

An Assessment of SHGs under SGSY Programme: Evidence from Meghalaya

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Abstract

This study undertakes an impact assessment of SHGs formed under the SGSY programme in Meghalaya. It brings out the importance of SHGs as an effective credit delivery mechanism and shows that membership of SHGs has empowered the members (women) and their households both economically and socially. Economic empowerment gets manifested in the form of increased access to credit for both productive and consumption activities, increase in household income and diversification of sources of income. Social empowerment is seen in terms of SHG members' enhanced status and recognition in the family, as well as boosting their self-confidence in the society.

INTRODUCTION

In India, the increasing use of Self Help Groups or SHGs in recent years as a credit delivery mechanism to cater to the credit needs of the rural poor is largely due to the limited success of the Government strategy to institutionalize credit; a strategy adopted since the mid 1950s. The lack of access to formal credit by the rural population in general and the rural poor in particular, and their continued dependence on informal sources, are reflected in the findings of the Sixth All India Debt and Investment Survey (NSSO, 2005) and also the joint survey of World Bank and National Council of Applied Economic Research (World Bank, 2005).

As emphasized by Cheston and Reed (1999), this mounting interest and involvement in SHGs programmes can only be supported if it can be shown through evaluation or assessment that these programmes have brought a desirable change to the lives of the poor. Evidence from SHGs impact studies undertaken in India by EDA (2004), Puhazhendi and Satyasai (2000), Puhazhendi and Badatya (2002), MYRDA (2002), and Murthy et al. (2003) suggest that SHGs programmes have enabled the poor to increase their household income, assets, and their ability to face day to day risks. It had led to diversification of employment and a reduction in the dependency of the poor on money lenders. It has also contributed in improving the quality of lives of the poor through improved outcomes in housing, health and education. The involvement of women in the SHGs programmes has

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also led to improvement of the status and position of the women in their households as well as their self confidence.

This paper seeks to examine in the context of the Meghalaya (i) the operational features and functioning of the SHGs formed under the Swarnajayanti Gram Swarojgar Yojana (SGSY) programme and (ii) to assess the benefit that members derive from association with SHGs credit programme. The objectives of this study are to examine whether membership of SHGs leads to increase in access to loans for both productive and consumption purposes; increase in loan amount borrowed; increase in the level of household income; greater diversification of household income and also greater involvement of members in decision making process in households.

Methodology

This study is based on one time primary data collected from SHGs in Meghalaya using a structured questionnaire. We selected SHGs formed under the SGSY programme as this is the largest SHGs programme in the state of Meghalaya in terms of SHGs formed and credit linked. In this state, SHGs under the SGSY programme have been formed from 2000 and since then many new SHGs have been formed under the programme in all the districts and blocks of the state, unlike many other programme where SHGs have been formed only in selected districts and blocks in the state. In 2005, there were about 6518 SHGs promoted by different organisations in Meghalaya. Of these, about 61 % were SHGs promoted under SGSY programme and the remaining 41 % being SHGs promoted under non-SGSY programmes (Umdor, 2007).

The selection of the SHGs and members are undertaken in two stages. In the first stage we randomly selected the SHGs from a sample frame of mixed and women SHGs from two blocks in West Khasi Hills district of Meghalaya. Accordingly, the sampled SHGs consisting of female and mixed groups are categorised into three analytic groups. Group 3 consists of SHGs with more than three years of involvement in the SGSY programme. Group 2 consists of SHGs with one to two years involvement in the programme, and finally Group 1 consists of SHGs with less than a year of involvement in the programme and that have also not received any financial assistance under the SGSY programme. In all, 30 SHGs are randomly selected in each of the three analytic groups giving a total of 90 SHGs.

The selection of our sample SHGs members (consisting of women member only in case of mixed SHGs) is undertaken from the sample SHGs selected in the initial round, with one woman randomly selected from each SHG. In this way we have 90 women SHGs members; 30 women each belonging to the three groups of SHGs that we have categorized as per their involvement in the programme.

For the purpose of assessing the benefits to members of SHGs we have used the comparison group method which is a form of quasi experimental design. In this approach, we estimate the benefits by measuring changes that have taken place in SHGs members

who have been part of the programme for some period of time, with that of a comparison group whose members have just joined the programme. In our study, we have made a cross-sectional comparison between members of SHGs who belong to the three analytic groups i.e., Group 3, Group 2 and Group 1. The benefits to members is measured by comparing differences in economic and social variables such as access to credit, household income, diversification of income, and involvement in household decision by women members, among the SHGs members in all the three groups.

SGSY PROGRAMME IN MEGHALAYA

Table 1 show the physical and financial progress of the SHGs formed under the SGSY programme. Till March of 2006, a total number of 4769 SHGs formed, which reflects an increase of more than ten times of the number of SHGs in 2000. In the last five years the SHGs formed under SGSY programme in the state has been growing at a rate of 63 % annually. About 45 % of the SHGs formed have passed the first grading and eligible for revolving fund¹.

Table 1: Physical Progress of SGSY Programme in Meghalaya, 2000to 2006

Year	Cumulative SHGs formed since 1.4.99	NO. of SHGs passed Grade-I	No. of SHGs passed Grade-II	Credit disbur-sed* to SHGs	(amount in rupees lakh)	
					Subsidy disbur-sed* to SHGs	Total Invest-ment* in SHG (credit+subsidy)
2005-06 (March)	4769	657	191	127.99	108.16	236.15
2004-05 (March)	3479	474	109	121.4	39.06	160.46
2003-04 (June)	2652	485	172	164.34	22.59	186.93
2002-03 (March)	1708	200	109	33.45	22.66	56.11
2001-02	702	290	168	2.32	2.32	4.64
2000-01 (March)	415	23	63	00.00	0.00	0.00

Physical and financial achievements of SGSY programme during the year 2000-2006

Percentage increase in SHGs:	1049 %	
Annual growth rate in SHGs:	63 %	
Total number of SHGs passed grade- I:	2129 groups	(45 % of total SHGs formed)
Total number of SHGs passed grade –II:	812 groups	(17 % of total SHGs formed and cent of SHGs that have passed
Total amount of credit disbursed to SHGs:	449.5	
Total amount of subsidy disbursed to SHGs :	194.79	
Total investment in SHGs (credit + subsidy):	644.29	(Subsidy credit ratio 2.3)

Notes: ^ Not reported. 1. Growth rate calculated by using formula $r = \left(\frac{P_n}{P_0} \right)^{\frac{1}{n}} - 1$.

Source: Author's calculation based on data from Annual Reports of the Ministry of Rural Development, 2000-01 to 2003-04, Government of India and also reports for SGSY (<http://rural.nic.in/sgsy/entrymain.asp>)

RESULTS AND DISCUSSION

(i) Operational Feature of SHGs

Table 2 also shows the distribution of membership strength of SHGs in the three groups. Group membership ranges from a minimum of eight (8) members to a maximum of 15 members per SHGs. Majority of the SHGs in all the three groups have average member strength of 10. The sample SHGs across the three analytic groups meet once a month. Special meetings are also convened as per the requirement of the group.

Table 2: Operational Features of SHGs

	Feature	Group 3	Group 2	Group 1
Composition of SHGs (% distribution)	Mixed SHGs	67	77	63
	Women SHGs	33	23	37
Percentage distribution of SHGs with varying membership strength	8 No.	7	7	3
	9	13	3	7
	10	60	80	70
	11	-	7	7
	12	17	-	7
	13	3	-	3
	14	-	-	3
	15	-	3	-
Average membership		10.00	10.00	10.00
Maximum membership		13.00	15.00	14.00
Minimum membership		8.00	8.00	8.00
SHGs Meetings	Monthly	once	once	once

Source: Sample data

(ii) SHGs' Finances- Savings

The average monthly compulsory savings of members of sample SHGs, fixed by members themselves, varies from rupees 10 to rupees 50. Majority of members of SHGs in Group 3 (54 %), Group 2 (60 %) and Group 1 (70 %), save rupees 10 per member per month (table 3). However, besides the regular compulsory savings, sample SHGs in our study have reported to contributing voluntary savings of amount as high as rupees 100 per member, which is usually raised for some special group activities such as the construction of animal shed for undertaking animal rearing as a group income generating activity or whenever members have extra income (like for instance after the post harvest seasons). Therefore, the group savings indicate not only the regular and compulsory savings but also special savings of the members of the SHGs.

Interest on the savings of the members differs from one SHG to another and ranged from half a percentage to even two percentages over the interest charged by the groups for loans given to the members. The interest earned by the members on their savings

with the group is distributed once a year. The average group savings of the SHGs across the three groups is also given in table 3. It shows SHGs that have been formed earlier have more group savings than SHGs formed later. The maximum and minimum group savings of SHGs in the three analytical groups shows that older SHGs of Group 3 and Group 2 have more group savings than the younger SHGs of Group 1.

Table 3: Basic Information of SHGs' Savings

(amount in rupees)

	Amount	Group 3	Group 2	Group 1
Average	10	54	60	70
monthly	15	10	-	-
savings per	20	27	24	27
member of	25	3	3	-
SHGs	30	3	10	-
(% distribution)	50	3	3	3
Mean		16.00	16.00	14.00
Median		10.00	10.00	10.00
Standard deviation		8.50	9.40	8.10
Maximum		10.00	10.00	10.00
Minimum		50.00	50.00	50.00
SHGs' total group savings	Mean	9399.00	5967.00	1741.00
	Median	6985.00	4400.00	1610.00
	Standard deviation	5306.00	4499.00	1057.00
	Maximum	27600.00	18200.00	5000.00
	Minimum	3010.00	1600.00	320.00

Source: Sample data.

(iii) SHGs' Borrowings, Lending and Income Generating Activities (IGAs)

The borrowing activities of the SHG members across the three analytic groups is shown in terms of the revolving fund and project finance availed by the SHGs of the three groups. In terms of the revolving fund, all SHGs in Group 3 and Group 2 have received revolving fund from banks under the programme. As far as the project finance is concerned, 20 SHGs of Group 3 (67 %) have received project finance. None of Group 2 SHGs has received project finance. The maximum amount of project finance borrowed by SHGs of Group 3 was rupees 250000 while the minimum was rupees 17300 (table 4).

Table 4 shows the lending operations of the SHGs to its members in the three analytic groups in terms of the number of SHGs that have reported lending to members for a particular activity. SHGs in all the three groups have lent money for activities covering both production and consumption purposes. The lending for productive purposes by SHGs included lending for agriculture activities, animal husbandry, retail trade/petty business, and also for house repair.

Table 4: Borrowing and Lending Operations of SHGs*

	Group 3	Group 2	Group 1
Percentage of SHGs availed revolving fund	100	100	-
Percentage of SHGs availed project finance	67	0	-
Mean (amount in rupees)	103120	-	-
Median	77750	-	-
Maximum	250000	-	-
Minimum	17300	-	-
Activities funded by SHGs* (figures represent number of SHGs that have reported lending for a particular purpose)			
Agriculture	23	24	13
Animal husbandry	26	24	13
Retail trade /petty business	21	23	10
House repair	2	-	-
Productive activities	73	71	36
Medical expenses	10	9	8
Education expenses	8	17	4
Food and emergency	10	11	2
Consumption Activities	28	37	14
No of SHGs reporting default cases	8	-	3
	Group 3	Group 2	Group 1
Percentage of SHGs availed revolving fund	100	100	-
Percentage of SHGs availed project finance	67	0	-
Mean (amount in rupees)	103120	-	-
Median	77750	-	-
Maximum	250000	-	-
Minimum	17300	-	-
Activities funded by SHGs* (figures represent number of SHGs that have reported lending for a particular purpose)			
Agriculture	23	24	13
Animal husbandry	26	24	13
Retail trade /petty business	21	23	10
House repair	2	-	-
Productive activities	73	71	36
Medical expenses	10	9	8
Education expenses	8	17	4
Food and emergency	10	11	2
Consumption Activities	28	37	14
No of SHGs reporting default cases	8	-	3

Note: * SHGs that have reported lending to more than one activity.

Source: Sample data.

Lending activities for consumption purpose included medical expenses, education expenses and food and emergency. Number of SHGs that have lent to members for

different activities is given in table 4. SHGs in all the three groups have reported to advance loans to members for productive and consumption activities, except for housing repair which was borrowed only by members belonging to the Group 3. Also, sample SHGs belonging to Group 3 and Group 2 have reported lending more number of times for both productive and consumption activities as compared to Group 1. The rate of interest charged by the SHGs from its members ranged from one to four percent per month across the three analytic groups. Eight SHGs in Group 3 and three SHGs in Group 1 have reported of members not being able to repay the loans borrowed from the SHGs in the stipulated time. These loans, however, have eventually been repaid by concerned members.

Many of the SHGs under the programme have started IGAs as group activities. SHGs in Group 3 have undertaken more IGAs compared to Group 2 and Group 1. Twenty three (23) SHGs of Group 3 have taken various IGAs mostly based on animal rearing such as goater, piggery, fishery, poultry and cow rearing. Two SHGs in this group have undertaken two IGAs together- cow and goat rearing. One SHG in this group has undertaken black pepper cultivation as a group IGAs (included in agriculture).

Other IGAs undertaken by SHGs of Group 3 are bamboo based *Mura* (stool) making and running of grocery store. These are shown as other activities in table 5. SHGs belonging to Group 2 (five SHGs) and Group 1 (three SHGs) have taken fewer IGAs as a group activities compared to the SHGs of Group 3. Group IGAs undertaken by Group 2 are paddy and broom cultivation, while in Group 1 they are potato and paddy cultivation. One SHG in Group 1 has undertaken two IGAs together- Vermi compost and paddy cultivation (table 5).

Table 5: Group Income Generating Activities of SHGs

	Group	Group	Group
Number of SHGs undertaking IGA [^]	23	5	3
Activities undertaken by SHGs [^]			
Goat rearing	9	1	-
Pig rearing	9	-	-
Fishery	2	1	-
Cow rearing	2	-	-
Poultry	-	-	1
Agriculture	1	2	2
Grocery Shop	1	1	-
Other activities	2	1	1

Note: [^] Some SHGs have undertaken more than one IGA.

Source: Sample data.

Many of the SHGs in the analytic groups have undertaken different social activities that benefit the society at large. These include cleaning the village, village water source; teaching the illiterate adults; and donation to families in cash and kind in emergencies.

The number of SHGs reporting to have undertaken social activities and types of activities undertaken are given in table 6. It shows that SHGs belonging to Group 3 have undertaken more social activities compared Group 2 and Group 1.

Table 6: Group Social Activities undertaken by SHGs

Group	No of	Activities undertaken
1 Group 3	11	cleaning drive in village; cleaning water source; adult education programme; donation to poor families in
2 Group 2	8	cleaning drive in village; cleaning water source; donation to families affected by fire incident; emergency
3 Group	5	cleaning drive in village

Source: Sample data.

Impact of SHGs Membership at Household and Individual Levels

SHGs Membership at Household and Individual Levels is compared across the analytic groups categorised according to their level of involvement in the programme. The impact is assessed in terms of members' access to credit from SHGs; change in household income; diversification of household income and involvement of women members of SHGs in major decisions in the household. Differences in the changes reported by members of the analytic groups reveal the changes that can be attributed to involvement of members in SHGs.

(i) SHG Members and Households Demographic Information

The basic information of the members' demographic and household characteristics in the three analytic groups is provided in table 7.

Table 7: SHG Members and Households Profile

		Group 3	Group 2	Group 1
Mean age (in years)		34.3	31.4	30.8
Mean education level (class studied)		5.7	7.0	6.9
Education structure (% distribution)	No schooling	7	7	100
	Not able to read	3	0	0
Marital status (%)	Married	94	73	70
	Widowed	3	7	7
	Separated	0.0	3	3
	Single	3	17	20
Main occupation (% distribution)	Farmers	77	80	73
	Daily laborers	10	3	13
	School teachers	3	7	10
	Others	10	10	3
Mean household size		7.3	6.3	7.0
Mean number of children		4.1	3.2	3.6
% of children attending school		71	75	71
Mean area of land holding (acre)		2.2	2.6	2.4

Source: Sample Data

(ii) Access to Credit from SHGs

Membership to SHGs is supposed to improve households' access to credit for both productive and consumption purposes. In our study, access to credit from the SHGs by sample members across the three analytic groups is analysed in terms of number of borrowings of members, purpose of borrowings, average amount borrowed, and time taken for sanctioning loans. These data are reported in table 8. In percentage terms, there is a difference in the proportion of SHG members of the three analytic groups that have borrowed from the SHGs. Higher percentages of members of Group 3 have borrowed from SHGs compared to members in Group 2 and Group 1. The difference is sharper when we compare the percentage difference between Group 3 and Group 2 with Group 1. In Group 3 and Group 2, 93 % and 90 % of SHG members respectively have borrowed from SHGs, while in the Group 1 only a little over one third (36.3 %) of the SHG members have borrowed from SHGs (table 8). The *chi-square test* (χ^2 -square test) of independence confirms the statistical significance of this association at 1 % significance level by rejecting the hypothesis that the proportion of SHG members borrowing from the SHGs is independent on the types of groups.

Table 8: Borrowings of Members from SHGs

			Group	Group	Group
% of members borrowed			93.3	90.0	36.7
Mean number of times borrowed by members			2		
Number	of	0	7	10	63
borrowings	of	1	20	30	30
members	(%	2	13	37	7
distribution)		3	20	20	0
		4	27	0	0
		5	13	3	0

Notes: 1. The χ^2 -square test of independence between number of borrowings of members and analytic Groups yield a Pearson chi-square of 11.09, degree of freedom of 2 and p-value of .003.

2. Results of the *t*-test of equality of mean borrowings by SHG members from groups:

Groups	Equality of variance	<i>t</i> -statistics	Degree of freedom	p-value
Group 3 & 2	not assumed	3.116	48.156	.003
Group 3 & 1	not assumed	6.542	34.270	.000
Group 2 & 1	not assumed	3.987	37.038	.000

Source: Sample data.

The average number of borrowings per member from SHGs shows members of Group 3 borrowing more frequently than members of Group 2 and Group 1. Among members who have borrowed in each of the three analytic groups, the mean number of

borrowing of members in Group 3 was thrice. The corresponding figures in Group 2 and Group 1 were twice and 1.2 times respectively. A two tailed *t*-test of independence of mean borrowing by SHG members of the three groups is given in table 8. It rejects the null hypothesis that mean borrowing by SHG members is independent of Groups, suggesting that number of borrowings by members of Group 3 is significantly higher than borrowing by members of Group 2 and Group 1 (even at 1 % significance level). Also, number of borrowings by members from SHGs of Group 2 is significantly higher than borrowings of members of SHGs of Group 1 at 1 % significance level. The difference in the mean borrowings is further revealed in the percentage distribution of number of borrowings of members in the three groups. About 63 % of the SHG members in Group 1 had not borrowed even once compared to only about seven % in case of Group 3. About 60 % of members in Group 3 have borrowed between three to five times from the SHGs, compared to only 20 % by members of Group 2 and none in the Group 1 (table 8).

Table 9: Use of Credit and Average Borrowing by Members from SHGs

		Group 3	Group 2	Group 1
Purpose of borrowing (% distribution)	Agriculture	23	25	31
	Animal husbandry	60	53	15
	Retail trade/petty business	7	5	39
	House repair	2	0	0
	Productive activities	92	83	85
	Medical	4	5	15
	Education	4	7	0
	Food and emergency	0	5	0
	Consumption activities	8	17	15
	Average loan size (in rupees)	Mean	2405	1505
Median		2000	1250	500
Minimum		400	200	200
Maximum		20000	5000	1300

Note: 1. Results of the *t*-test of equality of mean amount borrowed by SHG members from groups:

Groups	Equality of variance	<i>t</i> -statistics	Degree of freedom	p-value
Group 3 & 2	assumed	2.132	104	.035
Group 3 & 1	assumed	2.33	69	.023
Group 2 & 1	not assumed	4.731	57.337	.000

Source: Sample data.

The percentage distribution of borrowing by sample members for different purposes is given in table 9. It shows that loans are used mainly for productive purposes. The purpose of borrowing of the majority of SHG members in Group 3 and Group 2 is for financing IGAs relating to animal husbandry (60 % and 53 % respectively), followed by

agriculture (23 % and 25 % respectively). In case of members of Group 1, the main purpose of borrowing is for undertaking petty business followed by agriculture (39 % and 31 % respectively). Borrowing for consumption purposes, which include medical, education, food and emergency, by members of Group 3, Group 2 and Group 1 are eight (8) %, 17 % and 15 % respectively. Only 2 % of the members in the Group 3 borrowed from the SHGs for purpose of house repair (table 9). This suggests that while members borrowed for productive and consumption purposes, majority of the loans borrowed by members across the three analytic groups were for funding IGAs of members.

SHG members of Group 3 not only borrowed more number of times from SHGs, but the average amount borrowed by them was also the highest. The mean amount borrowed by members of Group 3 is rupees 2405, while that of members of Group 2 and Group 1 are rupees 1505 and rupees 619 respectively (table 9). The two tailed *t*-test of independence of mean amount borrowed by the members and the analytic groups is rejected, showing that the loan borrowed by members of Group 3 is significantly larger than loans borrowed by members of Group 2 and Group 1. Also loan borrowed from SHGs by members of Group 2 is significantly larger than loans borrowed by members of Group 1.

(iii) Change in Income and Sources of Income of Households

This section evaluates the impact of SHGs membership on the income and source of income of households of SHG members in the three analytic groups. Only sample SHG members of Group 3 and Group 2 were evaluated to study the change in income of households due to association with SHGs as these two groups have been functioning for a considerable period of time (more than one year). The respondents were asked whether the incomes of the households have increased since joining the SHGs, degree of increase, and to what reason(s) they attribute to the increase. An overwhelming majority of members reported increase in household income in Group 3 and Group 2, with higher percentage of households reporting increase in income in the former group compared to the latter—73 % and 63 % respectively (table 10). Seven (7) % and 17 % of respondents of Group 3 and 2 respectively reported that their household income has not increased, while 20 % in both the groups could not say definitely whether the income has changed. There is however, no significant association in the number of households of SHG members reporting increase in income to those reporting no increase/remain the same in household income between Group 3 and Group 2, with the χ^2 test of independence supporting the null hypothesis of independence between households reporting change in income and analytic groups to which they belong (table 10).

Among the household reporting increase in income, the percentage difference in those reporting a moderate increase in income in the two groups is very similar. Further, among the household reporting increased in income, 100 % sample members of the SHGs in Group 3 attributed the increase in income due to association with the SHGs, while 74 % of members in Group 2 identified SHGs membership as a reason for the increase in household income (table 10).

Table 10: Change in Income of Households

		Group 3	Group 2
Household reporting change in income (%)	Increased	73	63
	No increased	7	17
	Remain the same	20	20
Degree of increased (%)	Moderate	91	89
	Greatly	9	11
Increased due to SHGs activities		100	74

Note 1. The χ^2 -square test of independence between households reporting change and analytic group yields a Pearson chi-square of .693, degree of freedom of 1 and p value of .405.

Source: Sample data.

The association between SHGs membership and sources of household income in the three analytic groups is explored in table 11 which reports the average sources of income of household of SHG members belonging to different analytic groups. The mean sources of income of household of members belonging to Group 3 are highest at 2.2. The corresponding figures for Group 2 and Group 1 are 1.9. The two tailed *t*-test of independence of mean, however, does not indicate any significant difference, even at 10 % significant level, in the mean sources of income between household belonging to member of Group 3 with that of Group 2 and Group 1.

Table 11: Sources of Income of Households

		Group 3	Group 2	Group 1
Mean sources of income		2.2	1.9	1.9
Number of sources of income of households (in %)	1	7	23	30
	2	70	60	47
	3	20	17	23
	4	3	0	0
One source of income (%)		7	23	30
More than one source of income (%)		93	77	70

Note:1. Results of the *t*-test of equality of mean sources of income of households:

Groups	Equality of variance	<i>t</i> -statistic	Degree of freedom	p-value
Group 3 & 2	assumed	1.652	58	.104
Group 3 & 1	assumed	1.523	58	.133

2. The χ^2 -square test of independence of households having more than one source of income in the analytic groups yields a Pearson chi-square of .542, degree of freedom of 2 and p value of .066.

Source: Sample data.

The distribution of number of sources of income of households in the three Groups in table 11 shows very few members in Group 3 reporting one source of income (seven %) compared to Group 2 (23 %) and Group 1 (30 %). The -square test of independence shows a significant association (albeit at 10 % significance level) of household of SHG members having more than one sources of income across the three analytic groups. This suggest that SHG members of Group 3 have significantly more than one sources of income compared to Group 2 and Group 1, and also that members of Group 2 have significantly more than one sources of income compared to Group 1.

(iv) Involvement in Decision Making in Households and Related Issues

There is a distinct pattern in the involvement of members of SHGs in decision making process at home with a significantly higher percentage of members of Group 3 and Group 2 (97 % each) taking part in important household decisions compared to members in Group 1, where less than half of the sample members (43 % only) are involved in household decision making process (table 13). This difference is supported by the -square test which rejects the hypothesis at 1 % significance level that the involvement of decision making by SHG members is independent of the type of analytic groups.

Table 12: Involvement in Decision Making

	Group 3	Group 2	Group 1
Yes	97	97	43
No	3	3	57

Note: 1. The χ^2 -square test of independence between members' involvement in household decision making process and the analytic groups yields a Pearson chi-square of 34.159, degree of freedom of 2 and p value of .000.

Source: Sample Data.

The decisions making where the women SHG members were involved includes many household issues such as the use of loans, children's schooling, buying of household assets, reproductive issues, starting of new income generating activities. Sample women SHG members of Group 3 and Group 2 also reported of getting greater cooperation from spouse and members of the households. Also, women of these two groups have reported of a greater sense of confidence and ability to interact and discuss issues in public, which they point out a marked change in them since joining the group.

Conclusion

Our analysis of the benefit of SHGs membership on the members at the individual and household levels suggests that membership has helped members access credit which is available to them in a considerable small period of time (within a week). A significantly higher percentage of members of older SHGs have borrowed from the group compared to members of younger SHGs. The frequency of borrowings of older SHGs is significantly

higher compared to borrowing by members of younger SHGs. Also, the amount of loans borrowed by members of older SHGs is significantly larger than loans borrowed by members of younger SHGs. As far as the use of the credit is concerned, it is found that credit has gone predominantly into financing productive activities. However, members have also borrowed for meeting consumption needs such as medical expenses, education expenses and food and emergency. SHGs membership also has encouraged savings habits among members who contribute to the group fund in the form of compulsory and the occasional voluntary savings.

The involvement of members in SHGs has also benefited the households in terms of diversification of income sources. Households of SHG members belonging to older SHGs have more sources of income compared to younger SHGs and this association is significant. We also find evidence of a non-economic benefit to the members of SHGs in terms of their increased status and recognition in the family. A significantly higher percentage of members of the older SHGs were involved and consulted in important household decisions and their membership of SHGs have boosted their self confidence.

Thus, although the SHGs movement in Meghalaya is at its infancy, the evidence from our limited field study shows that it has made a positive impact in the lives of the SHGs members and their households. This in conformity with some of the findings of impact studies of SHGs programmes.

Note: (i) Within six months of formation, SHG which has demonstrated the potential of a viable group and qualify the first grading receive revolving fund of rupees 25000. The revolving fund imparts credit discipline and financial management skills to the members so that they become credit worthy. Subsequently upon qualifying the second grading, they can avail project finance from banks which has a subsidy component of maximum of rupees 1.25 lakh.

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