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The supporting and promoting agencies of Self Help Groups play important role in the movement of SHG. SHPI takes a catalytic role, starting from the formation of SHG to the sustenance level. Every SHPI have own frame work of developing and promoting SHGs. This institution imparts banking habits, arrange the credit requirement and bring overall development of the SHG members through group approach. According to Harper (2002), SHPI take the role of financial intermediaries between SHG and banks. Some SHPI act as SHG promoter without becoming financial intermediaries. SHPI performed a number of educational and advocacy roles and promoting new SHGs and help them to borrow from banks. According to Harper (2002) an ideal SHPI would have the following features i.e., promote SHGs at low cost and in a short time, members should includes poor and the benefits of member would be equitably enjoyed by all the members, should be autonomous, the members would repay their loan on time and their levels of saving and borrowing would grow over time, durable and sustainable with good record keepings, member friendly and should be easy for bank to deal with. The SHPI plays a catalyst role for sustainable development.
of the SHG. The SHPI needs to study the environment of the poor before starting promotion of SHG. The promoting and supporting institutions are as follows:

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3.3. RMK (Rastriya Mahila Kosh)

3.4. IMY (Indira Mahila Yojana)

3.5. MYRADA (Mysore Resettlement and Development Agency)

3.6. DWCRA (Development of Women and Children in Rural Area)

3.7. Mahila Co-operative Societies (Mahila Bank)

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3.1 NABARD (National Bank for Agriculture and Rural Development)

NABARD established as an apex institution, accredited with all matters concerning policy, planning and operation in the field of credit for agriculture and other economic activities in rural areas with a vision to facilitate sustain access to financial services for the unreached poor in a cost effective and sustained manner. NABARD has been working as a catalyst in promoting and linking more and more SHGs to the banking
system. In 1991-92, a pilot project for linking about 500 SHGs with bank 
was launched by NABARD in consultation with the RBI. On the 
recommendation of the NABARD, the Reserve Bank of India advised 
that the banks financing of SHGs would be reckoned as part of their 
lending to weaker sections. The NABARD approach to micro finance 
through SHGs began in 1992, but so far only 15,000 groups have been 
identified. NABARD plans to form one million SHGs comprising mostly 
women to benefit at least 20 million members through micro credit 
programme (Gupta, 1999).

Apart from Government of India, NABARD and Rashtriya Mahila 
Kosh have been promoting Self Help Groups through Non-Governmental 
Organisations (NGOs) and banks. According to NABARD (1994), there 
are five stages (pre-formation, formation, stabilization (Phase 1), 
stabilization (Phase 2) and growth and expansion) in the development of 
SHGs.

India Collective for Micro Financing (ICMF) has resolved to cover 
two million poor women through micro financing by the year 2005. 
NABARD has planned to link one million SHGs by 2008. Currently 
about 1 lakh SHGs have been linked with various banks through 
NABARD for which it has refinanced Rs. 150 crores to the banks. Within 
this overall objective, NABARD and Rashtriya Mahila Kosh have their
own specific objectives. There are 3 SHG models tried in India at the moment: (a) Bank-SHGs (NGO as a promoter and guarantor), (b) Bank-NGOs SHGs (bank as intermediary) and (c) Bank-SHGs (directly by banks).

With a view to facilitate smoother and meaningful banking with the poor, a pilot project for surveying micro credit by linking SHGs with banks was launched by NABARD in 1991-1992. Reserved Bank of India (RBI) had then advised commercial banks to actively participate in this linkage programme. The scheme has since been extended to RRBs and co-operative banks. As against a target of 50,000 SHGs envisaged in the Union Budget, 81,780 SHGs received micro credit from banks during 1999-2000. A target of 1.00 lakh SHGs was set in 2000-2001 for linkage by banks. The number of SHGs linked to banks aggregated to 1.50 lakhs by the end of 2000-2001. This translates into an estimated 1.9 million very poor families brought within the fold of formal banking services. More than 85 per cent of the groups linked with banks are exclusive women groups. While cumulative disbursement of bank loans to these SHGs stood at Rs. 193 crores as on March 31, 2000, refinance of Rs. 150.10 crore have been drawn by banks against 94,645 credit linked SHGs. 40 commercial banks (including 13 from private sector), 165 RRBs, and 61 co-operative banks are now associated with the SHG-bank linkage programme (Rao, 2002).
The failure of the formal credit institution in effectively meeting the requirements of rural poor has been the major reason for innovations in the micro-finance. The Self Help Group-Bank Linkage Programme, launched by NABARD in 1992, is a landmark in the field of micro financing in India. This programme aims to organize SHGs of 10 to 20 persons from the economically homogenous strata to:

- Regularly save the amounts from their earnings
- Co-operative agreement to contribute to a common fund
- Meeting their emergency needs
- Taking democratic decisions
- Resolving conflicts through discussion in open forum
- Providing surety free loans at market driven rates to members on the terms decided by the group

On the basis of their savings pattern, SHGs are given the bank loans to fulfill the loan requirements of its members.

Success of the above programme has been realized by January 2001, bank credit of over Rs.300 crore was provided to 1,94,000 SHGs covering 33, 00,000 rural poor households. 85 per cent of SHGs were women groups. The repayment by members to SHGs was around 98 per cent and SHGs to banks was over 99.5 per cent.
Such a significant performance of the programme is mainly due to active participation of the agencies/individuals involved in it, namely, the bank, bankers and NGOs. It is also due to NABARD’s initiative of:

* Encouraging and supporting NGOs to attempt group approach.
* Creating favourable policy environment for SHGs to easily open their bank account.
* Training and sensitization of bankers.
* Capacity building support to Banks, NGOs and SHGs.
* Close monitoring.
* Dissemination of knowledge.
* Constitution of High Powered Task Force to make recommendation with regards to policy and regulation of the micro finance sector (Naithani, 2001).

**NGO response to Micro Credit could be classified into four categories**

*First category of NGOs consist of those who promoted fund groups and formalized this into a thrift and savings programmes. This was commonly found in a large section of NGOs in the 70s and 80s.*

*Second category included innovative NGO effort in mobilizing people in small groups, developing their talent entrepreneurial skills,
initiating awareness generation programme on social issues and making credit available to such groups along with leadership development. This no doubt induced the process of empowerment. It was this innovative approach by several NGOs that set the role model for linking these informal groups to formal banking system which paved the way for what is popularly known as Self Help Group model. There were different ways of approach among NGOs on the basis of how they initiated the groups, what their emphasis in group activity was, how they formalized structures, and how far they went in linking up with the formal banking system.

*Third category of NGOs came from a professional group management, graduates and professionals specializing in sectorial approach- who had little or no exposure to empowerment strategies. This group laid more emphasis on the selection of economic activity by the group, its market potential and viability of the operation. Some of them from this group began to understand social factors better and incorporated the principles of group processes in monitoring designs of micro credit programmes.

*Fourth category of NGOs is mere implementers of any programme for which funds are easily available. The different topologies
of this category include the Peer Group model which follow what other NGOs do and those who merely survive on Government programmes.

There is an example of the Cauvery Grameen Bank that was started with the self help concept in Mysore and has enabled large number of women to start their own micro-enterprises and leave behind a life of destitution and poverty. The local money lenders and down brokers are also out of business because of the SHGs.

3.2 SGSY (Swarnajayenti Gram Swarojgar Yojana)

The Ministry of Rural Development, Government of India has launched a programme known as ‘Swarnajayenti Gram Swarojgar Yojana (SGSY) by restructuring the existing schemes. The schemes aimed at establishing a large number of micro enterprises in the rural areas. The objective of SGSY is to bring the assisted poor families (swarozgaries) below the poverty line by organizing the rural poor into self help groups through the process of social mobilization, training and capacity building and provision of income generating assets. The SGSY scheme has been operating from 1st April 1999 in rural areas of the country. SHG is a holistic scheme covering of self employment such as organization of SHG, training, credit, technology, infrastructure and marketing.
Financial institution, Panchayati Raj Institutions, District Rural Development Agencies (DRDA), Non Government Organization (NGOs), Technical Institutions are involved in the process of planning, implantation and monitoring of the scheme. NGO’s help may be sought in the formation and nurturing of the Self Help Groups as well as in the monitoring the progress of the swarozgaries. The SGSY, a new credit linked poverty alleviation programme which envisages bulk of the subsidy and credit to flow through Self Help Groups.

SGSY is financed on 75:25 sharing basis between the centre and the state. Some important points on SGSY are:

- focus is on group persons assisted mainly after joining SHGs.
- SHGs are given profits for income generation activities
- initially members of SHGs have to save regularly and saving fund is used among the members as internal lending
- performance of SHGs is assessed by government officials and bankers after six months.
- a paltry sum of Rs. 25,000 is given after final grading as revolving fund and cash credit limit by the government and bank
- with revolving fund and cash credit limit income generations activities are carried out.

An analysis of the statistics on the progress of SGSY implementation in India between 1999-2000 and 2007-2008 indicates that
there are 29.46 lakhs SHGs formed under SGSY, out of which, 81.7 percent were exclusive women groups. During 1999-2008 a cumulative sum or Rs. 15,631.8 crore of credit was mobilized against a subsidy of Rs. 7,630.4 crore. This indicates that the credit subsidy ratio has been 2.04:1 against the government norm of at least 3:1. The tenth plant period (2002-2007) tries to ensure effective implementation of SGSY programme in all rural areas of the country. This programme still under implementation in the 11th plant period (2007-2012) which envisages ensuring on all inclusive growth.

3.3 Rastriya Mahila Kosh (RMK)

The Government of India sponsored Rastriya Mahila Kosh (RMK) which was constituted as a registered society on 30th March 1993. The main objective of RMK is to facilitate credit support or micro finance to poor women for income generating activities. RMK mainly uses NGOs as its channelising agencies for identification of borrowers, delivery of credit support and recovery. RMK has more than five years of its existence. Ever since its inception, up to 31st January 1999, RMK has so far been able to sanction credit limits of Rs. 57.09 crore through 367 NGOs to benefit 2,77,662 women. In addition RMK has also offers support to develop and stabilize SHGs and to conduct awareness programmes among rural and urban women.
3.4 **Indira Mahila Yojana (IMY)**

Indira Mahila Yojana was launched on 20 August, 1995. IMY is a centrally sponsored scheme, is a strategy to empower women by ensuring them direct access to resources through a sustained process of mobilisation and convergence of all the ongoing sectorial programmes. Under IMY, a very strong emphasis is laid on the formation of women’s SHGs at grass root level under the Indira Mahila Kendras. IMY scheme is operated at the district level as a sub plan to percolate down to the village level appropriately through Indira Mahila Block Society (IMBS) at the block level and Indira Mahila Kendras (IMK) at the village level. IMBS and IMKs are established as registered societies and are supported by mechanisms both at the state and central levels. IMY has so far been adopted in 200 blocks of the country.

The country’s response to the challenges of equality, development and peace is the “Empowerment Strategy”. The challenge before us is to evolve strategies to break the stereotypes of the past by solving problems of poverty, illiteracy, environmental degradation, violence, gender inequality, etc. To empower women, it is necessary to make women equal partners in the national development process and equip them to make choices in order to actualise their self-worth.
Tremendous efforts are required for women's resource development in the spheres of education, health care, sanitation, food security, population education and domestic resource mobilisation. Rural women must become visible partners in development and this must be considered when policies and plans are formulated. However, in India, majority of the women are engaged in organised sector, where their needs remain neglected in spite of the provision of social services and social security benefits in the basic laws. Micro credit has ushered a new era of hope for the poor and women. Although the performance of co-operative, commercial and rural banks is not much encouraging but the RBI and NABARD have provided new guidelines for micro credit. Apart from this other organisations like CASHE and SIDBI are planning to provide massive support to make available micro finance to poor women in a bid to strengthen the country's economic base (Sinha, 2002).

The growth and promotion of thrift and credit groups and the success of this work depend on the management of thrift and credit on co-operative basis by the women and no erosion of that should be permitted (Kokila, 2001).
3.5 Mysore Resettlement and Development Agency (MYRADA)

The growth and promotion of thrift and credit groups and the success of this work depend on the management of thrift and credit on cooperative basis by the women and no erosion of that should be permitted (Kokila, 2006).

MYRADA was set up in 1968 at Mysore which developed an alternate credit system by breaking up a cooperative society. In the beginning through several weakly meeting, the task of literacy and numeracy were taken up at first with high attendance. Then a habit of saving was developed. Voluntary saving groups were small and homogeneous and such groups got finance from NABARD as well as government. Actually this project has successfully spread over Andhra Pradesh, Karnataka and Tamil Nadu. MYRADA attempts to bridge the social capital and link the members with commercial banks.

The expansion of the rural credit delivery system since 1947 has not change the dependence of the poor on money lenders and commission agents/traders. Therefore the VII Five Year Plan (1985-90) had emphasized the need to closely associate NGOs with rural development programmes particularly for poverty alleviation. Since 1987, MYRADA has consistently fostered the Self Help Groups concept and strategy as the
Indian model of banking with the poor. The basic features of the SHG concept initiated by MYRADA are:

- Affinity which binds the member together.
- Voluntarism, which means that SHG sets its own agenda, design its own rules and system of functioning.
- Homogeneity - only the poor member and
- Best SHGs have 15-20 members.

3.6 Development of Women and Children in Rural Area (DWCRA)

DWCRA programme is a great boon for women’s development. It has cultivated the habit of saving of their income in thrift and credit policy. But it is still in its infancy stage. Hence it is imperative that government agencies ensure effective implementation of the programme so that it can reach to the needy.

Most of the developmental programmes for rural women focus on subsidiary occupation, which generate regular income through gainful employment. It was in recognition of the fact that the rural development programmes were not reaching the poorest women. The Development of Women and Children in Rural Areas was launched as a sub-scheme of IRDP. It was started as a pilot project in 50 selected districts in all States during 1982-83. During the IX Plan, almost all State Governments started implementing DWCRA activities in remote areas. It has been widely
recognized that unless the potentialities of women are properly developed no social transformation and economic development is possible.

DWCRA programme was introduced with UNICEF to strengthen the women's component of poverty alleviation programmes. The objectives of the programmes are to organize women into socio-economic activity groups with the dual purpose of providing self-employment opportunities and social strength to them. DWCRA's aim therefore, is to organise 10-15 women into groups for the effective utilization of credit under IRDP.

Besides providing financial support for income generating activities it also aims to increase women's access to basic services of health, education, children's nutrition, safe drinking water, sanitation and environment. A unique feature of DWCRA is group strategy as against family as a unit of assistance under IRDP. The members of the poor families form groups of 10-15 women each for taking up economic activities suited to their skill, aptitude and the local conditions. The group strategy was adopted to sensitize the rural women to come together by breaking the social barriers, which had denied them income generating and self-employment opportunities through group activity.

The group strategy also gives them moral support and increases their bargaining and decision making power while selling their products
in the open market. Promotion of employment opportunities for women can be sought in several ways through group strategy.

Training is a critical input in the effective implementation of DWCRA programme. The concept and approach of DWCRA are taught to all the functionaries at the grass roots level. An appreciation of the scheme is to be developed through training and several State Governments have worked out special programmes for the sustenance of these groups through a number of training programmes, arrange visits and regular capacity building programmes, skill development, training including entrepreneurial skills also.

DWCRA programmes has initiated employment and income generating opportunities for women through traditional and modern occupations such as spinning and weaving industry, agricultural activities, animal husbandry, hosiery, brass items, candle, cane items, carpets, chappals, chilli powder, khadi, leather items, etc. To promote employment opportunities for women it is necessary to expand and diversify education and training facilities for them.

The socio-economic survey conducted by District Rural Development Agency has indicated that this programme helped the rural women to earn an additional monthly income ranging from Rs. 250- Rs. 2000 depending on entrepreneurial activities taken up by them. In
addition to that the women have taken initiatives in improving their socio-economic status by participating in Government programmes like family welfare, environment awareness, public health, watershed management, sanitation, community development programmes, running of village fair price shops, etc. (Dwarkanath, 2002).

3.7 **Mahila Co-operative Societies (Mahila Bank)**

The Andhra Pradesh government introduced Women Co-operative Credit Banks in the district to facilitate the Self Help Groups to generate self employment to improve their socio-economic status. The objective of these banks is to develop sustainability in the field of economic development by encouraging group activities to generate self employment products. The District Rural Development Agency of Ranga Reddy District, in collaboration with commercial banks introduced a unique scheme known as Mahila Aided Co-operative Thrift and Credit Society (MACTCS) registered under the Act, 1995. It is an innovative scheme to encourage to self help groups working under DWCRA to generate economic activity. The year 2000 was declared as year of women as such women co-operative thrift and credit societies emerged in the district to empower rural women towards self-employment. These banks became the centres for lending loans to self help groups. The MACTCS made a good beginning in the district to help the rural women living below the poverty line.
Commercial banks, in collaboration with District Rural Development Agency, played a key role in advancing loans to the women groups in improving their economic status. About 36 banks in the district advanced loans to more than 76 per cent of the groups, thus securing second place in the state. This indicates the growing economic awareness about rural credit among DWCRA groups. This facility enabled the rural women to achieve self sufficiency in economic field (Dwarakanath, 2002).

The SEWA Bank was started with the specific objective of providing credit to the self employed women with a view to empower them and also to minimize the uncertainty of availability of credit through money sharks at exorbitant interest rates. Through the initiative of the SEWA Bank, the poor women have been given control of natural and financial resources.

SEWA Bank is innovative in many ways-organizationally, institutionally and financially. It's most important contribution has perhaps been to encourage the women to participate fully in all phases of banking not just towards the “symptoms” of homelessness or poverty and their alleviation, but on the structural causes, including long term capacity building of the poor women and their institutions (Tandon, 2001).
The Government of Tamil Nadu has prepared a new loan scheme with specific reference to women engaged in small business to improve their economic conditions and to build up the habit of saving in them. This scheme comes as a new year gift as it is being implemented from the first day of the year 1999.

At present the people who are unable to get loan from banks, take loans from banks, take loan from private persons at a very high rate of interest. For example they pay Rs. 10/- daily for Rs. 100/- which works out to 3600 per cent a year. In the new scheme which is implemented through the cooperative banks, the beneficiaries need to pay Rs. 1/- only for a loan of Rs. 100 per day. Out of this one rupee paid by them every day, fifty to seventy five paise will be credited to their saving account. The remaining paise will be used as interest and service charges by the banks. After six months the beneficiaries can withdraw their saving with interest. This is a ‘People’s Scheme’ and is a significant step towards empowering women. Any women doing small business like selling flowers, vegetables, fruits, cut piece cloth, plastic, articles, running any small shops etc. are benefited by this scheme.

Beneficiaries may get loans daily in the morning or in the evening according to their own requirements. They have to repay the amount of loan along with the interest on the next day. However the cooperative
banks determine the quantum of loan, period of repayment, number of instalments, etc. according to the requirements and convenience of the beneficiaries. Further loan are given to those who regularly repay the previous loan with interest. Bank officials maintain separate accounts for each beneficiary and give a pass book containing details about the loan transactions. After the popularity of this scheme is established, the beneficiaries may form themselves into a group and select a person as a group leader.

3.8 Women Co-operative Education Project (WCEP)

For the development of the states in NE region, the Government of India categories this states as special category states providing various concessions and fiscal incentive as a package but still these states remains in the backward. This can be enhanced through the proper utilization of Women Cooperative Education Project.

The National Cooperative Union of India (NCUI) is the federal organisation. Forty six (46) Cooperative Education Field Projects are implemented throughout the country and four (4) projects exclusively for cooperative education and development for women are being implemented in Shimoga (Karnataka), Btochrampur (Orissa), Bhopal (Mydha Pradesh) and Imphal (Manipur).
Women Cooperative Education Project (WCEP) was launched in Manipur in August 2000. The leading role played by NCUI-WCEP in the process of gradual recognition of the key position in the micro finance through SHGs for strengthening the socio-economic base of rural development may certainly be a new input for comprehensive planning. This project covers in all valley districts and two hill districts of Manipur. With an overall objective of improving the socio-economic condition of the women, the project started in full swing and achieved their main objectives. WCEP is under the supervision of project coordination committee (PCC). The PCC meets at least twice in a year to discuss the progress and further enhancement of the project into the desire direction.

Out of nine districts in Manipur, the project was basically started in Imphal East as the name indicator. In the first phase i.e., from August 2000 to 31st March 2001, only 10 villages were surveys with total number of 500 household and identified as project area. After the year 2005, area of operation expanded in remaining valley districts and in other hill districts of Manipur. The four steps approach has been utilized by the project team to mobilize the formation of SHGs. They are survey of household, local leader consultation, awareness and motivational meeting and training. This project was set up to help more rural poor people specially women of Manipur state.
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