

CHAPTER – VI

CONCLUSION AND SUGGESTIONS

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The **first chapter** deals with Introduction and review of the earlier studies Methodology, where in Microfinance and Self-Help Groups (SHGs), in its totality are explained at the National and Andhra Pradesh level. The nature, objectives, performance, beneficiaries, assets and related aspects are analyzed in it. Apart from this, methodology adopted for the study, objectives, hypotheses, data collection, tools of analysis are also. The Microfinance to providing credit to poor and particularly those who live in rural areas has been explored extensively from time to time in India. The Indian Rural Credit System, as it has emerged, is a product of both evolution and intervention. The broad objectives of policy intervention have been: (a) to institutionalize credit, (b) to enlarge its coverage, and (c) to ensure provision of timely and adequate finance at reasonable rates of interest to as large as segment of the rural population as possible. The institutional innovations have been a continuous process with changes occurring, depending on experience.

The institutional finance entered into the poor segment of the society especially after the nationalization of commercial banks in 1969, with a greater emphasis on branch expansion in rural and semi-urban areas. Their role in poverty alleviation was more appreciated when the Government, as a major paradigm shift, decided to launch a direct attack on poverty, through its special employment generation strategies and productive asset creation programs like Integrated Rural Development Program (IRDP). Since early seventies however, there was a growing realisation that the ethos and attitudes of commercial banks were not conducive to meeting the credit needs of agriculturists and other weaker sections in the rural areas in view of the relatively high cost structure and inadequate local environment

After the Community Development Programmes, the Indian Government formulated and implemented rural development programmes covering various sectors of rural society. From time to time, several rural development programmes were introduced from 1952 onwards. Such rural development programmes are National Agricultural Extension Service (1953), Applied Nutrition Programme (1958), Panchayati Raj(1959),

Intensive Agricultural District Programme (1960), Hill Area Development Programme (1962), Tribal Area Development Programme(1963), Intensive Agricultural Programme (1964), High yielding Variety Programme (1965), Drought Prone Area Programme (1970). Rural works Programme (1971), Employment Guarantee Scheme (1972), Minimum Needs Programme (1974), National Rural Employment Programme (1980), Rural Landless Employment Guarantee Programme (1983), Indira Awass Yojana (1986), MP's Local Area Development Scheme (1993), etc. All those programmes are meant for creating self .and wage employment thereby alleviating poverty in rural areas.

The National and State Government initiatives, as well as Non-Government Organization (NGO) efforts, have used self-help groups to implement poverty alleviation earlier program in Andhra Pradesh since 1979. Self-help groups (SHGs) also empower poor women more than 4.8 million of whom are mobilize into self-help groups. Early programs sought to provide self-employment, empower, and incorporate rural poor women into the development process. Homogenous groups of women would choose and collectively undertake an economic activity suited to their skills and resources, supplemented by state matching grants.

The Andhra Pradesh, has used development self-help groups (SHGs) extensively as a primary tool of poverty alleviation and empowerment A self-help groups is a small group of persons who come together with the intention of finding a solution to a common problem such as medical issues, livelihood generation of watershed management, with a degree of self-sufficiency. However, in Andhra Pradesh, the groups largely are the conduits through which micro credit is routed to the poor in the belief that it will serve as a catalyst in helping them to pull out of poverty.

Despite several years of experiment with the administrative delivery system, vast majority of the poor are still outside the fold of development process. Participation of the poor in determining their development needs has always eluded. In order to facilitate smoother and meaningful development, self-help group has become one of the largest and widely accepted means of effective delivery mechanism in the world. SHGs is a homogeneous group of primary stakeholders (poor, women, users, etc.) formed voluntarily on areas of common interest so that they can think and plan for their development. It is a means of empowerment. It also promotes collective action paying the way of or transparency and accountability. SHGs approach is the key-element of

Swarnajayanthi Gram Swarozgar Yojana (SGSY) Evidences available across the country strongly favour this approach. A nationwide study of SHGs by NABARD has shown that SHGs- Bank linkages have produced positive results. Major achievements of Self-Help Groups include

The key role of Women development, both in the context of the family and in the society at large, including its economy and social system. Women are in a strategic position in human resource development as they are the ones who are primarily involved in the upbringing of the children and managing households. They also tend to be better household managers and more informed producers, consumers and traders.

Women contribute to economic activity and to the welfare of society through household jobs, child rearing, educating children and working in the fields. Most of this work is either undervalued or ignored altogether. They do not get compensated for their work. In most countries they do not have equal property rights. There is a job discrimination, and for influential positions men are preferred. In the developed countries such discrimination is limited mostly to education and employment, although the gap has been narrowing over time. In developing countries; the discrimination extends to healthcare, Food, property rights and access to credit. However, almost universally, the women are un-represented politically.

Women's groups and organizations in India have been important instruments in the emergence and growth of the women's movement and remain significant in the contemporary scenario as well. National development strategies emphasized promotion of grass-roots women's organizations, the most common model being that of the Mahila-Mandal and Mahila -Samithi. Such organizations envisaged as being vital for the delivery of various services as well as for income - generating activities. The evaluation of path - breaking report-of the committee on the special status of women, towards equality felt that the purely voluntary and non-representational character of these Mahila-Mandals deprived them of recognition for instance, by local self-governing bodies. Other evaluations stressed that these associations failed to make any impact on the future of women, at the grassroots because of lack of clarity on objectives, methods to be adopted, and training programmes and so on. Despite the efforts made in the past few decades, rural poverty in India continues to be an issue of great concern. A series of efforts by the

Govt. of India and the state Governments through strengthening and widening the anti-poverty programmes have led reduction in poverty levels. However, the number of rural poor, as per the latest estimates, is still around 193 million (26 per cent) in rural areas.

The **Second chapter** deals with the Empowering of rural women at present social, economic, political and educational systems provide way for the development of the women in all spheres, but in rural areas, even to this day, for women, motherhood is traditionally accepted to be the fittest role. It has been considered as the main occupation of women. Women in India constitute 48 percent of the total population. But their participation in economic activities is only 38 percent. This is because, rural women possess less employment opportunities in industries and they face marketing problems in self-employment. Though, government of India implemented many programs and vocational training for rural women to have economic independence their situation is far from satisfaction.

The conceptual aspects of Microfinance and empowerment of rural women, this section gives a highlight of the research made on this subject till date with special focus on the Self-help groups (SHGs), and impact of this strategy is based on that participatory institutions of the poor provide them with the space to develop skills and confidence empowerment of women lending programme. The review is made in two sub-section-the first one for a general view on related aspects of micro finance and the second one deals with specific SHGs groups in India and Andhra Pradesh experiences.

The present **Chapter-III.**, is devoted to an assessment and examination of the socio-economic profile of Warangal district. The district derived its name from Warangal headquarters. The place was founded in the twelfth century A.D., by Prola Raja of the Kakatiya dynasty, but some identify it with Worakalli, the capital of the Adeva Rajas of Tuluva Andhra or Telangana in the eighth century A.D. Warangal or Varankal is believed to be the Korun Kula of Ptolemy, while another name is Aksbalinagar, evidently Ekasilanagar mentioned by Raghunath Bhaskar in his Aravachan Kosh. The socio-economic and geographical characteristics are analyzed to gauge the potentiality of the manpower of the district. It is often stressed that the socio- economic topology of the district has a great relevance to assess the capabilities of manpower on public policies. The western political scientists belittled the importance of the socio-economic basis of the

masses with regard to their behavioral patterns either in political or economic. As a matter of fact, social and economic perceptions of the people will definitely influence the work ethos and culture. The grave necessities of socio-economic inequalities will formulate their attitudes and perceptions and psychological traits. They will make or mar the progress of the people. Ultimately, it is the political system, which has to lead and mould the destiny of the progress of the society. Warangal district is located between the northern latitudes of $17^{\circ}19'$ and $18^{\circ}36'$ and the eastern longitudes of $78^{\circ}49'$ and $80^{\circ}43'$. It is bounded on, the north by Karimnagar district, on the west by Medak district, on the south by Nalgonda district and on the west and south-east by Khammam (Kham-mamett) district. According to the Census of 2011, the district ranks thirteenth in population (35,12,576) which account for male 17,59,281, females 17,53,295 population of the State. Total number of normal households in the district are (8, 86,279), while in respect of area (12,846 sq. kilometres), it occupies twelfth place (4.29 per cent of the total area of the State). In this district there are 51 Mandals with 1049 villages Aamong these 961 are inhabited villages and the reaming 88 villages are un- inhabited. The overall density of papulation is 273 persons per sq, sex ratio 997 females per 1,000 males. The district comprises six taluks of Warangal, Jangaon, Narasampet (Narsampet), Mulug, Parkal and Mahbubabad. Among these, the taluk of Mulug is the largest in area but least populous. The taluk of Warangal is the most populous, while that of Parkal is the smallest in area.

Warangal district is covered by a variety of geological formations comprising igneous, sedimentary and metamorphic rocks. As regards mineral wealth, it has deposits of iron-ore, coal, limestone, dolomite and copper in minor quantities. Rocks in this group are the oldest in this area and comprise sediments associated with intrusive rocks, both having been highly metamorphosed, The sediments are represented by varied types of quartzites such as amphiboles bearing quartzites, banded magnetite-haematite quart/itcs, ferruginous quartzites and pebbly and grey quartzites, and talc and chlorite schists. The associated raeta-intrusives (metamorphosed intrusive rocks) include amphibolites and pyroxene granulites. Numerous small outcrops of these rocks occur in the Archaean terrain, the important outcrop being the one at Mupparam, about 22 kilometres west of Warangal. The trend of the Dharwars is in concordance with the foliation of the adjoining granite gneisses.

Geesugonda mandal total villages (18) panchayaties. The village of Geesugonda is one of the revenue villages and at the same time it is the mandal headquarters also. It is situated by Dharamaram, Pothrajupally on south, Nagaiahpally on north, east is Gangadevpally and the Ukal, Vanchanagiri is on the west. The total geographical area is 3997 acres, it has 13 habitations with 1262 as the total households. The sum of population is 4,850, in which males are 2476 and females are 2374. The sex ratio is 959 females per one thousand males. The total literacy are 60.9%, accounting male 60.6% percent and female literacy is 24.8% percent as for 2011 senses

There are 3 Primary Schools (PS), two Upper Primary Schools, one High School providing the school education. At preprimary level 7 Anganwadi Centers and one Primary Health Center are providing the early child education along with nutritional food and the health services to the village people. There is one Branch Post Office and one veterinary hospital is also available to the people. For drinking water there are 15 hand pumps and three Over Head Water Tanks providing water for the drinking and domestic purposes to the public in the village. MGNREGA, Abhaya Hastam, Indiramma Housing Schemes, SHGs household members and the Public Distribution System are implemented by the Governments of State and Central. 2616 BPL cards are also available to the poor people.

Agriculture is the main occupation in the village and majority of the people depend on this sector for their livelihood. The main crops are, cotton, chilly, paddy, groundnut, pulses, oilseeds, vegetables and some horticulture crops are grown by the farming community, but cotton and chilly crops are the main commercial crops in dry land and paddy in the main wet land. The private irrigation sources are observed to a large extent.

The Parkal mandal total villages (23) panchayaties. The village of Parkal is one of the revenue and village panchayat in Warangal district. This village is the mandal headquarters also. It is bound by Seetharampuram in the south, north Nagaram, east Kamareddypally and west Mallakkapet. The district headquarters of Warangal is within a distance of 35 km .The total geographical area is 3447 acres, and it has 7 habitation villages. According to 2011 census, there are 4503 households and two habitations respectively. The total population is 20257, in which males are 10304 and females are

9953. The sex ratio is worked as 872 females per one thousand males. The total literacy are 69.6, and male literacy stands at 67.24 percent while female literacy rate was 30.0%. There are 4 Primary Schools (PS), one Upper Primary Schools, two High Schools providing the school education. There is one Junior College and Degree college providing the colligate education, and at preprimary level 10 Anganwadi Centers and one Primary Health Center are providing the early child education along with nutritional food and the health services to the village people. SBH is providing the credit to the village and mandal public. There is one Branch Post Office and one veterinary hospital is also available to the people. For drinking water there are 24 hand pumps and one 5, Over Head Water Tank providing the drinking and domestic purpose to the public in the village. MGNREGA, Abhya Hastam, Indiramma Housing Schemes, SHGs household members and the Public Distribution System are implemented by the Governments of State and Central.

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The Warangal District SHGs programme study in a way is intended to understand the nature and objectives of the SHGs programmes how the rural women were motivated to take up certain programmes which were enlisted in the SHGs scheme. This study is going to evaluate the role performances and evaluation of the SHGs programmes are taken-up. For this, purpose sample design formulated and tested in one district. All these programmes apart from State policies Central Government of India's major and important programme Develop of Women and Children in Rural Areas (DWACRA) programme is introduced in the district as a pilot project.

The Develop of Women and Children in Rural Areas (DWACRA) movement started in the Warangal District in the November, 1994. Later under Swanra Jayanthi Grama Swarozgar Yojana it was converted to Self-Help Group Movement. The Project APRERP has been started functioning in the District w.e.f., November, 1992. The old groups and

newly formed groups are strengthened through the continuous facilitation support given by IKP Staff such as Community coordinators and APMs along with social capital formed at the village level such as Community Activists, Community Resource Persons, Village Book Keepers, Mandal Level Book Keepers etc. The defunct groups were also revived and old groups were strengthened. On account of continuous intensive training and capacity building initiatives the groups have become more active and self-sustainable.

The Zilla Sarnakhya the federation of the Mandal Samakhys monitors life and health insurance schemes, livelihood support activities, Micro Credit Bank Linkages and other activities. After careful study of various variables the researcher kept these factors in mind and the required information elicited through questionnaires, interview schedules and informal discussions. The field data has been gathered and analyzed with the help of, statistical tools to identify major trends to prove the hypotheses of the study. The researcher meticulously designed a sample design. It ensures methodological specifications for a scientific study.

In this an analysis has been made on the basis of primary data gathered from the field observations through an appropriate interview schedule specially designed for the respondents. The interview schedule was pre-tested in the beginning and after some modifications, the information was elicited and presented in the chapter. Size of the sample respondents and their social background, category-wise particulars, age composition, family size, level of education, and gender-wise particulars are given. This study also facilitates to understand the nature and background of sample respondents irrespective of their farm size and community background in study area.

Socio – Economic Conditions of the SHGs Sample Respondents

The productive age groups of 36 – 45 and the below 25 age group respondents are the highest and the lowest. The social categories of the respondents are varying. In both areas BC respondents are at the top and the ST is at the bottom. In respondents members areas BC & Others together are 62.0 percent. SC&ST are 38.0 percent in SHGs member's areas respectively.

The above table reveals the occupational distribution of respondents of members before joining the SHGs. Many members of SHGs in the study were

housewives they constituted of members Geesugonda and Parkal mandals. Out of 300, 20.67 (62) and another important occupation in the study area was wage laboues Agriculture occupational pattern of SHGs members 14.0 (42), petty traders 13.67(41), self-employed 11.33(34), unemployed 14.0(42), and professional workers 9.66 (29).Unemployed category members included students and a few women who had joined the groups after completing their studies.

The total respondents 89.33 percent are married and unmarried 3.67. In both areas the married respondents are relatively, 4.0 (12) present are widows, and divorced 3.0(9) in both mondals Married respondents are at the top and un-married are at low in both mandals.

In 82 percent respondents belong to Hindu religion, 10.67 are Christian, 6.0 percent each of Muslim and Other religions 1.33 percent of the respondents. Hindu religion respondents are at the top in both mandals.

The education particulars of the respondents in SHGs SHGs mandals of Geesugonda and Parkal. Out of 300 respondents, 28.33 (85) percent are illiterates 27.33 (82) percent have completed their primary education There are 20.0 (66) percent who have completed SSC level of education, 12.67 (38) percent respondents have completed their Intermediate education There are 6.0 (18) percent respondents who have obtained Degree, Post-Graduate 3.67 both mandals respectively.

There are 95.33 (286) percent respondents stating that they have health facilities like RMP, PMP, and hospitals. The rest of 4.67 (14) percent state that they are not having the health facilities like RMP, PMP, ANM etc and it is noted more in Parkal than in Geesugonda mandal.

The nature of family in SHGs area of the respondents. Out of 300, selected households 72.0 (216) percent are in nuclear families of which The remaining 28.0 (84) percent are in joint families Nuclear families are more in Geesugonda and joint families are more in Parkal.

In both areas more than 26 percent families are in joint family type. The remaining 74.0 percent are in nuclear families. In both areas the family size ranges of 0-5 persons are at the top and 5-10 and above 10 family sizes are at the bottom.

The family income ranges per annum are given in the SHGs respondents. The income ranges are classified into four types i.e., Rs.10000 – 40000/-, Rs. 40,001 – 70000, Rs. 70,001 – 100000/- and above 100000 Rs., 100,000/-. Around 51.0 (153) percent are in the income range per annum The income range above 70,000/- of which 24.67 (74) percent. The income range of Rs. 40000 – 70000 of which 20.67 (62) percent In the income range of 10000 – 40000 are 3.66 (11) percent of respondents respectively.

It is clear that income ranges of Rs. 70000 – 100000/-, Rs. 100000/- and above ranges altogether account for 75.67 (227) percent. The highest income range of above 100,000 is noted in both the mandals at 50 percent to the total respondents. The ownership of house of 91.67(275) percent are in own house and 8.33 (25) percent are in the rented houses. The rented houses are very mainar in both mandals. The sample area is mandal centers and rural villages and so irrespective of the nature of house the own house is a status symbol in rural India

The nature of house particulars of the respondents in the SHGs areas of the Pucca, Semi-Pucca and Huts under nature of houses around 51.33 (154) percent are having Pucca houses, 45.0 (135) percent are in Semi-pucca and 3.37 (11) percent are in huts. It is clear that almost all the respondents are living in pucca and semi-pucca houses.

There are 97.34 (292) percent availing the water supply from Panchayat taps. 2.66(8) respondent household has no access to water from Panchayat water. The facility of electricity connections to the households are shown in the above table. 100.00 (300) percent respondents are having this facility respectively.

The SHGs members 96.0(288), percent are stated that they have road and transport facilities of which all the respondents There are 4.0 (12) percent stating that they do not have this facility and it is both mandal. Thus the Majority of respondents are having the road and transport facilities in the study area.

All the Socio-Economic conditions like sample size, caste, age, education, occupations, gender, marital status, religion wise distribution nature of family and size of family, type of family and nature of households are analyzed. The basic amenities

like health, education, water, road and transport and etc are also examined by the researcher and variations are noted in between SHGs members' areas. The ensuing chapter reveals the profile of district and Scio- Economic conditions of the study area.

The fourth chapter explain the efficiency measurement of microfinancing and rural women activities however around the achievements of twin objectives: microfinance and SHGs. Microfinance and Bank Linkage Programmes in India and Andhra Pradesh. The former emphasizes on the task of fulfilling the need of the poor and the latter on the microfinance banks of the provider of the finance. But the ultimate test of performance of the provider depends on SHGs, which is the cornerstone of sound microfinance. Sustainable Microfinance institutions can serve the poor in long-run. This term refers to the ability of a microfinance institution (MFI) to cover all of its costs through interest and other income paid by its clients. Only financially sustainable MFIs can become a permanent part of the financial system; they can continue to operate even after grants or soft loans are no longer available. It can draw on commercial funding sources to finance massive expansion of its outreach to poor people.

Microfinance was originally created as a development policy instrument and is now also attracting interest among traditional investor circles since it has been a niche market for a few years. The global annual increase in the volume of micro credit of 30 percent is a clear indication of this great potential.

The term microfinance has gained much currency in the development literature in the last the decade. The declaration of the microfinance summit held in Washington D.C. in 1997 defined microfinance programs as those "extending small loans to poor people for self-employment project that generate income allowing to care for themselves and their families. The task force on supportive and regulatory frame work for microfinance in India. (NABARD-2000) defined microfinance as the "provision of thrift, credit and other financial services and products of very small amount to the poor in rural areas enabling them to raise their income levels and improve living standards" the Reserve Bank of India adopted the same definition. "Most of the countries across the globe are in a sweeping mood to promote microfinance institutions not only as a positive rural development intervention but also as a rural development panacea."

India is today leading in global economic growth. For the first time the term "Inclusive growth" has been used in the very title of the approach of XI five year plan. Since the inception of economic planning system, the government had expected of delivering economic development to all the sections and sectors.

Micro credit in India is not a new phenomenon. The enactment of the Cooperative Credit Societies Act in 1904 could be considered as the beginning of microfinance in India. The formal financial sector has been making efforts to facilitate access to credit to small formers, to the weaker sections of the society, marginal tanners, agricultural and landless labours since 1960s. All India Rural Credit Committee (1966); die Small Farmers Development Agencies 1969-1974. Marginal Fanners and Agricultural Labours (MFAL) Development Agencies, Regional Rural Banks Act 1976, and The Integrated Rural Development Program 1978-1979, Development of women and Child in Rural Areas (DWCRAV) I982-1983 are the steps taken in this direction.

Microfinance means providing very poor families with very small loans (micro credit) to help them engage in productive activities or grow their tiny businesses. Traditionally microfinance was focused on providing a much standardized credit product. The poor, just like anyone else, need a diverse range of financial instruments to be able to build assets.

Micro credit means more emphasis on loans while micro finance also includes support services where channels for thrift, market assistance, technical assistance, capacity building, insurance, social and cultural programmes are opened. So, where micro finance is 'credit plus', there micro credit is 'only credit'. A broad classification of micro credit is provided by the pioneer, which he said is not the end in itself. Other classifications are also possible, but the terminologies should be carefully used.

The typical microfinance clients are low-income persons that do not have access to formal financial institutions. Microfinance clients are typically self-employed, often household-based entrepreneurs. In rural areas, they are usually small farmers and others who are engaged in small income-generating activities such as food processing and petty trade. In urban areas, microfinance activities are more diverse and include shopkeepers, service providers, artisans, street vendors, etc. Microfinance clients are poor and vulnerable non-poor who have a relatively less stable source of income. So, micro finance

is not appropriate for a section of society who are homeless, nomads and destitute. Visibility of women as micro finance clients is distinct. They dominate more than 90 percent of the programme. The whole programme is focused on the empowerment of the women, which helps them participating in decision making at community level, deciding about the nutrition, education and health of their children, achieving financial independence to some extent and feeling as a productive part of society.

The several merits associated with micro financing some distractions pose various challenges to their sustainability. In spite of Group Lending the total loan size is small with high operating cost. Lack of entrepreneurial skills, marketing facilities and difficulty in implementation of technology in rural areas bring serious questions of their viability. Also the inefficiency of group leaders, faulty accounting practices, misappropriation of funds by members etc. pose certain operational challenges to micro financing. Among other fundamental challenges the non-generation of income due to the dominance of petty trading and agriculture & allied activities in small proportions, high rate of interest charged to the members, and lack of scope for employment of funds in productive uses are notable.

Women in many households contribute to household income with activities that generate so little profit that men would not consider doing them. Micro credit to women came to be seen as an important route to poverty alleviation strengthening social mobility of women, the first step for their empowerment.

Self-help group (SHGs) is defined as a voluntary group valuing personal interactions and mutual aid as a means of altering or ameliorating the problems members according to the group member's priorities. The rate of interest charged by the SHG from its members is 2-3 percent per month. Consumption of loans are allowed: The SHGs are thus able to provide banking sendees to their members which are cost effective, simple, flexible, accessible to their members and above all without any default in repayment loans. In India to begin with NGOs spread SHGs movement and later on it grew impressively with the patronage of NABARD. The SHGs can be divided into two categories

- Groups that are primarily geared to deliver financial resources provided by the microfinance institutions to the individual borrowers.
- Groups that manage and lend these accumulated savings and externally leveraged funds to their members.

The SHGs of the country are concentrated in southern India and about 32000 are in Andhra Pradesh alone followed by Tamil Nadu, Karnataka and Maharashtra. However as many as 8110 SHGs are working in Uttar Pradesh" Growth and performance of SHG-Bank Linkage Model in India: The links between banks on the one hand and non-governmental organizations (NGOs) and Self Help Groups (SHGs) on the other as a mechanism for channeling credit to the poor on a sustainable basis is called the SHGs-Bank Linkage model, Linking SIICJs to banks helps in overcoming the problem of high transaction costs to banks in providing credit to the poor by transferring some banking responsibilities such as loan appraisal, follow-up, recovery etc. to the poor themselves.

Since, the early 1990s, this innovative approach has made big strides in India as microfinance facilities have become accessible to a considerable number of poor people, especially women. During 1992-93, 255 SMGs were financed through banks and only 2.9 million bank loans were provided to them. Due to the efforts being, made by NABARD, the total number of SHGs financed through banks and their cumulative disbursement have been increasing year after year.

The Self-Help group may consist of 10 to 20 persons. In the case of minor irrigation, and in the case of disabled persons, this number may be a minimum of five (5). The group corpus fund should be used to advance loans to the members. The group should develop financial management norms covering the loans sanction procedure, repayment schedule and interest rates. Self-Help group members in the group meetings should take all the loaning decisions through a participatory decision making process.

The SHGs group should operate a group account so as to deposit the balance amounts left with the groups after disbursing loans to its members. Self-Help group should maintain simple basic records such as Minutes books, Attendance register, Load

ledger, General ledger, Cashbook, Bank passbook and individual passbooks.50% of the; groups formed in each block should be exclusively for the women. In the case of disabled persons, the groups formed should ideally be disabled persons, the groups formed should ideally be disability-specific wherever possible; however, in case a sufficient number of people for formation of disability- specific groups are not available, a groups may comprise of persons with diverse disabilities.

SHGs group members should participate in the discussion and decision making process orally and mentally in the Group meetings. Equal opportunity and encouragement should be given to all the members for their full participation in the meeting and in all the activities of the Group all the members should attend the related/ trainings / workshops / seminars, exposures etc, within and outside the village without fail the violators are liable to pay a fine except for the genuine reasons.

The members should co-operate and participate in all the developmental activities related to the member's families, village, the group, environment etc., appropriate actions against those who do not cooperate/ participate shall be taken by the group. The members should participate in researching/learning dissemination and adoption of appropriate technologies for development.

SHGs Each and every member should save, at least Rs.5/- per week and Rs.20/- per month in the Group, which should be maintained in each individual member's name Savings amount may be withdrawn by the members only at critical circumstances with prior approval of the Group. However the members should maintain a minimum balance of Rs. 1000/- (or as decided by SHGs) in their savings account. No interest will be paid for the member's savings with the group. But 12% interest shall be paid for the amount kept in the Group as fixed deposit for a minimum period of six months. Self-Help group members should save from the family income earned only, but not the borrowed money for interest. SHGs members will not be encouraged to adjust their savings amount against their loan due to the Group, except in extreme circumstances.

The credit can be given to the needy members of the Group for the purposes such as consumption, Income Generation, and asset creation, clearing the old burden loans, socio – religious and any other appropriate purposes. The credit shall be given to the

members of the group only after a careful study, through discussion and unanimous decision on the quantum of credit, rate of interest and the payment schedule for each loan. The loanee should give a written agreement to the Group for the loan amount as per the official procedures in the presence of the witness to the Group at the time of borrowing. The loan amount should be granted on the basis of priority. The loan should repay the credit/loan amount with service charge as per the repayment schedule agreed upon. The members who are irregular for the SHGs meetings or irregular in savings are not eligible for credit/loan from the group. All the members shall have equal opportunity for loan from the Group on eligibility/priority basis. The funds of the Group should be revolved to the optimum extent for the benefit of all the members. The Group can avail loan from the Bank and other credit institutions, NGOs, other Group and any other available sources for its activities and the same has been repaid in time as the terms and conditions agreed upon. As well, the Group can receive donations, grants, subsidy, charity from Govt. NGOs other organizations

The SHGs group's members their legal status has not been defined. The initial, intention was to bring together people particularly, economically weaker sections and to undertake activities of mutual interest. SHGs evolved a system for collective savings, group consumption credit, as well as integrating social and economic goals, among small groups. The initial, growth of SHGs has been in areas where they received support from NGOs. The NGOs supported not only in the formation of SHGs but also in identifying economic activities, imparting training and even financial support in the initial stage. The critical areas in forming the groups at the beginning were their size and composition, homogeneity, group discipline, saving habits and sustainability.

- To inculcate the savings and banking habits among members.
- To secure them from financial, technical and moral strengths.
- To enable availing of loan for productive purpose and repaying the same over a period of time in the process?
- To gain economic prosperity through loan/credits.
- To gain from collective wisdom in the financial matters in organizing and managing their own finance and distribution the benefits among themselves.

- The typical model of Self-Help Groups promoted by NGO and banks in various parts of the country and state governments are presented.

This stage consists of one to two months. In this preliminary stage, identifying the poor through participatory rural appraisal methods in small hamlets/villages/towns activity is conducted by Non-governmental organisations and Self Help Promotion Institutions (SHPIs). In this stage the role of NGOs and SHIPS is identified as facilitator and this stage duration varies from two months to six months. In this stage various activities are conducted by NGOs and SHIPs viz. motivation to form groups, select group leaders, develop rules and norms, conduct meeting, pooling of savings, issue and collection of small loans, group cohesion, adjustment systems and accounts, etc.

This stage consists of two phases and the NGOs and SHPIs played as an advisory or managerial role. The first phase duration varies from seven months to twelve months, for provide-strong stabilization for the" group-of various activities that are performed by NGOs and SHPIs, viz. leadership stabilization, training of leaders, members, regularize and increase-savings, handling of group level transactions, informal interactions with other groups/clusters, addressing community interests. The beginning process of issuing and repaying loans existed in this phase. In the second phase, which varies from 12-18 months additional activities are conducted by NGOs and SHPIs for more. Stabilization of groups, these activities are includes initiation of income generating programmes, linkages with banks, support for new groups, demonstrative effect on others to form groups.

This is a final of development of SHGs, the duration of this stage is 18 months and that above. The activities are in this stage; strengthen linkage with banks, creation of assets for the groups and members, spreading concept building and promotion new groups etc., relatives and friends. In some cases, the rural poor are even compelled to borrow on extremely exploitative terms making them labourers bonded to the creditors.

Poverty eradication as the primary objective, the co-operative movement in the country, started at the turn of this century, probably represents one of the earliest examples of self-help to bring together people of small means of fostering thrift and mutual help for the economic betterment of the members. Over the years, the cooperatives have, however, failed to attain their objectives, On account of their large size

and the heterogeneous economic status of their members, the decision-making is invariably delegated to small groups, of usually well-off and influential members. Such influential members are able to corner most of the benefits at the cost of those who are poor and do not command the ownership of productive assets or influence. Besides, since their resource base is poor, the co-operative societies heavily depend on the resources handed down vertically from the higher refinancing institutions for their operations. Against this background, evolving an alternative mechanism for meeting the economic aspirations and the credit needs of the rural poor in the form of SHGs seems a logical development.

All the members should participate in the discussion and decision making process orally and mentally in the Group meetings. Equal opportunity and encouragement should be given to all the members for their full participation in the meeting and in all the activities of the Group all the members should attend the related/ trainings / workshops / seminars, exposures etc, within and outside the village without fail the violators are liable to pay a fine except for the genuine reasons.

The members should co-operate and participate in all the developmental activities related to the member's families, village, the group, environment etc., appropriate actions against those who do not cooperate/ participate shall be taken by the Group. The members should participate in researching/learning dissemination and adoption of appropriate technologies for development.

The illiterate members should evince interest and make an effort to become literates. The Group shall run a learning center at the convenient time for this purpose. All the members should involve in regular savings and credit management activities with a special focus. All the members should work with concern towards creating/ building socio economical safety society and stress on population control. Self-Help Group Members Duties and Responsibilities

- All the members should promote and protect and cooperation and be united in the Group SHGs member should create equal opportunity and give encouragement to all the members in the Group

- The members should mobilize, use and manage the needy resources properly/judicially
- It is the responsibility of all the members to take necessary collective sanction against willful defaulters and recover the loan amount.
- The members should take responsibility carefully for their all-round development and should also take leadership responsibility in the Group with service motive.
- All the members should involve in planning, implementing, monitoring and evaluate the development programmes of the family, village and environment time to time and to pay attention to the results of evaluation with proper action.
- The members should promote and protect the unity and integrity of the group and the village.

All SHGs are encouraged to prepare MCPs for accessing credit from banks and their Vos. MCP at SHGs level is the list of activities that members would like to take up and the cost of implementing these activities. It is an integral part of the financial management process of SHGs. Members do self-assessment of their SHGs based on regularity in savings and internal lending of funds, book keeping, and regular meetings before further planning. As such it is an active micro finance process that seeks to seamlessly integrate social mobilization / institution building processes with that of livelihood enhancement at individual or community levels. Quite a few CRPs are exclusively trained in the preparation of MCPs in all the districts. Also, all CRPs are imparted with these skills. MCP is a seven step process involving: Household Investment Plan. Understanding the socio-economic status and needs by members. To assessment of socio-economic status and wealth ranking by member's analysis of needs by member's consolidation of needs and setting priorities financing the investments evolving terms of Partnership.

The government of Andhra Pradesh is committed to social and economic empowerment of women. It has adopted micro credit as a tool to attain the same and had taken the SHGs -Bank Linkage program as a mass movement since 1998-1999 onwards in the State to achieve the goal. Various training and capacity building programs have been conducted on production, packing, marketing, micro credit and utilization of loans etc., to women SHGs. In addition to the above regular skill development training

programs are being organized for giving value addition to SHGs products, to develop skills among women on marketing, packaging, etc. Due to the efforts of the government more than 3.50 lakh women SHGs have availed loans from banks and other financial institutions and improved their economic status. Some of the groups have availed the loans 2 to 5 times. During the financial year 2008-09 Rs. 11037 crores has been targeted as loan mobilization under SHGs-Bank linkage program and an amount of Rs.6682.17 crores has been mobilized up to February, 2010.

In Andhra Pradesh more than 52% SHGs were financed by banks under SHGs Linkage. This number is more than the all India figure excluding that of Andhra Pradesh. 310488 SHGs were provided repeat finance by banks during 2009-10 which comes to 76% of total SHGs in the state of Andhra Pradesh. As per the reports of the bankers, the recovery of loans is around 95% as against 87% when comparative to other states.

The SHGs have taken up various income generating activities by availing themselves of the facility under SHGs – Bank Linkage program and increased their production to the extent that it supplies to the entire country. Recently the women SHGs have got orders for their products from other countries such as Srilanka, Malaysia etc.

The SHGs women have actively participated in fairs, meals or exhibitions organized at state, national and international level and are able to market their products though Internet. Well-known companies' viz., Hindustan Lever Limited, Food World & Raithu Bazaar have come forward to tie-up with the SHGs and market their products.

The Self-Help group programmes in India which is the largest microfinance programme in the world, has an outreach of 10.1cr household is organised into 79 lakh Self-Help groups. The increase in loan disbursement by banks to Self-Help groups during the year 2015-2016 was 35 % taking it to Rs. 37, 28.7 crore as compared to Rs. 27, 582 crore during the previous year. The average loan disbursement per group during 2015-2016 was Rs 2.03 lakh which showed a healthy increase of 20 % from Rs 1.69 lakh during 2014 -2015. The Gross NPAs as on 31 March 2016 were Rs. 3686 .2 crore, which witnessed a decline from Rs. 3814 .7 crore a year back. The gross NPAs in bank loans to Self-Help groups declined from 7.4 % in 2014 -2015 to 6.4% in 2015- 2016.

Andhra Pradesh are about 5 lakh Self-Help groups both in rural and urban area, covering about 60 lakh poor women. The credit flow from m banks to these SHGs was about Rs 7000cr in 2015-2016 while loan outstanding was about Rs.9000cr. It is estimated that credit demand from these members would be about Rs. 30000cr leaving a huge gap to be met. Despite spectacular progress under Self-Help groups Bank linkage Programme, a large section of the poor population still remain excluded and those who are covered are not able to get adequate credit to take up sustainable livelihoods and this is the biggest challenge making it imperative for microfinance institutions to play a role particularly those who purvey credit and deliver financial services cost effectively for Self-Help programmers'.

In this **Chapter. V**, an analysis to impact of bank linkage programmes and expectations of Self-Help Groups to make on the basis of primary data gathered from the Field observations through an appropriate interview schedule specially designed for the respondents of the study. To collected data 300 respondents from two mandals each mandal three villages have been chosen for samples SHGs respondents. From each Mandal 150 members have been chosen and each village 50 members a structured questionnaire is administered and collected the data both from the group leaders and the group members. Impact on Bank Linkage Programmes expectations to Beneficiaries of Self- Help Groups

The land-wise distribution of members in selected Geesugonda and Parkal mandals. Out of 300 members SHGs respondents' 48.67(146) percent are below 5 acres 48.0 (72) respondents in Parkal and of 49.34(74) are from Geesugonda, more than 5 acres land 44.33 (133) percent of which 45.33(68) percent in Parkal and 43.33(65) percent in Geesugonda mandal. Land less respondents 7.0(21) percent are which 6.67(10) percent in Parkal and 7.33(11) are from Geesugonda mandal

An enquiry into the knowledge about the welfare programmes under SHGs programme is presented in the above table. Out of 300 members, 76.67 (230) percent are clear knowledge about the government programmes which are 80.0 (120) percent of Parkal and 73.33(110) percent in Geesugonda, The overall observation of the table is the majority of the respondents had clear knowledge regarding Government welfare programmes of the SHGs members.

The duration of SHGs membership of the out of 300 sample members in respective self-help groups. 16.0 (48) percent are which 17.33(26)percent in Geesugonda mandal, and 16.0(24) percent from Parkal more than 5 year, 4 to 5 years followed by 18.0(54) percent are which Geesugonda 16.0(24) percent and 20.0 (30) percent respondents consisting of Parkal mandal. 3 to 4 years are which 17.33(52) percent, Geesugonda 18.67(28) percent and Parkal in 14.67 (22) percent. 2 to 3 years 16.0 (48) percent are which 13.33(20) percent from Geesugonda and 14.67(22) in Parkal mandal.

The table reveals that distribution of 300 respondents in relation to revolving fund received. The government through DRDA has been encouraging the SHGs group's activities by providing revolving fund to group members. Revolving fund has been distributed after careful observation of the group's activities. Particularly the continuity in savings and thrift activities. The overall observation of the table is that in all the tow mandals the highest number of respondents have received revolving fund between Rs.8.000-10,000 and the lowest number of respondents have received revolving funds between Rs. 18001-20000.The 300 SHGs members overall observation states that the majority of the respondents in the tow mandals are highest savings between Rs. 51-100.

The overall observation states that the highest number of respondents were unable to spend sufficient money for nutrition food because of poverty. After joining in SHGs their living standard has been improved. Now, the highest number of respondents are able to spend between Rs. 1,001-2000 for nutrition food per month. Very few families are taking nutrition food and their healthy and Sanitation facilities etc.The overall observation states that the highest number of respondents were unable to spend sufficient money for nutrition food because of poverty. After joining in SHGs their living standard has been improved. Now, the highest number of respondents are able to spend between Rs. 1,001-2000 for nutrition food per month. Very few families are taking nutrition food and their healthy and Sanitation facilities etc.

To analyze the improvement of social status before and after joining of SHGs members. In Geesugonda mandal, Out of the 150 respondent's total 38 respondents, consisting 38 percent have opined that after becoming SHGs member their social status has been improved. Among these, 20 percent respondents belong to BCs 3 percent respondents belong to STs and 2 percent respondents belong to SCs. On the other hand 62 percent respondents opined that their social status after coining in SHGs have not been improved. Among these. 37 percent respondents are belong to BCs, 20 percent belongs to SCs. And 3 percent belongs to STs.

In Parkal mandal out of 150 members. 32 members have expressed that there is an improvement in their social status after joining in SHGs. Among these 18 percent respondents belong to BCs, 7 percent belongs to STs, and 4 percent belong to SCs. On the other hand 68 percent respondents opined that there was no improvement in their social status even though they had joined in SHGs activities.

The sanitation facility for number of SHGs respondents depending on their level of income and awareness. In the rural areas, due to the lack of income and awareness. Shows a comparative table of sanitation facilities of members during Pre-SHGs and Post- SHGs periods. It is noticed from the percentage of pucca toilet users had increased from 17.33% percent to 61.67% percent during the post SHGs period over the pre-SHGs period. On the other hand, the users of kutcha toilet and open field had reduced significantly. Kutcha toilet reduced 38.0% percent to 23.33% percent and open field had reduced from 44.67% percent to 14.0% percent respectively during the Post-SHGs period over the Pre SHGs period. It is observed from the research study that the SHGs- Bank linkage programmes has a positive and significant impact on the Hygienic sanitation facility of the SHGs members in the study area.

SUGGESTIONS

In these light of the above findings, the following suggestions have been offered to make Microfinance Bank linkage of Self-Help groups more meaningful, worthiness, forceful and effective instrument for the improvement of women and ultimately empowering them. The government should undertake a total development package

comprising stimulatory, support and sustaining activities for the development of Self-Help Groups in the state. The role of incentives and concessions, the reengineering of delivery mechanism and creation of entrepreneurial clubs will go a long way in the development and creation of successful Self-Help Groups.

1. In order to get better results, there' must be a greater awareness, better mobilization and more scientific approach towards the development of Self-Help Groups. A major socio economic evolution has to be envisaged to harness "Women Empowerment. More contacts and guidance should be made available at the grass-root levels the following maybe this goal.
2. Firstly, these organizations should come forward with awareness programmes exclusively aimed at young women. They must make an effort to diffuse information among the less educated women on the prospects of entrepreneurship. Secondly, wide range extensive campaigning should be done by these organisation, particularly the non- government ones, for involving women in agricultural entrepreneurship. Thirdly, the support system should streamline and re-orient their programmes and policies in a direction leading to higher job involvement, higher achievement and motivation. Fourthly, adequate infrastructural support by one single coordinating or nodal agency should be provided to facilitate flow of adequate working capital, technology, electricity, land and marketing facilities. Post-training follow up is vital for the success of Self- Help Groups.
3. SHGs respondents stated several financial problems in relation to heavy interest rate, dearth of fixed capital, economic incredibility, price fluctuations, non-availability of loans, and delays in releasing the loans. Further, Self-Help Groups carries higher rates of interest particularly with the indigenous bankers. A uniform lower rate of interest may be charged on to Self Help Groups. It is the in Andhra Pradesh under Leadership of (CM) has declared to give away loans to all the Self-Help Groups in the state @ 25 paisa. This definitely helps them in the long way from approaching the indigenous bankers and getting into debt trap. The same facility can be emulated by other states. Repeated or multiple financing

by banks to the groups may also be encouraged. Further, a separate financial corporation may be set up to provide financial assistance at every district center to provide both long term and short term capital to Self-Help Groups exclusively.

4. National Banks should provide sufficient credit to the SHGs members. The Government should take initiative to provide credit to the SHGs members.
5. SHGs group respondents, the government has to create new developmental programmes which will suffice Self-employment generation.
6. SHGs group members' economical development and education can help to improve social status.
7. Microfinance Self-Help group members several problems were reported to have been faced by dealing with government agencies such as "red-tapism", lack of guidance and advisory service in time etc. Obviously, these factors needed to be considered in re-framing and re-organising EDPS in DRDAS programmes.
8. Women empowerment the legislative measure for dealing with the problems of small scale units run by women entrepreneurs should be relaxed and more liberal policies and attitudes should be adopted. Self-Help Groups Bank linkage faced the problems of marketing's. These problems overcome certain agencies like State Advisory Board, Women's Development of Co-operation, and Rural marketing service center, cooperative societies, Federation of Super Market, State Emporia, Govt. Departments can extend various supporting services for the supply of new materials, collecting the finished products to marketing these products of SHGs members.
9. Women entrepreneurs all associations and the Non-Government Organizations (NGOs) interested in the course of promotion of economic empowerment of women a role in the implementation of income generation schemes evolved by the central and the governments.
10. Microfinance SHGs group leaders efforts should also be made in this direction of starting Diploma Certificate courses etc., on entrepreneurial management and development in collaboration with the local industrial and business establishment and Universities on self-financing basis. If possible, concessions in terms of tuition and other fees charged by the respective institutions, should be waived.

National organization such as NABARD, SIDBI etc., should assist the University authorities in establishing centers for training and counseling. The Universities should set up consultancy centers for Self-Help Groups:

11. Micro credits adequate insurance coverage should be provided to the industrial and business units promoted by Self-Help Groups against the business risks, (financial losses) to safeguard the interests of the entrepreneurs as well as the employees of the enterprise.
12. Microfinance and SHGs Bank linkages a network of trade centers should be established in all by the respective governments exclusively for the Self-Help Groups: These centers hold be linked up with the trade centers established in all foreign countries. The central and the state governments should extend 11th services at the disposal of their marketing departments and other networks of distribution to the Self-Help Groups spread throughout the country.
13. Microfinance SHGs group members it appears that the term subsidy given to sending wrong signals by making them complicated and indifferent causes. In some causes it was notices that certain upper strata in the society also are trying to get loans under these schemes, because of the subsidy. Therefore, to avoid these problems, incentives may introduced in place of subsidies and link them up with performance of Self-Help Groups, Because of these subsidies there is mushroom growth of Self-Help Groups with the duplication of members. To avoid this, the selection and promotion of the Self-Help Groups should be systematized, only after consolidation of the existing groups.
14. SHGs group members reported that a good number have been diverting their funds for meeting consumption expenditure or to celebrate functions such as marriages etc, As a result, the funds borrowed are not going towards, economic and income generating purposes. To there can be regulation by Government like DRDA or some NGOs. This may in making the groups responsible for such irregularities.
15. Most of the Poverty alleviation programmes to provide the empowerment of women, intervention is continuous process. This intervention should be at a steady pace rather than with target-oriented intensive efforts at sporadic intervals. The agencies involved in implement micro-credit and the Rural poor, other

departments like social welfare departments, tribal research centers and local NGO may be involved to see whether the benefits of the programme are reaching the really the needy people. This will be more effective way of targeting the poorest of the poor.

16. There are no activities selected for women both as individuals and groups. They are common for men and women. Therefore, it is recommended that the key activities for women Self-Help Groups may be specially designed.
17. The majority of the Self-Help group members indicated that the training was confined only to certain general aspects of the programme rather than focusing on specific information on inculcating savings, credit and book keeping skills. Therefore, such intensive training programmes relating to management of finances maintaining accounts, production and marketing activities etc, should be given,
18. Regular revision of SHGs loans is to be taken up to neutralize the effects of inflation. Stagnant delay in loan payment increase SHGs household debts and encourage the more centers.
19. SHGs group's members special measures to improve the awareness in the rural areas are initiated in protect them from exploitation awareness is the success of SHGs programmes.
20. SHGs programme must be thoroughly integrated with other rural development programs in order to SHGs benefits of synergy from rural development programs.
21. The programs of financial inclusion must perfectly synchronize with SHGs programme.
22. Microfinance and financial development programs like savings, chit subscription and micro insurance must go hand in hand.
23. SHGs programme must be reserved to women in accordance with their population size in the rural area.
24. SHGs programme works must also be designed to empowerment of women physically, economically strengthen in the village leaves.
25. Priority must be given to those SHGs loans which facilitate sustainable and inclusive growth of the women empowerment.

26. To make the Self-Help Groups as effective instruments for women empowerment, there should be a continuous flow of funds to Self-Help Groups. But from the field study, it is learnt that the goods produced by Self-Help Groups are sold on credit basis and they are not able to realize cash in time resulting in holding up of the production process. In some cases, it was also reported that Self-Help Groups were unable to negotiate with the buyers and they are selling their goods at depressed rates. Therefore, DWCRA Bazars may be opened and run on regular basis for marketing of goods of Self-Help groups aside one in some districts. Subsequently Government may give on instructions to the entire Government department, schools, etc, to purchase their from Self-Help Groups, These departments may, in turn, send their payments directly to the banks from which Self Help Groups borrowed loans. This networking among Self-Help Groups, banks Government department etc. will not only create goodwill among the parties concerned but also ensure speedy flow of funds and make the Self-Help Groups healthy and wealthy.

Sixth Chapter deals with the all above main themes of chapters indicated and suggested for Microfinance and Self-Help Groups respondents.