

## **Chapter – VI**

**SUMMARY OF FINDINGS AND SUGGESTIONS**

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### **Introduction**

Women are trying their level best to attain equality of opportunities in various ways, which are different over the time and among societies. Micro credit for women self-help groups helps pool the small capital resources and skills available with women. It paves the way for fuller utilization of capital and mobilizes the female human potential. It gives psychological satisfaction or relief to the educated women and provides a sense of achievement and a separate enhanced identity in society. Self-Help Groups can help women's economic independence and improve their social status giving rise to women's socio-economic development. Women have started proving themselves in many fields and participation in entrepreneurial activities has increased by leaps and bounds.

A study on the socio-economic development of women who had formed self-help groups became relevant in the context of importance given by the policy makers, financial institutions, government and non-governmental organizations to help form such self-help groups that had demonstrated a positive impact on the status of women.

The survey was conducted in selected mandals of Prakasam district based on the interviews and discussions with the group members, field officers of the IKP (Indira Kranti Padham) and questionnaire survey results. The following findings and suggestions are being made.

### **Findings**

The study was an attempt to understand the impact of self-help groups on the socio-economic conditions of the sample respondents, which is measured in terms of their standard of living. The following are the findings of the sample respondents.

#### **6.1 Socio-Economic Conditions of the Sample Respondents**

It was necessary to get an impression about the socio-economic conditions of the 1200 sample respondents so as to examine the factors that led to the success regarding their Self-Help Groups.

### **6.1.1 Caste-Wise Distribution of the Sample Respondents**

It was evident that out of 2,583 total groups, 1076 (41.65 per cent) groups belong to Scheduled Caste, 345 (13.36 per cent) groups belong to Scheduled Tribes, 797 (30.86 per cent) groups belong to Backward Castes and 365 (14.13 per cent) belong to Other Castes.

### **6.1.2 Age- Wise Distribution of the Sample Respondents**

The survey revealed that out of 1200 sample respondents, a majority of 452 (37.67 per cent) sample respondents are found in the age group of 26-40 years. It is also observed that 431 (35.92 per cent) sample respondents are found in the age group of 40 above and 317 (26.41 per cent) sample respondents are found in the age group of below 25 years.

### **6.1.3 Educational Background of the Sample Respondents**

A cursory glance revealed that out of 1200 sample respondents, 710 (59.16 per cent) sample respondents are illiterate, 267 (22.26 per cent) sample respondents studied up to 1-5<sup>th</sup> Standard, 186 (15.50 per cent) sample respondents have been educated up to 6-12<sup>th</sup> Standard, 13 (1.08 per cent) sample respondents have diplomas and 24 (2.00 per cent) sample respondents had completed their graduation.

### **6.1.4 Marital Status of the Sample Respondents**

It is clear that, out of 1200 sample respondents, most of the 1012 (84.33 per cent) sample respondents were married who are involved in income-generating activity (like petty shops), 112 (9.33 per cent) widow sample respondents were actively involved in business (like individual business) and 76 (6.34 per cent) sample respondents were unmarried.

### **6.1.5 Type of Family of the Sample Respondents**

The data revealed that out of 1200 sample respondents, 970 (80.83 per cent) sample respondents are in nuclear family because, in the globalized era, people are very much inclined to live in nuclear families rather than in joint families. The joint family concept was disappearing slowly or losing its importance and hence only 230 (19.17 per cent) of the sample respondents live in joint families.

### **6.1.6 Income details of the Sample Respondents**

From a glance at the income position of the 1200 sample respondents, it is clear that 614 (51.17 per cent) sample respondents are in the income level of up to Rs.2000, 245 (20.41 per cent) sample respondents earn income between Rs. 2001-2500, 182 (15.17 per cent) sample respondents are in the income level of Rs. 2501-3000 and 159 (13.25 per cent) earn income above Rs.3000.

### **6.1.7 Saving details of the Sample Respondents**

With regard to saving attitude of the 1200 Sample respondents, 973 (81.08 per cent) sample respondents developed an attitude of saving from their income after they joined the SHGs. It is noted that 210 (17.50 per cent) sample respondents had the habit of saving before they joined SHGs and 17 (1.42 per cent) sample respondents said that they came to know about the savings after seeking help from others.

### **6.1.8 Structure of Self-Help Groups**

It is noted that the average membership per SHG was 10.00. The study reveals that most of the members agreed that their motives in joining SHGs were to save. Some said they joined the SHG to get credit to meet the unexpected cash demand for consumption and other purposes. A few opined that it led to social empowerment. The average savings per SHG was Rs. 11,666. It varied from Rs. 9000 in Cumbum to Rs. 14,000 in Singarayakonda Mandal. The per member saving was around Rs.1166. The frequency of group meeting by SHG indicated that monthly meetings were the most common followed by fortnightly and weekly meetings.

### **6.1.9 Profile of SHG Members**

It is observed that the average age of SHG members was 40.00 years, the lowest being 32 years in Addanki Mandal and the highest being 45 years in S.Konda Mandal. Regarding the caste profile of SHG members, the table shows that majority of members belong to SC&ST community (i.e.55 per cent). It is the highest in Addanki Mandal with 44 per cent and the lowest in Cumbum Mandal with 14 per cent.

#### **6.1.10 Coverage of Beneficiaries under SHGs in the Sample Mandals**

The data revealed that out of 2583 total groups, that 41.67 per cent of respondents are Scheduled Castes, 13.33 per cent of beneficiaries belong to Scheduled Tribes and 30.84 per cent of beneficiaries belong to Backward Castes followed by 14.16 per cent of the beneficiaries from the other castes in the three sample mandals of Prakasam district.

#### **6.1.11 Purpose of Credit Demanded and Utilized**

It is observed that most of the members have demanded credit for domestic consumption purposes. It is the highest in Addanki Mandal (60%) followed by Singarayakonda Mandal with 58.46 per cent and Cumbum Mandal with 50.58 per cent. Reasonable proportions of SHG members have demanded credit for other purposes. It is clear that a larger share of credit demanded by SHG members is being utilized for domestic consumption purposes followed by repayment of debts, Festivals and others.

#### **6.1.12 Economic Activities Covered by SHG Members**

It is observed that most of the SHG members (49.33 per cent) are engaged in the petty shop business. Some of the SHG members (20.00 per cent) are engaged in the collection and processing of minor forest products. These products include materials for broom making, cashew, turmeric, tamarind and khalli (leaf plates). 34 per cent of the members are engaged in individual businesses like poultry, bangle shop and tailoring. They are also engaged in poultry, dairy and goatery business. Some are engaged in other activities.

#### **6.1.13 Loan Support to SHGs by Banks**

It is noted that they are taking loans for both production and consumption purposes. State Bank of India has provided loans of Rs.1,20,00000 to respondents of Addanki Mandal, followed by Rs.80,00000 to Singarayakoda Mandal respondents and 40,00000 Cumbum Mandal respondents. So far as loan repayment is concerned, the SHG members of Addanki Mandal have repaid 72.60 per cent of their loans followed by those of Singarayakonda Mandal with 65.30 per cent.

#### **6.1.14 Savings and SHG Assistance**

It is clear that the SHG members in Singarayakonda Mandal have achieved a very high level of average savings at Rs.1,400-00 during 2009-10. Addanki followed this where each member on the average could save Rs.1,200-00. SHG members in Cumbum Mandal could save Rs.900-00 per member. The overall average is Rs.3,500-00.

#### **6.1.15 Benefits Derived by SHG Members**

##### **Research Hypothesis**

There is no significant change in the socio-economic status of sample beneficiary groups before and after joining the self-help groups.

##### **Statistical Test**

'ANOVA 'F' test was used to determine the above case.

##### **Findings**

There is a significant change in the Habit of savings, Economic Independence and additional employment opportunities gained by the sample respondents, both between groups and within groups.

Hence, the Null hypothesis is rejected (Table No.5.11).

#### **6.1.16 Impact on the Sample Respondents after Joining the SHGs**

It is observed that out of 1200 sample respondents, 720 i.e., (60 per cent) sample respondents felt that the group savings had a positive impact on family economic status, 260 i.e., (22 per cent) sample respondents felt that after joining the Self-Help Groups, they fulfilled their ambition and 220 i.e., (18.33 per cent) sample respondents felt that it contributed to social improvement.

### **6.1.17 Average House-hold income of the sample groups in the Prakasam district, caste-wise .**

#### **Research Hypothesis**

There is a significant change in the performance of SHGs in Prakasam district in terms of saving, income generation, employment, asset creation and occupational status of self-help groups.

#### **Statistical Test**

't' and ANOVA 'f' tests were used to determine the above case.

#### **Findings**

There is a significant change in the average House-hold income of the sample respondents before and after joining the self-help groups and between and within the groups, Caste-wise.

Hence, the Null hypothesis is accepted (Table No.5.13 & 5.14).

### **6.1.18 Average House-hold income of the sample groups in the Prakasam district, Occupation-wise**

#### **Research Hypothesis**

There is a significant change in the performance of SHGs in Prakasam district in terms of saving, income generation, employment, asset creation and occupational status of self-help groups.

#### **Statistical Test**

't' and ANOVA 'f' tests were used to determine the above case.

#### **Findings**

There is a significant change in the average House-hold income of the sample respondents before and after joining the self-help groups and between and within the groups, Occupation-wise.

Hence, the Null hypothesis is accepted (Table No.5.15 & 5.16).

### **6.1.19 Average House-hold Employment of the sample groups in the Prakasam district, caste-wise**

#### **Research Hypothesis**

There is a significant change in the performance of SHGs in Prakasam district in terms of saving, income generation, employment, asset creation and occupational status of self-help groups.

#### **Statistical Test**

't' and ANOVA 'f' tests were used to determine the above case.

#### **Findings**

There is no significant change in the average House-hold employment of the sample respondents before and after joining the self-help groups and between and within the groups, Caste-wise.

Hence, the Null hypothesis is rejected (Table No.5.17 & 5.18).

### **6.1.20 Average House-hold Employment of the sample groups in the Prakasam district, Occupation-wise**

#### **Research Hypothesis**

There is a significant change in the performance of SHGs in Prakasam district in terms of saving, income generation, employment, asset creation and occupational status of self-help groups.

#### **Statistical Test**

't' and ANOVA 'f' tests were used to determine the above case.

#### **Findings**

There is a significant change in the average House-hold employment of the sample respondents before and after joining the self-help groups and between and within the groups, Occupation-wise.

Hence, the Null hypothesis is accepted (Table No.5.19 & 5.120).

### **6.1.21 Average House-hold Assets of the sample groups in the Prakasam district, Caste-wise**

#### **Research Hypothesis**

There is a significant change in the performance of SHGs in Prakasam district in terms of saving, income generation, employment, asset creation and occupational status of self-help groups.

#### **Statistical Test**

't' and ANOVA 'f' tests were used to determine the above case.

#### **Findings**

There is a significant change in the average House-hold assets of the sample respondents before and after joining the self-help groups and between and within the groups, caste-wise.

Hence, the Null hypothesis is accepted (Table No 5.21 & 5.22).

### **6.1.22 Average House-hold Assets of the sample groups in the Prakasam district, Occupation-wise**

#### **Research Hypothesis**

There is a significant change in the performance of SHGs in Prakasam district in terms of saving, income generation, employment, asset creation and occupational status of self-help groups.

#### **Statistical Test**

't' and ANOVA 'f' tests were used to determine the above case.

#### **Findings**

There is a significant change in the average House-hold assets of the sample respondents before and after joining the self-help groups and between and within the groups, Occupation-wise.

Hence, the Null hypothesis is accepted (Table No 5.23 & 5.24).

## **Analysis of the Study**

The above findings reveal the details of socio-economic development of women through Self-Help Groups in the Prakasam district of Andhra Pradesh. The income of the women has been increased after joining the Self-Help Groups. So that the monthly household expenditure had also has been raised considerable level. But the savings are increasing at a slow rate, because the incremental expenditure is higher. Mostly, they are spending for present consumption. The members should change it. The good practice of the women SHGs in the study area is repayment of the loan in time. Most of the debtors paid their monthly dues within the time, and some of the members have been paid their dues in advance. A few members do not pay in time but this is not affecting the further credit of SHGs. The repayment of loan is regular and within time and we may conclude that the economic activities of SHGs are quite successful. In this way SHGs in Prakasam district of Andhra Pradesh are very successful in ensuring women empowerment in rural areas.

It is found that the operational efficiency and the group dynamics of the SHGs is not same in all sample mandals in Prakasam district. This could be attributed to several factors like background of SHG formation, internal problem, support provided by the promoters and effective leadership. It is observed that the average membership in SHG was around 10.00. The social profile of SHG members indicates that majority of the members are schedule caste, i.e., their overall average is 41.67 per cent. The overall literacy rate is only 40.86 per cent as against the district female literacy rate of 45.08 per cent. The members had joined the group in order to earn more income, promote savings habits and to develop collective economic and social activities.

So far as the frequencies of group meetings are concerned, it is observed that monthly meetings were the most common. The Groups maintain cashbooks, passbooks and attendance registers. The member's in-charge of accounts is being given training in book keeping by the master book keeper (MBK). But the member who looks after all this secretarial work is not paid any financial incentive.

From the study, it is found that individual members contribute Rs. 10 to Rs. 100 per month. 70 per cent of SHG members developed the thrift habit and their period of circulation was monthly. Accumulated savings by the members to group funds per SHG were to the tune of Rs. 3500. Against this loan disbursed amounted to

Rs.20000. The SHG disbursed loans both for consumption and for production purposes. Purpose-wise disbursement of credit by SHG indicates that, domestic consumption received maximum share of 56.34 per cent, followed by others 5.00 per cent. It is found that credit demanded for investment purpose is very low i.e. 7.57 per cent only.

The members have invested the loan in different economic activities like petty shop, dairy, goatery, vegetable vending, tailoring, leaf plate making, poultry, bangle shop, collection and marketing of minor forest products, individual business and other activities and are getting a good price. They are earning about Rs.2000 to Rs. 3000 per month through these activities. Members perceived several benefits through their membership in SHGs such as economic independence (66.66 per cent), self-confidence (84.24 per cent) and promotion of savings habits (58.62 per cent), social cohesion (78.99 per cent) and freedom from debt (53.61 per cent). The study reveals that the members are not skilled enough to run various units.

The study revealed that the average household income of the beneficiaries increased by 52.04 per cent in selected mandals of Prakasam district in Andhra Pradesh and this was found to be statistically significant in the study area. To get the real impact of the SHG programme, the additional income figures of beneficiaries were compared with those of non-beneficiaries. The study revealed that the average household income of non-beneficiaries rose by 26.75 per cent in selected mandals of Prakasam district and this was found to be statistically not significant in the study area. The calculated' value showed that the difference in household income of beneficiaries of the selected Mandal was significant during pre and post-SHG periods, which implies that SHG has had a significant impact on income. The calculated' value showed that the difference in household income of non-beneficiaries of the study area was not significant during pre and post-SHG periods. Occupation -wise analysis shows that in selected mandals of Prakasam district in Andhra Pradesh, the incremental income was relatively more for Cultivators, followed by rural artisans in the study area.

The study observed that the average house-hold employment increased by 150.58 man days in selected mandals of Prakasam district respectively. Caste-wise analysis revealed that the incremental employment was relatively high for SC and BC

caste categories in the study area. To test the impact of SHGs, 't' values have been calculated which were found to be significant in all caste groups. The employment generation is not significant in the case of non-beneficiaries. To find out the differential impact on various occupational categories, a study was made pertaining to employment generation among different occupational groups. The study revealed that nearly 5.02 per cent of the employment had been generated in case of 'schedule caste' during post-SHG period. Evidently, employment level of the beneficiaries increased remarkably in comparison with the non-beneficiaries whose employment level did not change much.

In respect of impact of asset base of beneficiaries, the study made it clear that the average asset holding of beneficiaries, increased from Rs. 1296240/- to Rs.1921198/-, indicating 48.21 per cent increase in the post-SHG period in selected mandals of Prakasam district. Caste-wise analysis revealed that the generation of incremental assets was relatively high for SC category when compared to other castes. To test the impact of SHG 't' values have been calculated which were found to be significant in all caste groups. In the case of non-beneficiaries of the study area, 't' values were not significant during pre and post-SHG periods, except in the case of other castes. Occupation-wise analysis revealed that, the incremental asset was relatively high for cultivators followed by others and rural artisans in selected mandals of Prakasam district. The percentage of increase in assets was relatively more for cultivators in selected mandals of Prakasam district. With regard to non-beneficiaries, there was no remarkable improvement in their asset level, of all occupational groups, in the study area, except in the case of cultivators.

The study reveals that SHGs had set a new agenda for financial intermediation by banks in the form of micro-credit. They have infused a new dynamism among their members to climb the socio-economic ladder in the development process. Thus, SHGs have served the cause of women empowerment, social solidarity and socio-economic betterment of the poor.

### **Policy Implications**

In this twenty-first century, we must take adopt an active, people-centered and growth-oriented poverty alleviation strategy-a strategy which satisfies women's aspirations and ensures their involvement. It is envisaged that self-help groups will

play a vital role in such a strategy. But there is a need for structural orientation of the groups to suit the requirements of new business. Micro credit movement has to be viewed from a long-term perspective under SHG framework, which underlines the need for deliberate policy implications in favor of assurance in terms of technology back-up, product market and human resource development. Hence, there is a need for the development of an innovative and diversified micro-finance sector, which will make a real contribution to women empowerment.

### Suggestions

In the light of the empirical study, the following suggestions are offered for the effective role SHG programme can play in the economic empowerment and improvement of the quality of life of the poor/ low-income rural women. Government and Non-Government organizations should work effectively to motivate the women self-help groups for upliftment of their members.

Literacy and numeric training are needed for the poor women to benefit from the micro-credit schemes. In spite of mass literacy and awareness campaigns, the basic objectives of SHGs seemed to have not been understood by the members clearly. They still display the 'dependency syndrome' on the government. This needs to be corrected through vigorous awareness campaigns.

Until the objectives of self-help scheme such as DWCRA are clearly understood by the members, there should be sustained monitoring of the groups either by ministerial staff of the government or non-governmental organizations (NGO) over the progress of SHGs.

Governmental agents and facilitators of NGOs should act as liaison/bridge builders between the banker and beneficiaries of SHGs. Individual beneficiaries-specific credit requirements must be assessed and accordingly, arrangements must be made for the disbursement of adequate and timely credit coupled with supervision of the end-use of credit, both by the supervisors of banks and facilitators of NGOs, which will help in effective utilization of credit by the members of SHGs.

Care should be taken to ensure that women, who are not poor, are not included as beneficiaries. In spite of local political pressure, care should be taken so as to not to leave out really poor women who live in remote villages hamlets. NGOs, who have adopted some villages for rural uplift, can help in proper identification of beneficiaries because of their familiarity with villages. Further, NGOs can monitor the agencies in order to ensure right selection of really poor women.

The members of the SHGs should be more active, enthusiastic and dynamic to mobilize their savings by group actions. In this process government and NGOs should act as facilitators and motivators. The procedure of the banks in sanctioning credit to SHGs should be simple and quick.

Active intervention by district administration, professional bodies and voluntary organizations is precondition for the successful conception of self-help group enterprises in terms of skill training, designing products, providing new technology and gaining access to market.

There should be a permanent DWCRA bazaar in addition to periodical DWCRA bazaars at district head quarters. The prices of products should be a little less than the open market prices so that the consumers are attracted to DWCRA bazaars. In order to achieve lower cost and price levels, imparting training in their trades should enhance the productivity levels of SHGs.

There should be periodical exhibitions, seminars and workshops to enhance the awareness levels of SHGs members.

Poverty, illiteracy, ignorance, unfavorable atmosphere, lack of innovation and bureaucratic attitude of the officials are some of the constraints in the development of women Self-Help Groups. Therefore, an integrated approach and concerted efforts are needed for the development of Self-Help Groups. Human Resource Development is a key element in this endeavor also.