

CHAPTER-IX

RETROSPECT

CHAPTER – IX

SUMMARY AND CONCLUSIONS

9.1 Introductions

In India among many poverty eradication and women empowerment programmes SHGs is one of the prominent programmes. Even political scenario is supporting and recognizing it as the best tool for the glory of their Governments. The ultimate objective of rural development is the eradication of poverty and improving the quality of life of masses especially in the life of rural remote and neglected women in India. In formulating rural development policy the whole approach has been fundamental and has been targeted towards alienating rural poor from the culture of poverty, which has been perpetuated over ages. Development alone cannot bring peace and prosperity unless social justice and gender equality are ensured. It has been well accepted that various development programmes have bypassed women who constitute about half of the population of the country. The issues of empowerment of women, who constitute about half of the population of the country becomes more significant because unfortunately they had been discriminated a lot. International Conventions and Conferences, Legal enactments, Constitutional provisions etc., highlighted the imperative need for gender equality and women empowerment.

The rural poor, with the intermediation of voluntary organizations join together for self-help to secure better economic growth. This has resulted in the formation of a large number of Self-help Groups in the country, which mobilize savings and recycle the resources generated among the members. SHGs are necessary to overcome exploitation, create confidence for the economic self-reliance of the rural poor, particularly among women who are mostly invisible in the social structure. The government's recent initiatives to streamline credit operations and delivery system through micro-finance movement and strengthening and expansion of credit institutions (SHGs) can definitely help in the revival of rural economy and empowerment of the rural poor. Micro-credit intervention programme has been well organized, world over as an effective tool for poverty alleviation and improving

socio-economic conditions of rural poor. In India too, micro-credit is making a strong headway in its efforts reduce poverty and empower the rural poor. The prime need of the hour is to ensure the poor live with dignity, sufficiency and responsibility. The activities of Self-help Groups (SHGs) have emerged as a sustainable approach to make credit facilities available to the poor at their door-step in a simple and flexible manner. Women play a significant role in the domestic and socio-economic life of the society and therefore holistic national development is not possible without developing this segment of the society. The issue of empowerment of women becomes more significant because women constitute half of the population. The rural poor, with the intermediation of voluntary organizations join together for self-help to secure better economic growth. This has resulted in the formation of a large number of Self-Help Groups in the country, which mobilize savings and recycle the resources generated among the members.

In view of huge potential of microcredit in rural India, after the intervention of National Bank for Agriculture and Rural Development (NABARD) in 1992 in the field of microcredit, SHG-Bank Linkage Programme (SBLP) was launched in addition to the involvement of about half a dozen other apex bodies or wholesalers provide loans to financial intermediaries for on-lending to SHGs. The prominent among these include Small Industries Development Bank of India (SIDBI), Rashtriya Mahila Kosh (RMK), Housing and Urban Development Corporation (HUDCO), Housing Development Finance Corporation (HDFC) and Friends of Women's World Banking (FWWB), Donors and banks, including Rabobank, also provide grants and loans to Microfinance Institutions (MFIs) for on-lending to SHGs and federations of SHGs.

NABARD took efforts to bring more impetus in the implementation of SHG-Bank Linkage Programme (SBLP) especially by commercial banks. As per the directions of the Reserve Bank of India (RBI) all commercial banks to gave the priority to SBLP by making it a part of their corporate strategy, consequently SBLP has been included as a part of bank's corporate planning strategy.

The SHG-Banks Linkage Programme (SBLP) has grown exponentially during the last two decades and over 97 million rural households have new access to regular

savings through 74.62 lakh SHGs linked to different banks as on 31st March 2011. Significant number of SHGs were extended fresh loans to the extent of Rs.14,548 crore during 2010-11 about 82 per cent of SHGs have been already linked to banks are exclusive women groups and about 28 per cent of the SHGs have been linked through SGSY programme.

The State of Andhra Pradesh is considered to be the leader in the SHG movement in the country. By virtue of many proactive steps initiated in promoting SHGs in the state women's savings movement started in 1993 as an off shoot of total literacy campaign successfully conducted by the pro-active government initiatives in the southern part of Andhra Pradesh. The State alone account for half of the SHGs organised in the country. More than 14.66 lakh SHGs had been formed in Andhra Pradesh and linked to financial institutions, the highest for any state in the country and the total amount of the savings of these SHGs is Rs.130780.22 lakhs by March 2011.

The income generating activities taken up by the SHGs in Andhra Pradesh and access to the banks and financial institutions attracted the attention of not only other States but at international level also. In view of development of self-help movement in Andhra Pradesh, other states within the country visited Andhra Pradesh and praised the SHGs functioning and implementation of SHG-Bank Linkage program in Andhra Pradesh. The other State Governments are also taking the practice as a model and are sending teams to study the implementation of the program with an aim to implement in the same way in their sates also.

The Government of Andhra Pradesh especially launched a scheme, namely, *Pavala Vaddi* Scheme (Twenty Five Paisa Interest Scheme) in the year 2004-05 in order to address the interest burden of the loan women SHGs. Under this scheme, the giving an incentive in the form of reimbursement of the interest above 3 per cent per annum is given on the loans taken by the Self-Help Groups. The SHGs, which have completed 6 months of loan repayment, become eligible to get benefits from this scheme. The interest incentive will be given every six months, only to those members who have availed the loan and are repaying regularly. In Andhra Pradesh, commercial banks, regional rural banks and cooperative banks are playing role in

providing microfinance to the SHGs. The share of Commercial Banks as regards number of SHGs is highest in the State (71.01%) during 2010-11, while about 27 per cent of the SHGs in the State are with Regional Rural Banks and the rest around 2 per cent of the SHGs are with Cooperative Banks.

Against this backdrop an attempt is made in this study to examine the status of SHGs in the state of Andhra Pradesh selecting the Guntur District which is wide with many backward areas like palanadu and east costal villages with different kinds of artisans like weavers, potters, fisher women and nomads. The analysis is carried to know the role and growth of women empowerment in rural women of this district. In brief the study concentrated on the socio-economic conditions of women SHGs and how best the economic activity promoted by the SHGs is enlightening the lives of rural women by enriching the economic strength and giving boost to women empowerment.

9.2 Objectives of the Study

The objectives of the study are:

1. To examine the formation, progress and functions of SHGs in the state of Andhra Pradesh and India.
2. To examine the socio-economic and demographic features of sample SHGs respondents in the study area.
3. To analyse the perceptions and changes in social status of sample SHGs women.
4. To evaluate the impact of income generating activities on empowerment in the study area.

9.3 Methodology

Multi stage random sampling method is used for the purpose of the study to collect primary data. Guntur district is purposely selected for the study. At the next level all the four villages are selected randomly from four mandals representing all the

four revenue divisions in the Guntur. The functioning of SHGs in the randomly selected villages are thoroughly examined with the help of mandal level officials and VDOs in each village. Among the grounded SHGs, the SHGs which are actively functioning are identified. Out of these SHGs a sample of 25 units of groups are finally selected for the study. These groups possess various income generating activities in the respective villages. Primary data was collected from 792 sample respondents using pre-tested questionnaire.

9.4 Organization of the Study

The thesis is divided into nine Chapters. Chapter I deals with introduction to the problems, need for the study, objectives, hypotheses and methodology. Review of literature is given in Chapter II, The profile of the sample district is discussed in Chapter III. Chapter IV deals with the analysis of the status of SHGs in the state of Andhra Pradesh. The socio economic status of the sample respondents is examined in chapter V. Formation and Functioning of SHGs in the Study Area is discussed in Chapter VI. Chapter VII presents Awareness and Perceptions of Sample Respondents. The impact of SHGs on sample respondents is examined in Chapter VIII, followed by Conclusion, Suggestions and Policy implications in Chapter IX.

9.5 The major findings of the study are summarized as follows

- Out of the total 792 sample respondents 31.06 per cent are engaged in food process unit followed by 21.33 per cent in Tailoring and Sari Painting, 18.68 per cent in Dairy and Poultry, 17.92 per cent in Manufacturing and 10.98 per cent in Trade and Commerce.
- 64.39 per cent of the sample respondents belong to the age group of 25-45 followed by 32.20 per cent are in 45-60 age group. Only least number 3.41 per cent of sample respondents are in below 25 years age group. The particular aspect in the study area is that significant per cent of the sample respondents are very young and belong to economically productive and active age group.
- BCs occupy 46.84 per cent of sample respondents followed by 25.88 per cent SCs, 18.81 per cent OCs and 8.45 per cent STs respectively.

- Among the total sample respondents 96.46 per cent are married and 2.52 per cent are widows while the rest of 0.88 and 0.01 per cent are in unmarried and divorced respectively.
- 94.71 per cent of sample respondents families consists of 4 to 5 members. It is a positive sign in understanding the adoptability of small family norms.
- With regard to level of literacy, out of the total sample respondents 27.78 per cent of them are illiterates 43.81 per cent can just write their name and put their signature but do not have any formal schooling. It is about 23 per cent have studied up to primary level and 5 per cent got schooling upto secondary level while the respondents having higher education is negligible.
- As far as residential accommodation, out of 792 sample respondents 54 per cent of them are dwelling in tiled houses while 29 per cent are living in thatched houses. It is only 17 per cent could stay in R.C.C structured houses.
- Regarding the residential accommodation is concerned 75 per cent of women SHGs beneficiaries are residing in own houses, while the remaining 25 per cent are residing in rented houses.
- Regarding the source of drinking water, 36.36 per cent of the sample respondents are using Tap water being supplied by village Panchayat after filtration through overhead tanks constructed in the village. Another 30 per cent of sample respondents are using open well drinking water followed by 21 per cent bore well water and rest of the 9.27 and 1.77 per cents of respondents are using open well and other sources respectively.
- In the case of facilities available in the house of the sample respondents, all the sample respondents have got electricity connection. 96.71 per cent of sample respondents are using LPG gas which indicates that the sample respondents are enjoying the benefits from Deepam Pathakam. 81.81 per cent of sample respondents possess septic tank facility and 96.84 per cent of sample respondents are having television facility. But 23.23 per cent and 25

per cent sample respondents have the facility of refrigerator and motor cycle respectively.

- 95.20 per cent are possessing white ration cards followed by 4.17 per cent are having pink ration card. It is also noticed that only 0.63 per cent of sample respondents are not having any ration card.
- It is noticed that 77.65 per cent of the sample respondents do not have membership in Government programmes particularly in case of Rythumithra and MGNREGP 10.35 and 11.99 per cents of sample respondents are involved in Government programmes.
- More than one third of the sample respondents do not possess land of their own, while 37 per cent of the sample respondents are having below one acre of land. It is only one fourth of the total sample respondents are having two acres of land, while only 2 per cent are possessing 3 to 5 acres of land.

Regarding the formation and functions of Self-Help Groups, the results are summarized as follows.

- Out of the total sample SHGs women, 48.61 per cent are motivated by NGOs followed by about 30 per cent by the family members. The influence of friends and Government officials 18.56 per cent, 3 pr cent respectively in motivating the rural women towards SHGs.
- The reasons for joining SHGs reveals that 33.08 per cent of the sample respondents have joined to improve their savings, while 30.68 per cent to supplement their family income and another 16.41 per cent to develop social status. But 14.26 per cent of sample respondents joined to get loan amount at lower rate of interest rate. However, it is only 5.55 per cent of the sample respondents have joined SHGs to improve knowledge.
- It is noticed that 67.93 per cent of sample respondents, have been possessing the SHG activity for the last 5 to 10 years where as 16.67 per cent of sample

respondents are found with below 5 years whereas only 15.40 per cent of sample respondents are in the range of above 10 years.

- Regarding the size of the group, it is evident that group size of about 94.94 per cent of sample respondents are in more than 10 members group whereas 5.05 per cent of sample respondents are in the group size of less than 10 members.
- In case of transparency in dealings in the SHGs it is identified that more than 56.99 per cent of sample respondents are aware of the rules of the SHGs while the other 21.33 per cent of sample respondents are known to certain extent. Also observed that 8.71 per cent of sample respondents are neither known nor aware of the rules and regulations of SHGs.
- 96.08 per cent of the sample respondents do not have any group conflicts. Negligible (4.00 per cent) of sample respondents are found with group conflicts.
- 50.00 per cent of the sample respondents are attending meetings only whenever it is convenient for them, whereas other 40.27 per cent of sample respondents are regular in attendance. Only few that are 9.72 per cent of sample respondents are irregular for the meetings.
- The bank transaction of sample respondents in the study area reveal that about 80 per cent of the sample respondents have been maintaining transactions with State Bank and the rest with Andhra Bank with out any problems.
- 59.85 per cent of the sample respondents can save upto Rs1550 per month, whereas 26.86 per cent are savings an amount of Rs1050 per month. The least 16.28 per cent could save a meager amount of Rs550 per month. There are marginal variations in terms of savings across the activities in the study area.
- Regarding loan amount received from Banks, that 61.1 per cent of sample respondents have receive the loan amount worth Rs50000 followed by 23.0, 10.9 and 5.1 per cent of sample respondents Rs25000, Rs10000 and Rs5000 respectively. The majority 60.00 per cent of sample respondents have received

more than Rs50000 which is positive sign in dealing with debt and continuing the financial channel with banks.

- With regard to the repayment of loan amount majority of the members in study area are paying total installment of bank loan on time (98 per cent) but the meager 2 per cent of the respondents are repaying irregularly. Hence it is inferred that the performance of repayment of loan is satisfactory.

Regarding the perceptions of sample respondents in the study area on their awareness regarding empowerment in health, education, social and economic aspects the following are the findings.

- 98.98 per cent of the sample respondents are aware of importance of family planning after joining SHGs.
- 97.09 per cent of sample respondents are well versed with reproductive health care after getting association in SHGs
- Significant percentage of sample respondents (95.07 per cent) have acquired knowledge and awareness about HIV/AIDS after joining SHGs. Only a few sample respondents (5.53 per cent) responded have not learned about this component.
- It is notice that 9.93 per cent of sample respondents are improved in the knowledge and awareness on nutritional and health status. Only a few 6.07 per cent of sample respondents have no knowledge and not aware of it in the study area.
- 95.07 per cent of sample respondents gave advice and guidance to the co-villagers about the importance of family planning and family planning methods, but a negligible per cent of sample respondents (4.92 per cent) did not advise and guide the co-villagers about family planning.
- 96.59 per cent of sample respondents are aware of their children education.

- Regarding awareness about Government programmes after joining SHGs, 87.87 per cent of respondents are aware of these developmental programmes carried by the Government. But 12.13 per cent of sample respondents are unaware of this government programmes.
- The distribution of the respondents by whether they possessed knowledge about legal rights reveals that 97.34 per cent of respondents are aware of the legal rights after joining SHGs. As for as the improvement in the level communication, 96.46 per cent of the sample respondents has developed their skill in communication after joining SHGs.
- 90 per cent of respondents felt that they are able to develop leadership qualities, while it is only 10 per cent have not even tried in that direction for the improvement of leadership qualities.
- It is noticed that 68.56 per cent of sample respondents are able to take decisions in the household events. On contrary to this, 31.44 per cent of sample respondents are dominated by their husbands in decision making in the household matters.
- In the area of gaining confidence and courage for further improvement of life after association with SHGs, 92.17 per cent of sample respondents have improved their confidence and courage levels regarding their life. Only few respondents that are 7.82 per cent of sample respondents have not improved confidence and courage levels.
- Regarding the distribution of the sample respondents by their participation in social activities after their association with SHGs, 93.05 per cent sample respondents are participating in social activities after joining SHGs, whereas around 7 per cent of sample respondents are not participating in social activities.
- 92.04 per cent of sample respondents are attending all the meetings in Gram panchayats after joining in SHGs. Only 7.95 per cent of respondents are not attending any meetings.

The findings on the problems of investment, debt, market conditions, problem from funders and sufficiency of loan amount are as follows

- Regarding the choice of the activity 51.13 per cent of the total respondents stated that availability of raw materials, 27.77 per cent of total respondents expressed because of market demand, and 20.07 per cent of total sample respondents stated because of the training and skill in the activity and few that is 2.14 per cent for other reasons.
- On sufficient of loan amount, 56.06 per cent of sample respondents have insufficient loan amount given by different funding agents and 43.93 per cent of sample respondents are sufficient with the amount given by the funders for their activity.
- Regarding amount invested 58.83 per cent of sample respondents invested less than Rs20000, while the remaining 41.17 per cent of sample respondents invested more than Rs20000 and above.
- It is noticed in the case of number of working days 65.02 per cent of the respondents are under the impression that number of employment generated by the respective activity is 300 or less than 300, while the remaining 34.98 per cent of the respondents, the number of employment days are more than 300.
- The distribution of the sample respondents by profit earned per month, 45.95 per cent of sample respondents are below Rs5000 per month, while the range of Rs5000 to Rs10000 is 44.19 per cent of sample respondents followed by 9.84 per cent in above Rs10000 and above range which is very less in comparison to total sample respondents.
- Nearly 50.75 per cent of the sample respondents are selling their products directly through their own shop, while the rest 49.24 per cent of the sample respondents are selling their products to other shops.

- Regarding financial problems, 54.92 per cent of the sample respondents have financial problems in running the income generating activities. By contrast, 24.13 per cent of the respondents stated that they are facing no problems and around 17.80 per cent of the respondents are facing other than financial problems, such as lack of marketing knowledge and lack of co-operation from the society.

In the light of the study major findings, following suggestions can improve the day today functioning and help for sustainable growth of the identified income generating activities. The rigorous implementation of adult education programme together with implementation of training programme for specified trades can improve the efficiency and productivity of the income generating sources. The effective and active involvement of rural women in the development activities can improve levels of income.

A special women development agency should be constituted apart from District Rural Development Agency to guide the specific problems on running income generating activities. The government should take steps to provide raw materials to SHGs on concessional rates and also arrange DWCRA Bazaars in specified towns/localities for promotion of sales of DWCRA products.

The involvement of SHGs women in running Anganwadi programmes, Adult literacy programme, child labour eradication initiatives, vanam manam, Janmabhoomi programmes, Neeru Chettu programmes, Make in India programmes, Grama Sabha and other panchayat activities can effectively enhance the status and socio-economic empowerment of women in rural India.

9.6 Conclusion

The ultimate objective of rural development is the eradication of poverty and improving the quality of life of masses especially in the life of rural remote and neglected women in India. Self-Help Groups are playing a significant role of harmonizing the society and strengthening rural economy and one of the major programme of poverty alleviation in India. Micro-finance is making headway in its

effort for reducing poverty and empowering rural women. This empirical research established that properly designed and effectively implemented micro-credit programme can not only alleviate poverty but also create more access to money. It is about women gaining control over means to make social empowerment within their homes. Thus promotion of income generation activities through micro-credit/finance among women self-help groups, no doubt ensures their economic independence and social status.

9.7 Scope for Further Research

More research should be carried out to assess the impact of micro-credit through SHGs. The impact assessment should be more focused on socio-economic empowerment of members, social change, dynamic of groups, business, leadership, promotion of viable micro enterprises.