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## **Development of Microenterprise Lays on Trade-off between SHG-Business and Poor Families' Wage-job**

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### **Abstract:**

*This paper studies the perplexity of scope for poor families in the establishment of microenterprises through SHG businesses. It is a buzz word in the SHG businesses that a matured SHG group has the capacity to establish microenterprises to support their families with income and employment to enhance their poverty level. The growth hierarchical system of SHGs under the programme seems very easy and it tells that promotion of SHG business means eradication of poverty and income generation for the masses. But the practical field says something else which may not be suitable to listen because the trade-off between the SHG-business and wage-job is stood as an impediment for internal self motivation of members to the growth and development of microenterprises. This paper tries to analyse in the purview of income earning capacity of members of a group and the situation of trade-off between SHG-business and wage-job. The means of main income sources to run SHG-members' family is basically the wage-job on which most of them are dependent. In this case the motivational factors of programmes fail to work on the members of SHGs to lure them solely for the business of SHGs. Besides, in practical, income from SHG businesses is not sufficient to manage the household expenditure as well as the cost of capital investment in the businesses of SHGs. Hence, the members from poor families arrive at a decision where have to go for the sustainability of their household. Is it to go for SHG business which cannot supplement their main source of income for their families? Or should they go for wage job that old practice which may give at least some daily support than new one. The wage-job at least can give a way to survive somehow without any risk of failure and without incurring loss for the investment. The resulted explanations in the paper have tried to show some intervening present scenario of micro credit programmes and status of members of group businesses in Meghalaya.*

### **1. Introduction**

The history of microfinance movement tells that the programme for Self Help Group (SHG) has evolved into a very effective system of delivering microfinance as well as means of poverty alleviation for the masses. Besides this the programme also claims to be suitable to earn income and to generate employment especially for poor families (Kaushik V. et al. 2010; Pati, A. P., 2009; Anand, J. S. 2004). However, the assumed inclusion of poor in the credit market through the programme to give basic economic inputs and a means to reduce starving and unemployment were the main objectives for which the programme of SHG-businesses has been developed. But the question of development of SHG-businesses is not enough to meet the requirements of masses until and unless SHGs could provide a place where economic activities so developed could generate a means that enhances capacity of the SHG-members to earn income maintaining a profit margin which is sufficient for the poor families to alleviate poverty (Chetri, R. B., 2010). The creation of credit market for poor to start a business with indebted fund though it is important and looked logical but to start a business where own contribution is minimum i.e. debt equity ratio is unfavourable does not give a logical sense though it is accepted by the participants as a means on the first instant. However, the consequences of indebtedness are difficult for a new entrepreneur and it doesn't indicate efficient management of owners' equities and burden of debt management. Moreover, businesses in this sector is always depend on an expectation that the business will give them quick returns of income and it will automatically create a profit making economic unit. This type of expectation is just like an idle dream without facing the real fact of entrepreneurs' adversity in establishing an enterprise in the contemporary competitive market of globalised economy. Here the preference lies with the members of the group to choose the most beneficial one to get immediate earnings to incur daily expenses of their families. Ultimately members of the SHGs prefer to choose the easiest one is the wage-job to earn income without any risk of investment of capital fund. This type of situation of perplexity is common with the SHG businesses.

There is a common phenomenon in the enterprising business which suffers the risk of investment and returns of income. This may create more risk when a business promotes its activities with indebted capital fund. Moreover, availability of credit cannot automatically improve household consumption for members (Kannabiran, 2005) without putting it (debt fund) into any business operation. The operation of a business for the sake of income is also dependent on the market conditions and apart from that a market is neither accountable nor responsible (Kannabiran, 2005) for the sake of poor families or poverty. This unexpected hope that the credit market will effectively support a poor family to improve their businesses and their standard of living may lay in the theory but it is difficult to come within the practical purview, although credit benefit with subsidies if given to them.

The trade-off is a situation where an exchange takes place, a giving up of one benefit or advantages etc. in order to gain something else for which desire also exist but cannot go for it. A similar situation can be seen in case of SHG-businesses that the members of SHGs has to face the problem of trade-off between SHG-businesses and their wage-job for which they do not have options. Since the family background and status of SHG-members more or less same as they are poor and fight for poverty is the main objective and inescapable choice of activity.

### *1.1. Objective and Sample Data*

The main objective of this study is to see the present status of growth of microenterprises in the state of Meghalaya. For this purpose two types of sample data have been collected, the first types of data are from secondary sources like Census, NSSO and government of Meghalaya and second types of data are from the field survey selecting SHG-groups randomly on stratified sampling with special attention of their importance of distribution in the area of study field. For this purpose, only those groups have been selected which are engaged in farm or non-farm activities and at least doing some economic activities like group businesses have been selected for this study as well as similar type of data have also been collected from secondary sources to see the feasibility in analyzing the data for the purpose we have intended.

### *1.2. Experiences with SHG Businesses*

The experiences of implementation of micro credit programme through SHGs under different models and procedures are many. No matter, whether this programme is conducted by NGOs, Government or donors are the same pattern of formula of poverty treatment irrespective of regions or countries as the fundamental truth and basis is that SHG-members have to come forward if they want to do something and to sustain their SHG-businesses. No matter how much savings or credit facilities are there. These stakeholders have channelized different programmes to provide an adequate access of credit services to promote SHGs and primarily to establish an economic activity unit which can give income generating means to poor members of a group (NABARD 2002; Rajasekhar, D. 2000; Kumaran K. P. 2001; Hashemi et al, 1996; Lathif A., 2001; Kaladhar K.1997; Majumdar N. A. 1997). Other studies carried out by Swain, R. B., (2009); Khandkar, R. S. (2000) have shown the measure of impact on microfinance on household savings, benefits of credit and borrowings from SHGs only and not the members' individual benefits for their family in regard to sustainability of their source of income. The sustainable source of income for a poor family is not the process of availing credit alone. As credit amount is not to consume for the purpose of running a family. As the credit, a poor family may borrow either from relatives or from SHGs has to be refunded and for which they have to earn to maintain credit relationship and for which they have to go for wage earning work to return the loan easily to the lenders (SHGs). Hence credit alone can never be the single case solution for all problems the poor family faced (Kannabiran V. 2005).

In a study, Anand J. S. (2004) said that SHGs cannot be built overnight it needs members to get the crux of the concept and realise the benefits to sustain as a member in the group. Also he said that the internal factors' contribution to the success of groups is the presence of dynamic leader, stability in leadership, members belonging to the same income or social strata, democracy and transparency and cooperation, unity and mutual understanding etc. But did not mention how much the SHG can contribute for the purpose of generating primary source of income for the members for a longer period of time is unquestionable. His observation mentioned that SHG's intervention can make a big change in terms of living standards, regular savings, and improved level of family earnings, expanded assets and better socio/political access. Considering the time span of the SHG functioning and the backwardness of the area it is the 'take off stage' has been successful. Another study in which Swain, R. B., (2009), has evaluated the impact of SHGs in terms of asset creation such as livestock accumulation and he did not find impact on short-term impact variables such as total current income which can motivate more members from a poor family to participate in the group business. A recent theoretical contribution by Ahlin and Jiang (2008) arrives at a similar point. They find that long-run development from microcredit relies on saver graduation due to slow accumulation of average returns from self-employment activities.

Since the independence the Indian government and NGOs have looked at the strategy of rural development to reduce inequalities in income and employment, alleviation of poverty in access of public goods and services in the country. But the government and even NGOs endeavour failed to identify the foremost motive of the members of poor families in the materialistic world and it is the desire to attain personal wealth (Kaushik V. et al. 2010) not only the poor people even the rich people also get motivated with the desire to attain personal wealth. In this study she has categorised extrinsic and intrinsic motivators to identify various motivators for members of SHGs especially for women members. Among the all selected motivators for SHG members in general were not highly motivated with any of the possible motivators. But the noticeable fact is that the economic motivators are the prime motives for women to join SHGs. Secondly is the saving habits and the third is the income generating activities. Another interesting fact is that members from poor families are not motivated for getting loans to join SHG as opposed to the fact that 'access to credit is the biggest need of the hour for women in SHG' (Dasgupta, 2004). The reason for demotivation she has highlighted the interpersonal factors such as lack of sensitivity, awareness of education and poor health, lack of legal infrastructural, market facility, and financial support. 'If the country has to promote livelihood, the women must be motivated in larger numbers to join SHGs' (Kaushik V. et al 2010, p.102)

A study conducted by Sinha F. (2006) has shown that though there are dropouts in all wealth ranks of members in the groups however, the dropout rate for the very poor is 11.1 percent whereas it goes on decreasing as the wealth ranks or poverty level of the groups increase i.e. for non-poor the dropout rate is 7.3 percent. The main reason for dropouts are basically for searching wage job for daily livelihoods and for which most of the time members from poor families migrates for employment (wage jobs) outside the village and the members also faced financial difficulties especially for regular savings deposits. Most of the time dropout reasons for non-poor members are the issues of group dynamics. 'To call it self-help movement that is successfully eradicating poverty and emancipating

women would be misleading. Self-help as it is largely understood today is a project that aims to provide relief while masking the causes of the malaise' (Kannabiran V. 2005). People borrowed mainly for consumption, social consumption and health-related expenses, even the SHGs were working with the upper end of the poor families. All SHG loans were for consumption purpose only (Sriram M S at el. 2006). In a study conducted by Lahiri-Dutt (2006) in Burdwan district has shown that SHGs are not functioning well and the number of membership in the groups are declining. And the reasons he has mentioned that lack of proper motivators to motive individual members, lack of long-term security and empowerment of women. Generation of income from economic activities however is not sufficient to support the families of members.

The various assessments of SHG-businesses in the different part of the world as well as in the country have come with many arguments and have shown enlighten phenomena of socio-economic benefits, development of social status, leadership qualities among the women, assets creation for families, education improvement for children, health and sanitations improvement etc. (Kaushik V. et al. 2010; Anand, J. S. 2004; Rajasekhar, D. 2000; Mohindra, K.S. et al. 2008). Though all these are important and necessary for a poor family but the prime requirement is the source of income on which a poor family depend for their livelihood maintenance. The group members' self motivation comes through the enhancing activities that conducted by the promoters and supporters, however, these factors of motivation are not abundant to cover more and more SHGs to support their promotional activities (Rajbongshi S. 2015). The earning source of income and motivation of members are positively related each other. Hence the SHG-business and motivation of members also have to create a positive relation to fulfil each other's requirements. At the same the sustainability of microenterprises so developed through SHGs is lying on the trade-off between the wage-job of members and SHG-businesses. A better SHG business gives less trade-off of wage-job among the members and more motivation for SHG-businesses.

### 1.3. A Brief Review of Population and Activities in Meghalaya

Meghalaya was formed in the year 1972 after carving from Assam primarily with two districts United Khasi & Jaintia Hills and Garo Hills. Meghalaya is one of the Seven Sister States of North Eastern Region. The state is mountainous with stretches of valley and highland plateaus with geological richness. The state has a population of 2966889 as per the 2011 census of which 80 percent live in the rural areas. The state has an area of 22429 sq. Km. (Table 1) and is geographically located between 24.45 degree and 26.15 degree of North Latitudes and 89.45 degree and 93.00 degree of East Longitudes. The state is covered by 70 percent forested areas primarily with dense subtropical forest. The present district wise classification of the state is shown in the Table 1 as per this classification the state has been divided into 11 districts and 39 administrative block divisions. The economy of the state is agricultural base with 39.96 percent of workers out of the total population of the state. Out of the total population in the rural areas 41.05 percent are workers whereas in the urban areas it is only 35.63 percent out of the total population in the urban areas (parent thesis).

Districts	Dist. H.Q.	Date of Estd.	Area km <sup>2</sup>	Admst. Div.	Population 2011
East Garo Hills	Williamnagar	Oct, 1976	1715	4	317917
East Jaintia Hills	Khliehriat	31, July 2012	1693	2	270352
East Khasi Hills	Shillong	28, Oct, 1976	2752	8	825922
North Garo Hills	Resubelpara	28 July, 2012	1113	1	NA
Ri-Bhoi District	Nongpoh	4, June, 1992	2378	3	258840
South Garo Hills	Bhagmara	June, 1992	1850	4	142334
South West Garo Hills	Ampati	7, August, 2012	822	2	172495
South West Khasi Hills	Mawkyrwat	3, August, 2012	1341	2	NA
West Garo Hills	Tura	Oct, 1976	2733	6	470796
West Jaintia Hills	Jowai	22, Feb., 1972	2126	3	124772
West Khasi Hills	Nongstoin	28, Oct 1976	3906	4	383461
Meghalaya	Shillong	21, January, 1972	22429	39	2966889

Table 1: District wise New Classification in Meghalaya

Source: Wikipedia and Meghalaya Govt. Web. Note: Some calculation has been done by Author.

Meghalaya being a poor state as per the national and international parameters does not have much variety of activities like other states in the country. However, agricultural sector is year after year is incapable of creating additional opportunities of gainful employment which is a universally accepted fact and reasons behind this are many. The employment opportunities in the agricultural sector are mostly scarce due to non-availability of agriculture land in most of the states of the country is due to increasing number of population in the state. However, in Meghalaya employment options can be divided into two broad categories. Agriculture is the predominant occupation of the state. Agriculture and allied activities are the main livelihood means for the people of the state. The second category is the service related activities primarily in the urban and semi-urban areas in the state (Blah, T. 2012).

### 1.4. Self Employed workers in Meghalaya

The employment sector and labour force shows the conditions of economic production through the activities of labour forces such as involvement of economic activities and exchange of services within the economy of the state. These conditions are varied from state to state or region to region due to proportionate involvement and proportionate distribution number of workers in the informal sectors as well as in the formal sectors as well. Among the different activities in the rural areas, the self-employed workers in the agriculture sector are 33 percent whereas in the non-agricultural sector their numbers are only 16 percent all together in the state. Another

noticeable economic contribution which generally comes from non-agricultural sector to the economy of the state is the regular wage and salary earning activities which could play a major role in the development of any economy is also poor in the state. As per 2011 census of the country, in the rural and urban areas their percentage share in the total population are only 12 percent and 9 percent respectively. Though the distribution of the population in the state is 80 percent in the rural areas and 20 percent in the urban areas but the opportunities of flourishing of SHG businesses could not reach that level where it ought to be reached to utilise the potentiality of rural population for the development of group businesses.

Area	Category of Activities	ST	SC	Others	Total Population	ST%	SC %	Other %	% of Total
Rural	Self employed in Agriculture	938095	0	53960	992055	36.70	0.00	13.71	33
	Self employed in Non-Agriculture	442336	2326	37237	481899	17.31	13.40	9.46	16
	Casual labour in Agriculture	239332	0	14382	253714	9.36	0.00	3.65	9
	Casual labour in Non-Agriculture	111118	6273	18284	135675	4.35	36.15	4.64	5
	Regular wage/salary earning	326944	2974	28206	358124	12.79	17.14	7.16	12
	Others	79065	0	70906	149971	3.09	0.00	18.01	5
	Total	2136891	11573	222975	2371439	83.61	66.68	56.64	80
Urban	self employed	105580	156	46430	152166	4.13	0.90	11.79	5
	Regular wage/salary earning	190631	4198	59147	253976	7.46	24.19	15.02	9
	Casual labour	55304	925	56330	112559	2.16	5.33	14.31	4
	others	67454	503	8791	76748	2.64	2.90	2.23	3
	Total	418970	5782	170698	595450	16.39	33.32	43.36	20
State Total		2555861	17355	393673	2966889	100.00	100.00	100.00	100

Table 2: Caste and Activity-wise classification of population in Meghalaya under different activities

Source: data from NSSO and Census-2011 and figures are calculated by author (notes: others include OBC and general castes population of the state.

### 1.5. Casual Workers in Meghalaya

The casual workers are those workers, whose works are temporary in nature on the basis of activities or seasonal wise and they earn casual wages to support their families on an irregular basis. The contribution of casual workers in the state economy is around 9 percent together with rural and urban areas. The state is predominantly occupied by the local tribal people that out of the total population 86.15 percent are scheduled tribes (ST) and only 13.85 percent including scheduled caste (SC) and others are together other populations in the state. Among the total ST population around 83.61 percent of them are in the rural areas and out of these 36.70 percent are involved in agriculture activities (Table 2). Moreover, casual labour in agriculture sector has also been indicated a good number of populations that involved in wage-jobs are also can come under the SHG businesses. The proactive role for economic development in the state is laid on the promotion of micro sector development as the state could not able to come up with the development of industrial sectors which is the backbone of economic development in the contemporary world. However, the options for micro sector development are plenty to be come up in the state but among them enhancing of the development of SHG-businesses is the prime one which can be covered at a higher level in the rural areas of the state for the development of rural economy. The programme for promotion and development of SHG businesses is a collaborative effort taken care by the central government, state government as well as donors' projects are working in the state since a long time but the prosperity is at stagnant position. Looking back the performance of SHG businesses and measurement of their activities as shown in the Table 3 is lacking behind the motivational aspect for the group members to come up with new ventures of undertakings. The present scenario does not give hopes if the strategy for development of SHG-businesses does not change to cope up with the new procedures for future development of rural areas.

### 1.6. Regular Waged and Salaried workers in Meghalaya

As per the NSSO survey report the information on wage and salary earnings was collected separately for each of the wage/salaried work recorded for a person in a day. Here, earnings refer to the wage/salary income received/receivable for the wage/salaried work done during the reference week by a wage/salaried employees and casual labourers. These workers are those workers who work in other's farm or non-farm enterprises, both household and non-household and getting in return salary or wages on a regular basis and not on the basis of daily or periodic renewal of work contract as they are the regular salaried/wage employees under a permanent contract. Waged and salaried workers have continuity in the activities and have a continuous flow of income. Though the wages or salary income is small as per the statistical analysis but these types of workers have their income on a regular basis a continuous flow of income to the economy. In the state the regular wage/salaried workers shared only 21 percent in the total population of the state (Table 2). Self-employed and regular wage/salaried workers together contribute 42 percent of work strength including both rural and urban areas in the state.

### 1.7. Economic Activities of SHGs in the State

The entire spectrum of human activity falls into two categories – economic and non-economic activities. Any activity resulting in production of goods and services that adds value to national product was considered as an economic activity for the employment and unemployment survey of NSS in the country. The survey definition of economic activity is clear that it is just like an addition of value to the national product. But an economic activity in case of SHGs is an addition of value to the families of the group members as a regular source of income to the family of the members. This is more important for the sustainability of the SHG businesses if the programme has to go on continuously for a long period. Another broad classification of economic activities is the classification of farm and non-farm activities. The activities undertaken in the SHG businesses are many under the broad categories of farm and non-farm activities as shown in the Table 3. But practically very few of them are involved to carry out the SHG businesses in the state. The number of inactive SHGs is many compare to the active number of SHGs in the state. The policies and programmes of SHGs are going on in its own track and for which capacity building and training programmes have also been conducted to accelerate the pace of economic growth and to realise its desired impacts on the employment generation and poverty reduction in the state. However, proper mobilization with self-motivation of group members to the SHG businesses is less driven though it is more important to give a better hope for eradication of poverty and self employment generation under the programme.

The activities undertaken in the SHG businesses have shown that among the total number of 8706 SHGs, 2623 number of SHGs were involved in group businesses and their main activities are lending small amount of loan to members and non-members on a monthly basis rate of interest (Table 3). They are also involved in other activities excluding farm and non-farm activities. The second largest number of SHGs that involved in SHG businesses is live stock farming and their number is around 1998 SHGs in the state. Though the state is dominated by agriculture but in the agricultural sector number of SHGs is less and more importance has been given for farm and non-farm activities like fishery, floriculture, grocery shop, business handicraft, plantation, knitting and tailoring, Muga rearing, weaving, etc. Though it is significantly can bring some changes in the present scenario of development of SHG businesses but the development of microenterprises has become a challenging work for all the stakeholders that how to bring them in the line of activities which is suitable for the groups for their income generation as well as survival of the group businesses to achieve a long period impact on the development of rural economy as well as eradication of poverty as a whole. In the state, opportunities are many to bring the development of SHG businesses for the masses and it just needs a proper exploration in the direction of development of microenterprises with the available resources which are available in all over the state.

Farm and Non-farm Activities	EGH	EKH	JH	RIB	SGH	WKH	WGH	State Total
Agriculture	147	3	1	65	0	136	203	555
Business	20	7	2	7	2	0	106	144
Fair Price Shop	1	0	0	0	0	0	29	30
Live stock Farming	524	123	50	32	89	163	1017	1998
Fishery	26	2	6	12	23	13	256	338
Floriculture	15	2	0	0	0	1	117	135
Grocery shop	7	11	23	4	24	31	243	343
Group Business	465	642	379	423	0	576	138	2623
Handicraft	0	2	0	3	2	5	45	57
Knitting and Tailoring	18	0	3	1	15	2	485	524
Muga Rearing	0	0	0	0	0	0	134	134
Plantation	114	3	1	12	24	34	232	420
Small shop	0	6	1	1	1	3	22	34
Transport and Services	0	19	2	3	0	1	5	30
Tea shop & Hotel	1	4	0	0	0	0	6	11
Village Industry	3	10	11	6	2	8	91	131
Weaving	41	0	10	19	23	3	1103	1199
Dist. Wise Total	<b>1382</b>	<b>834</b>	<b>489</b>	<b>588</b>	<b>205</b>	<b>976</b>	<b>4232</b>	<b>8706</b>
% share	<b>15.87</b>	<b>9.58</b>	<b>5.62</b>	<b>6.75</b>	<b>2.35</b>	<b>11.21</b>	<b>48.61</b>	<b>100</b>

Table 3: Number of Farm and Non-farm SHG-Activities in Meghalaya

Source: Office of the state coordinator for SHGs in Meghalaya group business includes all those SHGs that did not involve in farm or non-farm activities. No data are available as per new classification of districts in the state.

The present development of SHG businesses as presented in the Table 3 indicates that options for development of microenterprises are many but their proper training with the type of enterprises are required an in-depth study and their consequences to understand better prospects in future. It seems the development of SHG businesses have to come up with proper capacity building techniques for SHG population since the majority number of SHGs are from rural areas which is obviously required more capacity building programmes to up lift them and to bring some confidence among the members for their self motivation and to reduce their trade-off of wage job and substitution affect of SHG businesses. However, in the state the distribution of SHG populations are not at an equal level in all the districts of the state but the majority share of SHG population can be seen in the district of West Garo Hills where around 48.61 percent of SHG-businesses have been set up and the second leading district is the East Garo Hills of 15.87 percent out of the total

population of SHGs in the state (Table 3).

#### 1.8. Monthly Per-capita Household consumer-Expenditure in rural and urban areas in Meghalaya

The data for per-capita household consumer-expenditure has been taken from NSSO 68<sup>th</sup> survey report. These are taken from the three different methods of reference period of 30 days, each method of them have been conducted by NSSO and these are uniform reference period, mixed reference period and modified mixed reference period. The reference period is the period during which household consumes any good or services within that referred period of survey. In order to overview the economic status of SHG-businesses we have referred the per-capita consumer expenditure of each household as per the NSSO 68<sup>th</sup> survey report of 2011 and 2012. The survey reports say that the monthly food and non-food consumer expenditure under the method of uniform reference period is Rs. 1271 in the rural areas and in the urban areas it is only Rs. 2158 per household respectively in the state. Similarly, modified mixed reference period also has recorded almost the same figures that in rural areas in Meghalaya. In the state the consumption expenditure is Rs. 1475 including food and non-food items whereas in the urban areas it is Rs. 2436 which is slightly lower than the all India level of figures.

Category of Survey items	Methods of survey of consumer Expenditure	Meghalaya		India	
		Rural	Urban	Rural	Urban
Food	Uniform Reference Period data	635	869	622	923
	Mixed Reference Period Data	635	869	622	923
	Modified Mixed Reference Period data	786	1025	756	1121
Non-food	Uniform Reference Period data	635	1289	657	1476
	Mixed Reference Period Data	680	1425	665	1554
	Modified Mixed Reference Period data	689	1410	673	1509
Total	Uniform Reference Period data	1271	2158	1279	2399
	Mixed Reference Period Data	1315	2294	1287	2477
	Modified Mixed Reference Period data	1475	2436	1430	2630

Table 4: Per-capita household Consumer-expenditure in Meghalaya and India

Source: NSSO 68<sup>th</sup> Report, July, 2011 and June, 2012.

The household consumer expenditure figures are presented in this paper work is just to see a comparable figure of data that we have collected from our survey of income and expenditure for SHG-Businesses in the state. The comparison of data shows that the daily income of the surveyed data for SHG-businesses is almost similar to the data of the NSSO survey. Hence it indicates an understanding of our data that we have used for our analysis in this paper work. The data that we have collected is randomly from the members of the SHGs groups irrespective of area or villages of the state.

#### 1.9. SHG-members' Income and Expenditure Substitution

The income and expenditure data for this work are collected on the personal judgment of the members of the groups without any proper accounting documents of the groups and these are irrespective of farm and non-farm activities data that we have used just to find a result of their basic economic performance in the SHG-businesses. Later on we have compared with the NSSO surveyed data to see the feasibility of our data for the purpose of our analysis as income and expenditure for the household expenditures of the SHG members. The resulted picture of SHG-businesses has shown that the income earned from the various SHG-businesses could not able to meet the expenses, the members of the SHGs generally expend for their household purposes.

Name of Individual Business	No. of units	Avg. annual income per unit	Daily income per unit	Avg. daily household exps.	Avg. Shortage of Income	Wage -job substitution of income
Bakery & food hotel	2	12955	35	90	55	55
Business	19	5775	16	108	92	92
Fair price shop	2	118260	162	150	Surplus 12	--
Goatery	2	1825	5	100	95	95
Grocery	5	3536	10	110	100	100
group -busi	113	1532	4	111	107	107
Piggery	44	2103	6	105	99	99
Poultry	9	2672	7	117	110	110
Small shop	6	6471	18	77	59	59
Tailoring	2	7757	21	80	59	59
Weaving	2	10752	29	100	71	71

Table 5: Daily Average Income and Expenditure of SHG-members under various Farm and Non-farm Activities

Field survey: Note: income and expenses are only business income and daily consumption expenses excluding other expenses of special purposes like school expenses occasional activity expenses, festival expenses medical expenses etc. group-busi =group business is within the group involves in lending businesses or any other groups business.

Among the all type of farm and non-farm business activities except the Fair Price Shop, other activities have shown a negative balance of income which could not cover the daily household expenditure of the members of the groups. The average daily household expenditure of the piggery running SHGs is Rs. 105 whereas their income from piggery business at a daily average rate earned only Rs.6 per day. It means they have to earn Rs. 99 from other works like wage-job, etc. to manage their daily requirements to maintain household expenses (Table 5). The similar nature can also be seen for other SHG-businesses in the state. The members' views in this case have given the reason of non availability of time due to other works especially the wage-job for which they have to go to earn money to run their family as the income from the groups does not support their family expenditures as well as it is also not regular in nature. The money which they used to receive from the groups cannot be used for household expenditures. This money generally they used for other purposes or to fulfil small requirements of the family. However, this money comes to them as an additional financial support like a secondary source of income but not as a main source of income whereby they can support and depend to run their family as well as SHG-businesses. The scenario of different activities of SHG businesses and income earned on these businesses have not able to give the required income with which a family can be run as a daily wage earner does for his family. Though many SHG-businesses have done well in different part of the country but it is difficult to see that none of the activities are sufficient with income to run the family expenses of SHG-members in the state. Moreover, it is very rare to see that any SHG is doing to plough back the excess income in the SHG-businesses either to expand or to increased capital investment in their businesses. In the long run it will be the biggest thread in future development of SHG-businesses in the state and for the purpose of sustainability of the programme as a whole (Table 5).

#### *1.10. Main Findings: Trade-off between SHG-businesses and Wage-job*

The resulted data showed that income from SHG-businesses, which is enjoyed by the SHG-members, is very negligible to manage the both investment to economic activities from where they are earning income and expenses of the families where the members of the groups belong. As a result the growth and economic development need to be looked back again from the beginning of the group formation to the targeted activities so that goal setting of the groups and motivation of members can be moved simultaneously to achieve the objectives of the SHGs businesses. The analysis of the performance of SHG-businesses results that the development of microenterprises has been impeded due to trade-off between the wage-jobs and SHG-businesses. Though there are many reasons but out of that many of the members of the groups cannot give their full time for the activities of SHG-businesses as they have to go for their wage-jobs to earn money for their families. This is a common status of each and every group in the state that members can neither give their hundred percent times for SHG-businesses to make them successful nor the groups can support their families fully with the income of SHG businesses. Apart from that running of a SHG-business has become difficult for members in the twin situation where they cannot move properly in either direction as poverty does not allow them to choose which one is the best for their livelihoods.

The understanding on the role of SHGs in the development of economic activities is crucial if we think about the economic development of rural areas but on the other hand it is difficult to follow in practical as the basic and practical pain that poor families suffer cannot be expressed in words. It is no matter how important the SHG-businesses are for them but one thing is very important is the physiological needs irrespective of being a member of a group or not and also whether there are available credit facilities or not in the market is not more than starving poor people who have to straggle every day only to survive. The motivation of poor families is required to fulfil physiological needs that almost all poor families suffer. The main income source that a poor family has to earn from is the wage jobs either independently on daily basis choosing a job for the day or as a casual worker under a rich family on a monthly basis. The problem is the motivation of poor family to accept the SHG business as a main source of income generating mean or as a secondary or casual source of mean which may insist their concentration whether to give hundred percent to the development of SHG business or to divert their concentration as usual for wage job to fulfil the requirements of food for the family in the evening. The evidences from the successful entrepreneurs say that it is not possible to develop a business without giving hundred percent concentrations. Hence it means to develop a business a poor family should give full concentration in terms of operation and management of the group to achieve the level of maturity (Chetri, R. B., 2010) as well as the income generating techniques to maintain a position which can give them a source of income for their families.

It is very difficult to explain that SHGs could be succeeded in giving a permanent income source to the poor families with the help of credit facilities. The creation of positive relationship between motivation of members and SHG-businesses are indeed communities of purpose but the consideration of the plurality of issues within the category of members of the poor families should be adequate from every rural context of life. However, the programme of SHGs is a better strategy of shortening the problems of rural development but the motivation of members from poor families is the question of satisfaction of income substitution with their existing wage job.

## **2. Conclusion**

The motivation of members from poor families does not result from persuasion of showing plan of programmes or polices or hopes for future expectation. In most of the time it results from the expectation of regular primary source of income generating activities which can give a regular flow of income for the families of the poor. It is obvious that motivation of members from poor families is mostly rely on the basic needs which can substitute their existing hardship and volatile earning source of income with a source of income that can give a regular flow of income for their families. This is a difficult perplexity that most of the members of the SHG-businesses are

being confused after involving into the SHG-businesses. Ultimately the questions of unsuccessful in the SHG business has become common word, drop out, inactive groups could not able to cross the maturity period for credit facilities, defaulter in the repayment of outstanding loan and got converted from defaulter to the list of NPA and situation of winding of the group businesses is a common situation in the programme without doing any revival strategy for the same.

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