Chapter – V

Summary of findings and suggestions
In this chapter an attempt is made to present summary of findings and suggestions of the study to improvise the socio-economic status of the select sample respondents of SHGs in all the three revenue divisions of Chittoor District.

India has many poor people. They have inadequate resources—physical, financial and human, necessary for a proper living. Keeping these aspects in view, the need for rural finance (credit) in India had already been recognized by the erstwhile British Government as early as 1793 when it issued regulations for the Taccavi Loans to the farmers and subordinate tenants for various purposes. After independence, the cooperatives were expected to help these classes and the government also launched several subsidized wage and self-employment programmes for the benefit of the poor.

The need for micro finance in India has arisen due to failure of formal banking system in meeting the credit needs of millions of rural and urban people who belong to poorer sections of the society. Thus, micro finance through Self Help Groups has been propagated as an alternative system of credit delivery for the poorest of the poor groups. In other words, micro finance is a programme for the poor and by the poor to mobilize the savings and use them to meet their financing needs.
Micro finance is an important source for the poor to improve their socio economic status. SHG is one of the important agencies that provide micro finance to the poorest of poor in the society. The SHGs were modeled on the Grameen Bank of Bangladesh founded by Mohammed yunus. SHGs were formed and nurtured in 1975. In India NABARD initiated the formation and linkage of SHGs with banks in 1986-87. But the real effort was made in this regard only after 1991-1992.

Majority of the sample respondents of SHGs fall under the broad age group of 20-40 years. Usually, people of this age group are energetic and dynamic and show enthusiasm in accomplishing their respective goals. However, in Chittoor revenue division relatively more number of respondents are in the age group of below 20 years whereas as in Madanapalle and Tirupati revenue divisions majority of the sample respondents are in the age group of 30-40 years.

Thus, the banks shall give top priority while sanctioning credit under micro credit programme to the SHG members who are below 40 years so as to enable them to improve their economic and social status.

Illiteracy among the sample respondents of SHGs assisted by Sapthgiri Grameena Bank is more. It further indicates that majority of the rural women folk do not have educational qualifications. No respondent has higher education under the study area. It could generally be understood that majority of the rural folk are illiterates. In Chittoor and Tirupati revenue divisions relatively more number of sample respondents possess primary education whereas as in Madanapalle the majority of the sample respondents belong to the illiterate category.

In this regard the government agencies should take steps to make the illiterate people as literate people under full literacy programme.
The Sapthagiri Grameena Bank has extended micro credit to a majority of the respondents who belong to scheduled caste category, rather than to those of BC, OC and ST caste categories. In Chittoor and Tirupati revenue divisions more number of respondents belonging to schedule caste were benefitted out of the credit extended by the Sapthagiri Grameena Bank under the micro credit programme followed by BC, OC, and ST respondents. In madanapalle revenue division more number of respondents belonging to BC category are benefitted out of the credit given by the Sapthagiri Grameena Bank than the respondents belonging to SC, OC and ST category.

The Sapthagiri Grameena Bank has been adopting a healthy practice in lending credit to the members of different SHGs. The same practice can be continued even in future.

Only followers of two religions took active part in the SHGs assisted by Sapthagiri Grameena Bank. People of other religions, vize Muslims, Sikhs and the like, have not participated in the SHGs assisted by SGB.

People of other religions should be encouraged by the voluntary and government agencies at the local level to secure membership in the SHGs of their own village.

Married respondents' participation in the SHGs is more prevalent than those of unmarried, widow and diversified categories in all the three revenue divisions put together. In other wards, in Chittoor, madanapalle and Tirupati revenue divisions the majority of the sample respondents who got membership in their respective SHG belong to the married category only.

Thus, the concern bank should encourage and enlighten the married women about the importance of their participation in the group activity.
The family size is four in majority of the families of the respondents. This indicates that the nuclear family system is very much prevalent under the study area in Chittoor district. In majority of the families of respondents (230 respondents) the size of the family ranges from one to four members.

The credit lending agencies should give first priority in lending the credit to small sized families than large sized families so as to motivate and encourage the families which are big in size to undergo family planning or to limit the size of their families.

In most of the respondent families the number of dependents are four. Further, it can be inferred that the size of the dependents in all the three revenue division ranges from one member to five members. In Chittoor revenue division the number of dependents in a majority of the respondent’s families is two whereas in Madanapalle revenue division it is four. In Tirupati revenue division it is ranging from three to five.

The credit lending agencies should extend a sizable credit to the members in whose families the dependents number is five. In these families usually the number of members who are earning money by means of wages and petty business will naturally be more than one.

Majority of the sample respondent families are surviving with single income only whereas the others are leading their families with double incomes. In Chittoor and Madanapalle revenue divisions majority of the respondents leading their lives with the support of single person earning whereas in Tirupati 50 percent of 90 sample respondents are relying upon single person earnings and the other 50 percent of 90 sample respondents are living on double income.

The credit lending institutions should lend more money to the respondents of SHG members in whose families the number of members earning income is only one than to
the respondent members of SHGs in whose families the number of members earning income is more than one.

For the majority of the sample respondents members of SHGs cattle development is the primary occupation in the three revenue divisions put together. In Chittoor and madanapalle revenue divisions, the primary occupation for the majority of the sample respondents is cattle development whereas in Tirupati revenue division, the primary occupation for majority of the sample respondents is agricultural land development

Credit lending institutions should give top priority while lending credit to those people whose primary activity cattle development rather than agricultural development because the cattle development is more remunerative than the agricultural land development.

Majority of the sample respondents in all the three revenue divisions put together have opted to take up only the seasonal activity under micro credit assistance. In Madanapalle and Tirupati revenue divisions for majority of the sample respondents the activity that they have taken up under micro credit programme is seasonal whereas for the respondents in Chittoor revenue division the nature of activity is continuous in nature.

The NGOs and all other government agencies should encourage and motivate the SHG members to take up regular activity under the micro credit programme activities.

Sizeable number of sample respondents could get membership in their respective SHGs in 2003. In other words, majority of the sample respondents in all the three revenue divisions put together have attained more than five years of age in their respective SHGs. In Chittoor revenue division relatively more number of sample respondents have got their membership in their respective SHGs five years back. In Madanapalle revenue division majority of the respondents could get their names included in their respective groups more than four or five years back.
Special assistance with certain incentives shall be given to the members of SHGs who attained seniority in their respective groups.

Majority of the self-help groups of the sample respondent members under the study area were registered in the years 2002, 2003 and 2004. During this period SHGs witnessed phenomenal growth. The reason for this growth is that the governments initiation in the said period through various programmes. In Chittoor revenue division relatively more number of respondents of SHGs are registered in 2004. In Madanapalle revenue division majority of the SHGs belonging to sample respondents were registered in 2002-2003. In Tirupati revenue division majority of the respondents of SHGs are registered in 2003-2004.

The banks which are lending micro credit under micro credit programme should give top priority to those groups which attained a minimum period of five years and have the potential to mobilize savings and discharge the group activities more effectively and efficiently.

The DRDA has shown keen interest in motivating the sample respondents of SHGs to join in SHGs. If we observe this trend in the individual revenue divisions, it is noticed that majority of the members were motivated by co-members in Chittoor district. In Madanapalle revenue division bankers have shown keen interest in joining relatively more number of respondents in SHGs. In Tirupati revenue division relatively more number of respondents have inspired themselves to get birth in 15 member SHG which belongs to their own village.

The bank branches which are lending credit under micro credit programme should give equal importance to all the members of the SHGs whether they got admission into SHG by the initiation of DRDA, co-members, bankers or the individuals themselves, while sanctioning the credit to them.
More number of respondents who have availed the micro credit from Sapthagiri Grameena Bank evinced interest in taking up the skilled activities rather than taking up unskilled, semi skilled, innovative and indigenous activities. Majority of the respondents in Chittoor revenue division have shown much interest in taking up innovative activities. In Madanapalle revenue division majority of the respondents have shown interest in taking up the indigenous and un-skilled activities than the other type of activities. In Tirupati revenue division, majority of the respondents have shown keen interest in taking up semi skilled activities.

The members of SHGs who are interested in taking up skilled activity shall be given top priority in sanctioning the credit under micro credit programme. The banks shall also consider the conditions that are prevailing in the local area and sanction the loans to all the members of the SHGs irrespective of the activity that the individual member has taken up for livelihood.

83 respondents out of 342 in all the three revenue divisions together have taken up their activities before 2 years. In Chittoor revenue division some 29 sample respondents have taken up their activities 25 to 36 months ago and another 29 sample respondent have taken up their preferred activity less than 6 months since commencing operations. In Tirupati revenue division majority of the sample respondents have taken up their activity before three years.

The micro credit lending institutions shall extended enough credit to those who have taken up their activities much earlier

Majority of the respondents of SHGs have been formed and assisted by banks. Another set of SHGs belonging to 115 sample respondents has been formed by formal agencies other than banks and financed by banks. SHGs of 40 respondents alone were financed by banks through NGOs.
All the SHG groups which belong to any of the three models shall be given equal priority while sanctioning first loans or the repeat loans. The credit lending agencies should be impartial in lending to any of the groups which are promoted under any of the models.

Majority of the respondents in all the three revenue divisions put together have been habituated to deposit their savings with the bank. In Chittoor revenue division majority of the sample respondents deposited their savings with the government agencies. In the other two revenue divisions vize., Madanapalli and Tirupati it seems majority of the respondents have been habituated to deposit their savings with the bank.

Depositing SHGs savings with the banks is always a healthy practice and safe also. Even in future this practice shall be continued.

In all the three revenue divisions majority of the SHGs have been committed to conduct sequential meetings for their members at a quite frequent intervals. In Chittoor and Tirupati revenue divisions relatively majority of SHGs have been habituated to conduct meetings for their members once in a month whereas in Madanapalle revenue division majority of the SHGs are committed to conduct meetings for their members once in fifteen days.

Conducting sequential meetings for the Self-Help Groups is an appreciable practice and it shall be continued. 47.4 percent of the respondents in all the three revenue divisions put together have expressed the view that the SHGs should conduct meetings for their groups at fixed place and time. In Chittoor revenue division SHG meetings are held at regular intervals whereas in Madanapalle and Tirupati the SHGs meetings are held at fixed place and time.
Conduct of meetings for the SHGs at regular intervals and at fixed time is always a good practice but conduct of meeting at fixed place is not a good practice. It shall be changed from time to time to avoid some complications which may crop up over a period of time.

The land owning capacity among BC caste category respondents has been tremendously increased than among SC, OC and ST caste category respondents after they became members in SHGs and availed the credit given by the SGB. The landless respondent members among BC caste category were very much less than among OC, SC, and ST caste categories after becoming members of SHGs and availing credit given by the SGB.

The micro credit lending institutions shall see that the number of people who do not own land be reduced significantly among other communities also by monitoring properly the utility of the credit.

The procurement of live stock pattern has changed significantly among sample respondents of SHGs after becoming the members in the SHGs and availing the micro credit sanctioned by the SGB in the district. Before becoming members of the SHGs, majority of the sample respondents used to own goats/sheep. After becoming the members in the SHGs, they have shifted their attention towards procuring milch animals in all the revenue divisions and among all the caste categories. Decision to procure milch animals rather than goat/sheep is always a wise decision and it will improve the economic status of the poor people quickly.

Therefore, all the women in all the habitations of the district shall be made as members and should be involved in the activity of SHGs.
Majority of the sample respondents in all the revenue divisions together fall under the income group ranging from Rs.5001 to Rs.10000 before becoming the members of the SHGs and availing the micro credit sanctioned by the SGB. In Chittoor division relatively more of the sample respondents fall under the income ranges of Rs.5001 to Rs.10000. In Madanapalle and Tirupati revenue divisions the income ranges of the sample respondents is varying. After becoming the members in the SHGs and utilizing the micro credit of SGB, majority of the sample respondents joined the higher income category. Revenue division-wise, it is noticed that relatively more number of sample respondents could reach higher income ranges in Madanapalle and Tirupati revenue divisions. For the majority of the sample respondents the economic status in all the three revenue divisions has improved significantly.

Therefore, all the women who have not enrolled their names in any of the Self-Help Groups as members should enroll properly and see that they become members in any of the groups nearer to them.

Majority of the sample respondents of SHGs in all the three revenue divisions together fell under the saving range of below Rs.50 before becoming members in the SHGs and utilizing the micro credit. Of these, respondents belonging to SC category are more. In Chittoor revenue division majority of the sample respondents fall under the saving range of below Rs.50. In Chittoor revenue division majority of the sample respondents who fall under the saving range of below Rs.50 are from SC category. In Madanapalle revenue division majority of the sample respondents who fall under the saving range of below Rs.50 belong to OC category.

To improve the saving ranges of the people in a back ward district like Chittoor, it would be better to make all the women in all the habitations, including the urban, as members in the SHGs. This is needed because the present study has proved that the income ranges of the select sample respondents of SHGs have improved significantly after they became members of the self-help groups.
Majority of the sample respondents who have availed the micro credit specially extended by Sapthagiri Grameena Bank, through its branch network located in different revenue divisions, are living in own houses after becoming members of the SHGs. The representation from BC, SC and OC caste category respondents is more significant with regard to respondents who own pucca houses after becoming the members in SHG groups.

As there is no representation from ST category in owning the own pucca houses the government agencies shall involve the ST categories in more SHG activities by extending micro credit.

Majority of the respondents got electricity connection but not acquired fans, cylinders and televisions before becoming members in the SHGs and availing micro credit by SGB. After becoming members in the SHGs more than 40 percent of respondents have acquired electrical fans Of the respondents who own more electrical fans are belonging to SC category.

The credit lending institutions should extend micro credit to the members of SHGs so as to enable them to acquire essential assets which can be put under use on every day.

Majority of the sample respondents in all the three revenue divisions have sought the help of bank managers for obtaining the micro credit. The same thing is being practiced in all the three revenue divisions.

Direct approach with the bank official is always a good practice So, it should be continued.

The progress of the members and their SHGs has been monitored by the officials of DRDA.
Practice of supervising the progress of SHGs by DRDA is welcome feature and shall be continued even in future.

Almost all the sample respondents are sincere, committed and prompt and regular in the practice of making savings in their respective SHGs. Practice of this type is a welcome feature and shall be encouraged.

Majority of the sample respondents were psychologically conditioned making savings on weekly basis. Relatively less number of respondents have been habituated to make the savings on fortnightly and monthly basis.

The bank branches shall sanction credit under micro credit programme to whoever is mobilizing savings regularly.

Majority of the respondents could get credit under some pattern or the other since the bank branches have adopted different patterns of sanctioning credit to different loanees who approached them for credit.

Credit lending attitude of this type adopted credit lending institutions is so positive and active and it shall be continued without any interruption.

Majority of the respondents were inclined to repay their loans once in a month. In Chittoor and Tirupati revenue divisions majority of the sample respondents have been accustomed to repay their loans to banks once in a month whereas in Madanapalle revenue division relatively more number of sample respondents have been habituated to repay their loans once in a quarter.

For the members of SHG who pay their credit promptly and at scheduled intervals the banks shall provide loan on priority basis.
Sizable number of respondents under the study area have the potential to repay both the installment of the principal as well as interest in full. The ability of the respondents in repaying the loan installments (both principal and interest) is not uniform in all the three revenue divisions.

Members of SHGs who have potential to repay both the installment and interest in full shall be encouraged and should be given top priority while sanctioning the repeat loans to the members of SHG groups.

Majority of the sample respondents in all the three revenue divisions could avail single loan release under micro credit programme because the sample respondents repay loans on time. The rest of the respondents have been categorized in to two types: Type (I) respondents who could get their loan amount in different installments whereas other type of respondents could get only a part of the loan sanctioned to them because they have an outstanding credit with the bank branches. Therefore the bank branches release part of the loan sanctioned to them after thoroughly adjusting the loan amount.

Incentives for the loanees who delay the payment of installments should be announced by the bank people from to time to time.

Majority of the respondents irrespective of revenue divisions, have shown SHG fixed deposit as security for obtaining micro credit loan under the study area.

The practice of showing SHG credit as security is a good practice and it should be continued even in future.

Majority of the respondents in all the three revenue divisions could get repeat loans from their bank branches. 36 percent of the sample respondents could not get repeat loans under micro credit programme. The same trend holds good even in individual revenue divisions also.
The repeat loan under micro credit programme shall be extended to all the members without denied an opportunity to any one of the employees.

72 per cent of the respondents have firmly responded that they have utilized the micro credit that they got from the Sapthagiri Grameena Bank. Only 96 sample respondents (28 percent) of different caste categories have asserted that they could not utilize properly the micro credit that they secured from the Sapthagiri Grameena Bank due to various reasons. Majority of the sample respondents, in all the three revenue divisions put together, have expressed more or less the same opinion in all the three revenue divisions regarding the utilization of micro credit.

The credit lending institutions should have a proper monitoring over the utility of micro credit extended by them.