CHAPTER-IX

SUMMARY, CONCLUSION AND SUGGESTIONS

[A] SUMMARY

Swarnjayanti Gram Swarozgar Yojana [SGSY] is launched by Ministry of Rural Development, Government of India on April 1, 1999 to bring poor families above poverty line by providing them income-generating assets through a mix of bank credit and government subsidy covering all aspects of self employment.

This study carried out for evaluating the implication on poverty alleviation in terms of the stated objectives and guidelines. The primary data required for the study is collected from sample beneficiaries and from implementing agencies through Questionnaires.

The major findings of the study are summarized below.

1] Sex ratio-

i] Of the sample 1374 swarozgaris, 70% are male swarozgaris and 30% female swarozgaris.

ii) The composition of male members in all 315 selected SHGs is 22.27% where as dominant role is played by female members covering 77.73% membership.

2] Literacy level-

i] Literacy level of individual swarozgaris is 28.89% while major chunk of 71.11% are illiterate.
ii] About 57.49% SHGs members were literate while 42.51% were illiterate. No member had education up to graduation level.

3] **Community composition**-

i] About 22.93% sample swarozgaris are from Scheduled Caste, 7.06% belonged to Scheduled Tribes and 28.46% are from other Backward Castes, whereas 41.56% are from general category.

ii] About 22.13% sample SHGs members belonged to S.C. household, 16.19% members are from S.T., 9.38% from O.B.C. and about 52.30% are from other categories.

4] **Age group**-

i] Middle age group swarozgaris with range of 31-50 years appeared to have maximum participation to the extent of 57.42%, followed by 40.83% in age group 19-30 years and remaining 1.75% swarozgaris are above 50 years of age.

ii] Middle age members ranging 31-50 years of the groups are to the extent of 74.11%, followed by about 24.59% from age group 19-30 years and the remaining 1.30% are above 50 years of age.

5] **Occupational pattern [Pre-SGSY]**-

i] Majority 63.10% swarozgaris were engaged as Agricultural labourers, 17.54% in farm activities, 1.67% were households, 13.25% were traditional artisans and remaining 4.44% swarozgaris had some petty business before starting their respective micro enterprises.

ii] In the pre SGSY situation more than 72% SHGs members had agricultural labourers as their occupation, 12.71% of group members engaged in agricultural activities, 2.26% were rural artisans unable to expand their activities while household women constituted 5.01% and unemployed educated youth constituted to the extent of 0.32%.
6] **House ownership**-

i] About 89.45% swarozgaris observed having their own residential accommodations in their villages. About 72.49% having their own Kutcha type houses with average current value of Rs. 9,000 to 15,000 including the cost of land. The swarozgaris having Pacca type houses are only to the extent of 16.96% with average current value ranging Rs.16,000 to Rs.35,000. The remaining 10.55% of swarozgaris without own houses.

ii] The members of 95.77% SHGs are having their own residential accommodations in their villages. About 8.11% SHGs members are with own pucca type houses with average current value of Rs.40,000 to Rs.55,000 and 87.66% members own kutcha houses with an average current value of Rs.25,000 to 40,000 including the cost of land. About 4.23% members do not have their own houses.

7] **Land holding status**-

i] Only 45.56% of swarozgaris observed holding land and remaining 54.44% are landless. Almost 71.73% of land owners hold land below one hectare.

ii] From the sample SHGs members it is observed that 26.01% possess own landed property and remaining 73.99% are land less. Over 90% members possess below one hectare.

8] **Average family size of Swarozgaris/SHGs**-

i] Average size of sample swarozgaris worked out to 4.56 members consisting 54.16% male category and 45.84% female category. Adult– minor ratio is 44.60%. The literate members of the family are 47.24%.

ii] Majority 59.14% SHGs members have their average family size up to 4 persons. About 39.10% SHGs members have family members between 5 to 6 person and only 1.76% SHGs members with more than six family members.
9) Composition of members in SHGs-

The average size of sample SHGs observed as 10.96 members. About 52.70% SHGs had ten members’ composition whereas 45.40% SHGs were with 11 to 15 members composition.

10) Residence of SHGs members-

It is observed that More than 99% of SHGs members are living in the same villages and barely 1% are living in different villages.

11) Category of SHGs-

Out of total 315 sample SHGs, only 11.43% observed as male SHGs whereas 70.16% belonged to female SHGs and 18.41% as mixed SHGs with male and female members. The predominance of women in SHGs indicates the era of women empowerment and productive utilization of the same towards overall development of society.

12) Changes in SHGs membership-

About 77.46% SHGs continued with their original members. However, the composition of original members has changed in 22.54% SHGs. The main reasons impacting such change in membership was organization 15.49%, empowerment of leader 12.67%, financial growth 4.23% and 67.61% for other reasons such as leaving groups, defaulters to Banks or other reasons beyond control of members.

13) By laws of SHGs-

The SHGs are informal bodies. It is observed that 94.60% SHGs have their own bylaws for running daily operations of the groups and only 5.40% SHGs are operating the work without any formal bylaws.
14] **Age of business activities**

i] The age of activities undertaken is observed between 3 and 6 years in both individual swarozgaris and SHGs. Over 88% selected samples had activities aging more than 4 years.

ii] Hardly 1 or 2 family members of samples are involved in managing 94.98% of the business activities.

15-a] **Selection of activities**

i] It is significant to note that 81.01% swarozgaris are engaged under farm sector covering 10.41% on own farm activities and 70.60% are engaged in allied to agricultural activities. The Non farm activities are exposed to 18.99% swarozgaris covering 02.91% under industrial sector, 11.21% under business sector and remaining 04.87% with service sector. Sizeable number of landless labourers has shifted from farm activities to non farm activities.

ii] As regards SHGs, hardly 0.47% has invested in direct agriculture sector, 80.91% in allied to agricultural and rest 18.62% SHGs are involved in ISB sectors. Some of SHGs members have shifted from farm sector to non farm sector.

It is noteworthy that about 97.64% business activities are selected by all group members themselves. Few members of group have influenced others for taking specific business activities observed in 1.89% cases. The NGOs had an impact on selection of group activity directly in 0.47% cases.

About 99.53% groups inclined to take selected activities owing for better scope. About 89.62% SHGs have indicated suitability of local conditions and 15.57% SHGs have specified that smooth operation and easy handling has lead them to select the activities.

15-b] It is observed that none of the selected groups received loan sanction in less than four months period. About 34.43% SHGs required to wait for more
than 12 months period to avail credit facilities from bank for starting their business activities.

15-c] About 86.79% SHGs run their business activities manually. Hardly 7.08% SHGs carries their business activities with the help of machinery and 6.13% operate with both manually as well as machinery.

16] **Formation and gradation of SHGs-**

Total SHGs formed during year 1999-2000 to 2002-2003 are 1406. Out of these only 728 [51.78%] SHGs got through first gradation and provided with revolving fund. Of the 728 SHGs, 307 [21.83%] SHGs passed second gradation and only 212 [15.08%] SHGs were extended credit from banks under micro enterprises with composition of credit subsidy amounting Rs. 414.81 lakh and Rs.229.68 lakh respectively.

Around 45% SHGs were formed by N.G.O and remaining by Gramsevaks [village level workers], Block officials and Bank officials indicating prominent role of NGOs in promoting and sponsoring the SHGs.

The presence and involvement of NGOs with prior experience in formation of SHGs made sure that the concept and operations of SHGs are understood by all the members.

17] **Selection of SHGs-**

During survey study, out of total 728 graded SHGs, 212 [100%] SHGs which got through second gradation and provided with economic activities were selected. Of the remaining 516 SHGs 20% [103] SHGs were selected making total selection of 315 SHGs for study.

Out of 315 selected sample SHGs, 97.46% [307] SHGs could complete and pass their second gradation and remaining 2.54% [8] SHGs failed to complete their second gradation.
18] **Period of gradation**-

**a] First gradation**- The normal period expected to complete first gradation is six months after formation. However, of the selected 315 SHGs, 54.60% SHGs have taken period between 6 to 12 Months for first gradations. About 33.97% SHGs required time ranging 12 to 18 months. 8.89% SHGs have taken a time between 18 to 24 months and remaining 2.54% SHGs taken time more than 24 months.

**b] Second gradation**- Periodicity and time taken from first gradation to second gradation is also observed sparingly different than the normal period of six to eight months. About 58.31% SHGs have taken time between 6 to 12 months, 20.85% of SHGs required period between 12 to 18 months. Nearly 14.33% of SHGs required time ranging 18 to 24 months and 6.51% SHGs consumed period more than 24 months.

19] **Assessment of groups**-

In the case of SHGs-I the highest percentage of category-‘A’ groups and category ‘B’ groups for economic activity is from Junnar block.

In the case of SHGs-II the highest percentage of category-B groups of is in Baramati block 10.68%.

20] **Saving pattern of SHGs**-

**a] Periodicity of savings and per member contribution**- The periodicity of savings and per member contribution is fixed on monthly basis. About 90.79% [286] SHGs of group I and II are saving up to Rs.50 per member per month and hardly 10% [29] SHGs members contribute in the range of Rs.51 to Rs.100/- . Since all the members belongs to BPL families, their savings is limited maximum up to Rs.100/- .

**b] Amount of saving per group per month**- Majority 69.21% [218] SHGs did save an amount ranging up to Rs. 500/-. About 21.27% [67] SHGs attain contribution in the range Rs.501 to 750 and remaining groups 9.52% [30]
above Rs.750/-. Only one group viz. Pragati Mahila Bachat Gat from Lasurne village in Indapur block consisting of 20 women members had savings per month above Rs.1500/- from their members regularly.

c] **Total Saving of SHGs** - Nearly 78.74% SHGs had saving in the range of Rs.10001 to 40000. About 11.74% SHGs saved in the range of Rs.40001 to 70000 whereas, 1.90% SHGs with saving balance in the range of Rs.70001 to 90000 and only one SHG with amount of saving above Rs.100000/-. 

d] **Regularity in saving** - It is observed that 77.46% [244] of the sample SHGs are regular in their savings habit on monthly basis. Hardly 22.54% [71] are irregular to certain extent in their savings habitat. The position is almost similar in both SHGs-I and SHGs-II.

e] **Flexibility of saving** - Almost 17% of sample SHGs have fixed quantum share of savings per member. Variability is not observed in any of the groups. It is observed that 14.60% of SHGs members contribute excess amount whereas 21.27% contribute less than the predefined amount in savings.

21] **Internal Lending**

a] **Internal lending to the members of groups** - During the survey, it is observed from records of the SHGs that nearly 8.89% SHGs have lent money to their members to the extent of Rs. Rs.1000/-.

b] **Frequency of internal lending** - The average frequency of internal lending to members is limited to two to three times in majority of SHGs. The members of only 3.49% SHGs were benefited once with internal lending. Just above 36.51% SHGs were able to make availability of funds to their members twice and 41.59% SHGs helped the members thrice. About 13.65% SHGs could make the availability for fourth time and 4.76% SHGs could arrange internal lending even more than four times.
c) **Utilization of internal lending** - Apart from food, clothing and house repairs, the expenditure on other needs such as health, marriage of their son/daughter, education, repayment of old loans, purchase of assets etc were by and large met through such loan amount.

d) **Rate of interest on internal lending** - The range of interest rate charged by groups to members ranges between 1% and 3% on internal lending. However, majority 97.46% [307] SHGs charge interest on internal lending in between 1% to 2%. This shows that interest earning on internal loaning is not the objective of SHGs, but to help them with funding at affordable cost of funds.

e) **Periodicity for repayment of internal loan** - The range of repayment period varies from 6 months to 24 months. However, very few swarozgaris firmly adhered to the stipulated repayment schedule and generally preferred to repay the loan amount of internal lending as and when they have money from other sources.

f) **Repayment of internal loans by members** - About 82.13% [2836] members of both SHGs have regularly repaid the loan with 100% recovery and 15.58% [538] members had recovery range of 50% to 99%. Hardly, 2.29% [79] members had recovery either less than 50% or no recovery in SHGs. This indicates, the overall position of recovery in internal lending is well placed.

**22] Revolving fund**

a) **Amount of revolving fund and its utilisation** - After successful implementation of internal loaning, the members of groups are additionally supported with an amount of Rs.25000/- in the form of revolving funds shared by Banks [Rs.15000/-] and DRDA [Rs.10000/-] to meet their various consumption needs and capacity building. These funds are made available to SHGs only after their successful passing of first gradation.
b) **Repayment of revolving fund**- Almost 87.62% SHGs have recovery performance at 100% and remaining SHGs are in the range of 70% to 99%. It is very significant and interesting to note that none of the SHGs had recovery performance less than 70% which is an outstanding feature of the programme.

23] **Training [Capacity Building]**-

a) **Training**- More than 72% of the sample swarozgaris have completed basic orientation training but only 42% were benefited with the skill development training. Since some of the activities under taken by swarozgaris were of traditional nature without requiring much skill, about 27.29% did not require imparting skill development training.

b) **Benefits/Utilities of training**- Training to swarozgaris helped in rising their efficiency, increasing the production and productivity, acquiring knowledge about marketing, boosting of confidence, ever increasing awareness about banking procedure, importance of loan repayment, significance in maintaining books of accounts and implication of cooperation movement.

24] **Infrastructural facilities [backward and forward linkages]**-

The Backward and forward linkages provided by DRDA are to the extent 16.81 and 16.59 percent respectively for swarozgaris whereas these are higher at 66.98 and 79.25 percent respectively for Self Help Groups.

25] **Insurance coverage**-

a) **Awareness about insurance**- The awareness about insurance scheme is at 70.60% in swarozgaris whereas 93.40% of the SHGs are aware about the insurance schemes. It is interesting to note that beneficiaries of only four blocks of the district viz. Daund, Maval, Mulshi and Shirur have cent percentage awareness.

b) **Coverage on assets [Swarozgaris]**- More than 70% of the Swarozgaris have insured their assets created out of banks’ finance whereas the
percentage is 81.13% in Self Help Groups. The coverage of assets under allied to agriculture sector for insurance observed at 100% for swarozgaris and Self Help Groups.

c] **Insurance claims made and received [SHGs]**- In case of swarozgaris 91.21% insurance claim have been received duly settled. All 38 SHGs-I engaged in activities allied to agriculture have submitted and received their 100% claims duly settled recompensating losses to their assets.

26] **Purchase of assets [Raw material]**-

About 79.62% swarozgaris preferred to purchase raw material at taluka places rather than local level market or district market in order to secure the quality of assets. The percentage of SHGs for purchase of assets at taluka places is 90.09%. It is observed that none of the SHGs has purchased the raw materials from local level markets.

27] **Sales/Marketing of goods/products/services**-

a] **Place of marketing /Sales**- About 61% individual swarozgaris market their goods locally whereas percentage is high at 89.15% in SHGs. Nearly 38.21% of individual swarozgaris and 10.85% SHG members market their goods in the markets located at taluka places and very marginal number of members sale their products at district or other distant places.

b] **Prior market**- More than 70% of swarozgaris are unaware about marketing strategies and market assessment survey prior to taking up the business. Contrary to this, around 92.45% SHGs have done their homework for assessing the market condition prior to taking Micro enterprise.

c] **Existing market arrangements**- The individual swarozgaris and SHGs do not have their own marketing arrangement. About 47.74% swarozgaris market their own goods. About 2.26% have participated in trade fair or exhibitions. More than 87% SHGs are dependent on middlemen. Nearly 13.21% groups are marketing their products through “SAVITRI” which is run
and aided with funds by DRDA and have occasional market arrangement through exhibitions or melas.

d) **Level of satisfaction about existing markets**- Majority chunk of 74.82% swarozgaris did not feel satisfactory about marketing arrangement for their goods at local level both in terms of acceptability and value price. The level of satisfaction is not up to mark in 71.70% SHGs.

e) **Market price of products/goods/services**- About 90% individual swarozgaris and 91% SHGs claim that they are not receiving expected price rate for goods or services produced by them and are being marketed at lower rates.

f) **Difficulties faced by Swarozgaris in marketing process**- More than 70% swarozgaris feel that lack of Government support, difference in sales price etc. are major hurdles faced by them in carrying their activities. More than 90% SHGs feel that competitors, low sale prices for their products are the problems.

Besides above, intervention of intermediaries, lack of market places, lack of transport/storage facilities, risk of credit sales and overall inadequate market skill are some of the hurdles affecting the respondents.

28) **Project costs of business activities**-

The project costs of various activities under different sectors financed to swarozgaris ranged between Rs. 10000/- to Rs. 181000/-. The range of project costs for the SHGs observed between Rs. 100000/- and Rs. 470000/.

29) **Co-ordination of implementing agencies**-

Apart from two major development agencies i.e. Bank [the credit provider] and Government [the subsidy supplier], the role and co-ordinations of every other implementing agencies such as DRDA, Panchayat Raj Institutions, NGOs and other semi government organization / line departments is specified and are of complimentary and supplementary in nature for successful
implementation of the programme. However, study survey observed missing link of effective co-ordination amongst all implementing stakeholders.

30] Credit deployment-

Swarozgaris – Of the total 28114 sponsored applications, 57.53% [16173] applicants were considered by banks. Loan to 48.85% [13735] applicants disbursed for economic activities. About 42.67 applications rejected for want of technical and financial viability. Total credit disbursed to 13735 swarozgaris was to the tune of Rs.2506.53 lakh and portion of subsidy to the extent of Rs.976.80 lakh.

SHGs - Total credit and subsidy disbursed to 212 SHGs with an amount of Rs. 414.81 lakh and Rs.229.68 lakh respectively.

31] Credit absorption-

Swarozgaris – More than 94.69% of swarozgaris benefited with loan limit only up to Rs. 50000/- for taking up economic activities. Considering the present norm of generating minimum net income of Rs.24000 per family per annum to bring them above poverty line, the investment found inadequate to generate the required income. It is further observed that 70.60% swarozgaris availed loan for activities covered under allied to agriculture sector.

SHGs - Majority 84.43% [179] SHGs benefited with loan quantum ranging Rs.200000/- to Rs.300000/- irrespective of type of activity under any sector. Interestingly it is noted that since the subsidy quantum available to each of the group is restricted to 50%, maximum Rs. 125000/- of project cost, the participating agencies have invariably restricted their loan limit equal to subsidy amount which has resulted in grouping maximum assisted SHGs within the project cost of Rs. 200000/- to Rs.300000/-.
It is also noticed that groups where loan limit is increased, it is because of the reason that the number of members under these SHGs were more than the average range of 10 to 11 members of normal SHG groups.

32] Time taken for disbursement of loan after second gradation-

**SHGs** – About 19.81% [42] of total 212 SHGs required time lag between 1 to 3 months period from the gradation. Majority 75.95% [161] SHGs required to wait in the range of 3 to 12 months for availment of loan. More importantly about 4.24% [9] SHGs required period more than 12 months.

33] Awareness about subsidy-

**Swarozgaris** – Awareness about availability of subsidy is observed in majority of beneficiaries. Around 94.10% individual swarozgaris and 98.58% SHGs were aware about quantum and procedure for availability of subsidy.

As regards receiving quantum of subsidy, 12.88% swarozgaris obtained subsidy between Rs.2501-5000, 26.64% received subsidy in the range Rs.5001-7500. About 47.38% swarozgaris were recipient of subsidy amount between Rs.7501-10000 and 13.10% received subsidy amount above Rs.10000/-.  

**SHGs** - About 70.28% SHGs involved in business activities are recipient of subsidy ranging Rs.100000-125000.

34] Bankers participation in loaning-

The number of applicants requesting loan under SGSY scheme is less than 10% when compared with other loans. This situation is more or less similar in all branches of participating banks in the district.

The coverage of participating Banks under the programme is based on networking of their branches. Bank of Maharashtra being the lead bank of district contributed with major share in loaning to 40.10% swarozgaris and 40.57% [86] SHGs. This is followed by Pune District Central Co-op. Bank Ltd.
with 11.35% individual swarozgaris and 20.75% SHGs. The lowest coverage is by Union Bank of India with 1.38% and 0.47% respectively.

35] Communication of SHGs with local banks [after formation of group]-

Nearly 48.57% SHGs required more than four months period to establish their banking relations with Banks. It is more surprising that percentage of SHGs which formed in the recent past required more time for developing Banking relations with Bank when compared with the earlier formed SHGs.

36] Time lag for obtaining the loan-

Swarozgaris – The loan proposals of beneficiaries routed through local level, block level and bank level. As per guidelines, period required to complete formalities of processing proposals is limited to maximum 15 days at each level. As such, the beneficiaries are expected to get loan within maximum 45 days since inception of proposals. However, actual time taken for such proposals of swarozgaris and SHGs at each level was noted higher as enumerated below:

i] Local/village level – Majority of swarozgaris i.e.78.60% required a time lag between 16-30 days to complete formalities.

ii] Block level – Large number of 50.36% swarozgaris required period between 16-30 days. In 43.96% swarozgaris time consumed was between 31-45 days and about 3.57% swarozgaris required more than 46 days.

iii] Bank level – Time taken for disbursement at this level was observed to be 15 days in case of 0.87%, about 76.86% swarozgaris were waiting for the period ranging 31-45 days and 18.78% required time lag more than 46 days.

SHGs – i] Local level - At local level, despite availability of the services of NGOs, about 64.15% SHGs required 16 to 20 days period for completion of paper formalities. In 23.11% SHGs, such period was ranged between 31 to 45 days.
ii] **NGO level** - Time taken for completing paper formalities by NGOs ranged between 31 to 45 days in majority 50.94% SHGs. The reason for such delay from NGOs as observed during the survey was lack of adequate manpower and animators.

iii] **Block level** - It is observed that time lag required at block level ranged between 31 to 60 days in majority 91.04% SHGs.

iv] **Bank level** – More periods was consumed at bank level. In 35.38% cases period taken was more than 31 days. More dejectedly in 58.49% cases time consumed for final disbursement was even more than 45 days after receipt of the proposal.

Considering the minimum time consumed at each level, the average time lag form date of conception of proposal till disbursement is ranged between 90 to 120 days as against expected period of 45 days.

37] **Man days wastage**

Almost 100% swarozgaris and SHGs have reported about wastage of man days at different levels while accruing loan under the scheme. However, intensity of wastage of man days varies dissimilar at different levels.

**Swarozgaris - i] In terms of days**- It has been observed that wastage of man days ranged from one day to twenty days at local level. Intensity of 92.50% swarozgaris was observed in the range of 1-5 days. About 90.25% swarozgaris required to wait between 6-10 days for clearance of their applications at block level office. Nearly, 71.54% swarozgaris have wasted their man days ranging between 6-10 days at bank level. To curtail time lag, swarozgaris observed to seek help of middlemen for pushing their applications.
ii] **In monetary terms**- At local level, 73.44% swarozgaris have wasted Man days in terms of value money up to Rs.100 whereas 1.67% reported for Rs.301-400.

At block office level, the percentage of swarozgaris is more at 73.07% having value range Rs.101-200. About 0.22% Swarozgaris has reported the wastage more than Rs.500.

At bank level the value wastage of Rs.100-200 was observed in 36.25% swarozgaris whereas 43.09% swarozgaris wasted in the range between Rs.201-300. The wastage of above Rs.500 was observed in 1.16% swarozgaris. The trend was observed almost similar in all the blocks.

**SHGs – i] In terms of days**- Nearly 84.91% SHGs have reported wastage of man days ranging minimum 1-5 days and 15.09% SHGs spent man days between 6 to 10 days at local level.

At block office level, about 76.42% SHGs spent man days ranging between 6 to 15 days and 3.77% SHGs required 16 to 20 days which are more than the prescribed norms.

At bank level, more than 90.10% SHGs reported having man days loss in the range of 6 to 15 and 3.77% SHGs had to wait for more than 15 days for availment of loan.

ii] **In monetary terms**- The monetary value of such man day's loss accounted to Rs. 400/- for SHGs at local level and the range is increased up to Rs.500/- at block and Bank level respectively.

**38] Expenses incurred**-

**Swarozgaris** - Over 80.71% swarozgaris incurred expenses up to Rs.101-200/- towards marketing arrangement and other local level expenditures. The group of 67.10% swarozgaris required to spend in the range of Rs.201 to 300 at block level, whereas 87.34% swarozgaris spent amount ranging Rs. 201 to 400/- at bank level.
**SHGs** - About 98.11% SHGs have incurred expenses in the range of Rs. 100 to Rs.400/-. This range is further increased at Rs. 300 to Rs.500/- in case of 82.08% SHGs.

39) **Difficulties faced by Swarozgaris and SHGs under programme**-

The difficulties faced by beneficiaries under the programme are similar both for individual swarozgaris and SHGs. The intensity of difficulties varies at different levels and pertains to mainly for opening accounts, improper attitude of bank officials, lot of paper works for availing benefits, delayed credit decisions, lack of infrastructural facilities, political interference, intervention by middlemen, lack of support from Government and other line department and non availability of quality NGOs. There are some common difficulties recorded during survey.

40) **Income generation**-

**a) Status of business activities**

i] Of the total 1374 selected swarozgaris, 69.36% [953] swarozgaris have closed their activities within one year without generating adequate income.

ii] Of the total 315 selected SHGs, 67.30% [212] SHGs were given the business activities and 32.70% [103] were yet to be assisted with the economic activities/micro enterprises.

**b) Average annual income**

**Swarozgaris** - The average annual income of 953 [69.36%] swarozgaris during Pre-Post SGSY stage was observed below Rs.5000. Remaining 421 [30.64%] swarozgaris started generating income with the given activities. In Post SGSY period the overall income has increased by 117% over the Pre SGSY stage.
The incremental income is received in all sectors. The highest percentage is recorded under agricultural sector with 625% followed by with 107% in industry sector, business sector 101%, allied to agriculture 93% and service sector 85%.

**SHGs** - In Post SGSY situation the overall incremental income has increased over 110% against the Pre SGSY stage.

The incremental income is contributed by all sectors. The highest percentage [122.68%] of incremental income is generated from service sector, followed by 108.48% from Business activities and 102.53% from activities covered under agriculture.

c) **Pre SGSY income status**

**Swarozgaris** - Over 77.44% [1064] of total 1374 swarozgaris had pre SGSY income less than Rs.5000/-, 22.27% [306] swarozgaris in the range between Rs. 5001 to 20000 and remaining 0.29% [4] swarozgaris who were disguised BPL had income in the range between Rs. 20001-24000/-.

**SHGs and members** - The income of each member of SHGs arrives in the range of Rs.4856/- to 15800/-. The average income per SHGs arrives at in the range of Rs.48560/- to 316000 /-.

d) **Income from business activities**

**Swarozgaris** - The average net annual income of 90.98% [1250] sample swarozgaris from activities is below Rs.24000 and average net annual income of remaining 9.02% [124] swarozgaris is above Rs.24000.

**SHGs** - The majority 56.60% SHGs belonged to income group of Rs.150000 to 200000/-. Over all 91% of SHGs had range of income group between Rs.100000 to 250000/-
e) **Post SGSY income status**

**Swarozgaris** - About 15.50% [213] have generated income over Rs.24000/- bringing them above APL as per the decided guidelines whereas majority 84.50% [1161] swarozgaris still retained in the same BPL categories despite having assistance them under the programme.

**SHGs and members** - Majority 87.74% [186] SHGs are grouped in the income range Rs.250000 to 400000/-. It is pertinent to note that of the total 212 SHGs financed, about 88.68% [188] SHGs having per member income below Rs. 24000/- in Pre SGSY situation, started generating income and shifted to higher income group in the range of Rs. 24000/- to 50000/- per member family enabling to bring them Above Poverty Line [APL]. Hardly 11.32% [24] SHGs could not generate expected income from the activities and forced them to be in BPL category even after support under this programme.

f) **Level of crossing poverty line**

**Swarozgaris** - The Head Count Ratio [H] indicates that out of selected sample of 1374 swarozgaris, 1161 [84.50%] are still Below Poverty Line [BPL] and hardly 15.50% [213] swarozgaris are brought Above Poverty Line [APL].

**SHGs and members** - The Head Count Ratio [H] indicates that out of total 2314 members covered under 212 SHGs, 87.21% [2018] members from 188 [88.68%] SHGs are actually uplifted in Above Poverty Line [APL] category whereas 12.79% [296] members from 24 [11.32%] SHGs are Still Below Poverty Line [BPL].

g) **Coverage of ineligible Swarozgaris**

Out of total 1374 swarozgaris, 4 swarozgaris which were declared as below poverty line category in Pre-SGSY and given the benefits under the scheme were actually not eligible to get benefits under this scheme since their annual income level was above poverty line.
41] Expenses incurred on running the activities-

The expenses incurred on running of activities are broadly classified into three categories viz. Production expenses, Operating expenses and other miscellaneous expenses for all types of activities depending upon the nature of the activities undertaken. These expenses are observed more or less similar for activities undertaken by either individual swaroogaris or SHGs.

42] Assets creation-

a) Types of assets and improvement in assets holding

Swarozgaris – In Pre SGSY situation, about 24 activities were under taken by swaroogaris and in Post SGSY situation, this range expanded to total 60 various activities covered under farm and non farm sectors including Industry, Business and Service.

The holding of assets in 30.64% [421] swaroogaris observed increasing in Post SGSY period whereas status quo was maintained in 69.36% [953] swaroogaris as it was in Pre SGSY situation. However, decreasing trend in assets holding is not observed in any of the cases.

The status quo in holding of assets observed mainly due to disposing of purchased assets for various reasons like low quality of purchased assets, deteriorating quality of assets, unablness to manage the activities, fulfillment of personal/family needs like consumption, illness, marriages, alcoholic/drinking habits etc.

SHGs - Out of total assets created by all selected SHGs, a share of 00.16% is accounted for basic agriculture activities. Major share of 86.39% acquired assets is covered by activities under allied to agriculture. The share of assets in business and service sector occupies 7.17% and 5.41% respectively whereas the assets created in industrial sector are very meager amounting less than 1%. The holding of assets in all 212 [100%] SHGs have an increasing trend.
b) **Value of assets**

**Swarozgaris** - In the Post SGSY situation, assets under agricultural sector increased over 33% and under allied to agriculture increased nearly 211%. The assets of industrial sector has shown an increase of 142% whereas assets of business sector increased by 245%. The service sector has shown highest increase of 266%. The overall incremental rise of assets holding in Post SGSY analysis observed just above 110%. This scenario clearly indicates that SGSY has contributed substantially in assets formation and increasing the income also.

**SHGs** - Every SHG assisted under SGSY is in use with assets valued more than Rs.50000/-.

More than 90% [191] of SHGs have acquired the assets valued above Rs. 200000/- and it is remarkable to note that 7.55% [16] SHGs have acquired assets valued more than Rs.500000/-. This scenario evidently shows that SGSY programme has contributed exceedingly well towards asset formation to the members of SHGs, which helped in increasing income level so also standard of living of families.

43] **Liabilities**-

**Swarozgaris** - More than 91% [1256] swarozgaris have liabilities less than Rs.25000/-. Nearly 7% [95] swarozgaris are burdened with liabilities in the range of Rs.25001 to Rs.50000/-.

About 1% [16] swarozgaris have liabilities between Rs.50001 to Rs.100000 and only 0.51% [7] swarozgaris who are engaged in agricultural activities have their value liabilities above Rs.100000.

**SHGs** - Majority 65.10% [138] SHGs are loaded with liabilities ranging between Rs.100000/- & Rs.200000/-. About 33.49% [71] are loaded in the range Rs.200000 to Rs.400000/- and hardly 1.41% [3] SHGs have liability below Rs.100000/-. It is important to note that these liabilities are pertaining to Banks’ loan only.
44] **Employment generation**

**Swarozgaris** - The average employment per household observed as 182.95 man-days per annum during Pre SGSY period and the same is reached to 456.75 man days during Post SGSY period with substantial rise to the tune of 273.80 extra person-days per annum.

**SHGs** - The average employment of 2314 members of 212 SHGs observed as 156.05 man days per member in Pre SGSY period. This has increased to 308.70 average man days during Post SGSY period showing an increase is to the tune of 152.65 additional average man-days per member per annum. The incremental rise observed highest in allied to agriculture sector by more than 102%. The average incremental rise of all sectors together with post development observed as 97.81%.

The SHGs in its entirety, generated additional employment up to 1000 man days in 6.60% [14] SHGs. Majority of 64.62% [137] SHG members have gainfully added 1000 to 2000 incremental man-days. About 27.36% [58] SHGs have increased employment with additional man days in the range of 2000 to 3000. Hardly 0.94% [2] and 0.47% [1] SHGs have higher incremental man-days in the range of 3000 to 3500 and above 5000 respectively.

45] **Repayment of loan**

a] **Stipulated loan repayment period**

**Swarozgaris** - It is pertinent to note that more than 56% swarozgaris were given schedule of repayment less than stipulated norms of SGSY guidelines, which have created unnecessary pressure on their income generation vis-à-vis repayment capacity and keeping little for their subsistence.

**SHGs** - Based on income generating capacities of SHGs from the activities, majority [59.43%] groups allowed to have normal loan repayment period of 5 to 6 years. About 40.10% were given repayment schedule ranging between 3 to 4 years and only 0.47% was with loan repayment period of 7 to 8 years.
The schedule of repayment is less than five years against the stipulated guidelines.

b) Starting repayment of loan

Swarozgaris - More than 87% individual swarozgaris have shown inclination towards repayment irrespective of their level of income generation from the activities, but taken more time than expected to start their repayment.

As observed, majority [40.91%] swarozgaris have started their repayment after 6 months from the date of disbursement. About 32.82% have started their repayment after 3 months and 13.46% after 12 months period. Hardly 0.22% swarozgaris started repaying after 12 months period.

SHGs - It is significant to note that all 212 [100%] sample SHGs have started repayment of Banks’ loan. Almost 162 [76.42%] SHGs started repaying the loan immediately after expiry of gestation period whereas 48 [22.64%] SHGs started repaying after 6 months. Only 2 [0.94%] SHGs have begun their repayment after 12 months.

c) Timely repayment of loan

Swarozgaris - As observed 89.88% swarozgaris have failed to repay loan installments regularly thereby no adhering to the stipulated schedule.

SHGs - Nearly 69.34% [147] SHGs had regular repayment whereas remaining 30.66% [65] were slightly irregular in repaying their Banks’ dues.

d) Quantum of loan installments

Swarozgaris - About 51.67% individual swarozgaris informed as their loan installments less than of Rs.500/-. In case of 38.72% loanees had stipulated loan installment in between Rs.501 to Rs. 4000 whereas only 9.61% swarozgaris had installment above Rs.4000/-. 

SHGs - In 72.17% SHGs, repayment of loan installments fixed in between Rs. 1001 to Rs.5000 and 27.36% SHGs were having installments above
Rs.5000/-. Only one SHG from Junnar block had loan installment less than Rs.1000.

e] Stipulated frequency of loan repayment

The frequency of loan repayment varies as monthly, quarterly, half yearly and yearly depending upon the nature of activities undertaken by beneficiaries. The monthly frequency of loan repayment is observed highest in 52.04% of swarozgaris and 72.17% SHGs.

It is generally observed that very few swarozgaris stick up to their payment schedule and normally prefer to repay the amount whenever they have money.

All SHGs observed repaying loan amount due to Banks’. However, about 12.59% individual swarozgaris failed to pay even single installment towards loan repayment.

f] Recovery of loan against demand

Swarozgaris - The survey indicates that only 6.99% [96 swarozgaris] of total 1374 selected samples are regular repayers having no over dues of installments demanded by financial institutions.

SHGs - As against this, the repayment performance of SHGs against demand made by Banks generally observed as satisfactory. More than 69% SHGs had privilege of repaying more than 75% against Banks demand and about 14.15% [30] sample SHGs have invaluable rank and creditability for repaying 100% against the demand made by Banks.

g] Recovery performance - SGSY versus other loans

Swarozgaris - The percentage of recovery of swarozgaris ranges 37.34% to 51.16% under SGSY as against 80.26% to 93.47% in other loans. The average recovery under SGSY from all 13 samples Banks is 42.59% compared to 86.69% in other loans.
SHGs – The average recovery performance of SHGs loans is 91.86% as against 86.69% in other loans from selected Banks’.

h) Waiver of the processing cum monitoring fee for SHGs

Practically 100% SHG groups got waiver of processing cum monitoring fees from Banks. None of SHGs was required to pay stamp duties or registration fees for Banks’ documents except the interse agreement specifying joint liability and responsibility by each of the members for self and entire group. This agreement is required to be stamped with Rs. 100/-.

46) Need for additional credit.-

Swarozgaris - After initiation of the project, 29.91% [411] swarozgaris expressed necessity for additional credit even during continuation of their existing project loans.

SHGs - Overall, 183 [86.32%] sample SHGs expressed the requirement of additional credit for expansion of their business activity whereas remaining 29 [13.68%] SHGs were satisfied with existing credit availability and have not requested for additional credit. In view of expansion of the business activities and better recovery performance, additional credit requirement of 43.71% [80] SHGs was met by Banks. Around 26 [14.21%] groups could not bridge requirement of additional credit despite their need. 01 [0.55%] group could manage to arrange through friends/family members.

47) Recent position of business activities-

Swarozgaris - Nearly 953 [69.36%] swarozgaris have closed their activities at the initial stages only. The highest percentage of closure of activities is observed in Junnar block whereas lowest is recorded in Velha block.

Of the remaining [30.64%] swarozgaris who are running their activities, about 10.04% are not comfortable with their business though they are running the activities. Nearly 10.48% swarozgaris are satisfied with the present status of
their business and hardly 10.12% of total swarozgaris have opined that their activity is running good.

**SHGs** - Majority 188 [88.68%] SHGs are in operation with their business in good condition. The position of remaining 24 [11.32%] SHGs found satisfactory. It is significant to note that none of the SHGs has closed its activity. This is because 100% SHGs have voted for unity, harmony, integration and good rapport of members within themselves for better keeping of the SHGs.

48] **The economy of business index**-

**Swarozgaris** - Out of total 1374 swarozgaris, 421 [30.64%] swarozgaris had assertive opinion and inclined to say that the business run by them has benefited financially, and are willing to continue the activities in future also. However, majority 953 [69.36%] swarozgaris had negative opinion.

**SHGs** - About 205 [96.70%] SHGs have reported that business activities accepted by them have benefited comprehensively to the members of groups and remaining 7 [3.30%] SHGs though satisfied with their business activities, are not getting desired results.

49] **Maintaining books of accounts and registers**-

Nearly 69.36% [953] swarozgaris had no knowledge about maintaining books of accounts. About 11.43% of swarozgaris, though had knowledge about importance of books of accounts, were not assertive in maintaining records due to lethargy or laziness. Contrary to this, 100% SHGs observed very keen in maintaining their books of accounts either by themselves or with the help of others including NGOs.
50] Operation and Management of SHGs-

a] Change in leadership-

Considering the benefits derived with SHGs, the members in 241 [76.51%] were reluctant to change their office bearers since inception of their groups. Even where the leadership has changed, the frequency of such changes is not observed more than twice in any of the groups since inception and establishment of such groups.

b] Meetings of the SHGs

i] Periodicity of meetings - The meetings are conducted almost regularly on monthly basis in majority [89.21%] SHGs whereas in remaining 9.52% SHGs, meetings are conducted at irregular intervals. It is important to note that in 4 [1.27%] SHGs the meets are conducted on fortnightly basis.

ii] Attendance in the meetings - The average attendance during last six meetings is observed above 60% in 97.46% [307] SHGs and only in 2.54% [8] SHGs had member attendance less than 50%. In 56.51% [178] SHGs, the attendance of members is observed more than 90%.

iii] Communication level of members in meetings- As observed, worth mentioning 98% group beneficiaries participate freely in meetings wherein they discuss on all aspects including family problems, education, health, loan matters etc. and contribute towards new ideas and more viable solutions for their own problems.

c] Record maintenance- Remarkable number of 97.46% SHGs is maintaining their basic records. The trend of record maintenance is observed almost similar in all blocks.

d] Participation of the group members in decision making- It transpired that more than 90% group members participate actively in the decision making process of group transactions.
e) Educational qualification of group leader- About 51.43% group leaders of SHGs had educational qualification only up to primary level. None of the group leaders is observed having higher level education like graduation or post graduation.

f) Difficulties in managing the organisation- About 29% SHGs have suffered with complex problems like resignation of their members, interference of family members, irregular savings by their members, irregular repayment of loans across the members, absenteeism of members for the meetings, interference by politicians and lack of co-ordination within the members of groups.

g) Co-operation and help for solving difficulties- Apart from strong integration within themselves, the members of groups revealed that the Bank officials, Govt. agencies, NGOs, political leaders, local mandals and social institutions may only be of good help to them to solve their problems and difficulties.

51) Economical and Social development-

a) Economical development

Swarozgaris – Though, only 421 [30.64%] swarozgaris gained fruits of financial development under this scheme, virtually 72.21% swarozgaris could reduce their family problems with ending of financial crisis to certain extent. 58.19% could fulfill their educational requirement and 31.35% with health requirement. Nearly 57.72% could increase their investment on food and clothing.

SHGs - Entire 2314 [100%] SHGs members could accrue the economical/financial development in all respect with running of their business activities. Besides, practically 87.21% members have reduced their family problems with ending of financial crisis. 83.28% could get benefit with additional knowledge of managing financial matters for running the activities. Almost
67.03% could fulfill their educational requirement and 51.30% with health requirement. Nearly 87.47% SHGs could increase their investment on food, clothing and shelter. It is pertinent to note that virtually 100% members have been benefited with assets creation, more income generation and incremental saving habits.

b) Social development

Swarozgaris - About 29.62% swarozgaris have increased credit absorption capacity of their family. 29.84% benefited with knowledge about banking and financial transactions like savings, Bank borrowings, accounting etc. Nearly 28.53% benefited with personality development. Production capacity is increased in 28.24% swarozgaris. 17.83% have developed their communication skills like interaction with various authorities, increase in the bargaining power, access to amenities etc. Confidence creation had in 16.30% and efficiency increase in 28.53% swarozgaris. Nearly 9.97% swarozgaris have started their participation in social work with social responsibility and 4.73% have increased their tendency to cooperate others.

SHGs members - There observed multifaceted changes in social development front of the members of SHGs. Involvement of the members in group activities significantly contributed in improving their self-confidence, communication skills and decision-making powers.

c) Changes in standard of living

The swing of standard of living of Swarozgaris and SHG members is calculated on the basis of comparison between amount spent on food, clothing, shelter, education and health in Pre-SGSY situation and amount spent in Post SGSY situation. The swing is observed more favourable in SHGs members than individual swarozgaris.
d] **Communication of SHGs members**

More than 93% members were totally lacking in communication before SGSY. However, they had a reverse swing and their communication increased substantially with bank officials, NGOs, Govt. officials, within members and outside the group members after joining SHGs.

**e] Changes in family atmosphere**

Significant favourable changes are noticed in the family atmosphere of members after joining groups. Virtually 96.61% [3336] members covering 315 SHG groups have precisely indicated that there is reduction in family problems due to change of family atmosphere.

**f] General awareness**

More than 30% SHG members gathered general awareness about Banks and their transactions, consciousness about various government schemes, about health and education, involvement in village development and abandoning addiction to various habits. Nearly 12.71% awakened about ways and means of getting loan from banks and 25.11% about utilization of loans.

**52] Adoption of best practices.**

Individual Swarozgaris and SHGs members observed participating in some of the best practices like village cleanliness mission, alcohol abstaining programme, participation in literacy mission, involvement in Gram Sabha, celebrating programme of ‘Jayantis’ and ‘Punyatithis’ of national idols, participation in water conservation programme, active participation in family planning mission, involvement in plantation of trees, abandoning superstitions, arranging blood donation camps, health and sanitation camps, educational aids to school going poor children, felicitation to girl bearing women, construction of roads, supplementing information about Govt. schemes to others.
53] Suggestions about SGSY programme

Various suggestions were brought to the surface of programme during study survey viz. increasing scale of finance from bank and component of subsidy amount, cent percent Bank finance irrespective of loan quantum and as per the nature of business activities with reasonably low rate of interest, better infrastructures, backward and forward linkages, affordable market rates for raw materials and inputs and better price for goods and services produced.

Besides, tolerable cooperation from banks and government agencies, easy loan procedure, avoiding delay in sanctioning/disbursing the loans, abolishing intermediaries and providing interest free loan to those beneficiaries who repay their loan regularly and fully as per stipulations.

[B] CONCLUSION

The SGSY programme lays emphasis on upliftment of vulnerable individual swarozgaris and groups among the rural poor with an envisaged stipulation on the share of women, SC/ST and physically handicapped.

The evaluation of various aspects on implementation of the SGSY scheme indicates that the programme has been moderately successful. It is observed that though, the scheme is progressing in a desired manner to reach targeted groups, the performance can be improved further by rendering more care in its implementation and awareness creation. Instances are reported across the district covering non eligible influential persons under the scheme.

The SGSY generally observed as unsuccessful in providing economic empowerment to poor individual swarozgaris but is very successful to the groups under SHGs, especially women. In most of the groups, thrift and regular savings is developed. SHG members have improved their general awareness, knowledge and the financial and social responsibilities. The rural women seem to have benefited most with the scheme. Involvement of these sections in SGSY has contributed in improving their confidence in managing the financial matters of their families, improving their ability to communicate,
enhancing their capacity to protest against social evils and influencing their behavior positively towards mutual help. The women swarozgaris appeared to be more in control of their lives and in a stronger position in the society.

Based on the interactions with various field agencies and analysis of data collected during the study, following conclusions are made.

1. The three members’ team comprising of BDO, Bankers and Sarpanch of village are expected to select swarozgaris in Gram Sabha who can be covered under designated key activities. However, in many cases, selection is done by bankers, extension officers or Gram sevaks independently.

2. The formation of SHGs comprising of 10 to 20 homogeneous persons is also reported as difficult task in some of the blocks owing to low population density and geographical constraints in the hilly areas, and in a few cases, socio-cultural differences among the people.

It is observed that number of SHGs was formed under the scheme with an eye to avail the revolving fund and subsidy benefits. This has lead to formation and evolution of SHGs at comparatively faster rate in most of the surveyed blocks. It is also observed in some cases that the influential persons in the village have formed their own SHGs consisting of their servants, labourers and other poor people to avail the benefits under the scheme, including revolving fund, loan amount and subsidy.

3. Role of NGO/ Government Officials /Bank

   a) NGO – i] NGOs play major role in the process of group formation, its strengthening, monitoring and necessary support for credit linkage. For this with Banks availability of number of NGO’s and their expertise is crucial. However, the study of NGO’s working in the district indicates that these organizations have limited experience and expertise for working with SHGs.

   ii] In all six NGO are working in the district but only G.M.B.V.M. played major role during the period 1999 to 2003 contributes towards formation of 87.55% [1231] SHGs of total 1406 SHGs under the scheme.
b) **Government officials** – The efforts of officials at the District and Block levels are centered with given targets under the programme. In order to achieve these huge targets, the officials select individual swarozgaris and encourage them for formation of SHGs without really assessing the entrepreneurial potentials of the rural poor. The line departments also either neglect or pay less time for playing their role effectively. Majority of such groups are found to be formed particularly during last quarter of every year.

c] **Bank** - In the process of implementation of SGSY, the bank officials are required to screen the applications for loan, examine the viability of the proposals, sanction applications, disburse loans and then carry out necessary measures for prompt repayment of loans. All these processes consume a lot of time. Besides, most of the rural branches of the banks function with staff strength of about 3-5 persons only. The routine banking functions consume maximum time and very little time is spared for work related to SGSY.

Bank officials are more worried about increasing the number of Non Performing Assets [NPA] and conveniently ignoring the responsibility of social development. In fact the Micro finance extended to groups have proved as a successful tool towards recovery. Efforts are required to provide hassle free and timely credit to the beneficiaries for employment generation and avoid depriving poor from opportunities.

4. **Linkages with Bank**

a] **Gradation of SHGs** - The SHGs passes through three stages. The first stage is being formation stage, capacity building in second stage and capital formation with economic activities in the third stage.

The grading exercise of SHGs, generally, is a time consuming process. It usually takes minimum one year after its formation for an SHG to reach the third stage of evolution where it will be eligible to avail the bank loan for micro enterprise. However, instances show that time taken is more than 2 years in 8 SHGs for first gradation whereas in 20 SHGs, period is more than 2 years from first gradation to second gradation.
Some of the SHGs have failed in the grading process. These groups are generally formed without conceptual clarity and clear knowledge/ awareness of SGSY. They remained passive after their formation and did not indulge in any kind of group activities. Up to 31.3.2003, of the total 1406 formed SHGs, 728 [51.78%] SHGs could complete their first gradation and 307 [21.83%] SHGs could complete second gradation.

b] **Capacity building [Revolving fund]** - i] Almost in all SHGs, needy members availed loan from the group's corpus fund at the rate of interest of 2% to 3% per month and repaid in monthly instalments. Interestingly very little deviation is observed in applicable rate of interest in all SHGs across the district. Defaulters of such loans were very few. The members observed to be in happy state of mind since they were earlier repaying moneylenders considerably at a higher rate.

ii] All SHGs received loan of Rs.15000/- from the bank and subsidy of Rs.10000/- from the DRDA as Revolving Fund. The revolving fund corpus was used by the groups to meet family expenditure and for purchase of raw material, marketing and infrastructure support for income generating activities. All SHGs utilized revolving fund corpus towards further lending to individual members.

iii] It is observed that 32% SHGs have closed their revolving fund account voluntarily. Many SHGs closed their revolving fund account forcefully. Some of the SHGs were unaware of the necessity for obtaining revolving fund and hence they closed their banks accounts. In some cases bank has force fully closed the revolving fund account of SHGs while granting loan for economic activities. Out of total 315 sample SHGs, majority 276 [87.62%] SHGs have 100% repayment towards revolving fund.

c] **Economic activity** - i] The groups which get active support from Govt. officials, NGOs and other community based organizations are doing very well in their selected economic activities. All the members of such groups participate actively, manage income generating activities and finances prudently and exhibits cohesiveness.
ii] According to field reports, some of the SHGs distribute bank loan amount among themselves for different activities either independently or in groups and thus each member of the group engage in a micro enterprise of his/her choice. They are quite happy with the activities they perform and behave as SHGs for getting bank loan, repayment of loan etc.

iii] In many cases, numbers of SHGs/ Swarozgaris from the same village are engaged in similar type of micro enterprises thereby affecting demand for products and lowering their profitability.

iv] Success of one SHG is moving force behind formation of similar SHGs in the block. Since all these SHGs want to emulate the successful one, in most cases, they chose the same activity invariably. Cases are also observed where different SHGs have started at least three different kirana shops in a small village where one shop would have been sufficient to fulfill the needs of residents. Similarly vast number of swarozgaris comprising 70.60% [970] swarozgaris and 80.90% [169] SHGs turned to rearing of milch animal [Allied activity] through out the district but much emphasis was not given in milk processing activities or in creating milk collection centers. Since the milk absorption capacity of the villages is relatively less, rearing of milch animals under such circumstances become less profitable. Unfortunately, much importance was not given while selecting economic activities within different key activities identified for the block. Lack of proper guidance observed as one of the main constraints faced by the SHGs.

v] Out of total 1374 individual swarozgaris, 953 [69.36%] swarozgaris closed their activities at initial stages whereas only 421 [30.64%] swarozgaris continued with their activities.

vi] Some SHGs are observed dominated and managed by one or two influential members and others remain as passive members confining their role towards fulfillment of procedural requirements.

vii] At the branch level, information about the scheme is not percolated significantly. There is complete apathy about implementation of the scheme since the number of staff has been reduced due to VRS [voluntary retirement
scheme. The banks take long time to sanction loans. Moreover, the document process is also tedious and exhaustive putting swarozgaris in difficult situation. Many branches are keeping the applications pending in their files without taking any action.

viii] Panchayat Samitis do give proposals but the screening and sanctioning of loans takes time because the groups are formed including bank defaulters.

ix] In some cases, loans are given without taking into account the aptitude and willingness of the individual swarozgaris as well as groups for such enterprises. The approach is entirely target oriented.

x] If a previous loan is outstanding in the name of any family member, the swarozgaris does not get the loan.

xi] Overall only 5 to 6 banks played the predominant role in providing assistance under programme.

xii] The average time lag from date of conception of the proposals till disbursement was observed at 120 days which is more than normal period in many individual/SHG cases.

xiii] 100% swarozgaris and SHGs have reported wastage of man days at different levels [i.e. local, block and bank level] while accruing benefits under the scheme.

xiv] All swarozgaris and SHGs reported having incurred expenditure on visit to blocks, banks, other offices and market places quite often.

5. Project cost –
The scale of finance was observed incomparable with market rates leading to inadequate finance for purchase of assets. Moreover NABARD unit cost do not applicable to all places at all time.

6. Saving habit, the thrift of Swarozgaris –
  i] Analysis of the data collected from the study show that about 30.64% [421] swarozgaris and 77.46% SHGs indulging in SGSY activities have developed
habit of savings as well. Moreover, these SHGs are regular in their savings habit on monthly basis.

ii] Majority 69.21% [218] of SHGs did save an amount ranging upto Rs. 500/-. Only one group viz. Pragati Mahila Bachat Gat from Lasurne village in Indapur block had monthly savings above Rs.1500/- due to more number of members of this group.

7. Internal Lending –

a] **Amount of internal lending** - Internal lending is an ongoing process by SHGs for the benefits of its members. During the survey, it is observed from records of SHGs that nearly 8.89% SHGs have lent money to their members to the extent of Rs.1000/-. About 46.98% SHGs lent between Rs.1001 to 3000 to their members whereas, 33.02% SHGs disbursed amount in the range of Rs.3001 to 6000/- and only 11.11% SHGs internally lent in the range of Rs.6001 to 10000/-. The quantum of internal lending generally depends on amount of savings.

b] **Frequency of Internal Lending** - Frequency of internal leading was ranged upto 4 times. It indicates 3.49% SHGs effected internal leading once, 36.51% SHGs lent twice, 41.59% SHGs had three times, 13.65% SHGs for fourth time and 4.76% had more than four times. The effectiveness of internal loaning is linked with the grooming strength of SHGs.

c] **Rate of Interest** - About 307 [97.46%] SHGs charged interest on internal loaning at 1% to 2% and only 8 [2.54%] SHGs charged interest between 2% to 3%. The purpose of quoting low rate of interest is to help members in crisis.

d] **Periodicity for Repayment of internal loan** - The periodicity for repayment of internal loans is generally predecided by SHGs in their meetings. The range of such repayment varies from 6 months to 24 months. However during the field survey, it is noticed that very few members firmly stick to the stipulated repayment schedule and generally prefer to repay the loan as and when they have money from other sources.
e] **Utilization of Internal lending [Members]** - It is observed that, the loanee members take benefits of such loaning to meet the need of their daily and immediate livelihood. Moreover, such loan amount is available easily and quickly and depends mainly on cohesiveness of groups and their confidence on each other. However, such types of lending facilities are not available to individual swarozgaris.

8. **Training** –

a] Lack of proper training observed as a major short fall in implementation of SGSY throughout the district. Many officials at Block and DRDA level are ill equipped to carry out the tasks assigned to them like formation of SHGs, induce group dynamism among members, train them on financial management and for proper guidance for choice of activity etc.

b] Though more than 72.71% swarozgaris have completed basic orientation training, only 42.36% were imported with the skill development training.

c] Out of total 3453 group swarozgaris, only 23.17% group swarozgaris have undergone the basic orientation training programme. Out of 2314 SHGs-I members, 60.20% group swarozgaris have undergone the skill development training. It is stated by 27.29% individual swarozgaris and 4.75% group swarozgaris that they did not require imparting skill development training since the activities under taken by them were of traditional nature without requiring much skill.

d] Training programmes were conducted by institutions like DRDA, RAIN [Rural Agricultural Institute, Narayangaon], MITCON, MCED [Maharashtra Centre for Entrepreneurship Development], Hingane Stree Shikshan Sanstha.

e] It is observed that sizeable number of goods and services produced by swarozgaris including individual and group members were of inferior quality compared to those available in the market for the reason of inadequate skill training.
f] The involvement of line departments for imparting training inputs is also observed not up to expected level though it is supposed to be their responsibility. In many cases, there is no link in the training received by swarojgaris and the enterprise they have selected for income generation. Moreover, there is no monitoring about utility and quality of training being used in the enterprise.

g] Interaction with Government officials and Bank officials indicated that training can be very useful in improving the management of existing schemes and even access to new schemes if implemented properly.

9. Infrastructures [Backward and Forward Linkages] - DRDA provided some infrastructure facilities in some of the areas for construction of Asmita Bhavan, work sheds, marketing shops, Vansavitri, milk collection centers, veterinary centers, construction of cattle sheds for livestock etc. by spending an amount of Rs.359.34 lacks up to March 2003. The quantum of expenditure on backward and forward linkages was to the extent of 16.81 and 16.59 percent for individual swarojgaris and at 66.98 and 79.25 percent respectively for SHGs.

10. Insurance –
Insurance of the assets created though is important, the awareness about insurance was not observed uniformly in all categories of swarojgaris. About only 70.60% swarojgaris and 93.40 % groups were aware about importance of insuring their assets.

11. Purchase of raw material –
During interaction with beneficiaries, it was noticed that good quality assets/raw materials are not available easily at local markets and requiring them to go either at taluka or district place and incurring additional expenses vis-à-vis waste of time also.

About 79.62% swarojgaris purchase assets/raw material at Taluka place whereas 16.89% swarojgaris preferred to purchase at district place. Only 3.49% swarojgaris purchased at local market.
Majority 90.09% SHGs-I have purchased raw materials/assets from taluka place whereas 9.91% have purchased from district place. It is observed that none of the SHGs has purchased raw materials from local level markets.

12. **Marketing support (prior market / own market/ existing market)** –
Market assessment is essential Prior to starting of any micro enterprises. The percentage of SHGs [92.45%] is observed comparatively high than individual swarozgaris [25.11%] because of organisation of group. However, due to existing competitive market, Majority of swarozgaris [74.82%] and SHGs [78.30%] did not feel confident about scope for their goods/services.
The supportive involvement from Government departments’ /DRDA/ NGOs in creating and developing marketing infrastructures for the produce of beneficiaries is very minimal at 9.97% [swarozgaris] and 13.21% [SHGs] which needs to be propagated in systematic way.

13. **Awareness of subsidy benefits** –
About 1293 [94.10%] swarozgaris and almost 100% SHGs members are aware about availability of subsidy benefits.

14. **Assets Creation** –

i] The range of various activities under taken in Post SGSY situation extended upto 60 activities as against 24 activities in Pre SGSY period. The overall incremental rise of assets holding observed just above 110%

ii] Out of the total assets created by all selected SHGs. Major share of 86.39% is covered by activities under allied to agriculture. The share of assets in business and service sector occupies 7.17% and 5.41% respectively. The coverage under direct agril and industries are less than 1%.

15. **Income Generations – [Average Pre-Post SGSY income]** –

i] During Pre-SGSY period, the average annual income in 99.71% [1370] swarozgaris observed less than Rs. 20000/- and hardly 0.29% [4] had range between Rs.20000/- to Rs.24000/-. As against these SHGs members had annual income range of Rs. 4856/- to Rs. 15800/-. 
ii] After availing the benefits of assets, only 15.50% [213] swarozgaris could generate income over Rs. 24000/- thereby crossing landmark of poverty line [APL] as per the decided guidelines. As against this, about 88.68% [188] of total 212 SHGs financed by banks have started generating sufficient income to bring them above poverty line [APL]. Per member family income of SHGs shifted to higher income group in the range Rs. 24000/- to Rs. 50000/- on sustainable basis.

iii] The prime objectives of SGSY in bringing BPL families above poverty line is achieved to some extent for swarozgaris but the achievement is higher in SHGs.

iv] It is interesting to note that 4 swarozgaris which were declared as below poverty line category in Pre-SGSY and supported with benefits under the scheme were actually not eligible. The annual income level was above poverty line. The coverage of such segment indicates lacuna of programme in identifying proper and suitable beneficiaries of BPL category.

16. Employment generations-
The average employment per household under individual swarozgaris was observed as 182.95 man-days per annum during Pre SGSY period and the same has reached to 456.75 man days during Post SGSY period. The increase is substantial to the tune of 273.80 extra mandays per annum.

As against this, the average employment per member of SHGs raised to 308.70 average man days from 156.05 man days during Post SGSY period thereby, sharing an increase to the tune of additional 152.65 average man-days per member per annum. With the success of SHGs, as indicated earlier, the scope for further employment generation for members of SHGs can be widened with increasing size of business.

17. Repayment of loan [Demand and Recovery]

i] Inadequate loan recovery period - It is pertinent to note that more than 56% of swarozgaris were given schedule of repayment by banks less than the stipulated norms of SGSY guidelines, causing unnecessary pressure of loan
repayment on their income and repayment capacity and keeping very little for their subsistence.

ii] **Willingness to repay and timely repayment of the loan** - Willingness towards repayment was observed more in SHGs than individual swarozgaris. Though more than 87% individual swarozgaris have shown inclination towards repayment irrespective of their level of income generation, actual repayment did not forth come in all the cases. Contrary to this, almost 100% SHGs shown inclination and started repayment of banks loan with the scheduled demand from banks.

iii] **Recovery of loan against Demand** - Only 6.99% individual swarozgaris have repaid 100% amount against the banks’ demand. About 66.81% swarozgaris had repayment against demand less than 50% and 12.59% swarozgaris did not repay at all.

As against this, the performance of repayment of loan by SHGs against the actual demand made by Banks generally observed to be satisfactory. The percentage of recovery to demand in all the groups observed more than 50%. Almost 30.66% [65] of sample SHGs have repaid loan amount in between 50% to 75% against the demand. The percentage of SHGs that have paid the amount between 75%-99% is 55.19% [117]. It is relevant to note that 14.15% [30] SHGs have creditability for in time repaying 100% amount against the actual demand made by banks.

iv] **Recovery performance - SGSY versus Other loans** - The average recovery of individual swarozgaris under SGSY is 42.59% compared to 86.69% in other general loans. As against this, average recovery in SHGs is 91.86% which is a promising feature of this programme.

v] **Waiver of the processing cum monitoring fee** - Practically 100% individual swarozgaris and SHG groups got the waiver of the processing cum monitoring fees from Banks.

18. **Need for additional credit** - After initiation of projects, only 29.91% [411] swarozgaris felt necessity of additional credit during continuation of their existing project loans. Whereas, 86.32% [183] SHGs have expressed their
requirements of additional credit from banks indicating more credit absorption capacity in SHGs members than individual swarozgaris.

19. **Recent position of the business activities** –
Nearly 953 [69.36%] swarozgaris have closed their activities at the initial stages only. As against this, majority 188 [88.68%] SHGs are running their business in exceedingly good condition and the position of 24 [11.32%] SHGs is found at satisfactory level. None of the SHGs has closed their activities.

20. **Index of satisfaction through business activities** –
Majority 953 [69.36%] individual swarozgaris were not optimistic about the scheme and only 421 [30.64%] swarozgaris were observed assertive and inclined to say that the business run by them has benefited financially, and are willing to continue the activities in future also.

As against this, 205 [96.70%] SHGs have opined that business activities accepted by them have benefited comprehensively to the members of groups. Hardly 7 [3.30%] SHGs though satisfied could not get the expected benefits.

21. **Maintaining books of accounts and registers** –
About 69.36% [953] swarozgaris had no knowledge about of maintaining books of accounts. However, remarkable number of 97.46% SHGs is observed having knowledge and maintaining their books of accounts and records regularly.

22. **Operation and management of SHGs**

i) **Change in Leadership** - Since the groups observed as homogenous, united and better managed by the office bearers conveying effective fruits of benefits to members, majority [76.51%] groups did not feel changing their leadership.

ii) **Meetings of the SHGs** - The meetings are conducted almost regularly on monthly basis in majority [89.21%] of the SHGs. This figure implies the level of importance and participation by the poor members towards accomplishment of meetings. Such meets are observed even more frequently
on biweekly basis in 4 [1.27%] SHGs. The average attendance of last six meetings was above 90% in about 56.51% SHGs.

Worth mentioning 98% sample group beneficiaries participate freely in such meetings wherein they discuss on every aspect including problems of family, health, education, loan matters and also contribute towards new ideas and viable solutions to their own problems indirectly leading to their socio-economic development.

iii] **Difficulties in managing the activities** - About 30% SHGs have suffered with some complex problems like resignation of their members, interference of family members, irregular savings by their members, irregular repayment of loans across the members, absenteeism of members for the meetings, interference by local politicians, lack of co-ordination within the members of groups etc. This gives still wider scope and need to words proper grooming and nurturing of SHGs.

iv] **Co-operation and help form other agencies** - During study survey, it was significantly noted reaction of the members of groups who strongly feels, apart from strong integration within themselves, the positive approach and involvement of Bank officials, Govt. agencies, NGOs, political leaders, local mandals and social institutions may only be good help to them to solve their problems and difficulties while managing their activities.

23. **Economical and Social Development**

i] **Economical development** - Only 30.64% swarozgaris have accrued the fruits of economical/ financial development though virtually 100% swarozgaris were given benefit of assets creation and income generation under the scheme. Contrary to this, entire segment of 2314 [100%] SHGs members could get benefit under economical and financial development.

ii] **Changes in Standard of Living** - The positive swing are observed in relation to food, clothing, shelter, education and health status and overall standard of swarozgaris and SHGs members. However, percentage of such gift is observed sustainable in SHGs than individual swarozgaris.
Social Development - Apart from assets creation and income generation, social development is also evident for better establishment. There observed multifaceted changes in social development. Involvement of members in group activities significantly contributed in improving their self-confidence, personality development, communication skills, decision-making powers, abandoning addictions to various bad habits and willingness to participate in social work with increasing social responsibility. Virtually 96.61% [3336] members covering 315 SHGs have precisely indicated about reduction in family conflicts due to change of family atmosphere.

Swarozgaris and SHG members observed participating in some of the best practices in social development like cleanliness mission, alcohol sustaining programme, participation in literacy mission, involvement in Gram Sabha, celebrating of Jayantis’ and Punyatithi’s programmes of national idols, participation in water conservation programme, active participation in family planning mission, abandoning superstitions, involvement in arranging blood donation camps, health camps, felicitation of girl bearing women, construction of roads by way of “shramdan”.

Thus to conclude, the programme aimed at upliftment of poor segment of society in the form of individual swarozgaris and members of SHGs with package of credit-subsidy and necessary infrastructures with backwards and forward linkages for better employment, income generation and for bettering their living standard and achieving phenomenal success. However, study report observed some areas are of serious concern as stated in shortcomings and can be removed immediately and successfully with provided suggestions for better success and achieving the desired goals.

The overall results of group activities, shown better impact than individual swarozgaris due to joint work, joint responsibility and togetherness of members. The programme, therefore, observed as more successful and impressive for accruing socio-economical development benefits to rural poor through the process of Self Help Groups rather than individual swarozgaris.
C] SUGGESTIONS

A] General

1. The assistance under SGSY is given to individuals or groups (SHGs). Considering overall benefits derived by group activities over individual activities, preference needs to be given to group activities. However, in order to avoid unmanageable groups, members strength need to be of smaller size between 5 to 10 of homogeneous sets of people within village having more or less similar socio-culture status.

2. The SHGs are to be formed under the programme for their economical and social empowerment and not with an eye to avail revolving fund, credit and subsidy benefits.

3. Gradation of SHGs should be done within stipulated time frame and this should be on continuous basis and binding on all.

4. Transparency is required in DRDAs selection of NGO’s and DRDAs procedure for better flow of funds for infrastructures development.

5. Grievances redressal mechanism need to be developed through cell comprising representatives of all involved agencies.

6. Performance of SGSY need to be monitored continuously through field visits and physical verification of assets as well as progress of swarozgaris towards income generation by NGO, DRDA and Bank jointly.

7. SGSY swarozgaris are unaware about modalities of the programme. Hence extensive campaign must be launched through Gram Sabha.

8. Some of the SHGs are not conducting regular meetings and keeping their accounts. Strong presence of NGO/Govt./Bank and their intervention is essential for success.

9. Swarozgaris and participating agencies must be very sure about credit absorption and repayment capacity of each swarozgaris.
10. Lack of good potential marketing and infrastructures for input and output for goods and services affects adversely and need to strengthen adequately.

11. Awareness about guidelines, procedures, utility etc. of the programme still needs to be imparted amongst participating agencies in line with their roles.

12. The policy makers have given thought while designing SGSY about participation of women in development. However, this intention does not go beyond setting targets. Women empowerment, therefore, needs to be made an integral component of the scheme.

13. There should be system for auditing the groups informally by Govt. for better control and guidance without touching to the soul of its informality.

14. Support service centers and problems solving centers of SGSY beneficiaries need to be established at least at taluka level.

15. SHGs are given Revolving fund within six months and thereafter-economic activity depending upon gradation of groups. But as a process of strengthening capacity building, the groups may be given loan in proportion to their savings before revolving fund. Micro enterprises may be allowed only after full-fledge grooming and capacity building of SHGs.

16. Political intervention in the process needs to be unveiled completely.

17. Focus should be on developing sustainable self-employment with adequate financial returns.

18. Provision of separate fund and financial help may be made to swarozgaris and SHG members for health checkup and to take care for serious diseases like Heart attack, Cancer etc. particularly for women beneficiaries.

19. The families which have done family planning and bearing one or two children or having only female child, preferably be given additional benefits from special funds from government by investment in some type of scheme like 'Children Growth Plan Fund' etc.
20. The massage that the “Scheme is not for subsidy but for self employment and ultimately for able society” should be passed on to swarozgaris. The psychology of swarozgaris towards subsidy, therefore, needs to be changed.

21. There should be a professionally competitive independent agency to monitor all the process like self-employment generation, preparation for the schemes and groups building or groups gradation. This should be impartial advising agency having proactive nature and not to be linked to targets.

22. Block level and district level review meetings of all participating agencies must be conducted regularly and effectively to take review as well as to decide plan for the future.

23. NABARD should open a separate line of credit for promoting and financing for production and investment activities through matured SHGs to enable them to diversify their income generating activities.

24. Successful case studies should be documented to motivate others invariably at every local village frequently.

B] Beneficiary / Activity Selection

25. The selection of activities must be in consultation with beneficiaries either individual or SHGs and with their ability, capacity and comfortability level. Thus there should be peoples’ participation in the process and “Peoples Action Plan” to implement.

26. The swarozgaris should be selected in a transparent manner. The middleman and political interference should be avoided. Ineligible member beneficiaries should not be allowed to avail benefits.

27. Approach should be such that local markets and local consumptions through local resources would be available easily and used effectively.

28. Stringent action need to be taken against those who defraud banks loan and subsidy or misuse the benefits or sale the assets purchased under the programme.
C] **Government Level**

29. Focus should be on providing backward and forward linkages and necessary infrastructure development instead of subsidy.

30. Monitoring and Review indicators should be strong enough for effective implementation of programme for asset creation and verification.

31. The officials, such as village level workers [VLW], extension officers, block development officers [BDO] are generally either unaware or not fully aware of the approach/procedure in organizing the rural poor, nurturing and initial guidance to SHGs etc. Many officials are also found confused about SGSY guidelines. Comprehensive training on these aspects is essentially required.

32. There must be proactive steps not only in identification of key activities but also immediate transfer of technology with technical knowledge to swarozgaris either individuals or SHGs.

33. More emphasis needs to be given on Basic, Skill development and other behavioral trainings. Women must be given financial and business related training inputs seriously. The teams of resource persons need to be developed for delivering adequate training inputs.

34. Public/Government land needs to be handed over to individual/SHGs for carrying their activities in cases where these sections do not possess their own land required for business activities.

35. BPL list and village baseline data need to be updated every year for micro level and macro level planning process thoroughly. It is to be ensured to include all eligible segments of rural poor in the BPL list scrupulously.

36. The officials who are performing well should be rewarded properly.

37. Brand name with standard only carries importance. The goods and services produced by swarozgaris/SHGs should be got branded wherever possible at Govt. levels.
38. Necessary Marketing arrangements, retailing places shops need to be made available at Bus stations, Railway stations, Public places etc. by allotting special space.

39. SGSY implementation need to be motive based rather than target oriented. Completion of targets should not be mandatory for any officials. Quality development on sustainable basis is more important than simply achieving the targets for accounting purposes.

D) NGO Level

40. Non Government Organisations [NGOs] and their animators have very limited experience of work and need to be trained comprehensively.

41. While selecting the NGOs’, its ability and experience in the related field and availability of trained staff should be considered.

42. The area of operation of animators, facilitators or NGOs promoting SHGs should be compact and defined for in time support to swarozgaris on continuous basis.

43. With a view to facilitate promotion and credit linkages of quality SHGs, the NGOs are to be encouraged by payment of cash incentives and felicitation for outstanding performance. Payment of honorarium to NGO should be related to the performance of SHGs. The NGOs’ need not be paid only for group formation but its sustainability.

44. Health, sanitation and educational development work needs to be strengthened by establishing volunteer system at village levels.

45. NGOs’ prima facie do not have list of defaulters prior to group formation. They get information about status of default only at the time of linkage. The period of delay can be reduced if such information is updated well in advance.

46. The services of NGOs at present are made available only to SHGs. These can further be extended to individual swarozgaris for their betterment and productive results.
E) **Bank Level**

47. The bank procedure, especially those of co-operative banks, should be simplified. Time lag between applications sanctioned and actual disbursement needs to be bridged at minimum level.

48. Banks need to take active part in selection of key activities, formation and gradation of groups and follow up action after disbursement of loans.

49. Bankers need to be proactive for providing hassle free credit to rural poor to achieve phenomenal success for uplifting weaker section of society.

50. Bank officials have to certain extent indifferent attitude towards the scheme and need to change their approach. Banks can improve their lending through SHGs with help of catalyst organizations like NGO.

51. Non public business working days [NPBWD] in a week can be utilized properly justifiably for SGSY. The officials can have fruitful dialogue with villagers either before or after working hours.

52. Since subsidy provided under the scheme is back ended, branches should not charge interest on the subsidy amount. Interest calculations on the loan account should be net of subsidy.

53. Thrift habits and saving by individuals/SHGs need to be promoted. Bank may evolve some products like marriage loan, consumer loan, educational loan etc. by linking with such saving schemes.

54. This is Micro finance giving macro benefits to banks if properly groomed. Bank may therefore, constitute micro finance cell at controlling offices level to monitor progress since SHGs is one of the important macro channel for financing of loans.

55. The sanction of the loan should not be dependent on previous defaults of relative of beneficiaries. If a woman has good track record of repayment of internal loans in the group, she should not be made ineligible for external loan from banks for default of her family members.
Bank loan should be given only when individual is capable and SHGs are sustainable and business activities are technically and financially viable. Moreover, the disbursement of the loan should not be only at the fag end of financial year but evenly throughout the year.

Each bank has different rules, policy and procedure, which makes it difficult for promoting institutions to work effectively and confuses the swarozgaris as well. A common system and approach by all banks under the programme could be more useful.

Since the assignment is also beneficial to bank for business point of view, Bank officials should change their attitude and approach and should make efforts to go to the door steps of beneficiaries rather than forcing beneficiaries to come at banks door steps frequently.

**F] Training**

Interaction and exposure visits of under developed SHGs with fully developed SHGs at other places need to be arranged to motivate SHGs.

Training on managing common natural resources like water, livestock, agriculture, food should be promoted along with intensive basic and skill trainings.

Sensitization training should also be organized for all implementing agencies periodically as success of the scheme depends upon co-operation and co-ordination of these agencies.

There should be periodical training programmes for group leaders and members of group where bank officials, extension officers, NABARD, other government officials should have exchange of views, extent necessary guidance and satisfy the queries of these trainee.

**G] Recovery**

Emphasis needs to be given on implementation SHG concept in totality since impact and experience of groups under the programme is better than individual repayment.
64. Gram Panchayats are closely associated in initial selection process. Hence additional role for recovery may prove effective along with bank and government officials.

65. Since government agency has prominent and proactive involvement and role in poverty alleviation, they may form an integral part of process and sign document for SGSY beneficiaries as guarantor.

66. Recovery camps need to be arranged frequently at monthly/quarterly periodicity in every village by all concerns i.e. NGO, Bank and Block level officials for better monitoring and performance.

67. Counseling and proper propagation need to be done for SGSY defaulters.

68. Incentive measures like discount in rate of interest on loan by Banks or interest subsidy by Govt. may be thought for both individual and SHG loanees who are repaying loan regularly as stipulated without default.

**SUGGESTIVE MODEL FOR IMPLEMENTATION OF SGSY**

However, during study, there observed some shortcomings in the specified implementing agencies and some part of missing link amongst these agencies. In order to make the programme still more compact and to abolish the missing link, a revised model of SGSY is suggested by the researcher for better implementation and successful achievements of the task for uplifting rural poor above poverty line on sustainable basis.

The Research worker feels that in addition to four implementing agencies i.e. Govt.-DRDA, Banks, NGOs and Line departments; two other agencies i.e. Social organizations and Revenue departments would be of more help for effective implementation. The researcher also feels that the modus operandi of this programme need to be changed and shifted from individual swarozgaris to cent percent SHG looking to the results obtained during survey. The programme needs to cover all poor in the form of groups and not in their individual capacities. The role to be played by each of the agencies and structure of suggestive model is summarized as below:
Suggestive Model under SGSY Programme
Role of various implementing agencies-

1. GOVT/DRDA-

Apart from providing subsidy, the Govt. should form the SHGs independently and also in co-ordination with NGOs/Banks. The help of outside experts and professionally qualified agencies like MAVIM, NABARD may be obtained for this purpose. Provision for all infrastructural facilities must be given thought comprehensively prior to going for such programme. NGOs work must be monitored closely and their efficiency to be linked with performance. In order to gear up confidence of credit provider institutions and to reduce ever increasing NPAs, DRDA need to extent adequate guarantee to Banks towards recovery from such segment of rural poor.

2. NGO-

NGOs should work with expertise staff who would be able to provide required/necessary help and extension services to poor for organization, formation of SHGs either independently or in co-ordination with Banks and DRDA. NGO’s should effectively and efficiently facilitate for grooming, nurturing, capacity building and supervising SHGs and help them for credit link with Banks for generating employment through economic activities/micro enterprises smoothly. However, availing of credit and subsidy only should not be the only motto.

3. BANK-

Bankers should play proactive role and make active efforts to extent supportive services to Govt/NGOs in formation of SHGs. Bankers need to open flood gates of services to such segment for thrift development and properly & timely linking for micro credit and micro enterprises without delay on their part. Banks to ensure timely recovery with the help from Govt.
departments consisting of BDOs and revenue authorities (Tahasildar) well in
time or immediately after default.

4. LINE DEPARTMENTS

The concerned line departments should identify and select key activities on
continuous basis, prepare viable project reports, impart the required skill
development training to SHGs compulsory, provide all supportive services
required and to carry ongoing monitoring on continuous basis. These
departments should be made accountable for non performance.

5. SOCIAL ORGNISATION –

Social organizations are voluntary having different roles than NGOs. These
organizations should concentrate basically on social development aspects
like health, sanitation, education, eradication of social evils, superstitions etc
and should not have any role to play in financial matters.

6. REVENUE AUTHORITIES-TAHASILDAR-

Tahasildar should play major role towards recovery in consultation with Banks
and make every effort towards regular repayment. Initiation of stringent
actions against willful defaulters and assets selling SHGs can prove better for
good results.

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