarangavan, T., 2014). Motivation basically is a process to try to affect someone to do what we want to do (Martoyo, 2000). Although the evolution has been shown as successful trend of growth and development in an empirical manner but negative growth rate also has seen in this study. Microcredit is not suitable for poor people who are hungry as they do not have the income to repay loan (Parulian S. et al. 2014). However, there is no doubt that the programme has able to bring some sensitization of evolution of grouping of poor people and doing something in-group is less risky from the either side of recipient of credit and providers of loan than instead of doing something alone.

2. Objectives and Methodological Design of Study

The main objective of this study is to focus the overall performance of SHG-bank linkage programmes (SBLP) in the country, in the North Eastern Region and with a special reference to the State of Meghalaya that how the programme is working for the benefit of SHGs and members of SHGs in the region. As inputs, the activities which are implemented either financial or non-financial to the programme are given some hints for discussion when we look back the performance as achieved during the last few years after the implementation of programme. And at the same time the question is whether these are sufficient to move members towards the objectives of SHG businesses or not. This paper is an attempt to notice some of the shortfall issues in regard to motivation of members of the SHGs in the country as well as in the state of Meghalaya. The methodological design and collection of data for the paper are basically base on the secondary information from the reports of RBI, NABARD and the government of India and for this purpose statistical techniques and methods are extensively exercised to find the results of the paper. The motivational data have been designed on the scale of annual percentage growth rate of promotion of SHGs and participation of SHG/members for capacity building and training programmes conducted by policy makers.

3. Birth of SHG-Bank Linkage Programme in the Country

The development of idea of SHG–Bank linkage programme came into existence during the fifth General Assembly of the Asia Pacific Regional Agricultural Credit Association (APRACA) in 1984. They have considered the experiences of informal Self Help Groups as a useful innovation for rural credit development and further it has been consulted with the Scheme for Agricultural Credit Development (SACRED) at Rome in 1985 in order to promote the linkages of SHGs with the financial institutions to provide banking services to the poor. The APRACA has approved workshop of linkages in the Executive Committee Session at Seoul in October, 1985 and later on it was recommended by the APRACA Regional Workshop at Nanjing, China in May 1986 for consultation and organization of national level surveys of SHGs in collaboration with APRACA and other agencies (RBI, 2007-08). The actual Task Force to conduct a survey for linkage promotion between banking institutions and SHGs in order to mobilize savings and to deliver credit to the rural poor was taken place after the Sixth General Assembly of APRACA, which was held at Kathmandu in December 1986. According to this discussion the each member country has to formulate suitable national level programmes to conduct a survey of SHGs in the country to promote SHG-bank linkage programme. Accordingly, in India in February 1987 a Task Force was set up in the Ministry of Agriculture under the leadership of NABARD, comprising of representatives from various financial institutions a survey was conducted in September, 1987 and the report was submitted in the 18th Executive Committee Session of APRACA to discuss the programme.

Later on this SHG-Bank Linkage Programme has been recognised as a successful pilot project in 1992. The programme was initially carried out in a limited number of states and later on the programme has been widened all over the country. This programme not only proved to be very successful, but has also emerged as the most popular model of microfinance in India and the largest programme in the world. Subsequently the success of the programme has emerged with other approaches like Microfinance Institutions (MFIs) in the country (RBI, 2007-08). It would be relevant to recall that some of the lead NGOs such as the Cooperative Development Foundation, MYRADA, SEWA, SHARE, APMAS, SADHANA and PRERANA had abundantly contributed to promoting and popularising the concept of microfinance at the grass root level prior to NABARD initiatives (Sarkar, A. N et al, 2006). Looking the successful stories in the programme all the financial and non financial stakeholders of the country especially RBI, NABARD, Ministries of Rural Development, SIDBI, NIRD, SIRD, IIE, international and national NGOs have come together with different types of models, plans and policies to enhance the microfinance programme with a new paradigm shift of rural development and poverty alleviation to give maximum economic benefit to the masses in the country. However, most of them have chosen SHGs as the most effective Channel of delivering microfinance in the country and therefore SHG business has become the largest programme in the world.

4. Microfinance Models for SHGs

The microfinance emerged as a noble substitute for informal credit (Morduch and Haley (2002) models is diverse and still evolving programme due to various socio-cultural and socio-economic conditions in order to make it more suitable and affordable according to the circumstances of local conditions and needs of poor people of the country. Keeping this in view and replicating the experiences of other countries initially the microfinance programme has come into existence with two models and these are SBLP Model and MFIs Model. Later on again the SBLP Model has been sub-divided into three models and these are: In Model-I SHGs promoted, guided and financed by banks; in Model-II SHGs are promoted by NGOs/government agencies and later on they are financed by banks and in the Model-III SHGs are promoted by NGOs and financed by banks indirectly through NGOs or formal agencies as financial intermediaries. Among them the Model II has emerged as the most popular model under the SBLP programme. Commercial banks, co-operative banks and the regional rural banks have been actively participating in the SBLP model (RBI, 2007-08).

5. MFIs Models in India

The MFI model in India is characterised by a diversity of institutional and legal forms. MFIs in India exist in a variety of forms like trusts registered under the Indian Trust Act, 1882 or Public Trust Act, 1920; societies registered under the Societies Registration Act, 1860; Co-operatives registered under the Mutually Aided Cooperative Societies Acts of the States; and Non-banking Financial Companies (NBFC)-MFIs, which are registered under Section 25 of the Companies Act, 1956 or NBFCs registered with the Reserve Bank. These MFIs are scattered across the country and due to the multiplicity of registering authorities, there is no reliable estimate of the number of MFIs. The most frequently used estimate is that their number is likely to be around 800. Attempts have been made by some of the associations of MFIs like Sa-Dhan to capture the business volume of the MFI sector. As per the Bharat Micro Finance Report of Sa-Dhan, in March 2008, the 223 member MFIs of Sa-Dhan had an outreach of 14.1 million clients with an outstanding micro finance portfolio of Rs.5954 crore (RBI, 2007-08).

6. Bank Partnership Model

The bank partnership model is a model like principal and agent between banks NGOs, MFIs other than NBFCs, where MFIs acts as an agent to take care all the relationships with clients from first contract through final repayment. Almost all activities like handling of credit, monitoring, supervision and recovery of loan are given to MFIs. Moreover, In January 2006, the Reserve Bank permitted banks to utilise the services of NGOs, MFIs (other than NBFCs) and other civil society organizations as intermediaries in providing financial and banking services through the use of Business Facilitator and Business Correspondent (BC) models. This model allows banks to do 'cash in cash out' transactions at a location much closer to the rural population. It uses the MFI's ability to get close to poor clients a necessity for savings mobilisation from the poor while relying on the financial strength of the bank to safeguard the deposits. (RBI, 2007-08).

In 1999, a joint Task force on Supportive Policy and Regulatory Framework was set up by NABARD and RBI to look into the entire regulatory issues relating to microfinance delivery through MFIs and later on this cell has been converted into a microfinance and financial inclusion division in RBI. Based on the reports of the special cell and the Task Force on Supportive Policy and Regulatory Framework, RBI has issued comprehensive guidelines to banks in February 2000 for mainstreaming micro credit and enhancing the outreach of micro credit providers. Banks were given freedom to formulate their own model or choose any conduit or intermediary for extending micro credit. In October 2002, the RBI set up four informal groups to look into issues relating to: (i) structure and sustainability (ii) funding (iii) regulations and (iv) Capacity Building of microfinance institutions.

Taking into consideration the recommendations of the groups, banks were advised that they should provide adequate incentives to their branches for financing the SHGs and that the group dynamics of working of the SHGs should be left to them. The Union Budget for the year 2008-09 announced that banks would be encouraged to embrace the concept of total financial inclusion and in this regard it has been suggested that all scheduled commercial banks are required to meet the entire credit requirements of SHG members, namely: (a) income generation activities; (b) social needs like housing, education, marriage; and (c) debt swapping. In April 2008, all banks were advised by the RBI to meet the entire credit requirements of SHG members, as envisaged in the Union Budget.

7. Grants for MFIs to support SHGs in the Country

Except the Model-I, the remaining two models are directly or indirectly involved the role of NGOs as MFIs or only service providers. Since most of the MFIs in India are NGOs and are doing the work of promotion and lending services. Only recently have a few of them become transformed into non-banking finance companies in order to take advantages of the formal regulation (Shylendra, H. S, 2006). Hence the role of NGOs is also very important in the movement of SHGs towards the economic activities and employment generation for poor. However, the recent development of NGOs and their performance need an enhancement that in a country like India where the maximum (69%) population's background is belong the rural areas. The number of NGOs that involve in the development of SHGs is very less compare to the number of population figure which is around 235190 persons per NGO in 2014. Till 2014, only 3545 NGOs were practically involved in the promotion of SHGs all over the country. Whereas the same picture in NER and in Meghalaya are very less compare to the overall picture in the country.

The promotion of number of SHGs per NGO shows 106 SHGs in the country in the year 2014 (Table-1) whereas the same in the NER and especially in the state of Meghalaya it was just 47 SHGs per NGO during the same period of time. The during the period from 2008 to 2014 the savings linked as well as credit linked of SHGs in the state of Meghalaya did not change much whereas the overall picture in the country has shown a downward trend for both savings and credit linking activities though they are important aspect of SHGs' identification as well as their involvement for further self reliance activities.

Moreover, financial support to the existing number of NGOs has shown that there was a huge gap between funds sanctioned for NGOs and fund released to them. In the year 2008 the fund sanctioned for NGOs was Rs. 4841.67 lakhs and out of which only 2093.08 only released to them (Table-2). The same picture in the 2014 (sanctioned Rs. 22898.17 lakhs and released only Rs. 7774.46 lakhs) was more compare to the year 2008. Similarly, in the North Eastern Region and especially in Meghalaya the granting activities of the financial institutions shows a very poor performance that in the year 2014 an amount of Rs. 102.63 Lakhs was sanctioned for Meghalaya whereas only Rs. 19.84 lakhs only released to them and per NGO grant receipts comes only Rs. 1.32 lakhs (Table-2). During the period from 2008 to 2014 the overall picture of grant sanctioning and releasing of fund have shown a slow process and at the same time it has indicated that the process of SHGs promotion has come down. The speeding up of fund released would have given a better picture of SHGs promotion and their involvement in the different economic activities if it would have taken place at the same time. Moreover, it is also indicated that more encouragement of self-motivation among the members of SHGs is also depend on timely nourishment and support so that a better performance from the members of SHGs in the country as well as in the state of Meghalaya can be expected.

| State/Region/Country | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | LGR | |
|---------------------------|----------|--------|--------|--------|--------|--------|--------|--------|-------|
| No of HGs Promoted | Megh | 191 | 191 | 199 | 445 | 445 | 566 | 707 | 24.66 |
| | Per NGO | 38 | 27 | 22 | 49 | 49 | 40 | 47 | 7.93 |
| | NER | 16821 | 12704 | 14297 | 16971 | 18864 | 19455 | 18035 | 4.78 |
| | Per NGO | 140 | 86 | 132 | 140 | 111 | 98 | 92 | -4.22 |
| | India | 174890 | 214927 | 244367 | 268791 | 283007 | 362803 | 375966 | 12.46 |
| | Per NGO | 137 | 106 | 110 | 80 | 94 | 99 | 106 | -3.79 |
| No of SHGs savings linked | Megh | 142 | 142 | 150 | 366 | 366 | 457 | 546 | 25.96 |
| | % of SHG | 74.35 | 74.35 | 75.38 | 82.25 | 82.25 | 80.74 | 77.23 | 1.31 |
| | NER | 15293 | 11969 | 13556 | 16139 | 16998 | 17236 | 17289 | 4.73 |
| | % of SHG | 90.92 | 94.21 | 94.82 | 95.10 | 90.11 | 88.59 | 95.86 | -0.05 |
| | India | 162471 | 187203 | 232217 | 254581 | 267152 | 305883 | 288778 | 10.17 |
| | % of SHG | 92.90 | 87.10 | 95.03 | 94.71 | 94.40 | 84.31 | 76.81 | -2.29 |
| No. Of SHGs credit linked | Megh | 53 | 53 | 53 | 147 | 147 | 148 | 261 | 28.06 |
| | % of SHG | 27.75 | 27.75 | 26.63 | 33.03 | 33.03 | 26.15 | 36.92 | 3.40 |
| | NER | 8104 | 7060 | 8135 | 10471 | 10781 | 11884 | 12355 | 9.24 |
| | % of SHG | 48.18 | 55.57 | 56.90 | 61.70 | 57.15 | 61.08 | 68.51 | 4.46 |
| | India | 111828 | 134861 | 157831 | 175080 | 181196 | 184297 | 208106 | 9.38 |
| | % of SHG | 63.94 | 62.75 | 64.59 | 65.14 | 64.03 | 50.80 | 55.35 | -3.09 |

Table 1: Number of SHGs Promoted and Linked with Bank by NGOs in the country

Source: Status of Microfinance in India-NABARD- from 2008 to 2014 and calculated by Author NER=North Eastern Region. Megh=Meghalaya.

8. Banking Transactions with SHGs and Annual Growth

The banking transactions of SHGs with banks are basically confined with savings and credit related transactions and these are common almost with all SHGs in the country except those services and promotional activities which are generally banks have carried out for Model-I under the SHG-bank linkage programme. Although, the objectives of promoting SHGs are many, but out of that linking of SHGs with bank for financial support is the vital one which works like a blood circulation within the group itself. The status of banking transactions of SHGs with banks primarily have come from commercial banks, regional rural banks, cooperatives banks and some of them from private banks are the prime source for credits. It is no matter whether the financial services are direct or indirect by their nature but the ultimate aim is to provide collateral free bank loans to masses of the SHG businesses. The annual percentage growth rate shows that during the last decade the performance of SHGs toward the banking transactions have trended down significantly during the period from 2008 to 2014. Moreover, the performance SHG-businesses have significantly gone down due to poor credit maintenance. Apart from that the reason for less economical activities has also lowered down their performance to repayment the outstanding loans during the period.

The analysis of banking transactions of SHGs through the Table-3 and Table-4 shows that though the initial annual percentage growth rate for savings as well as for credit was looked very encouraging one, but in the later years these transactions had slowed down that in the year 2009 the annual percentage growth rate of number of SHGs that have connected with savings link was only 22.18% and the same has gone down to 1.53% in 2014 in the country. Moreover, the repayment of outstanding loans has shown a negative annual percentage growth rate (-5.71%) during the year 2014 which is not a good sign for SHGs, apart from that the loan disbursement has shown only 12.02% annual growth rate during the same period in the country (Table-3).

In the region like North Eastern Region where almost all types of development and implementation of programmes always take place late and poor performance, which can be seen from the Table-3 that though the annual percentage growth rate of savings and bank loan in the year 2009 have shown positive figures of savings (18.25%) and credit (21.93%), however the same have shown a negative annual percentage growth rate during the year 2014 (-2.35% savings and -35.63% credit) (Table-3). It was noticeable fact that outstanding loan with SHGs has shown a negative annual percentage growth rate (-11.44%) during the year 2014 (Table-3). The

similar picture was also taken place in the state of Meghalaya except outstanding loan which has shown a positive annual percentage growth rate (29.42%) which is not a good sign for SHGs in the state (Table-3).

| State/Reg/country | | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | LGR |
|-------------------|---------|---------|---------|---------|---------|---------|---------|---------|------|
| NGOs No. | Megh | 5 | 7 | 9 | 9 | 9 | 14 | 15 | 16.7 |
| | NER | 120 | 147 | 108 | 121 | 170 | 198 | 196 | 9.00 |
| | India | 1272 | 2027 | 2231 | 3363 | 3013 | 3651 | 3545 | 16.3 |
| Rural pop per NGO | | 655463 | 411322 | 373711 | 247918 | 276717 | 228362 | 235190 | |
| Sanctioned | Megh | 13.85 | 15.35 | 24.10 | 24.10 | 49.10 | 88.70 | 102.63 | 36.5 |
| | Per NGO | 2.77 | 2.19 | 2.68 | 2.68 | 5.46 | 6.34 | 6.84 | |
| | NER | 375.66 | 449.83 | 505.91 | 593.26 | 690.71 | 1020.73 | 816.52 | 15.3 |
| | Per NGO | 3.13 | 3.06 | 4.68 | 4.90 | 4.06 | 5.16 | 4.17 | |
| | India | 4841.67 | 6405.71 | 9025.81 | 12626.8 | 16200.6 | 19932.2 | 22898.2 | 26.9 |
| | Per NGO | 3.81 | 3.16 | 4.05 | 3.75 | 5.38 | 5.46 | 6.46 | |
| Released | Megh | 6.06 | 6.06 | 6.19 | 10.46 | 10.46 | 17.59 | 19.84 | 22.2 |
| | Per NGO | 1.21 | 0.87 | 0.69 | 1.16 | 1.16 | 1.26 | 1.32 | |
| | NER | 168.97 | 161.45 | 196.80 | 247.91 | 1992.89 | 372.33 | 373.66 | 22.7 |
| | Per NGO | 1.41 | 1.10 | 1.82 | 2.05 | 11.72 | 1.88 | 1.91 | |
| | India | 2093.08 | 2773.93 | 3469.69 | 4471.37 | 4882.31 | 6647.68 | 7774.46 | 21.5 |
| | Per NGO | 1.65 | 1.37 | 1.56 | 1.33 | 1.62 | 1.82 | 2.19 | |

Table 2: Grant Sanctioned & Released by Government of India for NGOs to Support SHGs (Rs. Lakhs)

Source: Status of Microfinance in India-NABARD- from 2008 to 2014 and calculated by Author

| Area | Years | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|-------|---------------------------|--------|--------|--------|--------|--------|--------|
| India | No. of SHGs for Savings | 22.18 | 13.59 | 7.32 | 6.68 | -8.07 | 1.53 |
| | No. of SHGs for Bank loan | 244.07 | -62.44 | -24.62 | -4.03 | 6.27 | 12.02 |
| | No. of SHGs for O/s loans | 16.50 | 14.84 | -1.33 | -9.03 | 2.23 | -5.71 |
| NER | No. of SHGs for Savings | 18.25 | 21.70 | 11.14 | 12.93 | -11.68 | -2.35 |
| | No. of SHGs for Bank loan | 21.93 | 40.15 | -21.01 | 29.76 | -50.65 | -35.63 |
| | No. of SHGs for o/s loans | 13.91 | 13.56 | 12.14 | 6.30 | -11.80 | -11.44 |
| Megh | No. of SHGs for Savings | -32.19 | 22.41 | -9.62 | 32.27 | -32.06 | -24.48 |
| | No. of SHGs for Bank loan | -53.20 | 88.93 | -41.27 | -37.92 | -42.11 | -56.25 |
| | No. of SHGs for o/s loan | -28.69 | 2.44 | 6.93 | -24.71 | -7.51 | 29.42 |

Table 3: Annual % growth/declining rate of Number of SHGs involved in Banking transactions

Notes: Number of SHGs' transactions with all Banks like commercial banks (CBs) Private Banks (PBs), Regional Rural Banks (RRBs) and Cooperative Banks (COBs). Source: Status of Microfinance in India-NABARD- from 2008 to 2014 and calculated by Author

| Area | Total Transaction with all Banks | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|-------|----------------------------------|--------|--------|--------|--------|--------|--------|
| India | Savings with all banks | 46.50 | 11.78 | 13.19 | -6.63 | 25.43 | 20.45 |
| | banks loans with all banks | 156.29 | -36.27 | 0.65 | 13.66 | 24.50 | 16.67 |
| | loan outstanding with all banks | 33.41 | 23.63 | 11.35 | 16.40 | 8.35 | 9.02 |
| | NPA with all banks | 41.37 | 25.54 | 77.08 | 41.86 | 25.23 | 8.72 |
| NER | Savings with all banks | 18.27 | 19.17 | 7.71 | 16.38 | -14.69 | -0.99 |
| | banks loans with all banks | 65.70 | 17.61 | 10.75 | 40.61 | -60.07 | -28.86 |
| | loan outstanding with all banks | 31.96 | 43.51 | 3.23 | 42.86 | -19.78 | -5.39 |
| | NPA with all banks | 82.68 | -10.51 | 144.89 | -15.27 | -2.81 | -3.57 |
| Megh | Savings with all banks | 5.74 | 9.94 | 4.41 | 10.27 | 24.33 | 4.07 |
| | banks loans with all banks | -62.62 | 73.56 | -14.17 | -35.53 | -5.49 | -56.70 |
| | loan outstanding with all banks | -40.72 | 17.60 | 10.80 | -6.06 | 26.30 | -28.00 |
| | NPA with all banks | -59.59 | 52.10 | -2.74 | 337.68 | -82.35 | 132.98 |

Table 4: Annual % Growth/declining rate of Savings, Bank loan, Loan o/s and NPA with SHGs

Notes: all Banks includes commercial banks (CBs) Private Banks (PBs), Regional Rural Banks (RRBs) and Cooperative Banks (COBs) Source: Status of Microfinance in India-NABARD- from 2008 to 2014 and calculated by Author

During the same period the overall annual percentage growth rate of NPAs for various SHG businesses has shown a declining trend from 77.08% in 2011 to 8.72% in 2014 whereas the same NPA growth rate in the entire North Eastern Region though has shown a negative growth rate however, for the state of Meghalaya it has increased from -82.35% in 2013 to 132.98% in 2014 (Table-4). The safe and comfortable banking transactions are basically based on the level of NPAs measurement for a sound disbursement of loans, however, this study shows that the overall annual percentage growth rate for NPAs has not shown a satisfactory level in the banking transactions of the various SHGs in the state. The status of banking transactions has indicated that the performance of SHG businesses have encountered shortage of means and implementation for income generating activities for their families and management of self status in uplifting the societal value with these businesses. Moreover, there were no sufficient credit transactions according to the promoted number of SHGs in the state.

9. Capacity Building and Training Support Programmes and Motivation of SHG Members

The development of SHG business alone is not enough without proper understanding of the problems and prospects. Moreover, capacity building among the members of the group is another challenged for all the stakeholders in the development of microfinance and rural development with the help of SHG businesses. As a result of this government has organised different types of training and capacity building programmes across the country especially for bankers, NGOs, government officials, SHG leaders, members of SHGs, PRI members, etc. as given in the Table-7, Table-8 and Table-9. The maximum average number of programmes for SHG leader/members training during the last 7 years was 113819 programmes and their percentage share among the all programmes was almost half (49.65%) of the 7 yearly average percentage compare to the other programmes in the country. Even then the performance of SHG-businesses could not able show a prospective one in the country.

| Various Teams under Capacity Building Programmes | During the year Average of 7 years From 2008 to 2014 | | | Cumulative average of 7 years from 2008 to 2014) | | |
|--|--|--------|--------|--|--------|--------|
| | Avg. No. | % | LGR | Avg. No. | % | LGR |
| bankers | 21196 | 9.25 | -15.36 | 284977 | 10.90 | 6.79 |
| trainers | 741 | 0.32 | -38.43 | 3924 | 0.15 | 15.10 |
| NGOs | 13578 | 5.92 | 2.77 | 91456 | 3.50 | 18.76 |
| Govt. Officials | 3438 | 1.50 | -15.76 | 64822 | 2.48 | 2.14 |
| SHG leaders/members | 113819 | 49.65 | -22.04 | 1617491 | 61.89 | 5.45 |
| Exposure visits | 740 | 0.32 | -31.84 | 8984 | 0.34 | 4.56 |
| Field visits to BLBC to SHGs | 4143 | 1.81 | -13.24 | 59026 | 2.26 | 7.17 |
| Training for elected members of PRIs | 1484 | 0.65 | 0.00 | 13604 | 0.52 | 13.04 |
| Other Trainings | 23309 | 10.17 | -72.27 | 263345 | 10.08 | 8.40 |
| MEDP | 43919 | 19.16 | 15.50 | 140948 | 5.39 | 46.26 |
| MEPA | 227 | 0.10 | 0.00 | 1256 | 0.05 | 19.23 |
| Bankers' meet | 1594 | 0.70 | -26.98 | 21669 | 0.83 | 3.55 |
| NGO Meets | 857 | 0.37 | -10.03 | 27643 | 1.06 | 3.33 |
| SLRCCDI | 62 | 0.03 | 0.00 | 2070 | 0.08 | 3.16 |
| Other Meets | 2934 | 1.28 | 3.81 | 14078 | 0.54 | 23.24 |
| Grand Total | 229263 | 100.00 | -15.79 | 2613590 | 100.00 | 7.91 |
| Years | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| Annual percentage growth rate | -23.53 | -10.61 | -18.94 | -9.16 | -8.80 | -22.39 |

Table 5: Capacity Building and Training support Programmes in India

Source: Status of Microfinance in India-NABARD and calculated by Author. BLBC= Block Level Bankers Committee, MEDP=Micro Enterprise Development Programmes, MEPA=Micro Enterprise Promotion Agency, SLRCCDI: State Level Review and Co-ordination Committee on Credit Delivery Innovations

Though the cumulative figures' linear percentage growth rate has been 61.89 percent but the annual linear percentage growth rate has been stood at minus 22.04 percent during the period from 2008 to 2014. The second higher percentage of the training programme was the micro enterprise development programme and the annual linear percentage growth rate was 15 percent. For other programmes and training, the annual linear growth rate has shown negative growth rate during the same period of analysis of the data in the country. The overall annual percentage growth rate of the all types of programmes and training in the country during the last 7 years has shown a negative growth rate and it was higher in 2014 (-22.39%) than compare to the rate of 2013 which was only -8.80% as it was found as per the data of capacity building and training programmes in the country (Table-7).

The negative growth rate of capacity building and training has shown their impact on the formation of NPAs with outstanding loans disbursement to the various SHGs in the country. The formation of NPA with the SHGs is directly or indirectly one of the reasons is due to the less number of capacity building training programmes had taken place in the country. Though the capacity building and training programmes in the entire North Eastern Region have shown a similar picture but compare to the all India programmes very less number of programmes and training have been organised in the region. However, the present scenario says that the region is going through a very hard time in organising and motivating the SHG businesses. The present scenario of the performance of SHG

businesses in the region could not able to show a positive growth rate (as per parent thesis) although, the policies for SHGs, programmes for formal credit facility mechanism were being implemented in the region at an equitable manner but the level of success in the field growth and development SHG businesses have remained stagnant during the period. Almost the same picture can be seen in the performance of SHGs all over the country as well. The promotion and development of SHG businesses have shown a mixed result of active and dormant SHGs in the region. The increased number of dormant SHGs in the regions and their reasons are yet to be explored in a comprehensive manner to come with a better knowledge and management techniques as well as business policies of SHGs to overcome this shortfall. It is a remarkable fact for their businesses that slowly they reach the dormant position though there were supporting programmes of SHGs development and capacity and training programmes which were being implemented simultaneously along with replication of plan and policies of experienced SHGs in the country but affect of those may not be resulted in the direction that they are supposed to be.

| Various Teams under Capacity Building Programmes | During the year avg. of 7 years From 2008 to 2014 | | | Cumulative average of 7 years From 2008 to 2014 | | |
|---|--|--------|--------|--|--------|--------|
| | Avg. No. | % | LGR | Avg. No. | % | LGR |
| bankers | 335 | 2.23 | -32.28 | 5675 | 3.46 | 5.32 |
| trainers | 18 | 0.12 | 0.00 | 56 | 0.03 | 33.27 |
| NGOs | 239 | 1.59 | -17.11 | 4708 | 2.87 | 5.09 |
| Govt. Officials | 403 | 2.68 | 0.00 | 5996 | 3.66 | 8.46 |
| SHG leaders/members | 12918 | 85.95 | -8.55 | 138859 | 84.73 | 9.44 |
| Exposure visits | 32 | 0.21 | 0.00 | 259 | 0.16 | 12.10 |
| Field visits to BLBC to SHGs | 7 | 0.05 | 0.00 | 798 | 0.49 | 0.00 |
| Training for elected members of PRIs | 166 | 1.10 | 0.00 | 1543 | 0.94 | 10.93 |
| Other Trainings | 588 | 3.91 | 0.00 | 7006 | 4.27 | 11.28 |
| MEDP | 1576 | 10.49 | 10.07 | 6247 | 3.81 | 52.12 |
| MEPA | 0 | 0.00 | 0.00 | 0 | 0.00 | 0.00 |
| Bankers' meet | 40 | 0.27 | 0.00 | 628 | 0.38 | 9.23 |
| NGO Meets | 77 | 0.51 | -6.89 | 744 | 0.45 | 11.02 |
| SLRCCDI | 13 | 0.09 | 0.00 | 171 | 0.10 | 11.33 |
| Other Meets | 312 | 2.08 | -13.84 | 4502 | 2.75 | 13.81 |
| Grand Total | 15030 | 100.00 | -2.15 | 163884 | 100.00 | 18.08 |
| Years | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| Annual percentage growth rate | -58.85 | 261.91 | -42.04 | 12.87 | -18.43 | -23.54 |

Table 6: Capacity Building and Training support Programmes in NER
Source: Status of Microfinance in India-NABARD and calculated by Author

Therefore the number of dropout SHGs and inactive or dormant number of SHGs is too high in the region. The performance of capacity building and training programmes in the NER can be seen from the Table-8 and it shows that during the last 7 years the annual percentage growth rate was higher than the overall percentage growth rate in the country. In the North Eastern Region the state-wise status of capacity building and training programmes are almost similar to each and every state like of Meghalaya except the state of Assam. In Meghalaya very limited numbers of capacity building and training programmes have been conducted that an average number of 7 programmes have been conducted for NGOs annually during the last 7 years (Table-9). Similarly, the analysis of data also shows that micro enterprise development programmes were only 35 in the state. However, the micro enterprise promotion agency programmes have not been conducted in the state. Moreover, SLRCCDI programmes, trainers programmes as well as field visit of the BLBC to SHGs were also respectively Nil in the state during the period. The linear percentage growth rate for all the programmes has shown a negative growth rate during the last 7 years as the programme had been implemented in the region. The Meghalaya as a small state though the number of SHGs promotion and active involvement for economic activities was around 9000 units during the period and out of these a majority number of SHGs are from West Garo Hills district but however they are not free from hurdles of proper nourishment programmes either by the government or NGOs of the district. Ultimate the numbers of inactive SHGs are being increased during the last planning period of the country.

The analysis of the last seven years data have shown a negative trend of annual growth rate of capacity building and training programmes in the state of Meghalaya, in the NER and also in the country as well. The programmes data structure indicates the strategy of programmes impact on the success of groups in deferral manner hence the number of programmes year after year reduced with the hope that previously implemented programme will influence the groups in the next year and successive years but the success has shown a reversed trend in the development of SHGs promotions, savings link as well as credit facilities. Apart from this the internal performance of the groups remains as before and their potentiality was unexplored to the extent of need for their self sufficiency with the resources that required for the success of their SHG businesses.

| Various Capacity Building Programme Teams | During the Year Average of 7 Years from 2008 to 2014 | | | Cumulative Average of 7 Years from 2008 to 2014 | | |
|---|--|--------|--------|---|--------|--------|
| | Avg. No. | % | LGR | Avg. No. | % | LGR |
| bankers | 57 | 9.90 | 0.00 | 464 | 10.37 | 18.14 |
| trainers | 0 | 0.00 | 0.00 | 0 | 0.00 | 0.00 |
| NGOs | 7 | 1.20 | 0.00 | 23 | 0.51 | 0.00 |
| Govt. Officials | 1 | 0.25 | 0.00 | 65 | 1.45 | 2.84 |
| SHG leaders/members | 314 | 54.72 | 2.35 | 2224 | 49.64 | 13.19 |
| Exposure visits | 8 | 1.42 | 0.00 | 33 | 0.74 | 0.00 |
| Field visits to BLBC to SHGs | 0 | 0.00 | 0.00 | 0 | 0.00 | 0.00 |
| Training for elected members of PRIs | 5 | 0.90 | 0.00 | 26 | 0.57 | 0.00 |
| Other Trainings | 49 | 8.55 | 0.00 | 1220 | 27.22 | 4.95 |
| MEDP | 35 | 6.03 | 0.00 | 65 | 1.44 | 0.00 |
| MEPA | 0 | 0.00 | 0.00 | 0 | 0.00 | 0.00 |
| Bankers' meet | 25 | 4.41 | 0.00 | 126 | 2.82 | 0.00 |
| NGO Meets | 20 | 3.47 | 0.00 | 53 | 1.18 | 0.00 |
| SLRCCDI | 0 | 0.00 | 0.00 | 0 | 0.00 | 0.00 |
| Other Meets | 52 | 9.15 | 0.00 | 182 | 4.06 | 0.00 |
| Grand Total | 573 | 100.00 | -6.84 | 4480 | 100.00 | 14.35 |
| Years | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| Annual percentage growth rate | 29.16 | 3.79 | -26.57 | 71.97 | -44.86 | -35.01 |

Table 7: Capacity Building & Training support Programmes in Meghalaya
Source: Status of Microfinance in India-NABARD and calculated by Author

The one of the factor of self motivation formation is based on the outcome of the training and capacity building programmes for the members of SHGs which can give better performance in conducting the different activities of SHGs. However, the achievement in the actual field has shown an uneven success so far. Government can stimulate loan funds, by providing an appropriate legal and monitoring environment and promoting enforcement (Hollis, A. 1998). But the promotion of SHGs self motivation has become a question mark in the development of SHGs not only in the state of Meghalaya but even in the country as a whole. The credit facilities, capacity building and training support and also the enhancing schematic funds for SHGs promotional activities, although have conducted almost all over the country including in North Eastern Region as well as in the state of Meghalaya but their performance to achieve group objectives and target have shown a reluctant position but the groups are expecting more to be organised for their development and growth in order to achieve the desired result for their sustainability with SHG businesses.

The group members' self motivation comes through the enhancing activities that conducted by the promoters and supporters, however, these factors of motivation are not abundant to cover more and more SHGs to support their promotional activities and to mature their self motivation in order to create a genuine interest among the members of the groups for the businesses of SHGs are left behind promoting a good number of inactive SHGs in the region as well as in the state of Meghalaya. The judgement of motivational factors for a particular SHG business is required to be checked from the very beginning of the group formation and the motives of the members for the business they choose for their groups. However, this judgement is required a deep study of the members as well as the group activities as selected by them. The issues for unsuccessful with poor member of SHGs are many but among them financial problems and goal setting for their activities are always prime which need utmost care at the time of formation and selection of members. But the programmers have given less importance to them and more importance for group creation to increase their number so that government sponsored schemes funds and donors funds can be implemented smoothly showing their performance of programme implementation and coverage of rural development physically on the papers instead of in the actual filed of development. This type of reluctant cases is easy to find out in the actual field of activities of the programme because the inactive number of SHGs is many compare to the active number of SHGs in NER as well as in the state of Meghalaya. This may need to be increased with better mechanism to make the programme being fully implemented for the purpose of their growth and economic development for their livelihood are more important in the all field of SHG businesses.

10. ANOVA on SHG members' Participation Promotion of SHGs and Motivation of Members for SHG Business

The number of SHGs members for participation in the capacity building programmes, the number of SHGs promotion or establishment and motivation of SHG members towards the business of SHGs have been compared and analysed using one way ANOVA and are tested by the following hypotheses:

H₀: There is no significant difference among the SHGs participation, Capacity building and training programmes and SHG promotion against the SHG business are concerned.

| ANOVA Summary | | Sum of Squares | d.f. | Mean Square | F | P-value |
|---------------|----------------|----------------|------|-------------|-------|---------|
| participation | Between Groups | 360119.048 | 1 | 360119.048 | 2.302 | .190 |
| | Within Groups | 782216.667 | 5 | 156443.333 | | |
| | Total | 1142335.714 | 6 | | | |
| Promotion | Between Groups | 10948.583 | 1 | 10948.583 | 2.528 | .173 |
| | Within Groups | 21657.417 | 5 | 4331.483 | | |
| | Total | 32606.000 | 6 | | | |

Table 8: ANOVA: Single Factor

Since the calculated 'F' value of 2.302 is greater than the P-value at 5 percent level of significance, therefore the hypothesis shall be rejected. As such, it can be inferred that there is a significant difference among the SHG members' participation, SHGs promotion and motivation of SHG members towards the businesses of SHGs. The capacity building and training programme plays an effective role in the motivation of SHG members for SHG businesses as well as participation of members for various activities and also the promotion of SHGs in the country and even any part of the country. The promotional activities as carried out by the banks and NGOs are effective, but the participation of members in the capacity building and training support programmes are also more effective if these are being conducted frequently then they could make better self motivation among the members for SHG businesses. The self motivation of members can set a goal for the group activities and achievement of targeted goal of the groups and also the success of the programmes in the country are equally important (Table 8 and Table 9).

| Variables | Count | Mean | Std. Deviation | Std. Error Mean |
|---------------|-------|-----------|----------------|-----------------|
| participation | 7 | 2613.5714 | 436.33621 | 164.91958 |
| Promotion | 7 | 275.0000 | 73.71793 | 27.86276 |
| motivation | 7 | 1.5714 | .53452 | .20203 |

Table 9: One-Sample Statistics

11. Conclusion

There was a slight linear annual growth rate in the savings and credit link in NER and in the state of Meghalaya. However the percentage growth rate of outstanding loan and NPAs in the region as well as in the state has been increased during the period from 2008 to 2014 which indicates a remarkable symptom of poor performance within the activities of SHGs and at the same time their motivation towards the business of SHGs has to be improved for the sustainability of their businesses. Besides these the motivational activities like capacity building and training for their enhancement in the activities of SHGs have been gone down, although their impact on them is very much important during the maturity period of the SHGs. The ultimate consumers of loan amount through SHGs are generally used at a higher rate though it is a subsidised rate for them. The SHG lending can be termed as a subprime system of lending, which basically provides high risk from the either side though the models of lending are being encompassed with social and economic development objectives and schemes to enhance the programme. However the creation of a self motivation drive among the members of SHGs has become a challenging task in front of all the stakeholders. To overcome these shortfalls which have been faced by the SHGs, financial institutions as well as policy makers in the direction of poverty eradication and overall development of poor families in the country are required a concrete policy otherwise it will be just like, "exclusionary denial and inclusionary segmentation into subprime credit are two sides of the same coin" (Wyly et al. 2008: 12).

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