

**SELF- HELP GROUPS AND ITS IMPACT ON EMPLOYMENT
GENERATION IN NAGALAND: A CASE STUDY OF, DIMAPUR,
KOHIMA AND PEREN DISTRICT.**



THESIS

SUBMITTED FOR THE DEGREE

OF

DOCTOR OF PHILOSOPHY IN COMMERCE

BY

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NAGALAND UNIVERSITY, KOHIMA (MERIEMA)

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NAGALAND, 2015.

CANDIDATE'S DECLARATION

I K. Timothy Langwangbe do here by declare that the thesis entitled Self- Help Groups and its impact on employment generation in Nagaland: A case study of, Dimapur, Kohima and Peren District, is a bonafide record of research done by me under the supervision and guidance of Dr. AK Mishra, Professor, Department of Commerce Nagaland University, Kohima. This Thesis has not been submitted either in full or in part to any other University or institute for the award of any other degree.

This Thesis is being submitted to the Nagaland University for the Degree of Doctor of Philosophy in Commerce.

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ACKNOWLEDGEMENTS

My heart knows no bounds in extending my profound gratitude to all who have contributed generously in completing my research.

I thank the Almighty God for the countless blessings bestowed upon me in all my works.

I am extremely indebted to my Supervisor Dr. AK Mishra, Professor, Department of Commerce Nagaland University, for the selfless Sacrifice, Dedication, and Commitment shown to me throughout my endeavour, and in enabling me to complete my work on time. The positive motivation and encouragement from my supervisor kept me moving during by research.

The Head of Department Dr. N. Martina Solo, Associate Professor, has been my constant inspiration and guide. I sincerely thank Madam for the care, affection and constructive instructions in going about with my research. I cannot thank enough Dr. Gautam Partikar, Associate Professor, Department of Commerce for being a constant support, by providing me timely corrections, instructions and suggestions in my undertakings.

My special thanks also goes out to the other faculty members of Department of Commerce, Nagaland University who have assisted me in various ways throughout my work.

I am thankful to the Principal St. Joseph's College Jakhama Rev. Fr. Dr. Abraham, Vice Principals Rev.Fr. Dr. Thomas John and Rev. Sr .Dr. Ranit who kept on encouraging me at the same time assisting with all possible helps in my work.

I offer my deepest gratitude and thanks to Rev. Sr. Dr. Kaisa Rosalind and Asst. Professor Karaiba James for the pain staking trouble of prove reading all my works. I cannot really thank enough my sincere colleagues for such a dedicated service. I extend my heartfelt gratitude to my beloved students particularly from my Department as well as from the other departments who have rendered their selfless service in questionnaire circulation to various locations. I am truly indebted to all my respondents who shared their sincere views and expressed their rational judgement in all frankness about their experiences. Truly, I appreciate their ever-ready attitude towards my study.

I am indeed grateful to various government departments, who willingly and gladly educated me on the various programmes and activities carried out by them in the subject matter of my study. They not only provided me the information verbally, but also handed out printed materials available with them. It was very handy in my data processing with such readymade information at my disposal.

The various NGOs and Banks who gave authentic important information on their entire role of promoting the SHGs cannot but place them at high esteem for being so generous in their dealings.

My heartfelt thanks goes out to the Librarians of the College, who offered me assistance in availing the resources through hard and soft materials. I humble myself before all my Colleagues, teaching as well as non-teaching staff of St. Joseph's College Jakhama and thank them all for the support and help in different ways.

I acknowledge the undying support of my beloved wife and daughter, who gave me all the time and space for carrying out my work without any limit. I thank God for their good health and unflinching support.

I owe my sincere thanks to my parents and in-laws for their prayerful support and constant encouragement.

My deepest regret and apology to all my friends and well wishers whose names could not be mentioned individually or as a group due to space constraint. I sincerely acknowledge all of yours valuable contributions and remain ever grateful to you for your generous helps.

Place; Kohima

Date:

K. Timothy Langwangbe.

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Abbreviations:

1. AAY -Antyodaya Anna Yojana
2. AH-Animal Husbandary
3. AIDA-ANMA Integrated Development Agency.
4. APRACA -Asia-Pacific Rural and Agricultural Credit Association
5. ASCA- Accumulating Savings and Credit Association
6. ATMA- Agriculture Technology Management Agency
7. BPL- Below Poverty Line.
8. CDG -Community Development Groups
9. CDPO- Child Development Project Officer
10. CIDA -Canadian International Development Agency
11. CMGs-Credit Management Groups.
12. CRPs -Community Resource Persons
13. CRS -Catholic Relief Services
14. CYSD- Centre For Youth and Social Development
15. DAN- Development Association of Nagaland
16. DoNER- Development of North Eastern Region
17. DPMU-District Project Management Unit
18. DRDA-Department of Rural Development Authority
19. EPA- Entry Point Activity
20. GDP- Gross Domestic Product
21. ICDS- Integrated Child Development Services
22. IDA -International Development Association
23. IFAD- International Fund for Agricultural Development

24. IGAs- Income generating Activities
25. KVK- Krishi Vigyan Kendra
26. MCID -Micro- Credit Innovations Department
27. MSME -Micro, Small, and Medium Enterprise
28. MYRADA- Mysore Resettlement And Development Agency
29. NABARD- National Bank for Agriculture and Rural Development
30. NEPED- Nagaland Empowerment of People through Economic Development
31. NERLP- North East Rural Livelihood Project
32. NGOs- Non-Governmental Organisations
33. NEICORD- North East India committee on Relief and Development
34. NLM -National Literacy mission
35. NMA-Naga Mothers Association
36. NRLM-National Rural Livelihood Mission
37. NSRLM- Nagaland State Rural Livelihood Mission
38. NSDP- Net State Domestic Product
39. NRO- National Resource Organisation
40. OMPLIS -Orvakal Mandal Podupu Laxmi Ikya
41. PCI- Per Capita Income
42. PFT -Project Facilitating Team
43. PRADAN- Professional Assistance for Development Action
44. PREM -People's Rural Education Movement
45. PRPs -Professional Resource Persons
46. PMGSY -Pradhan Mantri Gram Sadak Yojana
47. PMGY -Pradhan Mantri Gramodaya Yojana

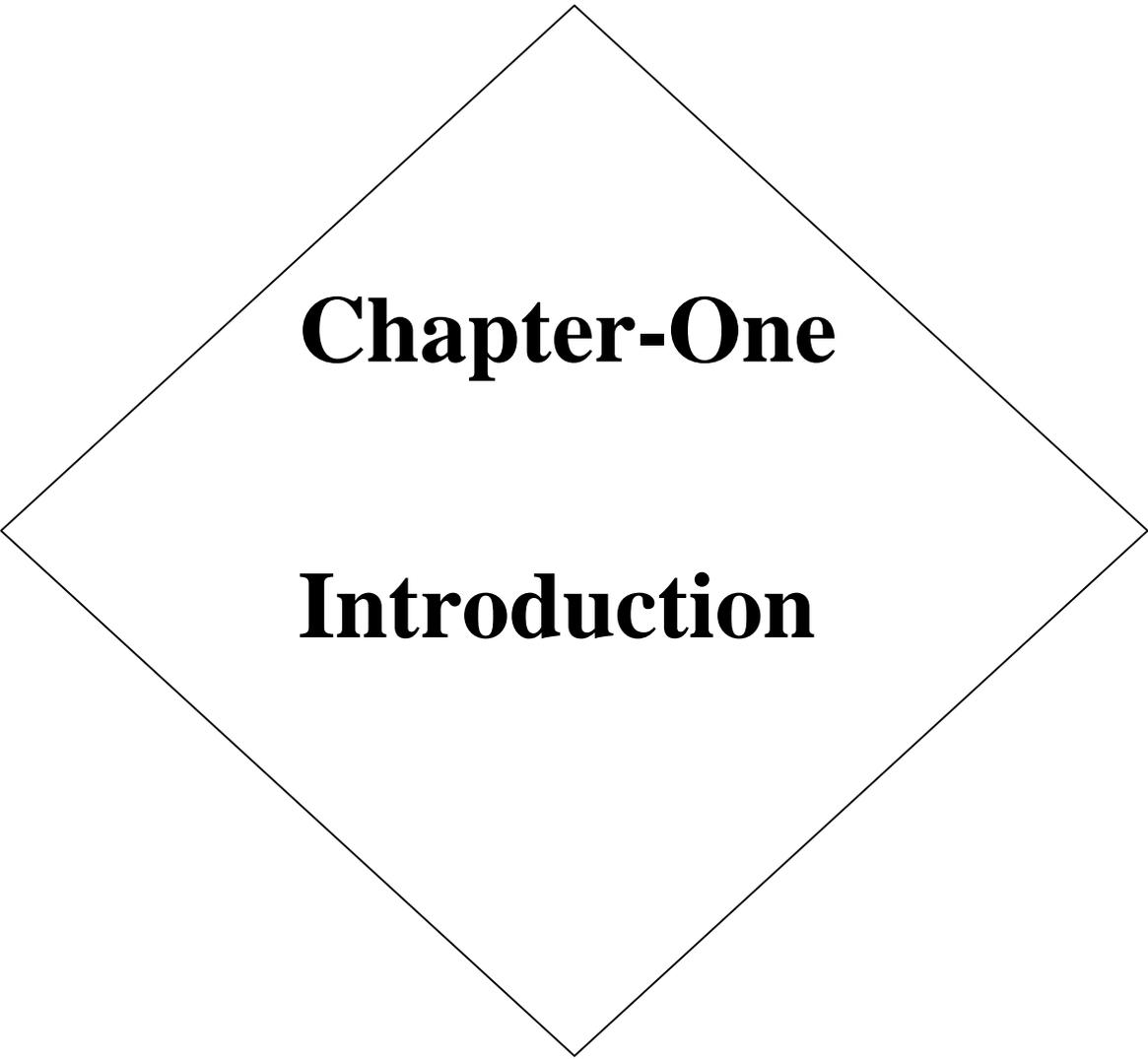
48. RBAN -Rongmei Baptist Association Nagaland
49. RBI- Reserve Bank of India
50. RD- Rural Development
51. ROSCA-Rotating Savings and Credit Association
52. RRB- Regional Rural Banks
53. SABS -Sisters of the Adoration of the Blessed Sacrament
54. SBLP -SHG- Bank linkage Programme
55. SDP -State Domestic Product
56. SEWA – Self Employed Women Association
57. SGSY- Swarnjayanti Gram Swarozgar Yojana
58. SHG- Self Help Group
59. SIRD- State Institute of Rural Development
60. SJSRY- Swarna Jayanti Shahari Rozgar Yojana
61. SMCS -Safe Motherhood and Child Survival
62. SSA -Sarva Shiksha Abhiyan
63. TLI- Transformative Livelihood Intervention
64. USEP- Urban Self Employment Programme
65. UWSP- Urban Women Self- Help Programme
66. UCDN- Urban Community Development Network
67. STEP-UP -Skill Training for Employment Promotion among Urban Poor
68. VDB- Village Development Board.
69. VVV -Vikas Volunteer Vahini
70. YG -Youth Groups of Men and Women

NAGALAND



Map not to Scale

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Chapter-One

Introduction

INTRODUCTION:

Micro-credit is one of the means of providing finance to Small and Medium Industries in the world today. Its popularity stems from the model of the Grameen Bank, begun by Prof. Muhammad Yunus in 1976 in a village near Chittagong, Bangladesh to assist improvised villages. With a high rate of pay back of 90% and a loan volume of \$500 million in 1995, this bank has rapidly come to be known as the champion of poor women across South Asian Countries. In this model devised by Prof. Yunus, potential borrowers are to form themselves into groups consisting of five members, who must gather once a week to have meeting for loan repayment. Loans are initially made to two individuals in the group, who are under the pressure from the rest of the members to repay. In the case of the borrowers default in repayment the other members of the Groups shall be denied the chance of getting loan in the future. The Groups eventually are looked up as an institution that ensures accountability of the members.

The Grameen Bank has provided an in-built incentive for prompt and timely repayment of loans by the borrowers. The rate of repayment decides the future volume of loans for the Groups. What was practiced in Bangladesh by the Groups are that, they should compulsorily save one *taka* per week, which shall accumulate in the Group fund. Later the members can borrow from the Group fund for meeting different needs, and the terms and conditions of borrowing shall be decided by the Group.

The success of the Grameen Bank model experienced in Bangladesh has far reaching impact to the rest of the world. The distinguishing features that led to impact the lives of millions of poor people was the absence of middlemen between the

credit supplier and the end user. It may be mentioned that today, there are more than 2300 branches of Grameen Bank with a cumulative recovery rate of 98 percent. As per survey, 58 percent of the borrowers of Grameen Bank got out of poverty. The goal is to make sure that all the families connected with Grameen Bank get out of poverty by 2015 (Yunus Mohammad 2007). The other factor leading to the success of the Grameen Bank is the participatory spirit of every member of the Group in the aspect of lending, utilisation, and repayments where peer pressure of the Group members prevailed.

Micro finance i.e. credit, saving and insurance programmes can help poor households' in the smooth consumption during an adverse shock. Access to credit may help them avoid distress sales of assets and replace reproductive assets destroyed in a natural disaster. But micro-finance programmes not only help households cope up with shocks but also provide capital to create or expand micro enterprises. Micro-finance thus, helps households to diversify their sources of income and reduce their vulnerability to income shocks.

In the context of micro finance, Self Help Groups (SHGs) are formed around the theme of saving and credits. Thus, the concept of SHG came into being from the success model of the Grameen Bank. It is worth noting that, in this regard the Government of India has been trying hard to bridge the gap between the Haves and the Have nots by resorting to different poverty alleviation strategy. In the initial two decades of planning Government relied mainly on the trickle down hypothesis for poverty alleviation. In this strategy it is believed that the benefit of economic growth will percolate down to the lowest strata of society and poverty will automatically be removed just by accelerating the pace of economic growth. However by 1970s it was

well established that trickle-down effect had not taken place and poverty alleviation would require proactive redistribution policies. Thus, the fifth five year plan focuses on poverty alleviation by involving the lowest strata of the society, with the introduction of employment generation programmes. The important programmes initiated by the Government are like:

1). Pradhan Mantri Gramodaya Yojana (PMGY), launched in 2000-2001 in all the States and Union territories with the objective to achieve sustainable human development at the village level.

2) Pradhan Mantri Gram Sadak Yojana (PMGSY), launched in December 2000 to provide road connectivity to 1.6 lakh unconnected habitations with population of 500 persons or more (250 in the case of hilly, desert and tribal areas) in the rural areas by the end of tenth plan.

3).Antyodaya Anna Yojana (AAY), launched in December 2000 was aimed at reaching out to one crore of the poorest among the Below Poverty Line (BPL) families to avail them at highly subsidized rate of Rs. 2 per kg for wheat and Rs. 3 per kg for Rice.

4). Swarna Jayanti Shahari Rozgar Yojana (SJSRY), launched in December 1997 has been revamped with effect from April 1, 2009. The SJSRY has five components like the a). Urban Self Employment Programme (USEP) b) Urban Women Self- Help Programme (UWSP) c) Skill Training for Employment Promotion among Urban Poor (STEP-UP) d) Urban Wage Employment Programme (UWEP) and e) Urban Community Development Network (UCDN).

5) Swarnajayanti Gram Swarajgar Yojana (SGSY): The programme was launched in April 1999 with the objective of bringing the assisted Swarajgaris above

the poverty line by providing them Income-Generating Assets through bank credit and government subsidy. This programme was however redesigned and restructured in a new forum called National Rural Livelihood Mission (NRLM) so as to achieve reduction of the BPL in a time framed manner. It was formally launched on 3rd June 2011 in Banswara district of Rajasthan.

Thus, over the years it has to be reckoned that Government at the Centre as well as in the States and Union territories are playing proactive roles in achieving socio- economic growth and development through grass root level participation.

Today SHGs are formed for different purposes, ranging from managing of common pool of resources such as irrigation facility and tree plantation on common land and providing other basic amenities. The concept of SHGs is the same, though the activities and scope may differ from one Group to the other. Common welfare being the top priority in the formation of SHGs, the quantum of monetary rewards or profits need not be necessarily the yard stick for measuring the efficiency of the Groups. The SHGs provide a good platform to the members in making them become decision makers rather than decision takers in the Group, family and society. The notion of self undermining, and the attitude of being subjected by people in many ways begin to vanish from their minds, as they started conducting their regular meetings, discussions and planning within the Groups and also by attending training programmes, skilled development programmes and other workshops organised by different agencies.

It is the SHG movement that has brought about enlightenment to the unemployed sectors in the society. The absence of rigid rules and regulations in conducting their activities encouraged members to participate more actively. Their self-consciousness and understanding of the concept of “No reward without work”

simply motivates them to give their best in what they do. In this type of organisation the members need not possess any special skill, knowledge, qualification or expertise. What is required of the members to keep their Group alive and active is to be committed and be aware of the importance of their personal contributions to the Group. Every member is important; they get equal opportunities, privileges and rights. They are free to share their views on any matter without any reservation in order to enable the Group to become creative and adventurous. The other noteworthy point of SHGs is that, they can carry out their activities at their convenient time and without much interference from any section of the people. Generally their functioning are simple and easy, and do not require any special talent or training.

In India, the concept of SHGs was crystallised into effective action from the State of Andhra Pradesh which recorded its full fledged SHGs movement with Bank linkage from 1995. Soon it spread to the other parts of the country. The state wise number of SHGs as on 31st March 2011 is presented in the following table.

Table no. 1.1: **SHGs an all India perspective:**

State/ UT	Number of SHGs	% in total
Andhra Pradesh	1466225	19.65
Tamil Nadu	943098	12.64
Maharashtra	760161	10.19
West Bengal	666314	8.93
Karnataka	564545	7.57
Orissa	52,1152	6.98
Kerala	493347	6.61
Uttar Pradesh	470157	6.30
Bihar	248197	3.33
Assam	245120	3.28
Rajasthan	233793	3.13
Gujarat	192834	2.58
Madhya Pradesh	153817	2.06
Chhattisgarh	118167	1.58
Jharkhand	87205	1.17
Himachal Pradesh	53113	0.71
Uttarakhand	44295	0.59
Punjab	40919	0.55
Haryana	35319	0.47
Tripura	34312	0.46
Pondicherry	22081	0.30
Manipur	10306	0.14
Meghalaya	10653	0.14
Nagaland	9866	0.13
Goa	7926	0.11
Arunachal Pradesh	7079	0.09
Jammu & Kashmir	5569	0.07
Andaman & Nicobar Islands (UT)	4750	0.06
Mizoram	4592	0.06
New Delhi	3095	0.04
Sikkim	2811	0.04
Chandigarh	964	0.01
Lakshadweep	164	0.00
Total	7461946	100.00

(Source: Status of Microfinance in India 2010-11, A NABARD publication)

The analysis of figure provided in the table above shows the following results.

Andhra Pradesh has the largest number of SHGs accounting for 19.65 per cent of the total number of SHGs in the country with 14,66,225 SHGs followed by Tamil

Nadu (12.64 per cent) with the actual figure of 9,43,098 SHGs, Maharashtra (10.19 per cent) with 7,60,161 SHGs, West Bengal (8.93 per cent) with 6,66,314 SHGs, Karnataka (7.57 per cent) with 5,64,545 SHGs, Odissa (6.98 per cent) with 5,21,152 SHGs, Kerala (6.61 per cent) with 4,93,347 SHGs, Uttar Pradesh (6.30 per cent) with 4,70,157 SHGs. The States which has less than one per cent are like Himachal Pradesh, Uttarakhand, Punjab, Haryana, Tripura, Pondicherry, Manipur, Meghalaya, Nagaland, Goa, Arunachal Pradesh, Jammu & Kashmir, Andaman and Nicobar Islands (UT), Mizoram, New Delhi, Sikkim, Chandigarh and Lakshadweep.

There is a wide regional disparity in the number of SHGs in the country. The North East India consisting of eight State shares only 4.34% of the total number of SHGs operating in the whole country. From the total percentage share of the North East Region, the share of Assam is 3.28%. The remaining seven North Eastern States share 1.06% out of which the share of Nagaland comes to 0.13%.

1.1 Concept

Self- Help Group (SHG):

Self Help Groups are village-based financial intermediary usually formed by 10-20 local people. It is a voluntary association in which likeminded individuals who wish to work collectively by pooling together their resources come together. Generally they are financially weak and usually from the same socio-economic background. They come together for the purpose of solving their common financial problems through self-help and mutual help. They promote small savings, through weekly or monthly collections on certain agreed amount. They use the funds in different ways like; internal lending to the members at flat rates of interest, investing in the purchase of raw-materials, fixed assets, depositing it in the banks, etc.

Self- Help Group may function as registered or unregistered Groups. Mutual trust is the spirit of the organization. It has its own set of by-laws, rules and regulations. Transparency and accountability are maintained to the maximum degree in Self-Help Group transactions. The Group members use collective wisdom and peer pressure to ensure proper end-use of credit and timely repayment. This system eliminates the need for collaterals and is closely related to that of solidarity lending widely used by micro finance institutions.

Self-Help Groups, tend to be more of women oriented activity though in reality it applies to both the genders with some exception in few cases, where women specific Groups are formed, for example the SHGs formed under Women Development Department under the theme “Transformative Livelihood Intervention Project”. Here SHGs extend its scope towards addressing issues faced by women in the society. It also empowers women in various respects economically, socially, politically, and morally. They provide women access to economic resources. They enable women to participate in financial and non financial issues. They improve the socio-economic status of the women. They change the role of women from that of a housekeeper to an organizer, manager and decision-maker. Self-Help Groups have been initiated in India with a view to facilitate poor rural people to avail Bank Credit, for which a pilot project for micro credit linking up Self- Help Groups with Banks has been launched by National Bank for Agriculture and Rural Development (NABARD).

The Reserve Bank of India directed the Commercial Banks to actively participate in this linkage programme. However, the Self-Help Group movement, which initially started as Micro-Finance institution movement has, now taken the form of Women Empowerment paradigm as a group approach to eradicate rural poverty.

Today the SHGs after two decades of its formal introduction emerges as one of the most successful schemes launched by the Government which promotes development in various aspects of women's life particularly in the rural pockets.

The presence of big business houses and the Government policy of foreign direct investments in almost every sector, have not in any form threatened the existence of SHGs. Instead those bigger units serve the SHGs by absorbing the products produced by SHGs as raw materials for their business. This creates a win-win situation where both the parties benefit from one another. However, it will also depend upon the relationship and agreement between the two. Thus, SHGs are purely formed at the desire of the members and their success depends upon the commitment and interest of the Group. No amount of subsidy, grant or training can ensure with confidence the success of the Groups.

1.2 Economic profile of the State:

The economic performance of a Country or Region can be understood from the contribution made to the Gross Domestic Product during a specific period. Hence in the case of Nagaland the 'Gross State Domestic Product' (GSDP) stands as the best indicator of economic performance of the State. The State Domestic Product (SDP) measures the growth pattern of the economy at the same time brings to light the structural changes taking place in the State's economy. For the purpose of estimation of SDP, and the basis of activity, the economy of the State is divided into the following three sectors, Viz.-

- i). The Primary sector
- ii). The Secondary sector and
- iii). The Tertiary sector.

i).Primary sector:

It includes all those production units engaged in the production of goods and commodities by exploiting natural resources. They are further classified into the following:

- a) Agriculture and allied activities (i.e Horticulture, Sericulture) and livestock.
- b) Forestry and Logging
- c) Fishing d) Mining and Quarrying.

ii) Secondary sector:

This sector includes all those production units that are engaged in the transformation of one goods into another goods with the help of machines. It includes the following:

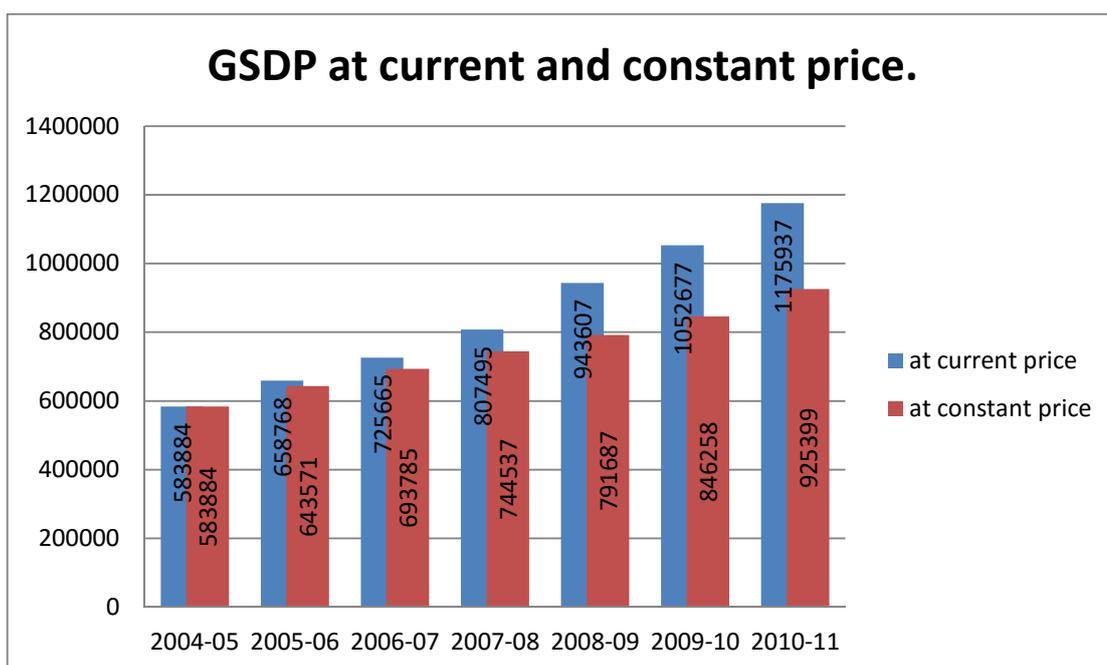
- a). Manufacturing which could be either registered or unregistered
- b). Construction, c). Electricity, Water supply, and Gas.

iii). Tertiary sector: This sector includes all those activities which produce services and includes activities like;

- a). Transport and Communication, b).Banking and Insurance, c).Trade, Hotels and Restaurants
- c).Real Estates, ownership of dwellings, business and legal services d) Public Administration e) Professional arts and f) other Services.

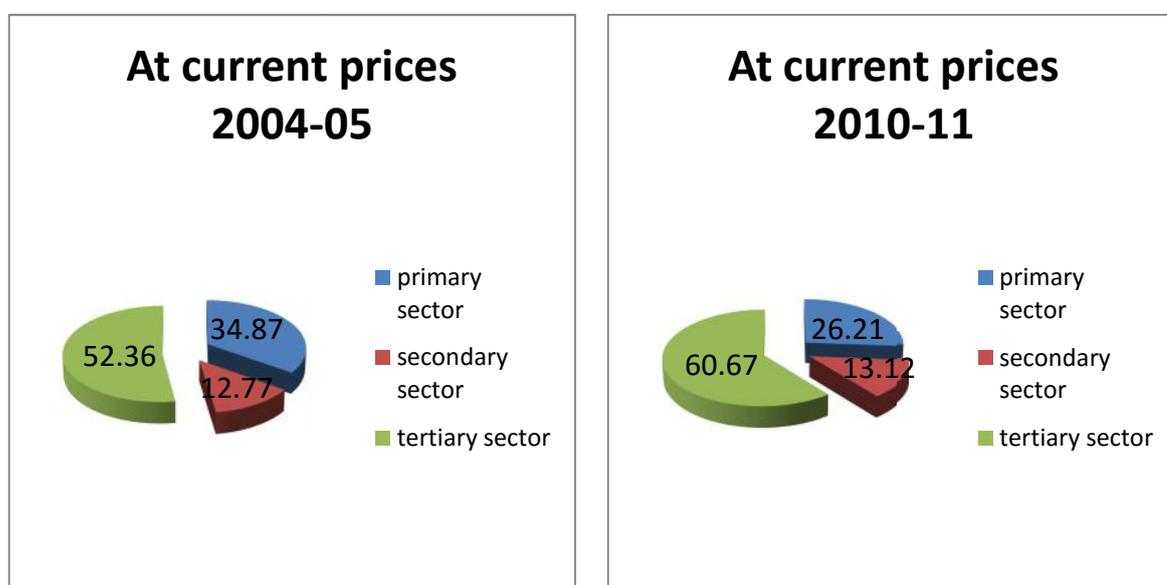
For better analysis of the contribution to GSDP and NSDP from primary, secondary and tertiary sectors of the economy the following figures and tables are provided as follows.

Figure 1.1.a: **GSDP at current and constant price. (Rs in Lakhs)**



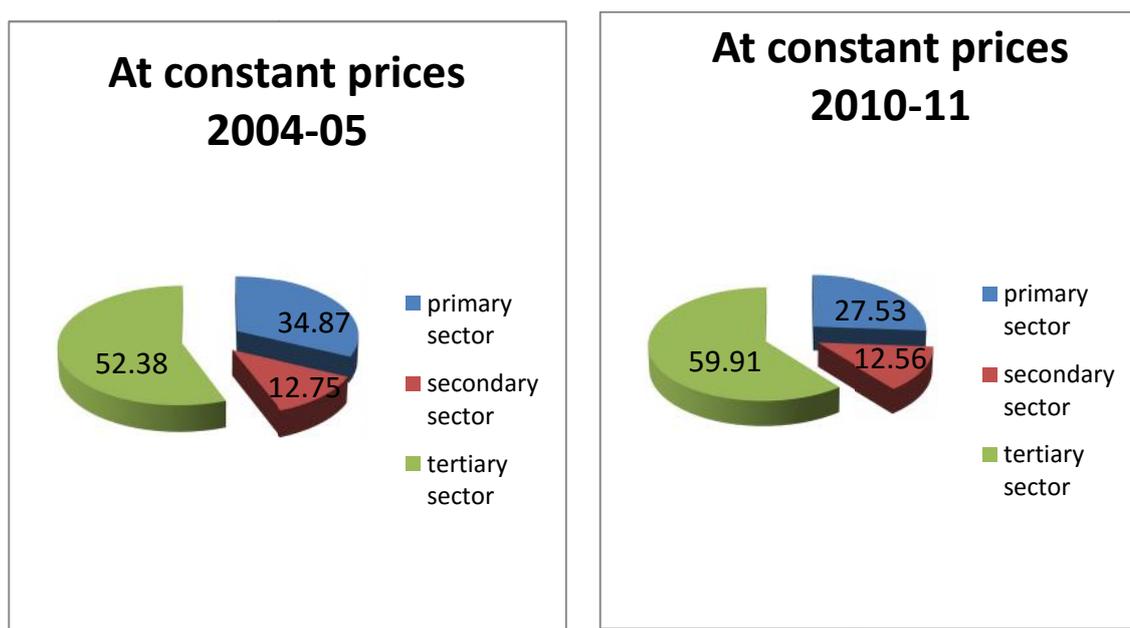
(Source: Government of Nagaland State Domestic Product 2004-05 to 2010-11, Directorate of Economics and statistics Nagaland)

Figure 1.1.A: **GSDP at current price (2004-05 to 2010-11)**



(Source: Government of Nagaland State Domestic Product 2004-05 to 2010-11, Directorate of Economics and statistics Nagaland)

Figure 1.1.B: GSDP at constant price. (2004-05 to 2010-11)



(Source: Government of Nagaland State Domestic Product 2004-05 to 2010-11, Directorate of Economics and statistics Nagaland)

Table 1.2: Percentage share of GSDP by sectoral contribution at current and constant prices from 2004-05 to 2010-11:

Year	At current prices				At constant prices (2004-05)			
	Primary sector	Secondary sector	Tertiary sector	total	Primary sector	Secondary sector	Tertiary sector	Total
2004-05	34.87	12.77	52.36	100	34.87	12.75	52.38	100
2005-06	32.25	13.65	54.10	100	32.45	13.55	54.00	100
2006-07	29.85	14.62	55.53	100	30.42	14.44	55.14	100
2007-08	27.25	14.70	58.05	100	28.52	14.80	56.68	100
2008-09	27.37	16.99	55.64	100	28.85	16.09	55.06	100
2009-10	26.90	16.68	56.42	100	27.78	16.18	56.04	100
2010-11	26.21	13.12	60.67	100	27.53	12.56	59.91	100

(Source: Government of Nagaland State Domestic Product 2004-05 to 2010-11, Directorate of Economics and statistics Nagala)

Table 1.3: Percentage share of NSDP sectoral contribution at current and constant (2004-05) prices from 2004-05 to 2010-11:

Year	At current prices				At constant prices (2004-05)			
	Primary sector	Secondary sector	Tertiary sector	total	Primary sector	Secondary sector	Tertiary sector	Total
2004-05	35.94	12.29	51.77	100	35.94	12.29	51.77	100
2005-06	33.25	13.22	53.53	100	33.45	13.13	53.42	100
2006-07	30.78	14.21	55.01	100	31.38	14.01	54.61	100
2007-08	28.13	14.19	57.68	100	29.22	14.30	56.48	100
2008-09	28.50	16.44	55.06	100	29.85	15.46	54.69	100
2009-10	28.06	15.98	55.96	100	29.01	15.36	55.63	100
2010-11	27.29	12.38	60.33	100	28.70	11.71	59.59	100

(Source: Government of Nagaland State Domestic Product 2004-05 to 2010-11, Directorate of Economics and statistics Nagaland)

An analysis of the GSDP at current prices by industry of origin from 2004-05 to 2010-2011 reveals that, in absolute number, the GSDP at the current prices has increased from Rs 5,83,884 lakhs in 2004-05 to Rs 11,75,937 lakhs in 2010-11¹. Within the figure of Rs 5, 83, 884 lakhs in the year 2004-05, the contribution of the Primary, Secondary and Tertiary sector is Rs 2, 03,624 lakhs, Rs 74,518 lakhs and Rs 3, 05,742² respectively. In the year 2011 the contribution of the Primary, Secondary and Tertiary sectors were Rs 3,08,251 lakhs, Rs 1,54,241 lakhs and Rs 7,13,445³ respectively.

The main contributors to the Primary sector come from Agriculture during the years from 2004-05, to 2010-11. In the case of Secondary sector, ⁴the major contribution came from construction which amounted to Rs 56,724 lakhs and Rs 1 07585 lakhs during 2004-05 and 2010-11 out of the total of Rs 74,518 lakhs and Rs 1, 54,241 lakhs during the same period. As far as the Tertiary sector is concerned the highest contribution came from Real Estate, ownership of dwelling, business services, and Public Administration. It is observed that, the sector contributing most to the States GSDP comes from the Tertiary sector ⁵which accounts for 52.36% towards the economy of the State during 2004-05, and the figure was further found going higher during 2010-11 to 60.67%. The contribution of the Primary sector during the same period is 34.87% and 26.21% respectively. The figure indicates reduction in income during the period from 2004-05 to 2010-11 by 8.66%. The share of the secondary sector during the same period of time is recorded at 12.77% and 13.12% respectively. It showed a little improvement, however at a very low margin.

1.3 Scope:

The Indian economy is characterised by large scale working people and the growing demand for services sector can offer gainful employment opportunities to the millions of people in the Country. 'SHG' is an institutional arrangement for providing jobs to the people irrespective of educational qualification with relatively less capital investment. The SHG with its simple approach of self-help and mutual help provides ample opportunities for people to pool together resources and share the resources without leading to complicacies. The huge unemployed sections of the people due to lack of skills, knowledge, education and capital can best find refuge in

SHG. The involvement in SHGs will not only address unemployment problem but also generate stable growth of the economy of the Country and promote white economy.

Nagaland, a State comprising of 19, 78,502 persons, has 14, 07, 536 rural population and 5, 70,966 urban population, ratio being, 71.14: 28.86, respectively as per 2011 census. The sex ratio as per the above figure is 940 females against 1000 males in the rural sector and 908 females against 1000 males in the urban sectors. The State has sixteen major tribes distributed to 11 districts. As per the population figure it is observed that, a large section of population remained unemployed in the State. The SHGs scheme which encourages the members to take up wide ranging activities offers good scope to the people of the State to effectively tackle the gap created by the absence of large and medium industries. The geographical location of the State with hill terrain provides a platform for creating jobs for the masses with the formation of Self Help Groups in both manufacturing as well as in service sectors. SHGs provide high employment with low cost to eradicate poverty in the State.

The proposed study is intended to carry out an intensive case study of the various aspects of SHGs in Nagaland with a sample study of three Districts Viz. Dimapur, Kohima and Peren. It will deal with the contribution of the SHGs towards the society as a member of the Self-Help Group, changes in their social status and most of all the impact of SHGs in employment generation in the State of Nagaland.

The economic live of the people in this part of the region is agrarian in nature. Despite the fact that, the contribution of the Primary sector to the State's Gross Domestic Product accounts for just 26.21 % as per 2010- 11 statistical reports at current prices, the number of people engaged in primary sector remains the highest. In this regard it could also be mentioned that the secondary sector's contribution to the

State Gross Domestic Product hasn't shown any significant improvement over the years. It is seen that the contribution to the SGDP increased by .35 during the period 2004-05 to 2010-11. The biggest contribution comes from the Tertiary sector which accounts for 60.67 %. The urge for getting into the Service sectors is becoming a threat to employment in the State. Team spirit and collective efforts which are the brain child of SHG will eventually become the best weapon to address the issues of unemployment and poverty. At the same time the neglected sectors viz. the primary and secondary sectors could be revived with newer concepts and better modalities.

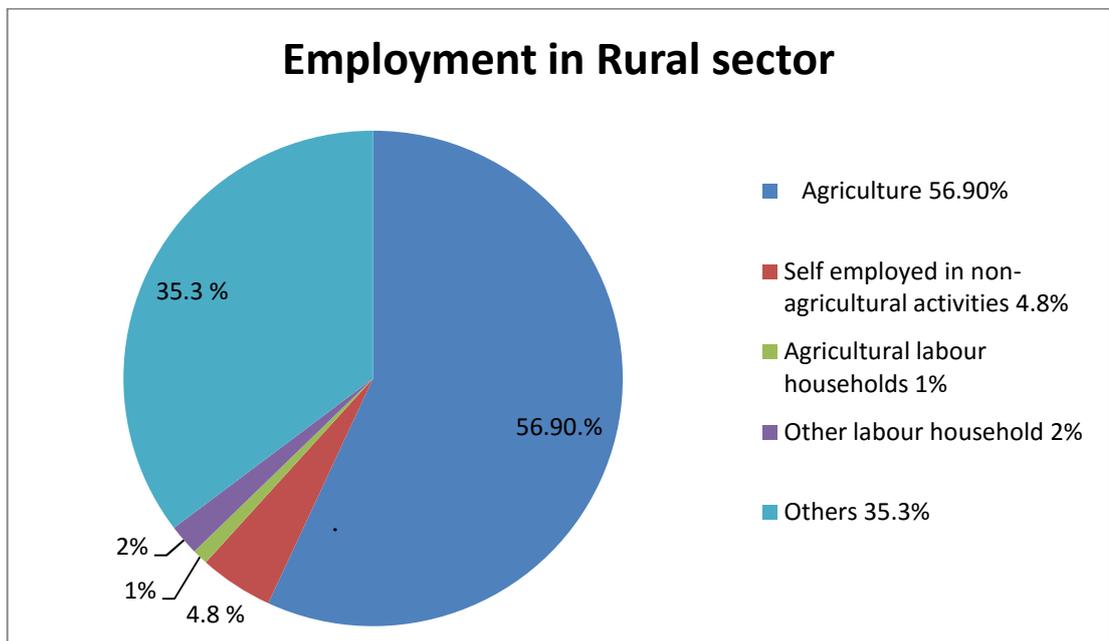
Lack of industrialization in the State has caused much harm to the State's economy. The State has 1,160 Industrial units including small scale industries, Government Emporiums, District Industrial Centres and specialized farms in 1999-2000. To this figures the State has made tremendous progress over the years. The figure of the Micro, Small, and Medium Enterprise (MSME) permanently registered for the period 2006-2009 stood at 4,575 units. The number of employment generated out of this many units during the same period was 66,714. The reasons for industrial backwardness of the State may be attributed to a host of factors such as; inadequacy of infrastructure such as transportation, communication, powers etc, lack of enough trained men power and lack of entrepreneurship, weak institutional finance, problem of lack of raw-materials, inadequate marketing strategy, and the prevailing law and order situation stands as factors of hindrance.

Unemployment, a major constraint for the overall development of the State has to be treated very seriously through different means. The pattern of employment in the State reveals different experiences in the rural and urban area. The one notable difference between the two is that, majority of the people in the rural sectors are

engaged in agricultural sector, whereas in urban sector it is seen that, more people are self engaged in service sector. The following pie charts are presented below to study the pattern of employment in the two sectors.

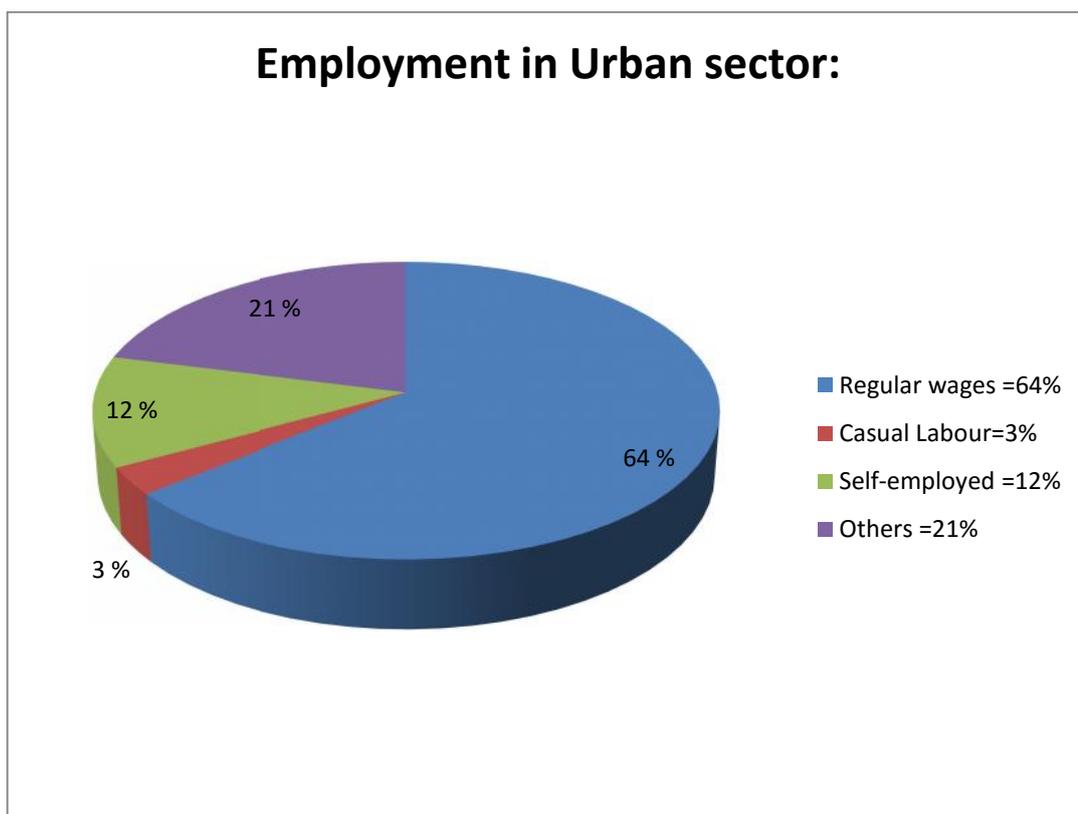
Pattern of Employment in Nagaland (Rural sector):

Figure 1.2.a: **Pattern of Employment in Nagaland (Rural sector):**



(Sources: State Employment Market Information Unit, Government of Nagaland 2013)

Figure 1.2.b: **Pattern of Employment in Nagaland (Urban sector):**



(Sources: State Employment Market Information Unit, Government of Nagaland 2013).

The live register of the unemployed in the State Employment Exchange as on 31st March 2014 as per the Annual Employment Review published by the State Employment Market Information Unit, Directorate of Employment & Craftsmen Training, Government of Nagaland shows that there are 65,489 job seekers. The following table no.1.4 will give a better idea of the total unemployed persons in the State as per 31st March 2014:

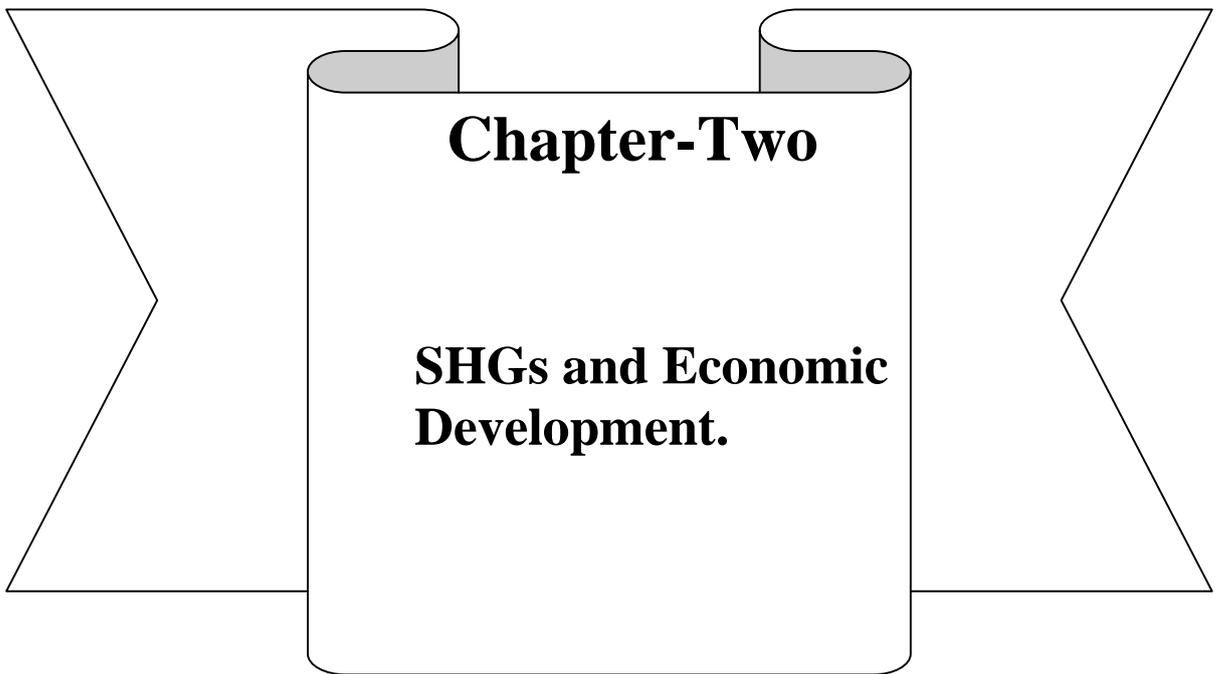
Table no 1.4. Applicants on live Register of Employment Exchanges as on 31st March 2014.

Sl. No	Categories of applicants	Male	Female	Total
1.	Below Matriculation	14577	2349	16926
2.	Matriculate	7947	3128	11075
3.	Pre- University	7643	5989	13632
4.	Graduate	9625	9147	18772
5.	Post Graduate	1568	2178	3746
6.	Degree (technical)	499	215	714
7.	Diploma Holder	379	245	624
	Total	42238	23251	65489

(Source: Annual Employment Review 2014, Directorate of Employment & Craftsmen Training, Government of Nagaland)

It is to be noted that out of the total of 65,489 listed in the employment exchange, 3,746 are postgraduates 18,772 are graduates, 13,632 are in secondary, 11,075 are matriculate, 16,926 are below matriculation, 714 are degree (tech) and 624 are diploma holders. These figures also show that the literacy rate of the State has improved tremendously over the years. The present literacy rate of the State as per 2011 census is 79.55% of which, male literacy rate stood at 82.75% and female literacy rate is recorded at 70.01 %.

Keeping in view the State's responsibility of creating avenues for employment and generating new sources of catering to the needs of the unemployed mass, the Government over the years gave financial assistance, provided grants and aids to the youths of the State.



Chapter-Two

SHGs and Economic Development.

In order to provide employment opportunities to the youths, the State Government introduced a scheme called 'Self- Help Group' which was initiated by National Bank for Agriculture and Rural Development (NABARD) in 1986-87. This was introduced as a mechanism to wage a direct war against poverty and to bring about an innovative and dynamic anti-poverty programme.

The State of Nagaland introduced Self-Help Group programme as an innovative and dynamic anti- poverty programme. The receptiveness of the people to accept and experiment out a totally new system has certainly made an impact in the economic and social life of the people. The formation of this type of voluntary association in rural and tribal inhabited areas particularly by the women folk would create awareness among themselves as to how they could exploit the available resources. It would also enable them to invest their savings, and make them become more conscious of their health care and wellbeing of the family.

1.4 Objective of the study:

Since the initiation of SHGs in the Country and its subsequent follow-up by the State Government, mixed reactions have come about with regard to the role of SHGs in the State. The undisputed objectives of SHG are to alleviate the status of the economically down trodden sections of the people particularly the rural dwellers. The State of Nagaland effectively implemented this scheme in all the districts from the year 2000. Over the years many State Departments as well as the NGOs and the Central teams have pumped in much of the needed resources to promote this scheme into a realistic one. None the less success was remote from its intended target. Thus, to

understand the functioning of the SHGs in a better way, answers to the following questions are intended to be found out.

- Whether the promoting agents have discharged their duties with competency or not?
- Whether the SHGs are perusing their activities with commitment and seriousness?
- Whether the members involved in the SHGs are able to come out of poverty or not?
- Whether the banks are actively supporting the SHGs with the required funding?
- Whether the members of the groups are able to become independent economically and be self employed?
- Whether the SHGs have in a way brought about a change in the lives of the members socially, politically and economically?

Answers to all the above questions, are to be found out through the study and thereby make suggestions to suitably enhance and promote the SHGs to the greatest height possible.

Apart from those general answers to be sought, the specific areas of concern for carrying out this study are to realise the following objectives:

1. To review the savings and investments pattern of the people with regard to SHGs Schemes.
2. To analyse the growth and development pattern of SHGs in Nagaland with special references to Dimapur, Kohima and Peren Districts.
3. To evaluate the role of SHGs in employment generation in Nagaland.
4. To study SHGs and Bank Linkages in terms of financing and monitoring of SHGs in the State.

5. To identify the various problems and difficulties faced by SHGs financially, through support programmes, marketing of products produced, capacity building and continuous follow-ups.

6. To suggest suitable recommendations to make SHGs become the champion of poverty alleviation and an effective agent for Micro-Financing.

7. To examine the roles of various SHGs promoting agents like the NSRLM, Women Development Department, NEPED, Agriculture and allied sectors, the NGOs etc.

Thus, with a view to address the needs and cater to the problems of the society at large, an intensive study on employment and income generation by the people living at grass root level of society has been undertaken in this research work. The main objective of the study is to make detail analysis on the workings of SHGs so as to find out the operational problems and its impact on employment generation in the State.

1.5 Significance of the study:

The State's economy is characterized by agriculture, small trade as well as the Service Sector. In an era of privatization, the State of Nagaland lacks the private sector investment in the area of setting up large scale industries. In order to provide gainful employment opportunities to the people of the State, it is significant to encourage the formation as well as promotion of Self Help Groups with a proper institutional linkage for financing as well as monitoring the SHGs.

The three districts were chosen for case study based on, partly convenience and partly on logical grounds. The simple reasons for the choice of the three districts are; that, Dimapur, being considered the only Commercial city of the State, where mixture of people from various parts of the State dwell and making it the most densely

populated district in the State. It is also the only district which is well connected by Air ways, Rail and Road transportation in the State. Kohima, being the capital city of the State, where almost all the important offices are located and the people are in close proximity to offices, markets and also other facilities. Peren, being one of the newly declared districts of the State has rural population more than the urban population. Therefore it is taken to represent the rural districts of the State.

In recent times, in the wake of education and exposure, women started entering into other sectors, such as trading, cottage industries, floriculture, restaurants etc. However, the vast pools of women in rural areas are still found living in the same state of life with no improvement. The State Government therefore established a separate department for Women Development in 2003, with a view to provide provision for addressing Women issues. Accordingly a policy was drafted aimed at bringing about advancement, development and Empowerment of Women. The policy statement provides comprehensive guidelines for the upliftment of women in Nagaland. The State Government launched a special pilot initiative called the 'Nagaland Empowerment of People through Economic Development' (NEPED). Through this the farmers are provided financial assistance, SHGs for women are organized and technical trainings are imparted to women.

Self-Help Groups are the best facilitators of rural employment and income generation, income distribution and empowerment of rural women. SHGs are one of the best sources of restructuring the rural life at grass root level. The formation of SHGs are simple and easy. It needs no big investment or good income; it needs no technical skill or knowledge. What is required is mutual trust and confidence. The SHGs significantly contribute to the empowerment of the poor. It brings hope of better

lives and self satisfaction to the poor. The SHGs provides the platform to the members to come together during emergency, disaster, social reasons, economic support to each other, have ease of conversation, social interaction and economic interaction.

The members of the SHGs become more conscious of saving and at the same time learn the art of tapping the resources to their advantage. The members will avail loan from the common fund of the Group which will serve their purpose in times of financial needs. It creates a sense of confidence and capability of the members. It also motivates the members to be more responsible to social cause. In today's world, unemployment, disguised unemployment and underemployment are rampant in the State. To solve this chronic problem one of the best approaches is self employment which can be achieved through the participation in SHGs. Effective functioning of Self-Help Group may lead to the development of the family and the community at large. Development is a subjective and value loaded concept and hence there cannot be a consensus as to its meaning. The term is used in diverse contexts. It basically means 'unfolding' 'revealing' or opening up' something which is latent when applied to human beings. It therefore generally means a change that is desirable.

For the purpose of economic development, it is imperative to draw the attention of the cooperatives, who have to form the SHGs to help the members, increase their competencies and capacities. The support, advice and coaching is required from the cooperatives to the SHGs through formal or informal network, to get the business from all the local people. The SHGs are federated at village level, Mandal level and District level. The federation help in providing loans and also serves as guide in providing employments. The members of the SHGs are given the freedom to take up any kind of activities of their choice. Some of the activities which are initiated in

the context of Nagaland are like; Papad making, Set up micro enterprises, Shops, Pickle units, Tailoring, Floriculture, Weaving, Piggery, Poultry, growing vegetables etc.

The activities of the SHGs are not limited as mentioned above. There are many activities which can be taken up by the SHGs. As SHGs have many advantages like micro finance as their core competency, sustained and significant investments by small amount in various activities, low or no transaction costs, low or no default rates, value added services etc. The increasing outreach of the SHGs in the State from 245 recognized SHGs in 2001 to 444 recognized SHGs in 2002 and 600 in 2007 has to be used as a tool to make the cooperatives viable and sustained. A case study of Dimapur, Kohima and Peren District will benefit the three districts in particular and the State in general. It is aimed at spreading awareness among the people of the State.

At present the number of Self-Help Group in these three districts are more than 1,650 groups formed under different Agencies and Departments of the Central Government as well as the State Governments and also under the NGOs. The activities carried out by this Self-Help Groups are growing ginger, leek, passion fruit, yam, tomato, tree tomato, potato, chilli, banana, terraced rice cultivation, Soya bean, turmeric, black pepper, weaving, piggery, poultry and pickle making. According to studies done by some scholars it is observed that some of these Groups have done pretty good. They could depend on themselves by involving in this type of Groups. However the success story of some groups may not probably be applicable on the others. Since these voluntary associations are mainly formed by rural women, the groups have to be imparted certain basic knowledge to allow them effectively manage their groups. Some of the important inputs to these Groups could be like promotion of

literacy among the members, leadership development trainings, exposure cum learning visits, promotion of income generating activities etc.

1.6 Methodology:

The proposed study is based on the study of three districts of Nagaland viz. Dimapur, Kohima and Peren Self Help Groups and its impact on employment generation.

The selection of these districts for special case study has been done on purposive sampling method, however with logical considerations. The choice of the three Districts Dimapur, Kohima and Peren District were done partly on convenience sampling method as well as on simple logical grounds. The considerations for the choice of the three districts are made based on the factors like;

The population profile with regard to the location, job opportunities, exposure to various facilities, connectivity, availability of bank branches, marketing avenues, and degree of variation of activities. Dimapur district is the most highly represented district of people from various States of the Country. It is an ideal district for study as it offers ground for undertaking various business activities. The district of Kohima on the other hand, presents an environment of high social standard with high cost of living. It offers an opportunity to examine the earnings of SHGs engaged in different activities. The district of Peren further offers unique privilege to assess the impact of SHGs in rural areas as majority of the dwellers are found to be belonging to the rural sectors. The other good reason for considering Peren district is because of the fact that, it is one of the most vibrant districts in agricultural activities with potential for further development and growth. At the moment Peren district is also known as the rice Bowl of the State. The other reason is that of all the districts of the State Peren and Tuensang

are being covered by North East Rural Livelihood Project (NERLP) supported by the ministry of DoNER and funded by the World Bank.

To make the study intensive, equal number of SHGs was drawn from each district i.e. 100 SHGs each. The selection of the SHGs under each district was done on simple random sampling method. The study takes into account the different types of SHGs formed under Government as well as under NGOs. It deals with wide ranging activities which includes agriculture and allied activities, animal husbandry, trading, small business enterprises, micro finance, retail business, service rendering sectors and so on. A period of 14 years was considered for the purpose of the study (2000-2014).

In this study, the required data were collected from primary as well as secondary sources. The mode of primary data collection includes:

1. Personal field study
2. Direct personal investigation
3. Indirect oral investigation
4. Distributing structured questionnaires to respondents.

The secondary data were derived from sources like journals, books, Government publications, financial institutions, statistical hand book of Government of Nagaland and statistical tools like Chi Square test, and percentage tables has been used to test and draw inferences. The data collected from primary sources were been tabulated and with the help of trend analysis the conclusions were been drawn.

The sample population of the study is limited to three districts of Nagaland with a sample size of 300 SHGs, 100 SHGs randomly drawn from each district. Questionnaires were administered to the various SHGs regardless of gender and activities during the period April-August 2014. The data obtained from the respondents

were classified and tabulated as per the requirement of the study. Further they were analysed by using statistical tools like pie-chart, frequency distribution and crossed tab table analyses. Statistical methods like trend analysis and Chi- square were used to draw inference and conclusions.

1.7 Limitations of the study:

The study has the following limitations:

1. Self Help Groups are massively spread to all the villages, semi- towns and towns of the State. The districts; Dimapur, Kohima and Peren itself has 398 villages. Thus, it makes it difficult in reaching out to all these villages because of the large size.
2. The concept of SHG is still in the emerging stage in the State, and many of the SHGs are recently formed. It makes it difficult to draw inferences about the efficacy of SHGs because of their recent formation.
3. The formation of the SHGs is not under uniform rules or guidelines, they are formed either by themselves or under some Departments of the State Government or under the NGOs, and thus they present different view points, making the study difficult to arrive at a conclusion.
4. Ninety six percentages of the SHGs under study are having mostly women members, in the age Group of 25-60 years and most of them have poor educational backgrounds. Data collection through structure- questionnaires were difficult as the respondents find it hard to really understand the questions at the same time feel reluctant to share their experiences.

1.8 Hypothesis

In order to make a comprehensive study of the working of SHGs as an institutional mechanism to eradicate poverty, the following three hypothesis were been formulated for testing.

1. Effective Micro-finance to Self- Help Groups will generate employment and bring about a positive change in the overall economic development of the State.
2. Implementation of SHGs schemes will bridge the gap between the Haves and Have nots.
3. The SHGs and Bank linkage is not adequate to provide financial assistance as well as monitoring the working of SHGs in the State.

1.9 Review of literature:

Under this section, an attempt has been made to make a brief study on review of current literature.

Prof. Arjun. Y. Pangannavar⁶ (2008) ‘Self- Help Groups and Rural Poverty’ opines that; the majority of poor livings in rural areas are women. Poverty has taken the shape of feminization of poverty in the country. To fight poverty SHG programme was introduced by the government initiated by NABARD. The government implemented a series of poverty alleviation programmes to eliminate rural poverty. Of the many programmes taken up, SHG was found to be the best weapon. SHG programme is the right approach to create self employment opportunities so as to supplement the income and assets of the rural poor. He concluded his study stating that, the SHG programme provides the rural women entrepreneurship and rural women empowerment. To resume

the Self Help Group programme is the right participatory approach for eradication of rural poverty and a paradigm of rural development.

Dr.Seema Tyagi ⁷(2008) ‘Strategic Model for effective functioning of SHG’ views that; India has been witnessing the emergence of many SHGs since 1990 in rural areas through the efforts of Government and Non Government Agencies. These groups have attracted large number of rural women due to which they were motivated to become the members of these groups. This has inculcated the habits of savings among women, made them free from moneylenders and had given an opportunity to access credit easily in times of need and emergency. But it is also a hard truth that slowly and slowly the groups have become only the means of collection and distribution of saving among the members and the other activities related to women development have become secondary. There are many factors responsible for lowering the effectiveness of this groups.viz. illiteracy, lack of proper leadership, management, promotion of income generating activities, lack of exposure cum learning visits, lack of evaluation, impact study and follow-up. The author concludes by saying that, there is an urgent need to associate an energetic, knowledgeable, resourceful, and empathetic and experience women to act as facilitator for the groups in the village and she should be there till the existence of the group.

H.S.T Tangirala⁸ (2008) ‘SHG is a tool of economic development of cooperatives and its members’ writes; it is interesting to note that the SHGs have come into existence in a big way in various business operations at local/community levels. Many people from every corner have applauded its growth and development globally. In India too SHGs have contributed for the economic development of the members as well as society as a whole. According to him the major features of SHGs are; a)

homogeneous membership b) no discrimination among members based on caste, religion, or political affiliations c) small membership d) transparency in functioning e) set byelaws f) and utilizing saving for loaning. He concludes his findings with a remark stating that, for the purpose of economic development, the cooperatives have to form the SHGs with the help of the members, increase their competencies and capabilities’

Amarjeet Kour⁹ (2008) ‘SHG and Rural Development’: gives the following findings and conclusions; this research paper is concerned with the exploration of the scheme of self help group and rural development. This proposal deals with the study of how SHGs bring social change, how it helps in the development of rural areas. In using SHG as a strategy for implementing poverty alleviation programmes, the focus is also on economic development and rural development. The present study is basically concerned to see the after- effects of SHG in the rural development. This is a comparative analysis of the scheme. The study has been undertaken with the following objectives;

1. To examine the impact of SHGs as a strategy for employment generation.
2. To study the implication of SHGs in rural development.

Observation and analysis; In this research respondents were selected from the villages with SHG and non SHGs. The respondents were females and they were selected randomly making a total of 65 respondents in eight villages. It was observed that, when respondents were asked, what they think about SHG, only 26.66% have a feeling that it makes them self –reliant and generate co-operation between people. More than 46.66% replied in almost negative manner. Many of the respondents perceived that the loan they are getting from the banks is not supposed to be repaid. Many respondents

were shocked when they get to know about the repayment of the loan with interest rates. Many claims they got nothing from SHGs rather it creates problems for them as they have to give more money from their pockets. The findings of the study indicates that respondents were not motivated properly for poverty alleviation and rural development through SHGs.

Dr. Ramachandran and S. Balakrishnan¹⁰ (2008) 'Impact of Self- Help Groups on Women's Empowerment a case study in Kanyakumari district'; furnishes the following information; Women in India are victims of a multiple socio-economic and cultural factors. Emancipation of women is a pre-requisite for nation's economic development and social upliftment. The role of women and the need to empower them are central to human development programmes, including poverty alleviation. The SHG is believed to be a viable organized set up to disburse micro finance to the rural women for the purpose of making them enterprising and encouraging to enter into entrepreneurial activities. The formation of SHGs is not ultimately a micro-credit project but on empowerment process.

The impact of SHGs are analyzed on the basis of occupation of the respondents in pre-SHG and post SHG, income of the respondents in pre-SHG and post SHG stage, benefits under SHGs and empowerment through SHGs. The SHG programme mainly focuses on empowerment of rural women and making them financially, socially and politically capable. The study undertaken by the author concludes that, SHGs have the power to create a socio- economic revolution in the rural areas of the country. SHGs have not only produced tangible assets and improved living conditions of the members, but also helped in changing much of their social out-look and attitudes. In

the study area SHGs have served the cause of women empowerment, social solidarity and socio- economic betterment of the poor.

Dr. (Mrs) M. Raziya Parvin¹¹ (2009) “Self- help Groups and Women’s Empowerment: A conceptual perspective”; discusses that, the process of empowerment begins in the mind, from woman’s consciousness, from her very belief about herself and her rights, capabilities and potential, from her self-image and awareness of how gender as well as other socio- economic and political forces are acting on her; from breaking free the sense of inferiority which has been imprinted since earliest childhood, from recognising her strengths, above all, from believing in her innate right to dignity and justice and realising that it is she along with her sisters who must assert that right for no one who holds power will give it away willingly. Through the process of empowerment, women find a time and space of their own, and begin to re-examine their lives critically and collectively. They enable women to look at old problems in new ways, analyze their environment and situation, recognize their strengths, alter their self-image, access new kinds of information and knowledge, acquire new skills, and initiate action aimed at gaining greater control over resources of various kinds. Women become empowered through collective reflection and decision-making because collective action on specific issues can itself contribute to a sharpening of consciousness as the process of organising itself involves shared goals and a search for an alternative perspective and strategies. Therefore, the parameters for women empowerment are:

- Building a positive self image and self- confidence;
- Developing ability to think critically;
- Building up group cohesion and fostering decision making and action;

- Ensuring equal participation in the process of bringing about social change;
- Encouraging group action in order to bring about change in the society; and
- Providing the wherewithal for economic independence.

R Natarajan ¹² (2009) “Rural women empowerment through Self- Help Groups with special reference to Thiruvallur District of Tamil-Nadu- A perspective approach”; makes the following observation. The concept and the idea behind Self Help Groups (SHGs) are of recent origin. They not only play a major role in poverty alleviation in rural India but are instrumental in creating consciousness among sections of persons who are otherwise ignored and neglected people living below poverty line. Mostly women voluntarily join SHGs as members. The Self Help Group generally has members not exceeding 20 and each group selects among its members one leader called animator. The SHGs system is designed so as to be effective in empowering the rural women below poverty line. Economic and social empowerment of women is one of the basic requirements for their holistic development which has been strongly emphasized by national perspective plan for women in 1988. Other policies of the government including national policy for empowerment of women 2001 and national plan for action for empowerment of women 2003-04 each one emphasizes ensuring women their rightful place in the society by empowering them as agents of socio-economic change and development. Only when women participate freely in economic activities particularly outside home they can acquire control over circumstances to increase their capabilities. SHGs provide appropriate forum for this purpose in India. The approaches for empowerment of rural women can be divided into four broad heads: 1. Educational empowerment. 2. Social empowerment .3.Economic empowerment and 4.Technological empowerment.

Sanjay Kumar, Gagandeep Singh and Jasdev Singh¹³ (2009), “Role of Self-Help Groups in empowerment of women in Punjab”; makes the following remarks: Formation of groups helped the members in improving the communication skills to sell their products in the markets. Also, due to improvement in the economies of scale, the bargaining power of the members was improved and they are able to get remunerative prices of their produce. The SHGs also has an impact on the family members as their status and standard of living showed changes in post SHG situation as the income of family and their social status has changed after joining the SHGs. Whenever the women came out of the household activities to start the economic activities, the confidence level of women increased as interaction with other members and with government officials increased income and recognition of their family in village and society.

A. Sakunthalai and R. Ganesan¹⁴ (2008) “Women Empowerment :An empirical study” brings out vividly the meaning of empowerment as “the word ‘empowerment’ is operationalised for the purpose of the present day study that, it is an active multidimensional process which should enable the women to realise their power/identity in the process of decision-making, social participation, economic independence, market intelligence, political participation, extension participation, information seeking behaviour, practicing science-based technologies, leadership quality, awards won and maintenance of health status. It should encompass all the provisions of laws of equal remuneration, property rights, one-third reservation of seats for women in Panchayat Raj system and equal opportunity for nutritional care and education for the female child. It would create greater access to knowledge and resources and liberate them from all oppressions either in home or in the society.”

Amrit Patel¹⁵ (2012) “Empowering women in Agriculture”, opines that; Recognising that enlightenment of women will change the face of rural India, India’s initiative to empower women includes the following. It has reserve one –third of the seats in village Panchayats for women. Acknowledging the role of women in agriculture India has been the first country in the world to set up a National Research Centre for women in Agriculture (NRCWA) in Bhubaneshwar way back in 1996. The NRCWA, Bhubaneshwar has been engaged in developing methodologies for identification of gender implications in farming systems approach and developing women specific technologies under different production systems. Most important research projects in the area of gender study on agriculture and house economy, among others include (i) development of extension methods for farm women in eastern India, (ii) standardisation of women specific field practices (iii) occupational hazards of farm women (iv) improvement of storages practices of seeds and grains (iv) mobilising self- help- groups to pursue income generating activities in agriculture and animal husbandry and access to marketing outlets, enhance knowledge on various aspects of family life with emphasis on increasing decision- making capabilities, improving skills etc.

Kahnu Charan Dhir¹⁶, (2012), “Women Self- Help Groups”, states; It is through SHGs that the women get an exposure to outside world. The resources and the organisations which were unseen earlier become accessible. Weekly meetings, weekly savings, internal lending, repayment of loans on regular basis, not only promote thrift among the members, but also encourage oneness among the group members. It is seen that for updating the records, the members very often take the help of their literate

daughters or sisters and it is a good sign that some members learn the art of book keeping from them. It indirectly promotes literacy among the illiterate women.

Anita Modi¹⁷, (2010), “Empowerment of Women through Education”, states that; it is a widely recognised fact that unequal educational status of men and women is both a cause and consequence of a wider gender inequality. Keeping this fact in mind, the government has considered education as the most effective weapon to break the vicious circles of gender discrimination and gender inequality. Truly education is associated with a wide range of desirable outcome like higher productivity and rate of growth, lower level of fertility and better child nutrition, higher level of self esteem and better management of domestic relations. It is a well recognised fact that education of women is the only panacea for all kinds of problems. Education has been considered as one of the most important means of empowering women with knowledge, skills and self-confidence necessary to participate fully in the development process.

Ajay Tankha¹⁸, (2013), “Banking on Self Help Groups Twenty Years On”, highlights the role of NABARD and NGOs in SBLP as: The Entry of NABARD to support SHG activities in the early 1990s encouraged the NGOs, with the help of Bankers, to strengthen their SHG programmes. However, as the concept was new to them, only a few organisations were involved in SHG promotion. As the SBLP gained momentum after 1999 in southern India, SHGs became popular in each and every state as a cost-effective credit delivery system. NGOs realised that SHGs were a viable means for socio-economic development of the rural poor, especially women, and started promoting SHGs in their respective operational areas.

V. Puhazhendi K. C. Badatya¹⁹ (2002), “ SHG-Bank Linkage Programme for Rural Poor- An Impact Assessment” views that; NABARD has pioneered the concept

and implemented the SHG Bank Linkage programme since 1992 for providing easy access of institutional credit to rural poor. Since one decade of the programme implementation has elapsed, there is an imperative need for putting in place a system of evaluating the impact of the programme and provide continuous feedback on the magnitude of benefits accruing to the people.

Dr. B.B. Mansuri B.B.²⁰ (2011), “Rural Women Entrepreneurs in India: Opportunities and Challenges” *expresses that; Rural* women entrepreneurs depend on the environment and the direct action on the part of government or other agency. Women entrepreneurs in rural areas can best emerge out of the women folk, with an aptitude for an experience in entrepreneurship. There is ample evidence to show that the government efforts to promote entrepreneurship either by training or by granting loans to women without aptitude have failed miserably. While examining the factors that have been active in moulding entrepreneurship, it is, therefore, necessary to look into the two aspects of the issue viz, personal profile of women entrepreneurs and their socio-economic background, secondly the extent of contact at the higher social and government levels through her husband and other close relatives, extent of technical guidance and financial support received from government and other agencies.

The ‘SHG’ scheme has been greatly acknowledged for its vast potentiality in addressing multiple issues particularly in the rural sectors of the Country. It has over the years, caught the attention of farmers, entrepreneurs, academicians, researchers, and the policy makers. The increasing interest shown to the SHGs movement by various individuals, groups and associations in different capacities such as its Implementation, Promotion, Publications and Bank-Linkage Programmes assures healthy growth of the SHGs. It provides an opportunity to look at the SHGs from

different paradigms and thereby enhance the approach as well as the operational efficiency of the SHGs.

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Introduction:

Nagaland, the 16th State of the Country lies in the easternmost part and is surrounded by Myanmar in the east, Assam in the west, Manipur in the south and Arunachal Pradesh in the north. It has an Area of 16,579 sq km. It lies between 25° 6' and 27° 4' North of equator and between the longitudinal lines 93° 20' and 95° 15'. The area under different Land uses in Nagaland (in Hectares) as on 31st March 2013 are as follows; ¹Total geographical area is 16,57,900 hectares, area under forest is 8,62,930 hectares, total cropped area is 4,88,522 hectares, uncultivated land (barren land, permanent pastures and grazing, land under miscellaneous tree crops and groves) is 3,06,448 hectares. Topographically, the State is mountainous and the altitude varies approximately between 194 metres and 3048 metres above sea level. It has 16 major tribes that come under the Scheduled Tribes of the Indian constitution. The State has 11(eleven) districts and there are 74 blocks, 114 sub-districts, 19 statutory towns, 7 census towns and 1,428 villages as per census 2011. According to the 2011 census, the population of the State is 19, 78,502, with the density of 119 per sq.km. Of the total population 71.14% are in rural sector and the remaining 28.86% are confined to the urban sector.

The near absence of contribution from manufacturing (0.74 %) and bank and insurance (1.32%) reflects the lack of industrial activity in Nagaland. The per capita income at current price (NSDP) has increased from ² Rs. 30441 in 2004-05 to Rs. 39985 in 2007-08 and further to Rs. 55582 in 2010-11. An analysis of the trend of PIC (NSDP) reveals that, the State achieved an average growth rate of 13.83% during the last six years i.e., 2004-05 to 2010-11.

The role of SHG in providing employment opportunities in an industrially backward State rich in Tourism services sectors, Natural resources, fauna and flora are immensely felt.

In this chapter a brief discussion on the economic profile of the State is brought out to study the role of SHGs in the Economic Development of the State. The status of SHGs in the State in general and in the three sample districts in particular is discussed in detail. An attempt has been made to unearth the roles, functions and the activities carried out by the SHGs in promoting economic activities in the State in this chapter.

2.1 Economic background of the State:

The Government of India since Independence have been trying its best in liberating the Country's economy from economic stagnation. With a view to bring about economic development many programmes and schemes were introduced. However, various poverty alleviation programmes failed to achieve its targets. The need of the hour is balanced development. The gap between the Haves and the Have-nots grew ever greater and the economic lives of the rural poor were affected immensely.

“The Secretary of Development of North Eastern Region (DoNER) Uttam Kumar Sangma (2013) remarked that Nagaland has the lowest Gross Domestic Product (GDP) at 6.2 and Sikkim has the highest growth with 23.8, Arunachal 9.4, Assam 6.9, Manipur 6.5 Meghalaya 8.1, Mizoram 11 and Tripura at 8.7 as per study conducted. He also pointed out that before Independence; the North Eastern States were growing at a rate faster than the rest of the Country as far as the GDP was concerned. However, immediately after Independence, the growth rate of the region suddenly declined. The reason for such a sudden change of growth rate was that,

before Independence all the borders were open, ideas could flow, things could flow and most of the people living in the border areas were much more prosperous but right after Independence all the borders were sealed”.

Further as per statistical report of the Government of India for the financial year 2014 shows the following results as given in the table below.

Table No 2.1: GDP and Per Capita Income of the North Eastern State during the financial year 2014.

States	GDP in Rs (ten Million)	Per capita Income in (Rupees)	Growth rate (%)
Assam	115407.64	37250	12.52%
Arunachal Pradesh	9357.05	74059	27.53%
Manipur	10187.85	32865	14.30%
Mizoram	6057.70	54689	15.40%
Meghalaya	15895.16	53542	11.32%
Nagaland	12134.31	56461	8.46%
Sikkim	8399.87	121440	17.56%
Tripura	19730.96	50175	13.48%

(Source: Statistical Report of the Government of India for the financial year 2014)

The analysis of the table clearly points out that, Nagaland has the lowest growth rate at 8.46% during the financial year 2014. It made remarkable progress as compared to the financial year 2013 where the growth rate was reported to be 6.2%. The per capita Income during the period 2014 is Rs. 56461. The State of Arunachal Pradesh tops the list among the North Eastern States in terms of GDP growth rate

during the financial year 2014 with 27.53% and the Per Capita Income for the period being Rs. 74059. The other States in descending order of the growth rates are Sikkim - 17.56%, Mizoram-15.40%, Manipur-14.30%, Tripura-13.48%, Assam-12.52%, and Meghalaya-11.32%.

The contribution to the GSDP comes from the primary, secondary and tertiary sectors respectively. As per the report by the Industry of Origin for the years 2004-05 to 2010-11, the contribution of the primary sector which comes from agriculture, forestry & logging, and fishing amounted to Rs.253538 lakhs. The contribution from the secondary sector which consists of mining and quarrying, manufacturing, construction, electricity, gas and water supply amounted to Rs. 116213 lakhs. Whereas the contribution of the tertiary sector which comprises of transport and communication, trade, hotels & restaurants, banking and insurance, business services, public administration, and other services amounted to Rs.554407 lakhs.

The economy of Nagaland is mainly based on Agriculture as more than 60% of the population is still found to be engaged in this sector. The State is also dependent on cottage industry, and tourism. The economy's remarkable feature is that there are no landless peasants in the State. The various kind of crops cultivated in Nagaland are rice, millets, potatoes, corn, pulses, fibers, sugarcane, oilseeds, and tobacco. In spite of agriculture being the main occupation of the people, the State still has to import food items from other States. This has happened due to the fact that people followed unsustainable agricultural practices such as jhumming methods leading to soil erosion and loss of fertility. The economy of the State also depends on the forests products with 33% of the total area coming under forest area.

Forest area is divided into three sectors viz. the private forests, reserved forest and protected forests. The various products from the forest are sold all over the Country and this brings in revenue for the economy of the State. The State also gets revenue from cottage industries which manufacture pottery, weaving materials, woodworks, and bamboo works. These products are sold within and outside the Country which fetches good income for the State.

Tourism is another sector which boosts the economy of the State in recent times. Despite the fact that tourism is limited in the State due to its geographical isolation, hilly terrain, and political instability, immense effort of the State Government strongly backed by entrepreneurial zeal of NGOs and private individuals have to a great extent enabled the tourism sector to grow, though not at an attractive phase. Apart from the direct income generating economic activities there are other interesting areas of recent importance, they are like the handicrafts which include wooden curve works, bamboo and cane works. The State has a good scope of developing this sector particularly because of the availability of two eminent resources i.e. the human resources and natural resources. In this regard it is also worth mentioning that over the years lots of establishments (organised and unorganised) stepped up to boost the economic status of the State by providing employment opportunities. The following table gives a review of the establishments catering to the employment needs of the State:

Table 2.2: Establishments providing employment opportunities in the State as on 31st March 2013:

Sl.No.	Sector	Number of Establishments	Employment as on 31-12-2013		
			Male	Female	Total
A : Public sector:					
1.	Central Government Establishments	45	5173	256	5429
2.	State Government Establishments	748	50230	16318	66548
3.	Central quasi Govt. establishment	99	2175	393	2568
4.	State Quasi Govt. Establishment	34	1070	262	1332
5.	Local Bodies Govt.	9	398	85	483
Total public sector		937	59046	17314	76360
B. Private sector:					
1	Act Establishment	69	1495	1303	2798
2	Non Act Establishment	135	1010	878	1888
Total private sector		204	2505	2181	4686
Grand total (A+B)		1141	61551	19495	81046

(Source: Annual Employment Review 2011-12 and 2013-14, Government of Nagaland).

The figure in this table shows clearly the existence of 1,141 establishments in the State providing employments to 81,046 persons of the total population of 19,80,604 as per 2011 census. The total number of men against female employed in these establishments comes to 61,551: 19,495, whose percentage ratio is 75.95%:24.05%. And the percentage number of people employed in these two sectors against the total population is just 4.1%. Given the available establishments under public and private sectors along with the number of persons employed, it may be mentioned that job avenues and employability skills have to be developed on a war footing to combat the problem of mass unemployment in the State. Despite the fact that Nagaland has the

highest number of government employees as a percentage to State's population in the Country the number of unemployed are still found roaring high with 65,489 applicants on live register of Employment Exchanges during a particular year from 1st April 2013 to 31st March 2014.

The comparison of the establishments under public and private sectors points out the fact that 82.12% of the establishments with 94.22% employees are in the public sector. The percentage of establishments under private sector comes to 17.88% with 5.79% of employees. Thus, it is found that in terms of establishments as well as number of employees under the private sectors, the private sectors' under performance is projected.

Thus, in order to improve the economy of the State the growth of private sector has to be encouraged. Having found the inadequate contribution of the two sectors to economic development as well as improving the income at individual levels, the need for incorporating schemes like SHGs becomes eminent. The SHG with its broad objectives and scopes offer wide opportunities to every willing heart to live self-dependent lives through group approach of carrying out activities.

2.2 SHGs and Economic Development:

Self Help Groups have a very simple approach of improving the economic health of the members. Its primary concern is to let the Group members help one another to be self-dependent in terms of financial needs. It adopts a simple group approach with huge potentiality to place the members as well as the community in a position of collectively solving common problems and difficulties. Self Help Groups can take up activities most profitable and convenient to the members. In doing so, the SHGs immensely become a strong partner to the State or Nation in solving many

economic problems. To make the State economically sound, maximum participation of people is desirable. The contribution to the economic development of the State comes from the primary, secondary and tertiary sectors. In this regard it could be said that the SHGs are in a better position to enhance the growth of all the three sectors, particularly the primary sector in the case of Nagaland.

²According to Census 2011, 71.5% of the total population of the State lives in the rural areas and they practice diverse means of livelihoods to supplement their income apart from rice cultivation which is primarily for self sustenance. The Mission of the SHG focuses on improving the means and ways to enhance the productivity through the existing methods of cultivation. In an effort to minimize risks and expenditures incurred during the process of cultivation, the Mission aims to introduce different methods that can aid in mitigating some of the problems faced by farmers.

The examination of the activities carried out by the SHGs in the sample districts shows that almost all the SHGs are found actively involved in some income generating activities. The following table which shows the number of SHGs engaged in various economic activities under the three districts is presented below:

Table no. 2.3: Economic activities under Dimapur, Kohima and Peren district:

Districts	No. of SHGs in different sectors.			
	Primary sector	Secondary sector	Tertiary sector	Total
Dimapur	38	34	28	100
Kohima	68	21	11	100
Peren	75	13	12	100
Total	181	68	51	300

(Source: From field study)

It may be noted that in these case primary sector includes, all those production units engaged in the production of goods and commodities by exploiting natural resources like; Agriculture and allied activities (i.e. Horticulture, Sericulture) and Livestock, Forestry and Logging , Fishing. The SHGs engaged in primary economic activities accounts for 181 SHGs (60%), out of this Peren district has 75 SHGs, Kohima has 68 SHGs, and Dimapur has 38 SHGs. As for the secondary activities it includes all those production units that are engaged in the transformation of one goods into other goods with the help of machines. The number of SHGs carrying on these activities is 68 (22.67%), out of this Dimapur district has 34 SHGs, Kohima has 21 and Peren has 13 SHGs.

The tertiary economic activities carried out by the SHGs includes all those activities which produce services and includes activities like; Trade, Hotels and restaurants, Micro finance, Ownership of dwellings, Professional services etc. As per the study report 51 SHGs forming 17 percent of the total of SHGs are in this category. Dimapur district has the highest representation with 28 SHGs, followed by Peren with 12 and Kohima with 11 SHGs.

Thus, it is observed that, the SHGs has been contributing to the economic growth of the State by actively participating in income generating activities, which promotes their own livelihood and at the same time strengthen the State's economic growth.

2.3 Common activities carried out by SHGs:

The SHGs carry out wide ranging activities from agricultural activities to livestock rearing to other small scale business of weaving clothes, making meat pickles and a lot more. They are mentioned in the following lines:

-Agricultural activities; cultivation of maize, kidney beans, cabbage, growing ginger, leek, passion fruit, yam, tomato, tree tomato, potato, chilli, banana plantation, terrace rice cultivation, soya bean, turmeric, black pepper, pineapples, spring onion , naga garlic, pumpkins, homestead gardening (mustard leave, beans, tomato etc).

-Weaving shawls, mekhalas (women formal wear), bags, and other traditional attires of different Naga tribes, woollen shoes, woollen carpet making, stitching jute bags, candle making, flower making.

-Piggery farms, poultry, cattle, goats, bee keeping, rearing hornets.

- Meat pickle making, pappad, sticky rice roti, fried chana, dry meat pickles, chutney, washing powders, banana chips, potato chips, food preservation,

-Floriculture, horticulture, vegetables

-Wood curving, Cane and Bamboo works, Handicrafts, handloom, black smith.

Carpentry/Masonry, Unskilled wage labour. Timber/Firewood business.

-Small enterprises, retail business in various products includes buying and reselling vegetables those coming from villages in the daily local markets.

-Collecting fire woods and selling them to villagers, towns and individuals, wild fruits collection and processing like wild apple, gooseberry, nuts, and wild leaves.

Advances internal loans as well as external loans to trusted individuals and realises interest out of it.

2.4 Roles of SHGs:

Though the Self Help Groups could be looking simple, at this present time the roles of SHGs are vital and indispensable for any kind of human development. The roles of SHGs could be viewed from two aspects: i) as a group approach and ii) at individual level. As a group, the SHGs assumes the role of:

a).Loan provider: By forming themselves as Groups, they are able to raise funds through different ways either by carrying out some income generating activities or through weekly or monthly contribution to the Group or by way of assistance from departments under which they are formed. Thus, they use the fund for various purposes, but most importantly to avail loan facilities to the deserving members of the Groups at low interest rates. Here the rates of interest for the loan are decided by the members depending upon situations. In case of certain emergencies and difficult moments the rate could be either fixed at a very low percent or without any interest. This saves the members from uncertainties regarding money, thereby, provides them a sense of security.

b).Employment generator: The rural mass deprived of gainful employment opportunities and mostly confined to usual agricultural practises are the beneficiaries of SHGs. The SHG with its simple concept of self help and mutual help guarantees cent percent reward to whomever, daring to do things in a different way by being accountable and sincere to it. It gives them an opportunity to come out of their old life style and be self dependent by engaging in those activities which brings forth good income. It keeps them busy throughout and makes them realise that they are important in their own special zones. In this manner, the members learn from one another, and side by side gain experience in their profession.

c).Social reformer: One of the biggest hindrances to modern life is economic inequality. This brings class distinction in a classless society. When a society is torn apart on this line, lots of socially unacceptable behaviour crop up. This eventually gives rise to chaos, misunderstanding, fights and undesirable social problems. The

SHGs in a way stabilises all these menace by letting every member of the family feel secure economically and also by letting the members to support them.

d).Agent of empowering women: As far as the SHGs are concerned they are women centric, though the earlier Central Government scheme of SGSY does not categorically emphasis women to be the sole members of SHGs, the newer scheme replacing SGSY lay emphasis only on the women SHGs. In addition to this there is also the Women Development Department formed in the State to look after the welfare of the women folk of the State. This department also promotes SHGs covering the entire State. They provide financial assistance, impart trainings and skill. The women are in this regard made aware of their rights and empowered to be independent in decision making, in financial requirements, and in social lives.

e).Agent of eradicating poverty: Despite the fact, the Central Government as well as State Government making serious attempts to eradicate poverty by introducing various schemes and programmes the most concerned section of the society viz. the rural mass are often left out. The reason being, in the name of availing the grants, few knowledgeable people channelize the whole amount to their accounts and the intended group of people never get their due share in full. However, the launching of SHGs directly benefited the members and through this scheme the members are able to bring up their children and send to schools and also meet their basic needs. Thus, this scheme should be considered as the most effective means to eradicate poverty.

f) Supplier of goods: By involving in SHGs, the members are able to concentrate on production of specific products, which are demanded by the society. In this way, they help the economy to grow substantially by reducing import of vegetable

items as well as other consumer goods. In this manner, they could promote their interest and also render service to the society.

At the same time, as an individual the members also play a crucial role in their own limited capacities. The general observation in this regard is that, the individual members are able to bring changes in their social outlook, they are able to gain respect from others. To be more precise the roles of the individual members could be highlighted below:

i). As an Entrepreneur: The individual member becomes aware of the urgency of repaying back the loan taken from the Group with interest and therefore, this compels the members to engage in some sort of activity so as to fetch adequate profit from it. In due time, with or without realisation the individual members are trained to take calculated risk and carry on business and thereby become an entrepreneur not by choice but by experience and situation. It is also pertinent to mention here that, many SHG members were shy and introvert in the beginning but the consciousness of fulfilling their task paved the way to forget all their weaknesses.

ii). As leader: The Group formations are purely on the basis of mutual consensus with proper understanding of one another and more importantly formed by members from the same economic background. Hence they are placed under leaders who are familiar to them. In fact, it is they themselves who are challenged upon to take over leadership of the Group on rotation basis. The members learn to take up leadership responsibilities within the Group and gain confidence. Thus, they become more responsible in their own homes, community and society at large. They know how to deal with minor problems and could solve problems amicably.

iii).Educator: The members despite the fact that they are not educated or ill-educated, realise the need to provide good education to their children. Their hard work and dedicated commitment to support their children in their education by what they earn speak volumes about their role as an educator. They teach their children lessons by their life itself, which need no explanation at all. Further exposure to different places after their involvement in SHGs has really opened their eyes, they could learn what was not known to them, see what was never seen, and experience many new things in their lives. This motivates them to inculcate the spirit of education into their children.

iv). As Decision Maker: The individual member learns to take decision concerning their family matters as well as matters concerning the Group. They become more independent in this regard and thereby learn to shoulder responsibilities with accountability. They are active participants in family discussion and also in the Group discussions. It broadens their thinking and places them to a higher ground regardless of their qualification or status. Eventually their social status is enhanced.

Thus, all these suggest the indispensable role of SHGs in the lives of the members and in the society at large. Their roles are however felt in different intensity at different places. It depends upon the dynamism of the Group to exert power in what they do. Strictly speaking the list of roles are not exhaustive but are bound to increase to any extent.

The SHGs functions in different manners. The differences in their functioning can be attributed to factors like, the background of the Group members, the agency under which they are formed, and the degree of formalisation. Broadly, the functioning of SHGs could be viewed from two aspects viz. the Administrative

function and Operational function. The common important administrative functions are:

1. They form themselves into Groups through mutual understanding and consensus opinion, to be collectively under one administrative body. They are assisted in various ways by several organisations like Government Departments or NGOs, with proper administrative guidelines set up in the Village level, District level and State level.
2. Leaders are either elected or appointed by the members, to represent the Group. The leaders steer the Group and renders their best service during their respective tenures.
3. They make their own by-laws, rules and regulations to govern the Group in all their dealings. Apart from conducting themselves in accordance with their own laws they are also made to follow the norms and guidelines provided by their respective promoting authorities.
4. They maintain books, registers and records on regular basis and in systematic order. For this purpose they are imparted training and also provided with the required books and registers. However, it may be mentioned that, all SHGs do not follow standardised record keeping procedures.
5. As far as the SHGs are concerned, transparency in account keeping, fund management and repayment of loans are ensured to the greatest possible extent. The members are educated on the financial status of the Group from time to time.

Apart from the administrative functions, some of the other operational functions worth mentioning are:

- i. The Groups conduct regular weekly or monthly meetings. Here some Groups conduct their meetings weekly, some twice in a month and some once in a month. To ensure the presence of all the members in meetings and discussions, fines are imposed on the absentees and late comers. The amount for fines imposed varies from group to group. However, in many cases the amount ranges from Rs. 10 to 50 in the case of absentees and Rs. 5-10 in the case of late comers.
- ii. Compulsory regular weekly, monthly or quarterly savings are made by the members to raise their common fund. The amounts are collected by one of the members in many instances. As for some Groups they deposit the amounts directly into the bank account of the Group. This is practiced by those advanced Groups whose contributions are large and whose members are scattered.
- iii. The savings and money received as grant or loans are used in various ways like; giving loans to interested members of their Groups at flat rate of interest, or equally distribute among the members to be used for individual investment in productive line of activity with a condition to return the amount along with fixed amount of interest after specified period of time.
- iv. Though rules and regulations are made, flexibility in the working system of SHGs is a common feature. Mutual understanding and trust reign over all rules, regulation and by-laws.
- V. The adoption of resolutions during meetings are done taking into consideration the opinion of the Group members in a democratic manner. No specific time period is fixed for the adoption of resolutions.

Vi. The activities carried out by the Groups are reviewed on a regular basis so as to avoid mismanagement of funds and remove confusions from the mind of the members.

Vii. Regular review of the performance of the Group in terms of fund utilisation, income generation, profitability, and governance enables them to look forward for improvement in the needed sectors. Thus, experiences of the past and present provide the much required inputs for arriving at a meaningful decision for future course of action.

Rules and regulations, by-laws and guidelines are what actually determine the functioning of the SHGs. It may be mentioned that, the SHGs with proper by-laws and guidelines function systematically with less internal conflicts. In these types of Groups confusions are avoided and transactions are carried out in an orderly manner. On the other hand the SHGs existing without proper by-laws or guidelines suffer from unorganised functioning. They lack coordination among themselves; they lack scheduling of their activities ahead and also transparency in their dealings.

However, despite the existence of different types of SHGs with different functions and capacities, it may be noted that, the functions of SHGs have undergone several changes for good. It is observed that, to ensure smooth functioning some of the SHGs introduced fines as a means for strict adherence of the by-laws, rules and regulations. The amount of fines imposed is fixed low, to ensure realisation without hurting the sentiments of the payer.

2.5 Self Help Groups in Nagaland

The State of Nagaland introduced Self-Help Group programme to provide employment opportunities to the people of the State particularly the unemployed

women folk of the society. The SHGs started formally in Nagaland in 1999-2000 under the centrally sponsored scheme called Swarnjayanti Gram Swarozgar Yojana (SGSY). The introduction of this scheme was to get the participation of people in addressing the issue of poverty and unemployment in the State. It was found to be very appropriate because a large number of people in the State are found to be residing in the rural areas whose economies are low. Hence the SHGs provides the right platform for all uneducated unemployed sections of the society to experience earning stable income by carrying out various economic activities.

The credit of rapid growth of SHGs in the State could be attributed to factors such as, Awareness Campaigns carried out by various Government agencies and the NGOs like; Nagaland Empowerment of People through Economic Development (NEPED), Cooperative Department, Women Department, District Rural Development Agency (DRDA), Agriculture Department, Animal Husbandry, Social Welfare Department, Krishi Vigyan Kendra (KVK), and Village Development Boards (VDBs).

As per the study conducted it was observed that, there was growth momentum of the SHGs in the State but at different phases. At the same time, it may also be pointed out that, at some stages growth rates were slow as indicated in the later findings, due to lack of proper follow ups by the members as well as the promoting agents. Gross negligence on the part of the Government agencies was also strongly felt. Despite, ups and downs experienced by the SHGs over the years, many SHGs were formed under different agencies. To name a few; The number of registered SHGs under the ministry of Rural Development over the years were 245 recognized SHGs in 2001, 444 SHGs in 2002, and 600 recognized SHGs in 2007 and as per 2012-13, 4586

SHGs. Similarly the number of SHGs operating under Transformative Livelihood intervention under the direct supervision of the Women Development Department, which is the initiation of the State Government, has a total of 1,294 SHGs covering 225 villages of the State.

Apart from these registered Groups there are also quite many unregistered Groups, whose history of existence goes back to a much earlier period before the State officially launched the programme. They were the societies formed for different purposes, some of which are simply to have common funds for micro-credit purposes; others are for the purpose of meeting the needs of the members like that of the SHGs. The stage of growth of SHGs in the State not only experienced twist and turns but also faced challenges of existence and continuity. There were many Groups who gave up their existence due to different reasons while, many Groups remained nominally existing by name, some few Groups stood their ground and did exceptionally well.

It is also worth mentioning that, since the inception, till its replacement by NRLM in 2012, the SHGs were under the care of SGSY. The Nagaland State Rural Livelihood Mission (NSRLM) was established on the 13th of September 2012; however its actual implementation was effected only by October 2013. The NRLM is designed to restructure the SGSY scheme by introducing into it new policies of governing the SHGs. For e.g. the subsidies that are availed in SGSYs are not availed by NRLM any longer. The NRLM looks at the long run benefits to the SHGs by having a policy of continuously monitoring the activities of the SHGs on a regular basis. It is devoted towards imparting necessary trainings to the members and keeps a

relation as close as possible with the SHGs. These important aspects of enhancing human resources in the new scheme was found missing in the programme of SGSY.

³ “Based on the eligibility criteria, the mission would provide financial support to the institutions of poor with intent to inject financial resources into the institutions of poor for meeting their credit needs for both consumption purposes and also for investment in livelihoods promotion. This fund would be eventually a corpus /capital resource for institutions of the poor. Largely this fund is expected to be used for on-lending to the SHGs for providing financial assistance. The rural poor need credit at low rate of interest and in multiple doses to make their ventures economically viable. In order to ensure affordable credit, all woman SHGs under NRLM will be eligible for interest subvention to avail credit at 7% per annum for all eligible SHGs to meet their livelihoods and other essential needs.”

The NRLM has a mission to reach out to as many SHGs as possible; therefore they make provisions for accomplishment of yearly target in creating SHGs. Accordingly, during the financial year 2013 they have targeted to create at least 2000 SHGs which may include creation of new Groups and also taking over the existing SHGs under SGSYs.

With the launching of the NRLM in the centre by the Central Government, the State of Nagaland too launched the ‘Nagaland State Rural Livelihood Mission’ (NSRLM). The main focus of the Mission is to reduce poverty, by enabling the poor households to access self-employment opportunities resulting in appreciable improvement in their livelihoods on a sustainable basis through building stronger and sustainable grass root level institutions of the poor. In order to promote NSRLM in the most effective manner in the State, a strategy was formulated where, the Professional

Resource Persons (PRPs) and Community Resource Persons (CRPs) were positioned in the villages across the 9 Intensive Resource Blocks of Nagaland to create awareness at great magnitude by forming new Self Help Groups (SHGs) and opening of Group and individual bank accounts. The nine intensive blocks with the number of villages covered in each block is given below in the table.

Table 2.4: Intensive Blocks under NSRLM

Sl. No	District	Intensive Blocks	
		Name of the blocks	No of villages
1	Kohima	Jakhama	12
2	Zunheboto	Satakha	26
3	Kiphire	Kiphire	16
4	Wokha	Chukitong	10
5	Phek	Pfutsero	8
6	Mon	Mon	18
7	Mokokchung	Changtongya	6
8	Dimapur	Chumukedima	45
9	Longleng	Longleng	15
Total			156

(Source: Nagaland State Rural Livelihoods Mission, Annual Report 2013-14)

Here nine Districts of the Eleven Districts were covered under NSRLM. The remaining two district viz. Peren and Tuensang are covered by the NERLP. In the intensive block altogether 156 villages are covered during the first phase of SHG promotion during the period 2013-14. The remaining blocks (52) having 807 villages are to be covered in the subsequent years.

Altogether, 79 PRPs and CRPs from Orvakal Mandal Podupu Laxmi Ikya (OMPLIS), the National Resource Organisation for NRLM in Nagaland and Women Activists from the Resource Blocks under NSRLM are made to be stationed at villages in clusters under the nine Blocks for the 1st Round of the CRP Strategy. This exercise which is the first of its kind in Northeast India under NRLM was carried out to give intensive trainings and motivation to the SHG members.

Thus, 45 Days CRP Rounds were conducted in several selected villages, for an intensive training cum guidance programme. Assessment of the response in villages across the district has been fair with reports of active involvement of the Village Council, Village Development Board, Women Organisations and other functionaries. Observations made during the rounds points out the need for more intensive sensitization on SHGs in the areas of, knowledge on banking; credit and market linkage; trained book keepers; prioritizing activities for income generation etc.

The NSRLM also adopted 37 days Training and Immersion Module before actually initiating pilot project under the mission for the staff. The 37 days includes; Seven days state Specific In-House Training; 15 days field Immersion at resource Blocks, and 15 days training and immersion at National Resource Organisation (NRO). The one hundred and fifty six villages covered under the intensive blocks were sanitised by adopting an Entry Point Activity (EPA). The EPA adopted by the team was 'community feasting' approach under which, along side with sensitization programme community feast were organised for community mobilisation.

Detailed SHGs movement in the three districts chosen for special case study shall be brought out in the following discussions:

2.6 Self Help Group in Dimapur District:

The District of Dimapur has a total land area of 927 sq km. and a population of 3, 79,769 with a density of 409 per. Sq. km. as per 2011 census. It has five administrative Headquarters: viz: Dimapur, Niuland, Medziphema, Dhansiripar and Kuhuboto. The district of Dimapur has wide representation of people from different communities from across the State and other parts of the Country as well. It has a total of 215 villages. The formal launching of SHGs in Dimapur District was in the year 2000. The operating SHGs are formed under various departments, Government as well as the NGOs and also formed voluntarily without any agency's persuasion.

The SGSY which is now taken over by NRLM is a Central Government scheme designed to bring about sustainability in the livelihood of the rural poor. The central objective of the mission is to ⁴“establish efficient and effective institutional platforms for the rural poor that would enable them to increase their household incomes through livelihood enhancements and improved access to financial and public services”. The total number of SHGs under the old SGSY and the new NRLM is 225 as per 31st March 2014 as reported by the Annual report of the Department of Rural Development Nagaland. The Women Development Department established in 2006 by the State Government to look after the welfare of women does a wonderful job by promoting SHGs in all the districts of the State. It promotes women in a number of ways and the best way is through formation of SHGs under the broad theme “Transformative Livelihood Intervention” (TLI). The primary objective of this

department is to promote the welfare and wellbeing of women economically and socially. This Department imparts training at the village level and provides seed-money to the Groups amounting to Rs. 20,000 as revolving fund. Thus, a number of Government departments like Horticulture Department, Agriculture and allied Dept., Land Resources, Social Welfare Development Board, the Cooperative, and other NGOs are actively involved in the promotion of SHGs. The membership, objectives, management of SHGs, and the sources of fund and its utilisation under Dimapur District are discussed in detailed.

2.6. a: Membership:

The SHGs formed either under the Departments of the Government or by the NGOs, shared one thing in common and that is the voluntary membership. The Groups are to be formed by members on their free will and they are not forced upon. Mutual understanding and trust binds them together. In the case of Dimapur, many of the SHG are found to be having mixture of people from different communities. These Groups get the opportunities to learn different things from one another. They are able to come together quickly as and when needed being located in one place.

Since Dimapur is an urban based, the SHG members are found to be educationally well of, the qualification of the members ranges from class 8 pass to 10 pass, to pre-university, graduates and post graduates with specialisations in certain fields. Most SHGs are taken up by women, the women SHGs accounts for 97 percent of the total SHGs. The average number of members range in between 10-20. Few of the SHGs have their members with less than 10 persons, at the same time those with more than 20 are also found to be in existence.

2.6.b: Objective:

All the SHGs have their own by-laws, rules and regulation to govern the acts and conducts of the members uniformly. They have their own specific set of goals and objectives to be achieved. Thus, it may be mentioned that all SHGs may not agree upon the same objectives in unison. However, broadly speaking the most common objectives could be spelt out in the following lines:

1. To help one another in times of need particularly, in times of financial crisis.
2. To be self dependent financially
3. To engage in some sort of income generating activities.
4. To strengthen the bond of friendship within the Group.
5. To become aware of their physical health as well as to improve their standard of living.
6. Make regular saving among the members, so as to avail internal loans to the most needed members at minimum interest rates.

2.6.c: Management of SHGs:

The efficiency and success of the SHGs depends upon the cooperation of the entire members of the Group, since it is formed with mutual understanding for common benefit. However, for the purpose of steering the Group, leaders are chosen by consensus agreement giving due recognition to the character, sincerity, accountability, responsibility and other personalities of an individual. As far as the number of leaders required to be present in a Group is concerned, there is neither uniformity nor any hard and fast rule to be adhered to. In some of the Groups where

the number of members are limited to just 7 or 8, a leader who may be the chairperson or president effectively manages the affairs of the Group. Where as in larger Groups, where more funds and activities are involved, the chairman or president is normally assisted by two additional members who plays the role of secretary and treasurer respectively.

The tenure of office of the leaders varies from Group to Group. Some Groups change their tenure every year, while some others change after two or three or even after four to 5 years. The leadership tenures are fixed in some cases and in some others it is made to depend on the interest of the members and the personal ability and willingness of the person concern. The Groups come together for regular meetings conducted once or twice a month or as they so decide. These regular meetings help them to understand one another better and also provided the ground for effective management and accountability of the transactions.

2.6.d: Sources of fund and its utilisation:

The basic purpose of the formation of the SHGs is for meeting the financial requirements of the members. As such, identifying the sources of obtaining funds as well as deciding on the most profitable area of investment becomes very crucial for the SHGs. The major source of fund for SHGs in Dimapur district comes from the regular savings, voluntary contribution, grants and aid from various agencies, Government as well as NGOs, and from investment in Income Generating Activities (IGA) such as livestock rearing, small business enterprises, sale of products made by the members. The areas of concerns are small business, retail business, weaving, handicraft items, pickle making units, recycling of plastics and waste products, buying

vegetables from suppliers and selling them in the daily markets. The investment pattern is mostly on continuous activities carried out by the Group.

However, they also reserve certain sum to meet the needs of the members which are sometimes unforeseen. Internal loans are also given out to the needy members at very low rate of interest. The rate of return from the loans is almost 100% though in some cases delays are experienced. Most SHGs are found maintaining proper books, accounts, records and registers for different purposes. Periodical reports on the availability of funds, investments made and avenues for future investments are made known to the members during meetings or get together programmes. Thus, all the members are up dated on the performance of the Group on regular basis.

2.7 Self Help Group in Kohima District:

Kohima District with a total land area of 1,388 sq. km. It has a population of 2, 70, 063 with a density of 183 per. Sq.km.as per 2011 census. The district has five administrative Headquarters: viz: Kohima, Tseminyu, Chiephobozou, Jakhama and Zubza (sechu). It has 83 villages under the District of Kohima and in all of these Villages SHGs are in operation with variation in the numbers. The district of Kohima is largely dominated by the Angami tribe. The SHGs in Kohima District got started during the year 2000, when the State launched SHG officially, immediately after a year of its launching in the National level. Consequently in order to implement effectively and get the participation of the general public various awareness programmes were carried out. ⁵Campaigns were carried out by various Government agencies and the NGOs like; NEPED, Cooperative Department, Women Department, DRDA, Agriculture Department, Animal Husbandry, Child Development Project Officer (CDPO), Krishi Vigyan Kendra (KVK), and Village Development Board (VDBs).

Some SHGs were formed after attending training programmes organised by NEICORD, block levels and also encouragement from friends to friends”. The Number of SHGs in Kohima district operating under Women Department up to 2012 was 167, and some 405 SHGs under NRLM. As mentioned earlier the SHGs are now looked after by NRLM, which gives special attention to the creation, reviving the defunct Groups, absorbing the existing SHGs, and overall implementation of the SHGs. In order to fulfil this mission, the district of Kohima has been segmented into 7 (seven) blocks viz., Botsa, Chiephobozo, Chunlika, Jakhama, Kohima, Tseminyu and Zubza. Thus, over the years SHGs were introduced to as many people as possible. The idea came to be accepted by many people particularly the women folk.

2.7.a: Membership:

Formation of the SHGs was made very simple and easy. To be a member of SHGs one simply needs to give his or her assent to the other members who may also like to be in a particular Group. As laid down in the guidelines of the SGSY, the numbers of members should preferably be in the range of 10-20 members. However, in the case of Kohima District the number of members forming the Group varies from one to the other. In some cases there were 7-8 members while in some others; it is even more than 20 members.

The most appreciable thing about SHGs with regard to membership is that, there is no upper age limit. The SHGs are conveniently formed by all sections of people regardless of qualification, skill or gender specific. The only requirement is willingness to venture out for a new experience of self-dependency and to work for common welfare. Thus in the case of Kohima district SHGs were formed mostly by the women folk, from different economic backgrounds.

The NRLM which was introduced to replace the SGSY carried out intensive pilot training programmes in some blocks of the district with experts and experienced successful SHG members. These resource persons shared their success stories and at the same time imparted trainings on different matters. The Block officials along with its in- charges from the State are rigorously involved in this exercise spending time with SHGs and helping them out in certain areas like teaching them how to maintain their books of accounts , how to go about in framing bye-laws of the Group, scheduling timings for regular meetings etc. They not only deal with the Groups but also visited all the households to encourage the women from the family to be a part of the SHGs.

2.7.b: Objectives of SHGs:

Though basically the general objective of the SHGs as per the SGSY was to eliminate poverty and bring about a sustainable livelihood among the rural poor, the sample SHGs in Kohima district has their own set of objectives. The common objectives of the Groups are, to have better understanding among themselves, for social security, for sustainable livelihood, to be independent economically, and to help one another in times of financial difficulties. To receive grants, subsidies and assistance from various departments, NGOs and government. To empowered the members socially and economically. To have regular savings and generate funds by carrying out some common activities.

2.7.c: Management of the SHGs:

The management of the affairs of the SHGs are done democratically. In every SHG, irrespective of the Departments under which they are formed, members of the Groups are consulted for every decision taken. The SHGs under Kohima district are looked after by different Departments, Government as well as the NGOs. As a matter of fact the management policies of the Groups came to be influenced by the guidelines provided by the promoting agencies. Without any doubt, leaders are appointed or selected to manoeuvre the activities of the Group. Their terms of office, number of leaders and other matters concerning the administration are decided by the Group members. The Groups are found having accounts of their transactions. However, the types of books, registers and accounting system used differ widely from Group to Group. The one common feature of the Groups under study reveals that, financial reports are given to the members from time to time, updating the available amounts, the investments made and also pointing out the avenues available for future investment. Though the Group members have equal power, rights and responsibilities, these leaders are often found to be the main policy maker, decision takers and fund mobilizers.

2.7.d: Source of Fund:

Funds are often a major concern for most SHGs. They start from scratch with zero balance. Funds are raised through various means. The major source of fund for the Group comes from their regular savings, the period of which ranges from weekly, monthly or even quarterly in some cases. The amount of collection depends upon the terms of agreement, the economic back-ground of the members, etc. From the

study conducted on 100 SHGs under Kohima District it is found that, the amount of regular contribution from the members varies widely. In the case of some Groups; they carry out some sales activities rather than making collections. In some cases, they also distribute some amount among the members with a condition that the members could use the money in some income generable sources and return the principal with extra amount as interest to the common fund. Apart from their compulsory regular saving and income from engaging in different activities, the Groups also get loans from banks which have to be paid back. Some SHGs are also provided financial assistance by their promoting agencies certain amount that ranges from Rs. 10,000 to Rs. 25,000 as revolving funds. Depending on the efficiency and effectiveness of the utilisation of fund as per the direction given by the responsible authorities, the future chances of obtaining fund from such agencies are decided. The SHGs funded by various departments owes an explanation to the concern authorities. In the event of unfair use of the fund the members are made liable for the repayment of the amount sanctioned to them.

2.7.e: Utilisation of Fund:

The funds so generated by the Groups from various sources are relatively small. Most of the SHGs in the district reinvest in productive channels for obtaining maximum profit which is an important concern for all SHGs. Most SHGs under Kohima district are found making maximum use of the fund by investing it in some activities rather than keeping it in the banks. Interestingly the specific utilisation of funds in Kohima District is laid down as:

1. Internal as well as external lending.
2. Disbursement within the members for their own reinvestments in different activities.

3. Purchasing of raw materials for some common activities like potato farming, rice cultivation, yam cultivation, Naga garlic growing, spring onion growing, purchasing live stocks for rearing–piggery, poultry, and goatary.
4. Purchase raw materials for weaving shawls, mekhelas (formal wear of women), jute bags, baskets, woollen shoe making, soap and detergent making etc.
5. Vegetable retail business.
6. Small retail business in various products
7. Trade in second hand garments.

Thus, the fund of the Groups is effectively engaged on a continuous basis either by the Groups or by individual members of the Group. They come together for meeting on regular basis during which they discuss the manner in which the Group fund are utilised, should be utilised or would be utilised and review the balance amount that is with them at a given point of time.

2.8 Self Help Group in Peren District:

Peren District has a total land area of 1,726 sq. km and a population of 95,219 with a density of 58 persons per.sq.km.as per 2011 census. Out of the total population 81,429 (85.52%) dwells in the rural sector and 13,790 (14.48%) resides in the urban sector. Peren district represents rural population of the State as 85.52% of the population are from the rural sector. The major engagement of the rural people is in Agricultural sector. It has three administrative Headquarters: viz: Peren, Jalukie and Tening. The district has 96 villages in total. With the official launching of the SHGs in the State in 1999-2000, the SHGs movement got started in the district of Peren effectively.

However, it is also to be mentioned that few SHGs were already in existence since 1998. The growth of the SHG was slow in the initial stages, however by 2001 many groups were formed under SGSY and latter in 2006 more SHGs were formed by the Women Development Department of the State. In this regard it is worth mentioning that there are altogether 100 SHGs operating in the district under Women Development Department which covers 21 villages as per 2006-2012 record. The formal introduction of SHGs to Peren district was spearheaded by NEPED, Wasteland Department, Rural Development Department, SIRD Department, village council, VDB secretary and Women society.

The major initiator in forming, training and promoting SHGs in Peren District is the “North East Rural Livelihood Project” (NERLP) funded by World Bank. Under this, the District is broadly divided into three blocks Viz. Peren, Tenning, and Jalukie block. The total number of SHGs covered by NERLP in the three blocks Peren, Tenning and Jalukie are 293,182 and 196 respectively. Also it may be mentioned that there are some other interested agents like the Agriculture Department, Horticulture Department and NGOs promoting SHGs in their own capacities. They provide financial assistance, seedlings, training and other helps in promoting the SHGs. The important NGOs contributing to the promotion and growth of SHGs in the district are the Rongmei Baptist Association Nagaland, (RBAN) and the Development Association of Nagaland (DAN). Their roles are commendable for they work very actively in the development of the SHGs in the district. It may be noted that, these NGOs were ahead of the State Government in initiating the formation of the SHGs in the district. The membership, objective, management of SHG, sources of fund, and utilisation of fund of Peren district are further discussed in detail as follows.

2.8.a: Membership:

The composition of SHGs under Peren District comprises of members ranging from 10-20 or above and of course some Groups with even less than 10 members. The members are mostly women folk who are illiterates except in some few cases where well qualified Graduates, Post Graduates and other degree holders were present. They form themselves into Groups at their own free will and could come out of the Group at any time. However, when they go out they are to surrender all entitlements and without any kind of allowances. The enrolment to the SHGs is not gender based, strictly speaking, though, as per the rule under some of the schemes of Government only one members of the family, viz. the mother or major daughter could become a member of SHGs. It may be mentioned that, the figure as per findings reveals 93 % of the SHGs out of 100 SHGs covered in the study are found to be women SHGs. The preference for women arises because of the fact that, experiences over the years showed women involvement to be more sincere and effective. The most important elements in the formation of the Groups are understanding, cooperation and willingness to be together. The spirit of willingness to work collectively binds the Groups to a great extend, as a result of which some Groups were found having both male and female members. On forming themselves into Groups, the members decide the manner in which the Group should function, raise fund, and make investments. Easy formation of the Groups, without any formalities or fees encourages the members to become SHGs.

2.8.a: Objectives:

Though located in different places, the purposes and objectives of the SHGs remains almost the same. Thus, the objectives of the SHGs of Peren District like most other SHGs operating in the rest of the Country has the objectives to eradicate poverty, be self-dependent economically, and socially. Apart from the main objectives the specific objectives of the SHGs are spelt out below:

1. To be self-sufficient in basic needs like food, clothing and shelter.
2. To develop self-reliance among women folk.
3. To unearth the potentialities of the members in various fields to the maximum extent.
4. To educate their children and make them equal with other society by making a stable income through SHGs.
5. To uplift Group members above poverty line.
6. To enhance productivity in agricultural productions organically.
7. To avail internal loaning facilities to the Group members.
8. To develop better understanding and self-reliance among women folks.

2.8.c: Management of the SHGs:

The SHGs are managed by leaders who are known by different names like the president or chairperson and the secretary or the treasurer. They are elected or selected by the members through consensus vote based on the personality of the individual. In some SHGs leadership responsibilities are shared on rotation basis. The tenure of office varies from Group to Group. Findings suggest that, the leadership tenure under Peren district ranges from 1 year to 3 years but in some cases it is found

to be having 5 years. Though the Group members are vested with equal power, rights and responsibilities, the leaders are often found to be more involved in the affairs of the business. Management of the Groups are done democratically. Decisions are taken on conscious votes with clear mandates. Normally meetings are convened by the chairperson and the records are maintained by the secretary also the financial records are kept by the treasurer. Regular meetings on suitably agreed time period are conducted for the purpose of resolving issues and also adopting new resolutions.

2.8.d: Sources of fund:

Funding is a big challenge for the SHGs in Peren district. Unlike the districts of Dimapur and Kohima, most SHGs are self formed or under the initiatives of the NGOs. As such external source of fund to the SHGs are limited to few Groups. The various sources of funding under Peren District are brought out in the following lines:

1. Regular weekly and monthly savings.
2. Grants and loans from banks,
3. Interest realised from loans advanced and
4. Most commonly through wages earned.

Of the three districts, maximum Group activities are carried out by the SHGs in Peren district for raising Group fund. The most prominent sources are from agricultural products. The main agricultural products in this part of the region are; cultivation of ginger, passion fruits, chillies, yam, and tree plantation. They are also engaged in rearing livestock such as pigs, cows, goats, ducks and chickens. Apart from these, other activities like weaving, handicraft works and retail businesses are also carried out. It is also a matter of interest to learn that the SHGs rigorously contribute to

the common fund by way of carrying out agreed number of day wages earned. The funds so generated from all these sources are re-diverted to the some activities but with greater investment in order to expand their earnings.

2.8.e: Utilisation of fund:

Proper Fund utilisation creates a big impact in rating the success of the SHGs earnings. Findings from the study points out that, great number of SHGs under Peren district confines their activities to agricultural practices. Thus, their biggest investments are the costs on labour, seeds, tools; machines etc. Investments are also made on purchase of raw materials for weaving, retail business, feeds for animals, and livestock. Apart from investing in these activities, they also utilise the fund by extending loans to the members of the Groups. In this regard it could be mentioned that, the rates of interest are normally fixed to a negligible low rate if it is extended to the members within the Group. The Groups decide and keep on changing the rates depending upon the situations. The Group members are consulted by the leaders before making any major investment. Accounts are maintained either by following a particular format or merely by keeping simple records of the Groups. Information about funds are made known to the members from time to time.

Thus, taking the three districts separately, we find many of the practices to be very similar. However, dissimilarities exist because of the differences of location, proximity to market, and the environment in which the SHGs work.

2.9 District wise SHGs earnings:

District wise earnings of the SHGs from different sectors of the economy are discussed below. For better understanding in the simplest way, the areas of activities covered by the SHGs are broadly categorised into three sectors:

i) Service or Supply Sector: It includes all service rendering activities such as giving loans, hiring chairs, utensils, sound systems, cooking during occasions, parties, meetings, weddings etc.,

ii) Production or Manufacturing activities: It includes production of various staff like agricultural goods, farming, growing of vegetables, flowers, medicinal plants, manufacturing of soaps, detergents, washing powders, bags, shoes, etc.

iii) Retail Business: This category includes all those activities of buying and reselling of goods from wholesalers, producers or manufacturers and even selling one's own productions through retail outlets. The total and average annual earnings of the SHGs from these sources in the three districts are brought out in the following tables:

Table no.2:5 Types of SHGs and average earnings:

Dimapur district: Annual earning sectors wise as on March 2013 to March 2014

Sectors	No. of SHGs	Total earnings in Rs.	Average earnings in Rs.
Service/ Supply	28	6,90,000	24642.86
Production/Manufacturing	29	7,50,000	25862.07
Retail	34	6,90,000	20294.12
Total	91	21,30,000	70799.05

(Source: From field study)

In Dimapur district 91 SHGs are involved in one or the other broad sectors.

The total annual income from the three sources amounted to Rs.21, 30,000. The most

profitable sector as per the study is the manufacturing or the production sector. It is found that 29 SHGs out of the 100 SHGs have a total earning is Rs.7, 50,000 and an average of Rs.25,862.07. The SHGs involved in the other two sectors viz. the service/ supply sector and retailed business are 28 and 34 SHGs respectively, with the total earnings of Rs.6, 90,000 each. In terms of the average earnings of the two sectors, the average income from service/ supply sector shows a better return with Rs. 24,642.86 over the retail sector whose average is Rs.20,294.12. It may be mentioned that, out of 100 SHGs 9 SHGs are not involved in any of the three categories of earnings. These SHGs engage themselves in raising fund through monthly collections, and obtaining loans from banks. The following tables showing the specific income from the three sectors are presented below.

Table no. 2.5.a Dimapur District: Annual Earning from Supply/ Service sectors. (31st March 2013-March 2014)

Service/ Supply Sectors	No. of SHGs	Total earnings in Rs.	Percentage of Earning
Loans	15	4,33,500	62.83%
Hiring of chair/ Utensils/.	9	1,85,500	26.88%
Cooking/ entertainment	4	71,000	10.29%
Total	28	6,90,000	100%

(Source: From field study)

Under the Supply/Service sector the maximum number of SHGs earning comes from the Loan advanced by the SHGs i.e. Rs. 4, 33,500 (62.83%). It is seen that out of 28 SHGs coming under this sector, 15 SHGs are actively involved in advancing loans. Of the remaining 13 SHGs, 9 SHGs are engaged are Hiring of chairs/ Utensils and 4 SHGs in Cooking/ Entertainment.

Table no. 2.5.b: **Dimapur District: Annual Earning from Production/Manufacturing sectors.**

(31st March 2013-March 2014)

Production/Manufacturing sectors	No. of SHGs	Total earnings in Rs.	Percentage of Earning
Farming	6	1,87,000	24.93%
livestock	6	1,83,600	24.48%
Detergent, soap, dish washing liquid units.	4	74,800	9.97%
Candle Unit	3	91,300	12.17%
Weaving, Handloom	5	1,03,000	13.73%
Handicraft	2	54,000	7.2%
Bags/ Shoe units	3	56,300	7.52%
Total	29	7,50,000	100%

(Source: From field study)

As far as the earnings of the SHGs from the Production or Manufacturing sector is concern, the number of SHGs engaged in different activities and the income derived from the activities are more or less in uniform pattern. The sources of earnings are broadly categorised into seven units. The earnings from these sectors as indicated in the table above shows the following results.

- Six SHGs engaged in farming which includes vegetables, rice, cash crops, medicinal plants etc. earns Rs.1,87,000 (24.93%)
- Six SHGs engaged in Livestock rearing which includes cattle, goat, pigs, chickens, and ducks earns Rs.1, 83,600 (24.48%)
- Four SHGs engaged in Small Manufacturing units which includes detergent powder, Soaps (washing, Cleaning & bathing) earns Rs. 74,800 (9.97%).
- Three SHGs earns Rs. 91,300 (12.17%) from candle units.
- Five SHGs earns Rs.1, 03,000 (13.73 %) from weaving activities.

- Two SHGs earns Rs.54,000 (7.2%) from Handicraft and the remaining Three SHGs earns Rs.56,300 (7.52%) from shoes and Bags units.

Table no. 2.5.c Dimapur District: Annual Earning from Retail Business. (31st March 2013-March 2014)

Retail Sector	No. of SHGs	Total earnings in Rs.	Percentage of Earning.
Second hand Garments	9	2,14,700	31.11%
Grocery items	7	1,00,300	14.54%
Others	18	3,75,000	54.35%
Total	34	6,90,000	100%

(Source: From field study)

The retail sector has been broadly classified into three classes and the earning from these units are;

- Nine SHGs earns Rs. 2, 14,700 (31.11%) from dealing in second hand garments.
- Seven SHGs from Grocery items earns Rs. 1,00,300 (14.54%) and
- Eighteen SHGs engaged in small enterprises earns Rs.3, 75,000 (54.35%).

The next table shows the condition of annual earnings under Kohima district.

Table 2.6: Kohima district: Annual earning sectors wise: (31st March 2013-March 2014)

Sectors	No. of SHGs	Total earnings in `	Average earnings in `
Service/ Supply	11	2,80,000	25454.55
Production/Manufacturing	48	8,60,000	17916.67
Retail	21	4,10,000	19523.81
Total	80	15,50,000	62895.03

(Source: From field study)

In Kohima district 80 SHGs out of 100 SHGs are found having annual earnings from at least one of the three sources mentioned above. The total annual income from the three sources amount to Rs. 15, 50,000 with an average of Rs.62,895.03. The percentage of earning from the three sectors are 18.06% (Rs.2, 80,000), 55.48% (Rs.8, 60,000), and 26.45% (Rs. 4, 10,000). The most profitable sector as per the study is, the service or supply sector, with an average earning of Rs.25,454.55. This sector has the least number of SHGs involved in case of Kohima district. The maximum SHGs engaging sector with the minimum average earning is the production/manufacturing sector, with an average income of Rs.17,916.67 by 48 SHGs. 21 SHGs are in retail business with an average income of Rs.19,523.81. The number of SHGs which does not feature in the earning list is 20 SHGs out of 100 SHGs. It may be mentioned that in this category some of the newly formed SHGs that has just started their activities are also included. Also those SHGs that depend only on monthly regular savings and loans from are in this category. The sectoral earnings by the SHGs are presented in the following tables.

Table no. 2.6.a

Kohima District: Annual Earning from Supply/ Service sectors. (31st March 2013- March 2014)

Service/ Supply Sectors	No. of SHGs	Total earnings in Rs.	Percentage of Earning
Loans	4	140,000	50%
Hiring of chair/ Utensils/.	3	53,000	19%
Cooking/ entertainment	2	42,000	15%
Unskilled labour	2	45,000	16%
Total	11	2,80,000	100%

(Source: From field study)

The service or supply sector is categorised into four areas. Eleven SHGs are found engaged in this sector. The maximum earning comes from loans advanced by SHGs. Here four SHGs earns Rs.1, 40,000 (50%) and the other service sectors are brought under hiring, rendering specialise services and also carrying out unskilled labour works.

Table No. 2.6.b

**Kohima District: Annual Earning from Production/Manufacturing sectors.
(March 2013-March 2014)**

Production/Manufacturing sectors	No. of SHGs	Total earnings in Rs.	Percentage of Earning
Farming	23	354 ,000	41.16%
livestock	9	1,93,000	22.44%
Detergent, soap, dish washing liquid units.	4	84,500	9.83%
Candle Unit	3	73,300	8.52%
Weaving, Handloom	4	71,000	8.26%
Handicraft	3	51,000	5.93%
Bags/ Shoe units	2	33,200	3.86%
Total	48	8,60,000	100%

(Source: From field study)

The highest concentration of the SHGs under Kohima district based on activity and volume of earning is the production sector. It accounts for 48 SHGs with the total earning amounting to Rs.8, 60,000. The number of SHGs engaged in farming activities tops all others in this sector with 23 SHGs and the earning amounting to Rs.3, 54,000 (41.16%).

Table no. 2.6.c: **Kohima District: Annual Earning from Retail Business. .(March 2013-March 2014)**

Retail Sector	No. of SHGs	Total earnings in Rs.	Percentage of Earning
Selling Second hand Garments	7	1,43 ,200	34.93%
Grocery items	8	1,66,700	40.66%
Others	6	100100	24.41%
Total	21	4,10,000	100%

(Source: From field study)

The retail sector is conveniently categorised into three areas, viz. those engaged in second hand garments, grocery items and others. It may be pointed out 21 SHGs are engaged in retail sector with a total earning amounting to Rs. 4, 10,000. The percentage of earnings from the three retail undertakings are; second hand garments 34.93%, grocery items 40.66% and others 24.41%.

The following table brings to light the condition of annual earnings under Peren district.

Table 2.7:**Peren district: Annual earning sectors wise. (31st March 2013-March 2014)**

Sectors	No. of SHGs	Total earnings in Rs.	Average earnings in Rs.
Service/ supply	12	2,65,000	22083.33
Production/manufacturing	36	9,40,000	26111.11
Retail	13	3,40,000	26153.85
Total	61	15,4,5000	74348.29

(Source: From field study)

As shown in the table above, it is to be noted that Peren district has a total of 61 SHGs with proper annual earnings from the three sectors. The remaining 39 SHGs are still in the process of establishing a proper source of earning. They are confined to the monthly collections, engaged in any type of Group works either in fields, farms or small contract works. The income earned from such works is insignificant and therefore could not be conveniently assessed. However, though their incomes are not stable and significant in value, they do earn from some sources. From the 61 SHGs with annual earnings, 12 SHGs are from service sector, 36 from production or manufacturing, and 13 from retail businesses. The average earnings from these three sectors are Rs. 22,083.33, Rs.26,111.11 and Rs.26,153.85 respectively. The most profitable source of income as per the study is retail business with average annual earnings of Rs.26,153.85. The detail sources of earning from the three broad sectors are presented in the following tables:

Table no. 2.7.a

Peren District: Annual Earning from Supply/ Service sectors. (31st March 2013- March 2014)

Service/ Supply Sectors	No. of SHGs	Total earnings in Rs.	Percentage of Earning
Loans	4	71,000	26.79%
Hiring of chair/ Utensils/.	2	57,000	21.51%
Sound systems	1	23,000	8.68%
Unskilled labour	6	1,14,000	43.02%
Total	12	2,65,000	100%

(Source: From field study)

As shown in the above table, the maximum numbers of SHGs under Peren district in this sector are found earning good income from the unskilled labour works. The

percentages of earning from different activities in the service sector are; loans 26.79%, hiring of chairs and Utensils 21.51%, sound system 8.68%, unskilled labour 43.02%.

Table No. 2.7.b

Peren District: Annual Earning from Production/Manufacturing sectors. (31st March 2013-March 2014)

Production/Manufacturing sectors	No. of SHGs	Total earnings in Rs.	Percentage of Earning
Farming	18	4,43,000	47.13%
Livestock	6	1,13,500	12.07%
Detergent, soap, dish washing liquid units.	2	38,000	4.02%
Weaving, Handloom	7	2,67,700	28.48%
Handicraft	3	77,800	8.28%
Total	36	9,40,000	100%

(Source: From field study)

As per the data presented in the table, the most preferred activity with the maximum earning is the farming activity. It includes wide ranging activities like potato cultivation, tomato, rice, yam, garlic, king chilli, orange, lemon, vegetables etc. The income earned by 18 SHGs comes to Rs. 4, 43,000 annually. The percentages of earning from other activities are, livestock 12.07% (6 SHGs), Detergent, soap, dish washing liquid units 4.02% (2 SHGs), Weaving, Handloom 28.48% (7 SHGs), Handicraft 8.28% (3 SHGs).

Table no. 2.7.c: **Peren District: Annual Earning from Retail Business. (31st March 2013-March 2014)**

Retail Sector	No. of SHGs	Total earnings in Rs.	Percentage of Earning
Small enterprises	3	67,500	19.85%
Grocery items	2	64,500	18.97%
Others	3	87,500	25.74%
Fast food	5	1,20,500	35.44%
Total	13	3,40,000	100%

(Source: From field study)

Thirteen SHGs earns Rs. 3,40,000 at an average of Rs.26,153.85 from retailed business. The retail sector is categorised into four segments and the earnings are, small enterprises Rs.67,500 (19.85%), grocery Rs.64,500 (18.97%), fast food Rs.1,20,500 (35.44%), and others Rs. 87,500 (25.74%).

Further the consolidated result of the three districts may be presented in the table below:

Table 2.8: **Consolidated earnings of the three districts: (31st March 2013-March 2014)**

Districts	Sectors wise annual earning						Total earnings	Average earnings	Total SHGs
	Supply and Service		Production/Manufacturing		Retails				
	Amount in Rs.	SHGs	Amount in Rs.	SHGs	Amount in Rs.	SHGs			
Dimapur	6,90,000	28	7,50,000	29	6,90,000	34	21,30,000	70799.5	91
Kohima	2,80,000	11	8,60,000	48	4,10,000	21	15,50,000	62895.03	80
Peren	2,65,000	12	9,40,000	36	3,40,000	13	15,45,000	74348.29	61
Total	12,35,000	51	25,50,000	113	14,40,000	68	52,25,000	151436.82	232

(Source: From field study)

A total of 232 SHGs out of 300 SHGs are engaged in some income generating activities. The sources of income are broadly categorised into Service or Supply, Manufacturing or Production and Retail business. The highest number of SHGs earnings come from the Manufacturing/ Production sector with 113 (48.71%) SHGs earning Rs.25, 50,000 annually. The earnings from Retail business by 68 (29.31%) SHG comes to Rs. 14, 40,000. And the earnings from Supply/Service sectors by 51 (21.98%) SHG comes to Rs. 12, 35,000. Analysis of earnings made by the three districts shows that, Dimapur district earns at an average of Rs.70,799 from various sources. Kohima district earns at an average of Rs. 62,895 from various sources. And Peren district earns at an average of Rs.74,348. It may be mentioned that, in the case of Dimapur district the earnings from Production or Manufacturing sectors are the maximum though the maximum number of SHGs are engaged in retail business.

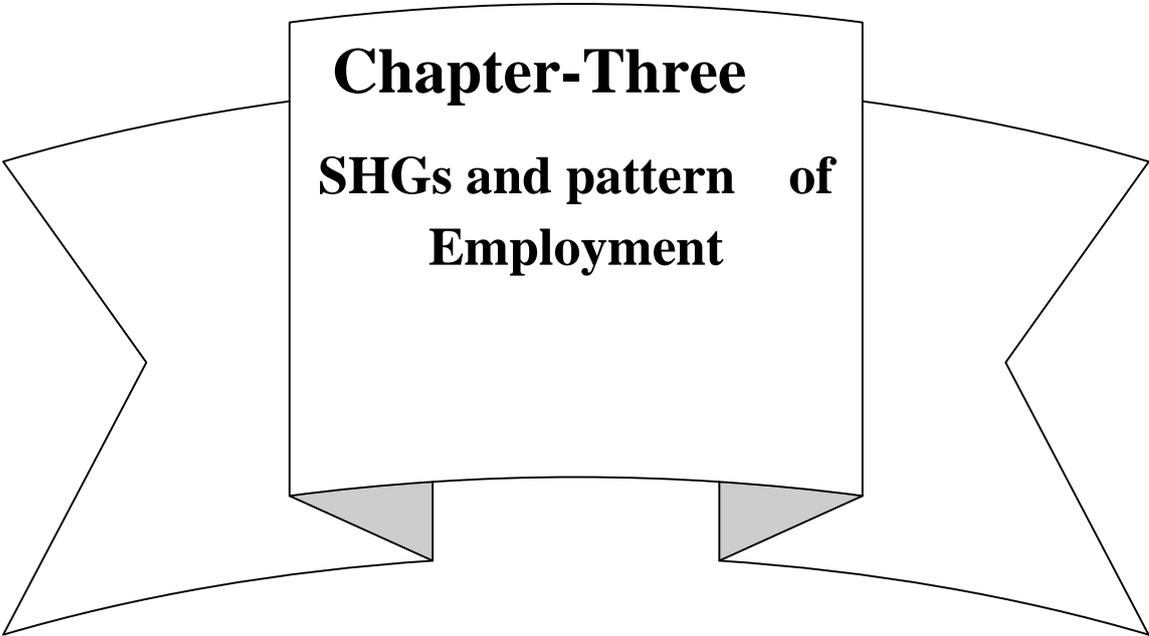
In the case of Kohima district the maximum earning as well as the maximum number of SHGs engaged was from the Production of Manufacturing sector. In the case of Peren district maximum earning comes from the Retail business but the maximum number of SHGs engaged is in Production or Manufacturing sector. From the study it is clear that the Production or Manufacturing sector remains as the single largest sectors which attract the maximum number of the SHGs except for the district of Dimapur.

The SHGs have made remarkable progress in fostering economic Development in the State. The concept of inclusive growth of the economy will find its meaning through SHGs movement. This is because of the fact that, the SHGs have penetrated into many sectors, particularly the primary sector which during the past years showed very low contribution towards the States Gross Domestic Product. Growth of primary

sector would facilitate the quick generation of employment opportunities to the people of the State. The increasing demand for services in various sectors also provides wide scope for the SHGs to venture in them. The demand for job creation will influence the growth of service sector in the State. The State which lacks large scale industries could be immensely benefited in promotion of Self-Help Groups in diversified areas.

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Chapter-Three
SHGs and pattern of
Employment

INTRODUCTION

Employment is literally understood as the work or profession in which a person is engaged. It is the state of utilising resources to one's advantage, thereby obtaining the remuneration from it. Employment has been considered as one of the yard sticks to measure the development of a Country or State. In the wake of the increase in population curbed with the ever increase in the number of educated persons, the need for obtaining gainful employment have been in the forefront ever since the time of Statehood. The needs could not be met by the available means, the reason of which could be well levelled for two reasons viz., 1). Failure on the part of the State Government in providing job avenues as per the requirement and 2. The absence of job opportunities, like industries, companies, factories and mines that leaves the State in a very challenging position with regard to the providing of jobs to the educated unemployed of the State.

SHGs are mostly formed by women members. Hence it is pertinent to make a study on women involvement in the establishment and operation of the SHGs. The present chapter is divided into two sections.

Section-I deals with the discussion of employment scenario in general and the contribution of SHG in providing direct and indirect employment in the State. The study will analyse the role of State Government in providing a conducive environment for the creation of employment opportunities in the State for the educated unemployed youths. The pattern of employment in the organised and unorganised sectors is also dealt adequately in this section. It also makes an in depth analysis of SHGs and its impact on job creation. The data relating to the past five years were analysed to study the employment trend in the State.

Section-II deals with the economic Empowerment of Women by way of their involvement in SHGs formations. The major areas of concern in this section is devoted towards the discussion of the pattern of Women Employment in the State, the Empowerment of Women through SHGs and the Economic and Social conditions of the members' pre and post joining in the SHGs.

Section-I

Employment scenario in India:

Unemployment was not too serious a problem during the initial economic plan periods (1950s) in India. However, with the subsequent growth of population and with increased labour force, unemployment problem became visible. During the 1950-60s the economy grew at a rate of around 3.5% as against the planned rate of 5 per cent per annum. Yet, employment grew at a relatively high rate of 2 per cent per annum. However, since labour force growth was much higher at 2.5 per cent as against less than 2 per cent per annum assumed, the result was an increase in unemployment. Unemployment problem was given attention officially from the fifth Five Year Plan (1972-79). During this period problems relating to employment were targeted to be addressed. Thereafter, a number of programmes and schemes were initiated to address the issue of poverty and unemployment. In recent years, the Governments at the Centre and in the States have come up with new schemes and programmes. One of the successfully implemented schemes is the National Rural Employment Guarantee Programme which aims at legally guaranteeing employment up to 100 days annually to every rural household, under an Act of Parliament.

¹With differential growth of employment among different sectors of the economy, there has been obvious changes in the structure of employment. Among the three major sectors by broad division of economic activity, namely, agriculture, industry and services, there has been a decline, as expected, in the share. The structural changes have, however, been slow. In a period of 27 years, from 1973 to 2000, the share of agriculture declined by 17 percentage points only from 74 to 57 per cent. Share of industry increased from 11 to 18 per cent and that of services rose faster from 15 per cent in 1972-73 to 26 per cent in 1999-2000, growing particularly fast during 1987-88 to 1999-2000.

Unemployment Scenario in the North Eastern States:

The North-Eastern Region consists of eight States, namely, Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura. The North Eastern States predominantly agrarian in occupation is characterised by poor industries, inadequate infrastructures, political instability, and significant dependence on public sector employment. Employment has been one of the most crucial areas of concern. Without any exception all the eight States are encountered with unemployment issues. However, the State of Assam is in a much better position when it comes to employment sector, as 70% of the Industries of the North East are found to be concentrated in the State of Assam.

In spite of rich endowment of natural resources, the region has been lagging behind the rest of the Country in terms of various developmental outcomes. In addition to historical reasons, there exist vast disparities within the North Eastern Region, dominance of tribal population and high incidence of poverty and migration. Under such circumstances, to put forward an inclusive development strategy for the Region is

a stupendous challenge (Govt. of India, 2008). To address the development concerns of this Region, first the Department of Development of North Eastern Region was created in 2001, which was later converted into a full fledged ministry in 2004. Since then a large number of projects are being undertaken in different sectors such as infrastructure (power, road, railways, air connectivity, inland waterways, Tele-communication and information technology), plantations, irrigation and flood control, tourism, human resource development (education and health), handlooms and handicrafts, and food processing. The North Eastern States, blessed with wonderful landscapes and scenic beauties are also found taking keen interest in promoting tourism sector for the purpose of income generation and job creation.

3.1 Unemployment Scenario in the State:

Unemployment has been on the rise in the State due to different reasons such as the increasing size of the population, increased in literacy rate and the lack of large scale manufacturing industries and factories. Unemployment is found to be having multi-facet implications on the lives of educated and uneducated youths, rural farmers and house wives. The growth in the number of unemployed population is found to be rising rapidly every passing year. It will be interesting to note the number of unemployed registered in the Employment Exchange during different time periods to ascertain the trend of unemployment in the State. The following two tables which take into consideration the number of Live Registered with the Employment Exchange during the past three years (2010-2012) are presented below.

Table No. 3.1: **Distribution of Job seekers by Educational Level and Sex as on 31st Dec. 2010 & 2011**

Educational level	Number of Job-Seeker as on 31 st December					
	2010			2011		
	Male	Female	Total	Male	Female	Total
Below Matriculation	17027	6886	23913	16460	6407	22867
Matriculate	8412	4695	13107	8465	4551	13016
Pre- University	5920	4420	10340	6793	5210	12003
Graduate	6442	5307	11749	7535	6223	13758
Post Graduate	896	984	1880	1088	1271	2359
Degree (technical)	250	117	367	330	156	486
Diploma Holder	226	175	401	309	227	536
Total	39173	22584	61757	40980	24045	65025

(Source: Annual Employment Review 2011-2012 & 2012-2013)

In making a comparative study on the number of job seekers during the year 2010 and 2011, it is found that, the total number of job seekers during 2010 was 61757 and during 2011 it was found to have increased to 65025. The percentage increased in the number of job seekers from 2010 to 2011 is 5.03%. Further on the examination of the percentage increased ratio of change in the number of Male and Female job seekers during the period 2011 shows that, the number of male job seekers increased by 4.41% and that of the female by 6.08 % percentages. Further the figure of educated

unemployed job seekers registered in the Employment Exchange was found to be more during the period 2012. The table below gives a comparative figure of two periods, 2011 and 2012.

Table No. 3.2: Distribution of Job seekers by educational Level and Sex as on 31st Dec. 2011 & 2012

Educational level	Number of Job-Seekers as on 31 st December					
	2011			2012		
	Male	Female	Total	Male	Female	Total
Below Matriculation	16460	6407	22867	15401	3661	19062
Matriculate	8465	4551	13016	8381	4082	12463
Pre- University	6793	5210	12003	8240	6827	15076
Graduate	7535	6223	13758	9197	8457	17654
Post Graduate	1088	1271	2359	1427	1885	3312
Degree (technical)	330	156	486	443	197	640
Diploma Holder	309	227	536	361	315	676
Total	40980	24045	65025	43450	25424	68874

(Source: Annual Employment Review 2011-2012 & 2012-2013)

As per the data from the table above, it is seen that, the total number of persons registered in the Employment Exchange during 2011 was 65025, of which 40980 are male and 24045 are female. The ratio of male and female during this period is 63.02: 36.98. During the year 2012 (as on 31st December), the total number of job seekers was found to be 68874. This result shows that, the number of unemployed in the State has been rising at an increasing rate every subsequent year. The percentage increased in the

number of Job Seekers during 2012 is 5.59% (i.e., of 3849). The percentage increased ratio of male and female job seekers during 2012 is 5.68% and 5.42% respectively. The figure of Job seekers district wise for the period 2012 and 2013 is presented below to further studying the trend of change in the districts for the two periods.

Table No 3.3: District-wise total job seekers and educated job Seekers on the Live Register of Employment Exchange during different years:

Districts	Total No. of Job Seekers as on 31 st March		Percentage changes 2013/2012	Educated job-seeker as on 31 st December		Percentage changes 2012/2011
	2012	2013		2011	2012	
Kohima/Peren	19604	18965	-3.3	14567	16485	13.2
Dimapur	16238	14071	-13.3	11780	15723	33.5
Mokokchung/ Longleng	7176	6815	-5.03	4203	4681	11.4
Mon	5496	5282	-3.9	2339	2843	21.5
Phek	2193	2071	-5.6	1166	1377	18.1
Tuensang/ Kiphire	7448	6468	-13.2	3545	3885	9.6
Wokha	4956	4110	-17.07	2812	2874	2.2
Zunheboto	4090	3282	-19.8	1746	1944	11.3
Total	67201	61064	-9.1	42158	49812	18.2

(Source: Annual Employment Review 2011-2012 & 2012-2013)

As indicated in the table above, it is observed that during 2012 (as on 31st March) the number of job seekers registered accounts for 67201. However, during the year 2013, the total number of live registered accounted for 61064. There was a decrease in the number of job seekers during 2013 by 6137 (9.1%). The decrease was seen in all the districts of the State at different proportions. The district of Zunheboto experienced the highest decreased rate at 19.8%, followed by Wokha District at 17.07%, Dimapur district at 13.3%, Tuensang and Kiphire at 13.2%, Phek at 5.6%, Mokokchung and Longleng at 5.03%, Mon at 3.9% and Kohima and Peren at 3.3%.

Taking the exclusive figure of the educated job seekers as on 31st December 2011 and 2012 district wise, it reveals the following results. There was increased in the number of job seekers in all the districts, the percentage increased rate district wise in descending order is 33.5% under Dimapur district, 21.5% under Mon District, 18.1% under Phek district, 13.2% under Kohima and Peren district, 11.4% under Mokokchung and Longleng District, 11.3% under Zunheboto District, 9.6% under Tuensang and Kiphire District and 2.2% under Wokha District. The overall increased percentage is 18.2%.

The status of unemployed registered in the Employment Exchange under the three sample districts namely Dimapur, Kohima and Peren District for four years from 2011-14 (as on 31st March) is presented below.

Table No. 3.4: Dimapur District: Status of unemployed registered from 2011-14.

Year as on 31 st March	Total number of live registered
2011	13510
2012	16238
2013	14071
2014	18704

(Source: Compiled from Annual Employment Review 2011-2012 & 2012-2013)

The district of Dimapur representing one of the urban districts of the State has an impressive literate population of 282,088 out of which 152,327 are male and 129,761 are female. The literacy rate of Dimapur district is 85.44% and the rate of male literacy is 88.07% and female literacy rate is 82.54%. The increased in literacy rate is a positive indicator of improvement in human development index. However, it also increases the rate of unemployment in the district due lack of job markets to absorb the educated sections of the society. The trend of unemployment in the district is analysed by considering the number of Live registered in the Employment Exchange during the past four years from 2011-14. The total number of job seekers registered in 2011 is 13510. During 2012 there was an increased in the number of job seekers with 16238.

The figures however, dropped during 2013 with a total of 14071. It is seen that during 2014 there was a marked increment with the figure pushing up to 18704. As per the available data it is seen that during the past four years the number of registered unemployed in the district amounted to 62523. The number of unemployed is bound to increase every subsequent year with the increased in the rate of educated population. Further in order to show the number of unemployed youth searching for job, the

following table reveals the numbers of persons registered for job during different years in the district of Kohima and Peren.

Table no. 3.5: **Kohima and Peren District: Status of unemployed registered from 2011-14.**

Year (as on 31 st March)	Total number of persons registered for jobs.
2011	17679
2012	19604
2013	18965
2014	26311

(Source: Compiled from Annual Employment Review 2011-2012 & 2012-2013)

The district of Kohima and Peren are jointly studied in this particular case, as information particularly on the employment were maintained and cluster under one district profile up to 2013. The literate population of the two districts are 200,180, 62,991 respectively with the literacy rate being 85.56% and 73.57% respectively as per 2011 Census. As per the figures presented in the above table, it is seen that the number of unemployed has increased tremendously from 2011-2014 in the two districts. It may however be mentioned that the figures may be distorted due to the fact that, some of those registered in the employment exchange might be gainful employed during the course of time, however, their names may still appear in the register as unemployed.

3.2 State Government Initiatives for providing Employment opportunities.

The State Government acts as a catalyst in generating employment by

providing trainings on operation of schemes, short duration modular need based training programs, training under various ITIs under State Government and Private Vocational Training Providers, creation of SHGs with active support and participation of State Cooperative Banks as well as Rural Banks. Thus, the State Government has initiated various measures to create job avenues for the unemployed youths. ²The Employment Market Information (EMI) Program of the State Government, which relates to the organised sector of the economy also provides adequate information on employability in the National and State level. The objectives of the EMI programs are stated below;

1. To provide information at short intervals about the structure of employment in the Public and Private Sectors at the areas of National and State Level and also to monitor the changes in the level of employment.
2. To present the occupational composition and educational profile of employees in the Public and Private Sectors Establishments.
3. To identify the occupation which has characteristics to a given industry.
4. To assess the manpower shortage in the Organised Sector.
5. To make available information required, improving and adding to the services offered by the National Employment Service.
6. To monitor the progress in generating employment during the five year plan.

The data collected under EMI program covers only the Organised Sector of the Economy interalia cover all establishment in the Public sector irrespective of their size and non-agricultural establishments in the Private Sector employing 10 or more Persons.

District wise analysis of Employment in the Organised Sector as on 31st March 2011, 2012 and 2013 are presented in the table below:

Table No: 3.6:

Employment in the Organised Sector as on 31st March 2011 to 2013. (District wise)

District	Employment as on								
	31 st March 2011			31 st March 2012			31 st March 2013		
	Public sector	Private Sector	Total	Public Sector	Private Sector	Total	Public Sector	Private Sector	Total
Kohima/ Peren	18608	1632	20240	18853	1649	20502	18881	1369	20250
Dimapur	11576	886	12462	11565	886	12451	10923	886	11809
Mokokchung/ Longleng	9737	712	10449	9858	688	10546	11272	866	12138
Mon	6033	318	6351	6043	318	6361	6053	318	6371
Phek	2934	233	3167	3256	239	3495	3455	243	3698
Tuensang/ Kiphire	8343	260	8603	8319	265	8584	8327	264	8591
Wokha	5969	282	6251	6007	281	6288	6959	274	7233
Zunheboto	10045	373	10418	9801	432	10233	10032	417	10449
Total	73245	4696	77941	73702	4758	78460	75902	4637	80539

(Source; Annual Employment Review 2011-12 and 2012-13, Government of Nagaland)

The Government of Nagaland has created job avenues to address unemployment problem in the State by effectively collaborating with the two sectors namely the Public Sector and the Private Sector. The above table obtained from the Government of Nagaland Annual Employment Review clearly brings out the number of direct employment generated in the State during the past three years from 2011-2013. It is seen that during 2011, 77941 employments were generated out of which 73245 are under the Public Sector and 4696 comes under the Private Sector undertakings.

Further in the year 2012, a total of 78460 persons were provided with job opportunities and the number of persons employed under the Public Sector comes to 73702 and 4758 under the Private Sectors. The employments generated under the two sectors were found to be progressing even during the period 2013 where the total number was reported at 80539. The share of the Public and Private Sectors in this regard is 75902 and 4637 respectively.

The examination on the percentage of employment opportunities extended to the various districts of the State during the three years is discussed in the following lines. The percentage of people employed in the district of Kohima and Peren is 25.97% of the total during 2011, 25.98% in 2012 with a growth rate of 1.28% and 25.14% in 2013, which shows a decline in the growth by 1.23%. The district of Dimapur obtained employment at a percentage of 15.99% in 2011, 15.87% in 2012, with a growth rate of .09% and 14.66% in 2013, which shows a fall in the rate of growth by 5.16%. A broader classification on the pattern of employment in specific sectors has been shown in the following table.

Table No. 3.7: **Employment in Industries/ Services by Groups as on 31st March 2012 & 2013**

Categories group	Description	Employment as on 31 st March		Percentage changes 2013/2012
		2012	2013	
Primary sector	a. Agriculture, Hunting, Forestry	3118	3280	5.2
	b. Fishing	210	209	-0.5
	c. Mining & Quarrying	244	238	-2.5
Secondary Sector	d. Manufacturing	761	553	-27.3
	e. Electricity, Gas, & water Supply	4640	4659	0.4
	f. Construction	7011	6470	-7.7
	g. Wholesale, Retail-Trade, Repair of Motor Vehicle, Motorcycle, Personal and Household	946	1204	27.3
Tertiary Sector	h. Transport, Storage & Communication	1586	1485	-6.4
	i. Finance Intermediation	1198	1183	-1.3
	j. Real Estate, Renting & Business Activities	500	544	8.8
	k. Public Administration and Defence	33402	34891	4.5
	l. Education	18373	19057	3.7
	m. Health and Social Worker	6210	6520	4.99
	n. Other Community, Social & Personal Services.	261	246	-5.7
Total		78,460	80,539	2.6

(Source; Annual Employment Review 2011-12 and 2012-13, Government of Nagaland)

For detailed analysis, the sectors of employments are classified into three viz. primary, secondary and tertiary sector. The primary sector includes; Agriculture,

Hunting, Forestry, Fishing and Mining & Quarrying. The secondary sector includes the following areas, Manufacturing, Electricity, Gas, & water Supply, Construction Wholesale, Retail-Trade, Repair of Motor Vehicle, Motorcycle, Personal and Household. The tertiary sectors comprises of the following, Transport, Storage & Communication, Finance Intermediation, Real Estate, Renting & Business Activities, Public Administration and Defence, Education, Health and Social Worker, Other Community, Social and Personal Services.

Employment generation Sector wise reveals that, the contribution from the tertiary sector accounts for the highest percentage in both the years with 78.42% and 79.37% in 2012 and 2013 respectively. The secondary sector provides 17.03% and 16 % during 2012 and 2013 respectively. The contribution of the primary sector in terms of employment is found to be minimum during both the years with 4.55% and 4.61% in 2012 and 2013 respectively. Under the primary sector Agriculture, Hunting, Forestry sectors have increased by 5.2% in 2012. In the case of secondary sector maximum growth rate were found in Wholesale, Retail-Trade, Repair of Motor Vehicle, Motorcycle, Personal and Household with the rate 27.3% during 2013.

Growth in the tertiary sector was seen in Real Estate, Renting & Business Activities at 8.8%, Public Administration and Defence at 4.5%, Education at 3.7%, and Health and Social Worker at 4.99% during 2013.

It is imperative to bring out the figure of employment generated by the State Government during the past five years from 2006-2010.

Table No. 3.8

Distribution of Government Employees according to Status and number from 2006-2011:

Year	Class I	Class II	Class III	Class IV	Total
2006	3363	1976	56888	20107	82334
2007	3426	2120	56305	21547	83398
2008	3558	2371	58002	22604	86535
2009	3561	2400	59044	22536	87541
2010	3632	2380	60843	23664	90519
2011	3707	2401	61264	23936	91308

(Source: Government of Nagaland Statistical Handbook of Nagaland 2013)

As shown in the table, the number of persons employed in various State Government Department during the past six years is massive. However, the proportion of growth in the number of unemployed against the rate of employment generated tends to differ widely. The following table would further bring to light the distribution of Government employees according to Status and District wise as on 31st March, 2011:

Table No. 3.9: Government employees according to Status and District wise as on 31st March, 2011

Sl.No.	District	status				Total
		Class-I	Class-II	Class – III	Class -IV	
1	Kohima	1771	914	15214	5784	23683
2	Phek	187	121	4144	2822	7274
3	Mokokchung	350	256	7253	3524	11383
4	Wokha	157	120	3881	1252	5410
5	Zunheboto	160	113	5385	1585	7243
6	Tuensang	195	168	5304	1953	7620
7	Mon	159	130	3928	1460	5677
8	Dimapur	496	437	11229	3660	15822
9	Peren	104	73	2453	666	3296
10	Longleng	53	28	1462	434	1977
11	Kiphire	77	41	1011	796	1925
	Nagaland Total	3709	2401	61264	23936	91310

(Source: Government of Nagaland Statistical Handbook of Nagaland 2013)

The figures as per the table indicates, that the State Government over the years have provided job to 90,519 out of which 3,632 are placed in Grade I, 2380 in Grade II , 60,843 in the Grade III and 23,664 in Grade IV status as per 31st March, 2010. The analysis of this table shows that the number of employees in the class III and class IV are predominantly high in comparison to Grade I and Grade II. The percentage share

of these sectors comes to Grade I =4 %, Grade II=3 %, Grade III= 67 % and Grade IV=26%.

3.3 Growth of SHGs in Nagaland:

The SHGs movement got introduced in Nagaland in 1999-2000 under the centrally sponsored scheme called Swarnjayanti Gram Swarozgar Yojana (SGSY). The Self-Help Group programme was introduced as an innovative and dynamic anti-poverty programme. Nagaland State which accounts 71.03% of rural population with a figure of 14, 06,861 persons against 28.97% of urban population with a figure of 5,73, 741 persons as per 2011 census, suitably provides the ground for the implementation of this programme. Though this programme is not specifically for the rural sector yet, the actual intended target is on the rural populace and most appropriately launched for bringing about changes to the lives of the people in the State. Under this scheme, the main focus is on the formation of Women SHGs; to facilitate women folk of the rural areas, whose daily works, are confined mostly to household chores and agricultural activities. However, the involvement of men is not restricted. The formation of this type of voluntary associations in rural and tribal inhabited areas particularly by the women folk created awareness among members, as to how they could exploit the available resources, and make a livelihood out of it, where they could invest their savings, also become conscious of their health care and wellbeing of the family.

Since its introduction, the number of SHGs has been increasing over the years. Before getting into the statistics of growth, it is worth noting the factors and agencies that led to the growth of SHGs. The factors responsible for the growth of SHGs are: Credit needs for undertaking various income generating activities; Need for regular monthly saving in common account for common benefits; Feeling the need for self-

empowerment and employment; sense of economic self-sufficiency and the realisation of the ever increasing financial needs of the family; desire to be supported and be supportive to the Group for social, economic and moral benefits.

Apart from the above cited factors responsible for the growth of SHGs, an equally important aspect of the growth was because of the massive awareness programmes carried out by various agencies; both Government and Non-Governmental Organisations at different point of time. Following are the agencies that promoted SHGs, the State Government through various departments like the Agriculture Department, Horticulture Department, Soil and Irrigation Department, Cooperative Department, Animal Husbandry, Women Development Department, District Rural Development Authority, Social Welfare Board etc. These, Departments have been rendering their best efforts to promote SHGs and at the same time assist the promotion of SHGs by granting various benefits such as seed money, conducting sensitisation programmes, training and skill development programmes, and monitoring.

Apart from the State machineries there are also the NGOs who are doing commendably well in promoting SHGs. For instance, the Rongmei Baptist Association, Nagaland (RBAN) since 1998 in collaboration with the NABARD has been promoting SHGs in Peren District. This association has promoted 331 SHGs in the district over the years. There is also an organisation known as the Nagaland Empowerment of People through Economic Development (NEPED), playing a crucial role in addressing the issue of poverty reduction in the State by promoting SHGs. The other important contributor towards the promotion of SHG is the Village Development Boards (VDB) who carries out developmental activities in the villages. The growth

momentum at some stages particularly in the initial years was marked by confusion and at the same time amusement. It was confusing because people were not familiar with the working systems of SHGs in spite of the awareness programmes being launched. It was confusing because people were not sure of the end results. Also it took time to really understand the entire concept of SHGs and also in understanding one another in the Groups. It was also amusing because the Groups were provided with financial assistance. Some Groups took seriously the instructions and carried out their activities as per direction, while some few Groups divided the money among the members and misappropriated the money.

Thus, the experiences of SHGs in Nagaland during the initial periods of its launching are found to be in two paradigms. The number of registered SHGs under the ministry of Rural Development during the years was 245 recognized SHGs in 2001, and 444 in 2002, and 600 recognized SHGs in 2007 and during the year 2012-13 it was 4586 SHGs. Similarly, the number of SHGs operating under Transformative livelihood intervention looked after by the Department of Women Development, Government of Nagaland has a total of 1,294 SHGs covering 225 villages of the State as per records of 2014. There are also SHGs formed voluntarily at the initiative of the members for meeting their financial requirements. These Groups are not registered, yet they carry out the activities quite well and with transparency. They motivate one another and manage their business with internal contribution and some time through loans from banks.

The stage of growth of SHGs in the State not only experienced twist and turns in their operations but also faced challenges of existence and continuity. In this process, many developments took place; some SHGs became defunct due to different

reasons, while some SHGs remained on only in name, however, few Groups stood on their Ground and proved their worth by doing exceptionally well.

3.4 Employment through SHGs in the three districts:

The perceptual study with regard to the involvement in SHGs as an employment generating mechanism reveals that, most of the respondents view SHGs as a medium for Employment Generation. It is seen that out of the 300 SHGs having 3664 members, 235 SHGs with 2850 members, constituting 78.33% of the SHGs felt without doubt that, their engagement in SHGs have provided them a sense of being employed. They are able to generate income to meet their needs and at the same time depend on the various activities as a source of employment. They are of the view that their economic status have improved and that the activities carried out by them kept them engaged throughout.

These members felt strongly that, the SHGs has provided them the required opportunity to be employed directly by their engagement in different Activities. The SHGs has not only created direct employment opportunities to the members but have also provided indirect employment opportunities to the other non-members. The different ways of providing employment opportunities by the SHGs are;

1. The SHGs engaged unskilled labours in various works and paid them wages, thereby providing work and rewarding the unemployed section of the society.
2. It may also be mentioned that, the SHGs promotes the business of small retailers by supplying the goods produced by the SHGs.
3. The SHGs comes into contact with middlemen to supply them raw materials and at the same time to distribute their products in different location. In this process the middlemen gets employment through the SHGs.

4. The SHGs encourages small farmers and cultivators to carry out mass production by buying their products and thereby making these farmers and grower self-employed through SHGs.
5. The SHGs spend a good percentage of their income meeting the cost of transportation. The people engage in transporting the goods produced by the SHGs in the process become self-employed through the activities of SHGs.

Thus, it is seen that the SHGs have been playing important role in generating employment opportunities in the State directly and indirectly. It is also observed that, some of the respondents (65 SHGs) forming 21.67% of the total of SHGs under the study view that SHGs do not provide a stable platform for total engagement in livelihood activities. These SHGs felt, they are not able to engage in the various activities (individually or as a group) on a continuous basis due to different reasons. The reasons for poor performance are;

- a) Lack of cooperation in the Group
- b) Mismanagement of fund by few members of the Group
- c) Lack of fund for carrying out various activities
- d) Absence of good leaders to lead the Group
- e) Lack of proper scheduling of meetings for discussions and planning etc.

Further through this perpetual study on employment generation by SHGs relating to the sample districts, the following finding relating to the individual districts could be presented below.

Out of 100 SHGs undertaken for study from each sample district, 89 SHGs in Dimapur district, 80 SHGs in Kohima district and 66 SHGs in Peren district whose

members numbered to 2850, strongly advocated for the formation of SHGs as an institutional mechanism for creation of employment opportunities.

Thus, from the views expressed, through informal interactions, questionnaires and investigations, it could be well conceived that, the SHGs certainly are employment providers to the members of SHGs. The members who are mostly uneducated find SHG to be truly a life changing scheme particularly in their income sector. It provided the much needed courage, to be innovative, problem solving and enterprising in life. Thus, in general it could be mentioned that SHGs are truly employment generating schemes.

3.5 Sustainability of SHGs:

Employment could be temporary or permanent. The various activities undertaken by the SHGs are mostly temporary in nature. In fact a good number of SHGs keep changing their activities from time to time. The ability of the SHGs to build their base on some sustainable income generating sources provides the member's confidence and a sense of security in their groups. SHG Livelihood plan is an important component of every SHG. The motive of SHG is to be self dependent and in order to be self dependent livelihood plan has to be made. SHG livelihood plan is the planning process by which every SHG prepare to meet loan requirement for activities of members as well as to full fill the long term needs. It gives an opportunity to the individual members as well as the Group to prioritise their needs and make assessment of loan requirement keeping in mind the individual capacity for investment. It shall be examined intensively by expert team like community resource persons and other officials from the promoting unit.

The main purpose of SHG Livelihood plan is to promote sustainability of the SHGs. The amount of loan extendable on livelihood plan as per the North East Rural Livelihood Project (NERLP) is ` 80,000 which is to be realised in two instalments of ` 40,000 each. In order to ascertain the number of SHGs with livelihood plan/sustainable activity, respondents were asked to share their status on whether they have created any sustainable activity for regular income generation.

As per the response collected from the respondents the following table has been drawn up for analysis.

Table No. 3.10

Status of SHGs in terms of sustainability in the three districts (2000-2014):

Districts	SHGs with permanent Sustainable activities	SHGs without permanent sustainable activities	Total
Dimapur	42	58	100
Kohima	21	79	100
Peren	12	88	100
Total	75	225	300

(Source: From field study)

The examination of the data from the table obtained through questionnaire from respondents gives the following result. Out of 300 SHGs from the three districts, 75 SHGs forming 25% of the SHGs are with permanent sustainable source of earnings. The remaining 225 SHGs which is 75% of the SHGs are without permanent

sustainable source of earning. The permanent sustainable activities through which incomes are realised by the members comes from sources like, House let out on rent, interest from micro- credits, owning of fixed assets, common land, retail outlets, animal farm, manufacturing units (candle, soap, detergent) etc. Looking at the districts separately, Dimapur has the highest concentration of SHGs with permanent sustainable activities numbering to 42, followed by Kohima with 21 SHGs and Peren 12 SHGs. Lack of adequate fund for long term capital investment pose the biggest challenge to the Groups in establishing sustainable income source. With regular savings, continuous engagement in some activities and financial assistance from banks the other SHGs are also expected to be sustainable in the coming years.

Section II: Economic Empowerment of Women in Nagaland.

The SHGs have diversified their activities to a great extent over the years. From a simple humble beginning of coming together to help one another in the economic sphere, now it has assumed the role an entrepreneur, a trader, a producer, a manufacturer, a social reformer, a leader etc. It has grown from strength to strength with lots of failures in the process. The concept of SHG is found to be taking a new turn in the recent past from that of a general movement to gender specific. It is on the verge of becoming a feminist movement. Most of the SHGs are now being formed exclusively by women.

This section is devoted to discuss the different types of SHGs in Nagaland. It deals with an intensive examination of the economic and social status of women pre and post SHG movement in the three sample districts. The empowerment of women through SHGs is also given due importance in this section. It shall also bring to light the immense contribution of SHGs to the lives of the people and the enlightenment

received through the introduction of SHGs. The pattern of women employment in the State during the past three years from 2011 to 2013 is also highlighted.

3.6 The types of SHGs in Nagaland:

Regardless of the SHGs formed under different promoting agents, the classification of the SHGs could be done based on the various activities carried out by the SHGs. Broadly the activities of the SHGs could be categorised into three types based on the activities carried out by the SHGs, the service or supply sectors, the production or manufacturing sectors and the retail business units. All those SHGs which confine their activities towards rendering services or supplying of goods are brought under the first category. On the other hand, all those SHGs engaged in the production of goods through farming, cultivation of different crops, vegetables, livestock rearing, weaving, manufacture of woollen shoe, making detergent powders, soaps, candle units etc are brought under the second category. The SHGs which buy and resell goods from one place/person/ to another place/ persons are brought under the third category.

As per the findings from the study, some SHGs have roving nature of shifting from one line of activity to the other. At the same time some of the SHGs are found engaging in more than one activity at a time. The figure given below is obtained from the views expressed by the respondents who themselves are members of the Groups. Since most SHGs have not established any permanent sustainable base for income generation, the activities are subject to change at the desire of the members. Thus, classification shown below is of the present situation and does not truly reflect the permanent nature of involvement in the activities carried out by the SHGs. A table is

drawn up in this regard for analysing the different types of SHGs from the information obtained from the three sampling districts.

Table no 3.11:

Consolidated figure of the SHGs in different sectors under the three districts as on 31st March 2014.

District	Number of SHGs in different sectors			Total
	Service/supply sector	Production or manufacturing	Retail business	
Dimapur	28	38	34	100
Kohima	11	68	21	100
Peren	12	75	13	100
Total	51	181	68	300

(Source: From field study)

The analysis of the table reveals that out of the 300 SHGs, 181 SHGs (60.33%) are in production or manufacturing category, in which the maximum representation came from Peren district with 75 SHGs followed by Kohima with 68 SHGs and Dimapur district 38 SHGs. The second major area of interest by the SHGs is the retail business where, the total involvement from the three districts is found to be 68 SHGs forming 22.67%. In this category, Dimapur district has the maximum representation with 34 SHGs followed by Kohima district with 21 SHGs and Peren district just 13 SHGs. The third category with minimum number of SHGs is the service or supply sector in which there are 51(17%) SHGs from the three districts. In this sector too, the district of Dimapur has the highest representation with 28 SHGs followed by Peren

district with 12 SHGs and Kohima district 11 SHGs. The area of interest of the three districts varies widely.

It is seen that, in Dimapur district 38% of the SHGs are in production or manufacturing sector, 34% in retail and 28% in service or supply sector. Here it is observed that, the ratios of SHGs involved in different sectors are more or less in a balance proportion. Whereas in the case of Kohima and Peren districts, the proportion of involvement in the different sectors are found to be sharply contrasting to that of Dimapur district. In Kohima district 68% of the SHGs are in production or manufacturing sector, 21% in retail and 11 % in supply/ service sector. With similar trend in the case of Peren district, the number of SHGs in production or manufacturing sector was 75%, in retail 13% and in service or supply 12 %.

Of the three sectors, the production or manufacturing sectors found prominence in the three districts. With difference in proportion, production or manufacturing is found to be having the highest involvement of the SHGs. The other two areas of activity namely, the supply or service and the retail business are opted by the SHGs differently in different proportions in all the three districts. The choices of the activities are widely affected by the availability of market, the location of the place and demand of the products.

3.7 SHGs and Empowerment of Women:

Women play a significant role in the socio-economic development of a Nation. To quote the views of Dr. K. Muthuraj and P. Thilagavathi

³“The status of women in the society is the index of the degree of civilization. Emancipation of women is one of the generators of economic development. As long as women are excluded from socially productive work and are restricted to household

chores, the emancipation of women is impossible. Absence of adequate opportunities acts as obstacles on the path of women towards economic and social progress. When proper education and entrepreneurial climate are assured women force can become a good human resource potential for national development”.

The socio economic status of women has been very low in India ever since Independence. They mostly assume the role of housekeepers and their contribution towards the nation in terms of economy is not adequately recognised. On account of the observance of customary laws, traditions and beliefs the women folk have to undergo through many hardships in life. In the back ground of all these a ray of hope was brought about by the introduction of SHGs. The formation of SHGs became the ultimate answer to many of the problems faced by rural women. It has also become the best successful source of rural finance and credit which was considered a major setback in economic development. It facilitated the members to become leaders, entrepreneurs, income earners, and contributors to nation building by making them becoming conscious of their responsibilities, rights and economic independence.

The implementation of SHGs in Nagaland got off to a good start with good participation that, the much awaited desire of the State to avail credit facilities and to empower women are addressed to some extent. The problem of unemployment is not an exception to the State of Nagaland. The factors leading to unemployment are numerous and complex. The economic life of the people in the State as a whole was tolerably moderate. However at the individual and lower level, the fact of diverse disparity existed. The introduction of SHGs though not the ultimate remedy for solving problems of economic stagnation and unemployment problems, obviously have a positive impact on the lives of many Nagas.

Women participation in almost all activities, endeavours, and undertakings of mankind has been seen right from the time life started on earth. Women are a good companion of men and stand at a fiduciary relationship with men in all spheres of events, activities etc. The indispensable role played by women in every field is undeniably true. It is the perceptions and attitudes of men as well as the mentality of women that plays a great role in assigning meanings to the various task carried out by them whether economic, social or in political fields. When women are considered equal partners to men, playing a constructive role in structuring the growth and development of the nation building, why does the question of women empowerment arise? Over the years the focus of many nations of the world are on empowering women because of the fact that women were not given fair treatment as they deserve. It could be pointed out that in many instances women workers were either underpaid or unpaid for what they do.

With a view to address the sufferings of women in countries caused by discrimination and negligence, the United Nations declared 1975 as the year of women and the period from 1976 to 1985 as the decade of women. To honour women decade, the elimination of all forms of discrimination against women entered into force in 1981 calling for 'elimination of discrimination against women and for their equal right in education'. Likewise various other forums were also set up in the subsequent years at the international as well as national levels.

Before India's Independence, women in India were subjected to gender oppression and gender discrimination. The prevalence of gender biasness was visible in all spheres of life, social, economic or political. It is widely recognised that, unequal educational status of men and women is both a cause and consequence of a wide

gender inequality. This fact was well acknowledged by the Government of India and considers equal opportunities of education as the best means to solve the problems of poverty, inequality and gender discrimination. For effective women empowerment in the Country the Government therefore decides to device means to accomplish these goals by adopting education as the weapon. In this, it is expected to impart knowledge, skill and self-confidence in the powerless women of the Country. The Government as an immediate measure to address these issues has launched some the following educational schemes:

1. Sarva Shiksha Abhiyan (SSA) launched in 2000 to widen the scope of elementary education throughout the country targeting children in between 6-14 years of age. The operation Blackboard programme was later launched to merge in this programme in 2002-03.
2. National Literacy Mission (NLM) to provide literacy to all which blends activities like, nutrition, literacy, environmental protection and skill formation.
3. National girls' education programme launched in 2004 to provide extra facilities and financial help to motivate the girls for education at primary level.
4. The Shiksha Karmis programme- was first started in Rajasthan to make provision for girl's education in hilly and inaccessible terrains. In this scheme, the primary school with single teachers are substituted by a team of two locally resident educational workers called Shiksha Karmis.
5. Literacy Award scheme- the Central Government launched a scheme known as the "decadal literacy award and decadal female literacy award" for those who have done a pioneer task in the field of education.

Of late the Government of India announced National Policy for Empowerment of Women 2001, in order to ensure the empowerment of women in all possible areas. It also formulated a national plan of action for empowerment of women in 2003-04 to ensure that women enjoy their rightful place in the society and become agents of socio-economic change and development. The major concern of empowerment in India was made to empower rural women living below poverty line. It was felt that, to achieve a holistic development of the Country, economic and social empowerment of women becomes predominant. Empowerment is a very generic term; it has wide ranging meanings and applicability. The term empowerment could be simply defined as “conferring power to the powerless or the unpowered”. It is an established fact that in every society two classes exist, the powerful and the powerless whether acknowledged or not. The process of empowerment is a complex one because it has an internal factor and that is the mind. It needs the effort of every individual to eradicate it from their minds. Empowerment however, could be more of physical empowerment that is the economic empowerment, which implies access to and control over production of goods. It should also take into consideration that the process of empowerment involves not just the physical and social conditions, but also equal participation in decision-making process, control over resources and mechanisms of sustaining these gains. Women empowerment therefore emphasises to fulfil the objectives to making the women become independent in terms of economic, social and political rights. These should enable women to be more involved in any kind of decision-making right from their kitchen to that of issues pertaining to social and political systems of the country with dignity.

3.8 Women Empowerment in Nagaland:

The Nagas are unique and distinct from the rest of the main land India in many respects like, food habits, culture, language, tradition, customs, beliefs, history etc. place the women folk at high esteem. The men folk and the women folk have their own unique role to play in the society. The idea of discrimination and inequality to the women folk is of recent origin. In the early period prior to 1950s the Naga women were enjoying a high social status. They were least bothered about their rights, instead they truly believe in the Naga traditional way of life unquestioningly. The Nagas followed the patriarchal social system which was not questioned for the past many years. But the modern enlightenment period which brought about development and reformation even in the tribal society has obviously touched upon many aspects of the traditional Naga system of society's living norms. With the rapid spread of education and the intellectual society emerging to outnumber the old beliefs and thinking, many areas of unacceptable practices were brought out to the public domain and raise concerns on their invalidity in the present era.

Thus in 1984, the first ever formal organisation with the objective to eradicate all social evils in the society was set up exclusively by women, called "The Naga Mothers Association" (NMA). This Association was set up in Kohima as a State level voluntary organisation. Since then, the NMA have been actively involved in many social movements. The organisation's role is lauded by the Naga Public for its involvement in the Naga peace process. Politically acted as a negotiator between various warring factions at a time when the State was in turbulent situation. Apart from this it has been conducting various other social welfare programmes like conducting

workshops, seminars and imparting training on wide ranging scales such as health, employment, education, women rights, duties and responsibilities.

The State Government recently constituted a separate department within the State exclusively for the welfare of the women and that is known as the “Women Development Department of the State”. It was formed in the year 2006. The function of this department is mostly looking after the welfare of the women and addressing problems faced by the women in different forms. One of the major areas of concern by this department is promoting SHGs in the State. The department in order to empower the women in the State identifies the economic problems as the most crucial common problem across the State and therefore devoted its efforts in sensitising, promoting, training, monitoring and granting financial assistance to the SHGs since its inception till 2013 December. The Women Department covers 223 villages thereby forming 1,258 SHGs having 17,066 members. The SHGs mentioned here includes those existing SHGs which come under women department as well as the newly formed SHGs.

There are also other NGOs who play pro-active role in improving the status of women in the State. The ‘Women Vocational Training Centre’, formerly known as Nirmala Social Work Centre was established in 2005, at Chumukedima. The Centre is run by the Sisters of the Adoration of the Blessed Sacrament (SABS). The centre imparts training courses on different disciplines. Girls who undergo various training courses come from different States mainly from rural Nagaland, Assam and other North Eastern States. On successful completion of the training they become self – dependent and go on to establish their own business and some enter into partnership business with other members.

Another NGO known as “The New Path” formed in the year 1999 is run by the Ursaline Franciscan Sisters of the North East Province. This Centre is located in Dimapur. The primary objective of this centre is to rehabilitate women who are forced into Prostitution, to provide them training and impart skill to make them become independent. Since past few years women in the State suffer from exploitation and discrimination and due to compelling circumstances many are forced into certain trades that compromise human dignity. It was for taking care of these people that the centre got established in the heart of Dimapur.

In collaboration with the church and civil authorities of Dimapur this organisation conscientises, motivates and mobilizes women for their rights and for action against any form of exploitation, oppression and injustice. It also trains them towards socially acceptable and gainful occupation and to improve the health condition of the society by preventing communicable diseases like HIV and AIDS (Fernandes, 2002). Since its inception ‘New Path’ has rescued women mostly minors and teenage girls who are forced into flesh trade and are accommodated in the women working centre, Dimapur to be trained in skills offered at this centre.

3.9 Women Employment scenario in Nagaland

One of the best means to empowering women is by providing employment opportunities. The State Government has been trying its best to create job avenues for absorbing as many women as possible in the organised sector over the years. To have an overall knowledge of the number of women employed under the State Government during the past three years from 2011 to 2013, the following table could be presented.

Table no.3.12:

**Women employment in different districts of the State as on 31st March
2011, 2012, and 2013 in Government jobs:**

District	Women Employment as on 31 st March		
	2011	2012	2013
Kohima/Peren	6134	6300	6352
Dimapur	2433	2432	2353
Mokokchung/ Longleng	3472	3520	3745
Mon	953	956	956
Phek	732	792	876
Tuensang/ Kiphire	1485	1475	1485
Wokha	1332	1357	1563
Zunheboto	1904	1945	2147
Total	18445	18777	19478

(Source: Annual Employment Review 2011-2012 & 2012-2013 Government of Nagaland)

It is seen from the table that, the total number of women employed during the year 2011 was 18,445. During the subsequent years 2012, and 2013 it showed an increased in the employment figure. The percentage increased during 2012 is 1.77% (18777) and during 2013 it further increased by 5.03%. (19478). The district of Kohima, Peren, Mokokchung, Longleng, Phek, Wokha and Zunheboto were found having an increased in the employment during three years. The districts like Dimapur, Mon, Tuensang and

Kiphire, showed either stagnant or minus rate of employment during the same period.

The specific pattern of women employment in the State under various departments during the three years from 2011 to 2013 is presented in the table below.

Table no 3.13: Employment in Industries/ Services by under different department as on 31st March 2012 & 2013:

Categories group	Description	Employment as on 31 st March		
		2011	2012	2013
Primary sector	1.Agriculture,Hunting, Forestry	475	490	550
	2.Fishing	22	26	25
	3.Mining &Quarrying	26	28	22
Secondary Sector	1.Manufacturing	79	77	58
	2.Electricity, Gas,& water Supply	590	597	650
	3.Construction,	1137	1154	1188
	4.Wholesale, Retail-Trade,	173	173	199
	Repair of Motor Vehicle, Motorcycle, Personal and Household			
Tertiary Sector	1.Transport, Storage & Communication	192	194	157
	2.Finance Intermediation	234	243	241
	3.Real Estate, Renting &Business Activities	131	139	150
	4.Public Administration and Defence	5614	5665	8022
	5.Education	7078	7215	5357
	6.Health and Social Worker	2613	2693	797
	6.Other Community, Social & Personal Services.	81	83	60
Total		18445	18777	19478

(Source; Annual Employment Review 2011-12 and 2012-13, Government of Nagaland)

The primary sector which consist of Agriculture, Hunting, Forestry Fishing Mining & Quarrying provided employment to 523 women during the period 2011, further during 2012, 544 were employed and during 2013, 597 women were employed. It is seen that Agriculture, hunting and fishing under this sector generates the maximum employment and not only that it also showed an increasing trend during the years.

The secondary sector is segmented into Manufacturing, Electricity, Gas, & water Supply, Construction, Wholesale, Retail-Trade, Repair of Motor Vehicle, Motorcycle, Personal and Household. The yearly employment generation from this sector shows that during 2011, 1979 were employed, in 2012, 2001 were employed and during 2013, 2095 were employed. Under this sector, construction unit absorbed the maximum number of employees.

The tertiary sector provided the much needed jobs to a huge number of women during the past years. The tertiary sector includes Transport, Storage & Communication, Finance Intermediation, Real Estate, Renting & Business Activities, Public Administration and Defence, Education, Health and Social Worker, Other Community, Social & Personal Services. The annual employment generated from this sector is 15943, 16232 and 14784 during 2011, 2012 and 2013 respectively. During 2012 there was an increased in employment by 1.78%, however, during 2013 it showed a decrease in employment by 7.27% from 2011. The three units which provided maximum employment opportunities in this sector are Public Administration and Defence, Education and Health and Social Worker.

3.10 Socio-Economic Status of Women pre and Post SHGs movement in the sample districts.

The introduction of SHGs in the State has in a very big way opened the flood gate to women development and empowerment. The impact of the SHGs movement has touched every nook and corner of the State. The only area of doubt is whether the SHGs are functioning in the light of the objectives set by the promoting agents' Government, or NGOs. The one thing which could be admitted without doubt is that the SHGs are introduced in all the villages, towns, semi-towns and the entire State without any kind of selection unlike the other type of schemes. The sectors such as agriculture, retail business, and small manufacturing enterprises which are not given adequate importance by the State Government are well taken care of by the NGOs, or by the people themselves. The performance of the Groups and success of the Groups depends on many factors such as training, financial assistance, monitoring, cooperation, sincerity of the Group members, and capacity building programmes.

The SHG movement has brought forth different results to different Groups. What can be confessed in all certainty is that the members of the SHGs have gained much from getting involved in the SHGs in different forms though with varying experiences and degrees of benefits.

As per the feedbacks from the SHGs the following findings are made with regard to the number of women SHGs and their total members. The social and economic status of women pre and post involvement in the SHGs is also further analyzed in the following lines.

Table No. 3.14

Composition of ownership of SHGs :(from 2000-2014)

District	SHGs under women ownership		SHGs under men and women ownership		Total no. of members.
	Number of SHGs	No. of Members	No. of SHGs	No. of Members	
Peren	100	1064	3	8	1072
Kohima	99	1185	10	81	1266
Dimapur	92	1172	15	154	1326
Total	291	3421	28	243	3664

(Source: From field study)

Figures obtained from the table points out that, out of the 300 SHGs from the three districts, 291 SHGs are exclusively undertaken by the women folk and the remaining 9 SHGs comes under the ownership of men. The SHGs which were co-owned by the two genders are 19 in number. The total number of members in the 300 SHGs comes to 3,664 members, with an average of 12 members in each group. Out of 3,664 members, 3421 were women and 243 were men. The percentage ratio of women involvement against that of men is 93.37: 6.63. The reasons for such a difference in the ratio of women and men involvement in the SHGs are:

a) Women are more sincere, dedicated and enduring in minute things. As the involvement in SHGs do not promise any quick income or reward to the members, continuous involvement with dedication becomes the requirement. Women eventually tend to possess this requirement more than their counter parts; therefore it became more of women SHGs.

b) Most women are housekeepers, or mere home makers whose time and energy are solely spend on home maintenance, so getting involved in some other productive activities like SHGs is most suitable to them for their exposure beyond household chores.

c) The changing life style from male dominant society to that of women's right recognition and the need to be treated fairly gives rise to the concept of women empowerment. This calls for women self dependency in various spheres and more importantly in economic terms.

d) The consciousness of the poor status of women in the State particularly those residing in the rural sectors and the need for uplifting their status was identified by forming them into SHGs. Thus, to monitor them on a continuous basis the State Women Department was established in 1996. Since then the women department has taken initiatives as well as steps in forming SHGs exclusively for women and providing them various assistance like trainings, subsidies, financial aids etc.

With more sensitising and awareness programmes launched in the State, many more Groups are likely to be formed in the near future. The present study shows that the number of SHGs has been increasing year after year and the promoting agents at the same time have been making lots of progress in formulating policies and strategies in managing the SHGs. The findings from this study points out that, the SHGs movement has greater impact on the lives of the women than men. Thus growth and expansion of the SHGs movement will mean growth and expansion in the activities of the women folk of the society. The increasing number of SHGs in the State, particularly women Groups speaks for itself the immense benefit obtained from SHGs. Many have expressed their overwhelming satisfaction for being a member of

the SHGs. To put things into right perspective, the respondents were made to give their free and frank view on the economic conditions before joining the SHGs and after joining the SHGs. Strictly based on the information obtained through direct personal interaction, and structure questionnaires, the response of the members are presented below for analysis.

To find out the economic conditions of the members before joining the SHG, the status are categorized into four scales: poor, just sufficient, average and above average. The term 'poor' in this study refers to a condition where people survive but do not have all the basic requirements one wants to have. By the term 'just Sufficient' it refers to a condition where one is able to satisfy ones basic needs but do not have the means to afford a decent life. For instance they have enough to eat but do not have the means to send their children to good schools and meet their needs.

The third class is 'average' it refers to a state where a person is able meet the basic requirements of the family and able to cope up with the minimum standard of living, has the means to support the children in their educations but do not have the ability to realise their desire for possessing comforts of life like computers, vehicles, buildings etc. Some of the members have their economic status above average. The members falling under this category were able to afford the basic requirements of the family and at the same time could possess things of comfort like computers, car and other goods but at economic rates. The tables below highlights the status of the members in the three sample districts based on the different years of formation.

Table no: 3.15:

Economic status of the Individual members before joining SHG.

(From 2000-2014): Dimapur district

Year of formation as on 31 st March	Number of individual members with different economic conditions.				
	Poor	Just sufficient	Average	Above average	Total
Up to 2000	14	9	3	2	28
2000-2005	156	143	14	12	325
2005-2010	192	107	65	25	389
2010-2014	291	195	67	31	584
Total	653	454	149	70	1326

(Source: From field study)

The economic status of the individual members of the SHGs was examined by grouping them under four different formation periods. The SHGs formed prior to the year 2000 up to 31st March 2000 are included in the first period. The second time period takes into account the SHGs formed after 31st March 2000 to 31st March 2005. The SHGs formed during 1st April 2005 to 31st March 2010 comes under the third stage of formation. The SHGs formed during the period 2010-2014 are brought under the fourth stage of formation. As provided in the table above (table no. 3.16), the total number of members under Dimapur district whose economic conditions are stated to be 'poor' during different time period before joining the SHGs was 653 i.e., 49.25% of the total number of members. The members whose economic conditions before joining the SHGs are stated to be 'just sufficient' comes to 454 members i.e., 34.24%. It is

seen that 149 members i.e., 11.24% of have average economic condition and 70 members i.e., 5.2% have their economic conditions above average in Dimapur district.

Table no. 3.16:

Economic status of the Individual members before joining SHG.

(From 2000-2014): Kohima district:

Year of formation as on 31 st March	Number of individual members with different economic status.				
	Poor	Just sufficient	Average	Above average	Total
Up to 2000	87	39	10	9	145
2000-2005	113	92	42	23	270
2005-2010	238	206	81	45	570
2010-2014	121	97	40	23	281
Total	559	434	173	100	1266

(Source: From field study)

In the case of Kohima district, the total number of members whose economic conditions before joining the SHGs are found to be 'poor' amounted to 559 members (i.e., 44.15%) out of 1266 members. The members whose economic conditions are 'just sufficient' before becoming members of SHGs numbered to 433 members (i.e., 34.28%). It is also seen that, the members who claimed their economic conditions to be falling within the average range comes to 173 members i.e., 13.67%. The members whose economic conditions are above average comes 100 members whose percentage is 7.9% of the total members under Kohima district.

Table no: 3.17

Economic status of the Individual members before joining SHG.

(From 2000-2014): Peren district:

Year of formation as on 31 st March	Number of individual members with different economic status.				
	Poor	Just sufficient	Average	Above average	Total
Up to 2000	34	19	5	4	62
2000-2005	42	36	10	7	95
2005-2010	167	52	27	12	258
2010-2014	345	241	42	29	657
Total	588	348	84	52	1072

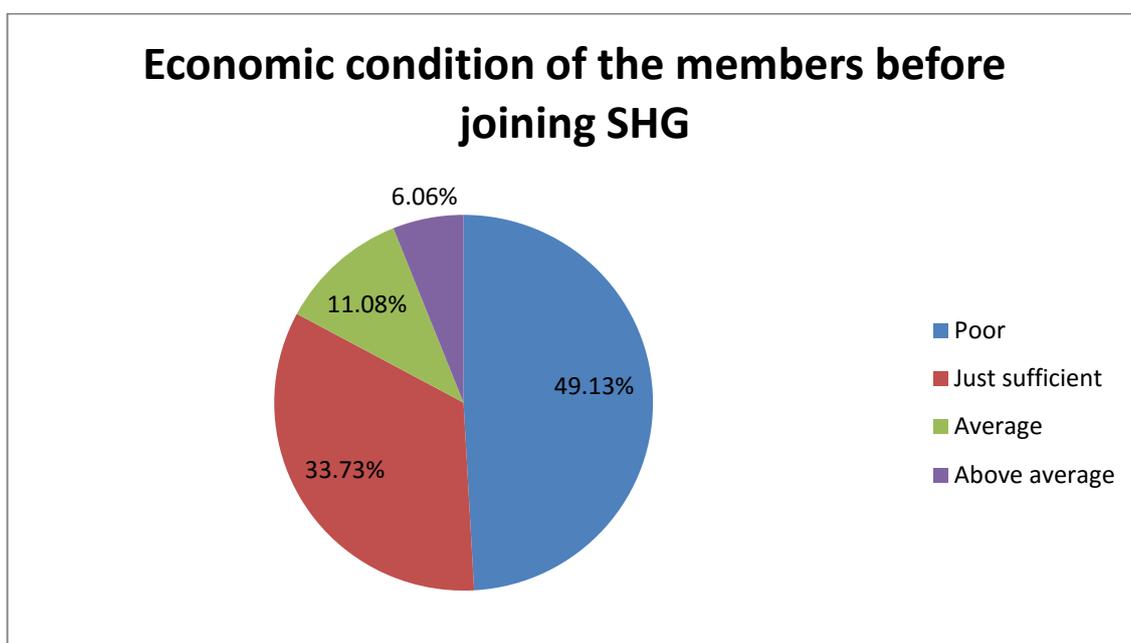
(Source: From field study)

The observation of the economic conditions of the members in Peren district brings forth the following results. The members whose economic conditions are stated to be poor before joining the SHGs comes to 588 i.e., 54.85%. Those whose economic conditions are in the range of ‘just sufficient’ are 348 members i.e., 32.46%. The members whose economic conditions are at ‘average’ constitute 7.84% of the total SHGs with 84 members. The remaining 52 members forming 4.85% of the total members under Peren district are in the ‘above average’ economic conditions before becoming members of the SHGs.

The general overview on the economic condition of the members in the three districts before joining the SHG reveals that 1800 members (49.13%) are with poor economic condition before joining the SHGs. The SHGs whose economic conditions

are stated to be 'just sufficient' are 1236 members (33.73%). The number of members whose economic conditions are found to be at an average level comes to 406 members (11.08%). The total number members whose economic conditions are above average comes to 222 members (6.06%). A pie chart diagram is presented below to give a clear idea on the overall economic conditions of the members in the three districts.

Figure no. 3.17.a: **Economic condition of the members before joining SHG in the three districts: (in percentage)**



(Source: From field study)

To assess the differences created in the economic conditions of the members, pre and post joining the SHGs, the respondents were made to give their views on their economic conditions after becoming a member of the SHG. For this purpose a four point scale on economic condition was adopted and they are: improved, much better, very good and no difference. Accordingly a table has been drawn up to analyse the feedback of the members as on March 2014. A consolidated table taking into

consideration the various periods of formation of the SHGs in the three sample district is provided below.

Table No. 3.18

Economic conditions of the Individual members after becoming members of the SHGs as on 31st March 2014.

District	Different Economic conditions of the members after joining SHGs. (number of members)				Total no. of members
	Improved	Much better	Very good	No difference	
Dimapur	604	485	172	65	1326
Kohima	576	412	240	38	1266
Peren	467	403	129	73	1072
Total	1647	1300	541	176	3664

(Source: From field study)

Information obtained as per the study points out the remarkable improvement made in the economic conditions of the individual members in the three districts after becoming a member of the SHG. A good number of members are of the view that their income earned through SHG's activities has made a difference in their lives.

Out of a total of 3664 members, 1647 (44.95%) members expressed that, their economic conditions have improved to some extent after joining the SHGs. The percentage number of members from the three districts falling in this category is Dimapur district 45.55% Kohima district 45.50% and Peren district 43.56%. Opinion of the members expressed from experience by the members in this regard reveals that, they could rely on the SHG activities for fulfilling their basic needs. Their

dependency on their husband/other family members reduced. They not only became economically-independent, but they were able to reduce the burden of the other family members in financial matters.

1300 members (35.48%) of the total members of the SHGs made their claim that their economic conditions have become 'Much Better' after their joining the SHGs. The percentage number of members from the three districts with the view that their economic conditions have become much better after joining the SHGs is, 36.58% from Dimapur district, 32.54% from Kohima and 37.59% % from Peren district. These SHGs are of the view that, their lives have been changed since the introduction SHGs. It has enlightened them to become enterprising, to be hard working, to look beyond their old profession of mere house wives, to that of a responsible bread winner of the family. They could claim with pride that, much of what they need for themselves, for their children and of the family could be managed through their income derived from SHGs activities. They are able to allocate their time for various activities such as household chores, Group activities, and other social activities as well.

There are 541 members (14.77%) of the total number of members of the SHGs under study who expressed that; they could solely depend on SHGs for all their economic needs. They are of the feeling that their economic conditions have become 'Very Good' after joining SHGs. The percentage number of members in this category from the district of Dimapur, Kohima and Peren are 12.97%, 18.96%, and 12.03% respectively. They found the best source of employment in SHGs. They were confident that, their continuous involvement in SHGs could certainly make them become not only economically self-dependent but could also become rich and prosperous. The income derived from the SHGs could be diverted to procuring of assets which could be

for livelihood purposes. These members have laid strong foundations in the SHGs from their hard work. They have lots of success stories to share. They are the ones who inspire the others in forming SHGs. They have now realised the importance of Group approach in solving their economic problems. They are able to look after their children's education in schools, colleges, and even universities with the help of the income they got through SHGs. These successful members found their self anchored in the SHGs.

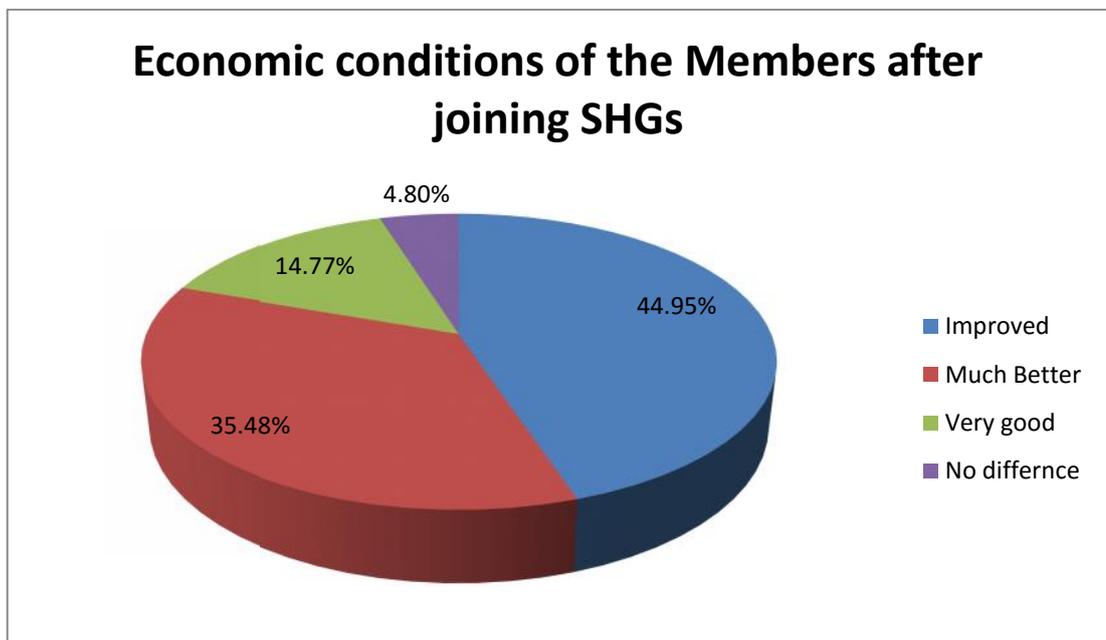
The SHG's scheme no doubt provides ample opportunities to the members to get out of poverty and live a self-dependent life. However, it is the members who have to work hard to enjoy the benefits and not the mere scheme itself that works for the members. In the light of this, it may be mentioned that, in the midst of all praise and honour for the SHGs in improving the economic status of women, some members failed to achieve improvement in their economic conditions through SHGs. As per the data 176 members (4.80%) of the total number of members in the SHGs reveals that, their involvement in SHGs have not created any difference in their economic conditions. District wise examination of the members falling under this category shows Peren district to be having the highest members with 73, followed by Dimapur district with 65 members and Kohima district with 38 members. It is observed that, for these members, involvement in the SHGs is a sort of activity where they keep on collecting money on regular basis without enjoying the benefits from it. They could not rely on the SHGs for income generation due to lack of proper organisation, understanding, and cooperation.

The other reason for lack of having any impact, in the economic status of the members is that, many of the SHGs are formed recently during the period 2012-2014.

For the newly formed SHGs it is difficult to draw any conclusion about the success or failure because they are still in their infancy stage of formation. Some of the Groups chose to remain silent on this question because they find it difficult to quantify the extent of economic status they have attained through SHGs.

The following pie chart diagram projecting the number of members with different responses on the impact of SHGs to their economic conditions after joining the SHGs Scheme in the three sample districts is presented below.

Pie-chart: 3.18.a: **Economic conditions of the members after joining SHGs as on 31st March 2014. (In percentages)**



(Source: From field study)

In making an analysis of the three districts on their economic conditions by taking two parameters i.e., economic status of the members before joining and after joining the SHGs, a general conclusion could be drawn in the following lines. It is found that, the economic conditions of the members before joining the SHGs were characterised into four domains a) poor, b) just sufficient c) average and d) above

average. The percentage numbers of members whose economic conditions are poor constitute 49.13%, those in the just sufficient category consist of 33.73% and those whose conditions are stated to be at an average and above average comes to 17.14%.

The examining on the economic conditions of the members after joining the SHGs scheme indicates four responses and they are a) improved, b) much better, c) very good and d) no improvement. As per the responses, the percentage number of members who are of the view that their economic conditions have improved after joining the SHGs constitutes 44.95%. The members whose economic conditions became much better comprises of 35.48%. The members who could make a very good impact in their economic conditions after joining the SHGs are 14.77%. The remaining members consisting of 4.80% of the total number of members felt their economic conditions were stagnant and they are of the view that their status remained unchanged even after their involvement in the SHGs.

At this juncture it is imperative to note that, the members to a great extent benefited and brought about huge improvements in their economic status after becoming members of the SHGs. it is found that, a total of 95.20% of the members have made improvement in their economic conditions after joining the SHGs, however, at different degrees of impact. The members of SHGs with high percentage of poor, just sufficient and low percentage of members at an average and above average economic condition before joining the SHGs, clearly points out the positive impact of SHGs in the lives of the members. It could be mentioned that, the SHGs have certainly made remarkable progress in the economic status of the members.

Thus it may be pointed out that, by and large, the SHGs movement have certainly made huge difference in the lives of the members, thereby promoting the

society in terms of employment generation, self-dependency and sustainable economic condition. A change in the economic condition of the members exerts changes in other areas of life, particularly the social condition of the members.

Apart from looking at the economic conditions of women pre and post involvement in SHGs, it is also pertinent to study the impact of SHGs on the social status of women. The term social status has a very wide versatility and could be used in diverse sense. The status to be conferred upon women could be through education, religion, ethnic groups, marital status, and occupation. The present study would focus on the status of women through their occupation. It takes into consideration the respect, recognition, prestige and importance women members gets by becoming members of the SHGs.

In the context of Nagaland, the social status of women was found to be low until the recent years, which may be dated back to the 1960s. The confinement of women folk to household chores, agricultural activities and the lack of exposure to education were the most prominent factors leading to women's low social status.

The Naga society has been going through a transitional period particularly in women participation in various decisions making levels. From a fully men dominating society, it is seen that, the involvement of women in various disciplines at different capacities has increased in the recent years. The trend of women participation in public administration, social services, business and other areas will eventually increase the status of women in the State due to increased in education and diversification of the activities of women.

The SHGs movement which is intended to empower women and improve the social status through economic activities, provides the unemployed rural women ample opportunities for enhancing their social status. To assess the impact of SHGs on the social status of the members after joining the SHGs, the respondents were made to give their views on a four point scale. They are a) no improvement b) improved to some extent, c) reasonably good and d) improved very much.

The following table showing the social status of individual members after joining the SHGs in the three sample districts is presented below:

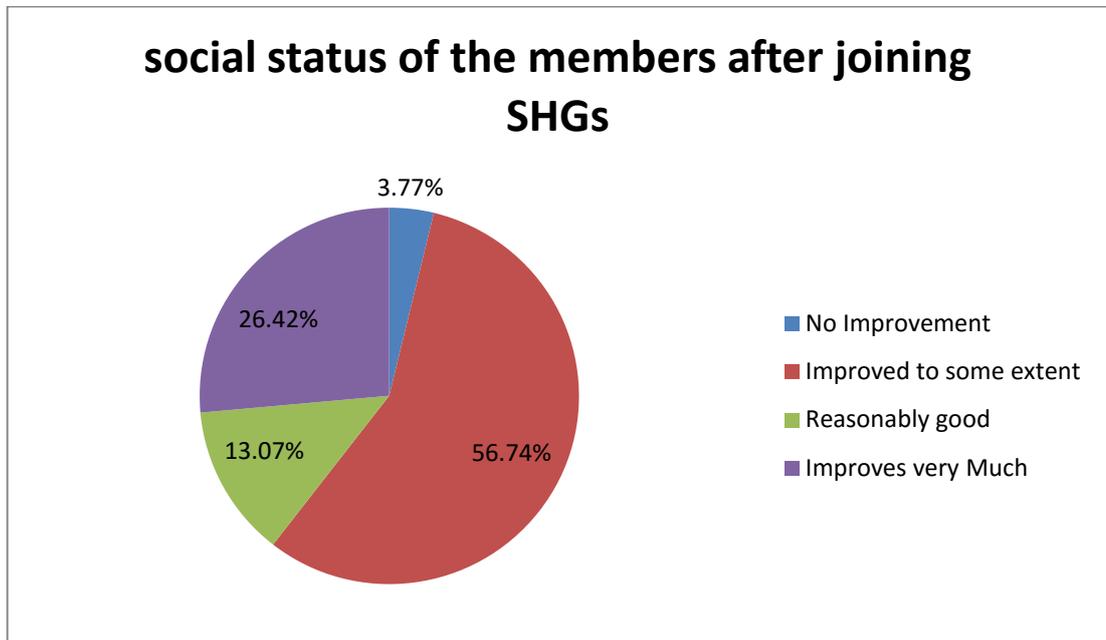
Table No.3.19: Social status of Women after joining SHG as on March 2014:

District	Degree of change in the social Status of women (in numbers)				Total no. of members
	No Improvement	Improved to some extent	Reasonably good	Improved very much	
Peren	63	676	88	245	1072
Kohima	50	714	208	294	1266
Dimapur	25	689	183	429	1326
Total	138	2079	479	968	3664

(Source: From field study)

Pie-chart: 3.19.a:

Social status of women after joining SHG as on March 2014 (in percentages)



(Source: From field study)

As displayed in the table and the pie chart, the number of SHGs which registered their consent on having made improvement in their social status either to some extent or reasonably good or to a very good extend comes to 96.33% of the total. The remaining 3.77% of the SHGs expressed lack of improvement in their social status. It may be mentioned that out of the 96.33 % expressing positive change being brought about by their participation in the SHG, 56.74 % of the SHGs are in the category of having made ‘improvement to some extent’, 26.42% falls in the category of ‘improved very much’ and 13.07% of the SHGs in the category of ‘reasonably good’. The good experiences felt and expressed by the members, that they think have brought some changes in their social environments are because of the following reasons;

1. Through regular meetings and discussions the members learn how to be more expressive of their thought and feelings, thereby enabling them to talk more openly about their problems and difficulties.
2. They become aware of their rights, freedoms and roles expected from them in the family and society at large through trainings, seminars and awareness programmes.
3. They exchange leadership tenures among the members and every one of them gets privilege to become a leader, this makes them become confident and an able leader in the society.
4. They become sociable within and outside their Groups by learning how to help one another, understanding the problems of others and being tolerant to whatever come on their way through constant meetings.
5. They know how to solve their own problems whether economic or social and are in a position to extend help to the other members within the Group and in the society as well.
6. They are recognised by the society for the social services they render like initiating cleanliness drives, programmes on health and sanitation in their locality, extending financial help to the needy people.
7. Their involvement in various social organisations increased their representation in various organisations at different capacities.

The uneducated members of the Groups get opportunities to educate themselves from the educated members. They could learn from one another certain basic things. The uneducated members who are deprived of even primary schooling could learn to write their names either from friends or at least from their children. Learning through Peer groups the different aspects of doing things makes

the individual members stronger and better in managing their resources and improving their social status.

Some members have poor opinion about SHGs, saying that their social status did not change even after becoming members of the SHG. They do have the trust that SHGs would bring changes to their lives; however till date they have not experience any visible change in their social status out of their involvement in the SHGs. Some of the reasons and problems stated by these SHGs could be mentioned as:

1. There was no motivation for the Groups either from within nor from outside.
2. They were formed voluntarily on their own interest without proper bye-laws, guidelines and policies, as such misunderstanding and lack of proper communication could easily bring discouragement to the members.
3. Poor leadership, lack of cooperation and disunity among the members lead to turmoil in the SHGs which hinder their progress from within.
4. Meetings were not conducted on regular intervals.
5. Group activities could not be carried out with the participation of all the members.
6. Less exposure to training camps, awareness programmes and other schemes.
7. Lack of transparency in managing the accounts of the Group.

In most cases, problems faced by the SHGs are internal to the Groups, which cannot be exposed to the public domain. Resolving internal conflicts within the Groups are a matter of skill and prudence. For some Groups, these internal problems could be resolved easily without much difficulty; however, in some cases it could

linger for a longer period. These internal problems thus, pose a big challenge in the growth and progress of the SHGs.

3.11 Marketing of products produced by SHGs:

Since it is observed that most of the SHGs are involved by women folk, it is pertinent to discuss the marketing of products produced by SHGs which will focus on market acceptability of the products produced by the SHGs. Marketing is an important function of promoting the SHGs. Marketing has dual aspects, the first aspect is concerned with sales and the second aspect is concerned with purchase. The term market similarly has two connotations, the first is the place at which goods are sold and the other is the place from where goods are purchased. Therefore it may be mentioned that marketing which involves the act of selling and buying has two way communications. The success of SHGs will depend upon effective coordination of two things viz. the place for selling the products and the place for purchasing the raw materials. Most SHGs are concerned with production of goods which needs proper channel for disposal of their products at reasonable rates. The analysis of the activities carried out by the SHGs suggest that almost all the Groups are engaged in at least one of the following activities: cultivation, farming, weaving, retail business, whole sale business, rearing lives stocks, small business enterprises etc.

The goods are of different natures, which call for the existence of different marketing strategies like ready market, agency dealerships and proper storage houses. The most urgently felt need is the need of market for agricultural products because they cannot be preserved for long periods of time. The unsold goods become a waste in the absence of market and lack of take over provision by any agency causes loss to the SHGs greatly.

As market is the sole place to get the reward for all their efforts, it has to be viewed as essential and important in facilitating proper market to foster the growth of SHGs. In order to examine the marketing conditions in the three districts, it would be pertinent to highlight the items produced by the SHGs that are sold in the markets. In this regard a table is drawn up to present the various types of goods marketed by the SHGs in the three districts.

Table No. 3.20: SHGs with different kinds of goods produced as on March 2014:

Sl no.	Items	Number of SHGs under the three Districts			Total
		Dimapur	Kohima	Peren	
1.	Agricultural products	9	31	34	74
2.	Manufactured goods	15	8	7	30
3.	Lives stocks	12	12	9	33
4.	Garments, shawls and traditional attires.	13	8	15	36
5.	Grocery items	25	10	14	49
6.	Handicraft items	6	5	9	20
7.	Forest products, fire woods, wild fruits and leaves	5	12	7	24
8.	others	15	14	5	34
7.	Total	100	100	100	300

(Source: From field study)

The various goods that are produced and marketed by the SHGs are broadly brought under eight heads and they are:

1. Agricultural Products, 2. Manufactured goods, 3. Lives stocks rearing, 4. Garments, shawls, and traditional attires 5. Grocery items, 6. handicraft items 7. Forest products like wild fruits, vegetables, firewood etc. and 8. Others

To have a clearer understanding of the eight broad categorisation of goods traded by the SHGs, the following discussions are made on each of the items.

The SHGs which engaged in agricultural activities generates income by selling their products. 74 SHGs forming 24.67 % of the SHGs from the three sample district are dependent on agricultural products. Some of the agricultural and allied products includes: paddy, maize, yam, tree tomato, Naga dal, Naga garlic, spring onion (kova), green pea, potato, ginger, leek, passion fruit, chilli, banana plantation, Soya bean, turmeric, black pepper, pineapples, Naga Garlic, pumpkins, mushroom growing and some other vegetable grown in the gardens meant for sales.

Goods manufactured in small scale using low cost machineries and equipments includes candle, soaps, detergent power, footwear, jute bags etc. It is observed that 30 SHGs forming 10 % of the total SHGs from the three districts deals extensively in this sector for income generation.

The activity of rearing livestock by the SHGs has proved to be rewarding. It is found that 33 SHGs forming 11% of the total number of SHGs derive income by selling the livestocks. The livestock commonly reared by the SHGs includes: Pigs poultry, ducks, cattle, goats, bee keeping, rearing hornets, and fishery.

A good number of SHGs deals with weaving shawls, mekhalas (formal wear of Ladies) traditional attires, resell garment (brand new as well as second hand cloths). These goods are usually sold at adequately set up stores and shops. 36 SHGs which is 12% of the total of SHGs are found engaged in this line of activity.

When many SHGs are directly involved in the production of goods, there are some others who perform the work of a middle man. They buy goods particularly the grocery goods from various producers or dealers and resell them through retail outlets, established shops, and open market sales. A total of 49 SHGs forming 16.33% deals in grocery goods.

Handicraft item which includes art works done using cane, bamboo and wood brings forth good reward to the SHGs. However, as it involves high skill, time and labour not many SHGs are in this sector. Nevertheless 20 SHGs (6.67%) from the three districts are found involved in handicraft works. Mostly the handicraft items are sold during public gathering occasions such as hornbill festivals, trade expo, sales day programmes, and in well established shops.

There are few SHGs whose products come from forest operational activities. The common forest products are firewood cut and supplied, wild leaves and fruits, stone quarrying, etc. 24 SHGs (8%) from the three districts are found making a livelihood out of this activity.

The eighth broad source of product of SHGs is brought under the head 'others'. This sector includes all sundry activities carried by the SHGs for income derivation. It includes fast foods, meat pickles, dairy products, artificial flowers, black smith, tea stalls, vermin compose, fermented bamboo shoot and services of hiring. 34 SHGs which, is 11.33% of the total number of SHGs in the three district deals with products from this sector.

An analysis of the various products dealed by the SHGs through various activities reveals the following facts. Out of the eight broad sources of products obtained by the SHGs it is seen that, the highest number of the SHGs are found to be

involved in agricultural sector. It accounts for 74 SHGs (24.67%) of the total SHGs. The district of Peren is found to be having the highest representation of SHGs among the three districts with 34 SHGs, followed by Kohima district with 31 SHGs. As for the district of Dimapur the dependency on agriculture is found to be comparatively low with just 9 SHGs involved in it. The distinguishing features for such a wide difference found in Dimapur district are due to:

- a) The limited space (land resources) due to heavy urbanisation which forced many of the members to restrict their activities in agriculture.
- b) It offers better opportunities for venturing into small businesses being the commercial city of the State.
- c) The products from other parts of the State are bought by the SHGs and sold in retail markets.
- d) Better chance of obtaining financial assistance from the various financial institutions, NGOs or private lenders for individual investment in business rather than Group investment in agricultural sectors.

The second highest concentration of the SHGs is around 'grocery items'. Here 49 SHGs out of the total 300 SHGs forming 16.33% are found engaged in dealing with the grocery items which assumes the status of retail business. As per the findings, the representation of SHGs from the district of Peren and Kohima in this sector has similar proportion with 10 and 14 SHGs respectively. However, the District of Dimapur has a significant variation in this regard. The highest proportion of the SHGs in Dimapur district confines their activities to dealing in grocery items. It accounts for 25 SHGs out of 100 SHGs under the district.

Livestock rearing which forms the third category of activity has attracted the attention of 33 SHGs which forms 11% of the total SHGs. District wise examination of the SHGs involvement in livestock rearing shows Dimapur and Kohima district to be having 12 SHGs, each and Peren district 9 SHGs.

Thus, as seen from the preceding lines, the SHGs involved in different activities trade their products in one way or the other, directly or indirectly to make a livelihood out of it. The involvement of the SHGs from the three districts varies widely in different activities. The factors causing such differences are subjective matter to the members of the SHGs.

The SHGs doesn't strictly confine to one particular activity. Instead, SHGs carry out different activities at a time either at individual level or group level. The funds are allocated towards different areas and different people in the Groups are assigned with different task. There are many SHGs involved in multiple undertakings. Some of the members are even involved in more than one SHG. Thus the present study of these SHGs reveals that 61 SHGs from the three districts are involved in multiple activities. As per the table Dimapur district has 27 SHGs, Kohima 20 SHGs and Peren 14 SHGs. The advantages of undertaking multiple tasks by the SHGs are:

- 1) It keeps the members busy all throughout without any idle time in between.
- 2) It enables the group to identify more profitable activity and concentrate on that particular activity.
- 3) Responsibilities are shared by the members when more than one activity is taken up by the members.
- 4) Loss from some activities is made up from the profits earned from other activities; thus, they are relieved from the risk of putting all the eggs in a single basket.

It is seen that, Women Empowerment through SHG has created a massive impact in the lives of rural populace in the State. The women folk particularly of the rural sectors who are less unaware of their rights, roles and social status were offered great opportunities through SHGs. Unemployment problem which is intensely felt as requiring immediate attention was duly addressed by the launching of the SHG movement in the State.

The socio economic empowerment of women became a reality when the members of the SHGs were made to depend on themselves economically through various activities and empowering them to function as an institution. Large number of SHGs approved their contentment in being employed through SHG and for the enhancement of their social status. However, views were expressed on the inadequate marketing avenues for selling their products at reasonable prices as a factor of hindrance for their growth. The other area of Concern is the presence of poor institutional support to the SHGs and the level of proper incentives schemes for motivation. It may be pointed out that, better modalities for creating enthusiasm among the members of the SHGs should be resorted to facilitate expansion and growth of the SHGs.

It is also observed that, the State Government has been playing a proactive role in providing employment opportunities to the youths of the State and at the same time imparting trainings to the unemployed youths in different capacities for self employment purposes. The State Government made a special attempt to empower the youths of the State by declaring the 2005 as the year of youth employment. Similarly the year 2006 was dedicated as the 'year of Farmers' in the State. Despite the tireless effort of the Government particularly in addressing the unemployment problem, the

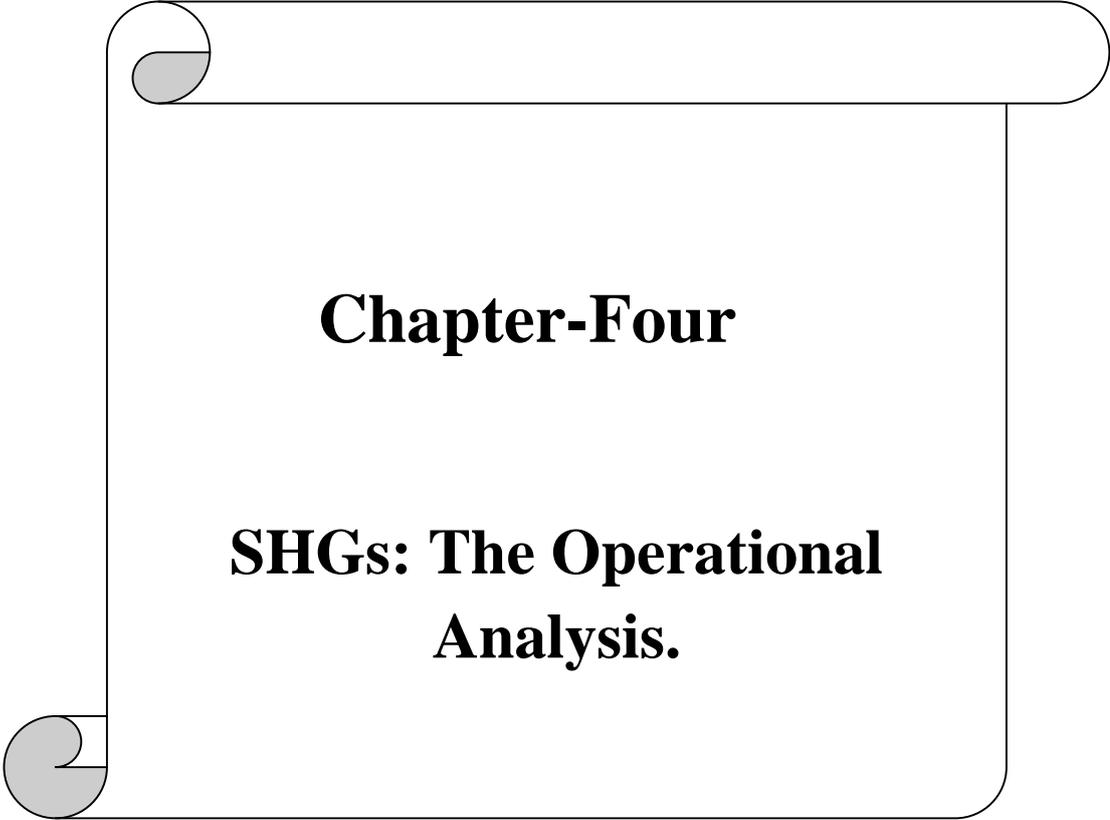
lives of thousands, mostly in the rural areas remain unchanged until the SHGs movement came about.

The SHG scheme with a simple approach to bring economic self dependency into the lives of poverty stricken families with financial incentives and regular monitoring provided the much needed employment opportunities. The SHG members in general are able to engage in some income generating activities on a continuous basis. They could prioritise their needs and divert their investments on priority basis. It may be mentioned in all honesty that, few of the SHGs could not create much impact to their economic lives from their engagement in SHGs due to their own negligence on the one hand and the lack of support from the promoting agents on the other hand.

The SHGs located in remote corners of the State are often missed out from monitoring. Therefore, devising means for proper coordination and scheduling of programmes by the promoting agents would bridge the gap between the SHGs and the promoting Agents.

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Chapter-Four

SHGs: The Operational Analysis.

Introduction:

SHGs are informal organisations which tend to acquire formal organisational structure with the progress of the Groups. With a very clear set of objective to let people come together to enjoy the benefits of mutual help, the SHGs are introduced. Whether the SHGs are formed under the Government Departments, NGOs or voluntarily formed on their own, the one common norm is that, the members of the Groups have to decide the manner in which the Groups should conduct themselves.

There are no strict rules and regulations nor has any law to bind the SHGs. Freedom been granted to the members of the Groups to make their own laws, and by-laws, enforcement has to be made by the Group itself and no outside agency will imposed on them. The management of the affairs of the SHGs are democratic in nature. The leaders of the Groups are either elected or appointed by consensus opinion of the Group. Different types of meetings are conducted at different time periods. The timing for regular meetings are fixed at the time when the Group frame rules and by-laws. As for the other emergency meetings, the leader of the Group notifies the members, the date and time depending upon the seriousness of the situations.

The maintenance of books and records are important aspects of the SHGs. The SHGs formed voluntarily on their own initiative decides how, what and who should maintain the books. On the other hand, those SHGs which are formed under any Government Departments or NGOs are required to maintain specific types of books and records. These SHGs have to comply with the guidelines laid down by the promoting agents, lest they are barred from obtaining any benefits from the promoters. The SHG's objectives of forming themselves into Groups are to earn revenue and be self-dependent financially. For this purpose, the Group plans ahead to find out the

sources of obtaining fund for making investment in some productive areas. One of the common practices of the SHGs are having regular collections among the members either weekly, monthly, quarterly, half yearly or at any other agreed time as decided by the members. The amount of collection is decided by the members taking into consideration the abilities of all the members of the Group. They either raise fund collectively or individually.

The SHGs, lacking strict rules and by-laws face problems in the management of their activities. The effectiveness of the SHGs depends upon the ability of the Group to stand united at all times and be supportive to the Group. However, in times of internal conflicts due to misunderstandings, mismanagement of funds, improper co-ordinations etc, resolving of the problem takes time as the relationship among them is in the nature of peer Group and not superior-subordinate relationship. Policies are adopted by the members at different stages of their life span. A good number of policies are adopted at the time of formation of the Groups. However, like the formal organisations, they too have uniform policies. They keep changing their policies depending upon the needs of the members.

Experiences of the past serve as the best guide in making policies for the future. Lots of trial and error methods are applied in arriving at policies. The SHGs spend much of their resources in the raw materials. The input factors in their activities are major challenge for the SHGs. Some of the input factors are; on raw materials, transportations, machines, and labour.

In this chapter the operational analysis has been undertaken by taking into consideration the following parameters like maintenance of accounts, utilisation of funds, sources of funds, repayment of bank loans besides other operational

administrative issues. Thus operational analysis has been carried out from two aspects and they are;

- a) Recording of Accounts: The following points has been discussed in detail
 - i) Procedure of accounting
 - ii) Periodicity of account submission to the Bank/ Promoting agents:
 - iii) The sources of revenue
 - iv) Subsidies granted to the SHGs
 - v) Mode of finance:
 - vi) Mode of utilisation of funds by the SHGs
 - vii) Distribution of profits among the members of the SHGs
 - viii) Investments
 - ix) Bank loans and
 - x) Repayment of Bank loans

- b) The Administrative functions: The second section of operational analysis deals with the following important aspects of SHGs and they are;
 - i) Meeting conducted by the SHGs
 - ii) The frequency of meetings
 - iii) Implementation of decisions taken in the meetings
 - iv) Leadership tenure
 - v) Monitoring and follow-ups:
 - vi) Impact of regulatory body:
 - vii) Mode of sale of products
 - viii) Institutional Support to SHGs and
 - ix) Incentives to SHGs:

Section-I Accounting Aspect

4.1 Procedure of Accounting:

Accounting is an important component of the SHGs. The SHGs maintains compulsorily accounts to know the financial position of the Groups. Accounts are maintained by all the SHGs consciously or sub-consciously, self designed or prescribed, the only difference that exists is the professionalism in keeping the accounts. Many SHGs maintain simple account books for recording the income and expenditure, receipts and payments, amount of regular monthly collections etc. The person who have paid and those who have not etc are randomly recorded without any proper structure. On the other hand, there are some SHGs who have good knowledge of keeping different records. They were imparted trainings by their promoters and also provided books and registers for different purposes. Proper account maintenance ensures transparency in the workings of the SHGs. It eliminates doubt and suspicion from the minds of the members. It also enables the promoters to verify the authenticity of the fund utilisation by the Groups. The common books of account maintained by the SHGs are;

- Cash book, to records the receipts and payments of cash made by the SHGs. some SHGs prepares receipt and payments accounts from the cash book to know the exact receipts and payments.
- Purchase books, to record the credit purchases made during a period.
- Sales books, to record all credit sales made by the SHGs.

- Simple registers, for recording transactions without any specific format. The transactions are entered in the registered in chronological order of events.

The table below presents the number of SHGs with different books of account in the three sample district during the period 2000-2014.

Table No. 4.1: Number of SHGs with different types of books (2000-2014):

District	No. of SHGs with different types of books				
	Cash book	Sales book	Purchase books	Simple books of records	Total
Dimapur	43	16	24	17	100
Kohima	39	27	21	13	100
Peren	33	31	16	20	100
Total	115	74	61	50	300

(Source: From field study)

It is found that, of the four common types of books, the number of SHGs maintaining cash book in the three districts accounts for the highest number with 115 SHGs (38.33%). The SHGs with sales book from the three districts is 74 SHGs (24.67%), those with purchase books comes to 61 SHGs (20.33%) and the SHGs who keeps simple records of their financial transactions are 50 SHGs (16.67%). The SHGs which doesn't follow any specific form of book keeping are mostly from the interior parts of the Districts who are not imparted the basic knowledge of account keeping.

The different types of books maintained by the SHGs in Dimapur district are 43 SHGs keeps cash book, 16 SHGs maintain sales book, 24 SHGs maintain purchase book and 17 SHGs keeps record by maintaining simple record books.

In the district of Kohima 39 SHGs maintains cash book, 27 SHGs keeps sales book, 21 SHGs maintains purchase book and 13 SHGs simple record books. In the case of Peren district 33 SHGs maintains cash book, 31 SHGs keeps sales book, 16 SHGs maintains purchased book and 20 SHGs records their transactions by maintaining simple record books.

The SHGs which maintains appropriate accounts separately for different transactions are able to monitor their financial positions with accuracy and transparency. Maintaining of accounts depend upon the level of education of the members. In this regard, it may be mentioned that many of the SHGs (95 out of 300 SHGs) have their entire members below matriculations; as such maintaining written accounts of all their transactions become very challenging. These SHGs have to get the help of their daughters or sons who knows how to read and write for recording the transactions of the Groups. As for the other Groups, where few of their members are either matriculate or above matriculate, the task of recording and maintaining accounts becomes comparatively easier. The manner in which accounts has to be maintained for different types of transactions still remains a challenge for the SHGs apart from having the basic knowledge of recording. Trainings on account maintenance and proper instruction to the members are good solutions to these types of difficulties.

4.2 Periodicity of account submission to the Bank/ Promoting agents:

The SHGs are required to keep specific accounts and records by the promoting agents or banks. The two common types of accounts maintained for reporting purposes by the SHGs are; the financial accounts, and the receipts and payments accounts. As per the findings, the numbers of the SHGs with financial accounts are 77 SHGs and those SHGs with receipt and payment accounts are 63.

The SHGs requiring to maintain financial accounts to be submitted to the banks/ promoters for the purpose of funding or loan advancements are to present their accounts in different time periods. The period for account submissions are decided by the banks and promoters. The time duration is normally, monthly, quarterly, half yearly and yearly. The SHGs who submits financial accounts at different time period in a year for the three districts are presented in the table below.

Table 4.2: a

The number of SHGs submitting financial statements to the Banks/ Promoters at different periods in a year: (2000-2014)

District	Number of SHGs who prepare Financial statement	Time Period for account submission (number of SHGs)			
		Monthly	Quarterly	Half yearly	Yearly
Dimapur	42 SHGs	24 SHGs	2 SHGs	Nil	16 SHGs
Kohima	31 SHGs	16 SHGs	8 SHGs	3 SHGs	4 SHGs
Peren	25 SHGs	9 SHGs	6 SHGs	Nil	10 SHGs
Total	98 SHGs	49 SHGs	16 SHGs	3 SHGs	30 SHGs

(Source: From field study)

As provided in the above table 98 SHGs maintains financial accounts in the three districts. The most commonly adopted period of the submission of financial account is monthly report submission. In this case 49 SHGs are found to have come under this reporting period. Quarterly reports are submitted by 16 SHGs in the three districts, 3 SHGs submit half-yearly and 30 SHGs submit yearly accounts. The number of SHGs sumitting financial accounts at different time periods in Dimapur district is, 24 SHGs submits monthly accounts, 2 SHGs submit quarterly account, and 16 SHGs

submits yearly account. No half-yearly accounts are submitted in Dimapur district by the SHGs. Under Kohima district 31 SHGs submits financial accounts, out of which 16 SHGs submits monthly account, 8 SHGs submits quarterly accounts, 3 SHGs submits half yearly accounts and 4 SHGs submits yearly accounts. Peren district has 25 SHGs with different period of financial account submission. Nine SHGs submits monthly account, 6 SHGs submits quarterly account, and 10 SHGs submit yearly account. No half-yearly accounts are submitted by SHGs in Peren district.

The frequency of account submission varies widely in all the three districts. Regular monthly accounts are most preferred as it enables the SHGs to be more consistent in maintaining accounts. Here 51.94% of the SHGs maintaining financial statements follow the monthly account submission system.

The second type of specific accounts required to be maintained for submission is the receipt and payments which are normally prepared from cash books. This type of account is maintained in a very simple manner by having two sides of accounts. The left hand side of the account records the receipts and the right hand side of the account records the payments made during a particular time period. It may be mentioned that, the SHGs submits their receipt and payments account to Banks, NGOs and Governments Department who provides subsidies and financial grants, in four different time periods in a year and they are the monthly, quarterly, half yearly and yearly accounts. The SHGs who maintain yearly accounts submits their account once in a year, those preparing half-yearly accounts submits twice in a year, the quarterly accounts are submitted four times in a year and the monthly accounts are prepared and submitted once in a year. The following table gives details of the SHGs with receipt

and payments submitted to banks and promoters during different time periods in the three districts.

Table 4.2: b

The number of SHGs submitting receipts and payments accounts to banks/ promoters at different periods in a year in the three sample districts; (2000-2014)

District	Total number of SHGs who prepare receipt and payment accounts.	Number of SHGs in different Periodicities			
		Monthly	Quarterly	Half yearly	Yearly
Dimapur	12 SHGs	2 SHGs	7 SHGs	Nil	3 SHGs
Kohima	35 SHGs	7 SHGs	3 SHGs	Nil	24 SHGs
Peren	15 SHGs	6 SHGs	3 SHGs	Nil	6 SHGs
Total	62 SHGs	15 SHGs	13 SHGs	Nil	33 SHGs

(Source: From field study)

The receipts and payments accounts are found to be maintained by 62 SHGs in the three districts out of 300 sample SHGs. The number of SHGs who maintain regular monthly account for submitting the receipts and payments accounts is 15 SHGs (24.19%) from the three districts. Quarterly accounts are submitted by 13 SHGs (20.97%) from the three sample districts and yearly accounts are submitted by 33 SHGs (53.23%). The most commonly adopted time period for reporting is yearly basis in the case of receipts and payment accounts. Interestingly no SHGs submit half-yearly accounts.

The number of SHGs from each district maintaining this type of account is found to be as under;

1. In Dimapur district 12 SHGs keeps receipts and payments accounts, to be presented to various promoting agents cited above. Out of 12 SHGs, 2 SHGs

prepare monthly accounts, 7 SHGs prepare quarterly accounts and 3 SHGs prepares yearly accounts.

2. Kohima district has the highest proportion in the preparation of receipts and payments account with 35 SHGs from a total of 62 SHGs from the three districts. Out of the 35 SHGs, 7 SHGs submit monthly accounts, 3 SHGs submit quarterly accounts and 24 SHGs give yearly reports of their accounts.
3. In Peren district 15 SHGs prepares receipts and payments accounts, out of these, 6 SHGs submit their account monthly, 3 SHGs submits quarterly accounts and 6 SHGs gives yearly accounts.

As per the data it is seen that, the receipts and payments accounts are mostly submitted by large number of SHGs once in a year. Yearly account preparation and submission becomes convenient for the SHGs as they require time to make necessary payments as well as receive money due from others in a reasonable time.

The general observation on the number of SHGs which are made to maintain accounts at specific intervals by Banks and promoters are 139 out of the 300 SHGs interviewed. It is found that despite all SHGs maintaining accounts in different forms, the percentage of the SHGs which follow certain standards in account maintenance are 46.33%. Thus, it could be pointed out that a large chunk of SHGs (53.67) remains out of the purview of following the standardisation norms in account maintenance. It may be commented that, the SHGs has to be taught the art of maintaining records of their transactions in proper manner, because transparency in financial matters are core issues in organisations like the SHGs. Efforts has to be made to reduce if not eliminate random recording system of account maintenance.

4.3 Sources of revenue of the SHGs:

Basically, all the SHGs function with one common objective and, that is-to generate income or revenue, through various activities. To a large extent, like business establishments, the survival and continuity of the SHGs depends upon the revenue derived from their activities. The ability of the SHGs to identify the sources of revenue and effectively investing their savings strengthens their earnings. All the SHGs are engaged in at least one activity or the other from which they earn revenue for sustenance. The main sources of revenue to the SHGs exclusively through different activities are primarily segmented into three sectors and they are;

- a) From the sale of the goods produced or manufactured by the SHGs: This sector includes income earned from various farming activities; livestock rearing; retail trade; weaving; small enterprises; manufacturing of candle, shoe, soaps, detergent powders, jute bags etc.
- b) Revenue from catering services: This sector includes income earned from activities like hiring of utensils; furniture like plastic chairs and tables; sound systems; traditional attires; cooking during special programmes like weddings, meetings, public functions; entertainment during programmes and occasions.
- c) Income from wages earned by the Groups: In this mode of activity, the SHGs identify suitable works where all the members could come together and work to earn wages for the Group. They take up mostly manual unskilled works like farming, assisting in construction works, firewood collection etc.

As the activities undertaken by the SHGs are free from restriction, the SHGs commit themselves to different activities at a time. It is seen that, the activities are taken up at the Group level as well as Individual level. The availability of funds and

the enthusiasm of the members are the important determinants in deciding the number activities carried out by the SHGs. The number of SHGs obtaining revenue from various sources as on March 2014 has been presented in the table below. It gives clear picture of the revenue earned by the SHGs in the three sample districts highlighting the number of SHGs and the amount of revenue earned.

4.3: The Sources of annual revenue earned through various activities by SHGs from different sources as on 31st March 2013 to March 2014:

Source of revenue	Dimapur district		Kohima district		Peren district		Total	
	No. of SHGs	Amount in rupees	No. of SHGs	Amount in rupees	No. of SHGs	Amount in Rupees	No. of SHGs	Amount in Rupees
Sale of goods	80	1355000	89	1214000	78	1187000	247	3756000
Services rendered	15	690000	7	280000	4	265000	26	1235000
Wages from unskilled labour works	5	85000	4	56000	18	203800	27	344800
Total	100	2130000	100	1550000	100	1655800	300	5335800

(Source: From field study)

The analysis of the table shows that, all the SHGs falling within the study area in the three districts are engaged in some sort of activities with the sole aim of realising revenue from it. The SHGs which generates revenue through sale of their produce constitutes the maximum with 247 SHGs and the revenue amount being Rs. 37, 56, 000. The SHGs realising revenue from catering services are 26 SHGs with the revenue

amount of Rs.1235000. The SHGs realising revenue from other sources like common wages comes to 27 SHGs with Rs.344800.

District wise examination of the SHGs involved in these categories of revenue sources reveals the following results;

1. In Dimapur district 89 SHGs realises revenue from the sale of various products and the amount is Rs.1355000 during the period March 2013 to March 2014. 15 SHGs gets revenue from catering services and the amount of earning is Rs. 6, 90,000. Revenue earned from wages by 5 SHGs is Rs. 85,000. Total revenue earned by 100 SHGs from these different sectors during the period, March 2013 to March 2014 is Rs.2130000.

2. The observation of the sources of revenue derived by the SHGs in Kohima district shows that, 90 SHGs earned revenue from sale of products and the amount is Rs.1214000. Seven SHGs engages in providing services earns an amounts of Rs. 280000 and 4 SHGs realises income from common wages carried out which amounted to Rs.56000. The total revenue earned by 100 SHGs under Kohima district during this period amounted to Rs. 1550000.

3. The revenue earned by the SHGs under Peren district comes from the following three sectors in different proportions. It is found that 78 SHGs gets revenue of Rs.1187000 from sale of products, 4 SHGs obtains Rs.265000 from services rendered and 18 SHGs gets revenue of Rs.203800 from their engagement in common wage activities. The total revenue earned by the 100 SHGs in Peren district amounted to Rs. 1655800 during the period March 2013 to March 2014.

As far as the wages from Groups' common activities are concerned, the Group members collectively decide the date and the activity to be carried out. In case of difficulty in agreeing upon a specific date or activity, the members decide to carry out the task individually and bring the earnings made from such engagements to the Group fund.

The general overview of the revenue derived by the SHGs in the three districts reveals that, 82.33% (247) of the total number of SHGs are dependent upon the sales of products for the purpose of income generation. It is seen that the amount obtained from the sales of products by the SHGs during the period March 2014 amounted to Rs. 3756000.

The SHGs relying on catering services for realising revenue in the three sample districts comes to 26 SHGs with an earning of Rs. 1235000. On the other hand the 27 SHGs deriving revenue from wages through engagement in manual works amounted to Rs.344800.

Thus, from the study of the three sample district it is observed that, the most popular source of income generation is through sales of products from various activities.

4.4 Subsidies granted to the SHGs:

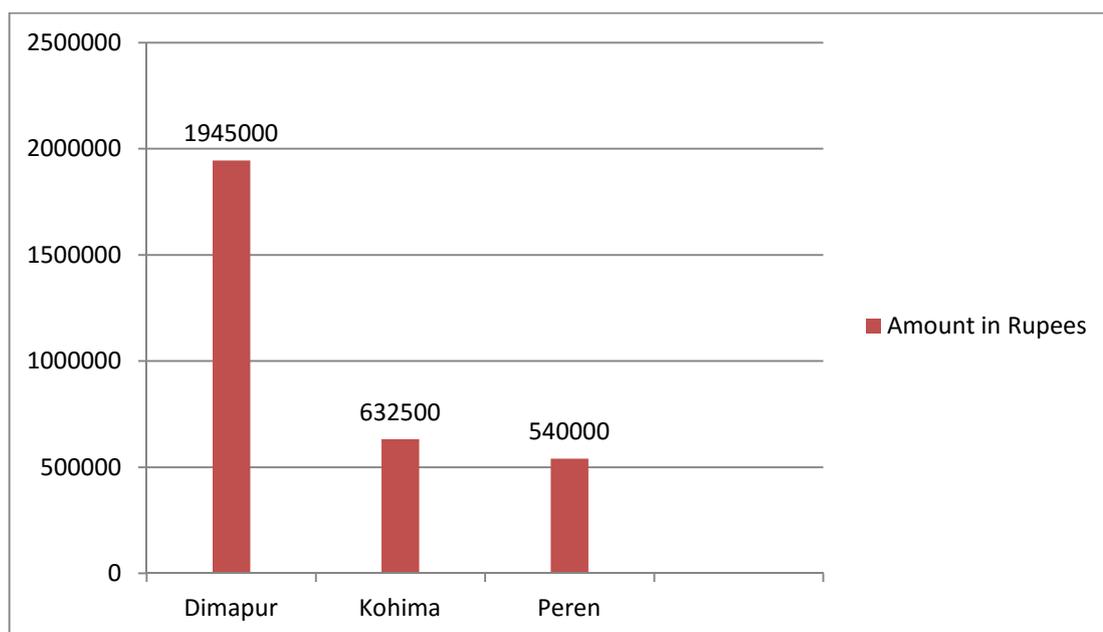
For the purpose of assessing the numbers of SHGs aided in the form of subsidies from various promoting agents, the SHGs were made to express their views through questionnaires. The respondents were specifically asked, whether they have availed any kind of subsidies-both cash and kind from the promoting agents. They were asked to mention the amount in case they were provided financial assistance. Thus, based on the feedbacks received from the respondents the following analyses were made on the three districts. A table is given below to represent the actual number of SHGs granted financial assistance during the past fourteen years. (2000-2014).

Table no.4.4: **Subsidy granted to SHGs in cash during the last 14 years (2000-2014);**

District	No. of SHGs granted subsidy by Departments of State Government and some NGOs.	
	No. of SHGs	Amount in Rs.
Dimapur	32	19,45,000
Kohima	26	6,32,500
Peren	22	5,40,000
Total	80	31,17,500

(Source: From field study)

Figure 4.4.a: **Amount of subsidy granted to SHGs in the three districts.**



(Source: From Field study)

Subsidies and grants are what the SHGs needed most as a means for them to take up various activities. Sadly, as per findings from the present study it reveals that, only few SHGs are beneficiaries of the grants and subsidies from various sources. The

number of SHGs in this regard is 80 SHGs which is just 26.67 % of the total SHGs surveyed. The total amount of grant received by these 80 SHGs from various Government Departments and NGOs comes to Rs.31, 17,500 during the period 2000 to 2014. District wise evaluation on the number of beneficiaries are brought out below; Dimapur district has 32 SHGs with a total subsidy amount of Rs. 19,45,000 during the past fourteen years, Kohima district has 26 SHGS with a total subsidy amount of Rs.6,32,500 and Peren district has 22 SHGS with a total subsidy grant of Rs. 5,40,000. The subsidy amounting to Rs.31, 17,500 are granted to 80 SHGs at an average of Rs.38, 800 approximately.

It may be noted that, apart from the cash subsidies there are other forms of subsidies in kind. A good numbers of the SHGs are also provided with subsidies in kind through, seedlings, pesticides, insecticides, tools for farm works, saplings of plants, schoolings for those taking up fisheries, calf and piglets for those rearing livestock etc. These subsidies are granted not only at the group level but also at the individual level too. Some of these subsidies are targeted for establishing livelihood projects for the members of the SHGs.

The experiences of some Groups with regard to the livestock provided by the promoting agents as subsidy work quite well however, in some cases it did not really last long and the reason as cited by the members are due to;

- 1) The live stocks died after few months of rearing and the promoting agents could not replace the dead ones on time. In such cases, the promoting agents come around and investigate the cause of the death and if found genuine, the members are pardoned from recovering the livestock. On the other hand if the cause of the death is

due to negligence of duty or any other excuse, the members shall be held responsible for recovering the price of the livestock to the promoting agents.

2) Some of the members would not seriously pursue looking after their livestock, after few months they sell it off and would claim that their livestock died. Thus they escape the penalty of repaying back the live stock or money to the promoting agents.

In spite these few cases of mismanagement of the opportunities and grants offered by the various promoting agents, many of the SHGs have benefited a lot from these schemes. Some of them are now found to be having a farm of their own from the help extended by the promoting agents. Thus, the subsidies whether in cash or kind serves the interest of the SHGs in a huge manner.

4.5 Mode of finance:

The basic objective behind the formation of SHGs are, to form them into groups so as to enable them to save small amounts in their common account to carry on some activities or convert it into micro financing. The SHGs are formed not merely for availing loans or subsidies or grants, but for the purpose of Self Help through participation in group savings and undertaking some income generating activities. However, the promoting agents provide the SHGs with seed money or grant with which the SHGs can begin their activities. The procedure of granting fund or seed money to the SHGs by various promoting agents are more or less the same, except, that the amount differs from one to the other.

The seed money granted is envisaged as a method of providing capital to the poor who are the primary members of the SHGs. Under this component, SHGs will be granted the seed money when they attain a certain level of maturity, as measured by a

predefined milestone. A new group should have saving and inter-lending experience of at least six months, before they become eligible for seed grant. After the completion of six months the promoting agents shall carry out the task of rating the SHGs, based on their performance and experience certain scores will have to be made on the SHGs. The rating points are taken into consideration for grading, and those SHGs who are found qualifying the rating shall be provided seed money amounting to Rs.10, 000 in the case of SHGs under NEPED, Rs.20, 000 for those SHGs under Women Department and Land Resources, Agriculture Department to name some few. On the other hand, the SHGs not qualifying the grading would not be considered for seed grant. However, they still remain eligible to be rated after three (3) months provided they show improvement.

The same procedure shall be applied on the SHGs existing prior to its official launching, in case they apply for financial assistance from the promoting agencies. However, if the Group has already received such grants under bank linkage programme of NABARD or under SGSY scheme or any other programme of the Government, they shall be opted out for seed Grant.

As for those Groups worthy of receiving seed grant, the amount shall be deposited to the account of the Groups. The SHGs would decide the manner in which the seed money is to be utilised. In the event of using it for lending it within the Group, the members shall jointly decide the most deserving member to be given based on the urgency of the members. They shall also decide the terms and condition for repayment, penalty, interest etc. of the lending. Some of the promoters provide livelihood grants so as to facilitate the SHGs to carry out livelihood activities.

In this regard, the SHGs would prepare a livelihood plan consisting of individual plans of all its members. ¹The livelihood plan would be scrutinised by the Project Facilitating Team (PFT) and shall be recommended to the District Project Management Unit (DPMU) on the SHGs passing the 2nd grading and the reasonableness of the livelihood plan. The second grading would be on predetermined parameters and more stringent than the first. The members would be eligible to take loans from the SHG livelihood grant as per the terms fixed by the SHG. The SHG would have to prioritise the loans of individual members. The Livelihood plan could also be for collective activity that the Group would like to take up together provided it benefits all the members. The purpose of the sub-component is also to prepare the members to treat the capital as scarce resource to be utilised diligently.

The livelihood grant provided under the NERLP scheme is Rs. 80,000 per SHG which would be given in two instalments of Rs.40, 000 each with a gap of three to six months. In case of the collective activity by the Group the amount has to be repaid by the Group to the village federation if already in place or when the same is formed. The federation would determine the terms of the loan including interest rate and repayment schedule. The same terms of repayment would be applied to all the SHGs in the federation.

4.6 Mode of finance to SHGs in Dimapur District:

To a great extent the success of SHGs depends upon the financial strength of the Groups. The sources and means, the awareness, and proximity to the financial institutions and the availability of funding agencies play key role in financing the SHGs. The district of Dimapur with maximum exposure to opportunities such as trade, commerce, business, banks, and also being the only commercial centre connected with

road, rail, and air transportation facilities have a better chance of projecting a different atmosphere of SHGs experiences. For the purpose of examining the mode of finance in Dimapur District 14 year's time duration was taken as the periodicity. It was felt necessary to assess the mode of financing SHGs right from its official launching year in the State in the year 2000, and extend up to the year 2014 so as to arrive at the latest mode of financing SHGs in the State.

The following table is provided to give an illustration of the modes of financing the SHGs in the district.

Table no: 4.5: Mode of financing SHGs up to the period 31st March 2014 in Dimapur district.

Sl.no.	Mode of financing	No. of SHGs	Amount in Rs. (total)
1.	Seed money from various Government agencies	27	23,65,000
2.	Loan from Banks	40	70,05,000
3.	Self financing through monthly collections and through activities.	12	65,400
4.	Seed money from NGOs	21	2,10,000
Total		100	96,45,400

(Source: From Field Study)

As mentioned earlier, 100 SHGs were chosen randomly from across the district of Dimapur to study the pattern of the SHGs operation in the district. The result from the study shows that 27% of the SHGs are being aided by the various Government agencies to the tune of Rs. 23, 65,000 during the period 2000-2014. A huge chunk of the SHGs under Dimapur district is being benefited by the number of banking institutions located in the district. 40% of the SHGs obtained loan amounting

to Rs. 70, 05,000 during the same period. The other source of fund comes from the NGOs, which accounted for 21% of the SHGs with the benefit amount extending to Rs.2, 10,000. The percentage of SHGs Self financing through monthly collections and through activities comes to just 12 % of the SHGs and the amount was found to be Rs.65,400.

The most impressive thing about Dimapur district is the awareness of the Groups in obtaining loans from the banks. The table below gives details of loan provided to SHGs by different banks in Dimapur district during the past 14 year.

Table No. 4.6 : **Loan granted to SHGs in Dimapur district (2000-2014)**

Name of the Bank	Dimapur	
	Amount in Rs.	No. of SHGs
State Bank of India	27,35,000	16
Nagaland State Cooperative Bank	32,70,000	11
Nagaland Rural Bank	600,000	3
Vijaya Bank	50,000	1
UBI	3,50,000	3
Total	70,05,000	34

(Source: From field study)

As shown above in the table, it is seen that, the total amount of loan provided by five banks to 34 SHGs in Dimapur district comes to Rs.70, 05,000. Details of loan granted by the five banks to the SHGs are: the State Bank of India Rs.2735000, to 16 SHGs, Cooperative Bank Rs.32, 70, 000, to 11 SHGs, Nagaland State Rural Bank Rs.600000, to 3 SHGs, Vijaya Bank Rs. 50000, to 1 SHG, and the UBI Rs. 350000 to 3 SHGs.

The SHGs in Dimapur district is found to be more active in availing Bank loans than the districts of Kohima and Peren. They have the additional advantage of being stationed in the centre of trade and commerce where demands for their products are not

only high but also richly rewarded. The members of SHGs are also engaged in various activities to raise fund for the Group apart from money received from Government Departments, Banks and NGOs. The usual monthly or weekly collection is a common practice of all the SHGs for raising fund.

The important agencies promoting and granting seed money to the SHGs in Dimapur District includes; National Rural Livelihood Mission, Social Welfare Department, the Horticulture Department, the Land Resources Department, the Irrigation Department, the Women Department, Animal Husbandry, Fishery Department and the Agriculture Department. These Departments are responsible in the formation of many SHGs. They sensitise people about the importance of SHGs in bringing about sustainability to life and self dependency. These agencies not only provide seed money to the Groups, but, also provide training on various disciplines, like account keeping, maintenance of books and registers, techniques for undertaking various projects which may be related to cultivation or animal husbandry, fishery etc. The seed money so granted to the groups are to be used exclusively for specific purpose under which they are granted. Depending on the utilisation of the amount the question of returning the amount or to be given to the Groups shall be decided.

The common kind of activities taken up by most SHGs in Dimapur District is small businesses. The SHGs engaged in various activities are brought out in the table below:

Table No. 4.7: **SHG with different Activities in Dimapur district.**

Sl. No	Activities	No. of SHGs
1	Small business enterprises (retail & wholesale)	43
2	Livestock (cattle, goat, chicken, ducks,)	12
3	Manufacturing (candle units, soap, shoes, bags)	15
4	Weaving /handlooms (garments, shawls, etc.)	7
5	Handicraft (cane, bamboo, wood curving)	6
6	Cultivations (vegetables, fruits, flowers, medicinal plants, pineapple, etc.)	9
7	Others (services, catering, hiring etc)	8
Total		100

(Source: From Field Study)

The percentage categorisation of the activities comprises of the following: 71% of the total of SHGs are in business, 9 % in cultivation of fruits, vegetables etc. 12 % in live stock rearing and 8% in catering services. It may be mentioned that the SHGs does not strictly limit their activities to one particular sector but instead diversify their engagements to multiple sectors. It is found that 25% of the SHGs are simultaneously engaged in multiple activities. The data shown above relates to the present status (as on March 2014) of SHGs engagement in the most common sectors.

The business section includes dealing in whole sale trade of goods and commodities, retail business in grocery items, pickle units, soap and detergent making, woollen shoe making, second hand cloth business, fast food business, and other petty businesses. Some of the Groups extensively grow vegetables, fruits, flowers, tree for siblings, etc. There are few SHGs that rear livestock's like pigs, cattle, and goats.

Weaving is another booming activity among the SHGs. Handicrafts works from cane, bamboo, and wood are also taken up extensively by both genders.

4.7 Mode of finance to SHGs in Kohima District:

The mode of financing SHGs in Kohima District is carried out more or less similar to the mode of financing SHGs under Dimapur district. There are four broad modes of financing SHGs and they are a) seed money granted by various Government Agencies b) loans from Banks c) Self financing through collections and through wages earned from unskilled labour works and d) seed money from NGOs. The SHGs depends on more than one sources for financing its business.

The following table gives details of the different modes of financing the SHGs in Kohima district. It may however, be noted that the following figures are based on the most significant source of financing the SHGs though a particular SHG relay on multiple sources for financing its activities.

Table no: 4.8: **Mode of financing up to 31st March 2014 in Kohima district.**

Sl.no.	Mode of financing	No. of SHGs	Amount in Rs.
1.	Seed money from various government agencies	32	640,000
2.	Loan from Banks	22	1208900
3.	Self financing through monthly collections and through activities.	37	575000
4.	Seed money from NGOs	9	2,02,500
	Total	100	26,26,400

(Source: From field Study)

As per the data presented in the table above, it is observed that the highest percentage of SHGs in Kohima District, finances their SHG by Self financing through monthly collections and wages earned from different activities. It accounts for 37% of the total SHGs with an amount of Rs.575000. Self financing being one of the most widely practiced mode of financing the SHGs, it may be briefly elaborated in the following lines. The regular monthly collections are usually decided by all the members of the Groups. The amount to be collected is fixed taking into consideration the capacity of the members.

Earnings from day's wages by engaging in activities such as construction, field works, firewood cutting, clearing weeds in plantation field etc. is also another effective way of earning. In some cases they work on contracts and fetch good income from these sources as well. Works are done depending on availability and there is no specific timing for carrying out the work.

With the fund obtained through various sources, the SHGs engaged in carrying out different activities. The various activities taken up by the SHGs under Kohima district are shown in the table below.

Table No. 4.9: **SHG with different Activities in Kohima district.**

Sl. No	Activities	No. of SHGs
1	Small business enterprises (retail & wholesale)	24
2	Livestock (cattle, goat, chicken, ducks,)	12
3	Manufacturing (candle units, soap, shoes, bags)	8
4	Weaving /handlooms (garments, shawls, etc.)	8
5	Handicraft (cane, bamboo, wood curving)	5
6	Cultivations (vegetables, fruits, flowers, medicinal plants, pineapple, etc.)	31
7	Unskilled labour works	4
8	Others (services, catering, hiring etc)	8
Total		100

(Source: From Field Study)

The second major source of financing is through Seed Money granted by the Government Departments. In this mode 32% of the SHGs are aided by the various government departments to the tune of Rs. 640000. The important agencies promoting and granting seed money to the SHGs in Kohima District are; National Rural Livelihood Mission, Social Welfare Department, the Horticulture Department, the Land Resources Department, the Irrigation Department, the Women Department, Animal Husbandry, Fishery Department and the Agriculture Department. All these Departments play a crucial role in the formation and financing of the SHGs.

They not only provide seed money to the groups, but, also provide training on various disciplines, like account keeping, maintenance of books and registers, techniques for undertaking various projects which may be related to cultivation or

animal husbandry, fishery etc. ²In order to be eligible for funding under NRLM the States are required to fulfil three conditions which include, (i) State level agencies and the district sub-district level units are set up; (ii) professional staff has been trained and placed; and (iii) State level poverty reduction strategy has been formulated. The then Minister of Rural Development Mr. Jairam Ramesh has told the Rajaya Sabha in a written reply on August 9 2013 that NRLM will aim at universal social mobilization and bring all seven crore or 70 million rural BPL families under the SHGs network in a phased manner over a span of next ten years. Besides, Rural Self-Employment Training Institute (RSETIs) would be set up in each district in the Country and the objectives of these institutes would be to impart short-term skills training to rural BPL youths for taking up self-employment or skilled wage employment. The seed money so granted to the Groups are to be used exclusively for the purpose for which they are granted.

The Groups are usually given the choice to make the best use of the money in their own ways, but, with accountability. The decision to either invest the money in some activities or to be used as loan shall be upon the members to decide. They shall make their own rules and regulations of the terms and condition for repayment etc. If it is to be used for internal lending, then they have to decide the percentage of interest to be charged from it. Before granting seed money to the SHGs, grading are carried out by the promoting agents to assess the credit worthiness of the SHGs based on some predefined milestones achieved by the SHGs. On qualifying the grading test, the SHGs are sanctioned seed grants.

If the SHGs are graded 'A' they are provided seed money amounting to Rs. 10,000 to 20000. Further the SHGs are also encouraged to form federations by having

a cluster of at least three SHGs in the village. The federation shall be granted revolving fund amounting to Rs.40,000. The federation shall decide to whom loans have to be extended by charging some percentage of interest on the loan and also certain percentage for office maintenance.

The third mode is through loans from various Banks where 22% of the SHGs are found to have availed loan from banks which amounts to Rs. 1208900. The district of Kohima has the following branches of Banks in the service of the SHGs, Axis Bank ltd., Bank of Baroda, Central Bank of India, HDFC Bank Ltd., ICICI Bank Ltd., State Bank of India, United Bank of India, Vijaya Bank, the State Cooperative Bank, and the Rural Banks. Out of the banks listed the most active banks having linkage with the SHGs are the Rural Bank, Cooperative Bank, the State Bank of India, Bank of Baroda, the Vijaya and Axis Bank. The following table gives detail information on the loan provided by the banks to SHGs.

Table No.4.10: SHGs financed by Bank under Kohima District. (2000-2014)

Name of the Bank	Kohima District	
	Amount in Rs.	No. of SHGs
State bank of India	9,55,000	14
Nagaland State Cooperative Bank	1,33,900	4
Nagaland Rural Bank	nil	nil
Vijaya Bank	70,000	3
Bank of Baroda	50,000	1
Total	1208,900	22

(Source: From field study)

As per the data obtained from the table the State Bank of India extends the highest amount of loans to SHGs. Here 14 SHGs are provided loan amounting to Rs.955000. The State Cooperative Bank extends loan to 4 SHGs amounting to

Rs.133900. The loan amount from Vijaya Bank to 3 SHGs amounted to Rs.70000 and from Bank of Baroda Rs.50000 to 1 SHG.

As provided in the table above it is seen that a great deal has to be still done to promote the SHGs Bank-linkage programme in the district in particular and the State in general. The reasons for such poor linkage programmes cannot be objectively pointed out to one particular factor. However, the major reasons for the gap could be well emphasised on the following few causes: a) lack of proper policy and guidelines for SHG-bank linkage programmes, b) lack of assurance to the Banks by the Government on bank loans to the SHGs. c) Insincerity on the part of the SHGs in repaying the loans to the Banks. d) Lack of adequate awareness programme on the importance of SHGs-Bank linkage programmes. If some of these areas could be looked into by the policy makers and the responsible authorities the relationship between the Banks and the SHGs would certainly improve.

Fourthly, 9 % of the SHGs finances their Groups through funds obtained from various NGOs during the period 2013-14. In this case Rs.2025000 was granted to the SHGs by the NGOs during the period of study.

4.8 Mode of Finance to SHGs in Peren District:

The detailed discussion on the different modes of financing SHGs in Peren district is brought out in the following lines. The most common ones are;

a) Through monthly collection from the members:

The members decide to collect certain specific amount on a regular basis either weekly or monthly for financing their activities.

b) Seed money: The amount of seed money received from promoting agents, are used as capital money by the SHGs. The promoting agents provide seed grants after proper inspection and studying the eligibility norm for seed grants.

c) Through unskilled labour wages:

The members also carry out unskilled labour works to earn wages. The wages so earned by the members are kept in the Groups account as Group fund.

d) Loan from Banks:

The SHGs also apply for Bank Loans in order to finance their activities. For this purpose, the SHGs are required to open accounts in the Banks. The Bank loans for the SHGs are in some cases recommended by the promoting agents.

e) Interest from internal loans:

Some of the SHGs act as micro-finance institutions, whereby they grant loans to various individuals, Groups or associations. They either obtain loans from banks or make collection among themselves for raising the capital.

f). Through activities like, Weaving, Animal Husbandry, Farming, Agricultural activities, retail business, fast food business, handicraft works with bamboos, wood and cane, etc.

The following table shows the different modes of financing SHGs in Peren District. The following figures were arrived at from survey conducted through personal interview, inputs from promoting agents and through questionnaires. The sample size has been limited to 100 SHGs. The SHGs sample Groups were drawn, taking into consideration the rural and urban sector of the District. To have a balance representation of these two sectors equal weight of 50 SHGs each were considered for

the study. Based on the response from the SHG members, personal interview and observations made, the following results are presented in the table for analysis:

Table no: 4.11

Different modes of financing SHGs up to 31st March 2014 under Peren:

Sl.no.	Mode of financing	No. of SHGs	Amount in Rs.
1.	Seed money from various government agencies	17	5,10,000
2.	Loan from Banks	18	9,82,000
3.	Self financing through monthly collections and through activities.	49	7,42,000
4.	Seed money from NGOs	16	3,20,000
	Total	100	25,54,000

(Source: From Field Study)

As indicated in the above table, the mode of financing SHGs in Peren comes from four broad areas. The total amount available to the sample SHGs for financing their various undertakings in the district amounted to Rs. 2,55,4000 as on 31st March 2014. Out of 100 SHGs, 49 SHGs are self-financed. It is observed that the amount raised by these 49 SHGs from various means for financing their activities amounted to Rs. 7, 42,000. It may be stated that apart from these 49 SHGs, the other SHGs too raised funds by resorting to similar means as adopted by the 49 SHGs. However as significant part of their sources for financing their activities comes from areas like Banks, Government subsidies or NGOs aid, they are kept out of the purview of falling under self-financing category. The SHGs manage themselves by engaging in different activities. The most common forms of financing SHGs under self financing are:

Through regular monthly collections, the amount of which varies widely from one Group to the other. The amount to be contributed by each member to the Group fund depends on the agreement made by the members, keeping in mind the economic conditions and the capability of the members. Through income earned from wages by carrying out unskilled labour works such as constructions, paddy field works, farming, weaving etc. Works are carried out by all the members of the Group, either as a Group or individually and the amount so realised is used as a Group fund.

The second source of financing is 'loan from banks'. As far as Peren District is concerned the State Bank of India takes the lead role in providing loans to the SHGs. The District has the SBI branches in Peren, Jalukie and Tenning. It also has the Nagaland State Cooperative Bank in Jalukie. The SHGs availed 90 % of the loans from the State Bank of India Branches spread across the District. The percentage rates of loans returned to the banks in some period of the past years were inadequate. This prompted the banks to stop from extending loans to the SHGs.

However, in the subsequent years with better policies and assurance from the promoting agents, the banks started advancing loans to the SHGs. At present the percentage of loan returned by SHGs to the Banks are almost 100%, with some few cases of delay here and there in repaying back. It was seen that over the years the State Bank of India extended loan to 14 SHGs under Peren District which amounted to Rs. 10,90,000.

The third major source of financing is through, 'seed money granted by Government agencies. The important Government Departments promoting and granting seed money to the SHGs in Peren District are; the Horticulture Department, the Land Resources Department, the Irrigation Department, the Women Department,

and the Agriculture Department. All these Departments play crucial roles in the formation as well as financing the SHGs. They provide training to the members of the SHGs and grant them seed money depending on the performance of the SHGs. The seed money is not refundable to the Government, but, it has to be considered as a revolving fund of the Groups.

The Groups have to decide how the amount has to be utilised and for what purpose it should be utilised. If it is to be used for internal lending, then they have to decide the percentage of interest to be charged from it. It would be appropriate to mention here that the World Bank which funds the NERLP that works under the Ministry of Development of North Eastern Region (DONER) Government of India provides fund to the SHGs in the form of seed money. The SHGs are formed and imparted basic trainings on different aspects.

The other source of financing is through 'seed money from NGOs'. It is pertinent to point out, the contribution of the 'Rongmei Baptist Association Nagaland' (RBAN). As far as the District of Peren is concerned it may be recalled that, the RBAN was the lone NGOs actively involved in the formation of the SHGs. The RBAN was formed and established on May 5, 1988 based at Jalukie in Peren district

. The RBAN is the apex body of the Rongmei Baptist Churches in Nagaland. This association first started the concept of SHGs in 1998, with Bank linkage programme assisted by NABARD. Since inception till this date, the number of SHGs promoted by this Association is reported to be 311SHGs till July 2014. The total amount of revolving fund released by this NGO as on July 2014 is Rs.6, 40, 000.

Currently, the State Bank of India in association with Rongmei Baptist Association of Nagaland is running the only Rural Self Employment Training Institute

(RSETI) in the State at Jalukie under Peren district having already trained more than 400 youths.

The other NGO is the Development Association of Nagaland (DAN), the official organ of the Catholic Church for social concern and development in Nagaland. It started promoting the Self-Help Groups in different parts of the State since many years. Firstly it started the formation of Self-Help Groups as part of the Catholic Relief Services (CRS) and SMCS (Safe Motherhood and Child Survival) Programme. But it was primarily limited to the beneficiaries of the programme as a strategy for providing sustainability for the SMCS initiated programmes.

However, by the year 2000, it officially launched a programme aimed at the promotion of Self-Help Groups consisting of rural and disadvantage women from all sections of the society in Nagaland. Later in the year 2002, with the help of a three year long CRS project titled “Development and Promotion through animation and formation of Self-Help Groups”, SHGs was officially started by DAN. The Development Association of Nagaland officially launched a programme aimed at spreading awareness, animation, formation and strengthening of Self-Help Groups in three districts of Nagaland, namely Dimapur, Peren and Phek. In Peren District the SHGs formed under DAN falls under three sub divisions viz; Jalukie 30 SHGs, Peren 15 SHGs and Tenning 20 SHGs till 2012.

Interestingly, the manner of financing the SHGs under the three districts shows very similar results. In fact, the differences found are in the volume of fund gathered by the SHGs and the number of SHGs aided under various promoting agents. The consolidated mode of financing SHGs in the three districts is brought out in the table given below:

Table 4.12: Consolidated Micro Finance in the three districts: (2000-2014)

District	State Government Departments		Banks		NGOs		Total	
	No. of SHGs	Amount in Rs.	No. SHGs	Amount in Rs.	No. of SHGs	Amount In Rs.	No. of SHGs	Amount in Rs.
Dimapur	27	23,65,000	40	70,05,000	21	2,10,000	88	95,80,000
Kohima	32	6,40,000	22	12,08,900	9	2,02,500	63	20,51,400
Peren	17	5,10,000	18	9,82,000	16	3,20,000	51	18,12,000
Total	76	35,15,000	80	91,95,900	46	7,32,500	202	1,34,43,400

(Source: From field study)

Out of the 300 SHGs, 202 SHGs (67.33%) are aided either by State Government Departments, Banks or by NGOs. The number of SHGs provided with financial assistance by the State Government Departments in the three districts are 76 SHGs and the volume of fund is Rs. 35, 15,000. The number of SHGs assisted by different Banks in the State comes to 80 SHGs and the amount stood at Rs. 91, 95,900.

The third source of financial assistance comes from the Non-Governmental Organisations. Here 46 SHGs are assisted financial help by several NGOs in the State and the amount stood at Rs. 7, 32,500. It may be noted that, out of the total number of the SHGs aided by the three major promoters, 39.60 % of SHGs are assisted by Banks, 37.62% of SHGs assisted by Government Departments and the remaining 22.77 % of the SHGs are assisted by NGOs. A total of Rs. 1, 34, 43,400 was granted by these three sectors to the 202 SHGs. Out of the total 68.40% was granted by Banks, 26.15% was granted by State Government Departments and 5.45% was granted by the NGOs.

Thus, the Banks undeniably remained the largest contributor to the SHGs in the context of the State as of now. There are many SHGs which remain cut off from external financial assistance. In the present study 98 SHGs which is 32.67% of the total SHGs, are left out from any external source of fund. These SHGs from the three districts manage their financial requirements from their own private sources which often are through regular savings. Some of the SHGs under this category are recently formed and their Groups are under review for funding. While some others remained ignorant of the various funding programmes under different agencies.

4.9 Utilisation of fund:

Utilisation of fund calls for adequate planning, discussion and assessment by the Groups. The mere possessing of fund does not lead to the prosperity of the Groups in the long run. Wise decisions of the Groups are therefore pre-requisite for productive investment. The information collected from field survey with regard to the utilisation fund reveals that fund is used for the following.

- i) Fund utilised in advancing loans
- ii) Deposit in banks to earn some interest
- iii) Invest in some productive areas (group activities)
- iv) Distribute among the members in some proportions so as to be utilised in their own ways and to return the amount with interest at the end of specified period.

Based on the feedbacks obtained from the 300 SHGs of the three districts; Dimapur, Kohima and Peren, a table has been drawn up for analysing the data.

Table no 4.13: **Mode of Fund utilisation by SHGs in the district of Dimapur, Kohima and Peren during 2000-2014:**

Districts	SHGs fund utilisation in different modes									Total no of SHGs
	1*	Amount Rs.	2*	Amount Rs.	3*	Amount Rs.	4*	Amount Rs.	5*	
Dimapur	71	2485000	20	1053000	44	1476000	23	474500	58	100
Kohima	60	2040000	46	1150000	6	198500	10	155000	22	100
Peren	29	957000	29	725400	5	205000	41	656500	4	100
Total	160	5482000	95	2928400	55	1879500	74	1286000		300
No. of SHGs in multiple means of fund utilisation	32		21		15		16		84	

(Source: From field study)

* 1. Advance loans, 2. Deposit in banks, 3. Invest in common activities, 4. Distribute among members for individual activities, 5. SHGs investing in more than one sector.

As per the responses summarised in the table above, the number of SHGs actively utilising fund in different manners are very impressive. A total of 84 SHGs are found having multiple sources of investments. The number of SHGs practising internal loaning within the Groups showed up to be having the highest representation with a total of 160 SHGs. Internal loans are granted to the members of the SHGs from the Group fund. They are granted for different reasons such as,

- To meet urgent financial needs in times of children school/College Admission and sickness.
- For undertaking personal economic activities like starting small business enterprises.

- For recovering old debts and
- For purchasing livestock etc.

Out of the 160 SHGs in this category, 32 SHGs are found to be having investments in other sectors such as depositing it in banks, investing in some common activities and also distributing some amount among the members for carrying out activities at individual level. Thus the SHGs extend help to its members through advancement of loans at the same time earn interest from it.

The amount of fund utilised by the SHGs through loan advancement to the members amounted to Rs. 5482000. The district wise distribution of the SHGs along with the amount of fund utilisation in this category is 71 SHGs from Dimapur district with an amount of Rs.2485000, Kohima district 60 SHGs with Rs.2040000 and Peren district 29 SHGs with Rs. 957000.

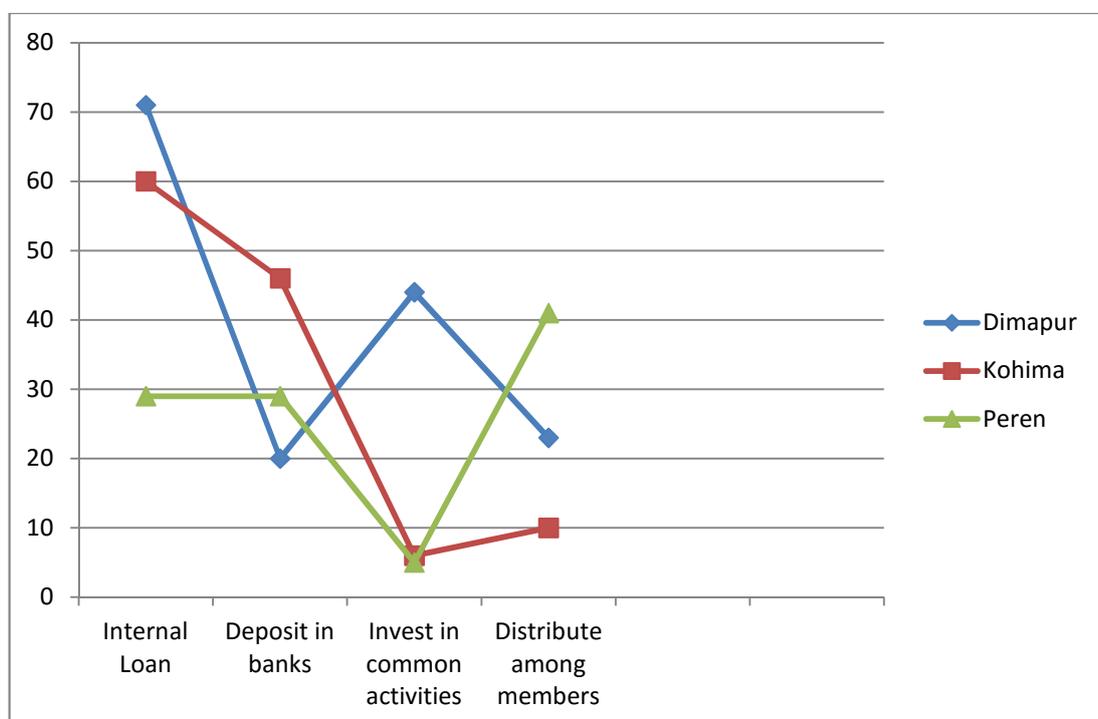
The second source of fund utilisation is depositing in banks. In this study 95 SHGs are found utilising fund by investing in banks for realising interest. It may be mentioned that, depositing in banks becomes important for the SHGs particularly; during the time of loan application by the SHGs, because the volume of loan could be easily decided by the banks from the amount of savings the SHGs has in their accounts. It also enables the SHGs to earn stable income from bank interest at high security. Out of the 95 SHGs, 21 SHGs are found having multiple investments in some other sources. The entire amount of fund is not utilised in bank deposit, some part of the fund is utilised in other sectors like investing in common activities, or being circulated among the members for different activities. The amount of fund utilised by the SHGs in the districts of Dimapur, Kohima and Peren through Bank deposit are Rs. 1053000, Rs.1150000, and Rs. 725400 by 20, 46 and 29 SHGs respectively.

The third sector of fund utilisation is on investments in some common activities. In this sector a total of 55 SHGs expressed their view on the successful investment in the various common activities. It is observed that out these 55 SHGs, 15 SHGs are further engaged in some other activities. Some of the common activities in this sector as shared by the members of the SHGs are, purchased of raw materials, like wool for weaving, fodder for animals, wages to hire labourers, etc. The amounts utilised by the SHGs in the three districts in common activities are 44 SHGs in Dimapur invests Rs.1476000 in common activities, 6 SHGs in Kohima invests Rs.198500 and 5 SHGs in Peren invest Rs.205000 in common activities.

The fourth common area of fund utilisation by SHGs is through distribution among the members in some proportions so as be utilised by the members in their own likings and to return the amount with interest at the end of specified period. In this mode of fund utilisation all the members are allotted with some amount of money either based on need or on equal ratios. The members shall utilise the amount in their own capacity and liking, however, they shall generate income out of the money and submit back the principle amount along with interest after a specified period. 74 SHGs are found to be practicing this mode of fund utilisation in the three districts at the time of study. Out of the 74 SHGs, 16 SHGs are engaged in some other mode of investments which could be well combined with depositing in banks, investment in some common activities, giving internal loans etc. The SHGs distributing income earned among its members in the three districts are 23 SHGs in Dimapur district distributes Rs.474500, 10 SHGs in Kohima district distributes Rs.155000 and 41 SHGs in Peren district distributes Rs.656500 during the period of study.

The above discussions suggest that, SHGs in the three sample districts are making good use of the funds generated from the Groups in different ways. The experiences of the three districts reveal the presence of wide variation in the mode of fund utilisation in different sectors. The following chart is presented to bring out a clear relationship of the three districts in terms of fund utilisation during the period 2000- 2014.

Figure no.4.13.a: **Fund utilisation by SHGs in the district of Dimapur, Kohima and Peren.**



(Source: From Field Study)

District wise analysis of the fund utilisation by the SHGs brings out the following findings;

Dimapur district has the highest number of SHGs engaging in multiple modes of investment. Investment in multiple sectors means the SHGs utilising their fund in many ways like some part of it utilised for common activities, some amount use it for

lending it out to the members, some amount distributed among members and some amount set aside for other purposes. A total of 58 SHGs are found with investments in multiple sectors in Dimapur district. Massive numbers of SHGs practice advancing internal loans. The numbers of SHGs engaged in different modes of fund utilisation are 71 SHGs in the giving loans, 20 SHGs deposit in banks, 44 SHGs invest in common activities and 23 SHGs distribute it among members.

In the case of Kohima district 22 SHGs are found making investments in more than one source. The largest numbers of SHGs are concentrated to extending internal loans to the members. It accounts for 60 SHGs in this mode of investment. The numbers of SHGs in other mode of fund utilisation are: 46 SHGs deposit in banks, 6 SHGs invest in common activities of the Group and 10 SHGs distribute among members for individual investment of the members.

By the term common activities it means collective work carried out for the purpose of realising income. Investment in some common activities includes buying livestock to be reared by the Group, tools and equipments for farm works, raw materials for soap, detergents and all those investments in activities which are take up at the Group levels.

The experience of Peren district presents a different picture of fund utilisation. As per the findings, 4 SHGs out of the 100 SHGs are found engaged in multiple modes of investing its funds. The number of SHGs utilising fund by means of internal loans comes to 29 SHGs, those depositing in banks are again 29 SHGs, investing in common activities are done by 5 SHGs, where as distributing among members for personal investment of the members comes to 41 SHGs.

The chart above shows a huge difference in the three districts in terms of fund utilisation in different modes. The mode of utilisation of fund in all the other sectors cited above varies widely from district to district. The thing that could be appreciated in the SHGs under study is their active involvement in more than one activity. They realise the benefit of continuously involving in one activity or the other to keep themselves busy at the same time avoids idle stocking of capital.

4.10 Distribution of profits among the members of the SHGs:

The SHGs adopt different strategies in the distribution of profits among the members. Usually no strict resolutions are passed on the mode for distribution of profits among the members in advance by the SHGs. Distribution of profits is one of the important aspects of the SHGs. It reflects the efficiency of the Group and at the same time serves as the motivating factor for the members. The SHGs, find out the profit of the Group at the end of the year or on the completion of the activity by deducting the capital from the gross profit. The SHGs decide the mode of utilisation of profit when visible profits accrue to the Groups. There are two conditions in arriving at distribution of profits among the members.

1. If profits are large enough, they are divided among the members equally.
2. When profits are not sufficient for distribution among the members, they are kept in the Group fund for further investment as loans or investment in some profit generating avenues. The accumulated profits are divided among the members when they become sufficiently large to be distributed.

The SHGs usually distribute profits among the members after setting aside certain percentage of profit to meet unforeseen expenses. Also reservations are made for expanding the area of activity of the Groups.

4.11 Investment in Input factors:

The SHGs involved in activities like agriculture and allied activities, small business, retail outlets, animal rearing, and manufacturing have specific sources of inputs. The major investments of the Groups are on these input factors. Findings from the study reveal the following common input areas of the SHGs:

- 1) On purchase of raw materials
- 2) On transportation
- 3) On labour
- 4) On machine tools
- 5) Purchase of Livestock for rearing and
- 6) Stock of goods

- 1) On purchase of raw materials:

The major inputs on the purchase of raw materials are found to have been made by all those SHGs engaged in manufacturing goods, weaving cloths and small businesses. Some of the activities under these categories are like soap making, detergent powder making, candle units, dish washing liquids, bags, shoe making, etc.

In all these cases, the required raw materials for a particular product have to be purchased from the markets and the productions are done from their own homes. The availability of the raw materials at reasonable prices is the chief requirement for the continuity of the business. The profits of the SHGs depend upon the price of the raw materials as well as the quantity of production. The number of SHGs whose significant investment in inputs is on the purchase of raw materials is given below in the table.

Table no: 4.14: **SHGs investment in the purchases of raw materials in the three districts.**

District	No. of SHGs investing in raw material	
	No. of SHGs	Percentage
Dimapur	31	30.69%
Kohima	34	33.66%
Peren	36	35.64%
Total	101	100%

(Source: From Field Study)

A total of 101 SHGs are found making significant part of their investment in the procurement of raw materials for carrying out various production processes. The maximum percentage of the SHGs is found to be from Peren district with 35.64% of the total number of SHGs making investment in this sector. The district of Kohima and Dimapur on the other hand has 33.66% and 30.69% of SHGs respectively.

2) On transportation:

For those SHGs particularly from the rural sectors whose activities are confined to agricultural products, expenses on transportation seems to be the most challenging one. The activities are carried out using locally available tools, skills and knowhow; therefore it does not require much investment in this regard. The only problem is due to poor road connectivity and high transportation costs for the goods to be taken to market, the Groups have to bear high transportation cost. In this aspect, the SHGs from the district of Kohima and Peren are more vulnerable than the SHGs from Dimapur district. The table below is may be presented for determining the number of SHGs making significant investment in this area of inputs.

Table no: 4.15: **SHGs investment transportation in the three districts.**

District	SHGs in investing in transportation	
	No. of SHGs	Percentage
Dimapur	6	14.63%
Kohima	15	36.59%
Peren	20	48.78%
Total	41	100%

(Source: From Field Study)

As shown in the table, 41 SHGs from the three sample districts fall under this category. It may be pointed that Peren district has 20 SHGs whose investments are mostly on transportation. The district of Kohima has 15 SHGs and Dimapur 6 SHGs in this regard. Transportation cost is incurred mostly during the time of taking its products to the market for sales. A good number of SHGs whose products are not sold within the place of production has to take their products to markets in Kohima or Dimapur where they could find potential customers for their goods.

3) Labour cost:

The SHGs in spite of the fact that, they work together as Groups, still needs extra labour to assist them in their works. Some of the labour engaging sectors are like; cultivation of rice, king chilli, yam, and other agricultural activities. In all these cases labours are used at different stages of the work, some at the time of clearing the jungle, some during plantation, others during subsequent operations which includes processing of the produce to make it fit for the market. By engaging extra labours apart from the members, the SHGs also provide employment opportunities to the local people, though

the nature of employment is seasonal. The table below highlights the number of SHGs investment in this sector.

Table no: 4.16: **SHGs investment in engagement of labour in the three districts.**

District	SHGs investment in labour.	
	No. of SHGs	Percentage
Dimapur	13	41.94%
Kohima	9	29.03%
Peren	9	29.03%
Total	31	100%

(Source: From Field Study)

The number of SHGs that engages labours for undertaking their various activities is 31 SHGs. The district of Dimapur has 13 SHGs whose major investments are on labours engaged. On the other hand the district of Kohima and Peren has 9 SHGs each in this regard.

4) On Machine tools:

The SHGs also procure machines for the purpose of manufacturing different products, like shawls, over coats, bags, soap, candle etc. The SHGs involved in the activities of farming also spent part of their fund in purchasing tools and implements for their basic farming operations. The investments in machine tools by the SHGS are in the nature of capital expenditure as the income from such investments are bound to arise for a long time in the subsequent years. However, the Groups need to keep on making small investments for maintaining and running the machines. The table below highlights the number of SHGs whose significant investment is on machine tools.

Table no: 4.17: SHGs investment in machine tools as input factor in the three districts.

District	SHGs investment in machine tools.	
	No. of SHGs	Percentage
Dimapur	21	48.84%
Kohima	14	32.56%
Peren	8	18.60%
Total	43	100%

(Source: From Field Study)

Maximum investment on machine tools was found to be made by SHGs from Dimapur district (21 SHGs). The investments made by SHGs from Kohima and Peren districts are 14 and 8 SHGs respectively.

5) On purchase of livestock for rearing:

Livestock rearing is taken up by the SHGs both at the individual level as well as at the Group level. However it may be pointed out that, livestock rearing is most commonly taken up at the individual level. The livestock's includes pig, cattle, goat, chicken, duck, and fish. A good number of SHGs from the three districts are found to be in this activity. The following table highlighting the number of SHGs in this business is presented below:

Table no: 4.18: **SHGs in the activity of livestock rearing**

District	SHGs in the activity of livestock rearing	
	No. of SHGs	Percentage
Dimapur	9	21.43
Kohima	18	42.86
Peren	15	35.71
Total	42	100

(Source: From field study)

Forty two SHGs forming 14 per cent of the total of the SHGs are found to be investing in this activity. They invest on purchase of livestock for rearing. Kohima district in this regard has 18 SHGs, followed by Peren district with 15 SHGs and Dimapur district 9 SHGs.

6) Stock of goods:

The stock of goods refers to the purchase of goods and commodities for resale. The SHGs which are in the business of second hand cloths, grocery items, and other retail businesses constantly spend their funds in buying stocks. The frequency of inputs in this type of business is directly dependent upon the sales. Quicker the sales along with amount realised, faster will be the investment. Their profitability depends upon various factors such as the purchase price, the demand in the market, the number of competitors etc.

Table no: 4.19: **SHGs investment in stock as input factor in the three districts.**

District	SHGs investment in Stocks.	
	No. of SHGs	Percentage
Dimapur	20	47.62%
Kohima	10	23.81%
Peren	12	28.57%
Total	42	100%

(Source: From Field Study)

A total of 42 SHGs from the three districts forming 14% of the total number of SHGs from the three sample districts are found making considerable investment of their income in stocks. The district of Dimapur has 20 SHGs in this sector where as the SHGs from district of Kohima and Peren are 10 and 12 SHGs respectively investing in this sector of input factor.

Table No.4.20: **Consolidated figure of SHGs investment in various Input factor in the three sample districts up to 31st March 2014:**

Various input factors	No. of SHGs and the percentage distribution of SHGs in the three districts based on investment on inputs factors.							
	Dimapur district		Kohima district		Peren district		Total SHGs	Total %
	No. of SHGs	% of total	No. of SHGs	%	No. of SHGs	%		
Raw material	31	10.33%	34	11.33%	36	12%	101	33.67%
Transportation	6	2%	15	5 %	20	6.67%	41	13.67%
Labour	13	4.33%	9	3 %	9	3%	31	10.33%
Machine tools	21	7%	14	4.67%	8	2.67%	43	14.33%
Livestock	9	3%	18	6%	15	5%	42	14%
Stock	20	6.67	10	3.33	12	4%	42	14%
Total	100	33.33%	100	33.3%	100	33.34%	300	100

(Source: From field study)

The volume of inputs and the frequency of inputs vary from group to Group.

The choice of the activity is made depending upon the capacity of the Groups or individuals. An overview of the investment by the SHGs in the sample district on various input factors reveals the following facts. Maximum investments by the SHGs are on raw materials. It is observed that 33.67% of the SHGs are investing on raw-materials. The investments in the other input factors are found to be more or less in uniform pattern at the overall investment level.

4.12 Bank Loan in the three sample districts:

Bank loans are of immense importance to the SHGs for their growth and survival. The SHGs look upon Banks as the best available source for obtaining financial assistance. The relationship between Banks and SHGs in the three districts particularly in the area of loans are still in the process of creating a reliable trust. The loans to SHGs are affected by certain limitations such as security for loan repayment

and the person who could be held responsible for loan repayment. The SHGs are also required to have bank accounts in order to avail bank loans.

Thus, the chances for all SHGs to obtain loans from bank are shattered to a great extent. The following table would throw light on the number of SHGs from the three districts who have availed bank loans till 31st March 2014.

Table no 4.21: Bank-Loans to the SHGs up to 31st March 2014 in the three sample districts:

Name of the Bank	Kohima		Peren		Dimapur		Total in Rs.
	Amount in Rs.	No. of SHGs	Amount in Rs.	No. of SHGs	Amount In Rs.	No. of SHGs	
State bank of India	9,55,000	16	10,90,000	14	27,35,000	16	47,80,000
Nagaland State Cooperative bank	1,33,900	5	nil	nil	32,70,000	11	34,03,900
Nagaland Rural Bank	nil	nil	nil	nil	600,000	3	600,000
Vijaya Bank	70,000	3	nil	Nil	50,000	1	1,20,000
UBI	nil	nil	nil	Nil	3,50,000	3	350,000
Bank of Baroda	50,000	1	Nil	Nil	nil	nil	50,000
Total	12,08,900		10,90,000		70,05,000		93,03,900
Total		25		14		34	73

(Source: From field study)

As presented above, 73 SHGs are provided loan amounting to Rs. 93, 03,900 by different banks in the three districts over the years. The banks involved in extending loans to the SHGs are the State bank of India, Nagaland State Cooperative Bank, Nagaland Rural Bank, Vijaya Bank, UBI and Bank of Baroda. The loan availed by 34 SHGs from Dimapur district is Rs. 70, 05,000. In Kohima district 25 SHGs availed bank loan of Rs.12, 08,900 from four banks. In the case of Peren districts 14 SHGs got bank loan from the State Bank of India amounting to Rs.10, 90,000. The State Bank of

India granted the maximum loan of Rs.47, 80,000 to 46 SHGs. The loan granted by the other Banks to the SHGs varies greatly in terms of the Number of SHG as well as the amount of loan.

Thus, from the data presented in the above table it may be said that, the SHG-Bank Linkage Programme in the three districts is only 24.33% as per the total number of SHGs. Therefore adequate measure has to be adopted to improve the relationship between the two.

4.13 Repayment of loan:

Loan repayment refers to recovery of loans taken by the SHGs from banks. The prompt repayments of loans by the SHGs are prerequisites for future loan extension. It may be mentioned that, the SHGs who have availed loans from banks have been effectively repaying back the loans to the banks. As seen from the above discussion, 73 SHGs from the three sample districts availed Bank loan facilities from four banks during the period 2000-2014. The status of loan repayment of the 73 SHGs is given below in the following table.

Table 4.22: Status of Loan repayment in the three districts (2000-2014)

District	Already repaid		In repaying process		Total no. of SHGs	Total amount of loan taken loan in Rs.
	No. of SHGs	Amount in Rs.	No. of SHGs	Amount in Rs.		
Dimapur	28	59,43,000	6	10,62,000	34	70,05,000
Kohima	23	10,27,000	2	14,19,000	25	11,68,900
Peren	12	10,12,500	2	77,500	14	10,90,000
Total	63	79,82,500	10	12,81,400	73	92,63,900

(Source: From field study)

As shown in the table the numbers of SHGs who have repaid back the loans are found to be 63 SHGs out of the 73 SHGs taken loan from banks. An amount of Rs. 7982500 has been repaid back by these 63 SHGs. Ten SHGs are in found to be in the repaying stage. An amount of Rs.12,81,400 are still to be repaid by these SHGs. As per the study there are no defaulters in the repayment of loans from the three districts. The percentage of SHGs having cleared their loans against those in the stage of recovering the loans comes to 86.30: 13.70%. Those SHGs in the process of repaying back the loans are expected to clear of the loans in due time. Loans are repaid on instalment basis, where the most commonly opted instalment payments are the monthly instalments system. It may be mentioned here that, some SHGs instalments are recovered on annual basis too.

Section-II- Administrative Aspect:

The second section of operational analysis deals with the administrative issues pertaining to the operation of the SHGs.

4.14 Meetings:

Conducting regular meetings by the SHGs are very important for the smooth running of their Groups. It enables them to come together and share their views, opinions, and suggestions on what has happened, what needs to be done, and how it should be done etc. Through meetings the members learn to open up themselves and become more confident. It is these meetings that make the whole difference in the lives of the members as communication plays key role in eliminating difference among the members. The members take important decisions during meetings, therefore the participation of all the members are a must. Absentees are dealt in different ways by the SHGs. In most cases, the absentees are made to pay fine, the amount of which is

fixed by the members during the time of formation of the Group. The procedures of conducting meetings are presented below:

- a) Notifications are served to the members of the SHGs by the chairman or president of the Group either verbally, in written or through telephonic calls.
- b) The date, timing and place of meetings are made known at the time of serving the notification. The usual place of meeting held is from the residence of the chairman or president.
- c) Meetings are carried by having a sessional chairman and a secretary appointed by the president or members for the purpose of recoding the minutes of the meetings.
- d) Agendas are placed and discussed during the meeting. Necessary reports especially that of financial reports are presented during meeting. The possible time period for conducting the next meeting is also notified to the members.

There is no hard and fast rule followed by the SHGs in conducting meetings. The manner and procedure of conducting meetings varies from one Group to the other.

Types of meetings:

There are different types of meetings conducted by the SHGs for different purposes. They are the regular weekly/monthly/quarterly/ half yearly meetings, the annual general meeting and emergency meetings. The regular and the annual general meetings are usually fixed in advance, however, the emergency meetings are called as and when the need arises, as such there is no fixed periodicity in the case of emergency meetings. The following lines discuss in detail the different types of meetings and their purposes.

1. The regular weekly/ monthly/quarterly/ half-yearly meeting: These types of meetings are carried out to assess the performance of the Groups. It enables the members to keep continuous check on their activities. It facilitates the Groups to take corrective measures in case of activities that are not moving in the right direction. These meetings provide the members opportunity to review the financial position of the Groups for making effective investment in productive sectors. These types of meetings are fixed in advance with the consent of the members during annual general meetings. However, changes could be made with regard to the schedules of timing for meeting if need arises.

2. Annual General Meetings: The annual general meetings are conducted once in a year, normally in the beginning of the year. It is an important meeting as the SHGs makes annual plan for the various activities to be carried out. The accounts of the Groups are cleared during the annual general meeting. Extensive reviews on the performance of the Groups are also made to incorporate necessary changes in drawing up plans for the coming year.

3. Emergency meetings: The SHGs also conduct emergency meetings to deal with different situations arising out of their activities. Emergency meetings are convened even if all the members are not present as decisions have to be taken on urgent issues. Information for such meetings are passed on to the members through telephonic calls and SMS notifying the place and time for the meeting. It discusses only those issues which are really urgent and which needs immediate decision.

4.15 Frequency of meetings

Meetings are convened by the SHGs taking into consideration the requirement, possibility and needs of the Groups. The table below gives the figure of the number of meetings conducted by the SHGs at different intervals in the three districts. For the purpose of making this study, the latest practices of the SHGs with regard to the frequency of meetings conducted are collected through structured questionnaires. It takes into consideration the number of SHGs formed during different time periods. Thus, a period of fourteen years from 2000-2014 was considered while determining the frequencies of meetings conducted by the SHGs. The data presented in the table below reflects the latest practices adopted by the various SHGs in the three districts.

Table no. 4.23: **Number of meetings conducted by SHGs in a year as on March 2014**

District	Number of SHGs with different frequencies of meeting in a year.				Total.
	Once in a month	Twice in a month	Thrice in a month	Four times in a month	
Dimapur	57	16	12	15	100
Kohima	59	26	9	6	100
Peren	35	12	6	47	100
Total	121	54	27	68	300

(Source: From field study)

For examining the frequency of meetings conducted by the SHGs in the three districts, four categories are made and they are: once in a month, twice in a month, thrice in a month and four times in a month. The number of SHGs which conduct meetings at least once in a month is 121 SHGs (40.33%). As per the study Kohima district has the highest number of SHGs conducting meeting at least once a month with

59 SHGs. Dimapur district has 57 SHGs and Peren district have 35 SHGs conducting meetings once in a month. The SHGs conducting meetings at least twice in a month is 54 SHGs (18%), out of these 26 SHGs are from Kohima, 16 from Dimapur, and 12 SHGs from Peren district. The SHGs having meeting thrice in a month is 27 SHGs (9%), out of these, 12 are under Dimapur district, 9 from Kohima district and 6 from Peren district. It may be further mentioned that a good number of SHGs conduct meetings more than thrice a month.

From the three districts a total of 68 SHGs (22.67%) are found conducting meetings four times in a month. Peren district has the highest representation of the SHGs in this category with 47 SHGs, and the district of Kohima and Dimapur has 6 and 15 SHGs respectively. It is observed from the table, that the maximum number of SHGs which conduct the minimum number of meetings has the highest percentage (40.33) of SHGs, and at the same time, the SHGs with maximum number of meetings (four times) are found to be ranking second in terms of the number of SHGs with the percentage of 22.67%. As seen from the above mentioned points, the SHGs which conduct meetings twice and thrice a month are found to be representing just 18% and 9 % respectively. It may be appropriate to mention that more meetings within the Groups will foster growth and unite the members, thereby improving their relationship and activities. Reducing the percentage of the SHGs in 'minimum category' and expanding the category of twice, thrice or more would help the members achieve better confidence and built up trust.

Review of operational performance:

The SHGs strictly does not have any specific time periods fixed for reviewing the performance or workings of the SHGs. The usual review on the operational

performance of the Groups is done during the regular week or monthly meetings and during the annual general meetings. Though specific time periods are not set aside for this purpose, intensive reviews on the various aspects of the performance are done by the SHGs. The important operational performance reviews are done on the following areas:

1. The financial status of the Groups are reviewed by checking the amount of funds in used, the mount in circulation, the amounts invested in common activities, the amount of interest received by the Group and funds that comes to the Group from various sources.
2. It also reviews the various policies and strategies adopted by the members. Here the policies and strategies adopted by the members during annual general meetings and regular meetings are reviewed to see whether the members are following up what has been decided. If there is difficulty in following up, the Group have to decide on what best should be done.
3. It reviews the activities taken up by the Group to find out whether the activities are carried out as per the requirement. It also checks the various task entrusted to different members of the Groups.

4.15.a: Implementation of decisions taken in the meetings

Resolutions adopted are the direct outcomes of the SHG's meetings. The success of the meeting lies on the effective implementation of the resolution by the members. Every SHG tries its best to implement the decisions taken in the meetings in a pragmatic way by laying down strict conditions. The members shall have to accomplish the task in a time bound manner. The conditions serve as the best motivation for the SHGs to carry out their respective obligations. The practices of few

SHGs in enabling effective implementation of decisions through certain conditions are given below.

1. For the purpose of realising regular monthly collections, the members shall pay their due shares on or before the 5th of every month. Delay in payment shall attach fine amounting to certain sum.
2. To ensure all the members attending meetings, fines are imposed on the late comers as well as absentees.
3. For realising the loans, time periods are fixed within which the amount should be submitted to the Group.
4. For carrying out common activities dates are decided in advance and absentees are fined.

Thus, the SHGs manage to secure effective implementation of the decisions through constructive means.

4.16 Leadership tenures:

Good and effective leadership quality of entrepreneurs is a must to run well the SHGs. In every SHG, certain representatives are always there to represent the Groups as leaders. These leaders are appointed in some cases and in some others they are elected. Still in some cases leadership's responsibilities are shared by all the members on rotation basis. In most SHGs the last type of arrangements are made with a view to enable all the members of the Groups to experience what leadership responsibility is all about. It challenges them to be more sociable, expressive, tolerant, and reasonable in their judgements. Apart from all these, the members eventually becomes good entrepreneurs, efficient household managers etc. On the question of the leadership

tenure, it may be mentioned that, there is no one uniform set of rules or regulations. The term leadership tenure refers to the time duration up to which one is entrusted to act as a leader of the Group.

The members decide the terms and condition of leadership tenure, and frame the powers and duties of the leaders. The study found out the existence of a wide disparity in the tenure of leadership in different Groups. To measure the different leadership tenure prevailing in the various SHGs under the district of Dimapur, Kohima and Peren, structured questionnaires were distributed to the members of the SHGs for getting their response. The respondents were asked to mention the tenure of leadership in their own Groups in months or years. Accordingly, the data obtained from the respondents were classified and summarised into seven categories.

The categories are; a) SHGs who do not have any fixed period of leadership tenure, b) SHGs whose leadership tenures are half- yearly, c) SHGs with one year of leadership tenure, d) SHGs with two years of leadership tenure, e) SHGs with three years of leadership tenure, f) SHGs with four years of leadership tenure and g) SHGs with five years of leadership tenure.

The following table has been drawn-up to show the exact figure of SHGs with different leadership tenures during the past fourteen years from 200-2014.

Table no. 4.24: **Leadership tenure of the SHGs, in the three districts during the period 2000-2014.**

Districts	Number of SHGs with different leadership duration							Total
	Total	1	2	3	4	5	6	
	No fixed timing	Half yearly	1 year	2 years	3 years	4 years	5 years	
Dimapur	1	4	50	8	18	1	18	100
Kohima	6		45	18	27	1	3	100
Peren	1	7	43	12	30	4	3	100
Total	8	11	138	38	75	6	24	300

(Source: From field study)

As presented above in the table, the first categories of SHGs are the ones which do not have any fixed period of leadership tenure. A total of eight SHGs from the three districts expressed the absence of leadership tenures in their Groups. Out of the eight SHGs in this category, one SHG is from Dimapur, six SHGs comes from Kohima district and another one SHG is from Peren district. The absence of fixed leadership tenure is due to lack of capable leaders in the Group to shoulder leadership responsibilities. The activities of SHGs are undertaken jointly by the members regardless of who their leader is.

The second category consists of those SHGs whose leadership tenures are fixed to half-yearly. In this category there are eleven SHGs of which 4 SHGs are from Dimapur district and 7 SHGs from Peren district. The intension of the Groups is to enable all the members to experience leadership task. By keeping the leadership

duration short, the Groups are relieved from the risk of poor governance due to inefficiency.

The third category of leadership tenure is one year. This category has the highest representation of SHGs from the three districts with 138 SHGs in it. As per the finding, the experience of all the three districts reveals the same trend of having the highest number of SHGs in this sector. The district of Dimapur has a total of 50 SHGs out of 100 SHGs, whose leadership tenure is fixed to one year. As for the district of Kohima 45 SHGs are in this category and in the case of Peren district 43 SHGs are found in this category.

This time period is most favourably adopted by 46% of the SHGs under the three districts, because it gives reasonable opportunity to the leaders to learn and put into practice certain minimum values for their own personal growth as well as for the benefit of the Group. In the fourth category the tenure is fixed to two years. As shown in the figure, 38 SHGs from the three districts are found to be adopting two years as the leadership tenure. District wise analysis of the number of SHGs in this category shows the following result. Kohima district tops the list with 18 SHGs followed by Peren district with 12 SHGs and Dimapur district 8 SHGs.

Normally, the number of persons to be appointed as leaders are more in those SHGs where the leadership tenure for more than one year. This is necessitated to bring about transparency, accountability and also reduce the work load of the leaders. The fifth category of leadership tenure is three years. This category is represented by 75 SHGs from the three districts. The district of Peren has the highest number of SHGs in this classification with 30 SHGs, followed closely by Kohima district with 27 SHGs

and finally Dimapur district has 18 SHGs. It may be noted that this category seem to be liked by more SHGs than the two years duration.

The sixth category of leadership tenure is 4 years. In this category six SHGs from the three districts are found to be favouring this period of leadership. The composition of the six SHGs is; one SHG each from Dimapur and Kohima and 4 SHGs are from Peren district. This category witnesses the involvement of the minimum number of SHGs. The seventh and the last leadership tenure is the five years period. This category is favoured by twenty four SHGs out of the 300 SHGs. The district of Dimapur disproportionately has the highest number of SHGs in this category with eighteen SHGs. The experience of Kohima and Peren district in this regard is found to be having similar test with three SHG each. Five years of leadership tenure is indeed long enough to give the best experiences of the leaders to the Groups. Long leadership tenures have its own advantages and drawbacks. It calls for good understanding among the members as well as dedication from the part of the leaders.

Thus choosing appropriate duration of leadership tenure becomes an important duty of the Group as wrong choice would affect the Groups' performance. Leadership qualities are acquired by the members through self experience, thereby giving fair chances to all the members regardless of their efficiency would promote growth of the SHGs. Ideal leadership tenure of three years is suggested for the SHGs to gain leadership qualities. A period not too long nor too short is suggested as the members need reasonable time to learn and execute their task at the same time do not feel the burden of being in leadership for too long.

4.17 Monitoring and follow-ups:

Monitoring is the process of observing and checking the performance of the SHGs on regular intervals. It is an important part of SHGs functioning. The assessment of the performance of the SHGs enables the promoters as well as the SHG members to know their strengths and weaknesses. Monitoring helps the project manager and others involved in the project to understand the different variables which affects the SHGs functioning. It offers an opportunity to correct deviations if any, and device effective means for necessary action. It also facilitates verification of the quality and performances of the project implementation on a continuous basis and gives input for correction. By monitoring and having a continuous watch-over on the performance of the SHGs by the various promoting agents, the SHGs become consistent in their activities. By this process, the inconsistency and negligence of SHGs are also understood. In the event of such findings the SHGs are denied of any kind of subsidy, grant or even loan facilities by the promoting agents and the Banks.

Monitoring has to be viewed from a wide perspective, which includes monitoring the project inputs and outputs, internal loaning systems followed by the SHGs, the manner of maintaining books and accounts, and the overall performance of the entire members of the Group.

Through monitoring the promoting agents study the credit worthiness of the SHGs. The field areas where the activities are carried by the SHGs are inspected. The books, registered and other documents maintained by the SHGs are Properly checked to verify whether accounts are maintained in proper manners, whether meetings are conducted on regular basis, and whether proper scheduling for carrying out the activities are made.

Monitoring plays a crucial role in promoting and nurturing the SHGs. The experiences of the various SHGs existing under different promoting agencies suggest that over the past years the monitoring efforts were not effective. The reason for ineffective monitoring is, not the lack of policy but the negligence on the part of the promoting agents in strictly adhering to the norms. The blame however, cannot be solely on the promoting agents, because there are instances of non-cooperation from the Groups as well. In some cases the Group members fail to turn up when they are called for where as in some cases the SHGs are not ready to share their problems or their achievements, they choose to remain passive. It is learned that only few of the SHGs are being monitored from time to time. The responses of the respondents are brought out for the three districts in the following table:

Table No. 4.25: District wise number of SHGs monitored in a year: (During the past five years from 2011-14)

DISTRICT	No. of SHGs monitored in a year					No. of SHGs not monitored	Total
	Once	Twice	Thrice	More than thrice	Occasionally		
Peren	13	9	12	10	23	33	100
Kohima	17	14	14	9	27	19	100
Dimapur	17	15	12	8	36	12	100
Total	47	38	38	27	86	64	300

(Source: From field study)

For the purpose of ascertaining the effectiveness of monitoring in the three districts, the respondents are made to share their view from a six point scale. They are;

those monitored once in a year, twice in a year, thrice in a year, more than thrice a year, those that are monitored occasionally and finally those that are not monitored. As per the figures arrived at from the respondents, it is observed that, the number of SHGs monitored occasionally numbered to 86 SHGs, the SHGs not monitored is 64, and the SHGs monitored at least once in a year is 47, the SHGs monitored twice and thrice in a year is 38 each and those monitored more than thrice is 27.

Monitoring of the SHGs were done by the various SHGs promoting agents however, it was neither extensive nor intensive enough to cover all the SHGs. Here the percentage of SHGs monitored occasionally and those not monitored are 28.67 and 21.33% respectively which is exactly 50% of the total SHGs studied. Monitoring and follow-up works at the present context is not impressive as expected. The existence of many sick SHG units could be well attributed to the absence of monitoring and follow-ups by the promoting agents. The lack of proper policy structure as well as the negligence on the part of the various promoting agents are the biggest reasons for ineffective monitoring. The other reasons for non-monitoring or poor monitoring (occasional monitoring) includes:

- a) Many of the SHGs are formed voluntarily at the initiative of the members themselves, as such the Groups remain unattended by the various promoting agents.
- b) The Groups' unawareness of the various programmes and schemes undertaken by different State Government Departments and the NGOs.
- c) Those SHGs located in interior villages and remote pockets of the districts though, aware of the monitoring programmes are not able to attend the programmes to give report of their performance due to various personal excuses.

d) Difficulty in assessing the performance by actual verification of the activities carried out by the Groups. In some cases, mere paper works are looked into rather than visiting the work places. At the same time it becomes difficult for few members from the various Departments to inspect and verify the works of all the SHGs.

e) Monitoring per se is done at higher levels, by having on board, few representatives from villages or few representatives of Groups. The much needed monitoring work at the grass root level with all the members present are not done in many instances.

f) Monitoring which covers different aspects of the SHGs activities cannot be done easily as and when wanted. The conveniences of the promoting agents as well as the Groups have to be taken into consideration for fixing the time of monitoring. Thus, the frequency of Monitoring is being reduced.

g) Monitoring works are not taken-up on a continuous basis. Generally, monitoring is done at the initial stage of the formation of the Groups mostly to find out the credit worthiness of the Groups. It is also done when more funds are to be granted to the Groups. There is no systematic approach in monitoring.

These are some of the observations made from the study. The solution to these difficulties could be addressed with the combined effort of two parties; they are the SHGs themselves and the various SHG promoting agents. This is strongly felt because on the one hand the SHGs themselves need to be responsible for their own welfare and well-being. They need not wait for people in authority to deploy officials for monitoring. They themselves have to feel the need of being monitored and guided. On the other hand, the various Departments either State Government or the NGOs have an indispensable role to play in this regard. It is not enough to form the SHGs, what is

important is, to make sure that the SHGs so formed are able to fully devote their time towards achieving their purpose.

4.17.a: Benefits of monitoring:

Despite the fact that monitoring is still yet to fully breathe life into the lives of the SHGs, the experiences of the SHGs covered under monitored zones proved quite beneficial. Undoubtedly those SHGs which were monitored either twice or thrice or in some cases more than thrice a year have made remarkable progress in their activities. Monitoring makes a marked difference in the performance of the SHGs. An investigation in this regard, conducted on two categories of SHGs viz. the monitored groups and the unmonitored groups reveals that, monitoring has a positive impact on the overall performance of the SHGs. The benefits enjoyed by the monitored SHGs, based on observations made from the study are given below:

1. The Groups were motivated to give their best efforts in the activities they carry out.
2. They became more aware of what they do, because they were made to be responsible in their respective task.
3. They were given assurance for increased subsidies, loan amount and even seed money if they could improve their performance.
4. The weaknesses of the Groups are made known to the members, so remedial corrective actions could be initiated before it is too late.
5. Conflict and problems faced by the Groups internally or externally are resolved through monitoring.
6. Profitable and unprofitable sources are disclosed by reviewing the past experiences.
8. Investments made by the Groups are checked to make sure that they are used in the most appropriate manner.

9. The monitoring and follow up leads to correction, good advice and suggestions which are found to be more unbiased and acceptable to all the members of the Group.

These are some of the benefits of monitoring, as a result of all these advantages, the monitored Groups operate efficiently without much conflict as compared to the unmonitored Groups. Those SHGs which are deprived of this privilege seem to be passive in their approach to SHGs. They lack unity, cooperation, understanding, team spirit, and vision for the Groups. Eventually their inability to communicate properly with one another creates internal conflict resulting to loss of interest. Thus, they tend to get themselves detached from the main objectives of mutual help and self- help.

4.18 Impact of regulatory body:

While dwelling on the impact of the regulatory body on the SHGs, the existence of two types of SHGs has to be brought to light and they are:

1. The SHGs formed at the initiative of the members themselves and,
2. The SHGs formed under the Government Departments or the NGOs.

4.18. a: The SHGs formed at the initiative of the members themselves:

The SHGs formed earlier were the ones coming under SHGs formed at the initiatives of the members themselves. They were not promoted by any Government Departments or the NGOs. The formation was mainly to venture into some income generating activities as a Group by pooling together their resources. The ideas of forming themselves into Groups came about because the members were economically weak, poor and were not in a position to carry out activities at individual capacity.

Thus Groups were formed with mutual understanding among the members to undertake common activities for income realisation. The members composing the

Groups are generally from the same locality and have very good understanding among them. Rules and regulations are framed by the members which are friendly to the Groups, and they are revised as per the requirement. They come together anytime as and when the need arise. The Groups are not subjected to any authority; accept to be acting responsibly and dutifully to the Group. Their workings and functioning are very democratic; they can carry out their task at their convenient time as decided by the Groups.

The collective wisdom of the members and the spirit of trust are the two important ingredients that sustain the life of these SHGs. Total freedom and lack of strict rules are a threat to some of the SHGs because, members tend to conduct themselves in their own ways which at times, affects the interest of the Groups, yet, the Group members cannot take action against such individuals due to lack of proper rules and code of conducts. Some SHGs have to end up their relationship because they have the absolute authority to decide whether to continue or discontinue in the absence of any regulatory structure. Therefore it may be viewed that freedom having its own limitations are best seen in the SHGs.

4.18.b: The SHGs formed under the Government Departments or the NGOs:

On the other hand, the category of SHGs, which are formed under the initiative of the various Government Departments or the NGOs have different experiences with regard to regulations. It may be mentioned that, these SHGs come under some kind of supervision and monitoring. They are required to follow certain guidelines in the utilisation of fund, the maintenance of books and records, attend certain standards of performance to avail seed money from the promoting agents, required to conduct meetings and adopt resolutions on regular basis etc. Their

formations are through the assistance of the promoting agents, they are constantly under the supervision, training, meetings, and also appraisal. This enables the Group to become more systematic in their approach towards their task. Funds are better utilised because the improper utilisation of funds would amount to cancellation of their entitlements.

The members learn to become responsible and accountable under proper regulation in all that they do. Though many of the members are uneducated, they could learn the art of book keeping, account maintenance, and other register books. In most cases, proper regulation has brought about a positive impact in the life of the SHGs. In this regard, it could be mentioned that, the actual presence of the promoting agents for strict supervision does not arise. The normal practice is that, the promoting agents give proper information and guidelines to the SHGs during the formation. Subsequently, the SHGs are made to frame their own by-laws for themselves. This gives an opportunity to the Groups to adopt friendly rules which could be adhered to by the members, rather than to follow the rules laid down by others for them.

They are required to elect or select a leader among themselves to implement the rules and at the same time monitor the entire business of the Group. The leaders shall be responsible to represent the Group in federation or block meetings. They shall report the performance of the Group either to the federation, block or directly to the promoting agents as and when required to do so.

It may be mentioned that, under proper regulation, the Groups are compelled to conduct their activities on a regular basis with accountability. The members are bound by rules and not directly by the Group. Actions to be taken against any defaulting member is decided by the by-laws and not by the Group members instantly, thereby

preventing lots of personal rivalry even in the face of such circumstances. Biasness and other internal conflicts are reduced to a great extent in the Group because of the existence of the by-laws. The SHGs which comes under regulation stands a better chance to resolve problems within the Groups faster, better and easier. Regulations are suitable for those SHGs which have members from different backgrounds, locations and without much in-depth understanding of one another.

4.19 Mode of sale of products produced by SHGS:

One of the most important determinants of the success of SHGs lies on the sales of goods produced by the SHGs through engagement in various activities. While dwelling on the choices and the activities carried out by the SHGs, it is important to bring out the possibilities of marketing the products of the SHGs.

The different mode of sales of the goods produced by the SHGs in the three districts is discussed below. It is seen that sales are mostly on cash basis. Credit sales are also made by some SHGs who have close relationships with the buyers. The goods are sold in different manners, a) by selling it to middle man b) by selling it to the members of the groups and c) by taking the goods to the markets and selling it directly by the members or Groups.

Sold to middlemen: In this type of sales, the goods produced are directly taken over by middle men. The SHGs are relieved from worrying about the sales as they are assured cent percent reward for the goods produced. Thus, the SHGs could concentrate fully on production.

In case of goods produced by the Groups, the products are sold within the Group to its own members. In such cases where more than one member is interested in buying, the Group have to decide to whom it should be given. In case the Group is in

urgent need of money, the members who are able to pay the price of the goods are given the preference for buying.

It is found that despite inadequate marketing opportunities and infrastructure, majority of the SHGs prefer taking their goods to the market by themselves. They feel satisfied and motivated by taking the goods directly to the markets on their own. It may be mentioned here that, 105 SHGs forming 35% of the SHGs do not come under marketing of the goods produced. They are engaged in some other activities which do not necessarily require structured market for their activities. The following table could be provided to assess the marketing infrastructural facilities provided to the SHGs.

Table No.4.26: **Marketing infrastructural facilities in the three districts up to 31st**

March 2014:

Districts	Marketing shed provided	Marketing shed not provided	Total
Dimapur	21	54	75
Kohima	9	57	66
Peren	3	51	54
Total	33	162	195

(Source: From field study)

As indicated in the table above it is witnessed that, the marketing infrastructures are under developed. The SHGs have to create their own means to sell their products. Proper marketing complex or sheds are not provided to the SHGs. As per the finding the number of SHGs who have easy excess to market and were provided with marketing shed for the sale of their products comes to 33 SHGs (i.e

16.92%) out of the total of 195 SHGs who are dependent upon market for their business.

The remaining majority of the SHGs numbering to 162 (i.e. 83.08%) were deprived of any proper platform for selling their products. They have no permanent place to sit and sell their goods; as such they have to bring their goods to places where it could be seen by the people. Some of them have to make temporary make shifts along the national highways to get the attention of the commuters. It is a matter of serious concern that the goods produced with so much of labour and investment have to go waste on account of lack of market. Some of the serious problems faced by these SHGs are:

1. They have to bear high transportation cost in bringing and taking back the unsold goods from the markets or highways.
2. Goods which cannot be preserved for long have to be sold at low prices to avoid the risk of spoilage. This situation brings loss to the SHGs.
3. Goods cannot be brought to selling place on all weather conditions.
4. The number of hours which could be devoted to selling their goods is restricted to 5-6 hours a day.
5. The loss is not only because of the low price for their goods but it is also due to spoilage on transit.
6. Intending customers are not be able to locate the place of sales due to wide dispersal of sales locations, at the same time may not be able to stop any where as and when needed. This deprivation do not only affects the sellers from reaching out to the buyers but also causes problem to the intending buyers in the absence of proper permanent markets.

These problems are more commonly a phenomenon of the SHGs which are located in the far flung areas of the Districts. Distance and poor road connectivity remains to be the main barrier for the SHGs in marketing their products. However, the problem of marketing is not an exception even for those SHGs located in towns and well connected districts and villages. Having a closer look at the individual districts in this matter, the following outcomes are available.

In the case of Dimapur district out of the 75 SHGs depending directly on the market for the sale of their products, 21 SHGs claimed they were availed of marketing infrastructure by various Government Departments and 54 SHGs claim lack of such facilities. In the case of Kohima district out of the 66 SHGs depending on market for the sale of their products, nine SHGs are provided with marketing shed and the rest 57 SHGs manages on their own. Under Peren district out of 54 SHGs dependent on market, 3 SHGs are provided markets and the rest 53 SHGs take their products to different places for sale. Regardless of the poor marketing facilities a good number of SHGs could directly sell their goods through their own efforts. However, with better opportunities and exposure to markets the SHGs will do much better.

4.20: Institutional Support to SHGs:

The support programmes for the SHGs forms a very important part of the SHGs movement. Institutional support is a wide term which includes financial and non financial assistance to the SHGs by the promoting agent like; Banks, NGOs, Governments and the privates alike. The financial assistance are provided in terms of soft loans, grant as seed money, and financial reward to those SHGs who perform well. The non-monetary supports are provided to the SHGs by the promoting agents in the form of trainings, seminars, awareness programmes, monitoring and skill development

programmes. All these supports, financial or non-financial are very important in promoting and developing the SHGs. As presented in the previous chapter, it may be noted that out of the 300 SHGs, 202 SHGs (67.33%) are aided either by State Government Departments, Banks or by NGOs.

The number of SHGs provided with financial assistance by the State Government Departments in the three districts are 76 SHGs and the volume of fund being Rs. 35, 15,000. The number of SHGs assisted by different banks in the state comes to 80 SHGs and the amount was Rs.91, 95,900. The third source of financial assistance comes from the Non-Governmental Organisations. Here 46 SHGs were availed financial help by several NGOs in the state and the amount was Rs.7, 32,500. It could be mentioned that out of the total number of the SHGs aided by the three major promoters, 39.60 % of SHGs are assisted by banks, 37.62% of SHGs assisted by Government Departments and the remaining 19.80% of the SHGs are assisted by NGOs. A total of Rs.1, 34, 43,400 was granted to the 202 SHGs. The percentage contribution of the various sectors towards the SHGs as per the study is, 68.40% was granted by Banks, 26.15% was granted by State Government Departments and 5.45% was granted by the NGOs.

Monetary supports are not the only driving force for the SHGs to move along with their activities. The SHGs need constant support in the form of trainings, skill development programmes, awareness programmes, and motivations etc which are non-monetary in nature. In fact, it is the non-monetary supports which lead on the SHGs to continue their activities. Continuous support system was therefore found to be one of the most indispensable factors for enhancing the activities of the SHGs. The analyses

of the support system in the three districts are brought out in the following lines with the help of a table:

Table 4.27:

Number of SHGs attended training/ work shop/ seminar/ skill development programmes in a year as on 31st March 2014:

Districts	Number of SHGs who attended training/ seminar/ skill development/awareness programmes in a year				Total
	occasionally	2-3 times	3-4 times	More than 5 times	
Dimapur	14	27	22	16	79
Kohima	17	30	17	11	75
Peren	23	26	15	10	74
Total	54	83	54	37	228

(Source: From field study)

As presented in the table above, it is found that the number of SHGs who were imparted with trainings, seminar, skill development programmes and other awareness programmes in a year by the promoting institutions are inadequate. Out of 300 SHGs, 228 SHGs (76%) have attended some kind of trainings annually. The consolidated figure of the three districts gives the result that 72 SHGs (24%) have not attended any kind of trainings camps, 54 SHGs (18 %) have attended camps occasionally, which means they have either attended once in a year or once in two years, the period could not be ascertained accurately. There are 83 SHGs (27.67%) which received trainings at least 2-3 times a year. The number of SHGs with 3-4 times of training in a year is again 54 SHGs (18%). And those SHGs who have availed trainings for more than 5 times in a year come to 37 SHGs (12.33%). The three districts show a moderately similar result with regard to the number of SHGs attending

training during a year. The percentage of the SHGs who have not attended trainings and those that have attended trainings is in the ratio of 6:19. Thus from the study it is clear that many of the SHGs are imparted support by the various promoting agents in different frequencies. Taking this situation to assess the number of SHGs supported financially and SHGs supported non-financially, the SHGs supported non-financially is more by 28 SHGs.

Another aspect of non-financial support is 'monitoring' done by the various promoting agents, to check the performance of the SHGs and at the same time guides the SHGs to the desired direction. As per the data derived from the study it is found that, out of 300 SHGs under investigation, 236 SHGs (78.67%) are covered under monitoring by the various promoting agents.

4.21 Incentives to SHGs:

Incentives are what motivate the SHGs to perform well regardless of the presence of different situations which may or may not be favourable to the SHGs. Incentives are normally positive in nature which means, it is a reward conferred upon the SHGs for achieving certain standards or level of performance or for the purpose of achieving certain set-goals or objectives. Incentives act as a good facilitator for the SHGs to continue their activities in high spirit. The examination of the various incentives provided by the promoting agents like the State Government Departments and the NGOs in the three districts are discussed in the following lines.

1. The SHGs are provided with seed money after their formation and fulfilment of certain level of standard by the promoting Agents. The idea behind such incentives is to enable the SHGs to attend a certain degree of standard of performance. By providing these incentives the inefficient and sluggish SHGs are penalised.

2. Monetary rewards as well as non-monetary rewards such as recognition, acknowledgement, subsidies, goods and machine tools are also provided to the SHGs.
3. The SHGs with impressive performance are also given the opportunities of visiting other SHGs in other States for exposure trips. This enhances their thinking and broadens the horizon of activity of the SHGs.
4. Greater financial incentives are provided to those SHGs, which promptly executes their activities with accountability. Based on their performance their chances of incentive at greater standards are also fixed.
5. The SHGs are granted concessional entry tickets in trade expo/sales promotions and other platforms by different agencies in different capacities to enhance their production.
6. They are also provided with all necessary books, registers, and account books so as to encourage the SHGs to learn the art of book keeping.
7. Some of the agencies also provide different tools which are used by the SHGs for specific works free of cost and with 50% discount in some others.
8. Various plant sibilings, pesticides, insecticides, sprays, water cant, young ones of animals for rearing, etc are also provided to the SHGs free of cost.

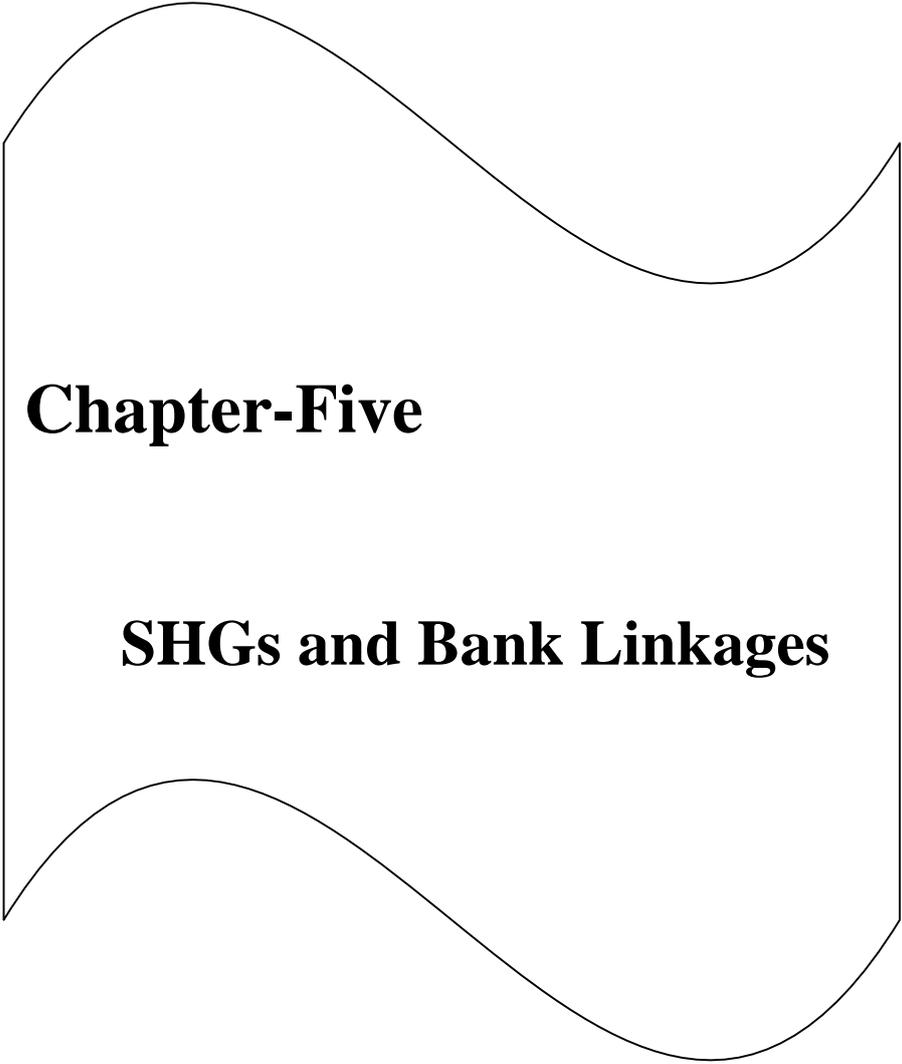
All these incentives are being provided by the promoting agents in order to encourage the SHGs to increase their efficiency and be self-dependent in income generation. However, it may be noted that, since all the SHGs are not formed officially under the government departments nor under the NGOs, incentive packages has its own limitation.

The operational analysis of the SHGs viewing from two aspects viz., the accounting aspect and the administrative aspects presents a blend of two types of the SHGs in the three districts. The accounting aspects of the SHGs are found to be inadequate and need substantial improvement by the SHGs. The mode of maintaining accounts needs to be upgraded from mere records keeping to professional accounting. The periodicity for reporting the accounts, needs to be done in shorter intervals rather than practicing the annual system of reporting. The SHGs are found making good investments in different sectors for income generation. It is also seen that the SHGs make prompt repayments of the loan taken from Banks. It may be mentioned that the number of SHGs that have availed Bank loans are limited to few SHGs; therefore it needs to be extended to more SHGs.

In the administrative aspect, the SHGs have made remarkable progress. It is found that meetings were conducted on regular monthly basis by most SHGs. Resolutions adopted are implemented effectively by the members through creative conditions on non-compliance by the SHGs. Leaders are provided adequate opportunity for building their leadership qualities by giving them reasonable leadership tenure. In organisations like the SHGs where members are less, every member gets the opportunity to be a leader and thus experience leadership task.

Reference:

1. Regional project implementation plan pp 21
2. Nagaland state Rural Livelihood Mission annual report 2012-13 pp1.



Chapter-Five

SHGs and Bank Linkages

Introduction:

In order to emphasis on the workings of SHGs, it is pertinent to throw some light on SHG- Bank linkage programme in the State. The SHG- Bank Linkage can provide an indicator to the volume of activities undertaken by the SHGs. For any kind of developmental activities to prosper and grow, it needs some kind of initiatives and growth oriented activities. This chapter deals with a special programme that has made an impact on the life of many hundreds and millions of people spread across the length and breadth of India. The programme has brought about a sea change in the social, economic, political life of the people. However, merged by success and failures stories, a wake-up call has to be made to strengthen the movement. The movement of the people called the 'Self Help Groups' movement which took shape in India in the 1980s have drawn the attention of millions of Indians, and is still in need of some sort of support from Financial institutions for its further growth and development. The success of SHGs depends on the financial support extended to the SHGs. Since the inception, the SHG-Bank Linkage Programme (SBLP) was spearheaded by the National Bank for Agriculture and Rural Development (NABARD), the apex Bank for Agriculture and Rural Development in the country.

This chapter focuses on the SHG- Bank Linkage programme in the State by drawing samples from the three districts. It highlights the Origin and evolution of SHG-Bank linkage programme in the Global, National and State level. Special emphasis has been made on the SHG-Bank Linkage Programme in the three districts. In this regard an attempt has been made to study the relationship between Banks and

SHGs in the State, the financial assistance given by Banks to the SHGs, the number of SHGs taken loan from Banks and having deposits with Banks.

The SHG–Bank Linkage Programme started as an Action Research Project in 1989 which was the offshoot of a NABARD initiative during 1987 through sanctioning of Rs. 10 lakh to Mysore Resettlement and Development Agency (MYRADA) as seed money assistance for experimenting Credit Management Groups. In the same year the Ministry of Rural Development provided ‘Professional Assistance for Development Action’ (PRADAN) which supported the establishment of Self-Help Groups in Rajasthan. The experiences of these early efforts led to the approval of a pilot project by NABARD in 1992. The pilot project was designed as a partnership model between three agencies, viz., the SHGs, Banks and NGOs. This was reviewed by a working group in 1995 that led to the evolution of a streamlined set of RBI approved guidelines to Banks to enable SHGs to open Bank accounts, based on a simple “interest” agreement.

This was coupled with a commitment by NABARD to provide refinance and promotional support to Banks for the SHG-Bank Linkage Programme. Initially there was a slow progress in the programme till 1999 as only few Banks were involved. The number of Self-Help Groups Bank Linkage Programme (SBLP) increased in the subsequent years; however, that was not enough because of the changing role of SHGs. The SHGs are no longer considered as mere Groups needing money but they are now considered as one of the best financial intermediaries effectively playing the role of micro financing.

In the light of this, the Central Government launch a pilot programme in 1992 to link 500 SHGs to the Banking system under the direct support of NABARD. The

SHGs has now become a major global microfinance champion with an outreach of nearly 7.5 million SHGs having saving accounts with Banks as on 31st March 2011 and nearly 4.8 million SHGs with outstanding loans from the banking system. ¹“From a pilot project, SBLP became a more mainstream programme with NABARD and a separate department-Micro-Credit Innovations Department (MCID) was established to manage and monitor the programme. Subsequently, more resources were assigned to the programme for capacity building, sensitization, exposure visits and module development among others. Some promotional cost was also subsequently allowed to NGOs for group formation. In the initial years, the progress was slow and sluggish, and only in the early years of this century did it pick up some steam. While it took almost 12 years for the first one million Groups to get linked to the Banks, it took less than 24 months to link the next one million. As on March 2011, with almost 5 million SHGs representing 70 million poor households and a Bank loan outstanding of ` 306 billion, it has over the last 20 years, become the largest programme in the world providing financial services to the poor....’

SHGs, Bank linkage Programme has tremendously made easy access to finance particularly, to the rural people in most of the southern parts of the country. As rightly pointed out by Ajay Tankha in his book “Banking on Self- Help Groups” (2012) as ²“there are concerns that SBLP has been confined mainly to the southern region of India and has not expanded uniformly to the resource-poor regions, though some eastern states are not picking up. Also, it is widely accepted that apart from the major Government programmes, funds for SHGs promotion are relatively scarce. Related to this is the question the quality of SHGs that have been promoted and their ability to

undertake the increasingly large number of responsibilities that are often thrust upon them. Besides, SHGs are now largely promoted under Government programmes for delivering credit with only a limited focus on savings. A major issue has been the effect of Government subsidies under the Swarnajayanti Gram Swarozgar Yojana (SGSY), the asset-based poverty alleviation programme, and interest subsidies provided by several State Governments in respect of SBLP.”

Thus, despite the fact that the SHGs in some part of the country are widely recognised as important source of financial intermediary and having good Bank linkage programmes, many parts of the country are yet to reach the status of States such as Andhra Pradesh. The State of Nagaland is yet to see the light of the day in this regard.

5.1 Origin and evolution of SHG- Bank linkages:

One of the important and fascinating traditional means of financial intermediation has been through the medium of different forms of financial Self-Help Groups or Mutual Aid Saving Associations (MASA) - the Rotating Savings and Credit Association (ROSCA), and its more evolved form, the Accumulating Savings and Credit Association (ASCA). These associations continue to be an important source of finance for people in rural and urban areas of developing Countries of South and South East Asia, Africa and Latin America and the Caribbean. In India too, such informal groups are found, though rather more in urban areas, particularly in South India in the forms of Chits or chit funds, and variously as nidhis, bishis or Shomitis in other areas such as Maharashtra, Gujarat, Assam and Uttar Pradesh. The prevalence of informal financial Self-Help Groups in rural areas is somewhat limited.

The involvement of the NGOs in various developmental arenas particularly in the sector of promoting SHGs during 1980s under different nomenclatures proved to be instrumental in the growth of SHGs. The NGOs like Bhagavatula Charitable Trust in Andhra Pradesh, Self Employed Women's Association (SEWA) in Gujarat, Centre for Youth and Social Development (CYSD), People's Rural Education Movement (PREM) in Odisha, the 'Rongmei Baptist Association Nagaland (RBAN), in Nagaland and the Development Association of Nagaland (DAN) in Nagaland played significant roles in women empowerment by forming informal groups and promoting savings in the form of cash and kind by women members.

Various village development groups were piloted by different NGOs in India at different time periods notably by MYRADA. Established in 1968, MYRADA is a Non-Governmental Organization working for micro-credit initiatives and sustainable development in Southern India. From 1968 to 1978, MYRADA concerned itself with the resettlement of 15,000 Tibetan Refugees with the Indian Government. After 1978, MYRADA shifted its focus to working with poor communities in rural India. Currently, MYRADA focuses its attention on the districts of Karnataka, Andhra Pradesh and Tamil Nadu through its 14 active projects. MYRADA focuses on the building of appropriate peoples' institutions rather than on the delivery of goods. Efforts are made to motivate the people to contribute money and time and to absorb the skills necessary to maintain these goods.

These Groups, through mutual consensus, worked towards providing access to credit to their members. The members were linked together by a degree of affinity based on relationships of trust and support; they were also often homogenous in terms of income or occupation. In 1987, they were renamed as Self-Help Groups.

MYRADA is not only concerned with savings but have diversified area of activities ranging from imparting trainings to rural volunteers in community health care, animal husbandry, forestry, literacy and other relevant areas who provide services in the project areas. MYRADA is now working directly with 75,000 families, approximately 8, 50,000 people.

Similarly in Maharashtra (and other State) under the Integrated Child Development Services (ICDS) programmes, Mahila Mandals were established by Government with the help of NGOs such as Chaitanya, which in turn look for new avenues for capacity building and promoting financial access of the group members. In 1987 an NGO call 'Professional Assistance for Development Action', which was working on a pilot project on the effectiveness of the Government's poverty alleviation programme in Rajasthan, introduced savings in groups that had been provided with a grant for fodder purchase to deal with drought conditions. In 1989, International Fund for Agricultural Development (IFAD) piloted the Tamil Nadu Women's Development Project in Dharmapuri District, based on an innovative idea that promoted an informal group-base system of lending and saving. After women paid contributions into a common account, they could access loans from local commercial Banks participating in the scheme. MYRADA and other NGOs participated in this process that contributed to the evolution of the formal linkage of Commercial Banks to these SHGs.

However, it was only in 1992 that NABARD, the apex Bank for Agriculture and Rural Development in India, formally set up a pilot project on the modalities for the linkage of SHGs to banks. It provided the framework for the operations of these groups as well as the training and capacity building support at all levels for

participating banks, the NGO promoters and the SHGs along with refinance support to the banks that lent to SHGs.

NABARD has been a major contributor in developing SHGs, particularly in the financial sector by being a role model to the SHGs in micro-credit programmes. NABARD has pioneered the SHG–Bank linkage model which positions the SHGs as financial intermediaries to enable the flow of bank loans to poor members without physical collateral. The SHG–Bank Linkage model as it has developed in India is now a major model of microcredit globally. It has evolved over a period of about 25 years since the first SHGs of MYRADA received NABARD support and 20 years since the launch of the pilot project for SHG–Bank Linkage.

The SHGs are seen as means of enabling the development of women, building their capacities for economic activity and their political and social empowerment. SHGs promoted by various NGOs—under different bilateral and multilateral projects— invariably have the empowerment of women as central to their development agenda. The promotion of SHGs has been directed to give priority to the poorer households and communities. Thus, wealth ranking, vulnerability mapping and other poverty targeting criteria have generally been a part of the process of SHG formation for NGOs. Alternately, attempts are made primarily to cover marginalized communities, tribals and scheduled caste groups. For Government agencies too, SHG promotion of people Below Poverty Line (BPL) is the central focus under the SGSY schemes. Income generation projects such as Swa-Shakti with objectives of economic empowerment and promoters such as, ICDS with women awareness, life skills and social issues, are part of a wider development agenda.

In several States, SHGs have been provided with revolving fund grants for their lending activities. They have also received handouts like television sets and gas connections. Further, several women SHGs or similar formations encouraged to undertake thrift activity have been set up under a range of sectoral projects, thereby incorporating a limited gender component in the project design. Commercial banks, Regional Rural Banks and Cooperative Banks too have been engaged in promotion of SHGs with their own staff or with the help of agents and volunteers. This is apart from the key role performed by them in linking SHGs to the financial system and in providing the loan component of the fundings for asset formation for individuals and groups through SHGs under the SGSY programme. The biggest thrust in SHG formation in recent years has been through the mega programmes of SHG promotion and support in several States such as Andhra Pradesh, Kerala, Bihar and Odisha. These programmes have attempted to use the SHGs as building blocks for a more comprehensive livelihoods strategy that goes beyond financial intermediation.

A large proportion of SHGs have been brought together in federations at Village, Village cluster, Block and higher levels. A recent study (Salomo et al., 2010) quoting July 2010 estimated by APMAS indicates that the number of SHG federations in the country is 163,852. Out of these, 158,166 are at primary-level federations and the rest are at secondary and tertiary level federations. The purpose of these federations has been to strengthen the Groups and their members in their negotiations with external agencies, in their efforts to realize better market access and bargaining power so as to facilitate the withdrawal of the promoting NGOs.

Evolution of SHG- Bank Linkage:

Since the introduction of SHGs movement in India way back in the 1980s, the SHGs were constantly challenged by a number of obstacles. The most daring among all the obstacles is the financial need which decides the continuity of the SHGs. It under went through many trials and at the same time has taken many different forms. The SHGs are still in the evolving stage and is yet to have its proper form particularly in terms of Bank-Linkages. The Central Government in trying to promote Cooperatives to help provide credit to the farmers, small traders and the rural sections of the society introduced a number of schemes; however it could not come out with any tangible solution. Rather it turned out to be a case of overlooking at the real issues. The nationalization of 14 major commercial banks in 1969 was with the thrust towards social banking, and in fact there was a major expansion of commercial rural and semi-urban bank branches. This was done with the objective of improving access of poorer households to financial services. Regional Rural Banks (RRBs) were also set up in 1975 at low-cost institutions with the intention to serve the poorer sections of society. However, bankers were not convinced that the poor were bankable and that lending to the poor could be a viable activity.

Then poverty alleviation programmes, like that of the Integrated Rural Development Programme (IRDP) was started in 1980, to support asset creation at the household level for BPL families through subsidy-cum-bank loans, but it was implemented with little enthusiasm by bankers. Weaknesses in the design of the IRDP led to mis-targeting and the clients of RRBs were to be those families with income somewhat less than half the levels represented by extremely low recoveries over the

years, being exacerbated by political decisions to waive loan repayments. This left banks with unpaid loans and losses in their IRDP portfolio.

NABARD, which was formed particularly for addressing the credit needs of farmers, had the task of finding ways and means to strengthen the credit delivery system to the unbanked poor and bring about improvement in recoveries of loans given under rural credit programmes. It piloted two types of innovations for this purpose. The first, with the help of the International Development Association (IDA) of the World Bank group, was to strengthen the rural bank branches to reach and serve their clients in far-flung villages. This was undertaken by helping to improve their mobility and logistical support through provision of motorcycles to Rural Bank managers. Complementary to this was another small programme called Vikas Volunteer Vahini (VVV) which was aimed at spreading awareness of credit among rural borrowers, sensitizing bankers to their needs, addressing the problem of poor repayment of bank loans and creating, through 'friends of banks clubs', a bridge between the bankers and the poor clients. Thus, NABARD collaborated with many other international agencies like the Canadian International Development Agency (CIDA), and funded action research in 1987 into CMGs formed by the Bangalore-based NGO, MYRADA. It also got the assistance of the Germans, the Asia-Pacific Rural and Agricultural Credit Association (APRACA).

The SHG-Bank Linkage Programme was finally launched by NABARD in 1992, with the policy support of the Reserve Bank of India (RBI), the Central Bank of the country. The programme has been designed and nurtured by NABARD for over 15 years. The pilot phase was followed by the setting up of a Working Group on NGOs

and SHGs by the RBI in 1994 which came out with wide ranging recommendations on SHG-Bank Linkage as a potential innovation in the area of banking with the poor.

The programme was mainstreamed with Commercial and Cooperative banks in 1996. The main objective of the programme has been financial inclusion by extending outreach to poor households in rural areas, making available credit services at their door step with easy and self engaged access to formal financial services on a sustainable basis and in a cost effective manner.

5.2 Progress of SHG-Bank Linkage Programme in India.

During the last decade, India has recorded a tremendous growth of SHGs. The geographical spread of the movement has also been quite impressive from an essentially Andhra Pradesh–Karnataka phenomenon in the beginning, now it has spread to even the most remote corners of India. Over 97 million poor rural households are now part of this world’s largest micro Credit initiative. Unlike similar experiments in other developing countries, the SHG-BLP lay emphasis on regular savings by the members with the savings corpus being used to lend among themselves as and when the need arise, later linked the Groups with banks for availing credit. The poor in the Country have demonstrated that in spite of being poor, they are, perhaps, the most “Bankable” clients and the most willing to help each other for a better tomorrow. In this regard, it may be recalled that as on 31st March 2011, the SHGs saving linked with banks amounted to 74.62 Lakhs, of which 60.98 lakhs are exclusively women SHGs and 20.23 lakhs are under SGSY SHGs.

³ “During the same period, the figure of credit linked SHGs stood at 11.96 lakhs of which 10.17 were exclusively women SHGs and 2.41 lakhs comes under SGSY SHGs. The total number of SHGs having loan outstanding as on 31st March

2011 is 47.87 lakhs, out of which 39.83 lakhs are by the women SHGs and the rest 12.86 lakhs are under SGSY SHGs". The savings amount of the SHGS, as per the NABARD reports of March 2011 is Rs.7016.30 crore, of which Rs.5298.64 crore are the savings of the women SHGs and Rs.1817.12 crore are the savings under SGSY SHGs. The amount of loans disbursed to the SHGs during this period amounted to Rs.12622.33 crore towards the women SHGs and Rs.2480. 37 crore to the SGSY SHGs. The total amount of loan outstanding against SHGs as on 31st March 2011 is Rs.26,123.75 crore to the women SHGs and Rs.7829. 38 crore against the SGSY SHGs. The Average loan amount outstanding per SHGs during this period is recorded at Rs. 65,223 and the amount outstanding per member is Rs. 5017.

State wise outreach of SHGs:

The state wise number of SHGs with saving bank accounts in the banks is given in the table below as on 31st March 2011:

Table No.5.1

State-wise SHG- Bank linkage Programme:

State/ UT	Number of SHGs	% in total
Andhra Pradesh	1466225	19.65
Tamil Nadu	943098	12.64
Maharashtra	760161	10.19
West Bengal	666314	8.93
Karnataka	564545	7.57
Odissa	52,1152	6.98
Kerala	493347	6.61
Uttar Pradesh	470157	6.30
Bihar	248197	3.33
Assam	245120	3.28
Rajasthan	233793	3.13
Gujarat	192834	2.58
Madhya Pradesh	153817	2.06
Chhattisgarh	118167	1.58
Jharkhand	87205	1.17
Himachal Pradesh	53113	0.71
Uttarakhand	44295	0.59
Punjab	40919	0.55
Haryana	35319	0.47
Tripura	34312	0.46
Pondicherry	22081	0.30
Manipur	10306	0.14
Meghalaya	10653	0.14
Nagaland	9866	0.13
Goa	7926	0.11
Arunachal Pradesh	7079	0.09
Jammu & Kashmir	5569	0.07
A & N Islands (UT)	4750	0.06
Mizoram	4592	0.06
New Delhi	3095	0.04
Sikkim	2811	0.04
Chandigarh	964	0.01
Lakshadweep	164	0.00
Total	7461946	100.00

(Source: Status of Microfinance in India 2010-11, A NABARD publication)

The following table (6.2) would further show the progress of SHGs-Bank Linkage programme from the time NABARD launched SHG-Bank Linkage Programme in 1992 till 2010. In this regard it may be noted that the SHGs linkage

programme has come a long way since 1992 passing through different stages. The period from 1992 up to 1995 could be brought under the experimenting stage, from 1995-1998 the stage of mainstreaming of the programme, from 1998 onwards the expansion stage and finally emerging as the biggest micro-finance programme in terms of outreach. During these periods 69.5 lakhs SHGs were linked to saving and 48.5 lakh SHGs were credit Linked. By 31st March 2010 loan distribution by the NABARD was recorded at Rs. 53596.81 crores.

This has enabled an estimated 9.7 crore poor households in the country to gain access to micro-finance facilities from the formal banking system. An important feature of this programme is its popularity among women. Over 90 percent of SHGs comprised of only women members (NABARD, 2010).

Table no. 5.2: **SHGs Bank Linkage programme in India:**

(Amount in Rs. crores)

Year (ended 31 st march)	Number of SHGs	Growth %	Cumulative No.SHGs Linked	Bank loan	Growth %	Cumulative bank loan
1992-93 0.29	255	-	255	0.29	-	0.29
1993-94	365	43.1	620	0.36	24.1	0.65
1994-95	1502	311.5	2122	1.79	397.0	2.44
1995-96	2635	75.4	4757	3.62	102.0	6.06
1996-97	3841	45.8	8598	5.78	60.0	11.84
1997-98	5719	48.9	14317	11.92	106.0	23.76
1998-99	18678	226.6	32995	33.31	140.0	57.07
1999-00	81780	337.8	114775	135.91	238.0	192.98
2000-01	149050	82.0	263825	287.89	112.0	480.87
2001-02	197653	33.0	461478	545.47	89.0	1026.34
2002-03	255882	29.0	717360	1022.34	87.0	2048.67
2003-04	361731	41.0	1089091	1855.53	81.0	3904.20
2004-05	539365	49.0	1618456	2994.25	62.0	56898.46
2005-06	620109	15.0	2238565	4499.09	50.0	11397.55
2006-07	684408	10.4	2924973	6643.19	47.7	18040.74
2007-08	2084821	204.5	5009794	8849.26	33.2	26890.00
2008-09	1111353	46.7	6121147	12253.51	38.5	39143.51
-						
2009-10	832103	25.1	6953250	14453.30	18.0	53596.81

(Source: NABARD report 2010)

It is clear from the table that in 1992, 255 SHGs were given bank loan on a pilot project programme. There after the number of SHGs getting bank linkage was found increasing every subsequent year. By the period 1998-99 there was a substantial growth in the number of SHGs Bank linkage so, this period is in the expansion phase. In fact, the number of SHGs linked with the programme has continuously increased year after year reaching a record number of 20.8 lakhs during 2007-08. As a result, cumulative number of SHGs stood at 69.5 lakhs by March 31, 2010. Similarly, the amount of bank loans disbursed increased from a meagre amount of Rs.0.29 crores in 1992-93 to Rs. 14453.30 crore during 2009-10, leading to a cumulative disbursement of Rs.53596.80 crores by March 31, 2010.

Various studies revealed that on time repayment of SHG loans to banks was over 90 percent. This sharp increase in the number of SHGs linked with banks and loans disbursed and recovery rate of over 90 percent reveals the success and acceptance of micro-credit programme among the rural people and its sustainability.

The overall progress under SHG-Bank Linkage for the last 3 years could be presented in the table below:

Table 5.3: SHG-Bank Linkage for last 3 years (2010-2013)

Particulars		2010-11		2011-12		2012-13	
		No. of SHGs (lakhs)	Amount Rs. in crores	No. of SHGs (lakhs)	Amount Rs. in crores	No. of SHGs (lakhs)	Amount Rs. in Crores
SHGs Savings With Bank As on 31 st March 2013	Total SHGs	74.62 (7.3%)	7016.30 (13.2%)	79.60 (6.7%)	6551.41 (-6.7%)	73.18 (-8.1%)	8217.25 (25.4%)
	Of which SGSY Groups	20.23 (19.4%)	1817.12 (40.6%)	21.23 (5.0%)	1395.25 (-23.2%)	20.47 (-3.6%)	1821.65 (30.6%)
	% of SGSY Groups to Total	27.1	25.9	26.7	21.3	28.0	22.2
	All Women SHGs	60.98 (14.8%)	5298.65 (17.8%)	62.99 (3.3%)	5104.33 (-3.7%)	59.38 (-5.7%)	6514.86 (27.6%)
	% of Women Groups to Total	81.7	75.5	79.1	77.9	81.1	79.3
Loans Disbursed to SHGs during the year	Total SHGs	11.96 (-24.6%)	14547.73 (0.01%)	11.48 (-4%)	16534.77 (13.7%)	12.20 (6.3%)	20585.36 (24.5%)
	Of which SGSY Groups	2.41 (-9.9%)	2480.37 (12.8%)	2.10 (-12.9%)	2643.56 (6.6%)	1.81 (-13.8%)	2207.47 (-16.5%)
	% of SGSY Groups to Total	20.1	17.0	18.3	16.0	14.8	10.7
	All Women SHGs	10.17 (-21.4%)	12622.33 (1.6%)	9.23 (-9.2%)	14132.02 (12.0%)	10.37 (12.4%)	17854.31 (26.3%)
	% of Women Groups to Total	85	86.8	80.4	85.5	85.1	86.7

Loans Outstanding against SHGs as on 31 March	Total SHGs	47.87 (-1.3%)	31221.17 (11.4%)	43.54 (-9.0%)	36340.00 (16.4%)	44.51 (2.2%)	39375.30 (8.4%)
	Of which SGSY Groups	12.86 (3.4%)	7829.39 (25.2%)	12.16 (-5.4%)	8054.83 (2.9%)	11.93 (-1.9%)	8597.09 (6.7%)
	% of SGSY Groups to Total	26.9	25.1	27.9	22.2	26.8	21.8
	All Women SHGs	39.84 (2.2)	26123.75 (13.4%)	36.49 (-8.4%)	30465.28 (16.6%)	37.57 (2.9%)	32840.04 (7.8%)
	% of Women Groups to Total	83.2	83.7	83.8	83.8	84.4	83.3

(Source: NABARD status of micro-finance in India; 2012-13)

Observation of the table shows that since the time SHG-Bank linkage programme was launched in 1992, for the first time a decline in the number of SHGs savings linked with banks were experienced in 2013 with 8.1%, though the savings harnessed by the SHGs grew by 25.4%. The reason for decline can be attributed to banks reporting only operative savings accounts of SHGs and the gradual phasing out of the SGSY scheme of Government of India.

The percentage of SGSY SHGs savings were 27.1 in 2010-11, and it was increased to 28% in 2012-13, which shows a very marginal improvement. While the percentage of Women SHGs from the total is recorded at 81.7 % in 2010-11, this was further reduced to 79.1% in 2011-12, and by 2012-13 it showed an increased figure of 81.1%. The amount of loan distributed to the SHGs during these period shows different results, during 2010-11 the loan disbursement by the Banks was decreased by 24.6%, the percentage of decline was however improved during 2011-12 by bringing it down to 4%. It was during 2012-13 period that a mark improvement was made by

increasing the loan disbursement to 6.3%, the actual number of SHGs figuring at 12, 20,000 and the amount being Rs. 20585.36 crores. The growth of the loan outstanding of SHGs with banks (8.4%) as per 31st March 2013 is almost four times the growth in the number of SHGs having outstanding loans with bank (2.2%). This is more prominent in SGSY SHGs which recorded a decline in SHGs with outstanding loan (1.9%), but recorded a 6.7% in the loan outstanding over the previous year.

The position of funding SHGs in India by various agencies, particularly the Banks could be presented in the table below as per NABARDs Report for the year 2012-13. Progress under Microfinance- savings of SHGs with Banks:

Agency- wise position as on 31st March 2013:

Table 5.4: Position of funding SHGs in India by various agencies,

Sl.no.	Name of the agency	Total savings of the SHGs With the banks as on 31 st march 2013		Out of total –under SGSY		Out of total- exclusive women SHGs	
		No. of SHGs	Savings in Rs. (Lakhs)	No. of SHGs	Savings in Rs. (Lakhs)	No. of SHGs	Savings in Rs. (Lakhs)
1	Commercial Banks.	4076986	553257.05	1098312	107404.11	3367566	444160.47
2	Regional Rural Banks	2038008	152710.20	758306	61018.71	1683036	128054.08
3	Cooperative Banks	1202557	115758.22	191193	13742.29	887917	79272.43
	Total	7317551	821725.47	2047811	182165.11	5938519	651486.98

(Source: NABARDs Report for the year 2012-13)

The major source of SHGs savings are broadly condensed into these three sectors; viz. the Commercial banks, the Regional Rural Banks and the Cooperative Banks. Here the number of SHGs savings in the Commercial Banks account for

55.72% of SHGs with a total volume of 67.33%. The Savings in the RRB accounts for 27.85% of the SHGs with a total volume of 18.58% and the Cooperative Banks have 16.43% of the SHGs with a volume of 14.09%. The amount of loans disbursed to the SHGs by these three sectors along with the bank loan outstanding against the SHGs could also be shown in the table given below;

Progress under Microfinance-Bank loan disbursed to SHGs:

Agency-wise position as on 31st March 2013:

Table no 5.5: Loans disbursed to the SHGs agency wise as on 31st March 2013:

Sl. no.	Name of the agency	Loan Disbursed to SHGs by Banks as on 31 st march 2013		Out of total –under SGSY		Out of total- Exclusive women SHGs	
		No. of SHGs	Loans disbursed Rs. in (Lakhs)	No. of SHGs	Loans disbursed Rs. in (Lakhs)	No. of SHGs	Loans disbursed Rs. in (Lakhs)
1	Commercial Banks.	735577	1338500.70	88594	107261.40	633234	1148398.30
2	Regional Rural Banks	312010	562652.22	58890	73536.00	273835	519987.39
3	Cooperative Banks	172234	157383.52	33688	39949.75	130333	117045.34
	Total	1219821	2058536.44	181172	220747.16	1037402	1785431.03

(Source: NABARDs Report for the year 2012-13)

It is observed from the table that, during the period 31st March 2013, the total amount of loans disbursed by banks amounted to Rs. 2058536.44 lakhs to 12,19,821 SHGs in the Country. Out of the total number of SHGs 60.30% of the SHGs obtained 65.02% of the total amount of loans from the commercial banks. The Regional Rural Banks provided loans to 25.58% of the total number of SHGs amounting to 27.33% of the total amount of loans. The Cooperative Banks on the other hand provided loans to 14.12 % of the SHGs to the tune of 7.65 % of the total loans extended by banks. In this

regards it is imperative to cite that out of the total number of SHGs provided loans by the banks 14.85% of the SHGs belong to the SGSY scheme availing 10.72% of the total loans. The SHGs exclusively run by the women accounted for 85.05% of the total of SHGs capturing 86.73% of the total loans disbursed by the banks during this period.

With much sensitising to the banks, on the need of granting loans to the SHGs, the banks over the years were seen increasingly extending loans to SHGs. However, due to delay in repayment and non- repayment in some few cases by the SHGs, some banks have to cut off their links with the SHGs. The number of SHGs and the amount outstanding against them can be brought out in the Table below:

Progress under Microfinance-Bank loan outstanding against SHGs:

Agency-wise position as on 31st March 2013:

Table no 5.6: SHGs and the amount outstanding against them as on 31st March 2013

Sl.no.	Name of the agency	Total outstanding bank loans against SHGs as on 31 st march 2013		Out of total –under SGSY		Out of total- exclusive women SHGs	
		No. of SHGs	Loan outstanding in Rs. (Lakhs)	No. of SHGs	Loan outstanding in Rs. (Lakhs)	No. of SHGs	Loan outstanding in Rs. (Lakhs)
1	Commercial Banks.	2643971	2663944.38	641867	483300.14	2247717	2224398.25
2	Regional Rural Banks	1327367	1052122.91	460817	306837.35	1145086	908473.35
3	Cooperative Banks	480096	221462.43	90567	69571.06	364438	151132.89
	Total	4451434	3937529.72	1193251	859708.55	3757241	3284004.49

(Source: NABARDs Report for the year 2012-13)

The analysis of the table shows the following results; that as on 31st March 2013, there were a total of 44, 51,434 SHGs against whom loans are outstanding to the

tune of Rs.39, 37,529.72 lakhs. Out of this 26, 43,971 SHGs are from the Commercial Banks with loan value of Rs.26, 63,944.38 lakhs. The Regional Rural Banks on the other hand has 13, 27,367 SHGs with the loan value of Rs. 1052122.91, and the remaining 4, 80, 096 are from the Cooperative Banks with an amount of Rs.2, 21,462.43 lakhs.

5.3 SHG-Bank Linkage Programme in Nagaland

The concept of SHGs itself is of a recent origin. The State of Nagaland introduced Self-Help Group programme as an innovative and dynamic anti- poverty programme in 1999-2000. It was launched under the centrally sponsored scheme called Swarnjayanti Gram Swarozgar Yojana (SGSY). However, it could be mentioned that SHGs were already in existence before its official launching, formed by some NGOs. The State Rural Development Department takes the lead role in promoting and assisting the SHGs since its inception. It has been catering to the needs of the SHGs in many different ways.

Sensitising the people especially the rural women on the usefulness of forming SHGs, imparting trainings on record maintaining, account keeping, register maintenance and so on and also providing seed money to the SHGs are the main activities carried out by the members from the Government Departments. The other Governmental machineries simultaneously involved in forming and promoting the SHGs, with lots of similar activities like the ones carried out by the RD Department are: the Agriculture Department Government of Nagaland, Horticulture Department, Land Resources Department, Women Development Department etc.

All these Departments provide different assistance to the SHGs in the form of direct cash and in kind by providing with seeds, saplings, trainings, pesticides, tractors,

weeding machines, monitoring and continuous assessments of the SHGs in the State etc. The efforts of the Non-Governmental Organisations in this regard have to be also acknowledged richly. Regardless of the status of origin, whether formed under the initiatives of civil society, Individuals, Church, or the NGOs, the promotion of the SHGs to the greatest extent possible with all care and concern is the need of the hour.

The State is now in its 14th year since the formal launching of SHGs. Despite the fact that many SHGs are already in existence touching almost all the villages, towns and semi-towns of the State, the soundness of these existing SHGs are a matter of concern. Most of the SHGs are formed during the period 2005-2014, and are still in the stage in of their infancy even in their functioning. The State has a total of 24 major banking companies operating in different capacities with 146 branches in total.

The major Banks with the branches are: State Bank of India-61 branches, ICICI bank Ltd-5 branches, Axis bank-4 branches, Allahabad Bank-13 branches, Bank of Baroda-5 branches, Vijaya Bank-5 branches, Central Bank of India- 4 branches, HDFC bank Ltd. - 3 branches, IDBI bank Ltd.-3 branches, UCO bank- 3 branches, Bank of India-2 branches, Federal Bank Ltd.-2 branches, United Bank of India- 2 branches, world Bank -2 branches, Bank of Maharashtra -2 branches, Punjab and Sind Bank -2 branches, Nagaland Rural Bank- 10 branches, Nagaland State Cooperative Bank- 21 branches and the others with one branch each; Canara Bank, Indian Bank, Indusind Bank Ltd., Punjab National Bank, Indian Bank, South Indian Bank, Syndicate Bank, Industrial Bank, and Union Bank of India. The distribution of banks district wise can be presented below.

Table No. 5.7: Distribution of Banks in Nagaland, District wise, as on 31st march 2013.

District	No. of banks.	District	No. of banks.
Dimapur	47	7. Peren	4
Kiphire	3	8. Phek	8
Kohima	32	9. Tuensang	8
Longleng	1	10. wokha	11
Mokokchung	19	11. Zunheboto	7
Mon	6	Total	146

(Source: Directorate of Economics and Statistics Government of Nagaland)

Figures from the table clearly show the uneven distribution of the banks and its branches in the State. The degree of variation is very wide. The districts with double digit figures in order of their strength are; Dimapur has the highest concentration of banks with 47 (32.19%) branches followed by Kohima district with 32 (21.91%) branches, Mokokchung district comes in the third place with 19 (13.01%) bank branches and Wokha district in the fourth place in the ranking with 11(7.53%) branches.

The other seven districts have Banks branches below 10 among them Longleng has the minimum with just one bank in the district. The lion's share of banks is concentrated in the district of Dimapur and Kohima district with 54.11% of the banks. The remaining 45.89 % of the banks are distributed in the 9 districts at varying ratio. Taking into consideration the three districts Dimapur, Kohima and Peren districts the percentage of the presence of banks are; 56.63%, 38.55% and 4.82% respectively.

It may be cited that, Peren district experienced the minimum benefit from Banks as the number of Banks are limited. The district of Dimapur shows a different experience with regard to SHGs and Bank linkage programme. The total amount of loan given out by various Banks to the SHGs as on 31st March 2013, in the State could be presented in the following table. However before that it must be highlighted that out of the 24 banking companies with 146 branches, operating in the state, only a few are engaged in providing loans to the SHGs. The details of public sector commercial banks having SHG-Bank Linkage programme in Nagaland can be presented in the table below:

Table no: 5.8: **Loan disbursed by Public Commercial Bank to SHGs during the period 31st March 2013:**

Sl. No	Name of the banks	Total loans disbursed during the year to SHGs		Out of total-loan disbursed SHGs under SGSY		Out of total- loan disbursed to exclusively women SHGs	
		No. of SHGs	Amount of loan disbursed in lakhs	No. of SHGs	Amount of loan disbursed in lakhs	No. of SHGs	Amount loan disbursed in lakhs
1.	Allahabad Bank	11	5.99	11	5.99	11	5.99
2.	Bank of Baroda	40	17.12	34	14.55	17	13.55
3.	Bank of India	0	0.00	0	0.00	0	0.00
4.	Central Bank of India	9	2.45	9	2.45	9	2.45
5.	IDBI Bank	0	0.00	0	0.00	0	0.00
6.	Indian Bank	2	1.10	0	0.00	2	1.10
7.	Punjab and Sind Bank	0	0.00	0	0.00	0	0.00
8.	State Bank of India	202	359.00	119	110.00	181	318.00
9.	Syndicate Bank	1	0.30	1	0.30	1	0.30
10.	UCO Bank	15	4.81	15	4.81	15	4.81
11.	Vijaya Bank	1	1.90	1	1.90	0	0.00
	Total	281	392.67	190	140	236	346.00

(Source: Status of Microfinance in India, NABARD taking India forward 2012-13)

During the period 31st March 2013 the total number of loan beneficiaries from the ten commercial banks were 281 SHGs with a total amount of Rs.3, 92.67000.The State Bank of India, the first and the oldest bank in the State takes the lead role in extending loans to the SHGs. It plays a vital role in leading all other Public

Commercial Banks in the loan disbursement to SHGs with a record of 71.89% of the total number of SHGs and 91.91% in term of the volume of loan advanced. The contributions of the other banks are comparatively low in terms of the number of SHGs as well as in terms of the volume of loan granted. In this regard the role of the other private commercial banks could also be brought to light in the table given below:

Table no. 5.9: Loan disbursed by Private Commercial Bank to SHGs during the period 31st March 2013:

Sl. No.	Name of the banks	Total loans disbursed during the year to SHGs		Out of total-loan disbursed SHGs under SGSY		Out of total- loan disbursed to exclusively women SHGs	
		No. of SHG	Amount of loan disbursed in lakhs	No. of SHGs	Amount of loan disbursed in lakhs	No. of SHGs	Amount of loan disbursed in lakhs
1.	Axis Bank	1	1.15	1	1.15	1	1.15
2.	ICICI Bank	0	0	0	0	0	0
	Total	1	1.15	1	1.15	1	1.15

(Source: Status of Microfinance in India, NABARD taking India forward 2012-13)

The two private Commercial Banks operating in the State has not really created much impact on the SHGs in terms of linkage Programme. The loans extended by the two Banks are negligibly low.

Apart from this, Nagaland State Cooperative Bank has also disbursed loan amounting to Rs.4, 94, 23,000 to the 443 SHGs during the same period. Out of this Rs. 3, 42, 00,000 were given to the 277 women SHGs. Further it may also be stated that the State Regional Rural Bank also provided loan to the SHGs. The volume of

loan disbursed by Regional Rural Bank during the period 31st March 2013 is Rs. 86, 30,000 to 71 SHGs which were exclusively undertaken by the women SHGs. Though, the loan volume and the SHGs covered by bank loan facilities are comparatively low, it may be cited that, some progress has been made in this field during the recent years.

Looking at the brighter side of SHGs–Bank Linkage Programme through this table, it may be said that, those few SHGs provided with loans expressed gratefulness to the banks for financial assistance at low rates of interests. Over the years they have learned the art of saving to a great extent. They have matured from mere household managers to that of creative investors and experts in banking transactions. The SHGs have their Group as well as personal accounts opened in different banks. They not only obtained loans from banks for their activities but they are also concerned about their savings.

The presence of a number of Public Commercial Banks, Private Commercial Banks, Regional Rural Banks and the State Cooperative Banks enables the members of SHGs to have smooth transactions of their accounts. The numbers of SHGs savings as well as the amount of savings have increased tremendously during the past few years. The pattern of savings in different banks during the period 31st March 2013 can be presented categorically in the form of a table given below:

Table no. 5.10:

Savings of SHGs with public sector commercial banks as on 31st March 2013:

Sl. No.	Name of the banks	Details of SHGs savings			Out of total-SHG under SGSY			Out of total- SHG exclusively by women		
		No. of SHG	No. of members	Amount saved in lakhs	No. of SHG	No. of Members	Amount saved in lakhs	No. of SHGs	No. of Members	Amount saved in lakhs
1.	Allahabad Bank	85	886	12.00	85	886	12.00	76	793	10.95
2.	Bank of Baroda	151	1510	13.51	74	740	13.51	50	280	4.50
3.	Bank of India	0	0	0.00	0	0	0.00	0	0	0.00
4.	Central Bank of India	151	1541	4.00	106	1090	3.00	106	967	3.00
5.	IDBI Bank	7	70	3.02	0	0	0	6	60	2.77
6.	Indian Bank	31	527	0.90	0	0	0	31	527	0.90
7.	Punjab and Sind Bank	0	0	0.00	0	0	0	0	0	0.00
8.	State Bank of India	2621	23589	110.00	1626	14634	37.00	2371	21339	86.00
9.	Syndicate Bank	14	165	0.25	5	50	0.07	5	50	0.07
10.	UCO Bank	127	1270	3.26	30	300	1.66	32	320	2.84
11.	Vijaya Bank	30	356	0.42	23	219	0.37	17	185	0.26
	Total	3217	29,914	147.36	1949	17919	67.61	2694	24521	111.29

(Source: Status of Microfinance in India, NABARD taking India forward 2012-13)

The analysis of the table reveals that out the total number of SHGs in the state having their savings in the different public commercial banks. It is seen that, ten out of

the eleven commercial banks listed above, are actively in the linkage programme. The number of SHGs having their savings in the ten banks in descending order is;

1) 2,621 SHGs (81.47%) in the State Bank of India with a saving amount of Rs.110 lakhs. Out of 2,621 SHGs 1,626, SHGs were under the SGSY scheme. And the number of SHGs exclusively under women SHGs comes to 2,371, SHGs.

2) 151 SHGs (4.69%) in the Bank of Baroda with a saving value of Rs.13.51 Lakhs. In this case 74 SHGs are under the SGSY scheme and 50 SHGs are exclusively under women SHGs.

3) Another 151 SHGs (4.69%) are having their savings in Central Bank of India to the tune of Rs.4 lakhs. In this category 106 SHGs are found coming under the SGSY scheme and the SHGs exclusively under women comes to 106.

4) 127 SHGs (3.95%) in UCO bank, with saving value of Rs.3.26 lakhs. under this category the number of SHGs under the SGSY comes to 30 SHGs and those under the exclusive women SHGs comes to 32.

5) The savings in Allahabad Bank by 85 (2.64%) SHGs come to Rs. 12 lakhs. Here all the 85 SHGs are under SGSY and out of the 85 SHGs, 76 SHGs are exclusively under the women SHGs.

6) The savings in Indian Bank by 31 SHGs (.96%) comes to Rs.90, 000. All the 31 SHGs are under exclusively under the women SHGs.

7) Savings in Vijaya Bank by 30 SHGs (.93%) amounts to Rs.42,000. 23 SHGs are found to be coming under the old Scheme of SGSY and the exclusive SHGs under women comes to 17 SHGs.

8) 14 SHGs (.44%) have their savings in Syndicate Bank with the saving value amounting to Rs. 25, 000. 5 SHGs are under the SGSY and another 5 SHGs comes under women SHGs.

9) Finally 7 SHGs (.22%) maintains their savings in IDBI, the value of the savings amounting to Rs.3.02 lakhs. Out of the 7 SHGs 6 are under the women SHGs.

Thus, the total amount of saving made by these SHGs as on 31st March 2013 is Rs.1, 47, 36,000. In this regard it may be mentioned that, the SBI is in absolute dominating position with a total of 2621 (81.47%) SHGs and a saving amount of Rs.11000000 (74.68%). The remaining 596 SHGs constituting 18.53% of the SHGs are having their savings in the other nine public commercial banks with an amount of Rs.37.36 lakhs. Further, the number of SHGs having linkages with the other private sector commercial banks is also seen from the following table.

Table 5.11: Savings of SHGs with Private sector commercial banks as on 31st March 2013:

Sl. No.	Name of the banks	Details of SHGs savings			Out of total-SHG under SGSY			Out of total- SHG exclusively by women		
		No. of SHG	No.of members	Amount saved in lakhs	No. of SHGs	No. of Members	Amount saved in lakhs	No. of SHGs	No. of Members	Amount saved in lakhs
1.	Axis Bank	1	15	0.00	1	15	0.00	1	15	0.00
2.	ICICI Bank	1	12	0.00	0	0	0.00	1	12	0.00
	Total	2	27	0.00	1	15	0.00	2	27	0.00

(Source: Status of Microfinance in India, NABARD taking India forward 2012-13)

Unlike the public sector commercial banks, the SHG-Bank linkage with the private sector commercial banks are very limited. In the private sector commercial banks, the Axis Bank and ICICI Banks are the two banks found having linkage with the SHGs in two ways as loan giver and recipient of savings. The savings in the State

Cooperative banks during these periods were very impressive. A total of 4,513 SHGs having 38,932 members saved an amount of Rs.25, 26,000. Out of these 2,800 SHGs were exclusively women SHGs with 25,000 members and the savings being Rs.16, 42, 000. With the increase in loan facilities, the amount of saving by the SHGs also increased. Therefore it could be mentioned that the relationship between loans and savings are complementary. The improvement in one could bring improvement in the other, and vice versa.

5.4 SHGs and Bank Linkage Programme in Dimapur, Kohima and Peren District of Nagaland:

The relationship between SHGs and Banks are almost becoming indispensable in the modern day economic activities for sustenance and prosperity. The necessity for creating better SHG-Bank linkage programmes arises because of the changing role of the SHGs. The fact is that, the SHGs no longer can be considered as mere groups formed for their own welfare but are becoming social assets. They need to be funded through proper channels so as to promote their activities at greater level for inclusive growth through balance distribution of resources. With the expansion of the SHGs in terms of activities and in number, investment in various undertakings demands for greater proportion.

The progress and smooth running of the SHGs can no longer be in the absence of support from the Banks. The constant inputs required for carrying out various activities through investment in raw materials, labour, transportation or other expenses require good amount of funds. The most potential source of obtaining fund is from Banks; therefore building a good relationship between SHG and Banks becomes a necessity. Thus, since the inception of the SHGs, it could be mentioned that some kind

of assistance were extended to the groups by different promoting agents, but without much help from the Banks. The SHGs-Banks linkage programmes in the three districts are at different stages.

Given the availability of Banks, the response of the Banks to the SHGs as well as the reactions of the SHGs to the banks in repaying the loan have certainly created different atmosphere in the linkage programme in the three districts. The experiences and the progress of Bank-linkage programmes could be brought out for the three districts through the following table:

Table No. 5.12: Cross Tab Analysis: - SHGs Bank-Linkage programme in the three districts as per the case study:

Name of the Bank	Kohima		Peren		Dimapur		Total in Rs.
	Amount in Rs.	No. of SHGs	Amount in Rs.	No. of SHGs	Amount in Rs.	No. of SHGs	
State bank of India	9,15,000	16	10,90,000	14	27,35,000	16	47,40,000
Nagaland State Cooperative bank	1,33,900	5	nil	nil	32,70,000	11	34,03,900
Nagaland Rural Bank	nil	nil	nil	nil	600,000	3	600,000
Vijaya Bank	70,000	3	nil	Nil	50,000	1	1,20,000
UBI	nil	nil	nil	Nil	3,50,000	3	350,000
Baroda	50,000	1	Nil	Nil	nil	nil	50,000
Total	11,68,900		10,90,000		70,05,000		92,63,900
Total		25		14		34	73

(Source: From field study)

Observation of the table shows that, out of 24 banking, companies with 146 branches operating in the State only few of them are directly involved in extending loans to the SHGs. The present figures are based on intensive study done on 300 SHGs

drawing 100 SHGs from each district. During the study it was found that six banks viz; State Bank of India, UBI, Vijaya Bank, Bank of Baroda, Nagaland State Cooperative Bank and the Nagaland State Rural Banks have extended loans amounting to a total of Rs.92,63, 900 to 73 SHGs . The amount of loan as well as the number of SHGs availing loans district wise shows the following findings:

- 1). Dimapur district has 34 SHGs out of 100 SHGs availing loan from five banks amounting to Rs.70, 05,000.
2. Kohima district has 25 SHGs out of 100 SHGs with the loans from four banks amounting to Rs. 11, 68,900.
3. The district of Peren on the other hand has 14 SHGs with loan facilities from the State Bank of India which amounts to Rs.10, 90,000.

The volume of bank loans granted to different districts differs widely. The district of Dimapur without the slightest of doubts, registered the highest in the number of SHGs (34 out of 100) availing loan and also the loan value amounting to 75.62% of the total. The availability of banks, awareness of the people about bank loan facilities, the knowledge and ability of the SHGs in applying for loans etc. are some of the good reasons for Dimapur district having a marked difference from Kohima and Peren.

On the other hand, the examination of the loan volume and the number of SHGs benefiting from the banks in the case of Kohima shows a different experience. Out of the presence of 32 banking institutions, the total loan granted to 25 SHGs amounted to Rs.11, 68,900. It may be seen that the percentage of the number of SHGs in Dimapur and Kohima district are 47%: 34% respectively but the degree of difference in the loan volume comes to 76% and 13% respectively. These differences in the number as well as the loan volume suggest that, the relationship between the

number of SHGs availing loans and the volume of loans are not dependent upon the number of Banks.

Further, the district of Peren brings out a different picture of the SHGs–Bank linkage programme. The district of Peren has four bank branches consisting of three SBI branches and one State Cooperative Bank. The entire loan availed by 14 SHGs comes from the three SBI branches which amounts to Rs.10, 90,000. The percentage ratio of difference of the loan volume of Kohima and Peren districts are 13%: 12 %. However the percentage ratio of the difference between the numbers of SHGs provided with loan facilities comes to 34%: 19%. From this table it could be said that the number of Banks in the districts have less to do with the volume of loans.

The SHGs and banks are therefore required to build trust and confidence. Looking at the overall SHGs under study, it is very disheartening to find that only 73 SHGs forming 24.33% of the total SHGs are actively linked to the Banks. The remaining SHGs numbering 227, which is 75.67% of the SHGs are yet to come within the linkage programme. These SHGs manages the affairs of their activities from their regular collections and in some cases through financial assistance granted as seed money by the promoting agents.

5.5 Saving pattern of the SHGs: under Dimapur, Kohima and Peren districts:

The art of saving is a great virtue which has to be put into practice by every individual for effective utilisation of the income earned and for the generation of purposeful investments. The SHGs are encouraged to make regular savings no matter how insignificant the amount could be. It is the saving culture of the members that makes them become dependent on one-self. One of the guidelines of the SHGs is also to have regular savings which could be weekly, monthly, half-yearly or even

annually. Regardless of the periodicity and the amount, the SHGs go for compulsory savings. The SHGs whether formed voluntarily by themselves or formed under Government departments or NGOs, share one thing in common and that is regular monthly savings, with few exceptional cases here and there. A table in this regard could be presented for better analysis on the pattern of saving in the three districts during the period 2000-2014.

Table No. 5.13. Savings of the SHGs under Dimapur, Kohima and Peren districts during the period 2000 to 2014.

Sl. No.	Range of Amounts in Rs.	No. of SHGs with regular monthly saving in the three districts			Total
		Peren	Kohima	Dimapur	
1	50-100	59	34	21	124
2	101-150	15	17	26	58
3	151-200	1			1
4	201-250	2	2		4
5	251-300		2		2
6	301-350		4	1	5
7	351-400				
8	401-450				
9	451-500				
10	501-550	1		3	4
11	551-600				
12	601-650				
13	651-700			1	1
14	Above 700		5	8	13
15	Total	78	64	60	202

(Source: From field study)

The review of the regular monthly savings of the SHGs as presented in the table shows that out of the 300 SHGs examined, 202 SHGs are found having regular monthly savings. The percentage of SHGs with regular monthly savings against those that does not save on regular basis any specific amount is 67.33% and 32.67% respectively. The 32.67% of SHGs who does not have specific monthly savings carry out different activities to raise fund for the Group. They jointly carry out some activities like conducting sales day, does field works and any other work that is available and that which can be done by the Group. There is no fixed timing for engaging in such works. They work depending upon the availability and convenience of the members. On the other hand, majority of the SHGs forming 67.33% regularly save certain agreed amounts. The amounts to be collected from the members are decided by the members, depending upon the ability and willingness of all the members in the group. To have an in-depth knowledge of the exact number of SHGs with specific amounts of savings, the ranges of the amounts are set-up.

The analysis of the table reveals that, the number of SHGs with regular saving in between Rs. 50-100 comes to 124 SHGs, which is 61.39%. This indicates that majority of the SHGs are still having low monthly incomes. The SHGs whose savings are in the range of Rs. 101-150 comes to 58 SHGs which is 28.71% of the total of SHGs having regular savings. It may also be mentioned that, 13 SHGs which forms 6.44% of the SHGs saves in the range beyond Rs.700 per month. It is observed that in some exceptional cases the savings are found to be ranging from Rs.1000 to Rs. 2500 per month. These are the few SHGs which do exceptionally well in their activities.

The examination of the saving pattern district wise presents interesting results worth highlighting. Maximum regular savings are found under Peren District; with 78

SHGs (38.61%) out of this, 59 SHG's savings are in the range of Rs. 50-100. The highest saving amount under Peren district is in the range of Rs.450-500 per month. In the case of Kohima district, it is observed that 64 SHGs (31.68%) are in the regular saving category with 34 SHGs saving in the range of Rs.50-100 and the highest saving amount is beyond Rs.650, where 5 SHGs are in this category. Under Dimapur district the total number of SHGs having regular savings comes to 60 (29.70%) out of these, the number of SHGs saving in the range of Rs.50-100 is 21 and 26 SHGs in the range of Rs.101-150. It may be further mentioned that Dimapur district has the highest number of SHGs with 8 SHGs whose savings are beyond Rs.700 per month. In terms of financial soundness, Dimapur seems to be slightly better than the districts of Peren and Kohima.

The good thing about SHGs is the practice of saving habits. It makes the members learn the value of saving small amounts. As seen, out of the 202 SHGs in the saving scheme, 124 Self Help Group's saving amounts are in the minimum range i.e. Rs.50-100. It is learned that, the best measure to be adopted to avoid non-payment of the regular savings is to keep the amount of collection low. By doing so, the Groups provide opportunities to all its members with different economic backgrounds to make their contributions easy.

The SBLP in Nagaland started since the launching of the movement in 1999-2000. There was progress made in the relationship between the two but at a slow rate. The limited number of Banks and its branches spread across the State is one direct factor leading to slow growth rate. The other factor is the lack of proper policy for creating security measures in the linkage programme. It is witness from the three sample districts that, the number of SHGs availing bank loans and having deposit in

banks are limited to few SHGs. In order to bring maximum number of SHGs within the linkage programme adequate measures have to be adopted by the promoting Agents as well as Banks.

Regular compulsory savings are necessitated for raising Group fund which shall be further use by the SHGs for internal lending purposes.

5.6 NABARD- Refinance Scheme to SHGs:

The National Bank for Agriculture and Rural Development (NABARD) has been playing a pro-active role in expanding its scope to extensively cover crucial activities in the field of Agriculture and Rural sectors of the Country. To quote Harsh Kumar Bhanwala who says “NABARD has successfully anchored its varied roles as a development agency, an institution supporting infrastructure and financial development including microfinance and playing the role of a policy making body”. It may be commented that, NABARD has been tirelessly working towards addressing the financial requirements of landless farmers, entrepreneurs and rural unemployed women in the Country.

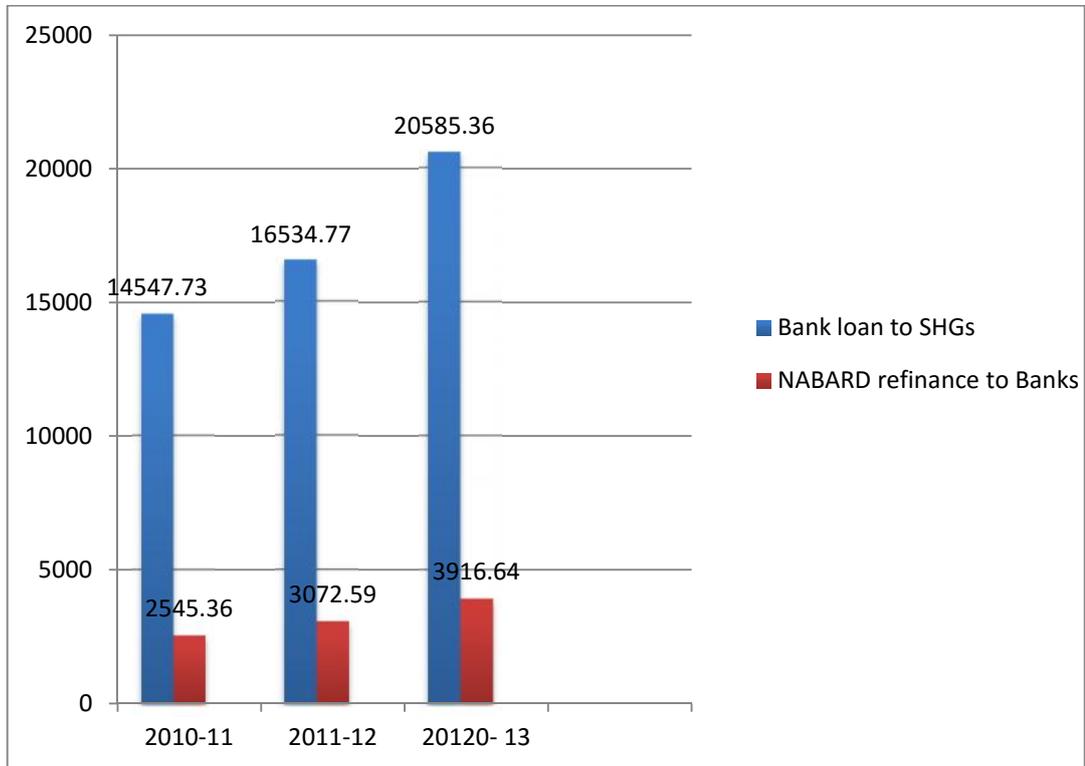
A large number of seminars, workshops and training programmes were organised to create awareness about the microfinance programme among all the stakeholders – the bankers, Government agencies, NGO partners, Panchayati Raj Institutions and more importantly the SHG members themselves. The NGOs which played the key role of organising and nurturing the SHGs as the Self Help Promoting Institutions – later joined by many others including the rural financial institutions, Farmers’ Clubs, SHG Federations, etc. -were encouraged with training and promotional grant assistance by NABARD for SHG promotion.

NABARD has been extending 100% refinance to banks for their lending to SHGs since the SHG-BLP was launched. Initially, this was intended at concessional rates to encourage the banks to actively participate in the Programme. As the banks gained confidence in lending to SHGs and realised the business potential in extending microcredit through SHGs, they have been deploying their own funds. SHGs had been instrumental in bringing in more business for financing banks by way of a credible client base and as promoter of rural banking. They also helped in extending other financial services like housing, insurance, etc. The gap between the total loans issued by banks to SHGs and the refinance extended by NABARD for such loans started widening.

The refinance support from NABARD, however, continues to supplement the resources for the lending institutions. During 2012-13, NABARD extended refinance to the extent of Rs.3,917 crore against Rs. 3,073 crore disbursed during the previous year. Cumulative disbursement of refinance by NABARD for SHG lending now stands at Rs. 22,396 crore. The following figure is presented in view of the above observation.

Figure no. 5. 13.a : **Bank loans to SHGs and NABARD Refinance to banks**

(` in crore)



(Source: NABARD Status of microfinance 2012-13)

As shown in the figure above, the amount of bank loan to the SHGs did improved remarkably during the year 2013 from Rs.16534.77 crore in 2012 to Rs. 20585.36 crore. Region-wise disbursement of refinance by NABARD during the period 2010-11 to 2013-14 is presented in the table below.

Table No. 5.14: **Region-wise Disbursement of Refinance: (Amount in ` crore)**

Agency	2010-11			2012-13			2013-14		
	Target	Disbursed	% share	Target	Disbursed	% share	Target	Disbursed	% share
*Northern	2,928	2426.37	15.70	3302	3172.83	17.95	3216	4411.75	20.53
*North Eastern	258	232.86	1.50	320	190.75	1.08	211	171.71	0.80
*Eastern	1415	1783.53	11.60	1716	1663.47	9.41	1494	1833.15	8.53
*Central	1927	1867.05	12.10	2216	1254.81	7.10	1789	1804.03	8.40
*Western	1598	1671.16	10.80	1791	2385.48	13.50	1890	3058.84	14.24
*Southern	6869	7440.73	48.30	7645	9006.95	50.96	8390	10206.69	47.50
Total	14995	15421.70	100%	16990	17674.29	100%	16990	21486.17	100%

(Source: NABARD annual report 2013-14)

*Northern: Haryana, Himachal Pradesh, Punjab, Rajasthan, Jammu & Kashmir, Delhi and Chandigarh

*North Eastern: Assam, Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Tripura and Sikkim

*Eastern: Bihar, Jharkhand, Orissa, West Bengal and Andaman & Nicobar Islands

*Central: Madhya Pradesh, Chhattisgarh, Uttar Pradesh and Uttarakhand

*Western: Gujarat, Goa, Maharashtra, Dadra & Nagar Haveli and Daman & Diu

*Southern: Andhra Pradesh, Karnataka, Kerala, Tamil Nadu, Pondicherry and Lakshadweep Islands.

The analysis of the table shows that the North Eastern region comprising of eight States receives the minimum amount of refinance from NABARD during the period from 2010-11 to 2013-14. The percentage share of the north eastern region during these periods showed consistent decline from 1.50% during 2010-11 to 1.08% during 2011-12, and 0.80% during 2013-14. Contrasting to North Eastern Regions' minimum percentage share of refinance from NABARD is the Southern Region consisting of six States that receives the maximum percentage share. The other Regions range in between these two extreme percentage shares.

The North Eastern Region with hilly terrain, unevenly distributed industries, high rate of unemployment and political instability stands in need of maximum assistance and help from various funding agencies for infrastructural development, and employment. The SHGs which offers self employment opportunities to the unemployed section of society requires adequate credit facilities for achieving its goal. NABARD as an Institution spearheading rural development and microfinance programme in the Country could be look upon for extending greater assistance to the SHGs in this region of the Country.

As a measure of to speed up the process of SHG-BLP in India, NABARD has carried out a number of extension programmes during the year 2012-13. The following chart shows the various NABARD intervention programme initiated during the period 2012-13.



(Source: NABARD Status of microfinance 2012-13)

It is worth mentioning NABARD's Strategic focus on SHG-BLP. For this NABARD's five year plan for the period 2013-17 is presented below.

1. All eligible poor rural households in the country to be covered through SHG-BLP by March 2017.
2. Resource poor states of Uttar Pradesh, Bihar, Chhattisgarh, Jharkhand, Madhya Pradesh, Rajasthan, Maharashtra, Odisha, Assam and West Bengal to be the focus

areas for promotional interventions under SHG-BLP during the next four years. Emphasis would be in 127 districts⁴ from these resource poor States where less than fifty percent of the potential for promotion of SHGs have been exploited, of which 33 districts are already covered under Women SHG Development Scheme.

3. Promotion of Women SHGs in 150 Left Wing Extremism affected and backward districts of the country to be speeded up to cover every rural household in the identified districts within the next two years.

4. In all, it is expected that about 20 lakhs new SHGs are to be promoted and linked to the banks during this period.

5. Convergence with Government Programmes like National Rural Livelihood Mission (NRLM) to maximise benefits to the SHG members.

6. Strategic shift from State / District-based planning for SHG-BLP to Block-based planning, to address the issue of intra-district imbalances in promotion of SHGs.

7. Special schemes to revive dormant SHGs through effective capacity building and hand holding support.

8. Initiate additional financial literacy drive at the SHG level to eliminate over indebtedness at the member-level, especially in high SHG density States.

9. Focus on convergence of SHG-BLP and Financial Inclusion (FI) initiatives.

10. Priority to shift from promotion of SHGs to provide livelihood opportunities to the SHG members in a calibrated manner through skill building, production optimisation, value chain facilitation and market linkage.

11. Community based organizations to be encouraged as the nodal points for promoting livelihood activities of members of SHGs.

12. ICT based interventions at primary level (SHGs), promoting institutional level (SHPIs) and at National level.

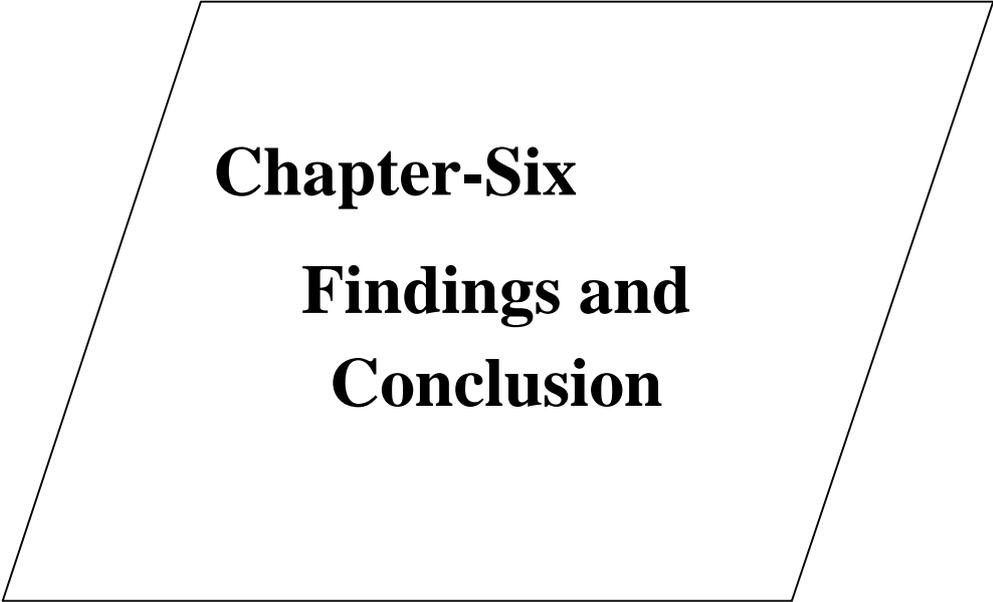
Promotional grants by NABARD:

NABARD also grant huge financial assistance as promotional grant to various sectors like the Women SHGs, Development Fund, Rural Promotion Fund for various micro finance related activities such as training and capacity building of stakeholders, livelihood promotion, documentation, awareness and innovations, etc. Support to partner agencies/SHPIs NABARD continued to extend support to NGOs, RRBs, CCBs, Farmers' Clubs and Individual Rural Volunteers (IRVs) for promoting and nurturing SHGs. An amount of Rs. 51.39 crore was granted for these purpose during 2013-14.

The introduction of “SHG-BLP” a highly flexible financial service structure has made the lives of poor rural people much easier. It has to some extent stabilised their irregular income flow and increase their income. It enables the conduct of frequent transactions both for allocating small contractual saving amounts and for borrowing for a variety of self chosen purposes at irregular intervals from the common fund. It allows deposit facilities at the bank and at the Group level that enables conduct of frequent saving transactions both individually and on Group saving accounts. This also shapes the introduction of a basic element of an informal insurance sector with gradual access to the formal insurance sector.

Reference:

1. Vipin Sharma CEO ACCESS Development Services.
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Chapter-Six

Findings and Conclusion

Introduction:

The SHG, movement in Nagaland is as old as 14 years since its formal launching in 1999-2000. It may however, be mentioned that prior to this period, SHGs were already in existence, being introduced by some NGOs in the State but without much notice. The movement though fast spreading and convincingly aiding in poverty alleviation, still stands in need of better guidelines, policies, and drastic sensitising mechanism for its existence.

The Government in order to solve this menace introduced a scheme called 'Self- Help Group' which was initiated by National Bank for Agriculture and Rural Development (NABARD) in 1986-87. This was introduced as a mechanism to wage a direct war against poverty and to bring about an innovative and dynamic anti-poverty programme. The introduction of Self-Help Group programme was with a clear vision to address poverty in the State. The programme was well received by the people with enthusiasm. The faith and trust on this programme as a means to become self-dependent in terms of economic needs as well as social recognition brought about a change in the lives of the people. The formation of this type of voluntary associations in rural and tribal inhabited areas particularly by the women folk, created awareness as to how they could exploit the available resources. It also enabled them to invest their savings, and make them become more conscious of their health care and wellbeing of the family.

The best thing about SHGs movement is that, it brought about enlightenment to the unemployed section of the society. The beauty of SHG is the absence of rigid rules and regulations in their functioning. It provides them a wonderful platform to share their views, experiences and also groom their personality,

which is a real asset for the members. Their self-consciousness and understanding of the concept of “No reward without work” is their greatest motivator. In SHG organisations, the members need not possess special skills, knowledge, qualification or expertise. What is required are commitment and the spirit to work hard for their own good and for the good of the Groups. The Group treats every member equally and gives equal opportunities, privileges and rights. The other noteworthy point of SHGs is that, they could carry out their activities at their convenient time and without much interference from any section of the people. Generally, their functioning is simple and easy, and do not require any special talent or training.

Self Help Groups have a very simple approach of improving the economic status of the members. Its primary concern is to let the Group members help one another to be self-dependent in terms of financial needs. For this, a simple group approach is adopted. It is believed that, the Groups have huge potentiality to solve common problems and difficulties through collective wisdom. Self Help Groups by engaging in various activities fit itself into areas which are neglected by the industrialist and State Government. In doing so, the SHG’s become strong partners to the State or Nation in solving many economic problems. The economic health of the Nation or State is not judged by the existence of few rich, but by the overall economic conditions of the State or Nation. Thus, to make the State economically sound, the participation of SHG’s become eminent. The contribution to the economic development of the State comes from the primary, secondary and tertiary sectors. In this regard, it could be said that the SHGs are in a better position to enhance the growth of all the three sectors, particularly the primary sector in the case of Nagaland.

It may be noted that, the SHGs engaged in primary economic activities accounts for 181 SHGs, out of the sample study of 300 SHGs (i.e. 60%), of this Peren district has 75 SHGs, Kohima has 68 SHGs, and Dimapur has 38 SHGs. As for the involvement in Secondary Sector, the number of SHGs are 68 (i.e. 22.67%), of this Dimapur district has 34 SHGs, Kohima has 21 and Peren has 13 SHGs. The number of SHGs in the Tertiary Sector is 51 SHGs (i.e. 17%), of this Dimapur district has the highest representation with 28 SHGs, followed by Peren with 12 and Kohima 11 SHGs.

Thus, it is observed that, the SHGs has been contributing to the economic growth of the State by actively participating in income generating activities , which promotes their own livelihood, simultaneously strengthening the State's economic growth.

Summary of finding:

The following findings from the study are briefly summarised in below:

Formation of the SHGs:

The SHGs existing in the State are formed by the State Government Departments, the NGOs as well as by the Group members themselves. There are various State Government Departments that promotes SHGs. The most significant Departments being the Rural Development Department (RDD) under the scheme call SGSY (i.e. from 1999-2000 till 2012). During these periods the SGSY's main function was on the formation of the SHGs without any consideration on monitoring and follow-up programmes. A new scheme was introduced to replace SGSY and it is called the National Rural Livelihood Mission (NRLM) by the Central Government.

The State of Nagaland subsequently introduced the new scheme under the nomenclature 'Nagaland State Rural Livelihood Mission' (NSRLM). The NSRLM is designed to restructure the SGSY scheme by introducing into it new policies of governing the SHGs giving importance to systematic follow ups and monitoring.

The trend of growth of the SHGs in the three districts presents different characteristics. The district of Dimapur shows a steady growth in the number of SHGs during the period 2000-2010. However, the figure of growth showed a slow trend during the period 2010 and the subsequent years. In the case of Kohima district growth rate was impressively good during the period 2000, however, during 2002-2004 growth rate was stagnant. Thus, the growth was marked by high fluctuations throughout the period from 2005-2014.

The district of Peren presents a different scenario of the growth pattern of SHGs. During the period 2000, the growth rate in the number of SHGs was slow but in the subsequent years there was increased in the rate of growth. The highest growth percentage was during the period 2013-14.

SHGs and Employment:

The introduction of SHGs scheme is to organise the unemployed members of the society into groups to assist them in getting self employment through creative yet effective means. The employment status of the members involved in SHGs improved drastically after becoming members of the SHG. This was found out from the views expressed by the respondents as mentioned below. Out of the 300 sample SHGs with 3664 members, 235 SHGs with 3040 members constituting 78.33% of the SHGs are exclusively engaged in SHGs. The SHGs carry out wide ranging activities from agricultural activities to lives stock rearing to other small scale business of weaving

clothes, making meat pickles and a lot more. They are mentioned in the following lines:

Agricultural activities includes; growing ginger, leek, passion fruit, yam, tomato, tree tomato, potato, chilli, banana plantation, terraced rice cultivation, Soya bean, turmeric, black pepper, pineapples, spring onion , Naga Garlic, pumpkins.

-Weaving shawls, mekhalas, bags, and other traditional attires of different Naga tribes, woollen shoes, woollen carpet making, stitching jute bags, candle making, artificial flower making.

-Piggery farms, poultry, cattle, goats, bee keeping, rearing hornets.

-Meat pickle making, sticky rice roti, chana, dry meat pickles, chutney,

-washing powders, banana chips, potato chips, food preservation,

-Floriculture, Horticulture, Vegetables

-Handicrafts, Handloom, Black smith.

-Small enterprises, Retail business in various products also buying and reselling vegetables those coming from villages in the daily local markets.

-collecting fire woods and selling them to villagers, towns and individuals, wild fruits collection and processing like wild apple, nuts, wild leaves.

Advances internal loans as well as external loans to trusted individuals and realises interest out of it.

Involvement of Women Entrepreneurs in the management of SHGs:

Out of the 300 sample SHGs drawn from the three districts in equal proportion of 100 each, 291 SHGs are exclusively managed by women with 3,421 members and 9 SHGs are exclusively formed by men with 154 members. There are 19 SHGs jointly owned by both the genders and the number of male in these SHGs is 89. The total

number of male involved in SHGs accounts for 243 out of 3664 members. Thus the percentage of the female against men as per this study is 93.37%: 6.63%.

SHGs and Economic status of women:

The economic status of women improved immensely after joining the SHG. It was found that, 136 SHGs forming 45.33 % of the total number of SHGs claimed to have made improvement in their economic position. They could rely on the SHGs activities for fulfilling their basic needs. Their dependency on their husband/other family members reduced. They became economically independent at the same time they were able to reduce the burden of the other family members through their earnings. Ninety one SHGs which form 30.33 percent of the total of the SHGs made their claims that their status in terms of earning and income has become 'Much Better' after their joining the SHGs. They proudly claim that much of what they needed for themselves, for their children and the family could be managed through their income derived from SHGs activities. The other 57 SHGs mentioned that, they could solely depend on SHGs for all their economic needs. They are of the feeling that their economic status has become 'Very stable' after joining SHGs. Amidst all praises and honour for the SHGs in improving the economic status of women, the SHGs could not be considered a perfect solution in enhancing the economic status of all women involved in the SHGs. As per the data 16 SHGs forming 5.33 percent of the total of the SHGs reveals that, their involvement in SHGs did not improved their economic status.

SHGs and Social Status:

The social status of the members after joining SHGs showed a marked improvement. The number of SHG's which registered their consent of having made improvement in their social status either to some extent or reasonably good or to a very good extent constitutes 96% of the total SHGs. The remaining 4% of the SHGs expressed lack of improvement in their social status. It may be mentioned that out of the 96 % expressing positive change being brought about by their participation in the SHG, 57 % of the SHGs are in the category of having made 'improvement to some extent', 27% falls in the category of 'improved very much' and 12% of the SHGs in the category of 'reasonably good'.

Recording of Transactions by the SHGs:

For the smooth conduct of their affairs, the SHGs maintain certain financial records which are at different stages of proficiency. Some of the common accounts are the financial account, profit and loss accounts, income and expenditure accounts, and receipt and payment accounts. Without any exception all the SHGs keep record of their transactions in one form or the other. Some Groups keep accounts as per the directions of the promoting agents and some others on their own free will. Besides account keeping the SHGs conduct regular meetings, the period of which differs from group to group. Penalties in the form of fines are imposed on the absentees.

Income generation by SHGs:

The SHGs through various means generates revenue for sustenance. The main sources of revenue to the SHGs are primarily from the sale of the goods produced or manufactured, interest from loans, and income from unskilled labour works earned by the Groups. The SHGs which generates revenue through sale of their produce

constitute the maximum with 213 SHGs (71%). The second source of revenue is from interest on loans granted by the SHGs to their own members or other reliable borrowers. This source of revenue was sought by 46 SHGs (15.33%) from the three districts. The third common mode of realising revenue comes from the common wages earned by the members of the SHGs, through engagement in some sort of Group activities. The Groups collectively decide the date and the activity to be carried out so as to raise fund for the Group. Altogether 41 SHGs (13.67%) are engaged in mode of generating revenue.

The annual earnings of the SHGs from three different sectors viz: Service / Supply sector, Production/Manufacturing sector, and from Retail business expressed in monetary terms are found to be Rs. 12,35,000, Rs. 25,50,000, Rs. 14,40,000 respectively during the period under study. These earnings are indicative of showing the functioning of SHGs in the sample districts. It is found that, the highest income generating source is from the Production/Manufacturing sector, its share is 48.80%. The percentage income from the Services or Supply and the Retail business are 23.64% and 27.56% respectively

SHGs and Bank linkage:

The SHGs bank linkage programmes are still in the developing stage. Many of the SHGs are still out of the coverage range in this regard. There are a number of factors that affects the SHGs-Bank linkage programme in the State. The prominent factors are like the unequal distribution of Banks in the districts of the State, lack of support mechanism from the promoting agents and the State Government, the ignorance of banking procedures by the SHG members.

The Banks are not in a position to extend loans to the SHGs due to lack of security and trust on the SHGs with regard to repayment. The SHGs at the same time find difficult to make investments in the Banks without generating fund. Applying for Bank loan requires good working knowledge as it involves lots of formalities. The members of SHGs who are ignorant of the procedures of applying for loan are not able to get any financial assistant from the Banks. They have to depend on the VDB secretaries for all filing works and thus, their chances of getting Bank loans are at the mercy of the VDB secretaries' assistance.

As per the study the number of SHGs having Bank linkages comes to 73 SHGs out of the 300 SHGs investigated. Thus the percentage of the SHGs with Bank linkage comes to 24.33%. This sector still remain on to be slow in the State for reasons like: limited number of Banks and its branches, lack of proper policies and support programmes from the various promoting agencies, insincerity of the SHGs in repayments, etc.

Policy constraints:

The SHGs over the years have been experiencing policy constraints in several ways like in the formation, administration, and functioning of the Groups. The fact that, SHGs are formed under different agencies with different opportunities but with similar objectives, have brought in an element of diversification of policy. The SHGs formed under the North East Livelihood Project for instance have its own objectives, policies and procedures of forming the SHGs.

The objectives of the SHGs under the NERLP are very broad as it covers all sections of the society. Some of its objectives may be provided below: ¹“Create sustainable community institution around Women Self- Help Groups, Youth Groups of

men and women and Community Development Groups, build capacity of community institutions for self governance, bottom up planning, democratic functioning with transparency and accountability”.

As it is clear from the objectives given above in NERLP, the SHGs shall be formed on a broad based manner giving special attention to the poorest of the poor. The formation of the Groups shall be done after carrying out an exercise known as the wealth ranking (WR) to be done by the Project facilitating team. The Groups under the NERLP are supposed to be having three leaders viz. the president, vice president and a secretary.

The SHGs formed under the Nagaland State Rural Livelihood Mission (NSRLM) on the other hand has their own priority areas apart from having the similar policies like the other SHGs promoting agencies. The main focus of the NSRLM is ² “to reduce poverty by enabling the poor households to access gainful self-employment and skilled wage employment opportunities resulting in appreciable improvement in their livelihood on a sustainable basis, through building strong and sustainable grassroots institutions of the poor”.

The NSRLM has been doing its best in formulating its policies and strategies by linking up with some other organisations dealing with SHGs in the State as well as from outside the State like the AIDA, State Institute of Rural Development society for elimination of rural poverty and Orvakal Mandal Podupu Laxmi Ikya. The NSRLM as a State mission looks forward to shift focus from Group level activities to household level economic activities. This is so intended to, in order to bring the entire household under confidence building measure in the society.

The other NSRLM's goal is to nurture the SHG's existing under the SGSY scheme and at the same time form new SHGs.

The SHGs formed under the State Women Development Department concentrates on the formation of the SHGs exclusively among women folk. This department is directly under the State Government initiative. Its major focus is to address the problems faced by the women folk in the State particularly the economic problems. It imparts trainings, form SHGs, take over the old SHGs, provides financial assistance etc. There are other State Government Departments and NGOs which promotes SHGs in the State in their own ways. They have their own unique strategies and policies.

The prevalence of many promoters with different policies and strategies but having to achieve the same goal creates confusion among the SHGs. The SHGs in order to get assistance and help from various promoting agents have to keep on adapting to new policies under different agencies and this eventually leads the SHGs to nowhere. Lack of proper uniform policies for all the SHGs under different departments creates differences in the growth of the SHGs. This is because of the fact that, those SHGs in urban sectors get maximum exposure to the facilities and assistance from multiple sources in different names. However, the SHGs in rural sectors are deprived of assistance even from a single Department. Therefore the most needed requirement to do away with such differences is to establish a broad based uniform policy for all the SHGs under different promoting agents.

Factors responsible for poor marketing facilities:

Having understood the conditions of marketing environment in the three districts, which undoubtedly have a very strong reflection of the conditions prevailing in the entire State is a matter of great concern. The factors responsible for such poor market conditions, which force the genuine sellers to be landing up on the open streets and highways, are worth discussing. The findings as per the views expressed by the SHG members are brought out in the following lines:

The Creation of physical marketing infrastructure:

The concern of any State Government is to build a strong base for economic development of the State, apart from achieving the political aspirations. In the light of this, it may be mentioned that marketing sector which has been neglected for past many years needs high priority for economic development and for the enhancement of the activities of the SHGs. Government should provide adequate attention in creating proper physical infrastructure for marketing the products of the SHGs.

Infrastructures which serves as the backbone for any developmental work, pose a serious threat in marketing. Sellers and buyers have no proper meeting point for buying and selling. Any stoppable place convenient to both the buyer and seller becomes a market place. Further to avoid convergence of goods to few places like Dimapur and Kohima, each district should create avenues for marketing of the products of SHGs.

Involvement of middleman in the business of SHGs:

As pointed out earlier, in the case of SHGs maximum income is derived from sale of their produce. As such middleman's role becomes eminent. More linkage with

agents from within the State as well as from outside would enable the SHGs to concentrate on producing rather than worrying about their sales.

Road connectivity:

Transportation of goods produced by SHGs is another bottleneck for selling the products. As the SHGs are spread across the entire State regardless of the location, they are differently placed as far as their procurement of input and sale of products are concerned. Some SHGs located in the main towns close to market are able to decide their choice of activity based on profitability, demand and future prospects etc. On the other hand, those SHGs that are located in interior areas where goods produced have to be carried to main towns and markets due to lack of demand have to bear extra cost. They face the problem of loss due to spoilage on transit, and high transportation cost.

Thus it may be said that, the proportion between supply and demand are not met adequately due to the lack of a proper platforms. The gap could be narrowed between the two, if the above cited causes are properly dealt with.

Problems faced by the SHGs:

Problems are part and partial of every types of organisation. It is the presence of problems that makes the organisations stronger, better and be more prepared to face the challenges. The SHGs whose organisational structure are more or less free from strict adherence to any particular format is found to be more prone to internal as well as external problems. The internal problems of the SHGs refer to the problems existing within the Groups. On the other hand the external problems are those that are outside their Groups. Some of the internal problems of the SHGs are discussed below:

Misunderstanding among the members on certain matters:

Misunderstanding within the Groups are common characteristic features of the SHGs. The inability of the members to communicate effectively on all matters among members creates misunderstanding in the Groups. It may be mentioned that the members are all unique individuals with different views and from different socio-economic backgrounds. Thus, it takes time to understand one another and thereby creates a sense of suspicion, doubts and unwanted rivalry within the Group.

Lack of financial transparency:

Some members of the Groups expressed the view that, there were financial irregularities in maintaining the accounts of the Self-Help Groups. Due to lack of proper authentic recording systems of accounts in many SHGs, the financial transparency could not be assured. This poses a serious threat to the continuity of the Groups as the members lose interest in their leaders. However this situation is bound to improve in the coming years as more emphasis were laid on maintaining proper books of accounts by various promoting agents including Banks. Not only that, regular inspection of books of accounts are also being carried out by the various promoting agents in some cases to check the transparency of the financial transactions of the Groups.

Untimely payments of the regular collections:

Regular monthly collections though sounds good and looks simple, have its own difficulties. In some cases the members are scattered to different locations, which renders it difficult in the collection work. In some other cases, members find it difficult to make the payment due to financial constraints. The delay in payment by the

members to the Group fund results in delay of credit to the intending members of the Groups.

Inability to attend meetings:

One of the prerequisite for effective existence of the SHGs is to have regular meetings in short intervals. Some of the SHGs are found effectively putting into practice such requirements. However, majority of the SHGs have the problem of conducting regular meetings at short intervals. Not only the difficulty of convening regular meeting but also the inability of the members to attend meetings is experienced. As such, the members are deprived of regular review of their performance as well as the review of the financial position of the Groups. The problems of misunderstanding among the members occur in the absence of constant interaction. The best solution to this problem could possibly be through regular meetings.

Absenteeism from common activities:

The SHGs which carry out joint activities by investing the common fund of the Groups normally come together on the appointed day for the work. All the members are supposed to be present without fail. However, all the members find it hard to be present for different reasons. The absentees are made to pay fines or do any other act to compensate for their absence. Though, fines and other ways of compensation are imposed as a penalty for being absent, the spirit of the Groups are affected when members' absenteeism becomes a regular phenomenon.

Lack of proper rules and regulations:

Most of the SHGs do not have proper rules and regulations. They simply form themselves into Groups and decide the course of action to be taken up as and when

needed. The absence of rules and regulations force the members to act differently even in similar situations. Thus, feelings of differential treatments are felt by the members. This situation leads to hostile relationship in the Group and the proper functioning of the Group is affected.

Those SHGs formed under Government Departments or NGOs are made to adopt their own rules and by-laws. Accordingly, they tend to have the minimum basic rules and regulations for the administration of the Groups. However, they face the problem of enforceability, as their bond of relationship is out of mutual understanding. The mere presence of rules and regulation are not a solution in itself as lots of considerations are made on the ground of mutual trust. Thus, 'forgive and forget' principles taking the place of 'rules and regulation' places the SHGs in a difficult position in effectively dealing with problems in the SHGs.

Illiteracy of the members:

As per the findings, majority of the members in the SHGs are illiterate. The presence of large number of uneducated members in the Groups makes the working of the SHGs hard in many respects. Some of the areas of drawbacks are in terms of decision making, maintaining books and records, catching up the instructions and guidelines of the promoting agents, banking procedures, understanding and cooperation within the Group, etc.

Lack of efficient leaders:

Leadership problems are a major issue in many SHGs. The members become leaders not because they are capable and willing, but because they are made to become by the Group. All the members whether they like it or not have to shoulder leadership

responsibility on rotation basis. Thus, in the absence of good leaders the functioning of the Groups are adversely affected.

In many cases leaders are appointed on rotation basis to give equal opportunities rather than considering the capability. Thus when a leader fails to organise the Group well the functioning of the Groups are affected adversely resulting in poor performance.

Difficulty in deciding the credit worthiness of the members:

In situations where, two or three members are in need of Group fund and out of which only one is to be chosen, the problem of selecting one and rejecting the others become very grave. Conflict of opinions arises within the Groups, because different members support different applicants. In these types of circumstances, the Groups are divided and the problem of mistrust emerges from within the Group.

The above mentioned internal problems are found to be common among various SHGs. These problems are serious threats to the smooth functioning of the Groups. Apart from the internal problems faced by the SHGs, there are some external problems which are common to the SHGs. These external problems could be discussed in the following lines:

Lack of Financial Aid:

Financial problem is one of the most visible problems faced by practically all the SHGs. The funds generated by the Groups through regular savings are comparatively low as compared to the requirements by the Groups. Lack of adequate financial support to the SHGs hampers the growth of the SHGs to a great extent. The Groups are forced to limit the area of activities due to financial constraints. The SHGs

require loans having low or no interest rates for them to use the money in investments in some productive areas.

Lack of Exposure and training:

The SHGs particularly located in the rural sectors are less exposed to outside world beyond their own village. One of the biggest motivating factors for the SHGs is exposure to different places and things. Lack of fund for making trips even to nearby places keeps the members in the dark. Training is also another problem of the SHGs. Many of the SHGs are not imparted proper rigorous trainings on specific areas of their interests. Trainings even if imparted, are based on the choice of the training officers and not on the interested areas of the SHGs. Thus the trainings so imparted become mere formality rather than a real learning.

Savings of earnings from SHGs:

The review of regular monthly savings of the SHGs shows that, out of the 300 SHGs examined, 202 SHGs are found having regular monthly savings. The percentage of SHGs with regular monthly savings against those that does not save on regular basis is 67.33% and 32.67% respectively. The 32.67% of SHGs who does not have specific monthly savings carry out different activities to raise fund for the Group. They jointly carry out some activities like conducting sales day, does field works and any other work that is available and which can be done by the Group. There is no fixed timing for engaging in such works. They work depending upon the availability and convenience of the members. On the other hand, majority of the SHGs forming 67.33%, regularly save certain agreed amounts. The amounts to be collected from the members are decided by the members, depending upon the ability and willingness of all the members in the Group. .

Funding of SHGs:

On 31st March 2013 the total numbers of loan beneficiaries from the ten commercial banks were 281 SHGs from the State with a total amount of Rs. 3, 92.67000. The State Bank of India extends loans to an extent of 71.89% of the total number of SHGs which forms 91.91% in term of the volume of loan advanced. The contributions of the other banks are comparatively low in terms of linkage with the SHGs as well as the volume of loan granted.

The total amount of loan extended to the SHGs in the three districts under study was Rs. 92, 63,900 during the period of study. It was found that only six Banks viz., State Bank of India, UBI, Vijaya Bank, Bank of Baroda, Nagaland State Cooperative Bank and the Nagaland State Rural Banks have extended loans. The amount of loan as well as the number of SHGs availing loans district wise points out that, in Dimapur district 34 SHGs availed loan from five Banks amounting to Rs. 70, 05,000.

In Kohima district 25 SHGs of 100 SHGs were provided with loan facilities by four banks amounting to Rs. 11, 68,900 during the period of study. The district of Peren on the other hand has 14 SHGs availing loan from the State Bank of India amounting to Rs. 10, 90,000. The volume of bank loans granted to the different districts differed widely. The district of Dimapur without the slightest of doubts has registered the highest number of SHGs (34 out of 100) availing loan and also the percentage of loan value amounting to 75.62% of the total loan. The availability of Bank funding, awareness of the people about bank loan facilities, the knowledge and ability of the SHGs in applying for loans etc. are some of the good reasons for Dimapur district having a marked difference from Kohima and Peren.

Monitoring and follow-up:

As per the figures arrived at from the respondents, drawn from the three districts; it is observed that, monitoring has not been carried out in an effective manner. The number of SHGs monitored occasionally numbered to 86 SHGs, the SHGs not monitored is 64, and the SHGs monitored at least once in a year is 47, the SHGs monitored twice and thrice in a year is 38 each and those monitored more than thrice is 27. Monitoring of the SHGs was not doubt carried out over the years but not extensive nor intensive enough to cover all the SHGs effectively. Here the percentage of SHGs monitored occasionally and those not monitored are 28.67 and 21.33% respectively which is exactly 50% of the total SHGs studied. The lack of proper policy structure of the various promoting agents for monitoring is one of the biggest reason for non-monitoring the performance of the SHGs. The other reasons for non-monitoring or poor monitoring (occasional monitoring) includes:

- a) Many of the SHGs are formed voluntarily at the efforts of the members themselves, as such, the Groups remain unattended by the various promoting agents.
- b) The Groups are unaware of the various programmes and schemes undertaken by different State Government Departments and the NGOs.
- c) Those SHGs located in interior areas and remote pockets of the districts are not aware of the monitoring programmes and are not able to attend the programmes to give the report of their performance due to their engagements in other fields.
- d). Difficulty in assessing the performance by actual verification of the activities being carried out by the Groups. In some cases, mere paper works are looked into rather than visiting the work places. At the same time it becomes difficult for few members from the various Departments to inspect and verify the works of all the SHGs.

e) Monitoring per se is done at higher levels, by having on board few representatives from villages or few representatives of Groups. The much needed monitoring work at the grass root level with all the members of the Groups are not done in many instances.

f) Monitoring which covers different aspects of the SHGs activities cannot be done easily as and when wanted. The conveniences of the promoting agents as well as the Groups have to be taken into consideration for fixing the time of monitoring. Thus the frequency of Monitoring is being reduced.

g) Monitoring works were not taken –up on continuous basis. Generally monitoring is done at the initial stage of the formation of the Groups mostly to find out the credit worthiness of the Groups. It is also done when more funds are to be granted to the Groups. There is no systematic approach in monitoring.

Initiatives for growth and development of SHGs:

Trainings and capacity building measures: As most of the SHGs are formed by the uneducated women folk, trainings on various key areas such as maintenance of books of accounts, registers, and capacity building programmes are required. However trainings are not provided to all the members on basic account keeping techniques nor are they imparted with capacity building programmes at the grass root levels.

Group oriented activities:

The activities carried out by the SHGs are mostly Group oriented rather than individual base. As a result, the inability of few members to be present for meeting or carrying out any group activity leads to discouragement, loss of trust and of interest to the other members. Over emphasising on Group for fund raising activities, investments of fund in different areas etc. reduces the share of individual income of the

members. This also leads to dependency on the Group and reduces individual creativity.

Professionalism in the SHGs:

There is no professionalism in the SHGs; most activities carried out by the SHGs are confined to primary sectors which are done using local skills, knowledge, outdated tools and thereby generating minimum income. The scope for the members to become competent with the latest know-how and most profitable line of activities are remote.

Testing of the Hypotheses

In this part, an attempt has been made to test the three hypotheses framed for the study and they are as follows:

1. Effective micro-finance to Self- Help Groups will generate employment and bring about a positive change in the overall economic development of the State.
2. Implementation of SHGs schemes will bridge the gap between the Haves and Have nots.
3. The SHGs and bank linkage is not adequate in providing financial assistance as well as monitoring the working of SHGs.

The parameters taken for testing of the Hypotheses are:

1. Consolidated SHGs - micro finance linkage in the three districts.
2. SHGs and Employment Status in the three districts.
3. Economic Status of the members pre and post joining the SHG. (From 2000-2014).
4. SHGs Bank- linkage programme in the three districts as per the case study
5. District wise number of SHGs monitored in a year

For testing the first hypothesis, the number of SHGs that are covered under micro finance from the three districts during the period from 2000-2014 are studied in relation to the volume of employment generated from the SHGs during the period 2000 to 2014. For testing this hypothesis chi- square test of independence was used. The following observations are made from the study:

Consolidated micro finance in the three districts:

Table 4.12: Consolidated Micro Finance in the three districts: (2000-2014)

District	State government departments		Banks		NGOs		Total	
	No. of SHGs	Amount in Rs.	No. SHGs	Amount in Rs.	No. of SHGs	Amount in Rs.	No. of SHGs	Amount in Rs.
Dimapur	27	23,65,000	40	70,05,000	21	2,10,000	88	95,80,000
Kohima	32	6,40,000	22	12,08,900	9	2,02,500	63	20,51,400
Peren	17	5,10,000	18	9,82,000	16	3,20,000	51	18,12,000
Total	76	35,15,000	80	91,95,900	46	7,32,500	202	1,34,43,400

(Source: From field study)

a).Dimapur district has 88 SHGs out of 100 sample SHGs covered under microfinance services. The amount of loans obtained by these SHGs through micro finance amounted to Rs.95, 80,000.

b).Kohima district has 63 SHGs out of 100 sample SHGs linked with micro finance services and the amount of loan obtained through micro finance from Banks, NGOs and Government Departments amounted to Rs.20, 51, 400.

c).Peren district has 51 SHGs out of 100 sample SHGs linked with microfinance services and the amount of loans obtained by these SHGs under micro finance from various sources during this period amounted to Rs.18, 12,000.

Further the analysis of the number of direct employment generated through SHGs in the three sample districts during the period 2000-2014 brings out the following results.

The perceptual study with regard to the involvement in SHGs as an employment generating mechanism reveals that, most of the respondents view SHGs as a medium for Employment Generation. It is seen that out of the 300 SHGs having 3664 members, 235 SHGs with 2850 members, constituting 78.33% of the SHGs felt without doubt that, their engagement in SHGs have provided them a sense of being employed. They are able to generate income to meet their needs and at the same time depend on the various activities as a source of employment. They are of the view that their economic status have improved and that the activities carried out by them kept them engaged throughout.

These members felt strongly that, the SHGs have provided them the required opportunity to be employed directly by their engagement in different Activities. The SHGs has not only created direct employment opportunities to the members but have also provided indirect employment opportunities to the other non-members. The different ways of providing employment opportunities by the SHGs are; work to unskilled labours, goods supplied to retailers, creates middlemen for buying and selling the products, promotes small farmers and cultivators by buying their products, promotes transporters business by transporting the goods produced by the SHGs to different places.

Further through this perceptual study on employment generation by SHGs relating to the sample districts, the following findings relating to the individual districts are;

Out of 100 SHGs undertaken for study from each sample district, 89 SHGs in Dimapur district, 80 SHGs in Kohima district and 66 SHGs in Peren district whose members numbered to 2850, strongly advocated for the formation of SHGs as an institutional mechanism for creation of employment opportunities. The SHGs whose performance with regard to employment and earning are substantial are taken into account in this regard.

Thus, from the views expressed, through informal interactions, questionnaires and investigations, it could be well conceived that, the SHGs certainly are employment providers to the members of SHGs. It provided the much needed courage, to be innovative, problem solving and enterprising in life. Thus, in general it could be mentioned that SHGs are truly employment generating schemes.

Thus, it is seen that the SHGs has been playing important role in generating employment opportunities in the State directly and indirectly.

Calculations:

Attributes	No of SHGs in the Districts			
	Dimapur	Kohima	Peren	Total
No. SHGs with micro financed linkage	88	63	51	202
No. of SHGs in operation (employed through SHGs.)	89	80	66	235
Total	177	143	117	437

(Source: from field study)

Using the two attributes i.e., number of SHGs with micro financed linkage and the number of SHGs deriving direct employment opportunities through SHGs, chi-square test of independence is applied to find out whether effective micro finance to SHGs would have a direct impact on employment generation. For the purpose of testing, 5% level of significance has been opted for. The degree of Freedom (d.f) is 2 [i.e., (2-1) (3-1) =2]

Calculation of the 'E' value shown below:

$$E_{11} = \frac{202}{437} \times 177 = 81.82, E_{12} = \frac{202}{437} \times 143 = 66.10, E_{13} = \frac{202}{437} \times 117 = 54.08,$$

$$E_{21} = \frac{235}{437} \times 177 = 95.18, E_{22} = \frac{235}{437} \times 143 = 76.90, E_{23} = \frac{235}{437} \times 117 = 62.92,$$

81.82	66.10	54.08	202
95.18	76.90	62.92	235
177	143	117	437

Calculation for χ^2 statistics:

Districts	Frequencies		$(O-E)^2$	$(O-E)^2/E$
	O	E		
Dimapur	88	81.82	38.19	.47
	89	95.18	38.19	.40
Kohima	63	66.10	9.61	.15
	80	76.90	9.61	.40
Peren	51	54.08	9.49	.12
	66	62.92	9.49	.15
Total			0	1.69

The tabulated value of $\chi^2_{0.05} = 5.991$. Since the computed value of χ^2 (1.46) is less than the table value of χ^2 at level 5 (5.991), it falls in the acceptance region. Thus the hypothesis “Effective micro-finance to Self- Help Groups will generate employment and bring about a positive change in the overall economic development of the State” stands proved.

For testing the second hypothesis, “Implementation of SHGs schemes will bridge the gap between the Haves and Have nots”, an analysis of the various activities undertaken by the SHGs along with the amount of earnings has been made.

While analysing the activities undertaken by the SHGs, it is found that, the SHGs have effectively ventured into various economic activities. The table below shows the consolidated figures of SHGs with different activities in the sample districts.

Table no. 6.1: **Consolidated figure of SHGs with different activities in the three sample districts (during the period up to 31st March 2014)**

Activities	SHGs engaged in different activities in the three districts.				
	Dimapur	Kohima	Peren	Total no. of SHGs	% on the total No. of SHGs
	No. of SHGs	No. of SHGs	No. of SHGs		
Small business enterprises	43	24	20	87	29%
Livestock	12	12	15	39	13%
Manufacturing	15	8	6	29	9.67%
Weaving /handlooms	7	8	11	26	8.67%
Handicraft	6	5	7	18	6%
Cultivations	9	31	25	65	21.67%
Others	8	4	4	16	5.33%
Unskilled labour work	nil	8	12	20	7.67%
Total	100	100	100	300	100%

(Source: From field study)

It is observed that, the members of the SHGs actively engaged in Small business enterprises accounts for the highest from the various activities carried out by the SHGs with 29% of the total of SHGs from the sample districts. The percentage of SHGs taking up livestock rearing comes to 13% of the total number of SHGs. Manufacturing activities are carried out by 9.67% of SHGs. Weaving and handloom activities are taken up by 8.67% of the SHGs. Handicraft works are carried out by 6% of the SHGs. The second most preferred activity undertaken by the SHGs is the

cultivation activities, which accounts for 21.67% of the SHGs. The other activities mostly service providing activities which are simply brought under the broad categorisation of ‘others’ is taken up by 5.33% of the SHGs and the SHGs engaged in unskilled labour work comes to 7.67%.

The number of entrepreneurs engaged in various sectors earns their livelihood from SHGs which showed an upward trend in income generation and saving. It is further brought out in the following table. Here income derived by the SHGs are broadly categorised into three sectors. The number of SHGs and the amount earned by the members of SHGs in the sample districts from various sources are presented below.

Table no. 6.2 The Sources of annual revenue earned through various activities by SHGs from different sources up to 31st March 2014:

Source of revenue	Dimapur district		Kohima district		Peren district		Total	
	No. of SHGs	Amount in rupees	No. of SHGs	Amount in rupees	No. of SHGs	Amount in Rupees	No. of SHGs	Amount in Rupees
Sale of goods produced	80	1355000	89	1214000	78	1187000	247	3756000
Services rendered	15	690000	7	280000	4	265000	26	1235000
Wages from common unskilled labour works	5	85000	4	56000	18	203800	27	344800
Total	100	2130000	100	1550000	100	1655800	300	53,35,800

(Source: From field study)

The earning of the 300 sample SHGs from various sectors during the period amounted to Rs. 53, 35,800. It is seen that, 82.33% of the SHGs realises 70.39% of the total income from sale of goods. The SHGs realising income from services rendered comes to 8.67% of the SHGs which amounts to 23.15% of the total amount. Finally 9% of the SHGs generate 6.46% of total income.

The SHGs are mostly taken up by the poor, uneducated members of the society and having seen the SHGs actively involved in various economic activities which generates adequate income for their livelihood provides a strong based for bridging the gap between the haves and have nots.

Therefore the, second hypothesis is accepted. Hence it can be concluded that the implementation of SHGs schemes will bridge the gap between the Haves and Have nots' in the State.

The third hypothesis "The SHGs and Bank Linkage is not adequate in providing financial assistance as well as monitoring the working of SHGs", shall be tested by using chi square test and goodness of fit. For this purpose, two parameters were used:

- 1) SHGs Bank- Linkage programme in the three sample districts as per the case study and
- 2) The number of SHGs monitored by various promoting agents during the period 2000-2014.

The table highlighting the number of SHGs having bank linkage in the three sample districts along with the amount is given below to ascertain the relationship between Banks and SHGs during the period 2000-2014.

Table No. 5.12: Cross Tab Analysis: - SHGs Bank- linkage programme in the three districts as per the case study: (2000-2014)

Name of the Bank	Kohima		Peren		Dimapur		Total in Rs.
	Amount in Rs.	No. of SHGs	Amount in Rs.	No. of SHGs	Amount in Rs.	No. of SHGs	
State Bank of India	9,15,000	16	10,90,000	14	27,35,000	16	47,40,000
Nagaland State Cooperative Bank	1,33,900	5	nil	nil	32,70,000	11	34,03,900
Nagaland Rural Bank	nil	nil	nil	nil	600,000	3	600,000
Vijaya Bank	70,000	3	nil	Nil	50,000	1	1,20,000
UBI	nil	nil	nil	Nil	3,50,000	3	350,000
Baroda	50,000	1	Nil	Nil	nil	nil	50,000
Total	11,68,900		10,90,000		70,05,000		92,63,900
Total		25		14		34	73

(Source: From field study)

As per the study it is found that the number of SHGs with Bank-linkage in the sample districts showed poor relationship. It is seen that only 73 SHGs have established relationship with Banks and has obtained an amount of Rs. 92, 63,900 over the years. The remaining 227 SHGs manages their activities by obtaining fund through various other means. The fact that only 73 SHGs have established Bank linkage for financial assistance to SHGs, clearly points out the inadequate relationship between the banks and SHGs.

Further to analyse the relationship between SHGs-Bank linkage with monitoring in fostering the growth of SHGs the following table providing the frequency of monitoring SHGs in the sample district is presented below.

Table No. 3.9: **District wise number of SHGs monitored in a year: (2000-2014)**

DISTRICT	No. of SHGs monitored in a year					No. of SHGs not monitored	Total
	once	twice	thrice	More than thrice	Occasionally		
Peren	13	9	12	10	23	33	100
Kohima	17	14	14	9	27	19	100
Dimapur	17	15	12	8	36	12	100
Total	47	38	38	27	86	64	300

(Source: From field study)

The total number of SHGs not monitored comes to 64 SHGs. The remaining SHGs are monitored but at different frequencies. It is seen that the SHGs monitored once in a year are 47 SHGs, those monitored twice and thrice in a year are 38 SHGs each, those monitored more than thrice are 27 SHGs and the occasionally monitored SHGs are 86.

Thus, from the information obtained from the two tables shown above, the following arrangements could be made to apply chi-square test, to find out whether there exists any relationship between SHG-Bank linkage programmes with the monitoring of SHGs in promoting SHGs.

Calculations:

Attributes	No of SHGs in the Districts			
	Dimapur	Kohima	Peren	Total
No. SHGs with Bank linkage	34	25	14	73
No. of SHGs monitored	88	81	67	236
Total	122	106	81	309

(Source: From field study)

The degree of freedom (d.f) in this case is 2 [i.e., (3-1) (2-1)=2]

Calculation of the 'E' value shown below:

$$E_{11} = \frac{73}{309} \times 122 = 28.82, E_{12} = \frac{73}{309} \times 106 = 25.04, E_{13} = \frac{73}{309} \times 81 = 19.14,$$

$$E_{21} = \frac{236}{309} \times 122 = 93.18, E_{22} = \frac{236}{309} \times 106 = 80.96, E_{23} = \frac{236}{309} \times 81 = 62.68,$$

29	25	19	73
93	81	62	236
122	106	81	309

Calculation for χ^2 statistics:

Districts	Frequencies		$(O-E)^2$	$(O-E)^2/E$
	O	E		
Dimapur	34	29	25	.86
	88	93	25	.27
Kohima	25	25	0	.0
	81	81	0	.0
Peren	14	19	25	1.32
	67	62	25	.40
Total	309	309	100	2.85

Using a level of significance 0.05, the tabulated value of χ^2 for 2 degrees of freedom is $\chi^2_{0.05} \approx 5.991$. The calculated value of $\chi^2 = 2.85$. since the computed value of χ^2 ($\chi^2 = 2.85$) is less than the tabulated value 5.991, it falls in the acceptance region.

Thus the hypothesis that “The SHGs and Bank Linkage is not adequate in providing financial assistance as well as monitoring the working of SHGs” is accepted.

Recommendations:

Based on observations made, the following suggestions are recommended for enhancing the SHGs performances in different areas:

1. The SHGs have the potential of making the members feel self satisfied by self effort and collective help of the members, as such forums for addressing the problems faced by the SHGs needs to be set-up in every district with sub-centres in the Blocks.
2. Imparting trainings to the members of the SHGs by deputing experts in the villages is a pre-requisite for the success of SHGs. The team of experts should consist of members who can speak fluently the local language in order to have effective communication with the SHGs in the villages.
3. Every SHG may induct few members in the Group, who will have better access to record as well as maintenance of accounts.
4. Providing Proper markets to ensure sale of the goods produced by the SHGs in most suitable locations is essential for promoting SHGs. In this regard the State Government may have to take extra initiatives in creating provisions for introducing markets.
5. More sales cum exhibition programmes at District levels, and State level should be conducted in order to encourage the SHGs to perform better with adequate rewards. Suitably rewarding the best SHGs as a measure to promote SHGs within the State could increase efficiency of the SHGs.
6. Proper Bank Linkage programmes needs to be introduced with adequate policies to ensure credit facilities to the SHGs. The signing of Memorandum of Understanding

between Banks and the State Government would certainly improve the Bank Linkage programme in the State.

7. Good leadership plays major role in the management of the affairs of SHGs as such participation of the educated sections in the SHGs should be encouraged to give leadership to the Group and improve the relationship among the members as well as improve the performance of the Group.

8. Increasing the volume of loans to the deserving SHGs would certainly enable the SHGs to take up bigger projects for livelihood purposes.

9. The SHGs needs to conduct meetings frequently to assess the performance and sort out differences among them. Thus there is a strong need to increase the number of meetings within the Groups for better management of the activities.

10. Regular monitoring and follow-up steps by the promoting agents would certainly keep check the performance of the SHGs and at the same time encourage the SHGs to perform better.

11. The activities are mostly Group oriented in the context of Nagaland. The Group approach though, has its own rewards and benefits, it also brings in an element of dependency on one another, reduce creativity, and less individual benefits. Therefore, more of Individual activities with support from the Groups would make a marked difference in their earnings as well as personality development.

12. More stringent penalties have to be imposed on the non-performing SHGs who have availed seed money or loans from Banks to avoid misappropriation of funds.

13. The different SHG promoting agents have their own policies, rules and code of conducts. Some SHGs are able to draw assistance from all the different agencies while

some others are kept in darkness. A common forum of the SHGs promoting agent should be created. With a common forum they can divide the area to be covered and give better attention to limited area rather than spreading across the entire State without any focus.

The various initiatives of the State Government as well as the NGOs to link-up the trade and commerce activities of the State with outside agencies national and international are a positive sign for growth of the economy. However, inclusive socio-economic growth as mentioned time and again by many in authority will require the involvement of people at the grass roots.

The SHGs has to be nurtured intensively in order to promote productivity of the SHGs. Simple support systems like providing adequate marketing infrastructures, financial assistance and other support programmes should be carried out in promoting the SHGs.

Scope for future study

Self Help Groups can be formed and managed through an institutional mechanism with the involvement of various agencies such as NGOs, Bankers, Entrepreneurs as well as the Government. The concept of inclusive growth is not complete without considering the role, function and contribution of the SHGs. The scopes for studying SHGs by future researchers are wide open. Following are the broad areas of Study that can be taken up by future researchers:

1. A study of Self Help Groups promoted exclusively:
 - a) By the various State Government Departments,
 - b).NGOs and
 - c).Manage themselves.

2. A study on the Self Help Group's promoting agents.
3. A study on SHGs and Marketing avenues for the Sale of the goods produced.
4. A study of SHGs in relation to their contribution to social welfare.

Conclusions:

The SHGs movement came about with very clear objectives and visions. It was a movement which got recognition and acceptance from all sections of the people. The progress of this movement is still on in many villages in the context of Nagaland. The broad concept of the SHG with open ended clause for any further development recognises the creativity and business talents to take up challenges in undertaking business activities. The other good features of the SHGs are its relevance of applicability to diverse sections of people regardless of educational qualification, status, gender and age Groups.

It has reached even the remotest part of the State. In order to provide gainful employment opportunities to the educated members of the State, the Government has to make an all out effort in strengthening the SHG members by emphasizing on the following.

- a. Skill development
- b. Use of latest technology
- c. Cooperative marketing
- d. Technology up gradation

Different programmes launched by the Central Government and the State Governments could not create much impression on the lives of the people at grass the root level. Therefore the State Government in collaboration with the universities, the financial institutions, central Government as well as leading NGOs should create a

proper platform for encouraging people in the formation of SHGs in the State so as to address the issue of eradication of poverty. The emphasis should be given more on job creation so that the youths of the State can be gainfully employed.

The SHG movement has touched immensely the lives of many, especially those living in rural areas. A single programme with multi-dimensional packages for empowering women was through SHG scheme. It has empowered women economically, socially and morally. The fact that, of 3,664 members from 300 SHGs, 3421 women members and 243 men members, can amply be concluded that the SHG scheme is truly a women welfare movement. The percentage ratio of women involvement against that of men is 93.37: 6.63.

The various agencies such as Government Departments, NGOs and Banks should work together to achieve the goal of eradicating poverty for the creation of employment opportunities for the youths of the State.

Thus, in conclusion it could be mentioned that, the success of SHGs depends upon several factors. The synchronization efforts of hard work and commitment from the members of the SHG, Banks, NGOs and Governmental Departments are prerequisite for the success of the SHGs. The success stories of some exemplary SHGs should lay the foundation stone for motivating the other SHGs. It calls for a concerted effort of all these entities for the success of SHGs movement.

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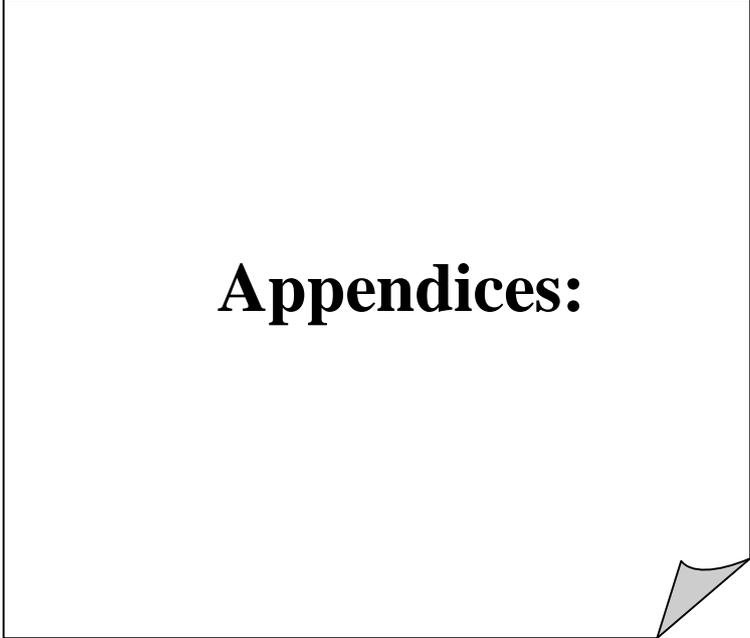
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Appendices:

Appendix-I: Questionnaires:

I MR. K. TIMOTHY LANGWANGBE, research scholar from the Department of Commerce Nagaland University Mereima campus Kohima would like to request you, to kindly contribute your valuable thoughts and sincere views towards this questionnaire by a tick mark or with few words to fill in the questionnaire. This questionnaire is exclusively meant for my PhD programme and the information obtained from the respondents shall be use only for academic purposes and not intended for any other purposes. I would be very grateful for all your insights.

Personal Data:

a).Name:-----

b) .Age: ----- c) .sex: Male Female

d) .Contact no.

e) .Present status/ Occupation:

Student Unemployed Employed (government/ pri)

f) Educational qualification:

Below matriculation Matriculate Graduate

Post Graduate

1. Name of the SHG:-----

2. Number of members:-----Male-----female-----

3. Nature of the Activities taken up by the group during the period 2009-2013:-----

4. Year of starting the group:-----

5. Whether registered or not: i) Unregistered

ii) If registered year of Registration: -----

6. Name of the Village / location-----District:-----

7.Name of the group leader:-----

8.Educational qualification of the present leader of the group.

- i).Below Matriculation ii) Matriculate iii) Graduate
iv) Post Graduate.

9.Educational qualifications of the members in numbers:

Below matriculation Matriculate Graduate
Post graduate

10.Number of meetings conducted in a week/month/year

11. Is there any date fixed for conducting meeting: Yes / No.

If yes, please mention the date: -----

12.Duration of leadership tenure of the group in months/ years

13.How do the group raised fund:

- i) Through monthly collection how much
ii) By doing some activities Eg. Like: -----
iii) any other, mention :-----

14.what is the percentage rate of returned of the internal loans advanced to the members of the group:-----

15.Did the group receive any financial assistance from the state government or central government

i).Yes from which agency:-----

ii) No

16.Did the group get any Bank loan facilities from any bank.

Yes from which bank -----

And how much

If so, what was the condition for repayment -----

ii) No

17. Have you repay the loan taken from the bank: a) yes b) no

18. Economic condition of the members after joining the SGH:

i). improved ii) Much better than before iii) very good

iv). no difference

19. Impact of SHG in their social lives:

i). No improvement ii) to some extent iii) very much

iv). Reasonably good

20. How many members of the group are supporting their families single handedly?

21. How do the group utilised the fund?

i) Given out as loans ii) Deposit in banks to earn some interest

iii) Invest in some productive areas IV) Distribute among the members in some proportions so as be utilised in their own ways and to return the amount with interest at the end of specified period.

Any other

22. Under which department the group was formed:

a) SGYS b) NRLM c) Agri. Department. D) Horti. Dept.

e) NGOs g) women development dept. f) any other -----

23. Earnings of the members per year from the SHGs activities:

Below Rs. 10, 0000 b) Rs.10, 001- Rs. 20,000 c)Rs. 20,001-Rs. 30,000 d) above 30,000

24. What is the total saving of the groups since its inception:-----

25. To whom do the group sell the products?

Sell to agents b) directly take to the market c) sold within the group d) through retail outlets

e) Any other

26. Are you provided with proper marketing sheds to sell your products?
 a) Yes b) somehow c) no
27. Have you attended any training camp organised by any one of the SHGs promoting agencies?
 a) If yes, how many times b) no
28. Do the promoting agents come around to see what and how you are doing?
 a) If yes, how often b) no c) occasionally,
29. Do you think continuous involvement in SHGs could solve the problem of Unemployment?
 a) yes b) no c) could be d) not sure
30. What kind of problems do the group face?
 a) Financial problem b) Internal conflict due to mismanagement of fund
 c) Internal conflict due to misunderstanding d) Non-cooperation from husband
31. Kindly state the volume of goods produces by your SHG in terms of Unit for the last 5 years.
 a).weekly:----- b) monthly ----- c) .quarterly----- d) annually-----
32. Kindly state the channel of sales policy adopted by your SHG:
 a) Institutional agencies b) public open market sales c) any other
33. How you channelize your sale proceeds?
 a). Members share among themselves b) taken over by sales agents c) preserve the products until they are sold d) any other means.
34. What are the books of account you maintain?
 a) . Receipt books b) cash book c) sales book d) purchase book e) any other
 please mention-----
35. State your major input cost.
 a). on raw materials b) on machines c) any other-----
36. Do you avail any government subsidies or any government incentives for undertaking your business activities?
 a) No b) yes

if yes for how much amount:-----

37. Do you have any fixed schedule exclusively for evaluating the performance of the SHGs during the last 5 years?

a) No----- b) yes ----- if how many times in month/ year-----

38. Kindly mention the types of statement submitted to financial institutions.

a). Income and expenditure statement b). Financial statement

c). receipts and payments d) any other statement

39. Mention the periodicity of submissions to financial institutions:

a). monthly b) quarterly c) annually

40. Have the groups established any permanent sustainable activity:

a) No b) yes if yes please mention the establishment: -----

41. Do you follow any standard norms of bookkeeping in your group?

a) Yes b) no

42. Is there any kind of motivational incentives /awards or special recognition from state government/ central government or promoting agents to encourage the group?

a) No b) yes

If yes please mention the motivational factor: -----

43. What is the biggest strength of the group?

a) Cooperation b) finance c) understanding d) education e) any other, please mention:-----

Thanking you.

Yours' Sincerely

K.Timothy Langwangbe

Research Scholar, Nagaland University.

Appendix-II: Employment in organised sector by industry and branches of public and private sector as on 31-3-2013:

Description	Employment									
	Public sector						Private sector			total
	1	2	3	4	5	6	8	9	10	12
Growing of food grain, crops (cereals and pulses)	-	886	-	-	-	886	-	-	-	886
Growing of other crops, n.e.c	-	34	-	-	-	34	-	-	-	34
Growing of horticultural specialities	-	205	-	-	-	205	-	-	-	205
Growing of fruits; citrus tropical pome or stone fruit, small fruit such as berries etc.	-	23	-	-	-	23	-	-	-	23
Raising of silk worms	-	254	-	-	-	254	-	-	-	254
Operation of irrigation systems	-	545	-	-	-	545	-	-	-	545
Soil conservation services including soil testing and soil desalination services	-	539	-	-	-	539	-	-	-	539
Growing of standing timber, planting and replanting etc. operation tree nurseries	-	774	-	-	-	774	-	-	-	774
Forestry services activities	-	20	-	-	-	20	-	-	-	20
Fish farming, breeding and rearing	-	209	-	-	-	209	-	-	-	209
Operation of sand or gravel pits, basalt etc and other materials for construction	-	-	-	-	-	-	-	-	-	-
Mining/ quarrying of lime stone, lime shell, calcite, chalk etc.	-	-	-	238	-	238	-	-	-	238
Rice milling	-	-	-	-	-	-	-	54	54	54
Manufacture of wooden industrial goods	-	-	-	-	-	-	-	13	13	13
Manufacture of pulp	-	-	-	274	-	274	-	-	-	274
Printing and allied activities, n.e.c	-	-	-	-	-	-	-	39	39	39
Manufacture of waxes and polishes; polishes and creams for footwear, furniture, floor and etc.	-	-	-	-	-	-	-	-	-	-
Manufacture of other basic iron and steel items n.e.c	-	-	-	-	-	-	-	17	17	17
Manufacture of aluminium (includes basic processing smelting etc.)	-	-	-	-	-	-	133	-	133	133
Manufacture of structured metal products	-	-	-	-	-	-	-	23	23	23
Manufacture of furniture and fixtures made of wood, cane and reed	-	-	-	-	-	-	-	-	-	-
Generation and transmission of electricity hydro-electric power	-	286	-	-	-	286	-	-	-	286

plants										
Collection and distribution of electric energy to household, industrial, commercial and other users	-	1632	-	-	-	1632	-	-	-	1632
Collection, purification and distribution of water	-	2741	-	-	-	2741	-	-	-	2741
General construction (including alteration, addition, repairs and maintenance)	299	2775	-	-	-	3074	-	-	-	3074
Construction and maintenance of road, rail-beds, bridges, tunnels, pipelines etc.	-	2931	-	-	-	2931	-	-	-	2931
Construction and maintenance of hydro-electric projects	-	-	465	-	-	465	-	-	-	465
Maintenance and repair of motor vehicles (including washing and polishing, etc.)	-	1184	-	-	-	1184	-	-	-	1184
Wholesale of textile, household linens, articles of clothing, floor coverings and t apestry	-	-	20	-	-	20	-	-	-	20
Other scheduled passenger land transport	-	395	-	-	-	395	-	-	-	395
Scheduled air transport	-	-	13	-	-	13	-	-	-	13
Storage and warehousing n.e.c	-	-	-	-	-	0	-	-	-	-
National post activities	238	-	9	-	-	337	-	-	-	337
Provision of basic telecom services; telephone, telex and telegraph (includes the activities of STD/ISD boots)	-	-	740	-	-	740	-	-	-	740
Central banking (relates to the functions and working of the Reserved Bank of India	-	-	639	374	-	1013	-	-	-	1013
Life Insurance and other long-term Insurance with or without a substantial saving element, (including the collection and investment of funds)	-	-	170	-	-	170	-	-	-	170
Research and other experimental developmental on natural sciences and engineering (NSE)	30	-	112	-	-	142	-	-	-	142
Legal activities (legal services such as those rendered by advocates, barristers etc.)	-	277	-	-	-	277	-	-	-	277
Business and management consultancy activities	22	-	-	-	-	22	-	-	-	22
Advertising	-	-	103	-	-	103	-	-	-	103
General Public service activities of the Union Government	813	-	-	-	-	813	-	-	-	813
General Public activities of the State	-	1467 1	-	-	-	1467 1	-	-	-	1467 1

General Public service activities of the Local Government Bodies	-	-	-	-	479	479	-	-	-	479
Regulatory agencies of the Union Government for more efficient operation of business	14	-	-	-	-	14	-	-	-	14
Regulatory agencies of the State Governments for more efficient operation of business	-	394	-	-	-	394	-	-	-	394
Ancillary service activities of the Union Government agencies /bodies	65	-	-	-	-	65	-	-	-	65
Activities of the Quasi-Government Bodies	-	-	207	517	-	725	-	-	-	725
Public order and safety activities of the Union Government	3702	-	-	-	-	3702	-	-	-	3702
Public order and safety activities of the State Governments	-	13940	-	-	-	13940	-	-	-	13940
Compulsory social security activities of the State Governments	-	89	-	-	-	98	-	-	-	89
Primary education including pre-Primary education	-	9913	-	-	-	9913	-	-	-	9913
General secondary/senior secondary education generally designed to qualify students either for vocational and technical education	12	4122	88	-	-	4222	2142	1722	3864	8086
General Higher Education	-	582	-	-	-	582	330	83	413	995
Adult Education	-	63	-	-	-	63	-	-	-	63
Hospital activities (including Asylums, rehabilitation centres, dental centres military based and prison hospital)	-	5584	-	-	-	5584	-	-	-	5584
Other human health activities n.e.c (including independent ambulance activities)	-	151	-	-	-	151	-	-	-	151
Veterinary activities (including clinico- pathological and other diagnostic activities pertaining to animals and birds)	-	785	-	-	-	785	-	-	-	785
Activities of religious organisations	-	-	-	-	-	-	81	-	81	81
Radio activities	-	-	8	-	-	8	-	-	-	8
Museum activities (includes the operation of museums of all kinds such as art museums, museum of jewellery, furniture, costumes, natural history, science museum, historical museum, military museums and historic houses, all kinds of specialised museums)	-	76	-	-	-	76	-	-	-	76
Activities relating to organisations	-	81	-	-	-	81	-	-	-	81

and operation of indoor/outdoor sports and promotion and production of sporting events										
Other service activities n.e.c	-	-	-	-	-	-	-	-	-	-
Total	528	6616	257	140	4	7590	268	195	463	8053
	5	1	4	3	7	2	6	1	7	9

(Source: Annual Employment review 2011-2012 & 2012-13)