



## **8.Summary Findings Conclusion and Suggestions**

The chapter gives a brief summary of findings of the study and the brief outcomes of the analysis. The chapter further covers the conclusions derived from the study followed by the suggestions and the recommendation for the policy makers.



## 8.1. Summary Findings

The study was conducted by taking into consideration all the women Self Help Groups (SHG) in the State of Goa as a population for study. The researcher found it very tough to get the respondents appointment as the women respondents were mostly very busy in their activities. The personal interview of the respondents helped to obtain additional information and their views and suggestion for better development of the SHG concept.

National Bank for Agriculture & Rural Development (NABARD) first introduced the concept based on the Grameen Bank concept of Bangladesh of prof. Yunus. The idea was proposed as the pilot project, but the success and potential of the concept led to the successful working of the project. Later on, taking the various issues and the loopholes into consideration certain modifications were made on timely bases. It was observed that people were misusing the funds provided to the SHG members and hence more strict rules were made to avoid and eliminate misuse of the funds.

As a first part of the study, the researcher has studied the ground reality. For the study to progress, the basic idea about the facts is necessary. The study was started with understanding the various schemes and policies meant for the SHG development. Multiple agencies which are involved in the upliftment of the SHG in the State of Goa were identified, and the interview was conducted with the officials concerned to understand the situation of SHG in the State. After getting clarity on various issued concerned a questionnaire was formulated and, on the advice, and based on the pilot study it was then translated into local language. The sample was derived with the advice of the concerned officials. All the women Self Help Groups registered under DRDA were considered for the study as it is the authority

under the State Government and for availing any scheme it is necessary for to be registered under the SHG.

In the State of Goa, the support is provided to the SHG by various agencies. The primary agencies are the NABARD and the District Rural Development Agency. All the schemes and subsidies which are provided to the SHG are through these agencies. The DRDA has appointed independent technical assistants for each Taluka who is responsible for the formulation and nurturing of the SHG. The Department of Financial Services initiated the first and foremost a scheme. The scheme was introduced considering the difficulties faced by all the SHG at the local level. The SHG's needed continuous attention and support. This created a need for independent persons to cater to such need of the SHG as it was challenging for the banks to reach out to people and provide necessary help and guidance. The banks were also advised to employ some persons for SHG clients to solve their difficulty. The scheme also focused on increasing the role of NGO's and other supporting agencies. Further, a scheme was devised to provide financial assistance or grants to NGO have to motivate them to take up promotion activities. In another scheme NGO's were allowed to act as an intermediary and provide financial services to the SHG by charging a specified rate of interest over and above the bank rate. The bank will further pay fees to the NGO's for providing such service. The NABARD scheme of refinancing is very well known by which it refinances the Banks for the loans granted to the SHG.

In one of the schemes, the concept of partnership was introduced wherein NGO's, Regional Rural Banks, credit Cooperative banks, Urban Cooperative Banks, Farmers' Associations, Village Committees and other Community-Based Organizations were considered as partner agencies to promote microfinance. The agencies were entrusted with the task of providing

skill training with regards to the activities in which the members have willingness or skill to start a kind of income generating activity.

The banks were also asked to focus on providing a specific credit for farming purpose or for particular kind of investment for matured SHG's. A scheme was also devised to promote technical advancement among the SHG, by motivating them to use necessary technology for at least maintaining of the books and were provided with necessary credit. A unique scheme for the newly formed federation was formulated to promote Federations of SHG which in itself will reduce the burden on the supporting agencies. Further skill development and skill upgradation programs were also conducted for the development of the skills and ability of the SHG members. Various State-specific schemes are also in existence for benefiting SHG members. A rural employment scheme under which the members of the SHG are appointed as daily wage employees under the panchayat for conducting various panchayat tasks is also in practice.

The recent and most widely known scheme is the National Rural Livelihood Mission which has to replace Swarnjayanti Gram Swarojgar Yojana. The investment under the scheme is divided into 60:40 ratio between the State and the Centre. Under the scheme, certain Talukas are identified as intensive Talukas for the provision of the scheme. The mission covers the promotion of SHG Federation along with the formation of new SHG. The principal task of the mission is to identify income generating activities and promote SHG to take up the same. Further, the ranking was being conducted to identify the reasons for joining the SHG. The intention was to understand the factor which is promoting and motivating women members to join the SHG. It was observed that most of the members joined the SHG for increasing their saving habits. The members did not have savings accounts before joining the SHG. The second criteria were to avail credit facility which is very much evident from the

NABARD report. The SHG concept provides an opportunity for the members to avail internal as well as external credit at a very reasonable rate of interest that too without any collateral security on joint liability basis. To start an income generating activity was ranked third followed by to meet other expenditure. This is the thought which needs to be changed that is the groups should consider starting a business as their priority after joining the SHG. The Kendall's w test to see the association between the ranks given by the respondent as their reasons for joining the SHG and the Talukas to which they belong showed moderate significant agreement. Thus, is evident that though the respondents belong to different Taluka, their reasons for joining the group are the same.

### 8.1.1. Banks Perspective

Majority of the respondents (30.5percent) have their savings accounts in the State Banks of India, mainly because of the bank's coverage by opening small branches with least number of employees with most facilitates in every village. It is followed by Bank of India (17.5percent) and Bank of Baroda with (12.7percent). It is observed that most of the SHG's are associated with the nationalized banks. The trust build by such banks has made them stay with the same banks for a more extended period.

Further to understand the quality of services provided by such banks and to know about the satisfaction level the respondents were asked a question to be ranked on the five-point Likert scale. Overall 68 percent of the respondents are satisfied with the amount of loan given while only 9percent are dissatisfied with the amount. The reason cited by the members was that since the loan amount is linked to the saving amount in some cases the due to low saving, they are bound to get a low amount of loan. However, overall mean that is 3.87 shows that majority of the respondents are satisfied with the loan amount given by the banks. Further,

they were asked about the satisfaction with regards to loan maturity period, and here the satisfaction level increased to 71percent with just 8.5percent being unsatisfied. The members are used to making repayment on regular bases and in this process, they tend to make overall repayment before the maturity date. The overall mean of 3.93 shows that most of the respondents are satisfied with the maturity period.

The purpose of the concept was to provide doorstep financial services to the respondents. Hence a question was asked to know the satisfaction with regards to the transportation cost to visit the nearest branch. Overall 59.3percent of the respondents were satisfied with the transportation cost incurred to visit the nearest branch, while 20.8percent of the respondents are still finding it expensive to avail formal financial services. However, the overall mean of 3.65 depicts that the respondents are satisfied with the transportation cost to visit a branch. Overall 480 (80percent) of the respondents are very much happy with regards to information provided by the bank officials which is very much value considering the awareness level of the SHG members. Though 5.8percent are not satisfied with regards to the information provided by the bank officials an overall mean of 4.22 shows that most of the respondents are happy with bank officials performance. Next question was with regards to the terms and conditions of the loan which showed that 66percent of the respondents are satisfied with the terms of the loan while only 8.5percent of the respondents differ with the opinion. The overall mean of 3.90 shows that the respondents are satisfied with the terms and conditions of the bank.

Overall 70percent of the sample respondents are satisfied with the ease and convenience of the loan procedure while only 10.9percent are unsatisfied. The overall mean of 3.97 depicts that most of the respondents are happy with the ease of loan procedure. The loan repayment policy of the bank is found satisfactory for 73.1percent of the respondent while only

14.3percent of the population is not satisfied. The duration of time taken to sanction the loan amount is another issue, but banks have managed to tackle the same. Overall 65.5percent of the respondents are made happy by the banks by timely sanctioning of the loan amount, while only 13.3percent of the respondents are still unsatisfied. However, the overall mean 3.73 shows that most of the respondents are satisfied with the time taken by banks to sanction the loan amount.

The behavior of the bank officials is vital for promoting SHG. Overall 74.9percent of the population is satisfied with the behavior or the bank staff. Though 13.5percent of the respondents are still unsatisfied, the mean of 3.93 depicts the overall satisfaction of the SHG members with regards to the behavior of the bank staff. The complaints or issues of the SHG members need to be resolved by the bank officials, and they have succeeded in it. Overall 79.2percent of the respondents are satisfied with the advisory services provided by the bank's officials while 9.1percent of the respondents remain unsatisfied. The overall mean of 4.09 shows satisfaction by the majority of the members with regards to problem-solving service provided by the banks. There is least cost involved with regards to the facilities provided to SHG. Overall 61.1percent of the population is happy with the least cost of financial services. Further, a question on the satisfaction level with regards to the consequences of non-payment of loan amount only 42.7percent of the respondents was satisfied with the consequences while 16.8 were unsatisfied stating that a particular extension of time needs to be given for repayment of the loan amount. The overall mean of 3.03 shows the satisfaction of the respondents with regards to the consequences of non-payment of the loan amount. Lastly, a question on the satisfaction about the interest rates charged on the loan amount showed a total of 54.5percent respondents satisfied with the interest rate while 16.8percent remained unsatisfied. However, the overall mean of 3.49 showed that most of the respondents were satisfied with the interest rate on loan charged by the banks.

Further, a Kruskal Wallis test was applied to identify the association or similarity in the satisfaction level of the respondents about the banks belonging to all the Talukas. The analysis revealed that there is the difference in the overall satisfaction level of the respondents. However, the median depicts that there is a similarity in satisfaction with regards to some factors. The reason cited is that the respondents are associated with different branches of the banks, but the head institution is same for all the branches hence services are the same in all Talukas.

In another analysis conducted to see the satisfaction level of the respondent with the services provided by the banks and their years of association. The Kruskal Wallis test revealed that the satisfaction level increases with the increase in experience. The similarity in the median values depicts that the groups are now moving towards becoming independent and self-sufficient by taking up more of internal lending.

### 8.1.2. Supporting Agency Perspective

For the study, the District Rural Development Authority operating in the State is considered as the supporting agency. The mere reason for the same is that the SHG considered under sample are all registered under the DRDA. To understand the satisfaction level of the respondents with regards to the performance of the supporting agency a set of questions was asked on the Likert scale.

Firstly, they were asked about their satisfaction with regards to the assistance provided by the supporting agencies, and 73.7percent of the respondents were found to be satisfied with the support provided by the agencies while 12.5percent were unsatisfied. The reason is that as the concerned official appointed are supposed to cover entire Taluka, and it becomes

challenging for them to be personally approachable to every SHG this creates certain delay leading to dissatisfaction. However, the overall mean of 3.94 suggests that majority of the respondents are satisfied with the assistance provided by the supporting agencies. The next question was about the coordination among the different agencies involved in providing the end service or scheme. Overall 67percent of the respondents agreed that there exists coordination among the agencies while only 13.8percent respondents are of different opinion. However, the mean of 3.73 reveals that most of the respondents are of the opinion that there is coordination among various agencies involved.

When asked about whether the assistance provided is mostly on the paper the 46.7 percent of the member respondents were of the opinion that the services promised in the paper and services availed are the same and there is no gap between what is in the paper and what is being provided to the respondents. Overall 70.3percent of the respondents are satisfied with regards to the behavior of the supporting agency official. They appreciated work being done by the officials, but only 18percent respondents differ in their view. However, the overall mean of 3.78 suggests satisfaction among the respondents with regards to the behavior of the Supporting agency officials.

Further when asked about the effectiveness of the assistance provided by the supporting agencies 74.5percent of the members were satisfied with the efficiency. The overall mean of 3.91 confirmed the satisfaction level about the effectiveness of the assistance provided by the supporting agency. Overall 67.7percent of the respondents are satisfied with the timeliness of the support provided by the supporting agencies. The technological advancement in the field of telecommunication has helped the SHG to communicate with the officials and get their problems or issues sorted without much delay in time. Only 15.8percent respondents are still finding it difficult to get the services on time. However, the

overall mean of 3.92 suggests that most of the respondents are satisfied with the timely assistance provided by the supporting agencies.

As the families of the respondents also play a supporting role in encouraging the respondents. The respondents were asked about the importance of family support in the success of the SHG. Overall 81.5percent of the respondents were of the opinion that family support plays a significant role in the success of the SHG. Altogether 74.3percent of the population was of the opinion that the supporting agencies play a significant role in the success of the SHG while only 10percent of the respondent differed in their view. They believed that success of the SHG depends on the performance and management of the group and supporting agencies can only provide advice, but the actual task needs to be performed by the group. However, the mean value of 4 showed that most of the respondents believe that supporting agencies play a chief role in the success of the SHG. When asked about any gender-based discrimination faced by the respondents from the supporting agencies, 44.6percent said that there doesn't exist any gender discrimination. Lastly, a question was asked about the supporting agencies discharging their motivational role, 70percent of the respondents were satisfied with the motivational role played by the supporting agencies. Though 15.5percent of respondents were not satisfied with the supporting agencies motivational role, a mean value of 3.83 suggests that most of the respondents are satisfied with the motivational role of the supporting agencies.

Further, a Kruskal Wallis test was applied to identify the association or similarity in the satisfaction level of the respondents about the supporting agencies belonging to all the Talukas. The analysis revealed that there is the difference in the overall satisfaction level of the respondents. The reason cited is that though the primary institution remains the same the area to be covered and individual officials are different in all the Talukas. The association

with the SHG right from the formation stage creates a kind of bond between the SHG and the official concerned. Thus, even a slight delay creates dissatisfaction among the respondents.

In another analysis conducted to see the satisfaction level of the respondent with the services provided by the supporting agencies and their years of association. The Kruskal Wallis test revealed that the satisfaction level increases with the increase in experience. The newly formed groups seem to expect too much from the official, and the official find it very difficult to meet such expectations. Further experienced groups take their own decision with much relying on the officials thus reducing their burden.

#### 8.1.3. Social Impact of Self Help Groups on Women

The Self-Help Group was a target to provide formal financial services to the deprived poor, lacking access to banks and other financial institutions. It mainly targeted economically and socially backward groups. The distribution of the sample revealed that the aim of reaching out to the weaker section of the society had been achieved to some extent. In the current study, 39.8percent of the respondents belong to OBC category followed by General or open with 30.5percent and 29.6percent belonging to SC/ST category. Considering the massive participation of the backward class and weaker section of the society 20 variables were identified to measure the improvement in the social empowerment of the women members of the SHG. The study revealed a remarkable increase in overall social aspects of the SHG members.

The members of SHG need to go in banks to deposit their money. Overall 73percent of the respondents are of the opinion that they are now able to freely discuss their issues with the officials after joining the SHG. Mere joining the SHG has boosted their confidence. Still,

just 1.7percent of the respondents find some difficulty in free discusses their issues with officials. However, overall mean of 4.02 depicts that most of the sample respondents have gained the confidence to discuss with the officials freely. Similarly, 71.2percent of the respondents feel that there is an improvement in their communication skills after joining the SHG. These are because of the frequent meeting held by the group which gives them the opportunity to put forth their issues. There is still a 5percent of the respondent lacking communication skill, but an overall mean value of 3.92 suggests that most of the members have developed better communication skills after joining the SHG. The association with the SHG gives an opportunity for the members to come out of the house and meet new people and discuss various social issues. Overall 69.5percent of the respondents feel that they now find more confident and independent to move out of the house or any other place without the support of male family members. There are still 8.4percent of the respondents who are still facing the problem with regards to independent physical mobility, but it will change over a period. By being associated with the SHG, the members meet various issue and difficulties and try to find a solution for the same. This skill of taking group decision helps the members to decide on family issues also. Overall 74.4percent of the respondents feel that after being associated with the SHG their ability to take decisions on household expenditure, saving and child education has improved. However, 6.6percent of the respondents are still not developed their decision-making skills. However, the overall mean of 4.06 depicts the improvement in the ability to take decisions on household expenditure, savings, and child education.

The association with the SHG has also improved the sense of optimum utilization of available resources. Thus, after joining the SHG, they are now in better position to decide on the borrowing of the funds and optimum use of the same. Overall 61.7percent of the respondents are of the opinion that they are now being considered for sharing their views on

borrowing of funds and utilization of the same. Considering that there are still 6.3percent of the respondent who is still unable to decide on the loan amount. However, the overall mean 3.8 shows that SHG has made a definite improvement with regards to a decision on the loan amount. The group provides them the opportunity to interact among themselves and support each other by providing and suggesting remedies to the problem. The ability to solve the issues of the fellow members has helped 62.7 of the respondents to take decisions on the family matters or issues. “The strength lies in the unity of the group” this principle has created confidence among the members as they get an independent identity in the society as a group. Overall 61.1percent of the respondents have now become more politically and socially active and have started attending social and village panchayat meeting. Altogether 81.1percent of the respondents feel that mere joining the SHG has given them an independent identity in the society. There is increased respect in the family and overall improvement in the social status. There are still 1.6percent of the respondents lacking confidence, but an overall mean of 4.21 shows tremendous growth in the improvement of the social status of most of the respondents.

The supporting agencies are actively involved in conducting various training and awareness programs to increase the knowledge and understanding of the respondents. 66.4percent of the respondents with a mean of 3.85 fell that their awareness level about the health issues as well as various Government schemes has increased after joining the SHG. Collectively the SHG is in a better position to face the social evil. The group has motivated the members to raise their voice against the social issues like abuse, drugs, alcoholism, violence. Overall 61.8percent of the respondents feel that SHG has given them the confidence to face such social evils.

The leadership is a must for the successful functioning of the SHG. Overall 66.5percent of the respondents are of the opinion that their leadership skills increased after joining the SHG. The mean value of 3.78 makes it very much clear that SHG has a positive effect on the SHG member, but there are still 16percent of the respondents lacking the leadership skills. Similarly, 49percent of the respondents feel that there is an increase in their entrepreneurial skills after joining the SHG while 22.7percent respondent's skill is lacking entrepreneurial skills. However, the overall mean value of 3.51 depicts positive effect on the entrepreneurial skill of most of the respondents. With regards to the administrative and bookkeeping skills which are must to maintain day to day account. The supporting agencies conduct special workshops and seminars for improvement of accounting skills of the respondents. Thus 55.3percent of the respondents with a mean value of 3.66 feel that their accounting skills improved after joining the SHG. As far as awareness about the health, sanitation and child education is concerned, the Government agencies conduct individual talks by professional to create awareness on various issues. Thus 84.2percent of the respondents feel that their awareness on all such matters has increased after joining the SHG.

Under the SHG members start some income-generating activity. To get returns from the SHG business activity the production of the groups needs to be sold in the market. For the sale of a product, it is very much necessary to understand the market situation. The SHG provides an opportunity for the SHG members to understand the market demand and create essential supply striking the right balance. Overall 70.5percent of the respondents feel that their market knowledge has increased after joining the SHG. Though 6.7percent of the respondents still lack market knowledge the mean value of 3.94 depicts the improvement of market knowledge of the respondents. As the business of the SHG progresses, it creates higher profits creating a permanent source of income for SHG members. A total of 438 members of the SHG are of the opinion that their self-spending has increased as they now

have easy access to their funds. Being associated with the SHG creates an urge for learning new things which demands literacy. The introduction or joining of new members to the SHG helps to satisfy the urge to be literate. Overall 67.5percent of the respondents are of the opinion that their literacy level increased after joining the SHG though there is still 7.5percent respondent under literate and hesitant. However, the mean value of 3.95 shows the positive effect of SHG on literacy level of the respondents.

Overall 78.7percent of the respondents with the mean value of 4.28 has increased their awareness about the food and nutrition in their lifestyle. The sense of independence has created a kind of confidence among the members which motivates them to put forth their views and stand by them. Overall 77.5percent of the respondents are now in better position to freely express their opinions in the family matter as well as in the group discussion. Though there are still 4.1percent respondents not confident enough to put forth their views, the mean value of 4.16 depicts the positive impact of SHG. Lastly, the question on improvement in self-confidence made the picture clearer as 80.7percent of the respondents were of the opinion that SHG has increased their overall Self-confidence.

A Social Empowerment Index was calculated based on certain selected variables to see the empowerment index before and after joining the SHG. The analysis revealed that the index before joining the SHG was 22.61 which then increased to 35.55 after joining the SHG. Further, the T-test conducted also revealed significant improvement in the social empowerment index of SHG members after joining the microfinance program.

The regression analysis conducted to analyze the impact of microfinance services on the Increment in the Self-confidence of the respondents. The factors identified revealed that the

factor self-awareness has the maximum impact on the development of self-confidence of the respondent.

#### 8.1.4. The Economic Impact of SHG On Women

The data relating to various economic factors were collected to analyze the economic impact of SHG on the women members. The personal income, savings, family income, family expenditure was also analyzed to access the economic status of the respondents. The economic impact of SHG was thus measured based on the Likert scale by considering specific parameters or variables. Before joining SHG, 71.5percent of the respondents were unemployed and had zero earnings. The mere association with the active SHG has created income opportunities for its members hence the percentage has drastically reduced, and only five respondents are currently unemployed. The mean income of the respondents has increased from 1610.33 to 1744.17 after joining the SHG. Similarly, 97percent of the respondents had zero savings before joining the SHG, but with their association with the SHG, they are now contributing on a regular basis towards the group savings.

The economic impact was analyzed based on 13 variables on a Likert scale. The respondents were requested to rate each variable based on their satisfaction before and after joining the SHG. The study revealed that association and active participation has led to the improvement in the economic empowerment of the respondents.

Overall 74.3percent of the respondents are of the opinion that the SHG has led to the increase in the personal income which further has added up to their overall family income. Only 5 of the respondents have not been able to rip the benefits from their respective groups. However, the overall mean value of 4.03 reveals satisfaction among the respondents with regards to adding to the family income. As a result of the rise in income the poverty in the family has

been drastically reduced. The totals of 76.6percent of the respondents are of the opinion that their association with the SHG has led to a reduction in their poverty. Though 4.2percent of the respondents still find it difficult to come out of poverty the mean value of 3.98 shows that in the future period even they will successfully come out of poverty. Before the SHG the rural people were more dependent on the money lender for their emergency financial needs, the money lender used to cheat them by charging a high rate of interest and sometimes misappropriating the account to grab the mortgaged property. The SHG has created a feasible option by which they can avail easy loan that too at a concessional rate of interest. Overall 48.5percent of the respondents have reduced or stopped being dependent on the money lenders. There are still 23percent of the respondents who still rely on the moneylender, but their dependence is only when all the other mediums fail to provide them with necessary funds.

Overall 67.5percent of the respondents with a mean value of 3.87 consider themselves in a better position to purchase new assets. The SHG creates income generation opportunity for them as well as provides them with easy and affordable credit which motivates them to purchase new assets. SHG concept aimed to encourage poor people with the similar background to come together and start some income-generating activity. The concept has successfully motivated 76.2percent of the respondents to start some income-generating activity. They are being provided with all kind of support by the supporting agencies. However, still, 4.5percent of the respondents have not managed to start the business activity. Further, the association with the SHG has created ability among the respondents to meet the financial crises. Overall 82.6percent of the respondents with the mean value of 4.2 consider themselves in a better position to face a financial crisis after joining the SHG. The confidence of being able to arrange the emergency funds from a bank or through inter-lending of the SHG has played a very significant role. The SHG has boosted the confidence

of the members to face any situation. Overall 75.3percent of the respondents are confident and ready to change their mode of employment. Considering the 4.5percent of the respondents still hesitant to change the nature of employment, the mean value of 4.03 shows definite signs of changing the mindset of the people associated.

Overall 75.7percent of the respondents are of the opinion that association and working under the SHG has led to the increase in their overall consumption level.

The economic status of any person is derived based on the standard of living of the person. Overall 79.6percent of the respondents consider the improved standard of living after their association with the SHG. The mean value of 4.23 depicts an excellent future for SHG to improve the standard of living of its members. The 80percent of the respondents consider themselves improved on the utilization of the available resources after joining the SHG. The progress and growth of any SHG depend upon the entrepreneurial skills of the respondent. The study revealed that there is an increase in the entrepreneurial skills of 73.3 percent of the respondents with a mean value of 4.07. Further, the generation of income through SHG also leads to increase in purchasing power of the respondents. The said purchasing power is realized to be increased in case of 71.6percent of the respondents with a mean value of 4.05. Moreover, lastly, the saving of all the members have increased as most of the members had zero savings before joining the SHG. This is evident from the mean value 4.31 for the increase in the savings after joining SHG and 82.5percent of the respondents agreeing to it. An economic empowerment index was constructed considering certain selected variables. The empowerment index before joining the SHG was 11.66 percent which increased to 20.64 percent showing a tremendous increase in the overall economic empowerment. Further, the t-test conducted brought further clarity on the increase in the economic empowerment index.

The regression analysis is conducted considering the factors derived from the variables to find the impact of microfinance activity on the development of entrepreneurial skills. The analysis revealed that economic development factor has the highest beta value and all the variables under it plays a significant role in the improvement of entrepreneurial skill of the SHG members.

#### 8.1.5. Key Factors Affecting Women Empowerment

An exploratory factor analysis with Principle Component Factor (PAF) with a Varimax (orthogonal) rotation of 16 and 11 Likert scale variables for analyzing microfinance impact on the social and economic empowerment on the data collected from 600 respondents. For the appropriateness of the test, the Kaiser-Meyer Olkin (KMO) measure of sampling adequacy was used. The value of KMO for social empowerment measurement was 0.823 and KMO for economic empowerment measurement was 0.844. The ideal measure for this test is  $KMO > 0.50$ , and in both the cases, the KMO value is more than 0.50. The KMO test determines if the responses given with the sample are adequate or not. For analysis, all the values below 0.3 are being suppressed.

In case of Social empowerment, the variable like Awareness of health, sanitation and children education, Increased self-confidence, Awareness of food and nutrition, expressing views in the family as well as in groups freely, Improvement in literacy level are substantially loaded on Factor (Component) 1. While, Development of Entrepreneurial skills, Development of Bookkeeping and administrative skills, Increment in Social awareness (AIDS. Family planning, govt. schemes), Development of Leadership skills, Increased market knowledge is loaded on Factor (Component) 2. Similarly , Ability to take up social issue like abuse, violence, drug, alcoholism etc. ,Physical mobility / Moving to

other places independently without the support of male members, Ability to take decision on household expenditure, savings, and child education, Attending social / Village / Panchayat meetings are substantially loaded on Factor (Component) 3 . While, Ability to decide on family matters/problems, Ability to decide on taking/use of loan are substantially loaded on Factor (Component) 4.

For a better understanding of the factors, naming is being done. The First factor which emerges from the combination of different variables of component 1 is named as Self Awareness. The second factor which emerges from the combination of different variables of component 2 is Skill development. The third factor which emerges from the combination of different variables of component 3 is Social Responsibility. The fourth factor which emerges from the combination of different variables of component 4 is decision making.

Similarly, in case of Economic Empowerment the variables like Improvement in standard of living, Better utilization of available resources, Increase in Savings, Increase in purchasing power are substantially loaded on Factor (Component) 1. While Enhancement in personal or family income, Reduction of poverty in the family, Asset creation, Ability to meet the financial crisis in the family are substantially loaded on Factor (Component) 2. The remaining variables like Reduction of dependency on moneylenders, Increment in consumption level of family, Change in nature of employment are substantially loaded on Factor (Component) 3.

For a better understanding of the factors, naming is being done. The First factor which emerges from the combination of different variables of component 1 is named as Economic Development. The second factor which emerges from the combination of different variables

of component 2 is Financial Improvement. The third factor which emerges from the combination of different variables of component 3 is Personnel Independence.

#### 8.1.6. Impact of Microfinance on Poverty Alleviation

The income of the person is directly linked to the level of poverty. In most of the States, there is predetermined poverty line decided based upon the prefixed per capita income. The people having higher income are termed as Above Poverty Level (APL) and those having income below the per capita income are termed as Below Poverty Line. The SHG concept mainly targets the people belonging to BPL category. Even in the current study, 63.8percent of the respondents belong to the BPL category. This makes it clear that concept has succeeded in identifying and reaching out to the poor, needy people.

It is observed that just like any other respondent the BPL category members also join SHG with the intention to improve their saving habits. Availing credit facility is the ranked second by most of the BPL category respondents as their reason to join the SHG.

A paired-samples t-test was used to compare the income of respondents before and after joining the SHG. There was a statistically significant difference in the income before ( $M=21078.37$ ,  $SD=4102.06$ ) and income after ( $M=22774.53$ ,  $SD=4332.97$ ) conditions;  $t = -12.66$ ,  $p = 0.000$ . Further, Wilcoxon signed ranks test was used analyze group wise income of the SHG. The Wilcoxon Signed Ranks Test indicated that income median after joining the group is significantly higher than before joining the group.

Similarly, Kruskal-Wallis H test was conducted to determine if there is any difference between the income of the respondents based on the designation of the respondents in the group before and after joining the SHG. Before joining the SHG the Medians of Designation 1 was 20000, Designation 2 was 24000 and designation three was 23000.A Kruskal- Wallis

H test showed that there was the statistically significant difference in the income  $\chi^2(2)$  =33.12974, p=0.00.

After joining the SHG the Medians of Designation 1 was 21000, Designation 2 was 25000 and designation three was 24000.A Kruskal- Wallis H test showed that there was the statistically significant difference in the income  $\chi^2(2)$  =30.02398, p=0.00.

Further to test the expenditure a Kruskal-Wallis H test was conducted to determine if there is any difference between the Expenditure of the respondents based on the designation of the respondents in the group before and after joining the SHG. Before joining the SHG the Medians of Designation 1 was 10000, Designation 2 was 13500 and designation three was 12000.A Kruskal- Wallis H test showed that there was the statistically significant difference in the expenditure  $\chi^2(2)$  =28.90744, p=0.00.

After joining the SHG the Medians of Designation 1 was 11000, Designation 2 was 14500 and designation four was 13000.A Kruskal- Wallis H test showed that there was the statistically significant difference in the income  $\chi^2(2)$  =28.8392, p=0.00.

#### 8.1.7. Performance of Self Help Group

It is observed from the sample that 34.8percent of the respondents are associated with the group for more than nine years followed by 22 percent having less than four years' experience. This shows a perfect combination of young and experienced membership. The members were asked about their understanding of the group activities. It was very much interesting to see that almost all the members were very much well aware of all the activities of the group. The reason for the same is that all the accounts are being read out during monthly meeting thus making each member aware of the progress of the SHG. Another

noticeable thing was that the members of the SHG have 90 percent attendance at the meeting as they have formulated a rule under which they can find a member for being absent for the meeting.

The respondents were further asked about the training programs being conducted for them. Overall 79.8percent of the respondents have received training programs. Many of the respondents have also represented the State at various outstation exhibitions. The process of selecting the leader is very vital to the success of any SHG. In the sample are the SHG's follow rotation whereby each member gets the opportunity to become a part of the managing committee and realize the responsibility of the leader and other members.

The decisions on various issues are taken during the regular meeting. Each member is given an opportunity to put forth their views; if the decision comes out of consensus it is being accepted or else the voting system is chosen to make the final decision. Most of the group perform inter-lending. They have themselves decided upon the interest rates and the repayment procedure. Most of the case the interest is charged at 1percent which becomes very reasonable for every member.

## 8.2. Conclusion

Based on the findings of the study it is very much clear that the concept of Self Help Group has played and will play a very active role in reducing the poverty level by promoting financial inclusion through SHG approach. The problems associated with achieving Rural Development are also looked upon and minimized to some extent by encouraging the rural women to participate in SHG and start some income-generating activity. The 63percent of the BPL members is evident in showing the progress and success of SHG in accomplishing

its objective of reaching out to a poor section of society. The awareness about the importance of socio-economic upliftment of women has led to mushrooming of SHG. The financial training and skill development programs by various supporting agencies have led to a sense of discipline and self-confidence among the poor which intern will have a long-term positive effect on them. Though there is enormous efforts taken up by the State as well as Central Government in overall all upliftment of the population the impact is not uniform in the entire State of Goa which is evident from Kruskal-Wallis H test which showed that there was the statistically significant difference in the satisfaction level of the respondents with regards to the Talukas and the services provided by the supporting agencies at  $\chi^2(7)=154.974$ ,  $p=0.00$ . Overall 39 percent of the respondents having education below primary level acts as a barrier, but the introduction of few more types of workshops related to accounting, management and especially marketing can help to improve the overall performance of the SHG. The dependence of the SHG on the supporting agencies is very much seen as 49percent of the respondents feel that the success of SHG depends mainly on the support and assistance provided by the SHG. This needs to be changed. The SHG's should be motivated to become independent with no reliance or at least minimal dependence on the promoting agencies. This will give them the better confidence to act and sustain on their own. The best part of the SHG in the State of Goa is the rotation method followed for selecting the leader and other committee members. These give equal opportunity for all the members to play a role of a leader and manage the group. They are provided with guidance by the rest of the members whenever needed further the rotation system makes them understand their responsibility and increase their knowledge.

The group is still facing the problem with regards to allocation of the loan. The study revealed that only 26.3 percent of the respondents had taken benefit of credit which is very low. The reason is that the banks offer a credit based on the savings, performance, and

history of the group which forces the members to rely upon inter-lending. The problem mainly arises with regards to inter-lending is that the entire savings cannot be allotted to one member, keeping in mind the immediate needs that can occur for any other member a specific portion of the savings can only be provided to the member. This problem of not providing need-based credit but restricting to the availability of the funds sometimes diverts the funds to the least needy or the committee member of the group.

It is observed that most of the groups have restricted their function to the only collecting of saving from the members. This is apparent from the increase in the saving amount with no corresponding or a significant increase in the total income. The mere collecting of funds from the members will not fulfill the intentions of starting an SHG. Hence the efforts are needed to identify business activity and motivate the SHG's to take up same. The supporting agencies must focus more on the promotion and motivation of the existing SHG. It is observed that the supporting agencies are facing the issue of mismanagement. They should plan their activity in such a way that they can divert their time equally towards the already existing groups and also towards the formulation of new groups.

The need to identify unreach poor and providing financial service cannot be ignored, as the development of weaker and weaker section of the society plays a significant role in overall development of the State. The success stories of the SHG cannot be ignored. It is the concept which has brought the rural women into the mainstream business activity. It has placed the issues and needs of the women at the top of the agenda.

The general conclusion of the study is that the SHG as a tool of Socio-Economic development and poverty alleviation has still not progressed to its capacity. Most of the groups are still focusing on gathering regular savings and are just operating a bank. About

68.5percent of the respondents are housewives who are interested in using their skill and starting some income-generating activity. Considering the level of education of the already existing SHG members, there is a need for a proper plan to include educated individuals in each group who will further educate rest of the group members. The rotation method of selecting committee has proved to be successful. The mere participation has led to the increase in the overall self-confidence of the respondent. They are now in a better position to face business competition. After considering all the outcomes of the analysis and the personal experiences during the survey, it can be concluded that microfinance through Self Help Group has a positive impact on the overall empowerment and upliftment of the women members.

### 8.3. Suggestions

Considering the potential of the concept and the recent development and growth in the number of SHG in the State has increased the popularity and importance of the concept. The Make in India concept also acts as a motivating factor for the SHG's. For any business to become big, they need to start small this should be the mindset of every SHG to succeed. As the SHG is a grass root concept promoting local talent to utilize their skills to start some income-generating activity.

- Identify reasons for resistance by the SHG's: The SHG focuses more on promoting women hence efforts need be made by the supporting agencies to find out the reasons for resistance of the SHG. The deficiency needs to be identified, and a best possible and feasible solution should be suggested which is acceptable to the women members of SHG. The guidance can be provided in such a way that their confidence should be

boosted and their fear of suffering loss should be minimized. Thereby encouraging them to start some business activity.

- Entrusting promotion task to experienced SHG's: The SHG's operating for more than five years or so can be entrusted with the task of forming more SHG's in the locality and nurturing them. Further such SHG's can be acquired by the parent group to form a federation. This will reduce the burden on the supporting agency and simultaneously promote the concept of SHG.
- SHG gathering: As a step to encourage SHG and motivate them to take up various activities State, District or Taluka level programs or gatherings needs to be conducted wherein successful SHG's for the State or from the neighboring States can be brought to give a talk or guide the local SHG. This will give the local groups some motivating ideas and tips to become successful.
- SHG promotion policy: In addition to the schemes of the Government, there needs to be a well-thought policy for making a special provision for women SHG wherever possible to exhibit their products. The mere provision of funds to the SHG will not solve the primary purpose of the concept. The income needs to be generated by the group on its own to survive in the market. Considering the current scenario, the SHG can be entrusted with the task of supplying particular raw material or any other service as per their capability to local units and act as a supplier.
- Formation of marketing society: Considering the difficulties and exploitations faced by the women SHG in marketing and selling their produce, there is urgent need to find a solution to this problem. A specific marketing society run and managed by the women can be started which will act as independent middlemen specially entrusted with the task of marketing and sales of SHG products. The Marketing society should also be allowed to sell the raw material to the SHG at a concessional rate which will

reduce the total cost of the final output. The sale of the raw material should be conditioned. The condition put for availing concessional rate raw material should be to resale their output only to the same marketing agency.

- Special provision for SHG: The State Government wherever possible must encourage the participation of the SHG in various State Government contracts. This can be done by applying specific reservation or certain contracts especially for women SHG's. This will encourage women SHG to perform more efficiently.
- Promoting federations: Federation is the new trend and need of the hour. Some of the experienced SHG can be encouraged to collaborate and act as a federation for other SHG. This federation can independently act as a supporting agency and promote SHG activity at local level. The association of SHG creates more substantial funds available for the federation which can be further made available to its member SHG's. The Federation can also make use of such funds to provide credit, local people thereby acting as an independent financial institution.
- Provision of proper infrastructure at affordable prices: Since most of the SHG is operated from the houses of any of its members, they find it very much difficult to store their output for a more extended period. Mainly, the perishable products tend to get spoiled if not stored in the proper environment leading to a considerable loss. The concerned Government agency can make specific provisions of shops or godowns especially for the SHG at a concessional rent which has close market accessibility thus helping and eliminating the storage issue of the SHG's.
- Recognition to SHG: The lack of recognition for the successful SHG has led to less interest of the members. The Government can introduce a Best Self-Help Group Award at the State level or at the District level, for which one best SHG can be

selected from each Taluka. This will encourage women members to work with more efficiency and productivity to be eligible for the award.

#### 8.4. Recommendations

- Detail proposal study: The authorities concerned should take a personal interest in scrutiny of the report or proposal of economic activity to be undertaken by the SHG. The suggestions can also be provided to modify or completely changing the plan suggested. The authorities may analyze and study the market conditions keeping in mind the ability of the SHG members and then decide upon advising to take up specific economic activity.
- Arranging bank loans: The provision and availability of funds are crucial to the success of any business activity. Thus considering the ability of the groups and capacity of the proposed business activity Government agencies can arrange or make credit facilities available for the active SHG's to avail Bank Loan before completion of 1 year. The decision of granting the loan can be taken based on the functioning and grading of the group and also analyzing the profit potential of the economic action plan.
- One of the employees at the panchayat level should be given the task of maintaining the records of the SHG in the panchayat area. He can also be entrusted with the additional duty of providing necessary support and solving the issues or quarrels of the SHG members.
- Expert advisors: Considering the potential of the SHG professional experts can be appointed at the District level to identify the local activity or need for any raw material at the local level, which can be transformed into a large-scale business. Further, for helping the groups with bookkeeping an employee can be appointed at

the panchayat level which can be delegated with the duty of maintaining the records of the SHG in the panchayat area. He can also be delegated with the additional responsibility of providing necessary support and solving the issues or quarrels of the SHG members.

- Technological Upgradation: The SHG must progress and cope up with the technological advancement taking place. Thus, to promote such technological up gradation of the SHG training programs should be conducted for the SHG. To encourage members to get used to computers a particular provision with computers can be made at every panchayat office wherein the SHG can visit and make use of the same at free of cost for any of the SHG purpose.
- E-marketing policy: Considering the recent trend of the online market, a federation of SHG can develop an online website with the help of technical experts to market and sell their products online. This will provide broader coverage for the SHG and reduce the marketing cost.

### 8.5. Area for Further Research

1. The current study focusses on the rural SHG registered under DRDA prospective research can include urban SHG for the study.
2. The study can be carried out to compare the inter-state performance of SHG operating under NRLM scheme.
3. A further study can be conducted including the SHG from urban and rural areas to compare the impact of SHG in urban and rural areas.
4. Considering the promotion of federations of SHG a study of federations can be done to identify the benefits derived from such SHG associations.

## 8.6. Summary of Chapter

The detailed discussions of the summary findings revealed the positive and long-lasting impact of the SHG on the women respondents. The recommendations and the suggestions made based on the analysis and also considering various personal experiences reviews of the respondents will act as a reliable guide for the policy makers for formulating and implementing policies for the betterment and progress of the SHG members. The areas of further research will also create an opportunity for the future researcher to take up the topics which are not covered by this research. The overall remark of the research will be that the SHG has positively impacted the women population not just in Goa but all around the world. Provision of proper training and support guidance will further act as boosting force towards its growth. The following chapter of bibliography covers all the exhaustive list of books, journals, reports, and all the articles which have acted as a basis for current research.