

# Self Help Groups -A Financial Model: Perceptions of Stakeholders

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## Abstract

In India, SHGs represent a unique approach to financial intermediation and innovation of credit delivery technique to enhance income generating activities. Sa-Dhan (2003) has sort out some of the unresolved issues in the context of quality assessment of SHGs. The main objective of this paper is to assess the opinion of the direct stakeholders (i.e. Promoters, Donors, Financial Institutions and the Group members) of SHGs regarding the issue whether SHG is a financial model. The study is conducted by using multi-stage random sampling method to collect primary data from the selected Development Blocks of Nagaon districts of Assam. From the ANOVA test on overall score of variables on financial model, it is concluded that all four groups' means are not equal. It is observed that there exists enough evidence to conclude that there is significant association in the opinion of the direct stakeholders of SHGs regarding the issue whether SHG is a financial model. Further, it is observed that on thirteen (13) elements relating to financial model construct whose mean value is positive are considered as the key elements that recognise SHGs as the financial model of development.

**Index terms**— direct stakeholders, financial model, micro finance, perceptions of stakeholders, self help groups.

## 1 I. Introduction

Self Help Groups (SHGs) are an outcome of the neo-liberal paradigm of development [], where the poor take charge of their lives and fashion new improved future through self-reliant and socially sustainable efforts. SHGs emerge as an important strategy for empowering women and in alleviating poverty. The women SHGs have enhanced the status of women as participant decision makers and beneficiaries on the democratic, economic, social and cultural spheres of life and sensitised the women members to take active part in socio-economic progress of rural India. SHGs in social change imply not only the change of outer form of a community or a society but also in the social institutions as well as ideas of the people living in that society. families that had not been reached by the banking system [ ]; Sinha and Patole, 2002 [ ] ). SHG-Banking is a programme that helps to promote financial transactions between the formal rural banking system in India comprising of public and private sector commercial banks, regional rural banks and cooperative banks with informal SHGs as clients. SHGs are financial intermediaries owned by the poor.

They usually start by making voluntary thrift on a regular-mostly fortnightly or monthly basis (contractual savings). They use this pooled resource (as quasi-equity) together with the external bank loan to provide interest bearing loans to their members. Such loan provides additional liquidity or purchasing power for use in any of the borrower's production, investment, or consumption activities. SHGs are currently seen as an essential and integral part not only of financial services delivery, but also as a channel for the delivery of non-financial services within larger objectives of livelihood promotion, community development and women's empowerment. SHGs are potential 'micro-banks', either on their own, or through higher levels of association, capable of using their own resources, grants and borrowed funds for financial intermediation . Apart from accessing funds from the

formal financial sector, SHGs can also become a forum for dissemination of development ideas and information, an association for community mobilisation or an organisational unit for linking up with other economic, social and political interventions.

To increase the number of SHGs who start to make voluntary thrift on a regular basis is the most essential strategic variable in the Linkage Banking system. About 75% of the SHGs have been formed and are continuously supported by NGO staff not only exclusively to get access to bank loans but also to achieve other development goals through joint actions: educational, health, family planning, access to land and water, forming a social movement of women etc. . Those SHGs formed on the initiative of the Banking System have the overwhelming objective to help SHGs get access to banking (saving and credit) services to improve the economic condition of their members and to wean them away from moneylenders. They may be called financial SHGs . SHGs are initiated by agents (bank clients, volunteers of farmers clubs, social workers etc.) or taken over from NGOs to offer bank services to them. Linkage Banking in India is, therefore, not exclusively working through existing informal SHG-institutions but predominantly with the formal banking system. Thus, SHGs have the feature based on which it may be argued that SHGs are Financial Model of Development.

## 2 II. Operationalising the Concepts: SHG as Financial Intermediaries

Finding innovative ways to provide financial services to the poor so that they can improve their productive capacity and quality of life is the role of the financial intermediaries in the 21st century. Most formal financial institutions do not serve the poor because of perceived high risks, high costs involved in small transactions, low profitability, and most importantly, inability to provide the physical collateral generally required by such institutions. However, Government of developing economies has made serious effort to bring the 'unreachable' within the formal banking net through the directives and also offered a number of fiscal & monetary mechanism to shorten the credit gap. Despite this progress, as of 2008 (2005 statistics), the World Bank has estimated that there were an estimated 1,345 million poor people in developing countries who live on \$1.25 a day or less (Headey, 2011[ ]). The demand for financial services from these low-income households is substantial, and their demand covers a wide range of products and services (ADB, 2007[ ]). Most poor and low-income households continue to rely on meager selffinance or informal sources of finance.

In India, SHGs represent a unique approach to financial intermediation (e.g. EDA, 2007[ ]; Solomon, 2010[ ]; Venkatalakshmi & Ambujam, 2012 [ ]). The approach combines access to low-cost financial services with a process of self management and development for the women who join as members of an SHG (Kulkarni & Sonawane, 2012[ ]). The SHGs are formed and supported usually by NGOs, or (increasingly) by Government agencies and sometimes directly by banks. SHGs are linked to banks first with a group deposit account, then for credit, which is disbursed to the group and in turn distributed to the members. SHGs encourage the saving habit which indirectly enhances the financial ability of the members and ensures prompt repayment. This is a very good substitute for the collateral insisted by the traditional bankers. Micro-finance through its SHG Linkage model is considered as a potential alternative for extending the financial services to the poor for various reasons like the ability of these institutions in providing credit and other financial services to the poor and the weaker sections, help them in overcoming financial shocks, support them in venturing into profitable entrepreneurial activities and encourage small savings. They also provide other financial services like Micro insurance and transfer of funds. SHG as financial intermediaries provides the following financial functions.

### 3 a) Savings Function in SHGs

Thrift contributions by members to the group which sometimes mandatory or optional must be perceived as a savings product serving long term financial security needs. Pooled savings are either used for income generating activities or made available to members as per requirements. Such savings are generated by poor households either by refraining from consumption or postponement of their not so urgent needs. The thrift contribution reflects confidence of members on the group and is seen as an index of their stake in the process.

### 4 b) Credit Function in SHGs

Providing credit access to members of poor household on sustainable basis is the primary objective of SHG. A well conceived loan programme in SHG viz. one time loan, productive loans etc. are the major elements of credit policy of SHGs which enhance its attractiveness to the members. Loans are often given for various purposes with/ without collateral security. c) Fund Management in SHG Management of fund is an important task. The SHGs generally accommodate funds to the members on need based and only for productive purposes along with a fixed repayment scheduled. Small savings from resource-poor households need operative protection against loss of deposits. Misappropriations in savings and credit groups as well as imprudent lending from internally generated deposits threaten the security of savings programme. They have to be shielded against the financial and non-financial risks.

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## 5 d) Record Keeping in SHGs

Record keeping is possibly the most crucial function in a SHGs often confined to the periphery. An efficient record keeping assumes significance for promoting transparency in the system considering the need for providing safety of micro-deposits pooled in savings and credit programmes.

## 6 e) Banking Relationship and Shgs

SHGs are primarily savings and credit groups and availing savings and credit services from local banks is a logical extension of their growth strategy to meet increasing credit demand from members. Moreover accessing savings services from banks will provide safety to the pooled funds. It is expected that groups will demonstrate desired maturity in terms of group and financial dynamics leading to inculcation of banking habits in the groups. It would also make possible the bringing about of general improvement in the nature and scale of operations that would accelerate economic development.

## 7 f) Promotion of Financial Literacy

But lack of information and guidance regarding practices of savings and credit result in women taking wrong financial decisions; this stands in the way of their empowerment. Wise financial practices and right financial decision-making go hand in hand. To achieve this, increased information dissemination, knowledge sharing and promoting the practice of financial planning SHG organises such training. Generally SHGs provides training on budgeting, savings, debt management and other banking services.

## 8 g) Promotion in Financial Inclusion

SHGs are financed by bank without any collateral. Here peer group pressure is considered as collateral by the lenders. SBLP also helps to reduce transaction costs facilitates proper monitoring of funds by group members, economic empowerment of SHG members by collective decision making etc. In spite of the increased spread of formal banking network in the recent past, access to basic financial services are still beyond the reach of large sections of society. Saving Bank Linkage Programme (SBLP) model exhibits the potential to provide an alternative mechanism to extend financial services to large unbanked sections of the society.

The micro-credit programme in general and SBLP in particular is a unique innovation of credit delivery technique to enhance income generating activities. The programme extends small loans to poor people for self-employment activities, thus, allowing the clients to achieve a better quality of life (Rahman, 1995 IV).

## 9 Objective of the Study

The study is pursued keeping in view the following main objectives 1. To examine the perception of the direct stakeholders i.e. Promoters, Donors, Financial Institutions and the Group members of SHGs regarding the issue whether SHG is a financial model. 2. To forward conclusion based on the findings of the study.

V.

## 10 Research Hypotheses

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

Ho: There is no significant association in the opinion of the direct stakeholders (i.e. Promoters, Donors, Financial Institutions and the Group members) of SHGs regarding the issue whether SHG is a financial model.

## 11 VI.

## 12 Methodology

The study uses both primary data and secondary data. Multi-stage random sampling method is used for the present study to collect primary data. As no such study were conducted in the context of Nagaon district of Assam and this study area being the native district of the scholar was purposively chosen for the present study. At the next level, five Development Blocks are selected randomly. In the later stage, three revenue villages from each of the selected Development Blocks are purposively selected. From each revenue village, three SHG members, who are associated actively, are selected randomly. Further, 12 Financial Institutions i.e. nationalised commercial bank and RRBs (operating in the study area); 10 Donors and 34 Promoters including banks, NGOs, NGO-MFI, Farmers Club and Government Departments are also selected randomly who are directly associated with the sampled SHGs (Table 3). Thus, the total sample size is 100 (Considered adequate by researchers like Comrey, 1973[ ]; Nunnally, 1978[ ]; Gorsuch, 1983[ ] and Oppenheim, 1992[ ]; Coakes and Steed, 1997[ ]). Primary data was collected from the 100 sample respondents using pre-tested questionnaire. The study was conducted during 2012. Secondary data was collected from report on Microfinance Status by NABARD, Branch Banking Status of RBI, NEDFi Databank on Northeast, SBI Local Head Office, Zonal and Regional Offices of Commercial Banks, Head Offices of Regional Rural Banks, Census India, NSSO, Directorate of SGSY (Guwahati-Assam), DRDA (Nagaon-Assam), Government of Assam, Reports of State Level Bankers Committee, Assam and Economic Survey, and literature published by different institutions on micro-finance have been used.

The important variables were formulated and the relevant data collected from the field were coded and analysed using SPSS (Statistical Package for Social Sciences) software.

Perceptions of direct stakeholders whether SHG is a financial model were expressed based on 5 Point Scale where SA= Strongly Agree (2), A = Agree (1), NAND = Neither agree nor disagree (0), DA = Disagree (-1), and SDA = Strongly disagree (-2). Further, the data collected was analysed using the measure of descriptive statistics like mean, variance, standard deviation, maximum, minimum etc. Further, Cronbach alpha, Normality Test i.e. Kolmogorov-Smirnov Test, and ANOVA were applied in analysing and interpreting the data.

### 13 a) Profile of the Study Area

The Central Assam District of Nagaon (spelled by the British as Nowgong) is one of the largest districts of Assam. It sprawls across almost four thousand square kilometers of fertile alluvial plains and thickly forested hills. Nagaon extends from 250-45' to 260 -45' North Latitude and 920 -33' -6" East Longitude. The district is bounded by Sonitpur district and the river Brahmaputra in the north, West Karbi Anglong and North Cachar Hills in the south and East Karbi Anglong and Golaghat district in the east. The mighty river Brahmaputra flows along the northern periphery of the district. Other major tributaries meandering through the district such as Kolong, Kopili drain into the Brahmaputra. Lying at a distance of 123 Kilometers by road from Guwahati, Nagaon town constitutes a vital corridor linking the Upper Assam districts of Golaghat, Jorhat, Sivasagar, Dibrugarh, Tinsukia and the North Assam districts of Sonitpur and North Lakhimpur. Nagaon has covered total area of 3,993 sq. km. The map of the study area is sketched on Figure 2 and the demographic profiles of the study district are briefed in Table 1. The SHG linkage approach operating in the districts of Nagaon is too some extent similar with the state structure. While we undertook pilot survey at preliminary stage in order to examine whether all models exist in practice, we found NGO as MFIs and NGO as financial intermediary did not exist separately. Therefore, Model II A and Model II B have been clubbed together into a single category termed as Model II (NGO as Financial Intermediary). Further, three MFI and fifty four Farmer Clubs have also promoted SHGs in the district. Besides, there are five Cooperative SHGs in the district of Nagaon (Micro Finance Status Report, NABARD 2010-11, and SLBC Report, March 2010). Further, the overall progress of SHGs under SHG-Bank linkage and MFI-Bank linkage in the study district are shown in the above Table 2. In Nagaon district, SHGs are formed and organised less than one or the other umbrella programmes of the Government, NGOs, banks and sometimes, even by the people themselves. The study consists of respondents from all groups i.e. both male and female as shown in Table 4. Out of 44 respondents belonging to Group members, 24 (54.5%) are male and 20 (45.5%) are female. Sincere effort is given to cover reasonable number of members from each category so that study is free from gender bias. Further, it is observed from the field report and other secondary resources that in the study area there are ample number of women SHGs. From survey of literature and field study, it is observed that there is no specific boundary regarding the nature and functioning of SHPIs. It is observed that an SHPI can act both as promoter & donor. Similarly, Government departments are also acting both promoter and Donor vis-a-vis financier. Therefore, the investigator collected information from stakeholders separately under different status who performed different tasks.

SHPIs, whether Farmers club, NGOs, banks or State governments, have been playing a vital role in promoting, nurturing and sustaining the SHG movement under SBLP in Assam. It is observed that the major promoter of SHGs in the study districts are DRDA (for SGSY scheme), followed by NGOs and Banks. A few NGO-MFI are also promoting SHGs in the study district. In this study respondent as promoter includes some officials of NGOs such as ASOMI, Prochesta-MFI, RGVN-MFI, Commercial banks, SIRD, DDM-NABARD, ASFABC, Agriculture Departments, Farmers Club etc. who are engaged in SHG promotion. In this way out of 100 respondents, 34 respondents belong to Promoter category.

'Donors and investors' encompasses a range of funding agencies, including bilateral donors, foundations, multilateral development banks, and socially oriented private investors. While NABARD and RMK etc. remains a major donor to NGOs and SHG institutions in India and have been receiving a fraction of required funds for their development. In the study district, NABARD, State Government under SGSY and NGO-MFIs are the major donors of SHGs. In this study respondents belonging to Donor includes some officials of NGO-MFI such as ASOMI, Prochesta-MFI, RGVN-MFI, Dristi Foundation, RuTAG-NE, Srimanta Sankardeb Sangstha; Officials of District Veterinary & Animal Husbandry, NABARD, NERCRMP, SIRD, Agriculture Departments etc. In this way out of 100 respondents, 10 respondents comprises of Donor category.

SHPIs include banks, NGOs, NGO-MFIs and state governments. Here in the state of Assam and even in the study district SHPIs acts both promoter and financier. However for the sake of convenience of study, we have collected perceived opinions of different stakeholders on different scale of capacity, i.e. bank is considered financier, promoter and donor. In this study respondents belonging form Financial Institutions includes Officials of nationalised commercial banks including SBI, RRBs i.e. AGVB etc. In this way out of 100 respondents, 10 represented from Financial Institutions. Below section below depicts the detailed profile of Promoter, Donor, and Financial Institutions.

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## 14 Nationality of stakeholders

It is observed from the Table 12 below that all the respondents belong to different categories are originated from India. 13. It is observed that majority of respondents comes from other Government agencies (55.9%) and Government departments (20.6%). The share of other promoting organisation includes NGO-Universal (2.9%), NGO-Nation hood (8.8%) and NGO-Region hood (5.9%). Therefore, it may also be concluded that a large variety of institutions that are engaged in the promotion of SHGs in the study districts are basically promoted by other government agencies i.e. DRDA (SGSY) is the major promoter of SHG in the study district. To understand the reliability of the field data Cronbach's alpha test was conducted. The result of reliability statistics on the score on perception of stakeholders about SHG as financial model reveals that Cronbach's Alpha is 0.892 which is assumed 'good' and further denotes that there are the presences of internal consistency (Cronbach, 1951). Content validity was assessed after considering the findings of an extensive review of the literature on SHGs as financial intermediaries, and then discussing it with experts in the field (two academicians and two micro finance practitioners). Some items of the subscales were revised according to appropriate demographic circumstances of the study district. The descriptive scale statistics on the perception of different stakeholders of SHGs as financial model denotes the mean is -3.76, variance 149.578 and standard deviation 12.230 (Table 23). Further, to evaluate the normality of distribution of data on the perceptions of different stakeholders on different variables relating to SHGs as financial model, Kolmogorov-Smirnov test was conducted on the total score on opinion about SHGs as financial model (Table 24). Since the p-value is 0.138 for overall score of variables on financial model, there is no reason to doubt that the data come from population with a normal distribution relating to overall score on SHGs as financial model is significant. In case of overall score of variables on SHGs as Financial model, F ratio (5.816) is significant ( $p = 0.001$ ) at the 0.05 alpha level. We conclude that at least one of the group mean is significantly different from the others (or that at least two of the group means are significantly different from each other). Further, the stakeholder-wise descriptive statistics (Table 26) on overall score on SHGs as Financial Model depicts that Promoters shows highest mean value followed by Financial Institutions on overall score on SHGs as Financial Model. The group members reported negative mean on overall score on SHGs as Financial Model.

Since in case of overall score on SHGs as Financial model wherein the means form all four groups are not equal hence, we resorted to find out item-wise analysis on variables relating to financial model wherein the means are not equal (Table 27) which are self explanatory. It is observed from the Table 27 that the direct stakeholders have negative perception on the statements which does not recognise SHGs as Financial model viz. Helps in money transfers (FM 4), Helps in insurance to group members (FM 6), Ability to take financial risk (FM 7), Helps in preparation of cash book and other ledger books (FM 9), Helps in acquiring the skill of cash management (FM 10), Helps in acquiring the skill budgeting (FM 11), Helps in special loan products for women from funding agencies (FM 12), Helps in pre-loan help with business planning by fund provider to the groups (FM 13), Helps in special loan guarantee and collateral arrangements for groups (FM 14). From the above Table 27 of descriptive statistics on item wise perception of stakeholders about SHG as financial model, it is observed that out of 30 elements representing SHGs as financial model, in seventeen (17) elements where mean value is negative and only in thirteen (13) elements whose mean value is positive. Therefore, thirteen (13) elements relating to financial model construct whose mean value is positive are considered as the main elements to recognise SHGs as financial model of development.

## 15 IX.

## 16 Conclusion

SHGs emerge as an important strategy for empowering women and alleviating poverty. They are an effective strategy for poverty alleviation, women development and social empowerment. The women SHGs have enhanced the status of women as participant decision makers and beneficiaries on the democratic, economic, social and cultural spheres of life and sensitised the women members to take active part in socio-economic progress of rural India.

In recent year SHGs are emerging as alternative credit source to the poor. NABARD views the SHG as essentially a financial model facilitating a supplementary credit delivery mechanism for poor families that had not been reached by the banking system. A lot of literature are found on the role of SHGs in empowering women and also have cross world evidences that SHGs are helpful in reducing poverty. Economic empowerment through SHGs is in fact different from financial intermediation function of SHGs. A few studies also supported that the SHG is considered as financial model too and ensures low cost means of rural lending in the absence of formal financial institutions.

The one-way analysis of variance (ANOVA) on overall score of variables on SHGs as financial model is used to determine whether there are any significant differences between the means of two or more independent (unrelated) groups. From the ANOVA test on overall score of variables on SHGs as financial model, we have rejected the null hypothesis that all four groups' means are equal. We conclude that at least one of the group means is significantly different from the others (or that at least two of the group means are significantly different from each other).

Since it is statistically proved that the means form all four groups are not equal hence, we resorted to find out item wise analysis on variables relating to financial model wherefrom it is observed that the means are not



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2

Figure 4: Figure 2 :

Figure 5:

Figure 6:

Figure 7:

Figure 8:

Figure 9:

Figure 10: SHG as Financial Model Savings Function (SF) Credit Function (CF) Risk & Insurance (RI) Financial Literacy and Inclusion (FI) Fund Management (FM) Record Keeping(RK) Financial Relationship Management (FR) 3 5 2 4 9 2 5 FM 1 FM 4 FM 5 FM 2 FM 3 FM 25 FM 26 FM 27 FM 8 FM 15 FM 16 FM 18 FM 9 FM 17 FM 12 FM 13 FM 14 FM 19 FM 24 FM 6 FM 7 FM 10 FM 22 FM 11 FM 23 FM 20 FM 28 FM 21 FM 29 FM 30

1

Figure 11: Table 1 :



1

Assam, India	
Total	2,826,006,385,699
	1,440,307(Female)
Population	(Males)
Total ST Population	89394
Total SC Population	215209
Male literacy	78.19%
Female literacy	69.21%
Population Density	711 per sq. km
Total House Holds	378778
BPL House Holds	177697
BPL P/C	46.91
No. of SHG Formed	24156*
*Up to March 2011; Source: Census Report 2011 and Microfinance Status Report, NABARD 2010-11	

Figure 12: Table 1 .

2

Promoter	No. of SHG Formed Total*	No. of SHG taken up Economic activity Total	No. of Women SHGs Formed Total
SGSY	20590	5592	12630
Asomi-MFI	24	15	22
Prochesta-MFI	64	35	37
RGVN-MFI	87	56	64
NGO-MFI			
SK Human Welfare Assoc.	50	27	44
Gharoa**	50	28	38
Jana Chetana	62	24	48
Samity Asom Zeal Thrill	50	10	40
Friend-ship Group**			
Gramya US	31	11	26
Bank ***	165	56	132
Farmer Club /SHG as Cooperative society	258	123	168
Others including Govt. Depts.	2725	121	87
Total	24156	6098	13336

\*Total since 1 st April, 1999;\*\*Promoted with Banks,

\*\*\*Reported from SLBC Report, March 2010.

Source: Microfinance Status Report, NABARD 2010-11, and  
SLBC Report, March 2010

Figure 13: Table 2 :

3

Name	Name Revenue Villages Raha Bazar, Rajagaon, Amsoi Ambari, Ruhini Pather, Pachim Jamunaga
Devel-	
opment	
of	
Block	
Raha	
Bi-	
nakandi	
Dhalpukhuri	
Odali	
Lumding	3
	No.
	Derapather,
	2
	No.
	kaki,
	Narayanpue,
District	Nil
level	
(Nagaon)	

Figure 14: Table 3 :

4

	Gender		Group Mem- bers
	Male	Count	
Gender of SHG Member		% of Total	54.5%
	Female	Count	20
Total		% of Total	45.5%
		Count	44
		% of Total	100.0%

Source: Compiled from the Questionnaire

ii. Age composition of the sample respondents

The study consists of respondents from all age groups. Distribution of the sample respondents by age composition is furnished in

Figure 15: Table 4 :

5

Figure 16: Table 5 .

5

	Age			Group Members
	Below 30 yr	Count		
Age of SHG Member in Years		% of Total		25.0%
	30-40	Count	% of Total	12 27.3% 21
	40 & above	Count		
		% of Total		47.7%
Total		Count		44
		% of Total		100.0%

Source: Compiled from the Questionnaire

iii. Caste of group members

Figure 17: Table 5 :

6

	Caste		Group Mem- bers
	General	Count	
Caste & Sub Caste of SHG Member	% of Total		22
			50.0%
	Schedule	Count	13
	Caste	% of Total	29.5%
	Sched- ule	Count	7
Total	Tribes	% of Total	15.9%
	Others	Count	2
	% of Total		4.5%
	Count		44
	% of Total		100.0%

Source: Compiled from the Questionnaire

iv. Social status of group members

The study constitutes respondents from different members from all community having different social status, namely, Most Backward Community, Backward Community and Forward Community.

Distribution of the sample respondents by social status

[Note: C]

Figure 18: Table 6 :

Figure 19: Self Help Groups -A Financial Model: Perceptions of Stakeholders is

7

	Social Status		Group Mem- bers
	Most Backward Community	Count	
Social Status of SHG Member	Backward Community	% of Total	3
	Forward Community	Count	6.8%
	Community	% of Total	27
	Total	Count	61.4%
		% of Total	14
		Count	31.8%
		% of Total	44
		Count	100.0%

Source: Compiled from the Questionnaire

v. Economic status of group members

Figure 20: Table 7 :

8

Figure 21: Table 8 presents

8

			Economic Status				Group Members	
Economic Status of SHG Member	Below Poverty Level		Count		% of Total	15		
						34.1%		
	Green Card Holder	Job Card Holder	Count	% of Total	% of Total	7	15.9%	
		Others	Count	% of Total		9.1%	18	
Total		Count	% of Total	40.9%				
				Count	44			
				% of Total	100.0%			

Source: Compiled from the Questionnaire

vi. Duration of membership in SHG of group members

Figure 22: Table 8 :

9

Figure 23: Table 9

9

Duration of Membership				Group Members	
Duration of Membership in SHG	1-4 yr	Count		17	
		% of Total		38.6%	
	4-5 yr	Count	% of Total	15	34.1%
	5-6 yr	Count	% of Total	9.1%	4
Total	Above 6 yr	Count		8	
		% of Total		18.2%	
		Count		44	
		% of Total		100.0%	

Source: Compiled from the Questionnaire

vii. Literacy level of group members

Figure 24: Table 9 :

10

Figure 25: Table 10

10

Education level

Group Members

Educational Level of SHG Member Total Below 10th Primary Std. 10th Std. Above 10th Std. Source: Compiled from the Questionnaire Count % of Total 20.5% 9 Count 4 % of Total 9.1% Count 11 % of Total 25.0% Count 20 % of Total 45.5% Count 44 % of Total 100.0% viii. Annual income of group members Distribution of the sample respondents by annual income is presented in Table 11. It is inferred from the table that annual income of the majority of the sample respondents ranges up to Rs.50, 000 (56.8%). At the next level, 43.2% of the sample respondents' annual income of the sample respondents ranges from Rs. 50,000 -Rs. 1 lakhs.

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Figure 26: Table 10 :

Backward Community (61.4%), while 31.8% of the

Figure 27: A Financial Model: Perceptions of Stakeholders

11

Annual Income of SHG Member	Annual Income		Group Mem- bers
	Upto Rs. 50 Thousand	Count	
		% of Total	56.8%
	Rs. 50-1 lakhs	Count	19
		% of Total	43.2%
Total		Count	44
		% of Total	100.0%

Source: Compiled from the Questionnaire

b)

'Stakeholders' means the persons or institutions with whom any stake or interest is vested or created to facilitate the promotion of SHG movement, which shall include the regulators, promoters, donor, financier, educators and facilitators of the SHG movement. Major stakeholders in SHGs are, therefore includes all Self Help Promoting Institutions (SHPIs) i.e. Promoter, Donor, Financier and the SHGs itself.

Figure 28: Table 11 :

12

Originality/Nationality of Stakeholders				Stakeholders Category				Total
Nationality	Indian	Count	% of Total	Promoter	Donor	FIs		
				100.0%	100.0%	100.0%	100.0%	34
	Total	Count		34	10	12		56
		% of Total	100.0%	100.0%	100.0%	100.0%		

Source: Compiled from the Questionnaire

ii. Nature of promoting organisation

Distribution of the sample respondents by

Nature of Promoting Organisation is presented in Table

Figure 29: Table 12 :



## 13

## Nature of Promoting Organisation

	Promoter
Govt. Depts.	Count 7
	% of Total 20.6%
Other Govt. Agencies	Count 19
	% of Total 55.9%
Nature of Promoting Organisation	NGO-Count 1
	Universal of Total 2.9%
	NGO-Count 3
	Nationhood % of Total 8.8%
	NGO-Count 2
	Regionhood % of Total 5.9%
	NGO-Count 2
	Statehood % of Total 5.9%
Total	Count 34
	% of Total 100.0%

Source: Compiled from the Questionnaire

## iii. Place of location of stakeholders

Distribution of the sample respondents by Place of Location of Stakeholders is presented in Table 14. It is observed that majority of respondents belonging to Promoter located in Assam (52.9%), 41.2% of the respondents belonging to Promoter originated from outside North East India while 5.9% of the respondents belonging to Promoter originated from Outside Assam but within NER. Similarly, majority of respondents belonging to Donor located in Assam (60%) and equal number of respondents belonging to Donor originated from outside North East India and from Outside Assam but within NER (20% each). Further, it is observed that majority of respondents belonging to Financial Institutions have functioning at all India level (66.7%) while 33.3% of the respondents belonging to Financial Institutions are originated within Assam. However, majority of stakeholder have originated from Assam (50%), 7.14% respondents from other states of North-eastern region of India and 42.86% respondents whose existence is situated at all India level.

14

Stakeholders Category	Total
Promoter Donor	FI

Figure 31: Table 14 :

Figure 32: -A Financial Model: Perceptions of Stakeholders

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Figure 33: Table 15 :

16

Nature	Financial	Count	% of Total	Stakeholders Category				Total				
				Promoter	Donor	FI						
Both		52.9%	18	Count	16	1	10.0%	91.7%	53.57%	11	30	9
		% of Total	47.1%				90.0%	8.3%	46.43%			
	Total	Count			34		10		12		56	
		% of Total	100.0%	100.0%	100.0%	100.0%						
Source: Compiled from the Questionnaire												

Source: Compiled from the Questionnaire

vi. Recovery percentage of SHG promoted by stakeholders  
Distribution of the sample respondents by Recover Percentage of SHG Promoted is presented in

Figure 34: Table 16 :

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Figure 35: Table 17 .

17

Percentage Recovery	Recovery	Below 50-75%	25% Above 75%	Count	% of Total Count	Stakeholders FIs		Category Donor		Total	
						0	0%	0	0%	6	0 0% 6
						10	83.3%	2	60.0%	27	27.27%
					Total Count % of Total Count	16.7%		4	40.0%	14	63.64%
					% of Total			0	0%	2	9.09%
				Total	Count	12		10		22	
					% of Total	100.0%		100.0%		100%	

Source: Compiled from the Questionnaire

vii. Impact assessment by stakeholders

Distribution of the sample respondents by performing of Performance Assessment is presented in

Figure 36: Table 17 :

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Figure 37: Table 18 .

18

Impact Assessment	No Count	% of Total	Yes Count	% of Total	Stakeholders Promoter FIs		Category		Total	
					27	100.0%	50.0%	69.64%	7 0 5 12	20.6% 0% 5
				Total	34				12 10	
				Count	100.0%	100.0%	100.0%	100.0%		
				% of Total						

Source: Compiled from the Questionnaire

Distribution of the sample respondents by performing of Quality Assessment is presented in

Figure 38: Table 18 :

19

Figure 39: Table 19 .

19

Quality Assessment Conducted												
Quality assessment	No	Count	% of Total	67.6%	23	Count	11	% of Total	32.4%	Stakeholders Category		
										Promoter	FIs	Donor
	Yes											
Total		Count						34		12		10
			% of Total	100.0%	100.0%	100.0%	100.0%					
Source: Compiled from the Questionnaire												
viii. Performance assessment conducted												
stakeholders												

[Note: C]

Figure 40: Table 19 :

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Distribution of the sample respondents by performing of Performance Assessment is presented in

Figure 41: Self Help Groups -A Financial Model: Perceptions of Stakeholders

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Figure 42: Table 20 .

20

Performance Assessment Conducted									
Performance	Assessment	No	Count	% of Total	Yes	Count	% of Total	Stakeholders Category	Promoter FIs Donor
Performance	Assessment	No	Count	% of Total	Yes	Count	% of Total	15	44.1%
		Count	% of Total	100.0%	100.0%	100.0%	100.0%	5	41.7%
		Count	% of Total	100.0%	100.0%	100.0%	100.0%	19	55.9%
Total		Count	% of Total	100.0%	100.0%	100.0%	100.0%	34	100.0%
Source: Compiled from the Questionnaire									

ix. Nature of Donor organisation

Distribution of the sample respondents by Nature of Donor Organisation is presented in Table 21. It is observed that majority of respondents comes from Government Departments (50%), while respondents belong to NGO and 30% belong to Trust.

Figure 43: Table 20 :

21

Nature of Donor Organisation	Nature of Donor Organisation		Donor
	Govt. Dept	Count % of Total	5 50.0%
Nature of Donor Organisation	Trust	Count %	3
	NGO	of Total Count % of Total	30.0% 2 20.0%
Total		Count % of Total	10 100.0%

Source: Compiled from the Questionnaire

x. Nature of financial institution

Distribution of the sample respondents by nature of financial institution is presented in Table 22. It is observed that majority of respondents comes from Public Sector Financial Institutions like SBI and Other nationalised commercial banks available in the study district (75%), while 25% respondents belong to Regional Rural bank i.e. AGVB.

Figure 44: Table 21 :

22

Nature of Financial institution			Financial Institutions
Nature of Financial Institutions	Public Sector	Count	9
	FI	% of Total	75.0%
	RRBs	Count	3
		% of Total	25.0%
Total		Count	12
		% of Total	100.0%

Source: Compiled from the Questionnaire

Figure 45: Table 22 :

23

Statistic Std.  
Error

Figure 46: Table 23 :

24

	Overall Score on Financial Model
N	100
Normal Parameters a,b	Mean -3.76
Std. Deviation	12.230
Most Extreme Differences	Absolute.116
	Positive.116
	Negative.062
Kolmogorov-Smirnov Z	1.156
Asymp. Sig. (2-tailed)	.138
a. Test distribution is Normal.	
b. Calculated from data.	
Source: Compiled from the Questionnaire	
e) ANOVA analysis on the score on perceptions of stakeholder about SHG as Financial model	
Further, from the ANOVA output (Table	

Figure 47: Table 24 :

25

Sum of	df	F
Squares	Mean	Sig.
Between Groups	Square	
2277.524	3	759.175
Within Groups	12530.716	96
Total	130.528	Model
Source: Compiled from the Questionnaire	Total	144

Figure 48: Table 25 :

26

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean	Minimum	Maximum
					Lower Bound	Upper Bound	
Overall Promoter Score on Financial Model	34	.736	10.766	1.846	-3.021	4.492	-14.00 26.00
Donor	10	.00	10.360	3.276	-7.411	7.411	-10.00 20.00
Financial Institutions	12	.083	9.239	2.667	-5.787	5.954	-13.00 14.00
Group Members	44	-9.136	12.576	1.896	-12.96	-5.313	-30.00 20.00
Total	100	-3.76	12.23	1.223	-6.187	-1.333	-30.00 26.00
Source: Compiled from the Questionnaire							

Figure 49: Table 26 :



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