SUMMARY AND CONCLUSIONS

Suggestions

There have definitely been significant advances in recent years and the concept and practice of SHG-based microfinance has now developed deep roots in many parts of the country. Impact assessment being rather limited so far, it is hard to measure and quantify the effect that this Indian microcredit experience so far has had on the poverty situation in India. Doubtlessly, a lot needs to be accomplished in terms of outreach to make a serious dent on poverty. However, the logic and rationale of SHG-based microfinance have been established firmly enough that microcredit has effectively graduated from an “experiment” to a widely accepted paradigm of rural and developmental financing in India. This is no mean achievement. In fact to the extent that people’s mindsets are the biggest roadblock in the success of an innovation, it may well be one of the most important steps in the saga of microfinance. The path ahead is obviously strewn with challenges. Scaling up of projects and bringing millions of people within the fold of microfinance is no mean task. To strengthen SHG movement, the following recommendations have been suggested. These recommendations were formulated after detailed discussions with the many experts in the field.

1. The present study would recommend that all the NGOs as well as the DRDA should take greater interest in organizing awareness classes on government schemes so that all the poor women members of the groups would benefit from these programmes. The SHGs on their own should take initiatives in these matters.

2. SHG concept should target the holistic development of women members. The recent scenario suggests that the focus lies empathetically with economic empowerment. In addition, life and developmental issues related to the quality of life of the poor needs immediate attention. Therefore, programmes targeting holistic development should be conceptualized and even the existing programmes may be oriented towards this.

3. There is dearth of relevant information on SHGs for the SHGs, their members and even the social workers who are into promotion of women SHGs. The
ministry may bring out publications pertaining to different aspects of SHG and its development/empowerment. The publications may also target various case studies on SHGs compiling experiences of different agencies of development like individual NGOs, International donor agencies or the partner NGOs of the Government involved in promotion of SHGs. The publications may be brought out in easy and community friendly language. For the purpose, the ministry may open up a nodal reference material center on SHGs.

4. We believe that SHGs will sustain only if they enter into some form of commercial activity like production and marketing of elementary household requirements. In this context, we are seriously concerned about the current policy of the Govt. de-reserving products made by village industries SSI, cottage, units in the country.

5. Further, large corporations have entered into marketing of basic household requirements like Achar, Spice Powder, and Agarbati. This trend will expose the SHGs to totally unfair competition and deny them the opportunities to become economically viable and sustain. Therefore, the request to the Government is to reconsider its policy in this regard.

6. Reaching poorest of the poor is posing difficulties due to large-scale urban migrations. The poor are left out of worthwhile schemes of government. In order to mitigate this problem our focus should be on poverty and all its dimensions rather that just economic empowerment of SHGs.

7. It is felt that efficiency and effectiveness of SHG should be regularly monitored by a qualified and designated body to give corrective input wherever necessary as well as encourage the deserving ones.

8. The contribution and the good performance and the collaborative like Banks, NGOs associated with SHG etc., should be published nationally to gain public support and general goodwill.

9. The experience from southern states where SHG movement has now taken strong roots suggests that forming SHGs, pooling savings is easy. However, utilization of these savings for building micro enterprises requires considerable policy and programme support.

10. Exposure visits to areas where SHG movement has taken off should be a critical component of SHG development programmes.
11. Among the poor, the credit utilization is invariably from consumption to production process. Hence the consumption needs cannot be ignored and adequate provision should be made in the scheme for this.
12. Subsidy element for development purpose for SHG members is an important policy issue, which needs thorough analysis.
13. Emphasis on financing of groups under SGSY needs to be moderated
14. The quantum and timing of subsidy needs to be reviewed keeping in view the resource handling capabilities of the members and the group.
15. Development institutions assisting SHGs to set up income generation projects have to be innovative, and flexible in conceiving the projects
16. Development institutions assisting SHGs to set up income generation projects have to be innovative, and flexible in conceiving the projects.
17. Development administration has a great responsibility to build synergy between various departments for convergence. Every development department has to be sensitized to this effect. The DRDA under the supervision of District Collector / Magistrate has to take lead role in this regard.
18. Given the competitive environment most of the SHGs will not be able to market their products directly. Hence SHGs and their federations have to be networked for building the required scale advantages. This can be better done by professional agencies
19. There is a need for continuous sensitization programmes for Bank Officials and Staff.
20. Integrating formation & nurturing of SHGs, capacity building of various SHG promoting institutions to be made integral in various Govt. programmes working for women & child development, literacy etc. This would call for both human & financial resource commitment by the Govt.
21. Among SHG women awareness about the government and bank procedures is to be created.
22. All SHG women should be made able to read and write, by taking them on exposure visits outside their village, town, district and the state.
23. Developing in them the capability to manage a mini bank with ledgers and passbooks.
24. Enhancing their knowledge and skills to undertake economic activities.
25. Motivating them to increase their incomes by undertaking successfully, economic activities as individuals and as groups.

26. Providing good marketing outlets for their products.

27. Encouraging their participation in the Gram Sabhas, Panchayat- Level Federation (PLF) Clusters, Block Level Federations, BLCC meetings and DLCC meetings held under the chairmanship of the District Collector.

28. Creating in them confidence and courage to address and take up varied issues concerning themselves and the community.

The researcher has come to a conclusion that the SHGs have achieved considerable success in Ananthapuramu district in ensuring the empowerment of the rural women. The poor, due to SHGs are assured of three square meals a day. They are also in a position to educate their children, cater to their health needs, buy household goods, establish petty business, buy live stock and invest in agriculture. There is also a remarkable change in their life styles in terms of their interactions with officials, increase in general awareness, acting with confidence in matters pertaining to their social and economic lives and have developed positive outlook towards life. Their word also carried weight in decision-making in domestic matters.

Though the programme is a success, there is ample scope for further improvement. The financial resources kept at the disposal of the SHGs member is not adequate to cater to all their needs. As a result, they are approaching other individuals and institutions to finance their needs and are falling into debt trap. Hence, efforts must be made to strengthen finances of SHGs. An effective monitoring system has also to be kept in place to ensure the compliance of the rules by the members of SHGs like conducting meetings on time, without defaulting on payments to be made to the group etc. The capacity building of the group is also a salient feature which is to be borne in mind while strengthening SHGs. Because it ensures and facilitates proper training to the members so that they can function effectively.

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