

Chapter VI

Summary of Findings, Suggestions and Conclusion

6.1 General Findings

1. The northern region of our country comprises of six states. Himachal Pradesh, Rajasthan, Haryana, Punjab, Jammu & Kashmir, New Delhi are the states in the region. Among these states Rajasthan leads in number of groups linked. Nearly 76 percent of the cumulative groups linked in this region are in the state of Rajasthan and 63 percent of the loan disbursed goes to this state. New Delhi is the smallest state in this region and it also stands last in the number of groups linked and in the quantum of loan disbursed.
2. Assam, Meghalaya, Tripura, Sikkim, Manipur, Arunachal Pradesh, Nagaland, Mizoram are the states of north eastern region. Among these states Assam is in the first place with nearly 89 percent of the groups linked and 84 percent of the quantum of loan disbursed. Arunachal Pradesh is in the last place with less than one percent of groups linked and in quantum of loan disbursed.
3. The eastern region includes Orissa, Bihar, Jharkhand, West Bengal and union territory of Andaman and Nicobar Islands. Among these states Orissa stands first and West Bengal close to it in the number of groups linked. Nearly 44.5 percent of cumulative groups linked are in the state of Orissa and 50 percent of the cumulative loan disbursed goes to this state. Next is West Bengal with 34.5 percent of cumulative groups linked to banks. Nearly 28 percent of the cumulative loans disbursed in this region go to West Bengal. Andaman and Nicobar Islands has less than one percent of cumulative groups linked and also cumulative loan disbursed.

4. Central region comprises of only four states. They are Madhya Pradesh, Chhatisgarh, Uttar Pradesh and Uttarakhand. Uttar Pradesh leads with 59.7 percent of cumulative groups linked and 63.4 percent of cumulative loan disbursed. Chhatisgarh is in the last place regarding cumulative loan disbursed and Uttarakhand is in the last place with respect to the number of groups formed.
5. In the western region, Maharashtra is at the top. It leads in both cumulative groups linked to banks and loan disbursed. Eighty three point five percent of cumulative groups linked and 75.8 percent of cumulative loan disbursed goes to the state Maharashtra. Goa is the state which has less than one percent in both the aspects. Western region comprises of only three states i.e. Gujarat, Maharashtra and Goa.
6. Among the southern states in southern region, Andhra Pradesh stands first with 45 percent of the cumulative groups linked and 52.6 percent of the cumulative loans disbursed. Next stands Tamil Nadu in the studied aspect. Pondichery has less than one percent of groups linked and loan disbursed.
7. The project of self -help group is actively functioning in the southern region. From the study it is observed that the southern region stands first among all the other regions. The southern region has 29, 24,973 cumulative groups credit linked and a quantum of Rs.135, 469.24 million being disbursed as loan.
8. Andhra Pradesh is the leading state in number of groups linked and quantum of loan disbursed. Tamil Nadu stands second in this regard.
9. From the study according to district wise comparison in Tamil Nadu, Kancheepuram district tops the list in group formation. Kanyakumari district leads in the amount of loan disbursed. Kancheepuram has 6.3 percent of total groups linked and Kanyakumari has 8.4 percent of the total amount of loan disbursed.

10. Tirunelveli, the study area, stands second in the number of credit linked in Tamil Nadu.
11. The total number of groups formed by Tamil Nadu Corporation for Development of Women from the inception of the project (1999) till 30th September 2007 is 15678, of which 5050 groups were formed in the year 2005-2006 alone.
12. The total quantum of loan disbursed from inception till 30th September 2007 is Rs.13,042.84 lakhs. Among these years 34.2 percent of the total loan disbursed, is provided during the year 2005-2006.
13. The total number of members who attended Entrepreneur Development Programme is 27,654. In the year 2005-2006, 6220 members attended the training which is the highest.
14. The total number of members who attended various skill training is 3,488. In the year 2001-2002, 31.6 percent of the total number has been benefited.
15. Many Government agencies are providing training to manufacture various products. From the inception 8,341 members have attended training to manufacture various products.

6.2 Specific Findings

1. Total number of groups formed during the study period i.e. from 1999-2000 to 2005-2006 is 13868. The total number of members in these groups are 2, 44,647.
2. Consumption loan to the quantum of Rs.7505.87 lakhs has been disbursed during the study period.
3. Revolving Fund assistance under SGSY has been sanctioned to 2987 groups to the quantum of Rs.828.93 lakhs during the study period.

4. Loan for common economic activity of the group has been sanctioned to 451 groups during the study period i.e. from 1999-2000 to 2005-2006. The amount availed by these groups is Rs.787.94 lakhs.
5. Revolving fund assistance and loan for economic activity for pure SC / ST groups has been provided through TADHCO. Three hundred and twenty (320) groups' availed Rs.80 lakhs under revolving fund and 160 groups have availed Rs.466.65 lakhs for common economic activity of the groups.
6. Loans are provided for urban SHGs under SJSRY scheme. Forty five groups has availed 16 lakhs for economic activity 1999-2000 to 2005-2006.
7. Minority loan for 12 groups to the quantum of Rs.10 lakhs has been granted during the year 2002-2003.
8. TABCEDCO is an organisation for backward class people. Thirty nine groups have availed Rs.13.62 lakhs loan through this agency.
9. During the year 2005-2006, 630 groups have availed Rs.223.60 lakhs revolving fund assistance, which were affected by Tsunami. Twenty nine groups were sanctioned Rs.77.25 lakhs to undertake common economic activity.

6.3 Findings from primary data

1. Among the studied 200 groups, 65 groups were formed during the year 2001-2002 and only 10 groups formed were in the year 2005-2006.
2. The maximum number of members in a group must not exceed 20. The study shows that 56 groups have 17 members and 24 groups have 20 members. The minimum number is 8 groups have 14 members each.
3. The total number of members in the studied 200 groups is 3519.
4. The age study shows that 35 percent of the members are between 30-40 years, and 31 percent of the members are between 20-30 years.

5. There are no members below 18 years (minor).
6. The educational level of the members shows that only 47 members are illiterates. Nearly 36 percent of the members have completed high school and 51 members are graduates. One percent of the members are technically skilled.
7. Among the 3519 members, 1311 members are home makers and the rest 2208 are employed.
8. The study about the occupation of the members shows that 19 percent of the employed women are construction labourers. Nearly 16 percent are farm labourers. There are street traders too and they are 97 in number.
9. The study of income of the members shows that 1324 member's average income level fall between Rs.1250-1500. They are construction labourers and regular employees in a school or companies. Beedi rollers and weavers earn below 500.
10. Sixty three percent of members are Hindus and Muslims forms the least percent i.e. 13.7 percent.
11. There are 464 SC members and 23 ST members among the studied groups.
12. The marital status of the group members shows that 16 percent of the members are unmarried and five percent of the members are deserted by their husband. Nearly 74 percent are married.
13. Peer group is the major source of information about SHG. Women who generally were able to come into contact easily came to know about SHG and the source of information about SHG is mostly from the peer group. Nearly 75 percent of the studied groups came to know about SHGs from the peer groups.

14. To avail credit at lower rate and develop saving habits are the reasons which made them to join SHG, is the opinion of 80 percent of groups. Six groups are of the opinion that they join SHG to meet unexpected demand for cash.
15. The expenses of a family depend upon the number of members. When there are old parents in the family, unexpected medical expenses may arise. The study about the family size shows that 134 groups have four to six members and 40 groups are big in size, having seven to nine members.
16. SHG is promoted to help the people who are below poverty line. From the study it is noted that 154 groups have all the members above poverty line.
17. The number of members below poverty line is very less in number when compared with the total numbers. Only 122 members are below poverty line. This forms only three point five percent of the total members (3519).
18. There is no multi member enrolment from the same family in the group.
19. Meetings are to be conducted regularly to discuss about the group activities. Four meetings are conducted in a month by 122 groups and three meetings by 62 groups. The remaining 26 groups meet twice a month.
20. The attendance percentage shows that the absenteeism percentage ranges from one to two members.
21. Fine is also charged by the groups for absenteeism. It is rupees four by 145 group which is highest and 23 group charges rupees two. Fine is not charged if the reason for absenteeism is genuine.
22. There is no discrimination found among the members regarding the standard of living. The only discrimination found is regarding the religion and religion does not hinder the smooth function of the group in any way.
23. The leadership of all the studied groups rotate.

24. All the studied groups find it difficult to maintain all the books and registers initially. After few months, it is easy for them to do the same and to conduct bank transactions.
25. All the members take active participation in group activities. The group leaders are satisfied about the participation of the group members.
26. The saving pattern of the studied groups shows that it ranges between Rs.10 to Rs.25 per week.
27. The studied 200 groups save Rs.40, 83,260 yearly.
28. The amount of weekly savings does not change.
29. All the members of the studied group have availed internal loan.
30. The groups are not saving for any other special occasions like festivals, marriage etc. Apart from their regular savings they do not save any other amount.
31. The study about the utilisation of the loan amount shows that it is utilized for both income generating and non income generating purposes.
32. One hundred and forty seven groups are linked to Pandian Grama Bank because it is a Regional Rural Bank. Only forty three groups are linked to other commercial banks.
33. All the groups have availed direct credit (consumption loan) and 22 groups have availed this type of loan three times.
34. The amount availed under direct linkage ranges from Rs.20,000 to Rs.80,000. The groups which are formed during the early stage of the study period has availed this type of loan more than one time. The amount of loan sanctioned depends on their savings and it may be three to four times of their savings.

35. Among the studied groups, 91 groups have availed revolving fund assistance during the study period.
36. The amount of loan sanctioned under revolving fund assistance is Rs.25000 to each group.
37. The amount of loan sanctioned under revolving fund assistance is not revised for any studied group.
38. Sixty three groups have availed loan for common economic activity of the group.
39. Some of the group activity identified are rearing milky cow, production of candle, sale of textile, preparing bakery item, production of flowers, preparation of pickle, Xerox shop, printing of letter pad & covers, production of sanitary napkins, preparation of masala powder, simple chemical works and char coal making.
40. The quantum of loan availed for common economic activity of the group varies widely. The quantum of loan sanctioned depends upon the activity chosen. Only one group has availed loan above Rs.2, 50,000.
41. Among the total members, 64 have attended seven days entrepreneur development program conducted by various government departments.
42. Training is also provided for manufacturing of various products and 79 members have attended this type of training. Candle manufacturing (22), Book binding (7), doll making (11), vermin compost (17), simple chemical works (12), masala powder (10), are the various products for which they attend training Programme.
43. NGOs and other departments concerned help the members in choosing the activity and do all preliminary works concerned to start their venture.

44. The problem they face while obtaining the loan is regarding fulfilling bank formalities. After four or five visits they are used to it.
45. Ninety three groups feel that the approach of the bank officials is casual and only twenty five groups feel that the approach of the bank officials is indifferent.
46. The bank officials are not visiting the group after providing loan for follow up action. This is an unanimous statement from all the groups.
47. The interest rate varies from Bank to Bank. On observation, Canara Bank charges interest at lower rates when compared with other Banks.
48. The interest charged on internal lending varies from rupees four to rupees two. Ninety four groups charge rupees three, 73 groups rupees two and 33 groups charges rupees four per hundred rupees.
49. Absence of non-borrowing members is observed among the studied groups. All have availed both internal and external loan provided by the bank.
50. Interests charged on internal lending and fine charged for not attending meeting are the source of income of the group. This amount is utilized to meet common expenses of the group.
51. Most of the groups are not conducting cultural programmes. One hundred and fifty seven groups (78.5 percent) are not conducting cultural programmes. Forty three groups are interested in performing some dance during temple festivals.
52. Five groups have taken part in Melas. Home need exhibitions are conducted frequently and five SHGs have set up their stall and sold their products.
53. Apart from celebrating religious festivals, they are not celebrating any other festivals together.

54. Tours will make the people come closer and two groups went to Coutrallam and Manimuthar Dam.
55. The studied groups have not protested against any social evils. They feel like protesting but no steps are taken by them to protest.
56. The members of the studied groups are not holding any position in any local bodies.
57. The political interference is zero.
58. All the studied groups are of the opinion that initially they receive help from the other groups in maintaining registers and to do bank transactions. The groups with same economic activity also help each other.
59. The studied groups have not received any type of financial assistance from other agencies like TADHCO & TABCEDCO because the studied groups are mixed groups.
60. The groups have not contributed money for natural calamities. When Tsunami attacked Tamil Nadu during 2006, old clothes were collected by some of NGOs and the groups gave old clothes for the victims.
61. From analysis it is evident that the communicative skills of the group members have been developed and 78 percent of the groups talk freely without any hesitation after joining SHG. and null hypothesis is rejected. SHGs help members in developing communicative skill.
62. Self confidence of the group members have increased a lot and it is evident from the study. Ninety two percent of the groups are of the opinion that their self confidence has developed. Sixty eight percent accepted that they are confident of meeting financial crisis. Sixty five percent accept that they receive respectful treatment after joining SHG. Seventy three percent of the

studied groups accept that they enjoy freedom of mobility and they visit new places without escorts. Null hypothesis is rejected.

63. Groups also accept that there are behavioural changes in them after joining SHG. Seventy six percent of the studied groups feel like protesting against social evils, husband beating wife, domestic violence, child problem, difference in wages between men and women, adulteration and black marketing. SHGs have brought behavioural changes in the members and hence, alternate hypothesis is accepted
64. The groups are aware of development agencies, various government offices functioning in their area. Ninety percent of the groups are aware of it. Seventy percent of the groups are aware about the schemes and facilities provided by these agencies. Null hypothesis is rejected and alternative hypothesis is accepted.
65. The loan availed by the groups are availed for both income generating and non income generating purposes. The members have purchased consumer durables and invested more money in their family business. Many have constructed toilets and renovated their house which shows that there is improvement in their economic status and thus the null hypothesis is rejected.
66. Self esteem aspects of the groups show that their leadership qualities have improved. Ninety two percent has accepted the above fact. Eighty percent of the groups feel that their social interaction has improved and seventy three percent had a better understanding about life. Nearly 75 percent of the groups accepted that their outside contact has increased and 73 percent of them accept that their communicative skills have improved. Their attitudes have changed and 56 percent accepts that they are able to undertake the required activity.

Their status among friends and their relatives has improved. This was accepted by 86 percent of the groups. They have understood the problems in the society in a better way. This fact is accepted by 75 percent of the groups. Seventy three percent has accepted that they have acquired decision making skills.

67. The common difficulties which are faced by the group are analysed. Eighty nine percent of the groups are of the opinion that they find no difficulty in group formation. Nearly half of the studied groups accepted that they face difficulties in identifying the income generating activities. Maintaining books of accounts is not a problem for them. Ninety four percent of the groups had accepted this. They get assistance from the local bodies and nearly 75 percent accept this fact. They find no difficulty in obtaining bank loan. Only 12 percent have stated that they find it difficult to obtain loan. Election of office bearers is done without any problem. Eighty three percent accepts this.
68. There is no political interference. Marketing of their products, quality management and competition from similar groups are the problems faced by the groups.
69. SHG paved way for the members to save more, to obtain credit at justifiable terms and it also promoted institutional support. More than 85 percent of the group accepts that SHG enable them to acquire skill and helped ensuring unity and cohesiveness. It provided employment opportunity is the opinion of 41 percent of groups.

6.4 Specific suggestions

1. NGOs must insist that the number of members in a group must be the maximum i.e. 20. This will help them to save more and to get more quantum of loan from banks because the loan sanctioned is based on savings.

2. The government or the department concerned can help the illiterate members to become literate.
3. Micro finance through self help groups is a concept evolved for helping the people below poverty line. But the study reveals that out of 3519 members of 200 groups, only 122 members are below poverty line. The NGOs should identify the people below poverty line and groups should be formed so that the needy people will be benefited more.
4. Four meetings per month or weekly meetings should be made compulsory.
5. Maintenance of books and registers at the initial stage (say for four to five months) must be done with the help of the NGOs.
6. The savings pattern of the group reveals that rupees 25 is the amount saved by 114 groups. But they should be insisted to save more.
7. The groups may also save for festivals apart from routine savings. This should be insisted which reduce the dependence on money lenders.
8. The loan amount is spent on both for income generating purpose and non-income generating purpose. The members should know the importance of investing in income generating activities rather than spending in purchase of durable goods etc. from the income earned they may purchase consumer goods.
9. Nationalised banks participation is less when compared with RRB. Nationalised banks must also show equal interest because through SHG they can serve more people and can be raised.
10. Common economic activity to generate income for the group must be improved. Only 63 groups among the studied groups have undertaken

common economic activity. Groups must be encouraged to undertake common economic activity.

11. Training provided and the total members who attended various training programs are very low. Among the studied groups only 143 members have attended training programs. Government department may concentrate in this area to provide more training programs and enrolment be increased.
12. Groups must be encouraged to participate in melas or exhibitions. Government may provide stalls free of cost for the groups to market their products in government exhibitions.
13. Apart from celebrating religious festivals, groups can be encouraged to celebrate national festivals like Independence Day and Republic Day. This will make them to realise the importance of independence and develops love towards our country.
14. Groups may arrange tours to visit local places which will improve group cohesiveness.
15. Government and NGOs may conduct awareness programs for the members on women empowerment. They can be explained about their rights in the family and various losses which are implemented to protect women. The studied groups feel like protesting against social evils but they have not protested against anything. Attending awareness programs will help them to be bold.
16. Various government departments like TNCDW, DRDA, CED and DIC provides training for the SHG members. They may help them in identifying income generating activities. Apart from group activity, the NGOs may also help them individually to identify income generating activity.

17. Groups may arrange the supply of certain products like masala powder, pickles and bakery items to canteens in Government offices which will earn a continuous supply of their products.
18. Products manufactured by SHGs may be sold through Government's fair price shops.

6.5 General Suggestions

1. The process of the formation of SHGs is to be systematically institutionalised. Grama Panchayat can take up a lead role in promoting SHGs.
2. A wider publicity is required for the propagation of this concept to the grass root level. Public relation department, Medias can prepare and distribute publicity materials highlighting the importance and salient features of the SHGs and it can be included in the academic curriculum of all universities.
3. The consortium of banks can make lot of contribution for promotion and growth of SHGs. The best performing SHG at the district level, block level and village level can be recognized and cash awards can be given by banks. They can also reduce the interest rate for the outstanding groups.
4. Apart from EDP and other training, members of SHGs may be given intensive training in motivation of leadership, group dynamics, women empowerment, sensitization of gender issues, welfare program and accounting may be provided.
5. The government should create the awareness of the self employment to the members of SHGs.
6. There is every need for diversified self help promoting institutions in different areas.

7. Considering the vastness of the country and diverse experiences in different parts, it is necessary to encourage different institutions like commercial banks, RRBs, co-operative banks, block development offices and NGOs to serve the SHG to promote their socio-economic condition, in the days to come on a permanent basis.
8. A question which is very often raised is whether the excellent recovery performance would continue in future too. The bankers are so far well satisfied with a very high level of recoveries and with no apparent weakness in the working of the program. Unfortunately, there is no separate and systematic monitoring and evaluation of the performance of the already linked groups. As the amount of loan increases, do the recoveries continue to be on-time and nearing the 100% level? Keeping in view the very extensive coverage of the SHG bank linkage program, it would be useful to carefully monitor the linked groups.
9. The quality of book-keeping could be another issue. Once the size of operations starts growing, the need for better house-keeping could be over-emphasised. The Self Help Group Promoting Institution would be required to keep an eye on the house-keeping and constantly upgrade the skills and improve the internal checks and balances. There is a need for installing an early warning system so that the corrective action could be taken. The members should not become the main consideration. The important thing is to have sustainable Self Help groups.
10. Another issue is the possibility of the SHG members moving into micro enterprise. Growth of tiny enterprises into micro enterprises as a part of natural growth process is welcome and should be encouraged with

progressively larger credit and support from the Self Help Group Promoting Institutions.

11. NGOs are not well regulated except at the time of the registration. NGOs at the present are registered either under Societies Act or Trust Act. After registration there is no proper regulatory mechanism for them. Some NGOs collect and lend money themselves. So, there should be proper mechanism to regulate NGOs.
12. No post loan follow up was done by banks. Some of the banks were not visiting the groups at regular intervals. The bank employees must visit SHGs regularly, so that the loans can be recovered in time.

6.6 Conclusion

The researcher started this work as an attempt to evaluate the performance of self help groups in Tirunelveli district, which is one of the Government's projects for rural development. At the end of the work, researcher felt happy to know that the SHG project really helps the rural mass for their upliftment.

The savings made by these small groups turn upto crores and crores and their savings are channelised for their betterment. The savings of rural people are not utilised for urban upliftment and it is a method where their savings is utilised for their own improvement.

The researcher also felt happy to know that their confidence, behaviour, economic status, communicative skill and other skills have developed due to their membership in SHG.

The concept SHG has been started to target the 'below poverty line' segment and large population of this segment are still untapped. It is a fact, which

should be accepted, that this project is well poised for rural development. There are few problems which have solutions also.

The researcher hopes that the findings and few suggestions made therein will be of immense use for Project Implementation Unit (PIU) and other agencies which help in forming SHGs.

Chances for further research

Studies can be made on

- 1. 'The Performance of banks regarding loan extended to SHGs in Tirunelveli District'.**
- 2. 'Analysis of the activities of Non Governmental Organizations (NGOs) in forming self help groups in Tirunelveli District'.**