

INSTITUTIONAL ARRANGEMENT IN SHGs

COORDINATION COMMITTEE- A CASE BEYOND SHGs

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The institutions are set of rules, compliance procedures, and moral and ethical behavioral norms. It is the rules of the game in a society or, more formally, are the humanly devised constraints that shape human interaction. It consists of formal legal rules and the informal social norms that govern individual behaviour and structure of social interactions. This paper aims to analyse the institutional arrangements of presently functioning SHGs in general and SHG Coordination Committees in Imphal East district, Manipur, India in particular. Institutions reduce uncertainty by providing a structure to everyday life to such organisations. They provide better way to human interaction. The Study has identified that peer Control, Mutual Trust, Collective Decision and Collective Responsibility are created by SHGs Coordination Committees as institutions in SHGs. These institutions have brought successful functioning of Women SHGs in Imphal East District of Manipur.

KEY WORDS: *Self Help Groups, SHGs Coordination Committee, Institution, Institutional arrangement.***INTRODUCTION**

The institutional arrangements refer to the delegation, distribution, or sharing of power related to management, decision-making and implementation to the authority. North (2005) defined the term 'Institution' as the rules of the game in a society or, more formally, are the humanly devised constraints that shape human interaction. It consists of formal legal rules and the informal social norms that govern individual behaviour and structure of social interactions. Institutions reduce uncertainty by providing a structure to everyday life. They are a guide to human interaction. Institutions are creation of human beings. They evolve and are altered by human beings, they affect the performance of the economy by their effect on the costs of distribution, consumption and production.

Institutional arrangement

It is accepted that institutions are set of rules, compliance procedures, and moral and ethical behavioral norms. The adroitness in assessing and appraising the needs of the members, business like functioning and effective and efficient recycling of funds within the group and hundred percent repayment rate has proved that Self Help Group (SHG) is

the best alternative in improving the livelihood. Peter G Klein (1999) expressed Institutional arrangements as the specific guidelines also called 'governance structures' -designed by trading partners to mediate particular economic relationships. The SHG and SHG promoting Institution can create those rules of the games and structure of their activity.

Institutions and SHGs

A self help group is "self governed, peer controlled group of people with similar socio-economic background and having a desire to collectively perform common purpose.

" Figure -1 sets out the institutional factors governing the SHG, Coordination Committee. The members' mutual trust, peer control and pressure, collective decision for an action, rules of the committee make a favourable environment for sustenance of the SHG. Self help groups have been able to mobilize small savings either on weekly or monthly basis from persons who were not expected to have any savings. They have been able to effectively recycle the resources generated among the members for meeting the productive and emergent credit needs of members of the group.

Narendranath (2006) explained the nature of SHGs in their governance about the understanding of the members of their own roles in the SHG, about their collective ownership and their ability to relook at the goals, norms and systems periodically to keep adjusting them to the changing requirements.

Aloysius Prakash Fernandez (2006) described SHG that it demonstrates all the characteristics of a well managed institution that is transparent, democratic and professional in its functioning. Such an SHG not only helps each member to get a secure footing on the path of livelihood development and economic growth, it also builds confidence in each member to accept and face many challenges of life without giving in to feelings of vulnerability and stress. Its institutional strengths forge relationships of trust and mutual support between members that are sustained for as long as they feel the need to hold together as a group. He called this system as effective functioning.

OBJECTIVES

The study is carried out for fulfilment of the following objectives –

1. To identify the core institutions prevailing in SHGs Coordination Committee in Imphal East District of Manipur.
2. To study Advantages given by SHGs Coordination Committees to members of affiliated SHGs.
3. To analyse factors influencing to smooth functioning of SHG Coordination Committees.

METHODOLOGY

The study has been carried out in Imphal East district, Manipur. The SHG Coordination Committees promoted by National Cooperative Union of India – Women Cooperative Education Project, Imphal was purposively taken as a case of the research. This is the project area especially meant for promoting women Self Help Groups. The nature of study is descriptive approach.

SAMPLING DESIGN

Since inception of the project 6(Six) SHG Coordination Committees have been set up in Imphal East district. On Simple random basis 3 (three) Committees namely

1. Thangju SHGs Coordination Committee,
2. Angtha SHGs Coordination Committee and
3. Nupi Lingen SHGs Coordination Committee were selected as Simple units.

From these Committees 60 members were interviewed with pre-tested interview schedule taking 20 members from each committee.

Geographical area

Imphal East as its name signifies is situated in eastern part of Manipur State, India. The total area of the District is 709 Sq. Km, the urban areas cover 19.08 Sq. Km and rural areas cover 689.92 Sq. Km. The population of Imphal East District was 4,56,113 lakhs according to 2011 census. The rural population was 72.66% whereas the urban population was 27.33%. Male population was 226094 whereas female population was 2,30,019. Literacy level in the District was 75.40% as per 2011 census of which 88.77% and 75.32% were male and female respectively. The density of population was 643 per Sq. Km. with a sex ratio of 1017 female per 1000 male. The number of household in urban areas was 18,913 and 30,269 in rural areas.

OBSERVATIONS

SHG Coordination Committees in Imphal East

Committees as the name suggest comprised of some groups of people. With the initiative and efforts of the National Cooperative Union of India - Women Cooperative Education Project, Imphal East District, Manipur six SHGs Coordination Committees were formed in different areas. Table 1 represent the establishment of the Committees, Thongju SHG Coordination Committee of Thongju village was established in 2003 with thirteen SHGs having 224 members and now it is a registered body and functioning independently. Angtha Apunba SHG Coordination Committee of Angtha village was started in 2005 with 14 SHGs of 198 members, seeing the unity, strength, credit lending nature two more SHGs joined the committee and able to lend to its members at very low interest rate. The loan lending ranges from Rs.10,000 – 1,00,000/- per SHG as well as per the need. The Nupi Lingen SHG Coordination Committee of Khongman Village was established in the year April 2009 with nine SHGs having 150 members. The SHGs of the Nupi Lingen SHGs Coordination Committee started working as individual SHG since 2001. After forming the committee within a year the Committee generated Rs.40,500/- as own fund. As on 31st December, 2019 the Nupi Lingen SHGs Coordination Committee was able to generate Rs. 10,00,000/- as their fund. The Micro Credit programs of Nupi Lingen SHGs Coordination Committee create more interest among the ladies. The recovery performance is also very good. In 2007-2008, Wangkhei SHGs Coordination Committee, Yasikul SHGs Coordination Committee and Khurai SHGs Coordination Committee having 549, 600 and 810 members respectively formed. Due to political influences, improper institutional arrangements penetrated into such committees which was impeding factors of micro finance programme.

Reasons for smooth functioning

Certain rules and bye-laws of the SHGs are framed. Those bye-laws needed to be thoroughly understood by each member. In the SHGs Coordination Committees, the leaders or executive body explained correctly to its members. Self Help groups in Coordination Committee namely Thongly, Angtha and Nupi Lingen Leaders enable them to come together for common objective and gain strength from each other to deal with some income earning activity for livelihood promotion. It also helps buildings of relationship for mutual trust between them.

The details of SHGs Coordination Committees surveyed are shown in Table -2. Coordination Committee of Thonglu, Angtha and Nupi Lingen provide easy access to credit by facilitating group for effective control, ensuring repayments and continuity through group dynamics. Rotation of group leaders and Participation in monthly meeting act as a duty and responsibility among members. Loan is given mainly on the basis of need and trust with proper transparent documentation and without any tangible security of collateral from Loanee members. The committee sets feasible norms for interest rates, repayment schedules, late fine, and utility of loan. Rates of interest vary from committee to committee and are often higher than those of commercial banks but lower than those of private moneylenders, who always asked for security. In the Coordination Committee defaulters are rare due to group pressure and interest is recycled again. The principal and interest amount remains within the Coordination committee.

Figure 2 represents that SHG members in the Coordination Committee enhance the status of women as participation in social occasions, decision-making and beneficiaries in the democratic, economic, social and cultural spheres of life. The advantages of being a member in the SHG Coordination Committee are availing emergency needs without collateral. The principal and interest amount remains within the Committee. Above these each SHG provides a forum for members for discussing their social and economic problems. In every meeting, the SHG members discuss and try to find out solutions to the problems faced by the members of the group.

Reasons for poor performance

The Wangkhei, Yasikul and Khurai SHGs Coordination Committee could not function properly due to various reasons. The Committees have political influence as well as lack of proper and systematic institutional arrangements. The institution which is the rules of the game and governs the functioning of behaviour in any situation is not thoroughly understood by all the members of the said Committees. The bye-laws which is like a holy book for SHGs was not being practiced and followed properly. Maintenance of the books of records was not up to date. The membership is also very large as compared to the other three committees.

Lack of mutual trust

It is the trust that binds the SHG members together. If there is no mutual trust collective action is not possible. The SHG members will have lack of mutual understanding and confidence among them. Different and contradictory ideas and thoughts will appear in functional decision making on the meeting, which may lead to destructive outcome.

Irregular in meeting

Presence of each member in every meeting of a SHG is important. This importance makes the member herself strict and discipline in doing a group activity. If the priority is given to the group meeting then one can attend the meeting without fail. Priority should prevail only when a member is getting the advantages of being a member after her contribution towards the group activity. In the situation of getting less facilities than the expectations of the members, they become irregular in their meetings.

Socio political influence

The outside forces should not influence the SHG negatively. SHG should be dynamic to address the common social issues. They can develop strong base in a community where political influence is lesser to the SHG Coordination Committees.

Negative peer pressure

Peer pressure should positively influence the group member as well as the non member so that there is continuity of the SHG activities.

Non-rotation of members

In a SHG the leaders play a significant role, the role of a president, secretary and treasurer is worth appraised. The role they are performing is answerable, accountable, and transparent. Being leader they have to exercise their responsibilities. But non rotation of the members for assigning the role of leaders makes the group monotonous. Each member should get the equal chance to play the role of leaders, then only one will know the functioning of the SHG and Committee as well.

Not up to date books of record

Books of records tell the activity of the SHG. Starting from the day book or minute book to annual financial statement recording is required with genuine receipts. Every book- cash book, ledger book, loan ledger, pass book, resolution book, sales book etc. have to be updated monthly or weekly as per the need of the SHG activity. Non updating of these record books leads to non transparency which is a big issue in a SHG institutional arrangement.

SUGGESTION

For better sustainability and continuity of the SHGs especially in rural India, Proper institutional arrangements for SHGs at the formation, operation and maturation stages are to be made systematically. It is the rules of the game that ensures for a successful running of the SHG as well as at the level of SHG federation or SHG Coordination Committee level. Each member should carefully, correctly know the byelaws and guidelines of the SHGs. The SHG promoting institution can disseminate desired and required information to the members especially at the formation stage. A help line number can be generated for the smooth functioning of SHG activity. Linkage with rural banks for availing loan advance at the initial period of establishment is required.

CONCLUSION

For effective functioning of a SHG, a set of certain rules and regulations needs to be framed and followed by every SHG. SHGs though small they play a good role model for bringing better change in the society in terms of Socio-Economic upliftment. The byelaws developed by the SHGs or promoting institution should be followed and clear instruction should be given to all the members of the SHG. The concerned leaders have to initiate all the functions related to the SHG. The Coordination Committee which comprised of several SHGs have to frame the guidelines to be followed in the Committee byelaws, record books, pass book, lending advances etc. Each member should make herself the effort to maintain the rules of the game of the SHG or Coordination Committee. It is the inner self that ignites oneself to come forward for undergoing an income generation activity by pooling their own thrift contribution in a small amount. Here, the word 'oneself' does describe an SHG. It denotes the sense of belongingness, this will and should make them combined together to work for the group empowerment as well as for self sustenance.

The study has identified byelaws, peer controlled, mutual trust and collective decision as governing institutions for SHGs and SHGs Coordination Committees

**APPENDIX
FIGURES**

Figure. 1: Institutions Governing SHG Coordination Committee

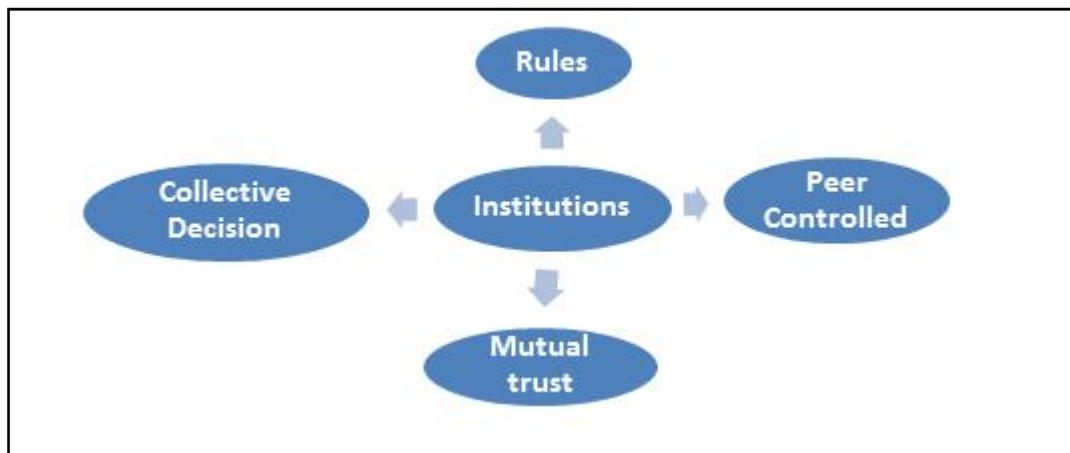
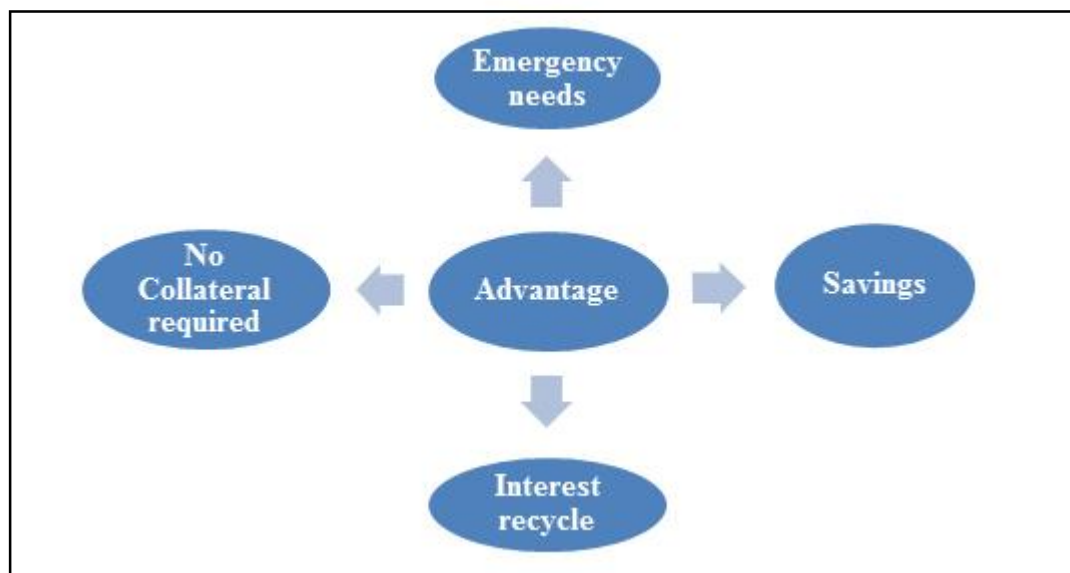


Fig. 2: Advantages of being a member in SHG Coordination Committee



TABLES

Table 1: Distribution of SHG Coordination Committees in Imphal East District, Manipur

Sl. No	Name of Committee	No. of members	Estd. (Year)
1	Thongju SHGs Coordination Comm.	224	2003
2	Angtha Apunba Coordination Comm.	198	2005
3	Wangkhei SHGs Coordination Comm.	549	2008
4	Yaiskul SHGs Coordination Comm.	600	2008
5	Khurai SHGs Coordination Comm.	810	2007
6	Nupi Lingen SHGs Coordination Comm.	150	2009
	Total	2530	

Source: Field Survey

Table 2: Rank wise Distribution of Three Selected SHGs Coordination Committees By Factors of Smooth Functioning

Sl. No.	Factor	Rank (Thongju)	Rank (Angtha)	Rank (Nupi Lingen)
1	Up to date books of record	1 st	5 th	6 th
2	Loan Recovery in time	4 th	3 rd	3 rd
3	Regular Contribution of thrift	7 th	4 th	2 nd
4	Group/peer pressure	2 nd	1 st	4 th
5	Punctuality in meeting	5 th	6 th	1 st
6	Emergency needs met	6 th	2 nd	5 th
7	Budget/fare for going to bank	8 th	7 th	8 th
8	Transparent receipts/payment	3 rd	8 th	7 th

Source: Field Survey

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