CHAPTER VI
SUMMARY AND CONCLUSIONS

From this study it becomes that women were very active in participation in the group and saving money. Most of the women expressed that the programme starters are kind enough and they are cooperating very well to run their groups. Most of the women started units, milk business from the loans taken from the groups. All the women were very satisfied about being members of the group. The impact of microfinance on living conditions of 192 members households from 48 Self Help Groups located in two advanced talukas and two backward taluka before and after their association with these groups. The overall impact of the SHG-bank linkage programme was significant both on social, economic and political spheres of the member households.

Findings of the Study

Profile of Study Area:

Haveri district is one of the backward districts of the state. This is reflected in the unfavorable socio-economic and demographic indicators of the study area. The sex ratio is adverse and literacy ratio is higher than the state literacy rate for 2001, which is at 67.04 percent. Further, a large majority of the people depend on agriculture which itself is primarily dependent on rainfall. Thus, with rain dependent agriculture and underdeveloped non-agricultural industries, unemployment and poverty are the distinct features of the study area. The participation of agricultural labourers was more (72 percent) in the study area.
The poverty level of income of the household is computed using the state wise cut-off monthly per capita consumption expenditure levels and the number of consumption units in the household. Thus, the around 40 percent of women were above the poverty line and around 36% of women were below the poverty line. The diversity in income signifies economic disparity even in the lower classes.

As the SHG groups were organised among the poorer rural sections, a majority of the respondents were staying in rural or backward like localities. Thus, most of the households have chairs, tables, television, wall clock and vehicles. About 23 percent of the group members belonged to the poorest of poor and 36 percent were very poor.

Working of Sample SHGs

The present study has elucidated some interesting information about the working of SHG members. The majority of the data collected from study area is comprised of OBC (54 percent) and others (28 percent). Age has been one of the important indicators of socio-economic study of an individual in a society. The declined trend as the age group of the SHGs progressed. The average size of the sample group was 17 members. The domination of younger age group is suggestive. Interestingly, women who cross the age of 18 were almost eligible to join SHG group. Alternatively, it could also mean that only the matter, grown up women is participating in the SHGs.

About 16 percent of the groups were formed based on income generating activities such as dairy, sheep rearing, basket making etc. The
significant improvement in the repayment percentage of others (hospital expense, medical care, family functions etc) loan was 23-44 percent.

Savings being the principal activity, all the respondents were involved in it. The amount of savings, however, differed from group to group. Contribution of savings by way of a fixed sum on monthly basis, assumed greater importance as they directly influenced the growth of the groups. Further, loans for income generating activities have been availed by 59 percent of the members during SHG period of 4th year.

Regular meeting at fixed intervals in a common place is one of the core activities of the SHG during which they undertake financial transactions, both in terms of collection of savings and also disbursement of loans. They also discuss their common problems and other issues that need to be sorted out through the intervention of the group or its members.

The importance of maintenance of various records including attendance register, record of proceedings, cash book, savings book etc. should be kept well in mind. The records were maintained either by a literate member in the group or by a motivator from Ngo.

The study also observed that the involvement of the members in the group activities significantly contributed to boosting their self-confidence and improving their communication skills.

Impact of Microfinance on SHG member

The creation of income generating assets/activities through loans availed from banks has made significant impact on the overall economic
status of the group members. The average increase in value of assets was 24.37 per cent in advanced and 21.25 per cent of back ward village held by members after joining the group. The members from backward villages have been benefited more then those from the advanced village.

The monthly savings per member during the early stages of the group formation ranged from Rs. 10 to Rs. 20, which increased to Rs. 40 to Rs. 60 after a period of two years of group formation. The average annual savings per member was Rs. 1473 soon after the period of group formation. The accumulated savings were directly savings. This amount, there fore, varied from group to group.

The credit demand from the members was assessed based on their needs. Loans were mostly short term in nature, which were to be repaid within 2 to 12 months in equal instalments. The average amount of loan was Rs.4181. The interest rate charged varied widely among the groups.

While only 15.01 per cent of sample households expressed a positive confidence during pre-group situation, about 62.5 per cent of them expressed a positive response on improvement of self-confidence during the post group situation. The higher proportion of the members from advanced and backward villages in post-group situation reported that they were ready and courageous enough to protest against social evils.

The half of the surveyed households, were not aware that dowry was illegal. After group discussions they said that they work for awareness regarding the evil of dowry. Normally head of the family dictated the other members as to whom they should vote. Independent decision-making on voting is a rare phenomenon in rural politics.
About 60 percent of them opined that the groups provided scope for capital formation within the household. Only 47 percent of households opined that they utilised consumption loan.

Suggestions:

The following suggestions are offered:

1. In addition to injecting education force that is first and foremost a necessity, women may be given training in income generating activities. The activities have to be such that there is a market for the products.

2. Women’s co-operatives may be enhanced for the purposes.

3. Some new works or refresher training courses of a general nature which are otherwise of help in their day-to-day life may also be organized.

4. Women must get easy access to loans with low interest for pursuing their income generating activities.

5. For utilizing the services and time of the rural women as well as for improving their status, development of women and children in rural areas (DWCRA) scheme should be incorporated on top priority basis.

6. The larger the family size, lesser would be the per capita income of the family. In the present society, a small family is almost a prerequisite of the improvement of women’s conditions and their general economic status.
7. The Mandal level and Gram Panchayat level planning committees be concurrently established. The PRI’s together with the SHGs will from the first tier of planning for development.

8. The tendency of the SHGs enrolling more and more of relatively better off households having better access to institutional sources of credit should be discouraged.

9. Since the larger amounts borrowed by a family increases the family income and thus enables the family to cross the poverty line, the loan amount should be enhanced taking maximum care to see that loan amount comes back with interest.

10. Lower level of literacy and larger family size are detrimental to the family crossing the poverty line. In such cases care should be taken by SHG to see that such families come up economically by proper guidance and training to the members of such families.

11. Training to households should be given property as it would improve the productivity by better credit management and proper functioning of the group.

12. The foremost gender issue where attention requires is to perceive women as equal partners and participants in development and not just the beneficiaries. They have to be encouraged to take part in decision making.

13. Strengthening and increasing voluntary organizations which could take up individual women's problems with the help of other organizations is necessary.
14. Awareness of changing trends: It is necessary to keep in mind the developments causing social changes and adopt suitably. Progress comes with a cost. We ought to give up useless things to which we are used to.

15. Women must develop self esteem. Make efforts to close difference in life and develop confidence, which is a source of great power.

16. Equal pay for men and women should be given for similar and equal amount of work done by them. Special training programmes should be launched for women. So that they became more skilled and intelligent and stand on their own legs with dignity and self respect.