

Regional Variations in the Performance of Shgs in India: An Analytical Study

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INTRODUCTION

The SHG-Bank Linkage Program has marching ahead with successful stories of women members of SHGs in many parts of India. The poor households have come out of the abject poverty with the micro credit from the banking sector. The self-help groups have been achieving a good process in many states or regions of the country since 1992. The regional variations are also seen in the progress of SHGs in the Country. An attempt is made in this paper to analyze the success of SHG Bank Linkage programmes in the six regions viz., Central region, Eastern region, North-Eastern region, Northern region, Southern region, and Western regions. The performance of Self-Help groups in terms of savings with the banking sector, the disbursement of bank loans, outstanding loans and non-performing assets against SHGs are discuss in this article.

SAVINGS OF SHGS WITH BANKS

The Self-Help groups of women started with savings/ Thrifts of the member. The saved amount of the SHGs have to be deposited in either commercial banks or regional rural banks and in some states the cooperative banks have also came forward to encourage the women members of SHGs and deposited their saved amount in their banks. The banks have giving loans to the SHGs on the basis of their saved amount. In fact, the loan disbursements of the loans are linked with the savings of SHGs with the commercial banks, regional rural banks, and cooperative banks. The particulars relating to region-wise distribution of total savings of self-help group with banks in India are presented in table-

Table-1 Savings of SHGs with Banks

Sl. No	Region	Self-Help Groups		Savings Amount	
		2010-11	2018-19	2010-11	2018-19
1	Central	786436	1062759	60338.01	133230.00
2	Eastern	1527618	2654358	140837.61	601154.88
3	North Eastern	324739	523469	13104.6	40407.05
4	Northern	372772	548624	32857.16	62452.82
5	Southern	3489460	3836418	371591.77	1289928.25
6	Western	960921	1388615	82901.13	205275.15
	All India	7461946	10014243	701630	2332448.15

The table above reveals that the highest number of SHGs which are having savings linked with banks is found in case of Southern region (46.76 per cent) followed by Eastern region (20.47 per cent) and Western region (10.50 percent) whereas the smallest member of SHGs liked with banks is reported in North-Eastern region (4.35 percent) followed by Northern region (5.00 percent) and Central region (10.50 percent) during 2010-11. On the whole, Southern and Eastern region to gather have maintained more than 67 percent of the SHGs in the Country. With regard to the savings amounts maintained by the SHGs, the highest member of SHGs which are having savings amounts, is found in Southern region with about 53 percent followed by Eastern region (20.07 percent) and Western region (11.81 percent) whereas the lowest number of SHGs is reported in case of North-Eastern region (1.36 percent) followed by Northern region (4.68 percent) and Central region (8.59 percent) during 2010-11. The above analysis reveals that more than 77 percent of the savings amount mobilized by the SHGs in Southern and Eastern regions during 2010-11.

But the same results are seen during 2018-19, the highest number of SHGs is found in Southern region (38.31 percent) followed by Eastern region (26.51 percent) and Western region (13.87 percent) whereas

the lowest number is reported in case of North-Eastern region (5.22 percent) followed by Northern region (5.48 percent) and central region (10.61 percent). The lion's share in total savings of SHGs is found in case of Southern region (55.30 percent) followed by Eastern region (25.77 percent) and Western region (8.80 percent) whereas a negligible share in total savings followed by North-Eastern region with 1.73 percent followed by Northern region (2.67 percent) and Central region (5.71 percent) during 2018-19. All regions have witnessed growth in the number of SHGs having savings with banks in 2018-19 over 2010-11. The highest growth rate is found in case of Eastern region (73.76 percent) followed by North Eastern region (61.20 percent) whereas the lowest growth rate is reported in case of Southern region (9.94 percent) during 2018-19 over 2010-11. The other regions experienced more than 35 percent growth between 2010-11 and 2018-19. But with regard to the saving amount of SHGs, there is more than four-fold increase and three-and half-fold increase in the savings of SHGs in Eastern and Southern regions. also shows more than three-fold increase and rest of the regions have experienced a considerable increase in the savings amount of SHGs. On the whole, there are a wide regional variation among different regions in terms of SHGs liked savings and amount of savings with banks.

REGION-WISE DISBURSEMENT OF MICRO-CREDIT

The members of self-help groups have obtained micro-credit from commercial banks, regional rural banks, and cooperative banks for promoting the economic activities. There by generating employment and income with the bank loans. The growth in number of SHGs availing bank loans from 2010-11 to 2018-19 is shown in table 2.

Table-2 Bank Loan Disbursement to SHGs

Sl. No	Region	No. of Self-Help Groups		Loan Disbursed	
		2010-11	2018-19	2010-11	2018-19
1	Central	48734	85135	60755.08	72199.35
2	Eastern	247624	909375	161950.39	1197079.08
3	North Eastern	39307	27086	32095.65	29001.21
4	Northern	42493	55922	37752.11	62663.60
5	Southern	726022	1474208	1099628.56	4286255.78
6	Western	91954	146674	62591.40	184563.86
	All India	1196134	2698400	1454773.19	5831762.88

The table above reveals that the regional share of SHGs availing bank loans is higher in 2010-11 as

against 2.07 percent) in 2018-19 in Northern region. There is a significance increase (34 percent) in the total share of number of SHGs availing bank loans in Eastern region in 2018-19 as against (21 percent) in 2010-11. There is a commendable growth in the number of SHGs availed bank loans between 2010-11 and 2018-19. It is evident from the fact the more than three and half times increase in the SHGs between 2010-2019. About 55 percent of the SHGs availed banks loans in Southern region in 2018-19 as against 61 percent of SHGs got micro-credit in 2010-11. However, there is a two-fold increase in the total member of SHGs in Southern region during 2018-19 over 2010-00. The highest regional share of SHGs availing bank credit is found in southern region followed by Eastern region during 201-11 and also in 2018-19. The rest of the regions witnessed an increase in the number of SHGs during 2018-19 over 2010-11, but their share in total SHGs in 2018-19 has declined when compared with that of 2010-11. The above analysis shows that there is a vast regional variation in the number of SHGs availed bank credit in 2018-19 and also 2010-11. The table above further reveals that the total bank loan disbursement to the SHGs has significantly increased by four times from 2010 to 2018-19. The average loan per SHGs has also considerably increased from Rs.121623 during 2010-11 to Rs.16119 during 2018-19. The thereof Southern region in the total loans disbursed to the SHGs has marginally declined from 76 percent during 2010-11 to 74 percent during 2018-19. The Eastern regions accounted for the second major share of 21 percent in 2018-19 as against 11 percent in 2010-11. The rest in the total disbursements made to the SHGs in 2018-19 when compared with that of 2010-11. However, the volume of bank loans has considerable increased in all regions except North-eastern region (-0.03 percent) because of the mounting of the overdoes (NPAs) held up with the SHGs. The growth rate for bank loans disbursed to SHGs in Eastern region has significantly increased by manly seven and half times between 2010-11 and 2018-19. There is about four-fold and three-fold increase in the total volume of bank credit disbursed to the SHGs in Southern and Western regions, respectively. This analysis shows that there is a commendable growth in the total loans made by the banks between 2010-11 and 2018-19 in Eastern, Western and Southern region. The lowest growth rate

is reported in Central region followed by Northern region.

REGION-WISE AVERAGE LOAN DISBURSEMENT

In order to understand the functioning of the SHG and the loaning activities of the members of the SHGs, the average loan per SHGS is important factor. The banks provide sufficient loans to the members of SHGs, they will take up economic activities through starting micro enterprises. The particulars relating to region-wise disbursement of bank loan to the SHGs in the Country are presented in table-3

Table-3 Region wise Avg Loan Disbursed

Year	North eastern	Northern	Central	Western	Eastern	Southern	All India
2010-11	81654	88843	124667	68068	65402	151459	121623
2016-17	98134	123294	82864	139311	95194	272926	204314
2017-18	102010	104320	80732	120257	126165	279454	208683
2018-19	107070	112056	84805	125832	131638	290750	216119

The table above shows among the six regions only three regions viz., Western, Central and Southern regions here crossed the national level average credit disbursement per SHGs during 2018-19 as against only two regions namely central and Southern region during 2010-11. The average credit disbursement per SHG is higher in Southern region throughout the period when compared with all regions. However, average loan disbursement per SHGs has been increased in all regions except Central region since March 2011. In the case of Central region, the average loan per SHGs has declined from Rs.24667 during 2010-11 to Rs.84805 during 2018-19. It shows that the performance of SHG is not satisfactory since low recovery performance prevails in that region.

REGION-WISE DISTRIBUTION OF LOAN OUTSTANDING

Outstanding bank loans is one of the important factors that determine the functioning and strengthening of the SHGs. Higher the total bank loan outstanding against SHGs, higher will be the over dues (Non-Performing Assets) gross root level i.e. SHG level which hampers the flow of funds of the banking sector. In fact, high ratio of loan outstanding to loan disbursement indicates a relatively high Non-Performing Assets (NPA) rate and Vice-Versa. High outstanding joined with low disbursement implies a situation where

repayment rate is low and many of the SHGs are not eligible for subsequent do asses of loans because of outstanding loans against SHGs. The particulars relating to the region-wise bank loans outstanding against SHGs, are presented in table-4

Table-4 Region-Wise Bank Loans Outstanding Against SHGs

Sl. No	Region	Self-Help Groups		Loans Outstanding	
		2010-11	2018-19	2010-11	2018-19
1	Central	358872	324142	236539.52	200443.14
2	Eastern	1105533	1690515	420255.20	1652544.46
3	North Eastern	150021	123554	69525.09	83132.07
4	Northern	149108	124130	90314.42	99374.38
5	Southern	2706408	2538090	2180859.29	6427520.94
6	Western	316821	276901	124623.03	246800.44
	All India	4786763	5077332	3122116.55	8707815.43

The table above shows that the total member of SHGs having outstanding loans with banks and the total loans outstanding against SHGs during 2010-11 and 2018-19. The total number of SHGs having outstanding loans with banks has increased from 47.87 lakhs during 2010-11 to 50.77 lakhs registering are increase of 6.08 percent. The highest number of SHGs is found in Southern region (50 percent) during 2018-19 as against 57 percent during 2010-11 with regard to the growth of SHGs having outstanding bank loans between 201-11 and 2018-19, only one region i.e Eastern region has witnessed a considerable growth (more than 10 percent) whereas the other regions have experienced a decline in the growth of HGs during the same period.

The able further shows that the amount of loans outstanding has increased from Rs.31221 crore in 2010-11 to Rs.87078 crores during 2018-19, registering an increase of 2.79 times. The highest amount of outstanding loans (Rs.64275 crore) is found in case of Southern region followed by Eastern region and Western region. The lowest amount is recoded in North-Eastern region. The share of total loans outstanding is considerably increased in Southern and Eastern regions whereas the drastic decline is noticed in case of central region followed by Northern and North-Eastern regions. The above analysis reveals that the highest amount of outstanding loans leads to higher level of non-performing assets of the banking sector. The outstanding loan amount should be reduced at gross root level.

NON-PERFORMING ASSETS OF AGAINST SHGS

Non-repayment of bank loans becomes out dues which accumulated at the SHGs that will create problems of cycling of fund by the banks. Non-per- formed assets as percent of loans outstanding of the banks has continuously increasing from 2009-10 in all regions up to 2017-18 except eastern region. Non-per percent assets as percentage to loans outstanding have presented in table 5

Table-5 Region-Wise NPA as Percentage to Loans Outstanding

Sl. No	Region	2009-10	2010-11	2014-15	2015-16	2017-18	2018-19
1	Central	8.07	10.74	16.87	15.72	24.7	30.59
2	Eastern	3.21	4.31	11.10	12.65	7.17	5.19
3	North Eastern	5.51	8.42	11.75	16.49	19.58	33.08
4	Northern	6.61	7.05	10.62	19.14	22.12	20.74
5	Southern	1.87	3.79	5.93	4.14	4.46	3.53
6	Western	4.46	7.26	8.64	9.20	13.43	12.39
	All India			7.40	6.45	6.12	5.19

The total non-performing assets of all banks against loans to self-help groups in India have gone up from Rs.823.04 crores in 2009-10 to Rs.1474.11 crores during 2018-19 and the NPA level has gone up further to Rs.452401.05 crores during 2018-19. It shows that there is a more than (Seven-fold) increase in the total non-performing assets of the banks. The increase in the NPAs has been reported across the regions of the country. The NPA as percentage to loans outstanding has considerably increased from 2.94 percent in 2009-10 to 6.12 percent in 2017-18 and later on, it marginally declined to 5.19 percent in 2017-18. Among the regions, the sprit in NPAS is more pronounced in the North Eastern region (33 percent) followed by Central region (31 percent) and Northern region (21 percent) whereas the lowest NPA ratio is found in case of Southern region (4 percent) followed by Western region during 2018-19 same trends have been appeared in the NPA rations throughout the period under study.