



# FINANCIAL AND INFRASTRUCTURAL SUPPORT SYSTEM TOWARDS SHG'S: EVIDENCES FROM ASSAM

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## ABSTRACT

*SHGs are set up with certain objectives and to achieve their objectives the SHGs need to follow a particular system. The objectives of SHGs are framed by National Institute of Rural Development, National Rural Livelihood Mission and different State Livelihood Missions and apart from these, many other agencies, are entrusted with the responsibility of development of rural India by providing essential help towards the women folk of our society. SHG is a distinctive programme for promotion and empowerment of rural folk mainly for upgrading the marginalized fraction. SHGs aims to include women as members with minimum or without any educational, entrepreneurial and industrial background to become self reliant through instilling self confidence so that they can develop their own decision making capacity and can solve problems on their own. In this particular study effort is being made to identify the support system developed by various agencies help the SHGs to achieve their target. Along with Financing pattern followed by agencies to the SHGs, infrastructural requirements of SHGs are also considered in this study.*

**Key words:** SHG, support system, financing pattern, infrastructural requirements

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## 1. INTRODUCTION

Primarily SHGs were set up in India as a micro credit group for economic empowerment of women and weaker sections through which the poor and needy sections of our society can have access to large quantum of resources. SHG provides an exposure to better technology

and skill enhancement. SHGs can open up new avenues for rural women by introducing them to the outside world. They can have the freedom to decide their course of life, develop self reliance and more importantly they can actively participate in different processes of advancement (Gnanadhas E. & Mahalekshmi M., 2011). SHGs are set up with certain objectives and to achieve their objectives the SHGs need to follow a particular system. The objectives of SHGs are framed by National Institute of Rural Development, National Rural Livelihood Mission and different State Livelihood Missions and apart from these, many other agencies, are entrusted with the responsibility of development of rural India and targeting the women folk of our society (NRLM: Framework for Implementation, Ministry of Rural Development, Government of India).

Since independence, the Government of India and its affiliated agencies are tirelessly working on promotion of entrepreneurship among all folks of the society and particularly among women folk to bring them into the mainstream of economic development. Different policies and schemes are formulated by the then planning commission in the five year plans and now this task of policy formulation is taken over by the NITI Ayog. India is one of the fastest growing economies in the world and this growth can be accelerated further, by inculcating entrepreneurial culture among the youth and women of the nation. Traditional sectors are not providing much opportunity for employment; hence, it is the need of the hour to open up new avenues of employment opportunities. With the passage of time, society is going through rapid changes due to transformation in all segments. To explore the new areas of employment opportunities, entrepreneurship development, enhancement of people's skill, development of MSME sector and empowerment of village organisations are necessary. To promote inclusive and sustainable development different schemes are applied through different government agencies and in some cases NGOs and other local organisations are also playing their role to motivate women to start economic activities. Different government departments like Panchayat and Rural Development, Entrepreneurship and Skill Development, Department of Micro Small and Medium Enterprises of India, Women and Child Care Department are bringing loads of schemes to uplift the entrepreneurial culture among the people of India and more intensively among the women folk of our society. Nationalised Banks and NBFCs are also playing their part, to promote different programmes to enhance living standard of people through providing income generating opportunities. Banks like SBI and other commercial banks, NABARD, SIDBI, Cooperative Banks and NBFCs like RGVN (North East) Micro Finance Ltd. are implementing schemes to reach out to the people.

## 2. REVIEW OF LITERATURE

Roy & Ahmed, (2012) in their study have said that SHG programme has lightened the load of life for the members of a SHG in many ways. There have been appreciable and healthy changes in the living standards of the SHG members in terms of assets creation, savings and borrowing capacity, income generating activities and in income levels. SHGs develop saving tendency and bring people closer to the banking system by helping in getting loans easily and regularly. Looking at the successful model of SHGs in India, it is worldwide accepted that SHG movement can add a new dimension towards development.

Pati (2008) in his study regarding subsidized micro financing and financial sustainability of SHG discussed the Swarna Jayanti Gram Swarozgar Yojana(SGSY) which provides concessional financing i.e. subsidy towards the SHG and such scheme encouraged SHGs to develop their capabilities. The study also mentioned that bankers need to carefully evaluate the process of their activity by availing subsidized finance.

Madheswaran & Dharmadhikary (2001) in their study “empowering rural women through SHGs” was to observe the SHG method of the micro credit scheme as a financially feasible tool in channelizing credit to the rural folk. In this study an effort had been made to analyze the impact of SHGs in providing credit to rural women, to help them to strengthen their economic position. The analysis was based on a survey of Pune district, where the Maharashtra Rural Credit Programme was being implemented. The study discovered that the Maharashtra Rural Credit Programme was successful to some extent in its objective due to a mixture of factors such as SHG-Bank linkage, Credit being made available for consumption purposes, Easy and periodic availability of credit due to rotation of savings, active participation of NGOs.

**Objective of the Study:** The objective of this study is to analyse the support provided towards the growth of SHGs in rural areas of Assam. SHGs are unique form of micro enterprises run by women of rural areas. Both government and other agencies are formulating various measures for the meaningful growth of SHGs. Here in this particular topic only the financial support system is studied, other matters such as infrastructural need and support also brought into purview of the study.

**Methodology:** This particular study is mainly based on secondary source of data. Various research works, publications, newspaper articles are studied thoroughly to make the study reliable and proper. To make the study authenticate the annual report of NABARD regarding status of micro finance 2018-19, State focus paper of NABARD on Assam 2018-19 studied in detail. Different editions of Statistical Handbook of Assam, Economic Survey of Assam also studied to fulfill the objective of the study.

**Findings of the Study:** Sources of Finance for SHGs to promote entrepreneurship: The Central Government of India and other state governments and its allied agencies are taking up various measures to promote income generating activities among the rural society, more particularly for those who are economically backward and living by facing various other challenges of life. Presently Deendayal Antodaya Yojana (DAY) NRLM is operational in the states, which is a central government flagship programme for development of rural folks through creation of SHGs. DAY-NRLM is an extension of earlier SGSY plan implemented in the year 1999. In this particular plan at least one woman from each household of rural area is targeted for inclusion in SHGs. The NRLM provide both financial and other related services for advancement of women of our society. The SHGs can avail a revolving fund of Rs 15000 after its creation and then step by step they can avail other financial benefits from NRLM. The SHGs can avail loan facilities from commercial banks where they are entitled for subsidy upto Rs. 250000. Apart from the NRLM each state has their own State Rural Livelihood Mission for strengthening the SHGs for creation of income generating activities among women. These SRLM of the states also finance the SHGs through their own plan and policies.

The Assam State Rural Livelihood Mission (ASRLM) is designed by the Govt. of Assam and a plan called Kanaklata Mahila Sabalakaran Yojana was launched exclusively for SHGs. Under the Kanaklata Mahila Sabalakaran a SHG is entitled to get upto Rs 5lakh depending upon its works. Apart from these missions and government grants, subsidy, the SHGs can also avail loans from banks on their own capacity for generating livelihood opportunities. At various times some other government departments also provide funds to SHGs for successful implementation of their projects. In the study area, it is observed that animal husbandry department of Assam and department of handloom and textile also provide subsidized loan and training to the SHGs. SHGs also have the provision to collect monthly monetary contribution from their member's, which is also considered as seed fund for their projects. Generally, every member of a SHG use to contribute towards their common fund during the course of their meeting. For SHGs capital subsidy ceiling is applicable and this particular

benefit is applicable for members of SHGs @Rs. 15,000 per member belong to general category and Rs. 20,000 per member belong to SC/ST category. A SHG is eligible for subsidy upto Rs. 2.50 lakh. Only the members who are under poverty line are eligible for individual subsidy and the SHGs with more than 70% members under poverty line are eligible for group subsidy. SHGs are also eligible to get subsidy on interest rate of above 7% per annum for loans availed from banks, based on prompt repayment and maintenance of other norms. Interest subsidy would be provided to a SHG or its members when the member has availed a bank loan up to an amount of Rs 1.00 lakh. This subsidy is not available on such occasions when the SHG is availing capital subsidy. SHGs also get training for capacity building and skills improvement and for training Rs. 7,500 per beneficiary are allotted. The amount available under this component is not only for the beneficiaries but also for all other stakeholders, including programme officers and staffs, community professionals, concerned government officials, NGOs etc. Expenditure on exposure visits are also being enclosed with capacity building and skill development training (NRLM Handbook for SHG)

### **3. FINANCING PATTERN BY THE INSTITUTIONS TO THE SHG: CONDITIONS AND ELIGIBILITIES**

Self Help Group is represented by people of lower income group and more specifically by women from villages. It is an effort of both government machinery as well as other social organisation to encourage women folk of our society so that they can also involve in income generating activities and also in other activities of society where women participation is less. Mainly Government, through various schemes uses to finance these groups and also conduct training for their upliftment. The aim of SHG is not only to generate income generating activities among women but also to help them to actively involve in other household and social matters. The SHGs are needed to fulfill certain criteria before getting government grants or loan facilities from banks. SHGs get a revolving fund support equivalent to corpus of SHG, with a minimum of Rs. 10,000 to a maximum of Rs. 15,000 per SHG. Every SHG need to fulfill following eligibility conditions:

1. SHGs need to complete a minimum period of 6 months of active existence. However this condition could be reduced to three months for groups that conduct regular meeting on weekly basis for the purpose of revolving fund support.
2. SHG should be practicing "Panchasutras" i.e. regular meetings, regular savings, regular inter-lending, timely repayment, and up-to-date books of accounts.
3. Prepared a micro investment plan covering all members of the group and use the plan for extending financial support to members.
4. The revolving fund supports consumption and initial production needs and also build institutional capacities of Self Help Groups in managing loans and funds.
5. The existing defunct SHGs are also eligible for credit if they are revived and continue to be active for a minimum period of 3 months.
6. No collaterals or mortgages are charged on SHGs upto a loan amount of Rs. 1 lakh. Apart from the above conditions a SHG need to obtain grading norms fixed by NABARD. Now after establishing federation of the SHGs the grading exercises done by the federations to support the Banks. Whenever a SHG completed twenty-four months, the SHG must focus on visioning and planning, promoting new livelihoods, new products development and creating social capital. The SHPI issue a recommendation letter to the banks or other financing institutions for granting of loan or other financial incentives. The recommendation letter contains detail about the SHG and their records.

The agencies which provide financial assistance towards the SHG also check their repayment track record if the SHG has credit linkage with any other bank or financial institution.

Reserve Bank of India also issued certain guidelines regarding loan amount that should be sanctioned to SHGs. SHG can avail loan from Bank by maintaining certain conditions as per RBI and if these regulations are followed then Banks issue loan to the SHG. There are certain stages of conditions ranging from stage I to stage IV (ASRLM report, pp 8). Following are the different stages and eligibility criteria for SHGs to avail bank credit as per RBI guideline:

1. **Stage I-** in the stage I which is also termed as First dose, a SHG is eligible for bank credit upto 6 times of their existing corpus or minimum of Rs 100000 whichever is higher.
2. **Stage II-** In the stage II or second dose of financing, SHGs are eligible to get a minimum of Rs 200000 or 8 times of their corpus fund whichever is higher.
3. **Stage III-** In this particular stage or dose a SHG is required to prepare a micro credit plan and same must be appraised by their federations or any other support agency meant for promotion of SHG. In this stage SHGs previous credit history is also checked by the bank. In this stage a SHG is entitled to get at least Rs 300000 depending on their micro credit plan and previous credit history
4. **Stage IV-** From this stage or dose onwards, a SHG is eligible to get a minimum of Rs 500000 or more as loan from bank depending on their micro credit plan or previous credit history which is similar to stage III. Stage IV is not the final stage for bank credit. Any SHG can avail more bank credit after stage IV but the eligibility criteria are same as stage III and IV. (ASRLM, Annual Report 2017).

In the north eastern region of India and particularly in a state like Assam development of women is one of the prime focus of every government policy and in this aspect state government and its departments are working for that. Apart from government organisations some non government economic and social organisations are also working with enthusiasm for the progress and overall development of women as well as rural society. National Bank for Agriculture and Rural Development is one of the pioneer financial institutions in India to promote SHG based group entrepreneurship among women of our rural society. NABARD started a programme named SHG Bank Linkage Programme way back in 1992 through which SHGs are linked with Bank by opening a bank account. Under this SHG Bank Linkage programme, all SHGs are needed to open a bank account in a nearby bank to avail certain facilities. The results achieved by the Grameen Bank of Bangladesh under the leadership of Noble laureate Mohd. Yunus and SHGs promoted by NGOs such as MYRADA (Mysore Resettlement and Development Agency), motivated NABARD to offer refinance to banks for collateral free loans to groups. In this model, the bank itself takes up the work of forming and nurturing the groups, opening their bank accounts and providing them with bank loans after satisfying itself as to their maturity to absorb credit. The SHG - Bank Linkage Programme (SHG - BLP) of NABARD is the largest microfinance programme in the world because of population it touches. What is equally remarkable is that it is also the most widely participated developmental programme in the country and perhaps in the world for the large number of channel partners, their grass root workers, government agencies and banking outlets involved. The SHG BLP is a successful programme because of extent of participation can be gauged by the fact that at present more than 100 Scheduled Banks, 349 DCCBs, 27 State Rural Livelihood Missions and over 5000

NGOs are engaged in promoting Self Help Groups. SHG Bank Linkage Programme is recognized as the largest community based microfinance programme covering 85.77 lakh SHGs and more than a hundred million rural household as on 31<sup>st</sup> March 2017 (NABARD-Status of Micro Finance in India 2016-17).

In Assam SHG Bank Linkage Programme is being implemented in all the districts. As on 31st march 2017, the cumulative number of savings linked SHG was 3.47 lakh and credit linked SHG was 1.07 lakh. NABARD started digitisation of SHGs under a project called E-Shakti to take benefit of technology and to address the problem of book keeping, credit history of SHGs, generating SHG grading report based on its financial and nonfinancial records so that it can be used by all important stakeholders. The stakeholders especially bankers can use the data to take decisions for extending credit linkages on the basis of reports generated through E Shakti. In Assam NABARD launched EShakti in the Nalbari district under pilot project. Under the project E-Shakti, all the financial and non financial records of SHG are maintained digitally in a dedicated web portal which is solely designed for the purpose of maintenance of records. As on 31st March 2018 total 7500 SHGs are covered under the E Shakti project.

**Table 1** Progress of SHG under micro finance – Bank Loans disbursed by Public Sector Commercial banks of Assam during the financial year 2016-17 (Amt. in Rs Lakh)

Serial No	Name of Bank	Total Loans Disbursed during the year		Out of total –Loan disbursed to exclusive women SHG		Out of Total-Loan Disbursed under SGSY/NRLM		Out of Total-Loan Disbursed under NULM/SGRSY	
		No. of SHG	Loan Disbursed	No. of SHG	Loan Disbursed	No. of SHG	Loan Disbursed	No. of SHG	Loan Disbursed
1	Allahabad Bank	1676	1948.56	331	409.15	1519	1803	47	61.40
2	Bank of Baroda	308	450.05	218	399.64	66	33.00	0	0.00
3	Bank of India	103	142	100	109.00	59	103.00	0	0.00
4	Bank of Maharashtra	57	80.96	49	57.96	38	51.47	0	0.00
5	Canara Bank	62	86.97	50	74.79	21	39.00	12	12.18
6	Central Bank of India	1341	795.40	175	79.61	175	79.61	0	0.00
7	Corporation Bank	1	0.76	0	0.76	0	0.00	0	0.00
8	Dena Bank	7	2.98	7	2.98	7	2.98	0	0.00
9	IDBI Bank Ltd	218	397.05	186	345.75	154	291.54	11	20.00
10	Indian Bank	173	198.00	170	194.00	168	196.00	4	2.00
11	Indian Overseas Bank	160	259.97	106	186.26	106	186.26	0	0.00
12	Oriental Bank of Commerce	0	0.00	0	0.00	0	0.00	0	0.00
13	Punjab & Sind Bank	0	0.00	0	0.00	0	0.00	0	0.00
14	Punjab National Bank	381	326.16	93	35.29	275	161.11	1	3.00
15	State Bank of India	999	1189.00	999	1189.00	771	717.00	2	2.00
16	Syndicate Bank	143	184.84	143	184.84	18	15.65	0	0.00
17	UCO Bank	970	1059.63	891	974.32	942	1018.55	28	41.08
18	Union Bank of India	435	39.00	362	30	356	30	0	0.00
19	United Bank of India	3557	3719.00	3468	3638.00	3253	2481.00	54	109.00
20	Vijaya Bank	36	54.78	109	54.78	9	2.50	6	10.75
	<b>Total</b>	<b>10781</b>	<b>10967.96</b>	<b>7495</b>	<b>7997.51</b>	<b>7953</b>	<b>7220.41</b>	<b>192</b>	<b>286.26</b>

Source- NABARD- Status of Micro Finance in India 2018-19, page no 133

The NABARD initiated a training programme called Micro Enterprise Development Programme and Capacity Building for the SHG members and their other stakeholders. In Dhemaji and Dibrugarh district of Assam another pilot project was launched by NABARD for promotion of livelihood of SHG members, under the Livelihood Enterprise Development Programme, refresher training, backward-forward linkages and handholding and export supports are ensured. Individual Rural Volunteers (IRV) was introduced by NABARD and these volunteers work as a link between SHG's and the banks. The scheme is presently supported by the Assam Gramin Vikash Bank (AGVB), State Bank of India (SBI) and Langpi Dehangi Rural Bank (LDRB). A Joint Liability Group (JLG) model was introduced to extend loans to the small borrowers, consisting of 4-10 members, not having any physical collateral to offer, being replaced by the social collateral. The prime objective behind the JLG was to

improve the flow of credit to the land less farmers, who do not have their own land to cultivate. Later on financial institutions such as the Assam State Cooperative Apex Bank, ICICI bank, UCO Bank, SBI has also embraced the JLG model of reaching the financially excluded populations through credit extension (NABARD; State Focus Paper for Assam 2018-19). The SHG BLP project of NABARD where some other public sector commercial banks are also taking part through various micro financing initiatives is proving to be highly beneficial for the growth of SHG oriented micro enterprises. These banks are providing loan to the SHGs and which are working under National Rural Livelihood Mission. Progress of SHGs under micro finance initiatives are shown in the following above table-1

After NABARD it is worth mentioning that Rastriya Gramin Vikash Nidhi (NE) Micro Finance Ltd. is an NBFC working in the entire North Eastern Region. The mission of RGVN is to provide financial and other support services to the underprivileged households in the North East India to improve their quality of life. RGVN is a premier microfinance institute operating in the North Eastern region of India, contributing in the development of the people in this region by facilitating better access to health, education and livelihood opportunities. Apart from providing credit, RGVN also extends other services to attain the twin-goal of growth and social development among clients. Society oriented initiatives of RGVN include financial literacy, organising health camps, technical assistance on dairy farming, piggery, duckery etc. Skill building, awareness on issues like environmental, leadership roles for women and girls, health and nutrition and legal issues of women are also covered under RGVN society development initiatives. It is one of the top micro finance institutions operating with a network of 139 branches spread across 7 states of North East India and West Bengal. Approximately RGVN has 4.07 Lakh clients and their portfolio outstanding is Rs. 688 crore and a cumulative disbursement of Rs. 680 crore as on 31st March, 2017. RGVN provides loan facilities to SHGs so that they can augment income generating activities. RGVN provides individual loan to members of SHGs and the loan amount varies from minimum Rs 15000 to maximum 50000 per member with a maximum interest rate of 26% yearly on reducing balance as per RBI guidelines (RGVN, Annual Report 2017).

#### **4. ROLE OF PANCHAYAT AND RURAL DEVELOPMENT DEPARTMENT, GOVERNMENT OF ASSAM**

The Panchayat and Rural development department of Assam is working for the development of SHGs in rural areas of Assam. They have implemented various schemes for the growth of self employment among youths and SHGs. Schemes like Chief Minister's Jeevan Jyoti Swarnojan Yojana has been exclusively designed to provide self employment avenues to unemployed youth through Joint Liability Groups, under this yojana loan and subsidy is provided to unemployed youth, young farmers, weavers, women, artisans within the age group of 18 to 37 years and they may belong to both BPL and marginally above BPL families. The government of Assam for the growth of SHGs in the year 2018 launched a scheme called Konoklata Mahila Sabalikaran Yojana. The one and only emphasis of this scheme is to strengthening the self help groups through financing and refinancing. Under this scheme total one lakh SHGs will be targeted through formation of new SHG and also by revitalizing existing SHGs. An initial fund of Rs 25000 will be provided as grant to newly formed SHGs and there is provision of funding for the existing SHGs. The SHGs from intensive blocks under the NRLM are also eligible to receive grant. The main aim of this particular scheme is to promote income generating activities among women and also encourage them to establish micro industries. National Rural Livelihood Mission (NRLM) has been addressing the needs of rural poor by adopting a multi pronged strategy for poverty eradication through building and nurturing organisations of the poor. Under NRLM throughout 2016-17 the nos. of

Women Self- Help group created is 19582 against the aim of forming 24014 numbers of SHGs in the State while in 2015-16 the achievement was 13682 against the target of 11305. The numbers of women SHGs allotted with Revolving Fund (RF) during 2016- 17 was 21174 against the target of 16750 while in 2015-16 it was 13298 against 13985 numbers of SHGs. The number of Village Organisation (VO) formed during 2016-17 was 993 against the target of 1534 and the numbers of VOs provided with Community Investment Fund (CIF) are 9022 against the target of 5250. During 2015-16 the number of VOs created was 865 against the target of 2045 and the number of VOs provided CIF were 8620 against the target of 7569. Therefore, more effort is needed to fulfill the target of SHGs and VOs. A wide range of developmental activities have been initiated under the national rural livelihood mission. It will promote 70000 women SHGs to cover 10 lakh household under NRLM and each group will be provided with a revolving fund of Rs.10, 000-15000 each. (Economic Survey of Assam, 2017-18).

SARAS Fair- SARAS is a unique trade fair involving SHGs started by Assam Government through Assam Rural Livelihood Mission in the year 2017. SARAS means "*Sale of Articles of Rural Artisans Society*". This particular trade fair provides a platform to the rural artisans to showcase their skills and products whereby they develop a market link and raise awareness among urban consumers regarding rural livelihood initiatives. In the year 2017 SARAS organized a fair in Guwahati where more than 100 SHGs across 17 states of the country participated, showcasing mainly handloom and handicraft items and registered a sale of more than Rs. 1.51 crore. A similar initiative was carried out in Jorhat in the beginning of 2018 where 104 SHGs across 16 states participated to showcase their products and registered a sale of Rs. 60 lakh. The ASRLM have organized two more SARAS fair in Dibrugarh and Guwahati in the last quarter of 2018. The SARAS fairs are not only limit itself to display and sales of SHGs products but also organize interactive sessions and workshops linked to entrepreneurship development, skilling of youth, leadership building, health & nutrition of women and children and also application of scientific methods of livestock management. This particular initiative is creating market link and highlights SHGs income generating activities through application of their skills. The SARAS fairs are also building much needed confidence among the women SHGs to thrive for a better livelihood (ASRLM Annual Report, 2017).

## 5. INFRASTRUCTURAL ASPECTS FOR OPERATION AND SUCCESS OF SHGS

A section of women in our state are lagging far behind compared to many advance states of India. The factors responsible for such backwardness are climate, social ethos, migration of labour force, interest in family works, service orientation of male counterparts, poor communication and transportation, poor literacy etc. are some of the deterrents of women advancement towards a dynamic society. Women in many instances are found to be active in entrepreneurship only in their late 30's when they seriously realize to attain an economic goal for themselves. Therefore, to attain their goal, they take up certain activities with intention to earn money and more importantly to create their own identity. In such cases women of urban areas can start their preferred activities due to availability of infrastructure facilities. But the women living in rural areas face difficulty to start their own activities due to various reasons. Availability of financing institutions in nearby area, nearness to block office, existence of village market, existence of non government organisation, congregation of female entrepreneurs in informal bodies, publicity mechanism, available procedure for registration are some of the facilities one require to start any kind of activity. Therefore the village women prefer to join SHG to fulfill their aspirations. More importantly SHG provides the



environment of group work and which in turn helps in growth of group entrepreneurship. For viable operation of SHG, certain infrastructural aspects are very much essential. First and foremost a SHG need training and consultancy support to take up any viable income generating activities. The NGOs, Government sponsored organisations including banks; different projects are in place to help the SHGs with much needed infrastructure. Mission mode initiative like NRLM and ASRLM at state level are giving main emphasis on development of SHGs. Under NRLM specialized institutions like livelihoods collectives, producers cooperatives, training institutions etc. are promoted for deriving economies of scale, backward and forward linkages and access to information, credit, technology, markets etc. A timely initiative under NRLM is the creation of federations of SHGs. Federations are formed by bringing 5 to 20 SHGs together where each SHG select and send their member to represent them in the federation. Federations may be formed at different level first level is primary federation in village or panchayat where SHG's and SHG members are directly represented. In addition, there would be layers of federations which could be at sub-district and district levels. SHG as an institution would become the member of the federation at different levels. Responsibilities of federations of SHGs are very crucial as they need to come up at the village or Panchayat level, depending on the size of the village. The federations generally take up the responsibilities of bringing all left-out marginalized people into SHG fold, providing support services like trainings, book keeping, monitoring, etc. to SHGs, providing them higher order financial and livelihood services, providing access to public services and entitlements. Federations generally maintain relationship with the Gram Panchayat, block offices, NGOs and other related offices. One of the prime infrastructural requirement for SHG and their member is training and consultancy. At the very initial stage promoting organisation fulfill this particular need by providing basic inputs about maintenance of accounts, procedure of conducting meeting, process of writing proceedings etc. After a SHG stabilize itself, started to upgrade its activities and in this stage requirements of machines and equipments for production activity, entrepreneurial training and market linkage for their products are started. For successful operation the promoting organisation need to facilitate these services for SHGs as the women involve, lacks various expertise. For SHG identification of fruitful income generation activity is a difficult task as their knowledge about outside market is not sufficient and more importantly income generating activity must resemble with available skills and local resources.

## 6. CONCLUSION

Various government agencies are working tirelessly for the growth of SHG so that rural economy and women of rural areas can develop their ability and can become self dependent. NABARD is the pioneer institute to develop SHG model in the country for the growth of rural livelihood. The SHG - Bank Linkage Programme (SHG - BLP) of NABARD is the largest microfinance programme in the world because of population it touches. SHGs are very useful for rural folks as through involving with SHGs the women can work from their home. Various agencies are providing financial as well as other infrastructural support towards SHGs so that they can help the women folks of rural areas to learn new skills, team work, office work etc. Government agencies through providing proper consultancy, training and a link towards market can prove to be highly beneficial for SHG women. A favourable atmosphere for SHG can change the face of rural economy through creation of meaningful employment opportunities.

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