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## AN EMPIRICAL STUDY OF FUNCTIONING OF SHGs IN HIMACHAL PRADESH

**SONIKA THAKUR**  
**Ph. D. RESEARCH SCHOLAR**  
**DEPARTMENT OF COMMERCE**  
**HIMACHAL PRADESH UNIVERSITY**  
**SHIMLA**

**Dr. O. P. VERMA**  
**PROFESSOR**  
**DEPARTMENT OF COMMERCE**  
**HIMACHAL PRADESH UNIVERSITY**  
**SHIMLA**

**ABSTRACT**

*A SHG is a small homogeneous group of the rural poor voluntarily coming together to save small amount regularly, which are deposited in a common fund to meet members emergency needs and to provide collateral free loans decided by the group. The SHGs have no written bylaws for their functioning but some basic norms, ensured through regular interventions of the facilitator, can help the SHGs become vibrant entities. The functional efficiency of the groups can head start the growth of the SHGs whereas inefficiency on this level can lead to passiveness or disintegration of the groups. The study found that group leaders are selected by consensus method and groups resolve conflicts through collective leadership and mutual discussion. Every group has code of conduct for effective administration and management of group.*


**KEYWORDS**

SHGs, Himachal Pradesh.

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**INTRODUCTION**

 SHGs are basically small informal groups, characterized by voluntary memberships, a democratic and consultative structure of governance, economic participation of members, autonomy, education and training and concerns for the poor. Apart from a number of things, the members do as a group, they pool their savings and lend within the group to meet the credit needs of the members. Creation of a common fund by regular contribution of members and insurance of loan with minimum documents and often without any security are, in fact, the key features of SHGs.<sup>1</sup>

Fund generation in the initial stages may be substantially low in these groups. Such funds though meager, will be supplemented by external resources mainly, loans from banks or grants given by NGOs, which promote them. SHGs offer to members' preliminary banking services characterized by cost effectiveness, flexibility and freedom from defaults. Assessment of the credit needs of members is done periodically at group meetings. The claims for credit are settled within the group by consensus. In case of any surplus, the amount is deposited in the bank.<sup>2</sup>

The working stages of SHGs involve saving and lending, bank linkage and income generation. The group members save and engage in internal lending. They voluntarily decide by consensus their own lending and repayment rules. The sustainable groups are then linked with banks after a minimum period of six months. These groups then become eligible for leveraging external credit or obtaining revolving fund from banks. This may lead to involvement in income generation either on group level or on individual level.

SHG is a voluntary organisation, which decides its own functioning norms and bylaws. Moreover, basically the functioning profile and efficiency of an SHG decide its status of economic activity, bank linkage and involvement in income generation and empowerment profiles. Thus, functional efficiency of the groups can head start the growth of the SHGs and inefficiency on this level can lead to passiveness or disintegration of the groups.

**REVIEW OF LITERATURE**

**Kanniammal, Jerinabi, and Arthi (2011)** examined that micro finance is a path towards empowering the most marginalized among the poor to take charge of their life's requirements. The study results proved that the intervention of micro finance through SHG-Bank Linkage Programme has positive impact on the economic and social status of the members, in terms of increase in income, savings, employment generation, asset creation, decrease in the dependency on moneylenders, improvement in decision making skills, participation in community affairs and the empowerment of women. Micro finance activities have helped poor to come out of poverty and achieve social reorganization and empowerment.

**Tripathy and Jain (2011)** examines the distributional implications of the world's largest-ever government operated micro-finance programme and the suitability of the Self Help Group (SHG)-micro-enterprise framework towards effective income generation and poverty alleviation. The statistical analysis indicates that while internal savings and group corpus have a positive and significant effect on the income growth of beneficiaries, bank credit does not have any such impact. The results also highlight that the socially and economically forward regions are more likely to benefit from this programme. This has policy implications towards effective governance of government operated micro-finance initiatives in developing nations.

**Mula et al. (2012)** observed inter-loaning is one of the most importing performance indicators of SHG for promotion and eligibility for accessing the credit to start an entrepreneurship activity. In microfinance through SHG model inter-loaning is the advancing of thrift fund, accumulated by mended saving subscription among the members at an interest rate of 24-36% per annum to meet their basic or contingency needs particularly for the productive purpose and consumptive purpose to some extent. The investigation was carried out to examine the overall performance of project linkage groups (PGLs) in inter-loaning with the collected primary data from 57 PGLs operating in Cooch Behar district.

**Ramakrishna, et al (2013)** states that Self-Help Groups (SHGs) are the thrift and credit groups formed informal way whose members pool savings and relend within the group on rotational or needs basis. These groups have operated on co-operative principles and do collective actions They make regular savings habit and use the pooled savings for the benefit of their members through a structured process of essential financial intermediation like prioritization of needs, setting self-determined terms for repayment and keeping records.

**Singh and Mehta (2015)** identified the major factors contributing to good performance of Self Help Groups in Jammu. SHGs in Jammu were found to have regularity in meetings, attendance and savings. Repayment performance of loan in this region is more than 95%. The main reason for group formation is to obtain financial support and improving their economic status.

Goyal. Sonia (2018) concluded that microfinance is playing a vital role in economic, psychological and social development of India. The SHGs in rural areas are performing very well. Microfinance creates the confidence, skill and courage in the marginalized section of society. It leads them to participate in all type of welfare activities with good cooperation. The wholesale privatisation of social welfare institutions and increase in the cost of living puts a lot of pressure on the poor. In these situations, microfinance provides a great deal of relief. MFIs can be treated as key element in the sustained and long term economic development in all over the world. Microfinance based on charity with low rate of interest and ease in availability offers much greater relief.

**OBJECTIVE OF THE STUDY**

The study has been conducted with a view to know about the normal practices of Self Help Groups.

**RESEARCH METHODOLOGY**

The present paper is primarily based on primary and secondary sources of data. Primary data in the form of the responses of member of SHGs, which is of immense importance and the backbone of the study, has obtained from members with the help of well-structured questionnaire. The population for the study consists of weaker sections who are the members of SHGs working in two districts i.e. Shimla and Sirmour of the state Himachal Pradesh. The data collected have been analyzed with the help of statistical methods such as mean, standard deviation and t-test.

**DISCUSSION**

**FUNCTIONS OF SELF HELP GROUP**

The Self-Help Groups are promoted, formulated and nourished by various financial institutions, NGO’s and Government Departments and are then called as Self-Help Group Promoting Institutions. (SHPI’s). The task entrusted to such SHPI’s is to bring people together and motivate them to formulate group. They are responsible for bringing people having same social and economic background under one group and provide them with the necessary support in framing the rules and guideline of the group for the smooth and successful functioning of the group. They are also involved in creating awareness about various social issues and also provide necessary skill based and technical training to the group members. The training focuses on the basic functioning of a group like maintaining records, accounts maintenance and so forth.

The members are required to select a leader amongst them who is entrusted with the task of keeping the group together. The principal tasks to be performed by the leader are to see the attendance of members during meetings, collecting monthly savings from the members, motivating members to take up some income generating activity, working towards improvement of literacy level and creating awareness among the members on various social and cultural issues. Broad functions of the SHG can be grouped as follows:

- **Group leader:** The first task for the members of a group is to select the group’s leader and the secretary by voting or unanimously. The concerned leader is held responsible for conducting a monthly meeting and seeing that the meeting takes place smoothly. The leader is assigned with the task of maintaining all the records and performs all the banking related tasks.

A descriptive statistical analysis regarding selection of group leader on the basis of district has been shown in Table-1.

**TABLE 1 (a): DESCRIPTIVE STATISTICAL ANALYSIS OF SELECTION OF GROUP LEADER ON THE BASIS OF DISTRICTS**

| District | N   | Mean | Std. Deviation | Std. Error |
|----------|-----|------|----------------|------------|
| Sirmour  | 360 | 4.20 | .818           | .043       |
| Shimla   | 360 | 3.83 | 1.276          | .068       |

Source: Data collected through Questionnaire

The table depicts that the highest mean score is found in case of district Sirmour (4.20) with standard deviation of .818. This states that most of the groups in district Sirmour are satisfied with selection procedure for their group leader. The high value of standard deviation for district Shimla shows a lot of variation in selection procedure of leader as compared to Sirmour district.

**TABLE 1 (b): INDEPENDENT SAMPLES TEST FOR EQUALITY OF MEAN SELECTION OF GROUP LEADER ON THE BASIS OF DISTRICTS**

| Levene’s test for equality of variance |      | t-test for equality of means |     |          |                 |                      |
|--|------|------------------------------|-----|----------|-----------------|----------------------|
| F                                      | Sig  | t                            | df  | P. value | Mean difference | St. Error Difference |
| 107.259                                | .000 | 4.665                        | 718 | .000     | .372            | .080                 |

Table-1(b) reveals the results of Levene’s test for equality of variances, which shows that Levene’s statistics for equality of variances is equal to .000. It indicates that, the null hypothesis for equality of variances is rejected, and it is assumed that variances of population from which samples are extracted are not equal. Hence, the Table-1(b) shows the results for assumption of unequal variances. Further, Table-1(b) reports that the calculated value of t - statistics is 4.665. On applying t-test it has been found that, the value of p is .000, which is less than 0.05 hence, the null hypothesis has been rejected. Therefore, it can be concluded that there is a significant difference in the mean score for selection of group leader on the basis of districts.

- **Savings and thrift** - All SHG members regularly save a small amount. The amount may be small, but savings have to be a regular and continuous habit with all the members. “Savings first - credit later” should be the motto of every SHG members. SHG members take a step towards self - dependence when they start small savings. They learn financial discipline through savings and internal lending.

Analysis of Table-2(a) reveals that value of mean is maximum in case of Sirmour district i.e. 3.98 and minimum in case of Shimla district i.e. 3.53, which shows that respondents belonging to Sirmour district give more weightage to savings and thrift as compared to the respondents of district Shimla.

**TABLE 2 (a): DESCRIPTIVE STATISTICAL ANALYSIS OF SAVINGS AND THRIFT ON THE BASIS OF DISTRICTS**

| District | N   | Mean | Std. Deviation | Std. Error |
|----------|-----|------|----------------|------------|
| Sirmour  | 360 | 3.98 | .909           | .048       |
| Shimla   | 360 | 3.53 | 1.275          | .068       |

Source: Data collected through Questionnaire

Further, the calculated values of standard deviation for two districts are as follows, Shimla (.909), and Shimla (1.275). As for as standard error of mean is concerned, the calculated values are;.048 and .068 for Sirmour and Shimla district respectively.

**TABLE 2 (b): INDEPENDENT SAMPLES TEST FOR EQUALITY OF MEAN SAVINGS AND THRIFT ON THE BASIS OF DISTRICTS**

| Levene’s test for equality of variance |      | t-test for equality of means |     |          |                 |                      |
|--|------|------------------------------|-----|----------|-----------------|----------------------|
| F                                      | Sig  | t                            | df  | P. value | Mean difference | St. Error Difference |
| 76.432                                 | .000 | 5.463                        | 718 | .000     | .450            | .082                 |

Table-2(b) shows that the significance level of Levene’s statistics for equality of variances is equal to 0.000 which indicates that, the null hypothesis for equality of variances is rejected. So, the Table-2 (b) shows the results for assumption of unequal variances. Further, Table- 2(b) shows that, the value for t - statistics is 5.463 with degree of freedom 718. The p - value for the t - test is 0.000. As the p - value is less than 0.05. Hence, the null hypothesis has been rejected. Therefore, it can be concluded that there is a significant difference in the mean score for savings and thrift on the basis of the districts.

➤ **Building group corpus:** The saving of the members and the interest charged on the loans granted to the members contribute to a significant part of the group corpus. Some part of income earned by collectively conducting some economic activity is also deposited in the bank account. The deposit of the group depicts the strength of the group and acts as collateral against the bank loan.

Table- 3(a) reports the descriptive statistical analysis of Group Corpus on the basis of districts.

**TABLE 3 (a): DESCRIPTIVE STATISTICAL ANALYSIS OF GROUP CORPUS ON THE BASIS OF DISTRICTS**

| District | N   | Mean | Std. Deviation | Std. Error |
|----------|-----|------|----------------|------------|
| Sirmour  | 360 | 3.88 | .818           | .043       |
| Shimla   | 360 | 4.03 | 1.115          | .059       |

Source: Data collected through Questionnaire

Table-3 (a) depicts that the mean score for building group corpus for district Shimla has been worked and highest i.e. 4.03. It indicates that SHGs are very keen to build their corpus through regular savings in district Shimla. The calculated values of standard deviation have been found.818 and 1.115 for Sirmour and Shimla districts respectively. The standard errors of mean have been.043 for district Sirmour and.059 for district Shimla.

**TABLE 3 (b): INDEPENDENT SAMPLES TEST FOR EQUALITY OF MEAN BUILDING GROUP CORPUS ON THE BASIS OF DISTRICTS**

| Levene's test for equality of variance |      | t-test for equality of means |     |          |                 |                      |
|--|------|------------------------------|-----|----------|-----------------|----------------------|
| F                                      | Sig  | t                            | df  | P. value | Mean difference | St. Error Difference |
| 39.269                                 | .000 | -2.047                       | 718 | .041     | -.149           | .073                 |

Table-3(b) indicates that the significance level of Levene's statistics for equality of variances is equal to 0.000 which indicates that, the null hypothesis for equality of variances is rejected. Therefore, it is assumed that variances of population from which samples are extracted are not equal and table shows the results for assumption of unequal variances. Further, Table 3(b) shows that the calculated value for t - statistics is -2.047 with degree of freedom 718. The p - value for the t - test is.041 as the p - value is less than 0.05, so the null hypothesis has been rejected. Therefore, it is a concluded that there is a significant difference in the mean score for building group corpus on the basis of districts.

➤ **Inter-lending:** After collecting a desired amount of savings for around 3 to 4 months, the group may start its inter-lending activity. The members of the group are provided with a small amount of credit at an interest rate, and terms decided collectively by the members. As the credit is provided by the group saving the decision on approval of the loan is taken by group consent and after considering the need of the member.

Descriptive statistical analysis of internal lending on the basis of districts has been exhibited in Table-4(a).

Table-4 (a) reports the descriptive statistical analysis of internal lending on the basis of districts. It is evident from the table that, the value of mean score for internal lending is.820 and 4.03 for Sirmour and Shimla districts respectively

**TABLE 4 (a): DESCRIPTIVE STATISTICAL ANALYSIS OF INTERNAL LENDING ON THE BASIS OF DISTRICT**

| District | N   | Mean | Std. Deviation | Std. Error |
|----------|-----|------|----------------|------------|
| Sirmour  | 360 | 3.70 | .820           | .043       |
| Shimla   | 360 | 4.03 | 1.143          | .061       |

Source: Data collected through Questionnaire

Table-4(a) shows that members of Shimla district are most satisfied with internal lending as compared to Sirmour districts. The standard deviation for district Sirmour is.820 and 1.143 for district Shimla. On the other hand, standard error of the mean is 0.043 for district Sirmour and.061 for district Shimla.

**TABLE 4 (b): INDEPENDENT SAMPLES TEST FOR EQUALITY OF MEAN INTERNAL LENDING ON THE BASIS OF DISTRICTS**

| Levene's test for equality of variance |      | t-test for equality of means |     |          |                 |                      |
|--|------|------------------------------|-----|----------|-----------------|----------------------|
| F                                      | Sig  | t                            | df  | P. value | Mean difference | St. Error Difference |
| 27.597                                 | .000 | -4.465                       | 718 | .000     | -.330           | .074                 |

Further, Table-4 (b) submits proof that Levene's statistics for equality of variances is equal to 0.000. Hence, it can be said that the variances of the population from which samples are extracted are not equal and table shows the results for assumption of unequal variances. The calculated value of t-statistics is -4.465 with degree of freedom 718. The value of p is.000 which is less than 0.05. Hence, the null hypothesis has been rejected. Therefore, it is concluded that there is a significant difference in the mean score for internal lending on the basis of districts.

➤ **Income generating activity of group:** The groups are motivated to undertake some economic activity to support and generate some revenue for them. The groups are required to decide upon the business they wish to take up collectively or individually in the future course. The supporting agencies provide training and marketing support to the members based on the kind of activity they have taken up.

The Table-5(a) shows the result of descriptive statistical analysis of income generating activities on the basis of districts.

Further, the analysis of table shows that value of mean is maximum in case of district Shimla i.e. 3.72 and minimum in case of district Sirmour, which shows that SHG members of District Shimla are more concerned about income generating activities as compared to SHG members of district Sirmour.

**TABLE 5 (a): DESCRIPTIVE STATISTICAL ANALYSIS OF INCOME GENERATING ACTIVITIES ON THE BASIS OF DISTRICTS**

| District | N   | Mean | Std. Deviation | Std. Error |
|----------|-----|------|----------------|------------|
| Sirmour  | 360 | 3.55 | .739           | .039       |
| Shimla   | 360 | 3.72 | 1.148          | .061       |

Source: Data collected through Questionnaire

Further, the calculated values of standard deviation for districts Sirmour is.739 and for district Shimla is 1.148. As far as standard error of mean is concerned, the calculated values are.039 and.061 for Sirmour and Shimla districts respectively.

**TABLE 5 (b): INDEPENDENT SAMPLES TEST FOR EQUALITY OF MEAN INCOME GENERATING ACTIVITIES ON THE BASIS OF DISTRICTS**

| Levene's test for equality of variance |      | t-test for equality of means |     |          |                 |                      |
|--|------|------------------------------|-----|----------|-----------------|----------------------|
| F                                      | Sig  | t                            | df  | P. value | Mean difference | St. Error difference |
| 90.239                                 | .000 | -2.363                       | 718 | .018     | -.170           | .072                 |

Table- 5(b) confirms that the significance level of Levene's statistics for equality of variances is equal to 0.000 which indicates that the null hypothesis for equality of variances is rejected, which leads to the conclusion that variances of population from which samples are extracted are not equal. So, the Table-5(b) shows the results for assumption of unequal variances. The calculated value for t - statistics is -2.363 with degree of freedom718. The p - value for the t - test is.018 which depicts that the p -value is less than 0.05. So, the null hypothesis has been rejected. Hence, it can be concluded that, there is a significant difference in the mean score for income generating activities on the basis of districts.

➤ **Bank linkages and networking:** Another vital function of SHG is to maintain proper relation with the banks they are linked to and the supporting agency they are associated. Such agencies provide all the training and support services. The provision of an amount of credit is also dependent upon the grading being done by such agencies. Usually, a bank is allowed to provide credit ranging from 1 to 4 times of the total savings. The bank can further extend the set limit after being satisfied by the conduct of the group, regularity of savings, past loan repayment records and the activity in which the group is involved.

Table-6 (a) indicates the descriptive statistical analysis of bank linkages on the basis of districts. The mean score for bank linkages in the case of district Sirmour is 3.68 and for district Shimla it is 3.54. It leads to the conclusion that SHG members of district Sirmour are most satisfied with bank linkages as compared to district Shimla.

TABLE 6 (a): DESCRIPTIVE STATISTICAL ANALYSIS OF BANK LINKAGES ON THE BASIS OF DISTRICT

| District | N   | Mean | Std. Deviation | Std. Error |
|----------|-----|------|----------------|------------|
| Sirmour  | 360 | 3.68 | .833           | .044       |
| Shimla   | 360 | 3.54 | 1.301          | .069       |

Source: Data collected through Questionnaire

The calculated values of standard deviation for Sirmour and Shimla are .833 and 1.301 respectively which depicts maximum variation in the responses of respondents of district Shimla. Standard error of mean in the case of Sirmour is .044 and .069 in the case of Shimla.

TABLE 6 (b): INDEPENDENT SAMPLES TEST FOR EQUALITY OF MEAN BANK LINKAGE AND NETWORKING ON THE BASIS OF DISTRICTS

| Levene's test for equality of variance |      | t-test for equality of means |     |          |                 |                      |
|--|------|------------------------------|-----|----------|-----------------|----------------------|
| F                                      | Sig  | t                            | df  | P. value | Mean difference | St. Error Difference |
| 98.431                                 | .000 | 1.681                        | 718 | .093     | .136            | .081                 |

Table-6(b) reports the results of the Levene's test for equality of variances, it shows that the Levene's statistics is equal to .000 which indicates that, the null hypothesis for equality of variances is rejected. So, the variances of population from which samples are extracted are not equal. Hence, the Table- 6 (b) shows the results for assumption of unequal variances. The calculated value of p is .093 which is more than 0.05. Hence, the null hypothesis has been accepted and it can be concluded that, there is at here is no significant difference in the mean score for bank linkages and networking on the basis of districts.

➤ **Discussion of problems:** In every meeting, the SHG should be encouraged to discuss and try to find solutions to the problems faced by the members of the group. Individually, the poor people are weak and lack resources to solve their problems. When the group tries to help its members, it become easier for them to face the difficulties and come up with solutions.

Table-7 (a) highlights the descriptive analysis of problem discussion on the basis of districts. It is apparent from table that value of mean is maximum in case of district Shimla i.e. 4.01 which shows that in Shimla district most of the respondent have reported a high level of satisfaction as their problems are discussed in the meetings.

TABLE 7 (a): DESCRIPTIVE STATISTICAL ANALYSIS OF PROBLEM DISCUSSION: ON THE BASIS OF DISTRICTS

| District | N   | Mean | Std. Deviation | Std. Error |
|----------|-----|------|----------------|------------|
| Sirmour  | 360 | 3.98 | .912           | .048       |
| Shimla   | 360 | 4.01 | 1.106          | .059       |

Source: Data collected through Questionnaire

The calculated values of standard deviation are .912 and 1.106 for districts Sirmour and Shimla respectively which shows minimum variation in the responses of respondents of district Sirmour. On the other hand, standard error of mean for Sirmour district is .048 and for Shimla district is .059.

TABLE 7 (b): INDEPENDENT SAMPLES TEST FOR EQUALITY OF MEAN PROBLEM DISCUSSION ON THE BASIS OF DISTRICTS

| Levene's test for equality of variance |      | t-test for equality of means |     |          |                 |                      |
|--|------|------------------------------|-----|----------|-----------------|----------------------|
| F                                      | t    | t                            | Df  | P. value | Mean difference | St. Error Difference |
| 5.259                                  | .022 | -.293                        | 718 | .770     | -.022           | .075                 |

Table -7(b) presents the results of Levene's test for equality of variances. As the results depicts that Levene's statistics is equal to .022 which indicates that, the null hypothesis for equality of variances is rejected. Therefore, it can be said that variances of population from which samples are extracted are not equal and the table reports the results for assumption of unequal variances. The table analysis exhibits that the calculated value of p is more than 0.05, hence the null hypothesis has been accepted. Therefore, it is concluded that there is no significant difference in the mean score for training and problem discussion on the basis of districts.

➤ **Training and capacity building:** Training and capacity building are important components of SHGs. Constant inputs of training and capacity building are required to sustain SHG. There are basically two types of training and capacity building categories. The first type training covers group formation and introduction to linkage methods and second type relates to skill formation of SHG members which aims at improving income generating activities by SHGs.

The Table-8(a) shows the descriptive analysis of training and capacity building on the basis of districts and it shows that the higher significance is found in the case of district Sirmour (3.27) with standard deviation of 1.044 which shows that members belongs to Sirmour district gives more weightage to training and capacity building programmes as compared to district Shimla.

TABLE 8 (a): DESCRIPTIVE STATISTICAL ANALYSIS OF TRAINING AND CAPACITY BUILDING ON THE BASIS OF DISTRICTS

| District | N   | Mean | Std. Deviation | Std. Error |
|----------|-----|------|----------------|------------|
| Sirmour  | 360 | 3.27 | 1.044          | .055       |
| Shimla   | 360 | 2.54 | 1.347          | .071       |

Source: Data collected through Questionnaire

Further, low variation has been found in the responses of respondents of district Sirmour as is being reflected by the calculated values of standard deviation of the respective districts. However, calculated values of standard error of mean are .055 and .071 for Sirmour and Shimla district

TABLE 8 (b): INDEPENDENT SAMPLES TEST FOR EQUALITY OF MEAN TRAINING AND CAPACITY BUILDING ON THE BASIS OF DISTRICTS

| Levene's test for equality of variance |      | t-test for equality of means |     |          |                 |                      |
|--|------|------------------------------|-----|----------|-----------------|----------------------|
| F                                      | Sig  | t                            | df  | P. value | Mean difference | St. Error Difference |
| 62.352                                 | .000 | 8.136                        | 718 | .000     | .730            | .090                 |

Table-8 (b) reveals the results of Levene's test for equality of variances. As the results depict that Levene's statistics is equal to .000 which indicates that the null hypothesis of equality of variances is rejected. Therefore, it can be said that the variances of the population from which samples are extracted are not equal and the table reports the results for assumption of unequal variances. The table analysis exhibits that the calculated value of p for t-test is less than 0.05, hence the null hypothesis has been rejected. Therefore, it is concluded that there is a significant difference in the mean score for training and capacity building on the basis of the districts.

**CONCLUSION**

Functioning of the SHGs in terms of selection of group leaders, saving and thrift, building group corpus, internal lending, income generating activities, bank linkages and networking and discussing problems of the members on the basis of districts have been found moderately well, whereas training and capacity building which is revealed below average by the majority of respondents.

**SUGGESTIONS**

➤ The factors responsible for poor performance and functioning of SHGs should be investigated, examined and analyzed scientifically and systematically to resolve the emerging problems, difficulties and challenges being faced.

- There should be a coordination and cooperation among members for the better functioning of Self Help Groups. It is necessary that SHGs members have the same economic background for their cooperative behaviour and mutual trust upon each other.

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