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Progress Of Shgs In India- A Statistical Statement

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Abstract:

Self-Help Group or in-short SHG is now a well-known concept. It is now almost two decade old. It is reported that the SHGs have a role in hastening country's economic development. SHGs have now evolved as a movement. Mainly, members of the SHGs are women. Consequently, participation of women in the country's economic development is increasing. They also play an important role in elevating the economic status of their families. This has led boost to the process of women's empowerment. We can trace the origin of the concept of SHGs in Bangladesh

KEYWORDS:

Progress, SHG, Economic, Development, Indian Scenario,

INTRODUCTION:

Bangladesh has been acknowledged as a pioneer in the field of micro-finance. Dr. Mehmud Yunus, Professor of Economics in Chitgaon University of Bangladesh, was an initiator of an action research project 'Grameen Bank'. The project started in 1976 and it was formally recognized as a bank through an ordinance, issued by the government in 1983. Even then it does not have a scheduled status from the Central bank of the country, the Bangladesh Bank. The Grameen Bank provides loans to the landless poor, particularly women, to promote self-employment. At the end of December 2001, it had a membership of 23.78 lakh and cumulative micro-credit disbursements of Tk 14.653 crore. Bangladesh

INDIAN SCENARIO

India has adopted the Bangladesh's model in a modified form. To alleviate the poverty and to empower the women, the micro-finance has emerged as a powerful instrument in the new economy. With availability of micro-finance, self-help groups (SHGs) and credit management groups have also started in India. And thus the movement of SHG has spread out in India. In India, banks are the predominant agency for delivery of micro-credit. In 1970, Ilaben Bhat, founder member of 'SEWA' (Self Employed Women's Association) in Ahmadabad, had developed a concept of 'women and micro-finance'. In 1991-92 NABARD started promoting self-help groups on a large scale. And it was the real take-off point for the 'SHG movement'. In 1993, the Reserve Bank of India also allowed SHGs to open saving accounts in banks. Facility of availing bank services was a major boost to the movement.

The movement of SHG was nourished in the states of Gujarat, Maharashtra, Andhra Pradesh, Rajasthan, Tamilnadu and Kerala. Now nearly 560 banks like NABARD, Bank of Maharashtra, State Bank of India, Cooperative Banks, Regional rural banks, the Government institutions like Maharashtra Arthik Vikas Mahamandal (MAVIM), District Rural Development Agency (DRDA), Municipal corporations and more than 3,024 NGOs are collectively and actively involved in the promotion of SHG movement.[1]

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OBJECTIVES OF THE STUDY:

1. To analyze performance of bank linked SHGs
2. To study the important indicators of the SHG performance
3. To analyze region wise NPA status of SHGs

RESEARCH METHODOLOGY:

For the performance analysis of the SHGs secondary data is used. In this category of data, NABARD reports related to SHGs, different journals, books, internet and government publications have been referred. To analyze SHG performance, we have used analysis method.

SHG PROGRESS IN INDIA

The SHG-Banks linkage programme which commenced as a pilot programme during 1992 to link 500 SHGs with banks, has grown exponentially during the last two decades and over 97 million rural households have now access to the regular savings through 74.62 lakh SHGs linked to different banks, of these, over 47.8lakh SHGs also have access to direct credit facilities from the banks. Nearly 12 lakh SHGs were extended fresh loans to the extent of Rs.14, 548 crore during 2010-2011 by all FIs. The total loan outstanding of SHGs already credit linked as on 31.03.2011 was Rs.31, 221 crore. As much as 81.7 percent of SHGs already linked to banks are exclusive women groups, one of the most distinguishing features of micro finance sector in the country.

Detailed analysis of the SHG-Bank linkage programme across geographical spread of the country is being presented in this section. The analysis covers the broader components of the programme namely inclusive growth, savings, loan and recovery performance.

Table-1

Overall Progress under SHG-Bank linkage programme							
(Amount in Rs. Crore/ Nos in Lakhs)							
	Particulars	2008-09		2009-10		2010-11	
		No of SHGs	Amount	No of SHGs	Amount	No of SHGs	Amount
SHG Savings with Bank as on 31st March	Total SHGs	61.21 (22.2 %)	5545.62 (46.5%)	69.53 (13.6%)	6198.71 (11.8%)	74.62 (7.370%)	7016.30 (13.2%)
Loan Disbursed to SHGs during the year	No of SHGs Extending Loans	16.10 (31.1%)	12253.51 (38.59%)	15.87 (-1.4%)	14453.3 (17.91%)	11.96 (-24.7%)	14547.73 (0.01%)
Loan Outstanding against SHGs as on 31st March	Total No of SHGs linked	42.24 (16.5%)	22679.84 (33.47%)	48.57 (14.8%)	28038.28 (23.6%)	47.87 (-1.31%)	31221.01 (11.4%)

(Source : <http://www.nabard.org/departments/pdf/Micro%20Finance%202010-11.pdf>)

In the Table 1 we have discussed the Overall Progress under SHG-Bank linkage programme and covering three major components of the programme namely, SHG Savings with Bank as on 31st March, Loan Disbursed to SHGs during the year and Loan Outstanding against SHGs as on 31st March of the particular year.

Data from the Table 1 shows that , there were 61.21 lakh SHGs which is 22.2 percent higher than the corresponding previous year. In the same year a total savings with the banks from the SHGs was Rs.5545.62 crore which is 46.5% higher than the previous year. In the year 2009-10 the number of SHGs linked to banks have gone up by 11.8% as compared to the previous year and have reached a figure of 69.53 lakhs with a total savings of Rs.6198.71 crore which is higher by 11.8% to the previous year. The total

number of SHGs linked to bank has reached to 74.62 lakh which is 7.37 percent higher when compared with the previous year and the savings of SHGs with banks was 7016.30 which was 13.2% higher than the previous year savings.

Under the SHG-Bank linkage programme a loan disbursement is undertaken by banks. It is observed that during the year 2008-09 the number of SHGs that availed loan from the bank reached to 16.10 lakh which is 31.1% higher than the corresponding previous year while the total amount disbursed to these SHGs was 12253.51 crore rupees which was 38.59 % more than the previous year disbursement figures. During the year 2009-10 the number of SHGs that availed loan from the banks has declined by 1.4% as compared to previous year to reach to 15.87 lakh and the corresponding loan amount disbursed to these SHGs was Rs. 14453.3 crore which is 17.91% higher as compared to the previous year financial disbursement figures. During the financial year 2010-11 only 11.96 lakh of SHGs availed a bank loan showing a fall in number of SHGs availing loan by as much as 24.7 percent which also affected the loan amount disbursed to these SHGs which grew only by 0.01 percent as compared to the previous year and as such Rs.14547.73 crore were disbursed to the SHGs availing loan.

The third row of the table shows information regarding the loan outstanding against the SHGs. A careful look at the figure shows that during the financial year 2008-09 there were 42.24 lakh SHGs against whom the outstanding was recorded to the tune of Rs.22679.84 crore. This shows that number of SHGs against whom the amount was outstanding grew by 16.5 percent as compared to the previous year figures and at the same time the amount that was outstanding was gone up by 33.47 percent. During the financial year 2009-10 a total of 48.57 lakh SHGs which are more by 14.8 percent as compared to previous year, have a outstanding against the bank loan disbursed to them of Rs. 28038.28 crore rupees showing a rise by 23.6 percent when compared with the corresponding previous year. Year 2010-11 witness a 1.31% decline in the number of SHGs against whom the loan outstanding is recorded and there were 47.87 Lakh such SHGs with a 31221.01 Rs. Crore amount outstanding which is 11.4% higher than the previous year figures.

Table-2

Agency wise NPAs of Bank Loans to SHGs						
Particulars	Amount in Crore Rs.					
	loan outstanding against SHGs		amount of NPAs		percentage of NPAs to total outstanding	
	As on 31.3.10	As on 31.3.11	As on 31.3.10	As on 31.3.11	As on 31.3.10	As on 31.3.11
CBs (public sector)	19724.42	21421.75	513.53	1019.9	2.6	4.76
CBs (privet sector)	440.29	470.51	23.93	47.09	5.44	10.1
RRBs	6144.58	7430.05	218.53	272.82	3.56	3.67
Coop bank	1728.99	1907.86	67	134.3	3.88	7.04
Total	28038.28	31221.17	823.04	1474.11	2.94	4.72

Table-3

Region Wise NPAs of Bank Loans to SHGs						
Particulars	Amount in Crore Rs.					
	loan outstanding against SHGs		amount of NPAs		percentage of NPAs to total outstanding	
	As on 31.3.10	As on 31.3.11	As on 31.3.10	As on 31.3.11	As on 31.3.10	As on 31.3.11
North Region	815.13	903.14	53.91	63.66	6.16	7.05%
North Eastern Region	673.48	695.25	37.13	58.56	5.51	8.42%
Eastern Region	3694.91	4202.55	118.74	181.07	3.21	4.31%
Central Region	2462.4	2365.4	198.65	254.04	8.07	10.74%
Western Region	1369.49	1246.23	61.06	90.42	4.46	7.26%
Southern Region	19022.88	21808.59	356.53	826.36	1.87	3.77%
All India Total	28038.28	31221.17	823.04	1474.11	2.94	4.27%

(Source: <http://www.nabard.org/departments/pdf/Micro%20Finance%202010-11.pdf>)

The Non Performing Assets (NPAs) of Banks against loans to SHGs has gone up from Rs.823.04 Cr. During 2009-10 (2.90) to Rs.1474.11 Cr as on 31/03/2011 (4.72 %). The Increase in NPAs has been reported across the regions and across the agencies. Among the regions the spurt in NPAs was more pronounced southern and western regions. The Turbulence in the micro finance sector in Andhra Pradesh seems to have some adverse impact on the recovery performance of the SHGs-Bank linkage programme as well. The reason for the sudden decline in the recovery performance of the SHGs will, however, need to be studied in detail and strategic interventions will need to be made to avoid any further slippage in future. The Higher level of NPAs against SHGs in central and Northern region also need to be addressed as these are states where the financial inclusion level are at the lowest and hence the need for up scaling the SHGs –bank linkage programme in these states.

CONCLUSIONS

The number of SHGs linked to the banks have gone up significantly from 2008-09 to 2010-11. It is also found that the number of SHGs availing the loan from the banks have declined and at the same time the total amount loan disbursed to linked SHGs have increased. The study also reveals that the number of SHGs against whom the outstanding is noted have gone up and also the outstanding amount has gone up against the loan disbursed by the banks. Further it is observed that the amount of outstanding against loan disbursement of all types of bank is on increasing trend. The amount of NPA of all types of banks who had a loan disbursement to SHGs has gone up. The region wise analysis of the NPA shows that except in Central and Western region, all other regions have an increasing trend in case of loan outstanding amount. irrespective of the regional trend in outstanding amount, the NPA amount in all the regions has increased. The financial analysis of the percentage of NPAs to the total outstanding shows that it is highest (10.74%) in Central region and is lowest (3.77%) in the Southern region.

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