

The Dynamics of SHG Business Model and Women Empowerment: A Study on the Scheduled Caste Women in the Sonitpur District of Assam

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Abstract

The world has understood the importance of women empowerment which in turn leads to the socio-economic development of a society. A key instrument for women's empowerment is the Self Help Groups (SHGs). Women empowerment can be done through SHG's formation, its stabilization and linking with viable micro enterprises. This paper initially highlights the past works on women empowerment through SHGs in India and Assam and then tries to evaluate the status of the current research with special reference to Sonitpur District of Assam. This paper initially highlights the past works on women empowerment through SHGs in India and Assam and then tries to answer the following research questions - What is the present socio-economic of the Scheduled Caste women SHGs? What is the operating mechanism of the credit delivery model of SHGs? What is the rate of return of their monthly savings for each of the SHG members? How the capital formulation takes place in an SHG? What is the growth rate of capital base of the SHGs? What are the dynamics of the underlying SHG business model? What has been the contribution of these SHG business models to women empowerment with respect to their income? What are the factors that determine the level of women empowerment as a result of participation in SHG business model? The present paper attempts to address these issues with respect to the marginalized communities in Brahmaputra Valley with special reference to the Scheduled Castes SHG Groups in the Sonitpur District of Assam. So, scheduled caste women SHGs' representation in the Gabharu Block is only 3.9% of the total number of SHGs operating in the Gabharu Block. Interestingly the study found that the average rate of return for each of the SHG members against their monthly savings is found out to be approximately 49.9% per annum. Thus the study found that the capital base of the SHGs for internal lending has increased by 400% in a five year period. T-test results revealed that there is a significant improvement in income level of the scheduled caste women after joining their respective SHGs which indicates that a sense of empowerment has been instilled among the sample scheduled caste women SHG members.

In its strategy for the upliftment of women and their empowerment, the government of Assam with the help of federal government has provided special consideration for women's self-help groups especially for those belonging to the Scheduled Caste. What is the present status of the Scheduled Caste women SHGs? What are the socio-economic characteristics of the scheduled caste women-based SHG business model of women empowerment? What is the operating mechanism of its credit delivery model? What is the rate of return of their monthly savings for each of the SHG members? How the capital formulation takes place in an SHG? What is the annual growth rate of capital base of the SHGs? What are the dynamics of the underlying SHG business model? What has been the contribution of these SHG business models to women empowerment with respect to their income? What are the factors that determine the level of women empowerment as a result of participation in SHG business model? The present paper attempts to address these issues with respect to the marginalized communities in

Brahmaputra Valley with special reference to the Scheduled Castes SHG Groups in the Sonitpur District of Assam.

Keywords:

Export Finance, Impact of Export Finance, Pre-shipment Finance, Post Shipment Finance, Role of Finance in Exports, Finance and Exports

Introduction & Research Motivation

In the developing countries these days, more and more emphasis has been laid on the call for the development of women and their input in the main torrent of societal development. Besides managing their family responsibilities, women not only need to look after their children and other members in the family, but also need to take care of the day-to-day administrative works, collection of fuel woods for cooking, fetching of drinking water etc. Over the past, it has been reported by many researches (OECD 2012) worldwide that women earn money working in productive activities. These productive activities usually include agriculture, working in small scale firms, trading, handloom, weaving, livestock, and many other petty businesses which are mostly unorganized. The earning capacity of the women is also limited which is not sufficient for their financial liberty. Moreover, with lower literacy rates, most of the women have harder lives. Women are also habitually discriminated with regard to land and property rights. Usually women face many problems in accessing proper medical facility and rural finance. Now it has been realized in the world arena that any development paradigm need to be sustainable and must be based on inclusive growth in order to become sustainable. There are many factors responsible for this sustainable development and inclusive growth. Women's economic empowerment is one such tool as the society at large takes its birth from women. So, women's economic empowerment is a prerequisite for sustainable development and inclusive or pro-poor growth.

In this context, women's ability to earn an income has been improving significantly and women worldwide are found to show interest in poverty-focused credit programmes, credit cooperatives, microfinance through NGOs, SHGs, MFIs and other organizations. For example, based on a 1996 survey of microfinance institutions around the world, the World Bank estimated that 61% of all clients were women (World Bank, 1997). So the involvement of women in finance domain has increased and the world has understood the importance of women empowerment which in turn leads to the socio-economic development of a society. A key instrument for women's empowerment is the Self Help Groups (Galab and Rao, 2003). Women empowerment can be done through Self Help Group (SHG) formation, its stabilization and linking with viable micro enterprises and banks.

There are different types of microfinance institutions (MFIs) functioning in the state of Assam and the operating mechanisms of these MFIs differ from organization to organization. The players in the microfinance sector can be classified under three main groups viz., (a) The SHG Bank Linkage Model, accounting for about 58% of the outstanding loan portfolio, (b) Non-Banking Finance Companies, accounting for about 34% of the outstanding loan

portfolio, and (c) Others including trusts, societies, etc., accounting for the balance 8% of the outstanding loan portfolio (Malegam Committee, 2011). The NABARD (2006) homepage declares that more than 400 women join the SHG movement every hour, an NGO joins the microfinance programme every day. Total membership of the SHGs in India is around 26 million people out of which 94% women and these SHGs have registered over the past years a growth of more than 30% per year. Looking at the above figures of the NABARD and other past researchers works on SHGs worldwide, it has been seen that the SHG concept is accepted and the business model of the SHGs has become more popular.

In India, for the last few years, it has been seen that the various government entities like RBI, NABARD, SIDBI, DRDA, and many other agencies like SEWA, MYRADA, ADITHI, PRADAN, WWF, CDF, Cashflor India etc. have increased their level of involvement in the SHG programme. More enhancement of the SHG programme would enhance social empowerment and there by this would facilitate women empowerment. Involvements of women in the SHG programmes not only help economic empowerment of women but also lead to holistic development. Inclusive growth paradigm can only be successful if the rural India develops which would bring sustainable development. To achieve this, promotion of micro enterprises is necessary which would strengthen the economy as a whole. For the promotion of micro enterprises, availability of the micro credit is crucial. SHGs can play an important role in this regard if they are well managed and their business model is robust. SHGs are mostly dominated by the women who make crucial contribution in the community development, social change and economic independence. But the problem is women represent more than 70 % of world's poor population (1.3 billion) who has 50% of the food worldwide but receive only 10 per cent of the incomes (Kihali, 1995).

In this study, special emphasis has been given to the SHGs formulated by Scheduled Caste women who remained less developed in terms of gross enrollment in educational institutions, literacy, educational development and employment in organized sector. SHGs conduct social intermediation, opportunity to acquire the ability & entitlement to their own lives, set their own agenda, gain skills, solve problems & develop autonomy (Meenai, 2003). Thus SHG's overcome exploitation, create confidence for the economic self-reliance of the rural poor, particularly among women who are mostly invisible in the social structure. The study is a humble effort to assess the present status & impact of SHGs on socio-economic empowerment of rural Scheduled Caste women in the Sonitpur District of Assam.

This paper initially highlights the past works on women empowerment through SHGs in India and Assam and then tries to answer the following research questions:-

- ✓ What is the present status of the Scheduled Caste women SHGs?
- ✓ What are the socio-economic characteristics of the scheduled caste women-based SHG business model of women empowerment?
- ✓ What is the operating mechanism of the credit delivery model of SHGs?
- ✓ What is the rate of return of their monthly savings for each of the SHG members?

- ✓ How the capital formulation takes place in an SHG? What is the annual growth rate of capital base of the SHGs?
- ✓ What are the dynamics of the underlying SHG business model?
- ✓ What has been the contribution of these SHG business models to women empowerment with respect to their income?
- ✓ What are the factors that determine the level of women empowerment as a result of participation in SHG business model?

The present paper attempts to address these issues with respect to the marginalized communities in Brahmaputra Valley with special reference to the Scheduled Castes SHG Groups in the Sonitpur

District of Assam.

Literature Review

In this section, an attempt has been made to study some past research papers that examined women's empowerment as a result of successful execution of the SHG business model. In this study, empowerment may be referred to as women's control over household resources as a result of microcredit programs (Brody, Dworkin, Dunbar, Murthy & Pascoe, 2013). The reviews here are restricted to microcredit interventions of the SHGs and its effect on women empowerment. The literature review on the above mentioned area has been considered under two dimensions viz., (i) works conducted by government bodies or by any other agencies, and (ii) works individually or jointly published by individual researchers. The summary of the literature review on the above mentioned theme is given in the following table:-

Table 1: Summary of the Literature Review on SHG Participation & Women Empowerment

Author	Year	Objective	Major Findings
Gurunoorthy	2000	To examine whether SHGs empower rural women or not.	Women led SHGs have successfully demonstrated the mobilization and management of thrift, appraise credit needs, maintain linkages with the banks, enforce financial self discipline and entrepreneurial activities.
Manimekalai and Rajeshwari	2001	To find out the factors which have motivated women to become SHG members and analyze the enterprise performance of SHGs in terms of growth of investment, turnover, capacity utilization, profit etc.	Provision of microfinance by the NGOs to women SHGs has helped the groups to achieve a measure of economic and social empowerment and also developed a sense of leadership, organizational skill, management of various activities of a business, right from acquiring finance, identifying raw material, market and suitable diversification and modernization.
Sharma	2001	To examine the relationship between the SHG participation & women empowerment with respect to economic activities and decision-making at the household and society level	SHG's women empowerment is taking place in terms of economic activities and decision-making at the household and society level which is increasing and making the process of rural development participatory, democratic, sustainable and independent of subsidy.
Ravi and Venkataramana	2002	To study empowerment of women through SHGs in Andhra Pradesh focusing on the effect of the SHG strategy on women's economic activities, possible occupational change, asset creation and decision-making process in domestic issues.	Majority of women had borrowed money for agriculture and income generating activities and about 94.9% women involved in SHGs who had taken the responsibility to decide on the domestic matters of their families. After formation of the SHGs, women took part in organizing activities, participated in group discussion and also arranged SHG activities.
Anand	2002	To examine the impact of SHG and micro-credit on women empowerment	Empowerment in terms of social outlook had been fairly remarkable and also concluded that the attitude of the women SHG members towards gender equity and equality was not found to have been as impressive as it was in the other aspects.
Galab and Rao	2003	To analyse women's SHGs and its impact on poverty alleviation and women empowerment	Participation in SHGs has improved the access of women to credit and finally concluded that women are able to improve control over their labour, resources (saving, credit and income), freedom to move and interact, leadership, and reproductive choices, to some extent.
Meher	2003	To investigate the link between micro credit and alleviation of poverty and also examined the sustainability of SHGs in Konarpul district in Orissa	SHG based micro finance had better outreach and positive impact but there is a need to improve the process of empowerment and the strength of social capital formation of SHGs so as to make them sustainable in the long run.
BI Centre for Development Research and Action	--	To assess the impact of microfinance programme on the socio-economic status of Scheduled Caste women	SHG's have effected change in the perception of community and family while the role of women in decision-making has increase significantly
National Commission for Women	2004	To find the effectiveness of women SHGs in micro enterprises development in Rajasthan and Tamil Nadu.	SHG members have marginally higher income with an increase in agricultural output.
Society for Economic Development & Environment Management	2004	To understand the working environment of women SHGs, performance of SHGs, analyse their policies and programmes in Himachal Pradesh	There is a positive impact on economic growth of the SHG members and on their monthly income.
Natila kabcer	2005	To evaluate whether microfinance is a "Magic Bullet" for women's empowerment.	While access to financial services make important contributions to the economic productivity and social wellbeing of poor women and their households, it does not "automatically" empower women any more than do education, political quotas, access to waged work or any of the other interventions.
Milind	2005	To explore the usefulness of SHGs to tackle the issue of domestic violence	Some community based organizations such as SHGs were also observed to be wielding considerable influence. The study also recommended that to end domestic violence need to keep SHGs at the forefront of action and the SHG leaders can be trained as 'Community Counsellors' and 'Barefoot Lawyers'.
Jyotish Prakash Basu	2006	To find the relationship between microfinance and women empowerment	Empowerment of women is established in weak form
Basu	2006	To study women empowerment and also focused on how a woman's tendency to invest in safer investment projects can be linked to her desire to raise her bargaining position in the households in Hooghly district of West Bengal.	Empowerment of women is established in weak form using the above indicators
Anjugam & Ramasamy	2007	To find out the determinants of women's participation in SHG led microfinance programme in Tamil Nadu	The age of women and value of productive assets other than land have a significant negative influence on their participation. The study also reported three important factors viz., social backwardness, indebtedness and presence of other microcredit programmes in the same or nearby villages - have a significant positive influence on women's participation in the SHG programme.

Asian Society for Entrepreneurship Education and Development	2007	To make a comparative study of SGSY and NABARD supported SHGs' initiatives in Northern India in the states of Uttar Pradesh, Rajasthan and Haryana in order to assess the socio-economic impact of 880 SHGs	NABARD supported SHGs appeared to be a little better than SGSY supported SHGs with respect to the capability of reading and writing, record keeping, bank linkage, repayment rate and income generating activities.
Anuppalle	2008	To study Self-Help Groups in Andhra Pradesh in India	Witnessed a remarkable success of women Self-Help Groups in Andhra Pradesh and also found that SHGs are acting like a catalyst for women economic empowerment and poverty eradication in Andhra Pradesh in India.
Gladis Mary John	2008	To examine the potential of women empowerment through the SHGs	Membership in SHG incultured a great confidence in the mind of majority of women to succeed in day to day life. Positive change was found in the attitude of relatives and friends towards the women in self help groups.
APMAS	2009	Quality and Sustainability of SHGs in Assam.	The SHG program resulted in social and economic benefits to a significant percentage of the sample groups.
Sanjay Kanti Das	2012	To make a comparative analysis on the quality and performance of the SHGs and the impact of SHGs on women members in Barak Valley of Assam.	Impact on decision making pattern ranks first followed by economic empowerment and then psychological aspects
Bhatt & Rajdev	2012	To analyse the factors empowering women through microfinance	SHGs provided social opportunities & aware about rights, entitlements and development programmes as well as starting income generation activities for substantial earnings & self-employment
Sarmah and Das	2012	To analyse the role of microfinance and SHGs for the socio-economic development of the poor people in Lachimpur district of Assam	After joining the SHGs the poor rural people can increase their income and improve their standard of living by performing economic activities independently.
Indhumathi & Palanisvelu	2013	To examine the potential of women empowerment through SHGs	Significant improvement in income level after joining SHG
Thangamani & Muthuselvi	2013	To examine the potential of women empowerment through SHGs	SHGs have had greater impact on both economic and social aspects of the beneficiaries
Brody et. al.,	2013	Economic, political, social and psychological empowerment of women	Remarkable success of women Self-Help Groups in Andhra Pradesh

Thus from the above literature review, it has been seen that majority of the past researchers reported a positive impact of participation in SHGs programmes on empowerment of women. So far, no study has been found which explored the utility of the SHG business model, its operating mechanism, socio-economic characteristics of the women SHGs and its impact on women empowerment of marginalized communities in Brahmaputra Valley with special reference to the Scheduled Castes SHG Groups in the Sonitpur District of Assam.

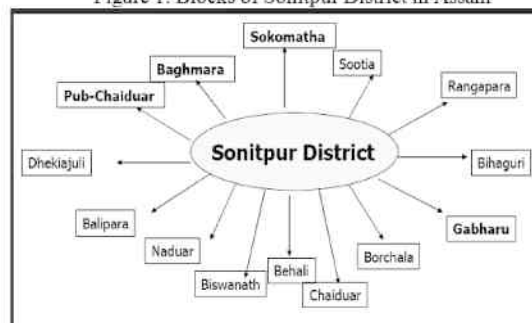
Research Methodology

The primary objective of this research study is to assess the status of the scheduled caste women SHGs and understand the socio-economic characteristics of the women SHGs belonging to Scheduled Caste. The study also highlighted the dynamics of the

SHG business model, rate of capital formulation of the SHG and the rate of return earned by each of the SHG members. The study is conducted in the Gabharu Block of Sonitpur District in the state of Assam. An attempt has been made further to understand the operating mechanism of the women SHGs in terms of six variables viz., (a) credit delivery, (b) interest and capital management of the SHG, (c) business mechanism, (d) internal lending, (e) capital formation and (f) rate of returns for each of the SHG Members. Finally, the study also assesses the status of empowerment of SC women with reference to their income generated from their SHGs.

To achieve the above research objectives, the list of all blocks were collected from the block development officer of Sonitpur District Administration. The list of all fourteen blocks is shown in the following figure.

Figure 1: Blocks of Sonitpur District in Assam



A personal interview was conducted with the block development officer in order to select the representative and active Scheduled Caste women SHGs in the Sonitpur district. The interaction revealed that the women SHGs belonging to Scheduled Caste is presently active and operational in the Gabharu block only. So, from the fourteen blocks as shown in the above figure, Gabharu Block is considered for the above mentioned study.

In the Gabharu block, there are 2417 SHGs belonging to eight Gram Panchayats (GPs) viz., Ushapur, Bhomoraguri, Panchmile, Rajgarh, Dulabari, Mazgaon, Porbotia and Base Area. According

to the block development officer, out of these eight GPs, Scheduled Caste women SHGs are mostly concentrated in the Ushapur Gram Panchayat which accounts for around 95 such women SHGs where all the members in the group belong to the scheduled caste. In the Panchmile GP there are 15 women SHGs but no SHG is found where all the women members are belonging to the scheduled caste. In this Panchmile GP, the SHGs have both scheduled caste and non-scheduled caste members. Finally, to achieve the above mentioned objectives, the Scheduled Caste women SHGs in the Ushapur GP are considered. To select the representative number of samples, 28 scheduled caste women SHGs of the target population

which accounts for 30% of the target population were considered for the study. Twenty eight sample SHGs were selected out of 95 SHGs using the method of snowball sampling. A questionnaire was prepared and data were collected by the researcher from the sample SHG members after a through personal interview. The samples were collected in the month of November 2013.

In order to achieve the above mentioned objectives, the study applied various research tools viz., survey method, personal interview with President & Secretary of the SHGs, Government officials and Panchayat officials. Moreover focused group discussions were carried out with the SHG members. While analyzing the collected data descriptive statistics and T-test were used.

Present Status of Scheduled Caste Women SHGs

The first objective of this study is to assess the present status of the scheduled caste women SHGs in the Gabharu Block of Sonitpur District. As mentioned in the earlier section of research methodology, it has been seen that there are in total 2417 SHGs found in the entire Gabharu block. These SHGs belong to eight different Gram Panchayats viz., Ushapur, Bhomoraguri, Panchmile, Rajgarh, Dulabari, Mazgaon, Porbotia and Base Area. Initially an attempt has been made to find out the presence of women SHGs. The data base of the block development office of the Gabharu block reports that there are in total 2417 SHGs where the highest number of the SHGs (375) belongs to the Base Area Gram Panchayat and lowest number of SHGs (254) belongs to the Panchmile Gram Panchayat. The number of SHGs the other Gram Panchayats is shown in the following figure.

Figure 2: List of Gram Panchayats & Sampling Plan



An SHG represents a Self Help Group constituted by ten to twenty members. So, women SHGs mean a Self Help Group where all the members are women. The discussion with the block officials revealed that the presence of the women SHGs are mostly in the two Gram Panchayats viz., Ushapur and Panchmile Gram Panchayat. Our objective was to identify and assess only those SHGs where all the members are women and belongs to the scheduled caste community. Data base of the block development office revealed that women scheduled caste SHGs are located in the Ushapur Gram Panchayat under the Gabharu block where all the members are women and belongs to the scheduled caste community. The number of such SHGs was found to be 95 in the Ushapur Gram Panchayat. In Panchmile Gram Panchayat, 15 SHGs were found where all the members of the SHGs are women but no such SHG was found where all the members belong to the scheduled caste community. For example, in a self help group with 15 women members, there are only 8 scheduled caste members and the rest of the members belong to other community.

As stated above, our intension was to find out the number of those SHGs where all the women members of an SHG belong to the scheduled caste community. So, it has been found that out of 2417 SHGs in the Gabharu block of Sonitpur district, there are only 95 SHGs found where all the members of the SHGs are women as well as belongs to the scheduled caste community. Thus, the study finds that scheduled caste women SHGs' representation in the Gabharu Block is only 3.9% of the total number of SHGs operating in the Gabharu Block.

Basic Socio-Economic Characteristics Scheduled Caste Women SHGs

The second objective of this study was to understand the socio-economic characteristics of the women SHGs belonging to

Scheduled Caste in the Gabharu Block of Sonitpur District in the state of Assam. The study finds the following basic socio-economic characteristics of the sample SHGs members:-

- The sample respondents reveal that the average number of members per SHG was 15 with a minimum of 5 members and maximum of 20 members per SHG.
- The study finds that approximately 96 % of the sample SHG members belong to the age group of 21 to 50 years which is the most productive period. The study further reveals that 15% of the sample SHG members belong to the age group of 20-30 years, 25% of the sample SHG members belong to 31-35 years, 32% of the sample SHG members belong to 36-40 years, 19% of the sample SHG members belong to 41-45 years, and 5% of the sample SHG members belong to 46-50 years.
- The data reveals that amongst the scheduled caste women SHGs, not a single member is found from any other caste in the Ushapur gram panchayat.
- The average education level of sample scheduled caste SHG members was found to be 10th standard.
- The study finds that more than 92% sample SHG members have got primary and high school level of education.
- The sample scheduled caste SHG members took loan upto three times. The average present loan per SHG member is Rs. 5540. The average first, second and third loan per SHG member was found to be Rs.2530.00, Rs.5580 and Rs.7920 respectively.
- The study reports that majority (85%) of the sample SHG members who took loan utilized the loan amount in productive purposes except the third loan.

- (h) The data reveals that 35% of the sample respondents use the loan for consumption purposes which includes medical purposes, education of the children, house construction, repayment of old debts, house/wall construction/painting/roofing, household articles, gold ornaments etc.
- (i) While studying the borrowing habits of the sample respondents, the study finds that the sample scheduled caste SHG members took loan upto two to three times.
- (j) Consumption consists of medical purposes, education of the children, etc.
- (k) It has been found that some of the existing sample scheduled caste SHG members are also found borrowing from other sources where interest rates are very high.
- (l) It has been seen that majority (80%) of the sample scheduled caste SHG members were found to deposit Rs.100/- per

month.

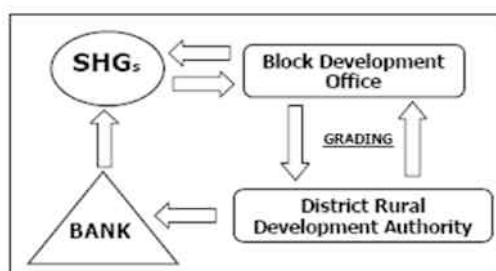
- (m) The study also reports that the minimum amount of deposit was Rs.50/- per month.
- (n) The study reports that more than 95% of the sample scheduled caste SHG members are engaged in weaving of Tradition Assamese Clothes like – Shawls, Mekhela Chadars, Gamucha, Napkins, Shirt Pieces, Bed Covers, Pillow Covers, Fruit Jam, Jelly, Sarbat etc.

Operating Mechanism of the SHG Business Model

Let us now highlight the credit delivery mechanisms of the sample scheduled caste SHGs of the Sonitpur district of Assam.

- (a) **Credit Delivery Model:** The following diagram shows the process of the operating mechanism of the credit delivery models of the sample SHGs:-

Figure 3: Credit Delivery Model of the SHGs



The first step here is the formation of the Self-help groups. In some cases it has been seen that the SHGs are formed by the Block Development Officer or in some cases it is seen that some members in the same locality themselves formed the SHGs. Once the SHGs are formed with 10 to 20 members, a fixed monthly saving is committed by each member of the SHG with a minimum amount of Rs.50 to Rs.500. This saving process is continued when a corpus is generated, internal loan is given to the members of the SHGs. The SHGs need to maintain the various accounts viz., group savings account, individual loan accounts, interest income account and some other books like attendance record of the various

periodic SHG meetings, members attendance etc. When the SHG completes one year of operation, then it applies for some loan to the Block Development Officer (BDO). The BDO, then sends the loan request form to the District Rural Development Authority (DRDA). In the next step, the particular SHG is then evaluated by the DRDA officials with the help of the BDO and a grading is done. This grading is used to the approval of the loan to the SHGs. The SHG members revealed that the grading of SHGs is classified into two grades viz., Grade-I and Grade-II with respect to the achievements of SHGs, towards various factors as shown in the following table:-

Table 2: Factors for Grading an SHG

Sl. Nos.	Parameters for the Grading of SHGs
1	Vision, mission and goals
2	Size of SHGs
3	Economic status of members, newer SHGs, older SHGs
4	Meeting – frequency, time and place
5	Attendance of members at meeting
6	Participation of members in decision making (Expressing opinions/ feelings/ thoughts)
7	Participation of members in responsibility sharing
8	Rules and regulations
9	Savings
10	Sanctioning of loans
11	Loan repayments
12	Rotation of common fund (Revolving)
13	Cash handling
14	Resource mobilization
15	Book keeping and documentation
16	Audits
17	Training programmes
18	Level of PWDs involvement in Planning, implementing, monitoring and evaluation of programmes of PWDs
19	Social actions and community action programmes (Networking and Advocacy)
20	Education, literacy, and numerically

It as been found that those SHGs that are in operation for six months considered under Grade-I and become eligible for receiving Revolving Fund from DRDA. After continuing successful operation for the next six months with Grade-I, the SHGs become eligible for getting the assistance for Economic Activity in the form higher bank loan and government subsidy.

Once the grading is done by the DRDA officials in association with the BDO, the loan amount is deposited into the bank account of the beneficiaries if grading is found satisfactory on the parameters mentioned in the above table.

(b) Interest & Capital Management of SHGs: The main challenge before the SHG members is that of interest and capital management of its corpus. The data revealed that majority of the sample respondents i.e., the members of the SHGs do not have sufficient background to look after interest and capital management of the SHGs. Interest here represents the interest earnings received from the members of the SHGs who have taken internal loan from their respective SHG. This interest earning is divided equally among the SHG members yearly especially before the festivals like Durga Puja, Bihu etc. The followings are some of the major observation of the sample scheduled caste SHGs with respect to interest and capital management of the SHGs:-

- (i) Each member of the SHGs compulsorily saves a fixed amount which varies from Rs.50 to Rs.500. This fixed monthly savings by all the group members forms capital for internal lending.
- (ii) It has been observed that some SHGs are also borrowing funds from banks as Loan for internal lending.
- (iii) The sample respondents revealed that majority of the sample scheduled caste SHGs charge 3% per month (36 % p.a.) interest on internal loans.
- (iv) It has been found that the maximum rate of interest to be 5% per month (60 % p.a.) which is exceptionally higher rate of interest.
- (v) The data reports that majority (92%) of the sample SHGs provide internal lending to its members for a maximum repayment period of 12 months.
- (vi) The sample SHGs were found to be efficient in the loan disbursement process as the average loan disbursement period was found to be 2 days.
- (vii) Interestingly the study finds that some of the SHGs also lend to non SHG members at a higher rate of interest.

(c) The SHG Business Mechanism: Worldwide, SHGs usually follow three types of business model viz., (a) production, (b) providing services, and (c) Trading. In 'production' type of business, SHGs are mostly involved in buying raw materials and converting that into finished goods like live stock rearing, mat weaving, handlooms, blanket preparation etc. In "service providing" model, SHGs are mostly involved in providing a service and charging a fee for the service render like carpentry, plumbing, hairdresser, serving lunch/food etc. In 'trading' type of business, SHGs are mostly involved in purchasing of finished goods and selling it to its nearby community like purchase and sale of fish, salt, household items, utensils etc. While understanding the business model in this study, the followings are some of the major observation of the sample scheduled caste SHGs:-

- (i) The study finds that majority of the sample scheduled caste women SHGs were adopting the 'production' type of business and none of the SHGs were found to be involved in "service providing" and 'trading' business.
- (ii) Majority of the sample SHGs were found to generate revenue generated from weaving activities.
- (iii) Majority of the sample SHGs revealed that interest earnings from the internal lending is one of the biggest sources of earnings of the SHGs.
- (iv) The sample also reported that SHGs got good support from Government subsidy from DRDA in the form of capital which they use either for weaving activity or for providing loan to their internal group members.
- (v) All the sample SHGs were found to repay the loan within 12–36 months period of time.
- (vi) The average of first, second, and third bank loan amount of the sample SHGs were found to be Rs.10,000/-, Rs.20,000/- and Rs.1,50,000 under the subsidy loan scheme of the DRDA.

(d) Internal Lending Mechanism & Returns for the SHG Members: In this study, an attempt is also made to explore the internal lending mechanism of the sample SHGs and find out the rate of returns earned by the average SHG members which is shown by the following table below:-

Table 3: First Year Operation of the SHG Business Model

Particulars	Amount (in Rs.)
Monthly Contribution by Each SHG Member	100.00
Yearly Contribution by Each SHG Member	1200.00
No. of SHG Members in a group (in numbers)	15
Annual Fund Generated	18000.00
Avg. Annual Interest Earned on Fund Generated (3% p.m)	6480.00
Average Annual Earnings from Weaving & other activities excluding cost	4850.00
Total Profit Generated for the Year (Interest Earnings – Earnings from Weaving & other activities)	11330.00
Annual Profit per SHG Member	755.00
Total amount deposited against each of the SHG member (Yearly contribution + Annual Profit per SHG member)	1955.00
Rate of Return for each SHG Member (in %)	62.9 %

Table 4: Second Year Operation of the SHG Business Model

Particulars	Amount (in Rs.)
Starting Balance of the SHG*	18000.00
Yearly Contribution by Each SHG Member in the 2 nd year	1200.00
No. of SHG Members in a group (<i>in numbers</i>)	15
Annual Fund Generated in the 2 nd year	18000.00
Total Amount Available for Internal Lending	36000.00
Avg. Annual Interest Earned on Fund Generated (3% p.m)	12960.00
Average Annual Earnings from Weaving & other activities excluding cost	5335.00
Total Profit Generated for the Year (Interest Earnings + Earnings from Weaving & other activities)	18295.00
Annual Profit per SHG Member	1220.00
Total amount deposited against each of the SHG member (Yearly contribution + Annual Profit per SHG member)	2420.00
Rate of Return for each SHG Member (<i>in %</i>)	50.8 %

Table 5: Third Year Operation of the SHG Business Model

Particulars	Amount (in Rs.)
Starting Balance of the SHG*	36000.00
Yearly Contribution by Each SHG Member in the 2 nd year	1200.00
No. of SHG Members in a group (<i>in numbers</i>)	15
Annual Fund Generated in the 2 nd year	18000.00
Total Amount Available for Internal Lending	54000.00
Avg. Annual Interest Earned on Fund Generated (3% p.m)	19440.00
Average Annual Earnings from Weaving & other activities excluding cost	5868.50
Total Profit Generated for the Year (Interest Earnings + Earnings from Weaving & other activities)	25308.50
Annual Profit per SHG Member	1687.23
Total amount deposited against each of the SHG member (Yearly contribution + Annual Profit per SHG member)	2887.23
Rate of Return for each SHG Member (<i>in %</i>)	46.9 %

(e) Benefits of the SHG model: Thus from the above analysis the following observations may be derived regarding the SHG business model and the internal lending mechanism of the Scheduled Caste women SHGs in the Sonitpur District of Assam:-

- It has been found that the sample SHG members make it compulsory to contribute equal monthly savings and thereby the profit is equally distributed by the SHG members after one year of savings.
- It has been seen that majority of the SHGs' capital that is accumulated over the subsequent years is retained for further internal lending.
- The data revealed that participation of women in SHGs improved their access to credit and above all this has instilled high level of confidence in loan repayment.
- The sample SHG members also expressed that the consumption needs and certain production needs of the members had been met.
- Another major benefit the members of the sample SHGs opined that after joining this SHG, they have easy accessibility of getting quick money for emergencies from the SHG itself.
- Majority of the SHG members revealed that apart from internal lending business, the SHG members are also

Table 6: Fourth Year Operation of the SHG Business Model

Particulars	Amount (in Rs.)
Starting Balance of the SHG*	54000.00
Yearly Contribution by Each SHG Member in the 2 nd year	1200.00
No. of SHG Members in a group (<i>in numbers</i>)	15
Annual Fund Generated in the 2 nd year	18000.00
Total Amount Available for Internal Lending	72000.00
Avg. Annual Interest Earned on Fund Generated (3% p.m)	25920.00
Average Annual Earnings from Weaving & other activities excluding cost	6455.35
Total Profit Generated for the Year (Interest Earnings + Earnings from Weaving & other activities)	32375.35
Annual Profit per SHG Member	2158.36
Total amount deposited against each of the SHG member (Yearly contribution + Annual Profit per SHG member)	3358.36
Rate of Return for each SHG Member (<i>in %</i>)	45.0 %

Table 7: Fifth Year Operation of the SHG Business Model

Particulars	Amount (in Rs.)
Starting Balance of the SHG*	72000
Yearly Contribution by Each SHG Member in the 2 nd year	1200
No. of SHG Members in a group (<i>in numbers</i>)	15
Annual Fund Generated in the 2 nd year	18000
Total Amount Available for Internal Lending	90000
Avg. Annual Interest Earned on Fund Generated (3% p.m)	32400
Average Annual Earnings from Weaving & other activities excluding cost	7100.88
Total Profit Generated for the Year (Interest Earnings + Earnings from Weaving & other activities)	39500.88
Annual Profit per SHG Member	2633.39
Total amount deposited against each of the SHG member (Yearly contribution + Annual Profit per SHG member)	3833.39
Rate of Return for each SHG Member (<i>in %</i>)	43.9 %

engaged in weaving activity which usually increased by around 10% every year.

- As illustrated in the above tables, it has been found that the average rate of return for each of the SHG members against their monthly savings is found out to be approximately 49.9% per annum.
- While calculating this rate of returns, two things the samples SHGs practiced. First, the sample SHG members do not distribute any part of the capital at the end of each year. They only share in equal proportion the amount of profit generated from internal lending and weaving activity each year. Second, the annual earnings accumulated from weaving & other activities are equally divided among the SHG members.
- Since each of the SHG members also need to look after their families, so they can spare less time for the weaving and other economic activities. So because of this reason, the sample SHG members expressed that their annual earnings from weaving & other activities only increases at an average rate of 10% per year.
- Majority of the SHGs reported that they have received equipments and raw materials from District Rural Development Authority for their weaving activity.
- The sample SHGs also reported that the initial capital

available for internal lending which was only Rs.18000 at the end of the first year has gone up to Rs.90,000. So, it has been seen that this monthly individual savings of merely Rs.100 by an SHG with 15 members has accumulated Rs.90,000 in a five year period. Thus we see that the capital base of the SHGs for internal lending has increased by 400% in a five year period.

Status of Empowerment of SC Women with reference to their Income from SHGs

In this study, an attempt is also made to understand the status of empowerment of the scheduled caste women with reference to their income from their SHGs. In this study an attempt is made to understand empowerment in terms of improvement of the family income. In order to achieve this objective, the following null hypothesis is formulated:-

Null Hypothesis,

H0 : There is no significant improvement in family income of the scheduled caste women after joining the SHGs.

Alternative Hypothesis,

H1 : There is significant improvement in family income of the scheduled caste women after joining the SHGs.

For the purpose of finding out the empowerment of the scheduled caste women of the sample SHGs in the Sonitpur District of Assam, the methodology used was difference of means test. To test the above hypothesis, 40 respondents were selected from the Ushapur GP of Gabharu block based on convenient sampling. The dataset represents a moderate sample ($n = 40$), which is greater than 30. As per the Central Limit Theorem, it can be assumed that the sampling distribution is approximately normal. However, since the population standard deviation, σ is not known, so one sample t-test was used (Carver & Nash, 2007, pp.-116). Two softwares viz., MS Excel, and SPSS (Version 16) are used to analyse the data of this study. The statistical tool used in the analysis of data is percentage analysis, and T test.

From the mean scores among the sample women SHG members, result of the T-test is given below:-

- (i) The results of the T-test reveals that the null hypothesis is rejected (at 1% level of significance)
- (ii) Hence it could be inferred that there is a significant improvement in income level of the scheduled caste women after joining their respective SHGs which indicates that a sense of empowerment has been instilled among the sample scheduled caste women SHG members.

While the sample women respondents feel some sense of empowerment, but they have also expressed some major problems:-

- (j) Low skill base and low asset base
- (ii) Delay in getting bank loan
- (iii) Lack of space for business activities
- (iv) No maintenance of past activity, revenue records, interest & capital distribution
- (v) No system of Annual Budgets or Plan of Action for the subsequent years.

Conclusion

The main objective of this research study is to assess the status of the scheduled caste women SHGs and understand the socio-economic characteristics of the women SHGs belonging to Scheduled Caste. The study found that out of 2417 SHGs in the Gabharu block of Sonitpur district, there are only 95 SHGs found where all the members of the SHGs are women as well as belongs to the scheduled caste community. So, scheduled caste women SHGs' representation in the Gabharu Block is only 3.9% of the total number of SHGs operating in the Gabharu Block. Regarding the socio-economic characteristics of the sample group, the study find study found that the average number of members per SHG was 15, approximately 96 % of the sample SHG members belong to the age group of 21 to 50 years which is the most productive period, the average education level of sample scheduled caste SHG members was found to be 10th standard and more than 92% sample SHG members have got primary and high school level of education. The sample scheduled caste SHG members took loan upto three times and the average present loan per SHG member is Rs. 5540. Majority of the SHG members took loan utilized the loan amount in productive purposes except the third loan. It has been found that some of the existing sample scheduled caste SHG members are also found borrowing from other sources where interest rates are very high. The study revealed that majority (80%) of the sample scheduled caste SHG members were found to deposit Rs.100/- per month and more than 95% of the sample scheduled caste SHG members are engaged in weaving of Tradition Assamese Clothes like – Shawls, Mekhela Chadars, Gamucha, Napkins, Shirt Pieces, Bed Covers, Pillow Covers, Fruit Jam, Jelly, Sarbat etc.

The study also explored the dynamics of the SHG business model, rate of capital formulation of the SHG and the rate of return earned by each of the SHG members. The study is conducted in the Gabharu Block of Sonitpur District in the sate of Assam. An attempt has been made further to understand the operating mechanism of the women SHGs in terms of six variables viz., (a) credit delivery, (b) interest and capital management of the SHG, (c) business mechanism, (d) internal lending, (e) capital formation and (f) rate of returns for each of the SHG Members. The study found that once the grading of the SHG is done by the DRDA officials in association with the BDO, the loan amount is deposited into the bank account of the beneficiaries. The study also revealed majority of the members of the sample SHGs do not have sufficient background to look after interest and capital management of the SHGs. Interest here represents the interest earnings received from the members of the SHGs who have taken internal loan from their respective SHG. This interest earning is divided equally among the SHG members yearly especially before the festivals like Durga Puja, Bihu etc. Interestingly the study found that the average rate of return for each of the SHG members against their monthly savings is found out to be approximately 49.9% per annum. The study revealed that the initial capital available for internal lending among the SHG members which was only Rs.18000 at the end of the first year has gone up to Rs.90,000 has increased to Rs.90,000 in a five year period. Thus the study found that the capital base of the SHGs for internal lending has increased by 400% in a five year period.

Finally, the study also assesses the status of empowerment of SC women with reference to their income generated from their SHGs. T-test results revealed that there is a significant improvement in income level of the scheduled caste women after joining their respective SHGs which indicates that a sense of empowerment has

been instilled among the sample scheduled caste women SHG members.

“Millions of women in our hamlets know what unemployment means. Give them access to economic activities and they will have access to power and self-confidence to which they hitherto have been strangers”

- Mahatma Gandhi

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