

### CHAPTER-VI

**SUMMARY, SUGGESTION AND CONCLUSION**

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6.1 Summary

Finance being the life blood of every commercial venture, availability of adequate fund at reasonable terms is a must to ensure speedy economic development of a village and empowerment of women.

Institutions, the set of formal and informal rules that affect human behavior, play the most crucial role in the process of the empowerment of people and in the economic and social development of a country. When people are empowered, they can make use of their qualities to improve their economic and social conditions, thereby enhancing the level of economic and social development of the country.

In this context, various institutional agencies are engaged in financing women. NABARD (National Bank for Agricultural and rural development’s) is one of the important financial institutions that support rural poor through SHG Bank Linkage programme. SHG Bank Linkage programme has been able to score over the weakness of formal lending institutions. This analysis signifies that the NABARDs SHG Bank Linkage programme facilitates its members to improve their financial position. This is evident from the role of SHG in augmenting the income level, actual savings and savings capability of its members.

The study assessed the impact of SBLP on the economic activities, and social empowerment of SHG members. It also examined the quality of the groups promoted by different SHPIs, the changes over time in group members’ participation and behaviour, and the quantity and quality of financial services and their sustainability.

This study emphasized the role of NABARD in empowerment of women through SBLP. This study analyse the economic benefit of SBLP implemented in Mysore district. SHGs are playing an important role in economic empowerment of women. Banks are a constant help to SHGs in this area. The concept aims at empowering women and thus uplifting them above the poverty line. Economic empowerment could have a positive impact on social, legal and political status. In this study emphasis is mainly on empowerment of women and to bring them into the mainstream of development.
In the study area the SHG bank linkage programme is performing excellently. In Hunsur, H D Kote and K R Nagar taluks, most of the groups are matured, and the social motive is also good. In this area SHGs are functioning democratically. NGOs and Department of Women and Child Development, Banks and women themselves promote these SHGs. SHGs in the district have been discharging their Social responsibilities with great interest.

The major findings of the study are summarised and issues for policy are presented in this chapter.

Findings of the study:

The findings of this study is deliberated upon in detail. The present study has been conducted in Mysore district and assessing the process of graduation of SHG members, both in economic and social spheres.

1. The research has found that 32.7 percent of the SHG members have joined before 2000, 50.7 percent have joined between 2001-2005, and only 16.6 percent during 2006-2010. These percentages show that the older SHGs are performing better compared to younger groups, because the older groups are stable in nature. Those groups are credit linked to banks and borrow more money for the purpose of IGA. The study found that, 64.4 percent of the SHGs are seven year old. The older groups are performing better in the study area.

2. The study found that Age is an important demographic variable. Among the surveyed SHG members 58% of the members are in 26-45 age groups, and these group members have actively participated in SHGs activities. Model II and Model I type SHGs are having more members in 26-45 age group.

3. The study found that, 38% of the members are illiterate; Model-II type SHGs are having members with primary level and high school level education, but Graduates are very less in number in the study area.

4. The members were classified based on the community to which they belong to know which community is making the best use of the SHGs and also to study whether the SHGs are helping the marginalized groups of the society. In the surveyed area 22.67 % of the members belong to SC, 18.67% of the
beneficiaries belong to ST, 23.33% are other backward class and 35.33% belongs to other categories. This shows the prominent role played by SHGs to help the backward communities by mediating.

5. About 83.67% of the beneficiaries were married; those are engaged in IGA like tailoring, petty trade and rearing animals. Income generation activities of women SHGs are dairy, poultry, petty trade, tailoring, prepare food items and other types of the activities. This shows that SHGs are giving more importance to traditional non technical, feminine nature of activities which helps the rural women who are normally not technically qualified to take up technical IGAs.

**Economic empowerment of women:**

Study observed that the economic empowerment of women has increased after attaining membership in SHGs. Study reported that the economic empowerment of women had increased after attaining membership in SHGs. Some of the observations made under the study are

1. Annual income has increased considerably after joining SHGs. About 85 percent of the respondents are now earning above Rs 10000 per annum. In this regard NGOs and Banks have encouraged SHGs activity by encouraging SHG members in the study area.

2. The asset creation by the respondents has increased considerably after joining SHG, 72.7% of the respondents are now creating asset above 10000 Rs per annum. Observation of the study confirms that some of the members create assets in consumer durables and animal husbandary.

3. About 81% of the SHG members save more than Rs 3600 per annum. Saving is necessary for a person to face future expenditure. It is observed in the study area that SHGs have encouraged the members towards more thrift.

4. After joining SHG, 89.3% of the SHG members have shown 90% of repayment per annum. It is observed that after joining the SHG, NGOs and Banks give some training; the members take IGA and get income from this activity. So it leads to significant increase in repayment level of SHG members in study area.

5. After joining SHGs, most of the members (74.3%) could borrow above Rs 20000. This shows the borrowing for IGA purpose has considerably increased
after joining SHG. SHGs are helping their members for easy borrowing in study area.

6. Before joining SHGs, people used to borrow money from money lenders whose interest rate was very high, but after the intervention of the SHG, members are getting the loan from Banks through SHGs whose interest rate is relatively less compared to money lenders and 97.4 percent of the beneficiaries agree with this in the study area.

7. Generally the expenditure capability of a person depends upon the income level. After joining SHG the annual income of the SHG members has increased. Similarly food expenditure also increased. Most of the SHG members (71.3%) have above Rs 10000 as food expenditure. It is observed that SHGs facilitates its members in increasing income level and expenditure.

8. There are many essential commodities which come under non food expenditure category of an individual’s expenditure. This non food expenditure of a person also depends upon the total income earned by the person. As the income of the person increases the non food expenditure also increase, faster in the beginning and gets slower with higher level of income after joining the SHG, majority of the SHG members (80.3%) have shown a rise in the non food expenses per annum. This has increased to above Rs5000.

9. It is observed that 16 percent of the members are savings on weekly basis; remaining 14.67 percent and 69.33 percent are saving fortnightly and monthly respectively. It is observed that majority of the members are saving on monthly basis. In Model-I type SHGs member’s monthly savings is high (75.23%) when compared to other two models.

10. In the study area, 79 percent of the members are lending money once a month, and comparatively among these three models, in model-II, 82.28 percent of the members are lending money once a month, which is the highest among three models.

11. Study found that, 43.75 percent of SHGs are having credit linkages to RRBs; Linkage Percentage of RRBs in this area is high, because RRBs are actively participating in the growth of SHGs and SHGs are easily access credit amount.

12. Majority of the people have taken loan of more than Rs.5000. Middle income members have taken loan for the purpose of business and income generating
activities. Lower income members have taken loan for consumption and other purpose.

13. Study found that, 31 percent of the women are working in animal husbandry, 5.7 percent into poultry, 29.3 percent into petty trading and 34.00 percent are doing other activity.

14. In this area banks and NGOs are conducting some knowledge based and skill based trainings. Trained members taken up income generation activities and used their knowledge and skill, they get high income. So it reflects empowerment of women. 62 percent of the members are benefited from these types of training. Trainings are helpful to members to increase their self confidence, institutional credit, skill upgradation, market access and improving their saving habits.

15. After joining SHG, majority of the members having bank account like 82.7 % of the members having bank account, it shows that SHGs are performing better in terms of financial inclusion. After joining SHGs, majority of the members have taken bank loans and are taken up income generation activity like animal husbandry, poultry and other activities. So it leads to increase their income and standard of living.

**Social empowerment of women:**

Study observed that women have achieved social empowerment after becoming members in SHGs.

1. Self confidence is one of the indicator of women Empowerment and community empowerment. 79% of the members have improved their confidence level after joining SHGs. After the intervention of the SHGs, due to their participation in some training programmes and awareness programmes conducted by SHGs and NGOs member’s self confidence level has increased.

2. After joining the SHG the position of individual woman changes and discrimination among women are reduced. In this area, after joining the SHG, women’s role in decision making has increased.

3. About 66.7 per cent of the women respondents reported that there is an increase in the decision making power of women regarding live stock rearing. About 50 per cent of the women reported that there is an increase in the
decision making power of buying assets, and 46.6 per cent of the women respondents reported that increase in the decision making power of buying jewellery.

4. Women are also taking their own decisions regarding their family members particularly their children. About 48.3 per cent of the women respondents reported that there is an increase in the decision making power regarding children’s education and health.

5. About 46.7 per cent of the women respondents reported that they are taking decision regarding their social visits and 66.6 per cent of the women respondents reported the same with respect to visiting offices. These observations indicate that after joining SHGs in study area female participation in family decision has improved which is reflects on women empowerment.

**Suggestions:**

In the light of our observations and findings, some suggestions are made about effective functioning of financial institutions in the development of women. The suggestions are listed below:

1. The government and NGOs have to take necessary steps to create awareness in the minds of women. Numeric trainings are needed for the poor women and to be benefited from the micro-credit scheme. Meetings and seminars may be organized where the members will get a chance to exchange their views and be able to develop their team spirit by interactions. The trainees should be given adequate information on procedures, formalities and nature of assistance available for venture launching.

2. The Government has to formulate the strategies and policies for the improvement of adult literacy rate.

3. A large number of SHG members are using loans for non productive purposes like, purchase of jewellery, household expenses, marriage, festivals etc. The banks and financial institutions should implement strict rules and regulations regarding the use of loans for the purpose of productive activities only.
4. The approach should be livelihood approach; the focus should shift from financial management to economic empowerment which would mean going beyond access to credit to strengthening asset creation and ensuring women’s access to public resources.

5. The role of NGOs as a facilitator and motivator in encouraging the members of the SHG to be more active, enthusiastic and dynamic to mobilize their savings by group actions should improve.

6. It seems necessary that the banks change their financing pattern and evolve a need based pattern along with security based financing policy to assist SHGs.

7. For improving the technical skill of the members there is a need to develop technical oriented and skill oriented training programmes. Encouragement of good leadership in the group and constant guidance and support through the Government and Non Government programmes is a must for the success of SHGs.

8. Mere financial assistance does not help the women. They need institutional support on financial inputs in the form of awareness, knowledge, skill training and marketing etc. These institutional support should be treated as an integral part of the programme and the mechanism of providing these through convergence in line with departments needs to be reviewed. Information on the latest available technology is also essentially required.

**Policy implications:**

1. Though, so many activities have been listed for the financial assistance under SHG bank linkage programme, but more than 50% of the beneficiaries had chosen the traditional enterprises viz, dairy, provision store and tailoring. Hence, there is an urgent need to bring awareness among the people about other enterprises and to train them to take up those enterprises.

2. SHG bank linkage programme had significant positive impact on the investment, income, consumption expenditure, savings and asset position of the beneficiaries. Its impact on economic empowerment of women is very visible. Economic empowerment has led to social and political empowerment of women. Hence, wide coverage of the scheme should be made so that it
helps in empowering weaker section socially and economically thus improving their lives to a greater extent.

3. The Government both at the centre and the state can think of the possibilities of implementing some of the subsidy/margin oriented schemes through the SHGs. Also, Government could earmark a part of the funds spent on providing subsidies under Government sponsored programmes for the formation of SHGs and providing useful incentives to SHG activity.

4. There is a need to introduce incentive for increasing the thrift activity among the poor. While some of the selected few groups among the government promoted groups get incentives in the form of revolving fund assistance, a large number of groups promoted by NGOs and banks need to get incentives. In view of this, incentives to these groups also may be provided through the banks where the accounts of the groups are maintained in order to increase their savings propensity. This also increases the proportionate credit dispensation to the rural poor through these groups.

Conclusion:

Finally it can be concluded that, NABARD’s SBLP is a very good programme for women empowerment in India. It ensures that the services offered by the country will reach the intended beneficiaries. NABARD helped in building confidence among the people and increased income level of the people. Totally its contribution to the overall development of the country is highly pronounced.

The study assessed the impact of SBLP on the economic activities, and social empowerment of SHG members. It also examined the quality of the groups promoted by different SHPIs, the changes over time in group members’ participation and behaviour, and the quantity and quality of financial services and their sustainability. The present study assesses the impact and sustainability of SHG bank linkage on the socio-economic conditions of the individual members and their households in the pre-SHG and post-SHG scenarios. The overall findings of the study suggest that SBLP has significantly improved the access to financial services of the rural poor and had considerable positive impact on the socio-economic conditions and the reduction of poverty of SHG members and their households. It has also reportedly empowered women members substantially and contributed to increased self-
confidence and positive behavioural changes in the post-SHG period as compared to the pre-SHG period.

The membership to a SHG-Bank Linkage programme has contributed to significant changes in the lives of women. Most of the groups visited could be assessed as successful in social and economic terms. The impacts can be looked at as those bringing in economic changes, impact on the social status and political impacts, and the impact of SHGs on the community. The truly empowering activities are those that reflect the changes that women have effectively made to better their lives by resisting the existing norms of the society. Appreciable challenges have taken place in the conditions and activities of women who are the members of SHGs in the study area.

Women led SHGs in study area have achieved success in bringing women into main stream of decision making, hence, it is evident that SHGs have become a viable organizational set up to disburse micro credit to women and encourage them to enter into entrepreneurial activity. SHGs contributed significantly to the development of women entrepreneurs and also for overall development of the economy. It has brought independence to women and promise equal opportunity in all spheres to Indian women and laws for their equal rights of participation in political process. It has provided equal opportunities and rights in education and employment.

The SHG have proved to inculcate in women their self worth through economic, social, political and gender empowerment. Two decades ago majority of rural women lived in virtual isolation, unable to access even most basic services. But with the formation of SHGs these women are now achieving social and physical mobility. They have signaled the beginning of a new era by helping women in villages to improve their income, educate their children and buy assets. They have helped women campaign against oppressive social practices and become a force of development in their village. Thus SHG through community involvement help women for social empowerment and SHG- Bank Linkage programme will assist in economic empowerment. It has been proved in the study area.