FINDINGS, SUGGESTIONS AND CONCLUSION

6.1 INTRODUCTION

Despite the large rural banking network, a vast majority of the rural poor have no access to bank credit for various reasons. Though massive credit linked programmes have been taken up, poverty level in India continue to be high and many people still to not have access to formal credit institutions. This imability of formal credit institutions has promoted Non Governmental Organizations (NGOs) to enter the area of rural credit by organizing poor into informal groups for mutual rural poor voluntarily formed to save and mutually agree to contribute to a common fund to be lend to its members as per group decisions. The great merit of SHGs has been their ability to inculcate the habits of thrift, savings and banking.

Recognizing its importance there is a tremendous increase in the number of SHGs in Tamilnadu. Hence it is essential to evaluate whether the increase in number is justified by its working. This study is an attempt to evaluate the working of SHGs in Tamilnadu. Efforts are also made to assess how far they have succeeded in improving the living standard of members and in empowering them.

In this chapter an attempt is made to highlight the major findings, suggestions, and issues emerged from the study.

6.2 FINDINGS

The findings of the study are listed below
6.2.1 PERCEPTION OF THE ANIMATORS OF THE SHG

- About 83 per cent of the animators are in the age group 20-40 years.

- As per the survey made, 95 per cent of the animators are educated.

- Nearly 85 per cent of the animators occupation is coolie, housewife, agriculture or allied activities.

- A large majority (91%) of the animators are below the poverty line

- About 94 per cent of the SHGs were started between the years 1998 and 2002.

- Nearly 87 per cent of the SHGs admit 16 to 10 individuals as members.

- All SHGs collect subscription. The amount of subscription is varying from Rs.2 to Rs.5.

- The SHG provides sangha loans to all members the sangha loan is provided for different purposes like education, agriculture, medical, business, special needs and others. Through Garret Ranking Test, it is identified that education is primary purpose for which this loan is required by agriculture.

- Only 100 animators were selected for the study. Nearly 25 percent of them got the bridge foundation loan. They are repaying the loans on monthly basis.
Exactly 65 per cent of the SHGs have got people’s bank loan. The principal amount of this loan can be repaid at any time but interest should be paid monthly.

SHG are required to conduct group meetings. The interval periods of meetings vary from group to group.

The NGOs and banks provide training to animators of the groups. The animators have to attend the trainings.

About 80 per cent of the Group’s annual income is less than Rs.2500.

SHGs annual expenditure varies between Rs.800 and Rs.1000.

In the meetings of SHG, the matters like family matters, general matters, group development and so on are discussed.

There are about 13 factors identified by the researcher for collecting the opinion of the animators. But each factor is correlated with a common factor. Through factor analysis all the factors are brought under related headings like, socio-economic condition, social status, vulnerability of women and self reliance.

6.2.2 OPINION OF THE MEMBERS OF SHG

In Self Help Groups, nearly 64 per cent of the members are in the age group of 20-50 years for opinion of the members of the SHG.
- Majority of the respondents are education and only 11.5 per cent of them are illiterate.

- The occupation of about 75.5 per cent of the members are coolie and housewife.

- The annual income of a large majority of the members in above Rs.8000 but below Rs.12,000. Hence, it is concluded that all the members of the groups are under the poverty line

- About 84 per cent of the members are saving money on monthly basis and the remaining save weekly.

- Animators are selected by the members. Nearly 96 per cent of them are selected on the basis of skill, qualification and their approaching method.

- Nearly 97 per cent of the members of SHG stated that the animators maintain the accounts properly.

- About 60 per cent of the members stated that their groups conduct meetings on weekly basis.

- All members opinion that Sangha is performing in a better way.

- In the meetings of SHG, the members used to discuss the family problems, future plans about the SHG, common problems of members and development of members.
Nearly 90 per cent of the members have attended training. These training are organized by the NGOs and banks.

The members of the SHG opinion that the training is useful, it changes their carriers, it paves way for income-generation, aids to make plans for future and aids to find some solution to their many problems.

All the members of the SHG have got Sangha loan except four members.

About 90.31 per cent of the members repay the sangha loan once in a month.

Out of 200 members selected for the study only 50 members have got the bridge foundation loan.

Exactly 57.5 per cent of the members have received people’s bank loan.

This study reveals that a minimum of seven per cent of the members have got the other loans.

The ANOVA table proved that there is no significant difference among the opinion of the members regarding the functioning of the SHG.

6.3 SUGGESTIONS

1. The reason for dropouts of members from SHGs were mainly due to inability to save, difficulty in attending meetings, family compulsion etc. Dropout phenomena is more prevalent in large sized groups. Groups should be formed of manageable
size the reflect homogenous composition in respect of socio-economic back
ground of the members.

2. The member should be motivated by promoting agencies through small informal
gathering where the importance of small savings, the need for reducing wasteful
expenditure and and building up funds for meeting contingency etc are explained
to them. Once they are motivated, they form into groups. Slowly they motivate
other group members and with their help they set the goals. In the process of
attainement of these goals, empowerment automatically takes place.

3. discussion with respondets on the meetings and attendance has revealed that other
than thrift and credit transactions, no serious matters were discussed at the
meeting. So members have a tendency to keep away from the meetings. It is
observed that the tempo of meetings could be maintained if other issues including
personal are discussed along with group matters. The idea of imposing fine for
absence from meeting can be think of with the consent of the group.

4. The members should be given training on managerial and leadership skill to carry
out their responsibilities effectively. The leaders should be rotated normally once
in a year. Such rotation helps in leadership development in all members.

5. Women members from rural back ground are nto familier with banking operations
and hence may continue to feel by the group. To avoid this, various records are
prescribed for the members and the group, regular and proper maintenance of
which will reflect an accurate picture of the individual and group finance at any given point of time.

6. Evolve and introduce appropriate savings products for regular savings.

7. SHGs should decide upon appropriate market related interest rates.

8. Analysis of data relating to capacity building and awareness has revealed that high awareness level is achieved by co-coordinators and leaders rather than ordinary members. So more training should be imparted to members for enhancing their awareness level.

9. Insufficiency of amount sanctioned was identified as the major problem of the groups. Promoters can find solution for these problems by encouraging the groups to undertake income generating activities.

10. Group members have to build up their skills in area like decision making, maintenance of accounts, book keeping etc. Under different SHG programme, there is always provision for training and capacity building. What is needed is to design the training curriculum according to the needs of the participants and make the training programme effective.

11. Lack of interest among group members and outsiders’ interference in group activities are some other problems which are internal to the group. Inadequate orientation about self help philosophy is responsible for such problems and special attention has to pay to remove such problems.
12. Create more awareness among members on political and legal matters and to encourage them to participate in it.

13. When the SHGs are functioning well, the promoting agencies should grant loans for starting small scale industries. The promoting agencies should also provide training to members for carrying out the income generating activities.

It has been suggested that the financial inadequacy of some Self Help Groups could be solved only by the effective steps that could be taken by the financial institutions and the Government. The delay in granting loans, shorter repayment period and unnecessary loan formalities could be tackled by banks. Collateral securities may not be offered by the members. So this kind of requirement may not be insisted upon. Self Help Group can organized meetings by inviting bank officials especially to inform them of the new schemes available to the poor. A repayment cum saving (Principal+ interest+savings) scheme can also be introduced by the banks among the loans granted to such Self Help Group members who could be retained with collateral securities.

It is suggested that steps may be taken by the office of the Mahalir Thittam and NGOs to supply quality raw materials to the Self Help Groups entrepreneurs at a concessional price at needy times. A special officer may also be assigned this type of work.

Low educational status prevailing among Self Help Group members is a major handicap for the effective implementation of many of the poverty alleviation programmes
in the rural area. Whatever may be the nature of the programme, it should be thoroughly understood by participating members both in letter and spirit. Exclusive programmes meant for Self Help Group members should be formulated and implemented at the grass-root level. Unfortunately, the benefit of these programmes is corners by either vested interest groups or by groups having outstanding past records. Education alone will be the solution to ensure equal opportunity for every group and to every member within the group. Therefore, it is the need of the hour to spread education among hour to spread education among members of the rural Self Help Groups at least through the non formal mode. The state government and higher education institutions in the respective locality have a significant role to play in this respect.

The success stories of various Self Help Groups in different part of the region have outnumbered the non-performing and under-performing Self Help Groups. Emergence of appropriate leadership may be one of the important causes for such a state. Further lack of compulsory provision for sharing the experiences among Self Help Groups may be another important cause. In order to overcome this difficulty the office of the Mahalir Thittam along with Non-Government Organisations may chalk out programmes for Self Help Group members in rural areas to visit successful Self Help Groups. If possible the representatives of the most successful Self Help Groups may be made to share their experience which will definitely motivate the members of other Self Help Groups in the right direction.
Almost all Self Help Groups suffer in marketing their products. Production is a big waste unless all the products are duly marketed for profit. Since the area of operation is very much limited and there is no close cooperation and coordination among members of various groups. Hence the products of many Self Help Groups cannot be properly marketed. Therefore it is suggested that a common marketing forum may be established either under a cooperative scheme or as a government organization. This forum may undertake marketing of products produced by members of Self Help Groups belonging to the region. Assigning a common brand name to these products, may add charm.

Since majority of the members of Self Help Groups operating in rural areas concentrate on agriculture-related activities, effective implementation of the land reform measures may give great fillip to the functions of the Self Help Groups may have land of their own (or for lease) and use the same for agriculture, floriculture and horticulture activities. A strong political will is needed on the part of the state government to implement such schemes property.

6.4 CONCLUSION

The survey has brought to light some issues which are important for rural development banking and deserve the attention of policy makers.

- While forming SHGs there is a tendency on the part of the promoting agencies to exclude the poorest. As the SHGs are aimed at uplifetment and empowerment or rural poor, the exclusion cannot be tolerated.
• In the SHGs studied, the group leader has an important role in stabilizing and in creating cordial atmosphere in the groups. It is often found that many of the members are not interested in taking the leadership role, so the same leader continue by controlling the affairs of the groups. The leaders should be rotated so as to develop a second line of leadership in the group.

• The promoting agencies must withdraw after the groups have matured. So that members can stand on their own feet.

• Besides savings and borrowings, the members should concentrate on taking up income generating activities especially micro enterprises. Promoting agencies should give attention to the availability of background / forward linkages and marketing facilities for the products of the members.

SHGs are playing a crucial role of harmonizing the society and strengthening the rural economy. SHGs are recognized as one of the major programmes of poverty alleviation in India with full participation from the formal banking system. However, considering the magnitude of poverty, the out reach of the programme needs to be strengthened and enhanced. The concept of group activity is gradually catering up. Beyond financial intermediation, SHGs can bring about dynamic changes in the lives of the poor. It has been clearly established that delivery credit alone may not produce the desired results. Supporting services and structures through which credit is delivered, ranging from group formation and training to awareness raising and a wide range of other supporting measures are critical to make the impact of group activity strong and