



Analysing The Status Of 'SHG' Groups Funded By NERLP In Mizoram: A Case Study Of Aizawl District

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ABSTRACT

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The self-help group is one of the major focus areas of the project and implemented in the whole area of the district. SHG is a small group of rural poor, who have voluntarily come forward to form a group for improvement of the social and economic status of the members. It can be formal (registered) or informal. Members of SHG agree to save regularly and contribute to a common fund. The members agree to use this common fund and such other funds (like grants from the project and loans from banks in the future), which they may receive as a group, to give small loans to needy members as per the decision of the group. The SHGs are conceived as a self-sustainable microfinance system at the community level.

The study mainly focus is on Aizawl District. The study is based on the data collected from Aizawl District which consists of five blocks. From each block, five villages are selected in each block and ten beneficiaries are selected from each village through a random sampling method. 250 questionnaires were given out to the 25 villages and out of which, 240 answers were received and analysed. In this study, informal interviews and observations play a crucial role during the collection of the data.

B. Suguna's (2011) book of *Empowerment of Rural Women Through Self Help Groups* is an in-depth case study of the functioning of Self-Help Groups in Chittoor district of Andhra Pradesh. This book emphasized the empowerment of women as one of the major strategies to tackle socio-economic poverty. The main focus of this book is Self Help Group and which explains the concept, objective, characteristics, benefits, and functions of SHG. The empowerment of women through SHG would lead to benefit not only to the individual women and women group but also for the families and community as a whole through collective action for development. These groups have a common perception of need and impulse towards collective action. Empowering women not just for meeting their economic needs, but also through more holistic social development. It also emphasizes the importance and the best practices of SHG.

Samir Ghosh (2013), in his article 'Women Empowerment and Role of Self-Help Groups (SHGs) in Micro-Finance' published in the book *Micro-Enterprise and Rural Development in India* starts with the status of women and calls them the most deprived sections in the society, but they can mobilize borrowed money more actively than their male family members. It says that more concentration should be given to women's development. This article stated that one of the powerful approaches to women empowerment and rural entrepreneurship is the formation of the Self-Help Group. This article suggests that Micro-Finance Institution (MFI) set up by an NGO or Non-Banking Financial Companies is one of the best ways to support a Self-Help Group. This article concludes with the importance of MFIs and mentions the points for the improvement of their functions.

Membership in the SHG

NERLP makes guidelines for the membership of the Self-Help Group as follows:

- Woman member of the poorest of the poor or poor household.
- One woman from one family can be a member of SHG [One HH means a family having their own kitchen.]
- Of 18-60 years of age
- Able to save whatever possible regularly and as decided by the members
- Willing to work in a group and follow group norms
- Ready to spare time for the meeting

- Group formed on self-selection basis. Members should select each other and finalize the membership of their group.
- Minimum of 10 and a maximum of 20 members would be there in one SHG.

Formation

Table No. 1: Formation Process of Self-Help Group

Stage	The Process	Suggested Tool	Responsible Party	Time Frame	Outcome
Pre-formation stage	<ul style="list-style-type: none"> • Rapport Building with the community e.g. Household level mobilization of targeted poor and conducting a hamlet/pocket level general meeting. • Understanding the village –social, economic, and livelihood pattern etc. • Awareness raising especially on project indicators • Identifying the target groups • PRA exercise. 	Casual Visits /Transect Walk Community Meeting, Small Group Meeting, Individual Contact Social mapping, resource mapping, seasonal calendar	Project Facilitation Team (PFT) particularly Area Coordinator & external Community Mobilizer.	One month	Targeted community is sensitized about the need to form a group.
Dissemination of SHG concept	<ul style="list-style-type: none"> • Follow up meeting • SHG concept is explained to community • Identification of members • Assessment of old SHG (gradation, capacity building, receipt of fund from other schemes etc) 	Small Group Meeting, Individual Contact, & by means of Assessment tool	Project Facilitation Team (PFT) particularly Area Coordinator & external Community Mobilizer.	15 Days	The concept of SHG is understood and adopted by the community
Group initiation stage	<ul style="list-style-type: none"> • Registration of the old matured SHG in the project • Rules and regulations in self-help groups are talked about • Familiarize members with Books to be maintained in SHG • Elect Representative and explain responsibilities of Members • Give the group a name 	Various Training Programmes Meetings	Project Facilitation Team (PFT) particularly Area Coordinator & external Community Mobilizer. DPSU team	One month	SHG groups are formed
Group formation process	<ul style="list-style-type: none"> • Starting of group saving activities, • Internal loaning • Repayment • Opening Bank account • First Grading • Seed capital transferred. 	Meetings, Trainings, Exposure Visits etc.	Project Facilitation Team (PFT) particularly Area Coordinator & external Community Mobilizer.	Six Month	SHG groups formed and begin functioning
Strengthening	<ul style="list-style-type: none"> • Utilization of seed capital • Capacity building • SHG village federation concept 	First Grading Training programmes		One month	SHG are functioning effectively

Livelihood planning stage	<ul style="list-style-type: none"> Capacity building, skill trainings Orientation on Livelihood plans Livelihood plans prepared and submitted Second grading Fund transferred –first tranche (after 3 months of seed capital) 2nd Trench transferred after 3 months of first trench 	Trainings	Project Facilitation Team (PFT) particularly Area Coordinator & external Community Mobilizer. DPSU team	Six months	SHG Livelihood plans are prepared
Graduation	<ul style="list-style-type: none"> Utilization of fund Formation of SHG Village Federation Bank linkage Third grading 	Trainings	Project Facilitation Team (PFT) particularly Area Coordinator & external Community Mobilizer. DPSU Team Experts & trainers	Three Month	SHG qualifies the third grading.

Source: COM-NERLP

The formation process and its detail regulations created for the successful implementation of NERLP are indicated in the above table.

Table No. 2: SHG formation status, Aizawl District

SHG Formation	Total	201	201	201	201	201	201	201	201	Total
		2-13	3-14	4-15	5-16	6-17	7-18	8-19	9-20	
	86	0	497	101	73	23	13	0	0	161
	6		3							9

Source: Field Study

In Aizawl district, the formation of SHG was started from 2013 -14, it crossed the target with forming 1619 group from five blocks of the district. The details of formation status is given in the above table.

Role and Responsibilities of the Office Bearers

NERLP adopted SHG for the improvement of the socio-economic improvement of the women. Beyond that, it tries to train women to gain knowledge in maintaining accounts, to become self-sufficient, to impart leadership quality etc. Each SHG has office bearers and they rotate their office bearer in fix period. The important role and responsibility given by NERLP to the office bearers of SHG are indicated as follows:

Status of SHG formation in Aizawl District

Table No. 3: SHF formation status, Aizawl District

	Project Target	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	Total
SHG Formation	866	0	497	1013	73	23	13	0	0	1619

Source: Field Study

In Aizawl district, the formation of SHG was started from 2013 -14, it crossed the target with forming 1619 group from five blocks of the district. The details of formation status is given in the above table.

Self-Help Group Federation

The project emphasized the Self-Help Group and it is the main focus of the project. It comprises of the weaker section, disadvantaged people and women, those are organized into a group and having an activity to uplift their socio-economic status. The SHGs in the village are federated into Village SHG Federation.

Formation of SHG Federation

Till the end of the project, 87 Federations is formed in Aizawl District. Formation of Village Federation is under the initiative taken by District Coordinators of (SG&CM) and (Microfinance). The project targets to form 92 SHG Federations, but at the end of the project two federations were not working and they attain 87 federations.

Table No. 4: SHG Federation Formation Status, Aizawl District

	Project Target	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	Total
SHG Federation	92	0	0	18	39	31	1	0	-2	87

Source: Field Study

In SHG Federation, there are three important office bearers to strengthen the functions of the federation including President, Secretary and Treasurer. They are playing very crucial role in the functions of the federation. The Federations works as a social service provider, business entity, and valued client of the formal banking system. Such community organizations would also partner with a variety of organizations for providing services to different market institutions, such as correspondents for banks and insurance companies, procurement franchises for private-sector corporations, and delivery mechanisms for a variety of government programs. The federation provides bookkeeping services to the SHGs.

NERLP takes several steps and activities in the implementation of the project, from those, it focuses on Self-Help Group (SHG), Community Development Group (CDG), and Skill Development for Youth (Youth Group). Some of the major findings from these three groups are highlighted and consist of issues, problems, and challenges.

In Aizawl District, there were 1619 Self-Help Groups (SHGs) consisting of 16057 members, enrolled by the Project Facilitation Team. There were 87 SHG federations within the district of Aizawl. The present study indicates that the training conducted by the NERLP makes a lot of improvement in several ways including knowledge of bookkeeping, account keeping, loan repayment, etc. It creates self-confidence for the members of the group. SHG receives funds from the NERLP to utilize for making a profit for the group. Members of the group borrow money from funds as loans and they repay with small interest. The study reveals that this practice makes a profit for the group and helps the member to take economic activities for the improvement of the livelihood. Funds received by the SHGs are as follows: Seed Capital Fund: INR 20,000/-, Livelihood Funds Tranche – I: INR 40,000/-, Livelihood Funds Tranche – II.: INR 40,000/-, Livelihood Funds Tranche – III.: INR 40,000/-

As per the norms, they rotate their leaders and all members of the group become the leader of the group. The study reveals that the rotation of leaders within the group creates a lot of improvement in gaining leadership knowledge and quality among the members of the SHGs. The study also reveals that the SHGs and the federations that were formed had fully utilized their funds. The reports extracted from the sample also showed that the members of these groups and federations have been utilising the funds for economic upliftment in various activities aiding their livelihoods.

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