CHAPTER – VI
SUMMARY OF FINDINGS, SUGGESTIONS AND CONCLUSION

6.1 INTRODUCTION

The new millennium has thrown many challenges subjecting many nations to undergo transformation cutting across their established tradition and culture. New issues have to be addressed to effect social and economical progress of our nation. The most important one is women’s empowerment through SHGs. SHGs have undoubtedly begun to make a significant contribution in poverty alleviation and empowerment of poor, especially women in rural areas of our country. Women are the vital infrastructure and their empowerment would hasten the pace of social development. Investing in women’s capabilities and empowering them to achieve their choices and opportunities is the definite way to contribute to the economic growth and the overall development. The empowerment of rural women leads to benefit not only to individual women and women groups, but also to the families and the community as a whole. Women’s participation in the SHGs enabled them to discover inner strength, gain self confidence, social, economical, political and psychological empowerment and capacity building.

6.2 FINDINGS

The findings related to PERCENTAGE ANALYSIS are as follows:

Potential age group of respondents 43.34 percent were belonging to 25-35 years age group. In general, the middle aged respondents are considered to be potential customers. Since, they have adequate level financial maturity and repaying capability.

It is concluded that 72.3 percent of microcredit beneficiaries are having school level educational qualification.

It is observed that 98.10 percent of the respondents are married and hence normally possess better social and familial responsibilities than the single.
It is depicted that 36.96 percent of respondent’s father/husband working in private companies.

It is observed that 48.20 percent of the respondents were housewives before joining the SHG. Thus, the result confirms that microcredit scheme turns around 48 percent of idle people into potential earning members. Penetrations of such movements were increased the money flow and enhance their economic status of the individuals.

It is evident that 74.84 percent of the SHGs have been formed during the period 2005 – 2010. During that time, Tamilnadu government has encouraged microcredit schemes through creating consistent awareness program, relaxing bank norms and supporting NGOs to promote such events.

It revealed that 82.45 percent of respondents aware of SHGs mostly through friends and relatives. An important insight about SHG member as follows; 42.28 percent of the respondents have become a member of SHG for social status. Widespread discussions about SHG membership are criticized as members were involved in SHG to enjoy the benefits within.

From the study 58.56 percent of respondents were well aware of Government schemes offered for women development in rural areas and 84 percent of them were agreed that SHG provides employment opportunity.

Among the factors considered for this study 67.4 percent preferred SHG since it improves the family wealth.

From the research study 100 percent of respondents were getting support from their family members after joining SHG. The result is very interesting and helps to realize the support given for SHG activities indirectly by the family members, which movement assists to achieve their financial milestone.

It is observed that 40.21 percent of respondents were receiving physical support for SHG. This incident is evident that SHG activates the hidden potentiality within the family. Therefore, microcredit scheme offered by the Government that supports rural development in many aspects.
Interesting observation noticed from the result is that 54.12 percent changes recorded in the Post-SHG period. The SHG members were obtained an average of 39.13 percent structural transformation, 9.8 percent communication transformation and 37.5 percent achieved personal impact. Thus, microcredit offered through SHG helpful to reduce their introversion, and also enhanced their wealth notably living standard, family status and economic independence.

Enhancing such value of individual is very much supportive for balancing the economic status in the society. Majority 91.54 percent of the respondents were having insufficient earnings before joining the SHG. But this scenario has been positively enhances 86.05 percent of respondents to sufficient earnings group; thus microcredit shows its effectiveness in terms of improving the existing earnings of the respondents.

Pre-SHG feedback reveals that 41.86 percent of nil income group women respondents were gained microcredit through SHG. 48.2 percent of respondents were belonging to housewife category, hence this result confirms that all housewives do not belong to nil income group. The Post-SHG result reveals that 46.72 percent of respondents belong to below Rs.20000 annual income group.

Important insight observed from economical empowerment factor is that 89.9 percent of respondents agreed that SHG helped to reduce their financial burden and provided confident to overcome such scenario.

Majority 54.76 percent of respondents were doing manufacturing related business, irrespective of their product. Microcredit turns idealism into productivity, hence it is suggested that Government should encourage similar kind of initiatives to reduce the poverty, increase the individual income and better GDP too.

Number of times money borrowed from bank reveals the efficiency of SHG. Once the existing loans repaid then only a group can avail another loan. Among the total number of respondents 68.08 percent of respondents borrowed money from bank more than two times.
From this percentage analysis 92.18 percent of the respondents were borrowed Rs. 2 lakh - Rs. 5 lakh from the bank. 100 percent of the respondents repay the borrowed money regularly.

It is concluded that 69.98 percent of the respondents were somewhat aware of the rate of interest for microcredit by bank. Hence aware of interest rate is supportive for repaying commitment and also helpful to maintain their consistent performance.

It is depicted that 89.2 percent of respondents are satisfied with the bank employees’ treatment of SHG members and 70.8 percent of them are satisfied with frequency of follow up by the bank employees. The consolidation of the previous results confirmed that proper training, maintaining good relationship with bank, good attitude and the need for money are the perfect blend of success.

Nearly 96.83 percent of respondents are satisfied with the training provided by the NGO. According to SHG, NGO plays a major role in providing training. Thus this satisfaction level is not a surprise.

About 59.20 of the respondents are neutrally satisfied towards NGO for assisting project preparation. Generally NGOs are providing training for SHGs, but some NGOs only support for financial assistance and project guidance.

A key findings observed from SHG’s feedback is some part (56.24 percent) of NGOs are not assisting to avail loan from the bank. Really this situation expresses their frustration regarding the bank loan in spite of verifying NGOs operation. Therefore dissatisfied opinion is not being accepted, as given by them but it may be happened; proportionally less than of given feedback.

The overall awareness towards SHG support is found moderate. Especially the respondents are highly aware of the community support given by the Government (66.4 percent), financial support given by the bank (52 percent) and procedural training support given by the NGO (51.6 percent).

Utilization of SHG support’s result reveals that of 65.53 percent of respondents availed the listed features. The difference of utilization ratio may be
happened due to their awareness of either group / individual. Some SHGs were not availing certain supports such as sales support from the Government. The support attitude reveals that overall 46 percent of respondents are satisfied with the list of supporting features.

It is revealed that 85.41 percent of the respondents confirm, existence of problems in their group and among them 97.03 percent of them have simple problems in their group. According to this result, some of the respondents declared that the problems appeared moderate and severe category.

Further, problems also assessed in three dimensions known as socio-personal problem, economic problem, administrative problem and production problem. The dimension of the socio-personal problems reveal that maximum of 87.6 percent of respondents have some extent, lack of risk bearing capacity.

It is observed that 38.6 percent of respondents are having high level of family restrictions. Therefore apart from family restrictions, none of the factors perceived as problem. Another interesting insight is 84.9 percent of the respondents are, to some extent felt lack of education & knowledge. This outcome exhibits their level of involvement and dedication towards the goal.

The economic problem, this dimension reveals the majority of the respondents are having low level problems related to economic status. Among the list of factors considered 35.6 percent of the respondents are having high level working capital shortage problem. Similarly, 79 percent of the respondents have problems with potential of products manufactured by them.

The administrative problems, this dimension confirms that majority of the respondents are having low level administrative problem. 25 percent of the respondents are having conflict among SHG members likewise 74 percent of them are having problem with involvement of SHG members.

The production problem, this dimension shows that 65.3 percent of them are having high level of production planning related problem. Hence, compared to other three dimensions considered in this study, proportion of production problem
seems higher among SHG members. It is suggested that Government and NGO should take some initiatives to resolve their problems closely associated with sustainability.

**The findings related to CHI-SQUARE analysis are as follows:**

Number of members in SHG has found significant influence on age group of the respondents, educational qualification, type of family, father/husband occupation, previous occupation status and family monthly income.

Source of awareness about SHG has found significant influence on age group of the respondents, educational qualification, father/husband occupation, previous occupation, and family monthly income.

Duration of membership in SHG has found significant influence on age group, marital status, father/husband occupation and their family monthly income.

Criterion to become SHG member has found significant influence on age group, educational qualification, marital status, type of family, number of earning members, previous occupation and their family monthly income.

Frequency of meeting organized by SHG has found significant influence on educational qualification, marital status, and father/husband occupation.

Similarly pattern of attending the meeting by the respondents also has found significant influence on educational qualification, number of earning members, previous occupation status, and family monthly income.

Awareness of the Government schemes for women development, employment opportunity provided by SHG and utilization of money, income through SHG results shows that 76.19 percent (16 factors found significant out of 21 factors) of factors observed value is equal to expected value. Hence the respective SHG profile factors were having significant influence on selected testing variables. Since the percentage of influence found high, it is concluded, the respondents were having adequate general empowerment towards SHG.
According to the nature of business doing by the respondents, the satisfaction level may change either increase or decrease.

**The findings related to AVERAGE SCORE analysis are as follows:**

Microcredit scheme is greatly support for economical, social empowerment and moderately support for personal empowerment.

It is concluded that among three groups, below 13 members group and above 17 members group respondents were more satisfied than 13-17 members group.

An important observation noticed from the year of establishment is SHGs formed after 2010 are more satisfied than other two groups.

Overall observation states that the respondents awareness through NGOs got more satisfied than other two groups.

The overall observation states that the respondents are being member of the SHG, during 10-20 years are more satisfied with support factors considered in this study.

It is concluded that respondents belongs to physically challenged group and social status group were more satisfied with SHG support factors considered for this study.

**The findings related to CORRELATION analysis are as follows:**

Social and economical empowerment had found positive correlations, which means if economical empowerment increases simultaneously it reflects the changes on social empowerment also. Whereas personal empowerment has not found significant relationship, but there may be a relationship with other dimensions, precisely on economical empowerment.

The production problem has positive relationship with the economical problems and the administrative problems. This result confirms that insufficient fund and less experience in administration leads to production problems.
The findings related to ANOVA are as follows:

The number of members in SHG, year of SHG formation, source of SHG awareness has found high level of significant difference on mean economical empowerment score than social empowerment score.

Duration of SHG member, SHG membership criterion has found significant difference on mean economical empowerment score.

The findings related to AVERAGE RANK are as follows:

Most important benefit realized by the respondents through SHG is it helps to improve the public relationship.

The findings related to REGRESSION are as follows:

The regression analysis clearly exhibits that according to the respondents 44.2 percent of them were facing economical problems, 29.7 percent of them having socio-personal problems, 19.5 percent of them having administrative problems and 6.6 percent of respondents are only having production related problems.

6.3 SUGGESTIONS

This section describes suggestions and recommendation for the study and its scope on microcredit scheme. This study evaluates the effectiveness of the microcredit scheme offered through SHG for women development.

- Microcredit scheme offered through SHG is found effective in the study area, which is an ideal place for rural development studies. The major utilization of microcredit by SHGs are contributed in agriculture based activities. Hence it is suggested SHG concentrate more on value added agriculture products like vermiculture, crabiculture, apiculture, sericulture and so on. It may lead to economic development of the rural people.

- From the analysis SHGs are purely depending upon the NGOs in financial decision making process. In the inception period, the NGOs are forming
and giving necessary training to the SHGs. After some period, they have to give the freedom to think and work especially in decision making process. The financial decisions are to be taken by all the members unanimously. Hence, it is suggested that the necessary skills in regard to financial decision making may be inculcated to the members of the SHGs. In this regard, a financial literacy and credit counseling centre may be opened with suitable financial experts and bank officials. The credit counseling centre may give the suitable training to all the members of the SHGs in the field of financial management.

- From the research study, the SHG members don’t have enough knowledge regarding income generating activities. It is suggested that training on innovative economic activities by using the resources in and around the district may be given to the SHG members. For this purpose, Entrepreneurship development cell in the district, resource persons from small scale sectors, private ventures may also be properly used. Thus the SHGs are able to know the innovative ideas for income generating activities and all the members can develop their skills.

- Our investigation reveals that few groups have recorded as poor repayment performance of loan in the district. It is suggested that incentives may be given for prompt repayment. This will catch the attention of the groups to repay the loan. Further, suitable advice may also be given the members of SHGs for prompt repayment of the loan.

- It is identified from the study the animator and representatives of the SHG don’t have adequate knowledge how to utilize the rotation money effectively. Hence it is suggested that the training can given to them on savings, its future benefits, how the savings are effectively utilized among the members, how their savings get them government sponsored scheme for income generating activities and the benefits to the individual member.

- It is found from research study that SHGs are faced the problem of delay in sanctioning the loan. It is suggested that the bank officials should visit the
SHG and grade them based on their performance. The grading system and format is already approved by the NABARD. Further, the loan applications of the SHGs should not be delayed beyond 15 days. It is also suggested that necessary instructions may be given to the authorities and the bank officials to avoid the delay in sanctioning the loan and to respond to the queries of the SHG members.

- It is observed that 16 percent of the SHGs faced the problem of administrating the affairs of its business. It is suggested that suitable administrative training to all the members of the SHGs should be given or at least the animators and representatives of the groups.

### 6.3 SCOPE FOR FURTHER RESEARCH

- Though there are many studies carried out across India on the performance of SHG, the problem faced, women empowerment, Microcredit to rural women, interlinkage between the microcredit and women empowerment, micro finance and poverty alleviation etc. It is found that none of the studies have been made so far a comparison of the performance and satisfaction of the members of women SHG and the men SHG. Such a study can be carried out in the future.

- A study on the extension of microcredit by the public sector banks through the SHGs. This is because, the major role played by the nationalized bank in social building, such a study would help them to understand the actual contribution of the banks to social development and the challenges associated with the banks in the extension of credit to SHGs.
6.4 CONCLUSION

A significant development in recent years has been the mushrooming of the community-based organizations and initiatives at the local level for women. This study evaluates the effectiveness of the microcredit scheme offered by the Government in order to improve the lives of the poor women, enhancing their income, and generating positive externalities such as, self esteem and social empowerment. The core elements of empowerment have been defined as agency (the ability to define one’s goals and act upon them), which is studied in three dimensions such as personal empowerment, social empowerment and economical empowerment. Further, supports and problems of SHG were evaluated. The study results reveal that many people were involved in SHG scheme and it is growing rapidly. Microcredit scheme offered through SHG is identified as one of the effective scheme, which is mainly assisting them to improve their financial status.

The socio-economic profile exhibits middle age people are actively involved in SHG. Major beneficiaries are having school level educational qualification and many of them noticed as housewives before joining to SHG. Thus, microcredit scheme turns around 48 percent of jobless people into potential earning member. It is also noticed that the microcredit scheme offered through SHG also involves family members to obtain success in their initiatives.

This study reveals age, education, occupation and family monthly income are typical factors to avail microcredit scheme. With respect to the study result, SHG is well known by the rural people and they reconcile its employment opportunity. The utilization of the money, income generated through SHG is spent for their personal needs. Post-SHG scenario exhibits the level of transformation happened with the assistance of SHG. Another important insight on money utilization is spent on their children’s education.

When the implementation of the microcredit scheme, problems and failures are occurring due to inadequate training, lack of motivation, pattern of money utilization, improper book keeping and no follow-up mechanism by the NGO, the bank and the Government. Hence, the Government should take necessary action
to make changes in its strategy on the microcredit money utilization, which ensure the desired results in the rural areas.

The present study on “Effectiveness of the microcredit schemes among SHG members with reference to Namakkal District” reveals that the women empowerment is evaluated in three dimensions known as social, personal and economical. Social and economical empowerment is achieved more than 80 percent in the study area, which means microcredit is effectively supporting the specified dimensions due to the effective utilization of microcredit schemes offered by the banks and supports extended by the Government and the Non-Government organizations. Thus it is concluded that, despite the problems faced by the SHG members in utilizing the microcredit schemes have been effective among SHG members in Namakkal District.