

Chapter X
SUMMARY, CONCLUSION AND
SUGGESTIONS

This Chapter presents summary, conclusion and suggestions. It has been estimated that there are more than five hundred million economically active poor people in the world operating micro enterprises and small businesses. Most of them do not have access to adequate financial services. Microfinance has garnered significant worldwide attention as being a successful tool to meet this substantial demand for financial services by low-income micro entrepreneurs. It has evolved over the past quarter century across India into various operating forms and to a varying degree of success. India now occupies a significant place and a niche in global microfinance through promotion of the self-help groups (SHGs) and the home grown SHG-Bank Linkage (SBL) model. The Indian model offers greater promise and potential to address poverty as it is focused on building social capital through providing access to financial services through linking with the mainstream.

The Self Help Group is considered as a viable organization of the rural poor particularly women, who are the marginalized groups of our society due to the present of socio-economic constraints in the rural areas, for delivering micro credit in order to undertake entrepreneurial activities. If adequate self-employment can be generated for women in compatible with their roles in home-keeping, it will help increasing their economic, social and physical well-beings and ultimately free them from the clutches of subjugation. Undoubtedly necessary vehicle for the purpose is supplied by institution of women SHGs which help improving economic status of women, protecting their relevance to and significance in the society and above all, effectively

implementing the employment support practices of the government for women.

Today, Self-Help Groups and MFIs are the two dominant form of microfinance in India. Microfinance in India is currently being provided by three sectors: the government, the private sector and charities. These three sectors, as large as they are, have only a small fraction of the capital and geographic scale required to meet the overwhelming need for finance amongst India's rural poor. The major form of microfinance in India is that based on women's Self Help Groups (SHGs). The present study focuses on the microfinancing through SHGs.

SHG-Bank Linkage programme, developed and managed by NABARD, allows SHGs to obtain loans from banks – commercial, rural, and cooperative banks. The banks lend to the SHGs and are eligible for NABARD refinance for these loans at a subsidized interest rate. The program, started in 1992 as a pilot project and upgraded to a regular banking program in 1996, has expanded rapidly since then. NABARD's refinance has however been falling in proportion – possibly because of the prevailing low interest rates, high level of liquidity in banks, and not the least, because of the banks starting to see the program as a profitable proposition.

During the last decade, India had recorded a tremendous growth of SHGs. There are about 97 million families have covered under SHGs upto 31st March 2011. Total number of SHGs saving linked with banks are 74.62 lakhs, out of which 60.98 lakh are exclusive women SHGs and 20.23 lakhs are SGSY SHGs. During 2010-2011, there are 11.96 lakhs are credit

linked SHGs, of which 10.17 lakh are exclusive women SHGs and 2.41 lakh are SGSY SHGs. Total number of SHGs having loans outstanding as on 31 March 2011 are 47.87 lakhs, of which 39.83 lakh are exclusive Women SHGs and 12.86 lakhs are SGSY SHGs [NABARD (2011), Status of Microfinance in India, 2010-11, Mumbai].

Regarding savings amount of SHGs, NABARD reports that total savings amount of SHGs with banks as on 31 March 2011 are Rs.7016.30 crore, out of which Rs.5298.64 crore are savings of exclusive Women SHGs and Rs.1817.12 crore are savings of SGSY SHGs. As regards loans disbursed to and outstanding against SHGs, it is mentioned that total amount of loans disbursed to SHGs during 2010-11 are Rs.14547.73 crore, out of total loans disbursed to Women SHGs are Rs.12622.33 crore and to SGSY SHGs are Rs.2480.37 crore. Total amount of loans outstanding against SHGs as on 31 March 2011 is Rs.31221.16 crore, out of which loans of Women SHGs are Rs.26123.75 crore and out of total loans outstanding against SGSY SHGs are Rs.7829.38 crore. Average loan amount outstanding per SHG as on March 2011 is Rs.65223 and average loan amount outstanding per member as on 31 March 2011 is Rs.5017.

There are some operational inconsistencies in the functioning of the Self-Help Groups in India. The concept of 'self-help group' is not a generic term. It refers only to the groups formed by people particularly 'women below poverty line'. The policies in respect of the formation of WSHGs emphasize the inclusion of the poorest of the poor in WSHGs. The inconsistency arises on account of their failure to draw members from the

poorest section of the rural society in spite of the specific guidelines of the government. For most of the WSHGs/ some members are seen to have come from financially well-to-do influential families and in fact, they control the mode of operation and finance of these WSHGs. Certain factors contribute to the exclusion/omission of the poorest of the poor from the constitution of WSHGs. These factors may be categorised as under:

Rural sector of the Indian economy is exposed to a lot of prejudices and blind belief. Of these prejudices, the one resulting from casteism is more extreme in its repercussions. In some cases, the poor and marginalized women belonging to the so-called lower strata (castes) are not taken in WSHGs for the reason that others may resent to work with them. Since the success of WSHGs depends on collective actions of the members, in the event of their inclusion, a lot of chasms may develop among them leading to ultimate break down of the Group

Among the economic factors which compel the omission or exclusion of the poorest of the poor from the formation of WSHGs is their poverty. Persons, particularly rural women in poverty are worst disadvantageously situated. Since they have no means of their own or of their families, it becomes impossible on their parts to pay their usual shares to the formation of WSHGs at the initial stage. This not only hurts the sentiment and feelings of the concerned members but causes embarrassment to other members leading to the former's omission.

Sometimes the facilitators and promoters like GOs and NGOs deliberately keep away women below poverty line from the formation of WSHGs. They feel that these women are difficult to be convinced and brought into mainstream activities. The bias also results from the other side. These women also feel that in the event of their joining the Group, they may not be allowed status at par with others for their poverty and therefore, they keep themselves away from such collective venture to alleviate poverty and underdevelopment.

The continuation of such operational inconsistencies in the formation of WSHGs will not only be unable to alleviate poverty from the rural segment of the economy but also prohibit the attainment of women empowerment through SHGs-the latter being the all-cherished objective of the scheme. It should be noted though that the sustainability of SHGs to effect such change is directly linked to their financial sustainability. While this latter issue was not the intended focus on the report, any external intervention to SHGs should bear this issue in mind.

Need for the study

Rural women's contribution to the economy is quite significant. Over 80 per cent of the working women in rural areas are engaged in agriculture and allied activities. They usually perform drudgery prone activities and do not get equal wages with male workers. Given a chance women agricultural workers prefer to take up alternate economic activities. The government is also laying stress on empowering rural women by identifying alternate

economic activities. SHGs are playing an important role in optimization of natural and human resources through people's participation.

Over a period of time, SHG-Bank linkage has become the dominant mode of microfinance in India and has been successful in encouraging significant savings and high repayment rates. However, the point of concern is about the continued stability and integrity of the movement. The success of the SHG-Bank Linkage model depends critically on the tasks of promoting, nurturing, strengthening and monitoring SHGs. SHGs require a large amount of pre and post lending monitoring. Most critical is the issue of sustainability of the SHGs; many are dependent on the promoter organizations for even routine tasks such as maintenance of account books and conducting of meetings where transactions take place. Others operate at a low equilibrium of low savings and low credit that is unlikely to contribute significantly to improving the lives of SHG members.

It is however a point of concern that the success lies in the regularity in the flow of finance on the one hand and availability of ready markets for their products on the other. Proper monitoring and supervision of the income generating activities and utilization of credit is necessary. Further, the success of the scheme lies in the choice of viable income-generating activities by women SHGs. Women SHGs do not find ready takers for their products. Market accessibility is not the only problem. All members in the group may not have entrepreneurial ability and potentially to run income generating activities. Furthermore, an important aspect of successful functioning of SHGs is appropriate maintenance of records, the membership

register, cash book, loan ledger, the members pass book, etc. These records ensure proper understanding amongst members about their savings, repayments, dues, etc.

SHGs should adhere to organizational practices such as proper maintenance of accounts, regular group meetings and good loan-repayment performance on internal lending for their sustainability in the long run. So many studies have been conducted so far to evaluate the impact of the Self-help Groups on the empowerment of women. Further, there is a need to take a critical look at the general as well as financial management practices of the Self Help Groups besides various income generating activities taken up by them. There are no studies in this context. Thus, there is a gap in the earlier studies in this context. Therefore, the present study is taken up with the objective of filling that gap by assessing the management practices of the Self-Help Groups and management of economic activity by these groups.

Objectives of the Study

Keeping in view of the importance of the study, the objectives of the present study are as follows:

1. To analyze the progress of SHG-Bank Linkage Programme in India and Andhra Pradesh
2. To examine the socio-economic characteristics of the sample respondents.
3. To examine the profile of the sample Self-Help Groups.

4. To analyze general as well financial management practices of the sample SHGs
5. To portrait the management of economic activity by the sample women.
6. To find the perceptions of the sample respondents on the impact of the SHGs
7. To study strengths, weaknesses, opportunities and threats of the sample respondents.
8. To offer suggestions to improve the working of the Self-Help Groups.

Methodology

The study used both primary and secondary data. Secondary data was collected from books, journals, articles, internet and from various reports such as reports of NABARD, National Institute of Rural Development (NIRD), BASIX, Department for International Development (DFID), CARE, Andhra Pradesh Mahila Abhivruddhi Society (APMAS), VELUGU, Andhra Pradesh Rural Livelihoods Project (APRLP), Andhra Pradesh Academy of Rural Development (APARD), Centre for Economics and Social Sciences (CESS), Council for Social Development (CSD), Department of Women Empowerment & Self Employment (WE & SE), District Rural Development Authorities (DRDAs), NSSO data, various Census reports, Statistical Abstract of Andhra Pradesh, etc. Primary data was collected from the 300 sample respondents using pre-tested questionnaire. Multi-stage stratified random sampling method is used for the present study. Krishna district being the native

district of the scholar was purposively chosen for the present study. At the next level, six mandals are selected randomly. In the later stage, five villages from each of the selected Mandal are purposively selected. From each village, 10 SHG members, who are engaged in income generating activities, are selected randomly. Thus, the total sample size is 300. Substantial part of the thesis is based on tabular analysis. Percentages are used to analyze the data. Chi-square test is used in the present study to test significance.

Major findings of the study

The study analyzed the socio-economic profile of the sample SHG members, management practices followed, economic activity management and perceptions of the sample respondents regarding impact of the SHGs. The major findings that emerge from the present study can be succinctly outlined as follows.

- As regards age of the sample respondents, it is found that majority of the sample respondents belong to 30 to 40 age group. Higher proportion of the sample tailors and tiffin stalls business women are below 30 years of age, while largest percentage of the fancy shop business women, clothes business women, vegetables vending business women and petty business women are in the 30-40 years age group. In the present study, entire fish vending business women and dairy business women, and most of the Grocery shop business women are above 40 years of age.

- With regard to caste of the respondents, it is observed from the study that the study covers all caste groups namely Forward Castes (OCs), Backward Classes (BCs), Scheduled Castes (SCs) and Scheduled Tribes (STs). It is depicted from the study that 42 per cent of the sample respondents are from BC category, followed by 26 per cent of the respondents from OC category, 24 per cent of the respondents from SC category and the rest 8 per cent of the respondents are from ST category.
- Majority of the sample tailors, grocery shop business women, clothes business women, tiffin stalls business women and fish vending business women are BCs, while entire sample dairy business women and half of the fish vending business women are OCS. Most of the vegetable and fish vending business women are SCs, while some of the fancy shop business women and petty business women are STs.
- Regarding religion of the respondents, it is delineated from the study that largest percentage of the sample respondents belong to Hindu religion.
- An analysis of literacy level of the sample respondents reveals that largest percentage of the sample respondents are literates. However, majority among literates have studied only upto primary education. This shows the poor educational level of the sample respondents.
- With regard to marital status of the sample respondents, it is found that huge chunk of the sample respondents are married and a little

percentage of them are widowed. Significant percentage of the vegetables vending business women and tailoring women are widowed.

- Regarding type of family of the sample respondents, it is found from the study that entire fish vending business women, followed by majority of the rest of the categories of respondents except dairy business women are living in nuclear families, while entire sample dairy business women are living in joint families.
- A perusal of previous occupation of the sample respondents shows that only about one tenth of the sample respondents have expanded their economic activities after joining SHGs, while nearly two thirds of the sample have no occupation before joining SHGs.
- As regards possession of own house, it is found that majority of the tailors, clothes business women, petty business women and half of the fish vending business women have no own house, while entire dairy business women, majority of the grocery shop business women, fancy shop business women, vegetables vending business women, petty business women and half of the fish vending business women have own house.
- Regarding type of residential accommodation of the sample respondents, it is evident from the study that majority of the sample respondents are living in RCC houses having one or two rooms (43 per cent). At the next level, most of the respondents are residing in tiled houses having one or two rooms (42 per cent).

- An analysis of monthly income of the sample respondents shows that majority of the sample women are earning a monthly income ranging from Rs.5,000/- to Rs.10,000/-.
- As regards monthly family expenditure of the sample respondents, it is obvious from the study that monthly expenditure of the huge chunk of the sample respondents is below Rs.10,000/-.
- Apropos awareness and motivation of the sample respondents to join SHGs, it is found that majority of the sample respondents know about SHGs through animators. The study reveals that animators, other SHG members, family members and friends are motivating women to join SHGs. However, it is striking to note from the field survey that majority of the sample respondents are motivated by themselves.
- As far as reasons for joining SHGs are concerned, it is inferred from the study that about one third of sample respondents joined SHGs for saving money, while another around one third of the respondents joined SHGs to benefit from the government programmes. Most of the respondents among the remaining one third of the respondents joined SHGs to get loan at low rate of interest.
- A perusal of group size of the sample respondents reveals that group size is found to be ten in the case of huge percentage of the sample respondents.
- As concerning group age, it is found that SHGs are in existence in the study area for the long time. The group age varies from one category

of sample respondents to another category of sample respondents. Majority of the sample tailoring women are group members for less than 3 years, while majority of the grocery shop business women, clothes business women, petty business women, tiffin stalls business women, significant percentage of the vegetables vending business women and fish vending business women are members of the groups for a period ranging from three to five years. Entire sample dairy business women are members for a period more than five years, followed by majority of the fancy shop business women, significant percentage of the clothes business women, vegetables vending business women, tiffin stalls business women and grocery shop business women.

- Regarding selection of group leader, it is found from the field survey that the member, who is literate and acceptable to all the members, was selected as the group leader. However, it is also observed from the study that some of the groups preferred to select a member as a group leader, who is acceptable to all the group members, even though she is not a well educated.
- As regards group conflicts, it is apparent from the study that group conflicts are not found in the case of about three fourths of the sample respondents. Among different categories of respondents, it is observed that majority of the fish vending business women reported conflicts, while majority of the rest of the categories of respondents reported no conflicts among group members.

- It is a matter of satisfaction that a large number of sample SHGs have taken up many issues relevant to social or community life, going much beyond the saving and credit function of SHGs. This has clearly contributed to the visibility of the SHGs in the village community and their ability to influence community decisions. This is bound to have a beneficial effect on the long-term sustainability of groups. Thus the study shows the extent to which the sample groups have realised opportunities and gone from a hesitant beginning to their present strength.
- With regard to holding of group meetings, it is found from the present study that all the members in the group are sitting in circle and are conducting group meetings. This is also the good practice followed in the study area since sitting in circle will create a feeling that all members are equal in the group. Further, it is found from the study that sample SHGs are holding the meetings at a different member's house each time. Thus, the SHGs enable that each member has an equal stake in the group and her family members would learn about what happens in a meeting.
- It is also observed from the field survey that each of the group meeting is presided over by a different group member every time. This enables the development of communication skills among the different members. However, it is found from the study that sample groups have started giving chance to a different member to preside over the meeting from recent past only. Also, they are ensuring that a chance

should be provided to each and every member to speak in the meeting. This shows the effective participation of members in the group meetings.

- As regards passing of a resolution, it is interesting to note from the study that sample groups pass a resolution only when they receive unanimous consent from all the group members. If anyone of the group members disagrees to pass a particular resolution, the rest of the group members convince her and ultimately pass the resolution unanimously. In case any member absents to the meeting, a resolution will be passed after receiving her consent. This shows the unity of the sample members in their groups. Further, the study finds that each and every member in the group has her role in the decision making process.
- Sample respondents are conducting the group meetings with a specific agenda. They are also discussing in the meeting about various issues like family problems, children education, health, etc. Thus, the study reveals that sample SHGs are not confined only to savings and credit but also creates awareness about various issues like education, health, etc. They are also discussing about the social activities to be taken up in their villages.
- Majority of the sample SHGs are holding meetings once in a month in general. However, they are also conducting meetings in case of any emergency to any of its members.

- With regard to attendance of the group members to the group meetings, it is evident from the study that sample respondents stated that they are aware about imposition of fines for the group members, who attended lately to the group meetings or not attended to the group meetings. But, so far no such fine is imposed on any member in the study area. It is found from the study that sample groups are not maintaining any separate attendance register to note the attendance of the members to the group meeting. They are recording the attendance of the group members to the group meeting in the minutes book itself.
- With regard to intimation about absence to the group meeting in advance, it is found from the study that most of the sample respondents are not intimating in advance about their absence to the group meetings. However, they are intimating to the group leader whenever they meet and the group leader explains the business discussed in the meeting. Some of the sample respondents are only intimating about their absence in advance and they are giving their consent for the resolutions to be passed in the meeting. Hence, there is a need to inculcate the group members to intimate about their absence in advance to the group meetings.
- With regard to knowing rules and regulations to the members, it is found from the study that they know the five rules stipulated by the government, namely, weekly meetings, weekly savings, weekly small internal loans, weekly repayments and updating books of accounts

regularly. Though they know these rules, it is found from the study that they are not following these rules. In other words, they are conducting meetings monthly, collecting savings monthly and making repayments monthly in spite of reiterated calls of the concerned officials.

- With regard to rotation of group leader, it is found from the present study that sample groups are changing their group leader for each new loan they received from the bank. Other than this, they are not following any rotation for the group leader. They stated that changing of group leader is a complex process. Though they can easily change the Group Leader in the *Grama Samaikya* easily, they are facing serious problems in the bank to change the group leader. Hence, the sample groups are not resorting to changing group leader frequently on rotation basis. They are continuing the present Group Leader till the successful repayment of the present loan and they are changing their Group Leaders by the time of receiving of the new loan.
- With regard to conflict management in the groups, it is evident from the study that *Grama Samaikya* (Village Organization) is involving in the conflicts of the group and resolving the problems in case leader is unable to solve the problems. It is found from the study that sample groups are not following any management approaches for conflict management. Further, the district level meetings organized by the concerned government officials are not giving any training to the group leaders to deal with the conflicts among the group members.

- Regarding periodical appraisal of the performance of the sample SHGs, it is evident from the study that largest percentage of the sample respondents are carrying periodical appraisal of the performance of the group. However, a significant percentage of the sample tailoring women reported that they appraise the performance sometimes only.
- With regard to drop out of members, it is interesting to note from the study that no drop out of a member is reported in the study area. Though there are conflicts among the group members sometimes, they are not permanent. May be these conflicts are of functional nature, but not personal. As a result, no member in the sample groups is dropped out. Group cohesiveness *per se* is observed in the present study. This shows the good organizational sustainability of the sample SHGs.
- As regards maintenance of records, it is found that group leader herself maintains books of accounts in the case of huge percentage of the sample respondents' SHGs. She also maintains SHG passbook in the case of the huge percentage of the sample respondents' SHGs. Members' passbooks are maintained by the members themselves in the case of higher proportion of the sample respondents. In case of sample respondents, who are not well educated, Group Leader maintains the passbooks. Only a few of the sample groups are hiring persons for book keeping and they are paying an amount of INR 50 to

these persons meeting the expenditure from the interest given by banks for their savings.

- With regard to frequency of updating of records, it is obvious from the study that largest chunk of the sample respondents are updating their books of accounts regularly. This shows the good management practice of the sample SHGs. Huge percentage of the sample respondents are updating their SHG passbook regularly. Members' passbooks are also updated regularly in the study area in the case of huge percentage of the sample members
- As regards collection of thrift amount, it is found from the present study that the sample members in the study are paying savings monthly. They are paying equal amount of thrift throughout the year. It is found from the study that thrift amount is INR 30 per month in the initial days of the group formation. Later, it is raised to INR 50 per month. Now, all the groups in the study area are saving an amount of INR 100 per month irrespective of age of the groups. All the sample members are paying equal amount of thrift, say, INR 100. A good practice is also observed in the field survey that Group Leader is giving receipt to the members after receiving savings amount and loan installment amount.
- Sample respondents pay the thrift amount as well as loan installment amount to the group leader at the group meeting usually conducted in the first week of every month. In turn, Group Leader gives receipt to

the amount received. Group Leader along with one member goes to the bank to credit these amounts. Generally, the entire sample groups are paying these amounts before 10th of every month. This shows the good discipline of the sample groups.

- An analysis of utilization of interest accrued on savings shows that the bank credits the interest amount on the savings of the SHGs into their accounts as per the bank interest rates for savings. This interest amount is not a big amount. Sample respondents are asked to state how they meet the group expenses like stationery, travelling to other places in connection with the group, etc. It is noteworthy to observe from the field survey that sample groups are meeting these expenses from the interest accrued in the banks on their monthly savings. A small percentage of the sample groups, who hired persons for book keeping, are paying remuneration to them meeting the expenditure from this interest amount.
- With regard to norms for internal group loan lending, it is pertinent from the study that Maintaining the equity and punctuality in delivering adequate credit has more impact on the sustainability of the groups. Sample groups decide the quantum of internal group loan to be given to a member on the basis of her capability to repay the internal group loan, savings amount and bank loan installment. Thus, the study reveals that sample SHGs are following good financial management practices. Based on the necessity of money to a member, sample groups give the priority to the member to provide internal

group loan. Sample groups are providing internal group loan to the members after receiving their signatures on the vouchers prepared for this purpose. This ensures the proper maintenance of accounts of the group. Huge percentage of the sample respondents are charging exorbitant rate of interest, say, 2 per cent per month for the group internal loan.

- As regards disbursement of bank loan, it is inferred from the study that all the members under study are sharing the loan amount provided by the bank equally. All the members in the group per se have access to credit equal number of times. As regards disbursement of credit, it is found from the study that banks sanction loan to the SHGs group account, which is handled by the Group Leader and Treasurer of the Group. Both of these two members have to sign in order to draw the sanctioned loan amount. After drawing the amount, all members meet at a place generally outside the bank and disburse the credit among them equally. Before disbursing the credit, Group Leaders informs to utilize the amount for the purpose for which it is sanctioned and to repay the installment amount regularly.
- An analysis of repayment performance of the sample respondents reveals that repayment performance of internal group loan is found to be good. Major chunk of the respondents of all categories are making timely repayment of total installment amount. However, some of the respondents are repaying major part of the installment amount only.

Repayment performance with regard to bank loan in the study area is found to be good. Except a significant percentage of the fish vending business women, tailoring women and vegetables vending business women, largest chunk of the all categories of respondents are making timely repayment of the bank loan. Further, it is observed that half of the fish vending business women, one third of the tailoring women and one fourth of the vegetables vending business women are repaying more three fourths of installment amount only timely.

- A perusal of reasons for selecting the specific income generating activity shows that availability of raw materials is found to be the deciding factor in selecting a particular income generating activity by the SHGs. Market demand also plays vital role in selecting the activity. The study reveals that though the sample respondents are not highly educated and are not management graduates, they have some knowledge about marketing and importance of procurement of raw materials in running the business.
- Largest percentage of the sample respondents have started their income generating activity individually.
- As regards amount of investment, it is found from the study that there are variations in the amount of investment from one income generating activity to another activity. Further, there are variations in the investment among the sample respondents too. However, majority of the sample respondents invested more than Rs.20,000/-.

- An analysis of adequacy of loan amount reveals that nearly two thirds of the sample respondents are dissatisfied with the loan amount. The amount of loan sanctioned by the banks depends upon the age of the group and its repayments. With the increase in the age of the group and timely repayments by the group, the group gets higher amount of loan compared to the previous loan. The study consists of respondents, whose group age ranges from below 3 years to above 5 years. This may be the reason for satisfaction and dissatisfaction regarding the loan amount among the respondents.
- With regard to source of investment other than bank loan amount, it is evident from the study that sample SHG women are starting income generating activities not only with the bank loan amount but also with the amount generated from other sources like internal group loan, debt from moneylenders and income of family members. Most of the sample women are depending upon moneylenders for investment besides bank loan amount.
- As regards source of working capital, it is found from the study that almost three fourths of the sample respondents are making considerable profits and are depending on these profits to meet working capital requirement, while the rest of the respondents are earning meager profits and hence are depending on other sources like internal group loan, income of other family members, etc.

- With regard to amount of profit, it is found from the study that huge percentage of the sample respondents are earning profits below Rs.10,000/-. Majority of the grocery shop business women, fancy business women and petty business women are earning profits ranging from Rs.5,000/- to Rs.10,000/-, while most of the clothes business women, vegetables vending business women, fish vending business women and tiffin stalls business women are making profits below Rs.5,000/-. In the case of dairy business women, one half makes profits below Rs.5,000/-, while the profits of the other half ranges from Rs.5,000/- to Rs.10,000/-. In the case of tailoring women, about 44 per cent of the respondents are realizing a profit below Rs.5,000/-, while another 44 per cent of them are getting profits ranging from Rs.5,000/- to Rs.10,000/-.
- As far as man days are concerned, it is evident from the study that SHGs are making the women to be employed almost throughout the year. However, sample dairy business women reported man days ranging from 200 to 300 days in view of nature of the dairy activity.
- With regard to place of marketing of the products, it is found from the study that majority of the grocery shop business women, fancy business women, clothes business women, vegetables vending business women, tiffin stalls business women, entire dairy business women and half of the fish vending business women are selling their products in their own shops, while majority of the tailoring women and petty business women, significant percentage of the clothes

business women and half of the fish vending business women are selling their products at stores of the others.

- An analysis of problems of the sample respondents shows that by and large procurement of raw materials is not a serious problem in the case of majority of the respondents. However, it is a serious problem in the case of half of the fish vending business women. Majority of the sample respondents are not facing any problems from their family members in running their income generating activities on the whole. The same is observed across the strata also except in the case of fish vending business women. Entire fish vending business women reported that it is a serious problem. Majority of the sample respondents are considering financial problem as the serious one. Irregular repayments are not recorded in many of the cases in the study area and hence it is not a problem. Huge percentage of the sample respondents are considering that marketing is not a problem, while entire sample fish vending business women are considering it as a problem.
- An analysis of perceptions of the sample respondents on the impact of SHGs shows that majority of the respondents opined that membership in SHGs has positive socio-economic and psychological impact. The same is observed among different categories of respondents also. However, comparatively, sample fish vending business women are found to be somehow far away from the positive impact of the SHGs.

- As regards strengths of the sample respondents, it is found that proper rationale behind joining SHGs, selection of Group Leader, who is acceptable to all members, credit plus activities, regular conducting of meetings, holding of meetings whenever necessary, recording of minutes regularly, unanimous decisions, providing chance to every member to raise their voice, involvement of *Grama Samaikya* (Village SHG leaders) in the conflicts of the group members, no drop out of members in the group, flexibility in group management in terms of amount of savings, flexibility in group management in terms of, norms for internal group loan, flexibility in group management in terms of disbursement of bank loan etc., regular payment of thrift amount, proper utilization of interest accrued on savings amount, no record of losses, having awareness about rules and regulations to all the members , running of IGA individually, regular updating of books of accounts, regular updating of member's passbooks, regular updating of SHG passbook, regular repayment of bank loan installment amount, regular repayment of internal group loan installment amount, selection of Income Generating Activity , periodical appraisal of performance of the group, unity among group members , regular attendance of the members to the group meetings and marketing on own are the major strengths of the sample respondents.
- With regard to weaknesses of the sample, the study reveals that non-intimation of absence to the group meetings in case it is not possible to attend the meeting, lack of rotation of group leaders and lack of

adequate capital are the prominent weaknesses of the sample respondents.

- As far as opportunities of the sample respondents are concerned, the study reveals that participation in social activities, earning of profits, increases the income, increasing the savings, providing of employment opportunities, capacity to spend more on food as well as non food expenditure, creating confidence to face problems, increases decision-making power in the family, improving literacy and communication skill, giving social status, creating better awareness about health, increasing in the value of assets, creating awareness about self-reliance, improving leadership skill, inducing social responsibility and creation of more than 300 man days in a year are found to be the opportunities of the sample respondents.
- With regard to threats of the sample respondents, it is obvious from the study that lack of training to the SHGs on conflict management, dependence on others for marketing and dependence on money lenders for insufficient capital amount are predominant threats to the sample respondents.

Conclusion

It can be concluded that SHG – Bank linkages is a successful step in providing access to finance to the rural needy people. The process has enabled a large number of people to engage in various income generating activities to challenge poverty. The programme, indeed, helped in improving

the household conditions of the sample respondents as well as their knowledge and awareness about various issues. However, on observation the following issues are identified.

Their management practices are found to be satisfactory. The situation varies from one category of income generating activity to another category of income generating activity. As a result of income generating activities taken up by women, family incomes had substantially increased. Apart from the economic changes, tremendous social changes are also evident from the study. Women began to command more respect, found due affection and a rightful place in the family. Their involvement in family decisions had been substantially enhanced. As a group, women had gained more confidence and power.

It is evident from the study that besides economic improvement, the social outlook of rural women has undergone a radical change. The involvement in the group significantly contributed in improving the self-confidence of the members. The members are more assertive in confronting social evils and problem situation. As a result, there is fall in the incidence of family violence. In fact, some degree of transformation of social outlook is observed.

SWOT analysis of sample SHGs shows that strengths and opportunities are found to be higher in degree when compared to weakness and threats. This is the ample evidence of the fact that women in the Self Help Groups are confident of overcoming the minor weaknesses and threats utilizing the major strengths and opportunities that they possess.

Suggestions

On the basis of the findings of the study, the following suggestions have been made to improve the function of the microfinance management by the women SHGs.

- ❖ As the study reveals dependence on money lenders by some of the respondents for insufficient capital, it is suggested that quantum of loan under SHG-Bank Linkage should be enhanced so as to meet the requirements of the Women SHG members.
- ❖ As the study finds that there are variations in different income generating activities as regards investment, expenditure, marketing, profit, etc. Various government agencies, NGOs and Voluntary agencies should come forward to provide services like right guidance as to profitable ventures, marketing, input supply, knowledge in management, human resource development, etc., so that the SHG members could take up remunerative economic activities and indeed improve their quality of life.
- ❖ Income generating activity should be based on available local resources, available financial assistance and a reasonably assured market with profits. Goods to be produced should be either for local needs or to facilitate traditional manufacture.
- ❖ Every group needs a policy on how to manage the savings of members who leave the group voluntarily or are asked to leave for some reason.

- ❖ In order to ensure sustainability of the SHGs, their activities and linkages, it is suggested that there should be better transparency in the books of accounts maintained at the group level. These books should reflect the position of deposits in members' accounts, interest paid on savings, distribution of corpus or operating surplus among members, ever greening of loan accounts, etc.
- ❖ Periodical training programme at regular intervals to group members may be organized by the NGOs and other Government officials to aware about bank loan, proper accounts keeping, self management, decision making etc. Training in book-keeping, accounts, fund management and other financial matters related to SHGs is essential to make the members competent enough to deal with the increasing volume of transactions. Further, availability of need based services like conflict resolution are also required for smoother operation of the group.
- ❖ Rapid expansion in the number of groups should be followed by a close and continuous monitoring of their health. This is very essential to prevent the groups losing their efficacy. An effective group monitoring system in the case of groups is a future challenge which should be met with by developing group structure like clusters and federations. The vertical structures and their management require capacity - building and promotion of leadership from the grassroots upwards within the SHG structure.

- ❖ Continuous monitoring of SHGs should be done by the banks in order to maintain the quality of the groups. Further, the Reserve Bank of India should look into the supervision and regulation aspects of the sector in the interests of millions of the poor who access financial services through this mode.
- ❖ The basic objective of the Twelfth Five –Year Plan of the Government of India (2012-2017) is faster, more inclusive and sustainable growth. To achieve this target, the manufacturing sector is expected to grow at 11-12 per cent per year and to create 2 million additional jobs per year. It is considered that micro enterprises in India have the potency and capacity to lead to this desired level and they contribute in a big way to employment creation and reduction of poverty. Therefore, there is a need to encourage more number of women to start microenterprises.

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