

## **CHAPTER - VI**

### **FINDINGS, SUGGESTIONS AND CONCLUSION**

#### **Introduction :**

The status of women in a society is a significant reflection of the level of social justice in that society. Women's status is often described in terms of their level of income, employment, education, health and fertility as well as their roles within the family, the community and society.

In tribal communities, the role of women is substantial and crucial. Women constitute around fifty percent of the total human resources in our economy. Yet women are more poor and underprivileged than men as they are subject to many socio-economic and cultural constraints. The situation is more severe in the rural and backward areas. Women development activities must be given importance to eradicate poverty, increase the economic growth and for better standard of living. The self-help group (SHG) approach is a new paradigm in the field of rural development which main objectives are to increase the well-being of the poor people, provide access to resources and credit, increase self-confidence, self-esteem and increase their creditability in all aspects of life. Self-help group is a voluntary and self-managed group of women, belonging to similar socio-economic characteristics, who come together to promote savings among themselves. Self-help groups (SHGs) have appeared as popular method of working in the company of people in recent years. This movement comes from the people's desires to meet their needs and determine their own destinies through the principle "by the people, for the people and of the people". The poverty alleviation intervention of the SHG is in the form of undertaking economic programmes to provide employment, giving micro finance services to the poor so that they can get themselves acquainted with skills and occupational

diversification. This study is an attempt to evaluate the empowerment of women by measuring various aspects in various perspectives. The major findings are briefly discussed as under.

## **FINDINGS :**

### **Personal Profile of the Respondents**

The sample group consists of people with different age groups, mostly youngsters ranging from 26 to 45, 78 percent married, with low level of literacy, live in both joint and nuclear family, live in houses mainly tiled and concrete houses, 83 percent live in owned houses and majority belong to Backward Community. Regarding occupation 68 percent were involved in Micro enterprises, 23 percent were employed in various activities which give them wage payment, 7 percent involved in farming and the remaining 2 percent doing other common unspecified works besides being members of Self Help Groups. Hence, it is ascertained that the sample group have low level of literacy, majority married having own houses, middle aged, living in nuclear family set ups and have micro enterprises.

### **Self Help Group Involvement of Sample Respondents**

The survey which has been conducted among the sample SHG members shows that 35 percent of the respondents came to know about SHG through friends, 45 percent from Neighbors, 7 percent from NGOs and 13 percent from mass media. Of them 25 percent have the intention of getting loan, 45 percent have the intention of promoting saving habits, 14 percent to generate income and 16 percent for family welfare. Only 8 percent of the sample respondents are fresher to the group having an experience of below 2 years, 34 percent have the experience of 2 to 4 years, 15 percent have the experience of 4 to 6 years and 43 percent are well experienced

having good number of above 7 years. Among them 90 percent have the regular practice of attending the meetings and 29 percent hold important posts in SHG like group leader, office bearer and the like? The purpose behind the conduct of meeting is to have Business decisions (16 percent), Collection of loan amount (11 percent), Socio economic issues (17 percent) and Collection of saving amount (56 percent). The women of Self Help Groups held various position in the society also and among the sample respondents, 49 person held the positions like Ward member (41 percent), Ward secretary (4 percent), Councilor (10 percent), Member (43 percent) and 2 percent Mahiliar Anni Thalaivar. Hence it is inferred that the sample members took active part in the activities of the SHGs by being just a member and holding various positions both within the group and in the society.

### **Economic Status of Women in the SHGs**

The main aim of self-help groups is to enjoy the economic benefits and so the survey is narrowed in finding the economic involvement of sample members in the economic activities like borrowing and saving from SHGs. The survey reveals the fact that all the members have got loan from the group by way of Group internal loan (52 percent ), from Banks (45 percent ), and from NGOs (3 percent ) from which they belong to. The loan amount also differ as per their necessity and availability which ranges from Rs. 10000 to Rs. 50000, 21 percent have availed a loan amount of below Rs. 10000, 38 percent between Rs. 10000 to Rs. 20000, 35 percent between Rs. 20000 to Rs. 30000, 4 percent between Rs. 30000 to Rs. 40000 and just 1 percent each in the category of Rs. 40000 to Rs. 50000 and above Rs. 50000. As per the experience in the group, the frequency of getting loan also getting increased and it is noted from the

analysis that 7 percent have availed the loan just for one time, 25 percent twice, 47 percent 3 times, 17 percent 4 times and 4 percent above 5 times. It is good to note that 83 percent have the habit of repaying the amount while 17 percent make delay in repayment and 91 percent have felt that the interest rate levied on the loan is low and for 9 percent it is high, 29 percent have the opinion that it is difficult to get the bank loan while for 71 percent it is easy and are satisfied with the loan amount too, 87 percent still need the support of representatives to visit the bank and 13 percent go independently.

The habit of saving is one of the fundamental issues taken up by the group members and it is revealed from the survey that 3 percent were able to save a little amount to the tune of below Rs. 100, 24 percent between Rs. 100 - Rs. 150, 40 percent between Rs. 150 - Rs. 200, 16 percent between Rs. 200 - Rs. 250, 12 percent between Rs. 250 - Rs. 300 and the remaining 5 percent above Rs. 300 in the form of weekly payment (14 percent) and monthly (86 percent). It is understood from the survey that everyone in the group have the habit of both borrowing and saving to uplift their economic status.

### **Training Inputs**

Of the total sample respondents, 76 percent have undergone training and 24 percent were not, of these 22 percent got trained in tailoring, 21 percent in earth warm manure, 11 percent in knitting wire bags, 9 percent in Bakery and Embroidery, 6 percent in Candle making, 4 percent each Beautician and Juice making, 3 percent each in Hand work and Computer, 2 percent each in Coir and Pickles, 1 percent each on Ration shop, Printing, Jute bag and Fashion Jewelry. Only 79 percent of the respondents have benefited out of training. As per the opinion of the

respondents regarding training, 59 percent expressed as Excellent, 22 percent as good, 11 percent as moderate, 7 percent as bad and just 1 percent as very bad. However, only 8 percent expressed dissatisfaction on the training inputs and others felt it as good.

### **Marketing Activities by SHGs**

Of the total sample respondents of 300, 203 involved in marketing activities of varied nature. Activity wise 17 percent of the sample respondents involved in tailoring activities, 15 percent each on sale of Garments, wire bags making, 12 percent idli flour, Soap, muruku, cool drinks sales, 7 percent embroidery and fashion jewellery, 5 percent each on Flour mills, Earth warm manure sales, pickle making and animal husbandry, 4 percent each Ration shop, computer and Xerox, and 3 percent each on agarbatti, candle making. 45 percent are purchasing the raw materials outside district area, 42 percent within the district, 11 percent locally and 2 percent outside the state. Regarding Marketing of goods 37 percent have the practice of selling their goods through stores, 27 percent through retailing, 16 percent Door to door sales, 11 percent on to carry village to village and the remaining 9 agents and exhibition. The reasons behind choosing the activities gave a summary that 36 percent out of the possession of skill, 35 percent felt that there is easy marketing facilities are available, for 11 percent demand for the product is amble, 9 percent Naturally suited for this, 13 percent due to the availability of various resources, 8 percent availability of raw materials and the remaining 6 percent avail the Government incentives

Regarding the expansion Plans, 26 percent have no plan of expansion while 74 percent are expanding the business. The overall opinion of the performance of SHG 55 percent excellent, 38 percent good, 6 percent fair and the remaining 1 percent very bad. Hence it is concluded that except 7 percent of the sample respondents, all are satisfied with the involvement and benefits from the Self Help Group activities.

### **Economic Impact through Self Help Groups**

Change in the economic status of the sample respondents were measured that the change is more apparent incase of Income (235 percent) which is probably the backbone of the all economic activity which has a direct impact on the Savings to the tune of 109 percent, Expenditure 94 percent, and Occupation 80 percent.

#### **Impact on Income:**

Before becoming members of SHGs, 42.3percent of the SHGs member's households had a 6 month income between 20001-25000 where as 73.3 percent of the households had a 6 month income between 20001 to 25000 after becoming members' of SHGs. This indicates a shift in the income distribution to higher level.

#### **Impact on Savings**

After joining in the Self Help Group, the sample respondents were able to find a change in their saving habit which is revealed through the change in the

quantity of saving, everyone in the group has the practice of saving in the group, apart from saving in the Post office (450), Bank (600), and 550 percent in LIC/friends and relatives.

### **Impact on Expenditure Pattern:**

Before joining the SHGs 11.3 percent members spends below Rs.5000, whereas 1 percent of the sample members spend below Rs. 5000 percent after becoming members of SHGs. It is also shows that 146(48.7 percent) sample members' spends between 5001 to 10000 before joining SHGs. Whereas 101 (33.7 percent) sample members' spends between 5001 to 10000 after joining SHGs. Even after becoming members of SHGs 156(52 percent) spend between 10001- 15000.

### **Change in the Item Wise Expenditure Pattern :**

When the income increase, naturally the expenditure pattern also will find a change among all the expenditures items the vast change is exhibited in case of consumption expenditure. The expenditure 6 months for a member was Rs. 9080 before becoming a member of SHGs whereas it was Rs. 11997 after becoming a member of the SHGs. The expenditure on food (3800) 43.8 percent before their becoming member's of SHGs, while it was 34 percent Rs. 4097 after their becoming member's of SHGs. It is to be noted that the expenditure of festivals/ entertainments decreased after their becoming member of SHGs because of the awareness imparted by the training provided for the members to reduce unnecessary expenditure. When their economic status increased the expenditure on clothing, food, education, Nutrition also increased.

### **Women in Decision Making Power :**

As the society is male denominated, the decision making power is comparatively less in case of women, but after joining in economic activities of the self-help groups, the women were able to gain decision making power. As per survey it is noted that after joining SHGs 279 members have involved in the decision of the selection of house site, 290 members on the Purchase of consumer durables, 280 members on the Selection of education institution, 289 members on Entertainment and 294 members on Visiting friends and relatives. Hence it is concluded that the social power gaining more importance than the economic decisions.

### **Social Empowerment :**

The overall change in the social empowerment is measured as 82 percent. Individually, there is an increase of 95 percent in self-confidence, 71 percent in Mutual help and cooperation, 93 percent Change in the attitude of women's role, 65 percent on Equal status participation and power of decision making of women in community and in village, 95 percent in Participation in social service and 70 percent in the Improvement of communication skill.

### **Empowerment of Household Activities :**

After becoming partners in the self-help group activities, the women have the power of taking part in the household chores. It is noted from the survey that 93 percent were able to think and act independently, for 76 percent men understand them, Cooperate and share the work, 93 percent take part in taking important decisions at home, 83 percent got support from family members, 96 percent got Economic freedom and 59 percent got Property rights too.

### **Problems in SHGs :**

Regarding problems faced by the respondents, 32 percent face with the problem of loan not received in time, 29 percent for difficulty in getting raw materials, 45 percent for competition from machine made products, 38 percent for irregularity of work, 28 percent on Labour problem, 54 percent for the non-availability of common work shed, 52 percent with distance of market place, 34 percent in connection with the earning of low profit, 41 percent Lack of transport facilities, 29 percent Non – cooperation of group members, 36 percent marketing problem, 29 percent Members not attend the regular meeting, 32 percent diversion of the self-help groups funds and activities. However it is inferred from the study that accessibility of markets plays a major hurdle in the successful functioning of the self-help groups. Comparatively the problems are lesser as the average percentage is just 37 percent out of the total.

### **Motivators of Self Help Groups :**

The factors motivating to join SHG of the sample respondents to get additional income, to get government support, to educate the children, to support the family, Poverty, to get status in the family, Unemployment, to provide employment to the needy, Self-employment, to know more about saving and investment, to more about the village, Time pass and to get training. The average score is 50. The variables to get additional income, to get government support, to educate the children, to support the family, Poverty, to get status in the family, Unemployment are the main factors motivated to join the Self Help Group as the score exceeds 50.

### **Purpose of Borrowing :**

Generally the poor and rural people avail the debt from private moneylenders who charge very high rates of interest. Here the sample members have borrowed money to start micro business/develop the business, to invest in family business, to meet household expenses, Children's education, repay money borrowed from outside, to meet emergency needs, family ceremonial expenses, medical expenses and to invest in land and the related fixed assets. The average score is calculated as 50 and five variables were ranked above average.

### **Problem in Marketing of SHG Products :**

Regarding the problems in marketing, high labour cost, high transportation cost, lack of grading facilities, poor demand, low price, poor quality, cheating by the intermediaries, low marketing facilities, season and poor storage facilities were felt by the sample members in the course of their marketing activities. The average score is 50. The variables which are considered to be more important were high labour cost, high transportation cost, lack of grading facilities and poor demand as the scores exceeds the average.

As per the test it is concluded that there is significant difference between motivators of joining in SHG and purpose of Borrowing as the calculated value of 3.38 is more than the table value of Z at 5 percent level of significance 1.96. As per the test it is concluded that there is significant difference between motivators of joining in SHG and Problems in Marketing as the calculated value of 2.85 is more than the table value of Z at 5 percent level of significance 1.96.

## **Training as the Determinant for the success of SHGs**

The result of Chi square test reveals the fact that the personal variables such as age, Religion, Caste, Marital Status, Family Type and Education have no influence over the training and success of SHG business.

### **SUGGESTIONS :**

#### **1. Marketing Efforts**

The marketing system is weak. An economic activity will be successful only if the product of an SHG can be successfully marketed. Otherwise they will be burdened with non-performing assets and bad loans. Marketing is a professional job requiring appropriate consultants and professionals experienced in marketing for the poor. Appointing a government officer as a marketing executive would not necessarily be the best thing to do. The statewide marketing system has to be evolved quickly and professionally. There is a need to draw up a state level and district-specific marketing plans in each district with the help of appropriate consultants and resource persons. Large corporations have entered into marketing of basic household requirements. This trend will expose the SHGs to totally unfair competition and deny them the opportunities to become economically viable and sustain. Therefore the request to the Government is to reconsider its policy in this regard. SHGs will sustain only if they enter into some form of commercial activity like production and marketing of elementary household requirements.

#### **2. Holistic Development**

SHG concept should target the holistic development of women members. The recent scenario suggests that the focus lies empathetically with

economic empowerment. In addition, life (social) and developmental issues related to the quality of life of the poor needs immediate attention. Therefore, programmes targeting holistic development should be conceptualized and even the existing programmes may be oriented towards this.

### **3. Monitoring Mechanism**

It is felt that efficiency and effectiveness of SHG should be regularly monitored by a qualified and designated body to give corrective input wherever necessary as well as encourage the deserving ones. Further Exposure visits to areas where SHG movement has taken off should be a critical component and of a great help to explore the reasons for failure and to find the way for the success of SHG development programmes.

### **4. Viability of Credit Facility**

Among the poor, the credit utilization is invariably from consumption to production process. Hence the consumption needs cannot be ignored and adequate provision should be made in the scheme for this. Subsidy element for development purpose for SHG members is an important policy issue, which needs thorough analysis. Emphasis on financing of groups under SGSY needs to be moderated. The quantum and timing of subsidy needs to be reviewed keeping in view the resource handling capabilities of the members and the group. Development institutions assisting SHGs to set up income generation projects have to be innovative, and flexible in conceiving the projects.

### **5. Networking**

The success any SHG programme depends on the profitable marketing of the goods that they have produced. Given the competitive environment most of the SHGs will not be able to market their products directly. Hence SHGs and their

federations have to be networked for building the required scale advantages. This can be better done by professional agencies. The co-operative marketing societies and other agencies should come forward to help them in marketing activities searching the right consumers. Promotion and pricing are important for SHGs and marketing agencies may advice on these matters.

## **6. Gender Sensitisation**

As an overall development objective, gender equality extends well beyond the provision of loan and savings. This fact should not become a pretext for micro finance institutions not to act on it. Organisations have to give a serious commitment to gender equity if they want to achieve considerable economic and empowerment progress. As a basis for gender mainstreaming activity in the micro finance programme it is necessary to conduct a study on the gender situation in the target population. Since gender is culture specific, this analysis justifies and introduces the gender equity goals in the project's general and specific objectives, expected results and activities.

## **7. Effective Training**

There is substantive experience and capability existing in the older animators, who have managed SHGs for many years. They are not only fully aware of the day-to-day problems and issues of running a SHG, but also know what goes into the making of a successful SHG. This capability has been developed in them, both by the training given to them, as well as, the experience they have gained. Importantly, there is extensive sharing of information going on horizontally and vertically between the older and the newer SHGs and Federations, NGOs and the Project Officers. These animators are already playing the role of vazhikatti - the guide and showing the way.

They can be developed as first-line trainers. Much of the responsibility for providing the initial training can be given to them. Those animators, who have the potential to become trainers, need to be identified and selected. They should be given further capacity building to become first-line trainer animators. The training given to them will need to be streamlined and made more effective to make them capable trainers.

## **8. Timely release of Revolving Fund and Credit**

The timely release of the Revolving Fund and cash credit facility by the DRDA/TAHDCO/bank should be extended not later than six to nine months of SHG formation. The direct credit linkage should be achieved with banks by the first year and loan with subsidy should be made available by the second year. However, it will be better to do away with the subsidies altogether. There are many regions in the country where Banks are still reluctant to give loans to SHGs and due to this, the SHG Bank Linkage programme is suffering. The credit rating of the SHGs must be done at the appropriate time. To encourage the SHG, the banks should give an amount equal to 1:4 deposit-loan as an overdraft, soon after it completes six months of successful existence. This fund can be used by the SHG as a Revolving Fund to increase its capacity for internal lending to its members.

## **9. Savings**

SHGs are traditionally savings-led organizations. SHGs have become a credit management groups that are excessively dependent on banks. They need to return to their roots. SHGs need to improve their bookkeeping systems and conduct regular audits. Governance and management of these institutions and federations needs to improve, so that members can have greater trust in their own institutions.

Those who promote these SHGs need to have less control and focus on transferring skills to the community. SHG institutions must have self-regulatory systems to enhance member-ownership and trust in their institutions, to increase savings. Savings must be priority for SHGs and SHG federations. Over a period of time, that will reduce the dependence of the SHGs on the banks and increase their ability to deal effectively with MFIs. SHGs' self-reliance will enable them to move beyond savings and credit to address issues related to health, education, rights and entitlements.

## **10. Right Choice of a Venture**

Most of the members in the SHGs are not adequately trained in their field and most of them are not highly educated. So, before choosing a project or venture, adequate knowledge should be provided to them. Financial agencies should help the SHGs in choosing the right type of venture or project. Depending upon the local conditions, availability of raw materials and other factors, they should advise SHGs to choose the venture/project/activity. The financial institutions should give wider publicity on the availability of credit facilities that can be offered to the SHGs. Development departments of the government should also play an important role in this regard.

## **11. Purchase of Raw Materials**

Most of the SHGs procure their raw materials locally for the production of commodities. When there is shortage or non-availability of raw materials, some agencies should come forward to help the SHGs to purchase the raw materials at a best price and at convenient place.

## CONCLUSION

Poverty and unemployment are the two major problems of under developed countries, to which India is no exception. Self-help groups can be defined as supportive educational and usually change oriented mutual aid group that addresses life problems or conditions commonly shared by all members. The purpose may be personal or for societal change or for both. Self-help groups are considered as agents of socio-economic transformation in rural areas. To sum up, it could be concluded that the rural people have been vastly benefited by microfinance. It has helped them in their socio-economic upliftment. The rural poor now feel that they can also be partners in the process of rural development by joining the SHG movement. The training of the members by the NGOs had increased their confidence, restored self-worth and improved their social concern about the neighbours. This study has also indicated that even though the members have joined the SHGs for various reasons, all of them have one common goal, which is seeking a better standard of living via a better organization that works for their benefits. Hence, it could be concluded that the SHGs have proved that they could serve as an alternative instrument of financial intermediation for the poor. Also, the microfinance services offered by them have helped to push back. The SHG can contribute to changes in economic conditions, social status, decision making and increases women in outdoor activities. These SHGs play a very important role in social change. SHG not only changes the outer form of a community or a society but also the social institutions as well as ideas of the people living in the society. In other words it also applies to change the material aspects of life as well as in the ideas, values and attitudes of the people. Empowerment is the process of increasing the capacity of individuals or groups to make choices and to transform those choices into desired actions and outcomes. The process of

empowerment strengthens there innate ability through acquiring knowledge, power and experience. Empowerment of women through self-help groups has led to benefits not only to the individual women and women groups but also to the family and community as whole through collective action in the process of development. The women SHGs have enhanced the status of women as participants and also helped in developing leadership quality through sense of devotion to work, duty consciousness, self-confidence etc. Thus SHG was a tool for empowering women in the above said sphere.

#### **Scope for Future Study :**

- The present study was conducted with limited sample size. In order to derive wider generalization a study could be conducted with large sample size.
- Role of NGOs in promoting SHGs can be studied
- Role of banks in promoting SHGs can be taken up
- Case studies of successful SHG members and SHGs may be taken up
- Studies on consultancy information sources and marketing intelligence of SHGs
- Comparison of performance and satisfaction of members of women SHGs with men SHGs can be undertaken.
- A Study of micro credit extended by public sector banks through the SHGs.
- A Comparative study of the performance of the SHGs on the basis of different models of the SHG-Bank linkage.
- The effectiveness of training can be studied by comparing different types of training
- The marketing strategies of different entrepreneurs can be studied in terms of profitability and viability