

**ASSESSMENT OF JOINT LIABILITY GROUP SCHEME IN
PHEK DISTRICT, NAGALAND**

*A Dissertation submitted to the School of Arts and Languages in partial
fulfillment of the degree of Master of Arts in Sociology*

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DECLARATION

I do hereby declare that the dissertation entitled “*Assessment of Joint Liability Group Scheme in Phek District, Nagaland*” submitted in partial fulfilment of the requirement for the award of the degree of Master of Arts in Sociology is entirely my original work and all ideas and references have been duly acknowledged. It does not contain any work that has been submitted for the award of any other degree or diploma of any university.

Place: Phagwara, Punjab.

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CERTIFICATE

This is to certify that **Mr. Chiete Tsuha** has completed his dissertation entitled “*Assessment of Joint Liability Group Scheme in Phek District, Nagaland*”, under my guidance and supervision. To the best of my knowledge, the present work is the result of his original investigation and study. No part of the dissertation has been submitted for any other degree or diploma to any other university. The dissertation is fit for submission for the partial fulfilment of the requirements for the award of Master of Arts of Sociology degree.

Place: Phagwara, Punjab

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Abbreviations

- | | |
|-----------|--|
| 1. CSWB | - Central Social Welfare Board |
| 2. GOI | - Government of India |
| 3. JLG | - Join Liability Groups |
| 4. NEN | - North-East Network |
| 5. NABARD | - National Bank for Agriculture and Rural
Development |
| 6. NGO | - Non Governmental Organization |
| 7. NPO | - Non Profit Organization |
| 8. RRB | - Regional Rural Bank |
| 9. SHG | - Self Help Groups |
| 10. SCB's | - State Co-operative Banks |
| 11. VO | - Voluntary Organization |

CHAPTER- I

INTRODUCTION

The saving money structure in India comprises of business banks, co-agent banks and Regional Rural Banks which assume an imperative part in the working of giving advance in the urban areas and it likewise assumes an equivalent essential part in spreading of country credit. The course of credit had likewise experiences such a large number of impressive auxiliary unrest particularly in the post bank period mainly because of the coordinated credit approaches particularly for business banks. In spite of the fact that the coordinated approach had prevailing with regards to changing credit assignments in the urban communities and additionally in the country regions, its effect on achievability and supportability however the saving money in the provincial territories are missing behind despite the fact that the legislature is likewise attempting its best to acquire appropriate mindfulness the rustic ranges. High appraisal and in addition the observing expenses of the all-around scattered advances of little sizes had constrained banks to diminish their endeavors in coming to the needy individuals particularly in the rustic towns who are uneducated who are not ready to profit the advance authorized by the administration and poor people provincial are not ready to get credit help. This issue of not profiting the country poor had been proceeding for over a time of decades because of low staff position in rustic branches and also the deliberate retirement and steady staff exchange they are not ready to address the issues of the provincial individuals.

The provincial poor people applying for small scale advances keeping in mind the end goal to enhance their financial status and in addition to help themselves in independent work openings were for the most part prohibited from the formal credit advertise. Therefore, they were either not able to act naturally utilized, as they are not ready to get obliged cash to begin their own business or different undertakings. Then again of the large scale level, there is absence of budgetary capital for little and miniaturized scale organizations which has been a noteworthy issue not just in creating of their organizations or undertakings additionally experiencing significant change and even in the in modern part there are unequal conveyance of conclusive stream.

Innovative policies are required to monitor the credit products and delivery systems which would help banks to manage in the transaction costs relating to assessment and

monitoring that cover nonpayment risks and reduce nonpayment levels in this position of agriculture credit. The innovations like SHG-Bank linkage programme have brought in incredible reprieve for the bankers especially while dealing with the rural poor or those people who have fewer assets as well as the rural illiterates who are not aware of the functioning and procedures of the loan availability.

Recoveries from the beneficiaries of the rural poor and middle categories of borrowers in rural banking sector continued to be a problem in to the stuffs who are working in the bank as they are not able to pay back the loan on time. Self Help Groups have been positively operating especially for the poor section of the people in the society across the country. However, with the increasing population in the country there is a serious need for those people who are not only poor but those who are also not been able to repay the loan to the bank as this is becoming a major problem for the bankers, as most of the stuffs who are working in the bank does not have direct contact with the beneficiaries.

India been an agrarian financial system were more than two-third of the population depends upon agriculture either directly or indirectly for their earning. Those people who are engaged in agricultural works are mostly settled in the rural areas. Out of the total farming community more than 80% farmers are small and marginal farmers and they are economically poor with no proper basic need and agricultural tool. They are not able to use the modern agricultural tool or either High Yield Varieties neither fertilizers as they do not have proper source of income. Due to this they are below the poverty line and remain socially & economically backward. As these poor marginal farmers are poor their bargaining supremacy is also less as compared to the other economically sound farmers. So, this had resulted in not gaining any profit of national economic policies. To progress the poor and marginal farmers economical help from Government, Banks and financial institutes it is a dire need for the poor section of the society innovative policies must be implemented. But even after continuous recommendation from the government, Banks & Financial institutes are not willing to offer loan to the poor section of the society especially the poor marginal farmers as they do not have any security in terms of mortgage in loan exchange so the poor and marginal farmers continue to live in the same pathetic condition and the chances of uplifting the status of these section of people is very low.

To beat the issues of neediness and social imbalances of the poorer area of the nation that is available in the general public the legislature of India had propelled a plan under

National Bank for Agriculture and Rural Development (NABARD) where they shape 4 to 10 gathering of individuals to profit credit. Under this strategy the administration of India had made it obligatory to all Nationalized and Private Banks, Co-agent banks, and other money related establishments to give budgetary support to such required class particularly the poorer area of the country individuals. In any case, to get advantage of the advance the recipients need to meet up and framed gathering with various natures like male gatherings, female gatherings, gathering of specific stations or classes. These distinctive gatherings are usually known as Self Help Groups (SHG's). The exercises and capacity of giving credit to such SHG's are performed and controlled by NABARD, which is an independent collection of Government of India and controlled and keep running by Reserve Bank of India. Keeping in mind the end goal to execute this plan widely the Government of India had likewise presented another sort of Micro Financing framework in 2004 and 2015, famously known as the Joint Liability Group and this Joint Liability basically work for the welfare of the entire society and it center at the improvement and monetary advance of the general population with the goal that they can meet the fundamental prerequisites of regular day to day existence

Non-Governmental association (NGO) is lawfully constituted non-benefit associations that run freely and is included in giving money related help and non-monetary administrations to the country less benefit individuals. The World Bank characterized NGOs as "private associations that seek after exercises to soothe enduring, advance the premiums of poor people, secure the earth, give fundamental social administrations, or embrace group improvement". Keeping in mind the end goal to improvement this ignored part, the intentional association and nongovernment associations have been assuming a huge part since these issues are been seen in the general public. The starter of NGO is immaculate generosity and in addition philanthropy premise and this motivation managed the exertion all through history.

Notwithstanding the endeavors from the administration segments to achieve subjectively to all the area of the destitute individuals through creative improvement approaches, projects and techniques for enhancing the personal satisfaction and work, there is as yet a need particularly in the lives of the less benefit segment 1of the general public. Accordingly, of the less effect of coming to the less benefit area of the general public the administration strategies are likewise pressurized to change their improvement approach and reproduced an option advancement display so that the lives of the minimized denied and under advantaged segment of the general public can be up-lifted.

In the mission for an option improvement display, the non-administrative associations with their closeness to grass roots level of the rustic individuals and in assembling individuals, participatory approach, and astute learning on the requirements of the minimized individuals the NGO have risen as a dynamic specialist in giving need data and need of the general population to the legislature. In the third world, the NGO or intentional part has existed as a viable third area and put soon after the administration division and the private endeavors

In 1860, the NGO's under society act was approved in India, In-order to confirm the legal status of the NGOs under government system. The vital role of NGOs and VOs (voluntary organizations) these organization had been working for the welfare of the people as well as those less privilege section of the society, which had been left far by the society these commendable works done by the NGO's and Voluntary Organizations are been appreciated by the Government of India as a result to that the first five-year plan in 1951 was framed to focus the reconstruct the welfare of the poor people. Another amazing activity ever government connections in India was foundation of focal social welfare board (CSWB) in the time of 1953 with the possibility of essential target to energize and advance VO and NGO endeavors in social development and welfare of the general public. The foundation of CSWB additionally denoted the start of money related help towards NGOs and VOs as give in-help by legislature of India which had to a great extent urge the subjects to work for the welfare of the group.

With the noteworthy foundation of NGO's and Voluntary Organizations been seen by the International offices the store streams from global contributors or subsidizing offices had expanded astoundingly in a decade ago. To profit these outside commitments for the formative work the NGO's and VO's have to register under remote commitment control act (FCRA), 1976 which is compulsory for any NGOs and VO's. Many NGO'S and VO's had effectively enrolled to profit the advantage with the goal that they can keep on working for the welfare of the group.

In India the previous two decades had been center to advance the Voluntary Organization as these associations had been effectively working for the welfare of the general population. Truth be told, the activities was started by the United Nations and its offices in associating with the deliberate association for limit fabricating and contributing towards the speedier and more affordable strategies for improvement which has increased overall

acknowledgment. Therefore, the created nations in particular and those which are as yet creating or are less created have embraced checking the deliberate associations reacting to the perplexing procedures of advancement at various statures.

India has massive network of voluntary organizations working in the fields of health, education, rural and urban spheres which had shaped the country into a better standard of its organization and better productivity. A large number of such organizations are making noteworthy contributions in the process of community development which continually molding the country for the welfare of the poor people.

The main motive of the government in associating with the voluntary organizations in development and social welfare activities is to instill the necessary action that the rural need to develop as these intermediaries have better knowledge about the grass root problems of the rural people, the State Government is providing huge monetary assistance to such organizations so that these organizations can play a notable role in the community development process.

The area of focus for voluntary organizations in the developmental sphere are adult and elementary education, vocational training with special attention to adolescent girls and women who are poor and they also look into the matter of rural needy families. These VO also look into the matter of reproductive and child health programme, animal care, national health programme, development of women and children especially in the rural areas and they also focuses in the area of environmental improvement of urban slums and welfare of SCs/BCs/STs etc. when these matter are been prosecuted with proper planning and implementation then the rural problems can be solved to a minimum extend.

In India the previous two decades had been center to advance the Voluntary Organization as these associations had been effectively working for the welfare of the general population. Truth be told, the activities was started by the United Nations and its offices in associating with the deliberate association for limit fabricating and contributing towards the speedier and more affordable strategies for improvement which has increased overall acknowledgment. Therefore, the created nations in particular and those which are as yet creating or are less created have embraced checking the deliberate associations reacting to the perplexing procedures of advancement at various statures.

Group Development fundamentally implies advancement of a territory, by unfurling or opening up something that is alluring to change. It can likewise be encircled as a persistent and thorough procedure of advance in assembling the general population towards independence in the meantime it additionally guarantee the reasonable dissemination or help of chances, asset and social equity among all areas of the general public. It might likewise be characterized as the way toward making plentifully of chances to the group so that the general population will have the capacity to pick their own particular region of intrigue so they can bring home the bacon out of that. India and in addition all the underdeveloped nations is confronting challenges in the regions of financial improvement, unemployment issues, ladies strengthening, abusive behavior at home against ladies, wellbeing and family welfare, instruction, natural contamination and all round advancement of the general population.

Improvement specialists and in addition government authorities and remote benefactors considered that the NGOs by prudence of being little in size, which makes the working more adaptable, with creative thoughts and participatory of the considerable number of individuals from the gathering, which makes the NGO'S to be more compelling in coming to the denied and helpless segments of the general public and they additionally center in destitution lightening. This thought has brought about in the quick improvement of NGOs required in starting and taking up exercises which are either identified with society or identified with nature in the wide sense, the exercises taken up by these VO's and BGO's are country advancement, destitution mitigation, farming, training, wellbeing and family welfare, ladies strengthening, condition, eco-emergency, and so on which are essential for each national to advance. In the previous couple of decades the legislature of India had additionally started to esteem the significance of the pretended by the private organizations, NGO's business endeavors and so on in gaining a ground in social welfare, group improvement and in destitution mitigation.

Keeping in mind the end goal to give openings and give credit to Small and peripheral ranchers, sharecroppers and tenant farmers, The National Bank for Agriculture and Rural Development (NABARD) has propelled a Joint Liability Group (JLG) conspire in 2004-2015 as a venture where these minor agriculturists can be access to advance. This venture was actualized by NABARD in 8 States of India with the support of 13 Regional Rural Banks. What's more, in the following two years it had spread to every one of the conditions of India which give chances to all the negligible ranchers and the lower segment of the nation.

Joint Liability group is an informal group which consists of minimum 4 to maximum 10 individuals' members but with the agreement of specific Bank figure can be increased to 20 in some considerable cases. JLG can be form collectively for the principle of availing bank loan through group mechanism. In-order for the group to avail loan NABARD will offer grant funding to State Cooperative Banks (SCBs) and Regional Rural Banks (RRBs) in-order for the group to grow, nurture the NABARD will also give Rs. 2000 for each group of over the period of three years. NABARD will also offer funding support to poor and marginal farmers clubs, panchayat raj institutions, agricultural universities and various other NGO's who access in the promotion of the poor and illiterate section of the society to get access to loans. If any of the NGO's or VO's spends any money in the process of building the marginal farmers to access to loan the NABARD would provide 100 % repayment to banks against their sponsorship to Joint Liability Groups. The members of a Joint Liability Group, who wish to engage in a similar type of activity in the agriculture or allied sector, would sign an joint join to the bank enabling them to avail loans.

These dynamic gatherings who work for the welfare of the JLG a mass shaping are prevalently known as Self Help Groups (SHG's). The system in giving assets to such SHG's are performed and controlled by NABARD, which is a self-sufficient collection of Government of India and controlled and keep running by Reserve Bank of India.

The banks and various other financial institutions may provide loans to Joint Liability Groups by which and be either providing loan to individuals in the group or they can also provide loan as a group. According to the nature of the groups or the activities that the individual or the group will be taken up the NABARD gives funding under two models.

Model 'A' - Financing to the Individual in the group

1. Every member of the Joint Liability Group should be provided with an individual Grant Card (GC) from the respective bank that will be funding.
2. The bank which will be financing the JLG should also measure the credit prerequisite of the individual on the basis of land available possess or area of land cultivated by him. This is done to access the capacity of the loan repayment by the individual.
3. All the members of JLG have to sign an agreement and responsibility as giving of confidence to the bank for providing loan to the individual in the group.

4. Any other member who had join the group and who wish to applied for the loan, new loan agreement and responsibility should be signed by all members of Joint Liability Group.

Model 'B' – Financing Joint Liability Group as a group

1. Once the group is formed the group will be allowed for accessing loan from the bank.
2. For the group to avail loan the bank will evaluation the group on the basis of total land holding of all group members and total land cultivated by all the members of the group.
3. All members of the group should jointly signed undertaking in-order to avail loan.
4. Any change that takes place in the structure of group. It is the responsibility of the group to direct new document which should be registered with the respective bank branch.
5. The Joint Liability Group who embarks on saving apart from credit is required to maintain detailed books of accounts.
6. Every individual member of the group will be graded by bank on the basis of performance parameter.
7. The need of the credit will be decided on the basis of joint credit plan and the need of each individual in the group. Whereas saving of the group will not be considered while availing loan.

Joint Liability Groups provides to the need of poor marginalized people by providing loan to the individual or as a group which is also more convenience for the bank as there is more transparency as well as there is more liability in repayment as it deals the smaller group of people. Poor people utilize this loan by setting up some small business firm to earn their livelihood and for various other purposes.

This Group idea is useful in light of the fact that everybody is being checked by other individuals in the gathering and the borrower uses his cash legitimately. On the off chance that anybody defaults, other gathering individuals will endeavor every conceivable push to take cash back and he won't discover wherever in any gathering next time. In this way, he won't have the capacity to take advance in future. This thing persuades the borrowers to keep up teach while requesting credit and using it suitably.

In spite of the fact that occasionally the gatherings were likewise not ready to reimburse the credit in time but rather default is remarkable. The joint obligation aggregate

idea helps in the monetary foundations in diminishing the default chance and in the meantime it teaches the propensity for taught administration of back among poor people and minimizes area of the general public.

1.2 Scope of the study

Rustic advancement is one of the push ranges of center for the administration of India. Numerous offices in India are assuming control over this duty in providing support for the country bunches in India by making it obligatory to all Nationalized and Private Banks, Co-agent banks, and other monetary organizations to give budgetary help to such required class. Be that as it may, it is the obligation of the individual or gathering to consolidate and framed gathering with various natures like male gatherings, female gatherings, gathering of specific ranks or classes. These arrangements of gatherings are prevalently known as Self Help Groups. The way toward enabling assets to such SHG's are controlled and worked by NABARD, which is a self-sufficient assortment of Government of India which is again controlled and keep running by Reserve Bank of India. NABARD does not deliver help straightforwardly it is prepared through NGO's and different organizations.

However, it provides assistance through Non-Governmental organizations functioning in the particular region who work for the marginalized farmers and those who are been socially, politically, and economically weaker section of the society. But how far these groups are benefited by this scheme is unknown and drawbacks need to be analyzed. Hence this study provides value feedback for the implementing and nodal agency.

1.3 Objectives of the study

The objectives of the study are as follows:

1. To assess the Joint liability group scheme in Phek district of Nagaland
2. To analyse the support extended by NGO for the groups
3. To provide suggestion to NABARD for the shortcomings of the scheme.

CHAPTER - II

REVIEW OF LITERATURE

2.1 Review of Literature

A brief review had been done on the related literature of review of Joint Liability Group and its various aspects. A certain number of selected articles have been looked at in view of this. The articles will indicate how Joint Liability Group plays a vital role in poverty alleviation, it will also give us an idea about micro financing and its importance in upscaling the poor and marginalized people. In reviewing these articles it will also check how certain other factors are directly or indirectly related to the Joint Liability Group and the role played by these groups in working for the up scaling of the society.

Ghatak, (2000) validated about the advantage of gathering loaning with joint risk he additionally called attention to about the troubles of shaping JLG among the individuals. The fundamental to this result was that joint obligation bunch individuals may urge aggregate individuals to astutely pick their individuals so they can all in all cooperate and in the meantime the banks may give openings the individuals to profit advance.

Alexander S. et.al. (2005) additionally indicated about the fortified of reality of exercises between the borrowers and the cash moneylender. It discusses the activities of the advance underwriter and the corresponding of the debtor on the effectiveness of the system. The assortment procedure was reciprocal, in order to warrant that while there is attentive group, and advance officers take protective actions towards the debtor cluster which had been recently made. The repayment of advance will be enhanced if the advance underwriter can ensure the distinctive advance to the beneficiaries. It was be essential that the advance underwriter make utilization of recognize the authorizations in-request to satisfy the necessities of the defenseless segment of the general public.

Rai and Sjostrom, (2004) expressed that the JLG alone can't persuade the borrowers to help each other. Absolutely it is the system of cross detailing is additionally imperative for loan specialists to decrease the issue of unequal in the credit showcase. The cross-detailing component was likewise efficient on the grounds that it could impact the borrower to be honest about the condition of the venture and consequently that can diminish the burden

among the borrowers. Conversely, without cross-announcing, the loaning system was not compelling on the grounds that the borrower will be executed with cruel punishment from the bank.

Madajewicz (2005) contended that for instance the gathering obligation is required for poorer borrowers. In her model, all advances were sponsored by thriving however aggregate risk advances made a motivation for selecting the most perilous activities. Moneylenders answer by constraining the credit measure, and since the advance size is connected with the riches and flourishing that can be guaranteed as security, underneath a specific level of capital, gathering risk subject individual obligation. Be that as it may, over a specific riches and flourishing, singular loaning will be a superior alternative by clients.

Morduch and Woolcock (1999) pointed out that negative instances were observed in Albania, Malaysia, India and several African countries. The understanding from the failures shows that several pre- measures had to be satisfied to induce high repayment loan rates:

a) The emphasis on the target group - mostly debtors who had no access to the consistent banking system should be recognized otherwise the non-refinancing risk would not be significant.

b) The careful grouping by its ultimate associates and not by the loan officers to guarantee mutual accountability for the joint-liability.

c) The limit of the group size.

d) The implementation of the group liability device - prohibiting from access to further loans should be made to the complete group if the borrower failed to repay all loans.

Chatterjee (2009) studied “Multinational Firm Strategy and Global Poverty Alleviation: Frameworks and Possibilities for Building Shared Commitment” stated that poverty and hunger in a community arise not because there is no goods or food to feed them, but because there are billions of people who lack income to purchase them. He also highlighted about the significance of microfinance and various Self Help Groups which are providing funds and financial assistance mainly to the poor section of the society.

Jenieek, (2008), Studies showed that Joint Liability Group help in poverty alleviation especially in the marginalized section of the people to make a living through the loans that they avail from the bank.

Ramakrashna and Haberberger, (2010) in his article talks about the importance of women empowerment where he continues to state that by engaging in group initiative, women can achieve personal as well as economic empowerment since in most of the cases women are generally been deprived of their rights and equality in every sphere of life. Through the Joint Liability Group they can empower themselves and earn social status in the society. The women folks can also engaged themselves in different enterprises and make reasonable profit to make a living.

Moyle and Dollard, (2008) also further states the Joint Liability Group not only helps in income generation but also furthers women empowerment to get equal opportunity alongside with men which can help them to regain their status as well as it creates awareness among the women folks to know their rights obligations and responsibilities.

Panda *et.al.*(2005) conducted a study on Micro Finance Institution and Poverty alleviation where they had states that poverty is not natural for the humans and they had also pointed out that poverty alleviation can be done by establishment the business model of the formal as well as informal sector and complementing it with the charity model of the informal microfinance system that was established in the 1970s.

Srncet.*al.*(2009) in their studies brought out the success of Bangladesh with its unique method to poverty alleviation through income and employment generation programs targeted mainly at the poor section of the society by the government sector and Micro Finance Institution this establishment of poverty alleviation had greatly empowered the weaker section of the society.

Galabet.*al.* (2003) conducted a study on Community Development by applying governmental schemes. They focus mainly on the approach of poverty alleviation and women empowerment by providing considerable space for women's in Self Help Group formation. It is found that the majority of the women in the society are been either physically or verbally abused and they do not enjoy equal right with men in the society. Reports on domestic violence as well as restriction of women in social roles, decision making is lacking in women roles and there is very few or little income spending rights which leave a negative imprint on a woman's self-esteem and self-worth leading to a weakening in a woman's health and well-being.

Moyle *et.al.*(2008) also states that in-come generation through Joint Liability Group can help in curbing the social inequalities and social differences that are been faced by the lower section of people in the society. The poor people can avail loans which will enable them to generate more opportunities to make earning to stain their life and help in the economics of the family on a small scale basis.

Jackson *et.al.*(2005) states that small scale industries need avail loans from the governmental sector so that they can generate more income for their industry which will ultimately create job opportunities to the unemployed. They also further states that when these small scale industries generate more opportunities more job opportunist are also been labelled to the poor people where they can employ them self in different kinds of work in the industry so that they support them self as well as their family and this regulation can be made to help the interests of the poor along with sustainability. Accessibility of finances and financial services can bring about the desired change and development.

Fisher *et.al.*(2002) in their study states that a proper training for utilization and repayments of loans will go a long way in financial inclusion thus bringing a long-term social implication. They stress about the importance of SHG in delivering opportunities to the people with SHG credit linkage that is made available in the country which is focused in the different states of India. They also stated that those states with larger share of poor have low coverage attributing this is due to lack of government support, lack of spreading of NGOs network, it is also due to local culture and practices.

Acharya *et.al.* (2006) in their paper "Maintainability of Microfinance Institutions from Small Farmer Perspective: A Case of Nepal" show that little ranchers for the most part don't think as far as institutional supportability when they get advances from cooperatives. They characterize the expression "maintainability" regarding individual advantages. Their edges of reference are greater utility-centered and straightforwardly associated with their lives and job, the level of advantage, wage, and financial survival of the family. As it were, what is manageability for a broker is not so for the little ranchers.

Pollinger *et.al.* (2007) conducted a study on "The Question of Sustainability for Joint Liability Group" seek to understand the implications for providers of financial assistance in pursuing relationship based financing strategy in the US. They analyzed their lending process, and presented a model for determining the break-even price of a micro credit product. They found that credit is generally offered at a range of subsidized rates to micro

entrepreneurs. Such subsidization of credit has implications for the long-term sustainability of institutions serving this market and can help explain why mainstream financial institutions have not directly funded micro enterprises.

Befekadu (2007) led a review on "Effort and Financial Performance Analysis of Liability Groups in Ethiopia" finds that in Ethiopia the business' effort ascends in the period from 2003 to 2007 by and large by 22.9 percent for every annum. His review called attention to that while Financial help achieve the extremely poor; they reach to the burdened, especially to ladies is constrained (38.4 Percent). From budgetary manageability point, it finds that microfinance organization are operationally and supportable measured by profit for resource and profit for value. Likewise, the review additionally finds that Microfinance organizations are money related practical. At long last, it finds no proof of exchange off amongst effort and budgetary maintainability.

Robert et. al.(2008) pointed on the execution of driving Joint Liability Groups in 49 nations find fascinating outcomes. They found that over portion of reviewed Joint Liability Groups are beneficial in the wake of making alteration of dies down. They additionally recognized no proof of exchange off between being productive and achieving poor people.

Rahman (2004) led a review on "Commercialization of Microfinance in Bangladesh Perspective" recommends that genuine client benefit through commercialization ought to be the primary concern for pushing ahead. In a focused domain, consumer loyalty and commercialization ought to be the main impetus for survival and development. As indicated by him the microfinance control in the nation is presently in progress, which will give a legitimate premise and streamline the present and future distinctive joint obligation aggregate exercises. To receive the rewards of commercialization, the customers ought to be permitted to practice their free decisions. They ought to be conceded freedom to do their own particular money related administration keeping in mind the end goal to expand their total assets, while the monetary middle people will require order for giving an extensive variety of budgetary operations.

Vijay et. al.(1919) attempted to inspect what comes in the method for making Indian Liability Groups in budgetary practical and what can encourage this. An endeavor has been made in this paper to take a gander at supportability from numerous measurements, for example, request, mission, lawful and administrative system, proprietorship, administration and HR and monetary manageability.

Tiwari et.al. (2005) talk about reasonable structure of a Joint Liability Groups in India. The victories and disappointments of different microfinance organizations around the globe have been assessed and lessons learnt have been consolidated in a model microfinance institutional system for India. The creators found that the poor reimburse their credits and will pay for higher loan costs. Furthermore, the poor spare and consequently microfinance foundations ought to give both reserve funds and advance offices. These two discoveries infer that putting money on poor people can be a productive business. Be that as it may, accomplishing budgetary practicality and supportability is the major institutional test.

CHAPTER - III

RESEARCH METHODOLOGY

3.1 Research Methodology

This study “Assessment of Joint Liability Group Scheme in Phek District Nagaland” is an effort to assess the functioning of the scheme as well as to look into the areas of its issues and problems in forming the Joint Liability Group. This study had also assessed the impact of the beneficiaries after joining the Joint Liability Group. Since it is qualitative in nature, the researcher depends on interview as a technique for collecting the data. The researcher use primary data collection method by going to the field using unstructured interview technique where formal and informal interview session was held.

Experiencing the time constrains and difficulty in intermittent visit to the respondents, researcher continued his timely clarifications of certain queries by making continuous telephonic interview after his first physical presence in the field. For such an interview, some people who were willing to share their issues and problems were selected randomly based on the availability and reediness from certain area of importance where Joint Liability Group was undergoing.

As the researcher believed, the interview which was held among the Bank stuffs, NGO and the beneficiaries of the scheme could fetch very pertinent information and in-depth factual data. It reflects clearly how the qualitative development in fetching the required data to make this study is possible.

Supporting to the data collected through interviews and secondary sources such as newspapers, journals, articles and data related to this study had been used where the researched could connect the finding with the issues and problems in setting up the Joint Liability Group as well as the functioning of the schemes in Phek district and its impact to the beneficiaries.

3.2 Area of study:

This research has been conducted in Phek district. It is inhabited by the Chakhesangs and Pochuris. The medium of communication among the people is mainly Tenyidie and Nagamese. It is located in hilly area with the population of 1,63,418 according to 2011 census where 83,743 were male members and 79,675 were female members.¹

It is a hilly district which is rich in flora and fauna. Agriculture is the main occupation where 80.84 % of the population are engaged in agricultural activities. Terrace rice cultivation is one of the predominant work sectors. Besides agriculture people are also engaged in salt making especially in Meluri area, weaving of traditional attires, bamboo and wood carving, and fruit juice are some of the work that the people perform. Phek is a land which is rich in culture and festivals. Festivals are one of the significant of this district and they celebrate festivals round the year. There are different traditional attires for every occasion. Coupled with their rich cultural heritage, the people in Phek district are popularly renowned for their cheerful nature and hospitality.²

3.3 Expected outcome

The outcomes set up that by joining this plan positive change in way of life, pay consumption design, exercises attempted and work of the individuals, the mindfulness level of the individuals as for various plans and their advantages has expanded. Closeness level among the individuals has moved forward. Subsequently, they are in a position to talk about different financial issues, the extent of business, bank advance and farming practices among each other. NGO's assume an unmistakable part in helping these JLG for the improvement of their employment; NABARD needs to degree its scope for more gatherings under this plan.

¹ www.censusindia.gov.in

² www.Indianetzone.com

CHAPTER - IV

ANALYSIS AND INTERPRETATIONS

4.1: Analysis and interpretations

The foregoing chapter dealt with method and procedure of the study which covers, design of the study, development and explanation of the tools, procedures and statistical techniques used for the analysis of data were discussed. There is no meaning to the data unless analyzed and interpreted by some reliable techniques. Once the examination information has been gathered and the investigation is readied, the analyst can progress to the level of deciphering the outcomes. The course of translation is fundamentally expressing what the outcomes clarified. Understanding is not a custom and mechanized process. It requires a watchful, consistent and basic examination of the outcomes acquired after investigation, watching the confinement of the example picked, the devices chose and utilized as a part of the review. Investigation of information means concentrate the classified material keeping in mind the end goal to discover characteristic data or implications. It includes in separating the intricate elements into less complex parts and placing them in another plan with the end goal of understanding. The present section is dedicated to the measurable examination of the information translation of the outcomes and conclusion.

In this chapter, an attempt has been made to interpret the findings on the Assessment of Joint Liability Group Schemes in Phek District Nagaland. Thus, interviews and secondary data are used to gather the information. The data has been presented under the following heading. The results of the collected data are given thereafter.

4.2 Issues and problems in formation and financing of Joint Liability Group

Issues and issues with respect to arrangement and financing of JLGs were gathered through meeting from the bank, Non-Governmental Organizations, and NABARD authorities. The issues were for the most part subjective in nature and different partners expressed various issues. Recurrence dispersion of their reactions was arranged, dissected and sorted and displayed underneath in table.

4.2.1 Problems observed by stakeholders

Sl. No	Problems	No of respondents	Aware	Not aware
1.	Absence of general awareness about JLG among beneficiaries	12	4	8
2.	Absence of regular meetings	12	3	9
3.	Absence of monitoring by Banks. NABARD, NGO,RBI and Co-operative Bank	12	3	9
4.	Absence of coherence in the group	12	4	8
5.	Absence of availability of documents about JLG formation.	12	6	6

Table 1. Problems observed by the beneficiaries.

It could be seen from the above table that the issues and problems in formation of JLG were due to the absence of proper meeting by the group members, absence of awareness about its formation and functioning JLG among the beneficiaries, lack of capacity building among the JLG members, the beneficiaries also face the problem of understanding amongst members of JLG, absence of understanding among the in the group members is also lacking, the Banks, NABARD, NGO,RBI and Co-operative Banks does not monitor the JLG's on time and since most of them are not aware of its functioning many of the JLG's are not progressing, absence of accessibility of guidelines among the beneficiaries, and lack of motivation among stakeholders are some of the few problems faced by the JLG members.

4.2.2 Absence of general awareness about JLG among beneficiaries.

It is watched that the majority of the partners need general mindfulness about the presence of JLGs and also they don't know about the advantages that the JLG offers. The greater part of the respondents whom I had met didn't know about the JLG idea. Despite the fact that staffs of the banks at the home office and NGO's knew about JLG, the idea had not clear to the partners 8out of the 12 partners whom I had met had reacted that absence of mindfulness was one of the significant issues in financing JLG. Massive mindfulness

creation ought to be effectively advanced by the NABARD and additionally those NGO's who are working for the advancement of JLG's.

4.2.3 Absence of regular meetings.

Most of the bankers, NGO's, and especially the stakeholders stated that there was no regular meeting organized by the NABARD. Most of JLG members were marginal farmers, share croppers and landless laborers so they are less concern about holding meeting to deliberate about the issues and problems as they are more concern about their personal works and responsibilities instead of giving importance to group activities of JLG, whereas some of the JLG group members give due importance in holding regular meetings to promote their JLG and the benefits they receiving loan from the bank. Due to lack of regular meeting group in some group dynamics was not developed amongst JLG members.

4.2.4 Absence of monitoring by Banks. NABARD NGO, RBI and Co- operative Bank.

More than half of the stakeholders observed that there was lack of monitoring by Banks, NABAR, NGO, RBI and Co-operative Bank. Even the data regarding the progress of JLG financing was not available to some of the stakeholders which make them unclear to process ahead with the paper works at banks. When the beneficiaries are not well informed by the monitoring cell it makes them to hold back from doing the work which they should be actively performing to achieve their JLG goal but when the higher authorities at Banks, NABARD, NGO's who takes the lead in monitoring the functions of the JLG's do not perform their duty to the requirements of what they should be doing it makes the JLG members to drift apart instead of focusing on the welfare of the JLG goals.

4.2.5 Absence of coherence in the group.

To accomplish any objective solidarity and cohesiveness is required by any gathering individuals however when met with the recipients of the JLG it is watched that there was absence of intelligence among JLGs individuals. The vast majority of the JLG members prefer to work separately with no outside impedances and gathering progression was missing at the ground level. They planned together for profiting credit and from there on they are crumbled. This absence of solidarity can be additionally because of the thought contrasts happened among the JLG individuals since thoughts differs from individual to individual as per their range of intrigue every one of these issues emerges because of the nonattendance of gathering flow, peer screening, peer choice, peer checking, and peer weight, which might be

considered as fundamentals for any JLG to run and capacity easily with no issues, without every one of these groups it couldn't accomplish its target.

4.2.6 Absence of availability of documents about JLG formation and nurturing.

Most of the respondents stated that documents for JLG formation and nurturing are not available to various banks and government departments. Most of the banks do not have proper documentations to about the disbursement of loans to the JLG members and without proper documentation loans cannot be given to any individual or group without formal process. 6 of clients pointed out that guidelines were not available with bank branches officials stated the documents for the disbursement of loan was not available with the bank branches. This indicates that the bank staffs were ignorant about JLG scheme.

4.3 Activities financed under JLGs:

The response of the bank staffs and NGO's for activities financed were collected and presented in the table below:

Sl.no.	Sector	Activities
1.	Agriculture based activities	Vegetable cultivation
		Crop cultivation
		Floriculture
2.	Animal Husbandry	Fisheries
		Poultry
		Piggery
		Milch cattle
3.	Small Business or Shops	Tea stall
		Vehicle Repairing shop
		Small trade
		Commodities shop
		Fruit selling
		Vegetable vending
		Tailoring
		Tobacco shop
		Beetle shop
4.	Transport facilities	Auto
		Rickshaw
		Local taxi
5.	Small Manufacturing Sector	Pottery making
		Handicraft
		Weaving

Table 2. Activities financed under JLG scheme

From the above table it might be seen that the exercises that are financed under the JLG by the banks had a place with farming or associated exercises, independent venture divisions, transport administrators and little assembling which can satisfied the requirements of country ranges.

Loans are been granted mostly to the rural villagers as the North East Network (NGO) is mainly focused on the up-liftment of the marginalized rural people. Those JLG's which are been monitored under North East Network can apply to any of the above mentioned availability of loan that can be availed.

Nagaland been an agriculture as the main source of livelihood, most of the people are engaged in agricultural activities with the advantage of receiving loans from the bank under NABARD they are able to better agricultural tool which enable them to get their work done at a faster period of time with less energy.

4.3.1 Agricultural based activities

In another top to bottom meeting with the recipients of the JLG credit ranchers in Chizami town were for the most part landless and sharecroppers who relied on ashore rented from different famers. They were not ready to get credit from institutional sources like State Bank of India. Because of absence of security, banks were not remembering them as potential customers. They were in orders of cash banks which were charging high rate of premium. Because of high cost of acquiring they were not ready to put resources into present day strategies for development. e.g. HYV seeds, manures, pesticides and bug sprays and different composts. Thusly, profitability from ranch was at low stream and they were scarcely getting any benefit in the wake of paying the lease to the landowners.

With the activity of North East Network about Join Liability Group plans five sharecroppers combined to frame joint obligation gathering and took advance from Co-agent bank Pfutsero. Name of the inhabitant or agriculturists, their personality and different points of interest were checked by director of the town. As indicated by inhabitant and landless agriculturists, JLG had turned into a wellspring of life guardian angel as they can procure and bring home the bacon out of it. With the help of North East Network they frame JLG and now they are flourishing.

At first individuals were dispensed Rs.50000. They began utilizing HYV seeds, composts and water system. At first they were raising just sustenance products and now they moved towards vegetables. They got consistent wage as the span of harvest was little and attractiveness and cost was great in nearby market.

With the nonstop salary, way of life of the poor was enhanced and mindfulness had expanded. They were paying advance on portions routinely subsequent to meeting alternate

costs at homes. With the persistent salary they needed higher measure of credit for getting expanded leased land and better horticultural instruments with better bundles and practices. They were likewise pulled in towards framing the vegetables producers' relationship for better wellspring of offering their vegetables and they will get all the more bartering force and in the meantime get some support from the administration too.

It is learned that the farmers who are engaged in agricultural activities are able to buy better tools for farming as well as they also began to use fertilizers for better growth of their crops. Before availing the loan they are not able to buy new technologies which are present in the market as they do not have enough money to buy such technologies.

They also share success stories of how they began to grow cash crops which enables them to sell in the markets which is a huge boost in the economic status for the family and at the same time they are able to send their children to schools and are able to pay the fees with the income they receive from the cash crops.

4.3.2 Animal Husbandry

In another in-depth with Mrs. Atele Mero who shared a success story of running a piggery farm after availing loans under Animal Husbandry. She is a single headed parent with 3 children who are all in school. Before availing the loan she engaged herself in the agricultural farm where she hardly managed to run the family with the low income from the agricultural sector and she also shares how she finds difficulties in paying the school fees of the three children.

With the loan of Rs. 1,50,000 she received from the bank she began to run a piggery farm where she managed to buy 9 pigs and she spend some of the money for the fees of her children as well as saved the rest of the money for the fodders.

After running this piggery farm for one and a half year, currently she has 23 pigs in her farm where the locals in and around the villages comes to buy the pigs and now she is known as one of the supplier of pigs in her locality. She shares her story how she is able to manage to run the family with the improvement in the economic status as well as how she is respected by the society.

She also narrated how women are deprived in the society stating that Nagas follows the patriarchal system. After the deceased of her husband she was deprived of the rights and equalities which she used to enjoy before the death of her husband, with the low economic

status she was not respected by the society and civil bodies that govern the village. But with the success of the loan she availed from the bank under the NABARD schemes on JLG she was able to regain her economic status as well as recapture the respect of the society.

4.3.3 Small business or shop

Small business or shops exists on varying degrees. Some had been running small business even before availing loan from the Banks whereas some of them were not able to open up their own business due to low income. Most of the businesses are run solely on the motive of profit through the marketing of their products by their own handicrafts which catch the attention of the customers. Though business involved risk, these features cannot be said to be followed all over the world particularly in developing countries like India. Thus it is the same case in the state of Nagaland, especially in district of Phek.

There is also team based business run by the JLG which tries to promote the handicrafts of the local people by involving the villagers of their own local people. After availing loan from the bank they are able to set up small shop where they sell the products which are made by the own JLG members as well as collective from the villagers. They sell products such as home-made goods like pickles and other food items. Others include card making made from recycle papers, wooden handicrafts such as spoons, plates, bowls and other wooden products.

Thus these loan that they avail from the bank had made them to successfully run their business which not only help them in the uplifting of the clients economic status but at the same time it had also largely impacted on the economic status of the fellow villagers as the JLG members also involved the villagers in crafting wooden products which are been paid by the JLG members.

4.3.4 Transport Facilities

Transport been one of the necessities of every human being but in the rural villages such as Phek districts there are less transport facilities and the villagers have to walk by foot to nearby villages sometimes. Under the JLG scheme they also transport loan where one can avail loan under the scheme for the up-liftmen transport facilities especially in the rural areas.

In the fast changing world transport had become a must in every sphere it not only help a person to move from one place to another but it also help in saving time and energy and it also help in completing the task at a faster rate.

There are three beneficiaries who had already avail transport loan and they are running local taxi plying from one village to another. It not only help the people in transporting but it had also largely boost the economic status of the beneficiaries of the loan who had avail from the bank. They are able to make repayment to the bank at the right time as they are able to earn on everyday basis, these boost in economic as well the higher standard of living is due to the loan availed from the JLG scheme.

With the success of the transport loan one of the beneficiaries had bought another car for local cap. With the saving of his earning he is able to buy a car as well as he is able to build a descent house for his family. Before availing the loan it was shared that he was not able to support his family as well as make any saving in his account, but with the benefit of the loan he is now able to earn as well as make saving on monthly basis.

4.3.5 Small Manufacturing Sector

Under the schemes of the JLG certain section of loan is also provided for the small manufacturing sector. During the course of my field work it is drawn that women of the Chizami Village are actively participating of the weaving sector it is learned from the managing director of NEN Chizami that the women takes pride in weaving traditional attires which is keeping the traditional Naga textile alive as well as providing opportunities for women, Chizami weavers continues to ensure the livelihood of women weavers. In 2015-2016, 174 weavers from 11 villages participated in Chizami Weaves; it is also learned that a new outlet is also opening up at Kohima, Chizami weavers products were displayed at various exhibitions as well as they were also sold during various carnivals. There products were also sold during Hornbill festivals as well as North East Carnivals. In order to extensively sell their products they had also started e-commerce sites and had also engaged with other designer entrepreneurs.

North East Network had also facilitated a similar model in the Khuzhathede area on the revival and development of natural fibers. Under this project there are 43 weavers from Zapami and Lasumi villages work on yarn development, producing fine quality yarn using traditional methods. The project has also enabled young girls to learn the art of weaving in their leisure time.

A weaver Mrs. Aneile Kapfo at Zapami village had pointed out that “we weave because through this we can earn our living. Agriculture requires hard labour so we prefer weaving. Earlier, my husband used to tells me not to weave, but I continued weaving because I keep myself busy this way. Later he started to help me in making yarn balls. My children now look after the household work and my husband looks after the livestock while I weave. With the income I am earning, I have gained more respect from my family members”.³

³Kapfo,Aneile , personal interview 24-01-2017

CHAPTER -V

IMPACT AFTER JOINING JOINT LIABILITY GROUP

In order to access if there is any improvement or any benefits that the beneficiaries receive after availing the loan interview had been conducted to the beneficiaries to know their perspective.

5.1.1 Improvement in income

Under Pre JLG position the financial states of the individuals was greatly poor though in the wake of profiting of credit the position of the recipients had changed radically just couple of individuals live under to a great degree poor class. A large portion of the recipient was in great salary classification before getting advance from the bank yet in the wake of accepting advance from the bank individuals from the JLG started to enhance their monetary wage. Those individuals in to a great degree poor class before getting the advantage hopped to poor and normal classification in the wake of benefiting credit from the bank. In this manner it could be resolved that the JLG component as a credit arrangement measure had prevailing with regards to accomplishing its objective and goal to an impressive degree by supplementing salary of individuals and if the proviso were tended to legitimately, it would achieve magnificent outcomes.

5.1.2 Improvement in social status

Before getting the benefit of the JLG credit most of the clients were in the category of extremely poor, poor, average social status category but after getting credit the condition of the beneficiaries had changed drastically and those people who are in extremely poor had been uplifted to average and those who are in average are been uplifted to good and those in the category of good are been raised to better social position. The JLG scheme had brought about tremendous changed in the life of the marginalized rural people. Thus the social status of the beneficiaries had changed in general term.

5.1.3 Improvement in standard of living

Most of the beneficiaries before availing the loan were in the category of extremely poor, poor, average standard of living category but after availing loan their living standard

had improved to a minimum of reasonable standard and they are been able to meet the needs and requirements of their daily life. Those in the category of poor are able to access with their daily basic need and maintain their family with basic amenities and those who are in the category of good standard of living are able to promote their life with better lifestyle and they are able to access to modern technologies as well as they are able to send their children to better schools and colleges so that their standard of living for their children can enjoy the maximum education that is required to change the living standard in the near future. This was a big leap forward and highly visible change that the JLG had impacted in the life of the poor and marginalized people.

5.1.4 Improvement in children education

Education been the need of this present day most of the children in the rural areas are not able to send their children to schools and colleges due to poverty. Even though their children are doing well in their academics they have to give up their studies and do other manual works to earn for their living as their parents could not afford to pay fees for their children.

Nevertheless with the benefit of loan they are availing from JLG schemes the parents are able to improve their economic status as a result they are able to send they children to better schools and colleges so that they can get better education and get a job in near future so that they can uplift their family from poverty and other needs .This change went to prove that simply making available credit under JLG program could boost literacy parameter in rural areas.

5.1.5 Improvement in Health

The health condition of the poor are even more worst then that of the rich people. With poverty been their burden they are not able to buy basic medicines to prevent them from sickness.

Though there are some few government hospitals where they can avail free medication and checkup but the poor rural seems to be less concern about their health status as they are more concern about working and earning for their daily livelihood. Nonetheless after joining JLG the importance of health is been carried out in-order to actively work for the group activities so as to sustain their family they are able to meet the needs and requirements for basic medication. Thus, in respect of health also good betterment was observed.

5.1.6 Improvement in Saving

The JLG scheme is doing tremendous changes in the area of saving. When interacted with the beneficiaries of the scheme they had pointed out that most of the people are not able to make any saving as the level of income is very narrow. All they earn are spent on the daily basic needs but with the outcome of loan they get from JLG they are able to make saving on monthly basis though the amount may not be huge they are able to save of 500 to 5000 per month.

Those beneficiaries who are engaged in business are getting prompt to save more money in their account than those who engaged themselves in the agricultural and other sectors. Thus, it may be observed that with improvement in income there was positive change in saving habits of the poor. Such change indicates well for the economic well-being of the whole nation as a whole.

5.2.1 Reasons for success of Join Liability Group

The North East Network an NGO based at Chizami Village had initiated to monitor in the formation of JLG at Chizami Village in which most of the JLG are benefitted. Here are some important points which led to its success.

1. Sound mechanism of identification of members

Majority of the people who join the JLG are mostly poor and marginal poor people. The NEN makes sure that they identify people with likeminded ideas to work together in a group so that they can actively participate in the formation of JLG. Differences in terms of age, area of interest, social and economic status were also taken into consideration so that there is no clash in idea differences, the above mentioned criteria were strictly monitored so as to bring people of the same group together who can effectively work together.

2. Continuous Group Training

In-order to effectively operate the JLG functioning the selection and identification of group members, these were done through peer selection who have the same ideas of reaching their objective and after the selection of the peer selection of the members one week intensive training on daily basis was imparted to members so as to make them aware about the functioning and also for capacity building regarding the terms and conditions, they were also made aware about the concept of joint liability group, the beneficiaries were also taught how

to develop group dynamics and cohesiveness, among members so that the peer groups can collectively work together and make a positive impact in their life.

During this one week training all the members of the JLG were inculcated about the spirit of joint liability and also about the various policies and procedures that the NABARD had laid down for the beneficiaries to follow or any JLG that wish to avail the loan were taught to them. Since most of the rural people are illiterate these members are extensively taught and trained them how to put their signature so that they can avail the loan. After successful completing the training it made the poor, illiterate and marginalized members eligible for borrowing first cycle loan.

3. Regular weekly meeting

For and organization to prosper and grow joining head together and discussing the issues and problems need to be solved with positive actions. This is the same case with the JLG functions regular weekly meeting is set apart mostly on Saturday where the JLG members come together to discuss on the promotion of their JLG and a series of discussions were also deliberated. Repayment of loans or any members of the groups is facing any financial problems were also discussed and the promotion of their business were given importance in the meeting.

4. Authorization of loans to members in weekly meeting

Approval of credits could be proposed just when all the gathering individuals and in addition the supervision from the bank and furthermore the NGO who takes the activities goes to the meeting. All credit uses of individuals were first endorsed by the NGO who screen the JLG and after that gathered by the Bank directors for check for the last authorize of advance.

For those JLG individuals who needed to benefit the following cycle or ensuing cycles credit, their advance usage status was checked. Second cycle of credit must be given if the primary advance that had been benefited is paid on time. If there should be an occurrence of any default in reimbursement of past credits, the measure of new advance is diminished so it makes the JLG individuals to do the reimbursement of the advance on time. Individuals who had defaulted portions of past advance cycle were not entitled for higher credit restrict. All the default individuals who don't reimburse the credit were distinguished by the NGO and the Bank stuffs. No new credit was given to any resolved defaulter

5. Transparency in loan distribution

After the advance had been endorsed by the bank, every payment is recorded in the advance dispensing register. Payment is made at the branch office within the sight of branch administrator, and also NEN authorities and individuals from the JLG gatherings. On the off chance that JLG individuals participation is under 90% than credit payment were put off to the following meeting in order to guarantee straightforwardness among the gathering individuals.

6. Repayment of loan in weekly meeting

At the JLG level installment of loan were collected in weekly meeting by JLG leader and he takes the initiative to deposited the repayment at the bank and submitted the receipt to the NEN who monitor the JLG and subsequently meeting were conducted so as to ensure that there is transparency and effective trust among the group members .

7. Strict check on loan utilization

There is vigorous system of authentication of loan utilization so that the beneficiary does not face any problem during repayment of loan to the bank. Loans were utilized in the right way so as to bring profit to the beneficiaries and for the impact of positive change of the group members. Cash flows were monitored for each client they also observed and assessed to know the suitability of surplus to pay the instalments. This monitoring were done by the group members among themselves.

8. Efficient Management Mechanism

Efficient reporting system had been put which plays as a part of effective monitoring mechanism. It is observed from NEN experience that in-order for JLGs to be successful there are four essential elements that are required:

- a) Formation of JLG groups and identification of the group members.
- b) Intensive capacity building of group members.
- c) conducting weekly meeting
- d) Pro-active supervisory machinery.

For the JLG to accomplish its thriving limit working of gathering individuals is required in the meantime it likewise require appropriate ID of the JLG individuals, serious preparing and thorough checking of exercises is additionally another critical elements for the

JLG to flourish, all the JLG individuals ought to associate between individuals in intra-amass week by week gatherings, All JLG individuals work towards having a constructive outcome in their life and the entire society which makes them to be extremely careful about the wrongdoing among the recipients and they likewise make solid move to the defaulters, the JLG individuals additionally advanced gathering flow which brings about companion screening, peer choice, peer observing and peer weight which was reason for any joint risk gathering.

The JLG additionally deal with the advancement of proficiency which prompted its strengthening. The JLG individuals likewise build up a feeling of reason among gathering individuals with a specific end goal to advance the effective use of neighborhood assets or gifts and so on. Assist, for executing of arrangements and systems in compelling way alongside dynamic supervisory hardware by its observing cell which had been guaranteed by NEN practically speaking prompting accomplishment of its lion's share of the JLGs.

CHAPTER - VI

CONCLUSION AND RECOMMENDATIONS

The objectives of the present study were to access how Joint liability group scheme in Phek district Nagaland as well as to analyze the support extended by NGO for the groups and to provide suggestion to NABARD for the shortcomings of the scheme.

This review had widely canvassed Joint Liability Groups in Phek District Nagaland, imperative issues and issues in arrangement and financing JLGs, effect of JLGs to little and minimal agriculturists, organizations and mediators required in the working of the JLG, purpose behind accomplishment of JLG and to recommend positive strategy to NABARD

Data were collected from Banks, NGO's, NABARD officials, and JLG clients financed by State Bank of India and Co-operative Bank. Major findings and recommendations are as under: -

1. The geographical coverage of JLGs was in Phek District Nagaland. However major concentrations were in Chizami Village, Pfutsero town and Zapami Village.
2. Banks preferred to finance those clients who are registered or under the supervision of the NGO due to absence of group dynamics and peer pressure. Even though they also provide loan to those who are not under the supervision of the NGO. Majority of loans were disbursed as short term loan as most of the clients were from the agricultural sector though the bank also provide to those in the business and small manufacturing sector also.
3. The diverse exercises begun by customers were mostly agriculture or unified exercises, independent company, little transport administrators and little assembling segments. The funding of advance to JLG had given ascent to increase in horticulture and different exercises giving work to country unemployed segment of the general public.
4. A large portion of the customers were occupied with horticulture under pre-credit state however in the wake of profiting the advantage they change their occupation. The adjustment in moving of acquiring prospect occurred because of the open door

given by JLG financing to rural areas in beginning their own independent company endeavors which was unrealistic before because of low salary.

5. Just five customers had profited credit twice and just a single recipient had taken thrice. This showed larger part of the gatherings were new to JLG arrangement and a portion of the gatherings were summary in the wake of profiting of credit as gathering progression were not created among the gathering individuals. Such positions were because of the absence of appropriate arranged or methodical approach from the recipients which is a critical viewpoint for the fruitful running of JLG and its maintainability.
6. Recipients of the JLG credit had likewise opined that their issue of getting advance from the bank was comprehended in the wake of joining the Joint Liability Group. This demonstrated JLG had given them simple access to credit and enhanced administrations which are a huge constructive effect to the rustic destitute individuals. In any case, there was an earnest need to stop under financing however to build the normal of advance sum generously so that can empower the recipients to take up microenterprises at monetary level.
7. The review had uncovered that there is of mindfulness about JLG among recipients, there is additionally of cohesiveness in the gathering, observing by the bank and NGO in the gatherings is missing behind, advancing of JLG organization is missing, there is no general meeting among the JLG individuals, absence of limit building, reimbursement of portion to the bank is deficient now and again, and there is likewise absence of accessibility of rules or reports at branch level. These were the significant issues or issues in development and financing of JLG.
8. The recommendations given by recipients' so as to advance of JLGs were limit building, increment in the credit sum, diminish of financing cost, giving protection office, bolster from government in promoting of deliver, accessibility of the checking cell in giving quality contributions to time.
9. Greater part of investors and NGO had brought up that JLG financing had affected decidedly the state of the recipients. It had enhanced generation limit, pay and their way of life and so on. They moved from subsistence level of cultivating to business cultivating, utilization of High Yield Variety seed, compost and better rural devices water system purposes had expanded. The land taken for share trimming had additionally expanded fundamentally.

10. The purposes behind the fruitful working of JLG were because of the effective inclusion of the NGO as observing cell for mindfulness establishment, right determination of the gathering individuals, development of gatherings by companion choice, limit building and week after week standard meeting

RECOMMENDATIONS

1. Active Role of State Government

In order to make JLG programme a grand success in Phek district, Nagaland. The State Government's proactive role is a pre-requisite. The state government should apply the amenities of its co-operative department and specially the short term co-operative credit structure and jointly they can contribute in the building of JLG scheme a successful programme. Since most of the beneficiaries are mostly poor and marginal farmers mostly from the agricultural sector trying to sustain their life with their daily hard labour, the state government should take the initiative in setting up markets where they can sell their agricultural and commercial products so that the life of the rural poor can move towards massive up scaling. Since most of the rural people are unaware of the different loans that are available the state government should create massive awareness campaign to the rural people about different loans that can be avail by the citizens and more awareness campaigns should be conducted as most of the rural people are unaware of the schemes and its beneficiaries that are available.

State government ought to likewise guarantee that the portion for JLG financing is made in all the arranging archives through state day by day papers, state keeping money arrange and so forth alongside dynamic support of the State Government in arranging and additionally audit and checking of the advance of JLGs in Phek area, Nagaland. The state government can likewise take the assistance of the active NGO's to screen by taking dynamic activity in directing gatherings about the advantage of setting up JLG these way JLG plan could be scaled up. With a specific end goal to upscale program, gigantic limit building project is required to prepare the administration staff so they will be all around familiar about the techniques and working of the JLG conspires. The State Government may consider orchestrating an exceptional meeting of recipients and setting up a wide-ranging policy for up scaling of the program.

2. Formation of Join Liability Group and right selection of its members by involving intermediaries.

Since most of the rural inhabitants are illiterates and unaware of the functions and procedure of the different schemes that are available afford should be taken to keep it simple

so that the rural people will be able to easily access to the schemes and benefit. The banks can seek help from the intermediaries as suggested by NABARD for awareness campaign, the importance of right selection of members should be made aware before the formation of the group, and formation of group with likeminded together so that they can collectively work together, capacity building, loan repayment should be made aware to the beneficiaries etc.

Appropriate delegates in Phek District, Nagaland might be NGO's, Business journalists, resigned bank authorities, and also resigned instructors notwithstanding the rundown of offices expressed in NABARD. They may likewise take the assistance of the village panchayat who could actualize the program at village level. Contribution of the mediators would be powerful in limit building and broadly advance in the improvement of JLGs manage the cost of additionally ought to be taken to make bunch progression which were inadequate in JLGs in Phek area Nagaland.

3. Capacity building of groups to develop group dynamics

Those intermediaries who are chosen can also organize pre-formation of JLG programme to instill the concept of Joint Liability so that the poor rural people will be aware about selection of group members, and about the importance of working together as a group to achieve the targeted goals, selection of leader by rotation and other important factors in the formation of JLG etc. After formation of groups by peer selection the groups should be made to understand the term and conditions of loan, system and procedure followed by banks in order to avail, group dynamics etc.

4. Regular meetings of groups

It is important to have regular meeting to deliberate and discuss the issues of the common problems so the concept of regular meeting at least on weekly or monthly interval may be introduced in JLG financing.

The gathering gatherings must be hung on settled time, date and place. Those middle people ought to control the recently JLG arrangement so that the recipients will know how to continue amid the meeting. All cash exchanges identifying with the gathering ought to be done in gathering gatherings within the sight of all the gathering individuals so that there will be trust and straightforwardness among the gathering individuals. The investors concerned

ought to likewise sometimes meet the gatherings in such gatherings to keep up closeness and have consistent input from their customers.

5. Increasing the amount of loan

Advance sum ought to be resolved by the reason and necessity of the individual part or gathering. The Reserve Bank of India in Phek District, Nagaland has settled the advance sum restrict per borrower at Rs. 50,000. The investors in Phek had embraced a watchful approach in giving credit and not considered the genuine needs prompting under financing which pushed them to go for other casual however over the top sources as they are no different courses accessible to them. The financier ought to be more watchful in appraisal of credit so financing to the poor provincial individuals should be possible at a sensible rate of intrigue.

It was likewise seen from the examination that after the recipients accomplish the primary cycle of advance the lion's share of JLGs were not given second cycle of credit. The investors ought to prepare their staff and make them mindful that the JLG plan is not one time program but rather continuous process and all individuals from the gatherings ought to be demonstrated out unmistakably that they were their lasting clients and their relationship would proceed.

6. Active Role of NABARD

The supreme role NABARD is to broadcast and up scaling of the programme. NABARD should launch a massive awareness campaign to promote JLG programme in different regions. NABARD along with the State Government can also formulate a long term policy for up scaling of the programme. The missing links which are important for the implementation of the scheme were -capacity building of both JLG members and bank staff were lacking, there is less or very little intervention by the NGO, lack of awareness among beneficiaries etc. All these are massively required from NABARD in order to ensure the smooth functioning of JLG in Phek district, Nagaland.

Incorporation of the JLG programme in state focus paper as well as state credit plan is very much necessary for the functioning of the JLG. Many bankers were not aware regarding the support available from NABARD about its formation and capacity building. Active support from the NGO to instigate the functioning of the JLG is also required especially in the villages of Phek district most of the people are illiterate and therefore it is a necessity for some intermediaries to help in the formation of JLG and other paper work

7. Active Role of Banks

The bank staffs play an important role in the progress and functioning of the JLG. For any set up of JLG, loan from the bank is required. Bank officials should be suitably trained about the concept of JLG so that they will understand the business opportunity available under JLG scheme. Suitable training units can be developed for their staff so that they may treat the stakeholders or beneficiaries of rural clients as their partners.

Investor's dynamic part is required for making of mindfulness among its customers be it limits building or financing of JLGs. The association of middle people will guarantee appropriate allotment in Branch arrange and also normal survey of execution by making the rules and archives accessible to the sub branches. Professional dynamic audit of the plan at different gatherings can likewise help in up scaling the plan.

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