

CHAPTER - V

**CONCLUSIONS AND
SUGGESTIONS**

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5.1 Introduction:-

This research study has previewed a developmental agenda like “Self Help” and to empower women thorough economic stability accordingly 40 Self Help Groups linked with public sector Banks in Shirol Taluka A total of 721members initiate micro projects such as- Buffalo Buying petty shops, cloths & jewellery selling purchase of machines – which manufactures- chips, noodles, papad, pickles, chili powder etc. These micro projects predominated the income generation activities. The impact of finance utilization by the Self Help Group members has been evaluated in quantitative and qualitative dimensions. The findings of the study are summarized hereunder.

5.2 Findings

a. Thrift and credit Activities

- The main aim behind forming Self Help Groups is to generate income through finance support by bank and the role of NGOs is also essential in strengthening the performance of Self Help Groups. Self Help Groups stated that they formed as a group mainly to initiate income generation efforts by getting credit from Banks and improve their economic & social status in the society. (Table No. 3.1)
- 85% members of Self Help Groups are motivated to get the credit and to empower their economic status. The finance from the bank is big motive to join the Self Help Groups because there is less burden of interest rate. Members are mentioned also the motives of savings habit and access to bank credit. And to meet the unexpected expenditure after getting the Bank loan. (Table No. 3.2)
- Thrift is one of the foundations of Self Help Group EDIFICES. There are mostly the women members who working in unorganized sector like- Tobacco Industry and household chores etc. These 50% women members

have source of labour for monthly thrift contribution some women members has source of income from husband's salary & little bit thrift contribution of women from live stock & side Business such as- Butter milk selling etc. (Table No. 3.3)

- The monthly saving ranged from ₹. 100 to ₹. 200 per head. 50% members are saving ₹. 100 and remaining 50% members are saving ₹.200 per head per month. This increased the habit of saving of Self Help Group members. (Table No. 3.4)
- Majority of the members obtaining the credit ₹. 30000 and above ₹. 30000 which is the highest internal lending amount. 33% members means 1/3 sample population get the highest range of credit. 216 members which is 30% of the total sample members get the finance from the group ₹. 20000 to ₹. 30000. 63% members of the total sample members get the highest amount of credit from the Self Help Groups. (Table No. 3.5)
- More than half of the total population utilizes the finance for income generation activities, 19% members using the credit for purchase of manufacturing machines like – Noodles, Chips, Chilli Powder, Pickles etc. and 13% members starting their small business such as – cloth and jewellery selling shops. 10% members who are from rural area of Shirol Taluka and also from agricultural family background utilize the credit for buying Buffalo to generate the income by selling Milk, Ghee, Butter, Curd etc. remaining 46% members of total sample using the credit for other purposes like – Domestic consumption, Family health needs, Celebration of festivals and ceremonies and repayment of old debts. Income generation is the main purpose of Self Help Groups. (Table No. 3.6)

b. Credit flow Realized-

- Savings to the tune of ₹.672000 has been mobilized by the 20 Self Help Groups linked with Bank of India which is more than 50% amount of total thrift mobilization because the 50 sample is Self Help Groups linked with Bank Of India the remaining amount 608400 saved by the Self Help

Groups linked with State Bank of India, Bank of Maharashtra, Union Bank of India and Bank of Baroda. The amount saved by the Individual Self Help Groups is in proportion to the number of members & the duration which is 1 year (12 months). (Table No. 4.1)

- The loan disbursed by the Bank of Maharashtra ₹. 508900 is comparatively more than the loan disbursed by Bank of India which is ₹. 1040500 and also State Bank of India disbursed ₹. 4156500 which is more than Bank of Maharashtra in comparison but Union Bank of India and Bank of Baroda disbursed loan very less accordingly the members of Self Help Groups. (Table No. 4.2)
- According to the loan disbursement of 5 public sector Banks Internal lending 8 Self Help Groups linked with Bank of Maharashtra and 4 Self Help Groups linked with Union Bank of India lent the money internally to its members above 90% and the percentage of internal lending to loan disbursement of Self Help Groups linked with Bank of India is 80.80% which is lower in all Banks. The internal lending is depends upon the financial position of members of Help Groups and the need of finance is also very important in internal lending. (Table No. 4.4)
- Repayment of loans availed from various sources according to the repayment schedules is absolutely essential for enabling the financial institutions to recycle their funds. The repayment performance is one of the indicators of sound micro-credit management. It was observed that 4 Self Help Groups linked with Union Bank of India recovered 94.67% amount of loan. ₹.7225 is dues which is very less and will recover from the income of members of Self Help Groups. 20 Self Help Groups linked with Bank of India recovered 93.33% loan and ₹. 52025 is overdue which is highest in all banks. Members are utilizing the money for other purposes like family health, repayment of old debts. There is 75% demand for loan recovery. 82.67% recovery is seen from Bank of Baroda which is very less in all banks because the use of credit in non productive projects. (Table No. 4.5)

- Loan recovery performance is satisfactory in this study area. 40% Self Help Groups shown 95% and above 95% loan recovery. 60% Self Help Groups has shown 80% to 94% recovery. The study reveals that all the Self Help Groups recovered loan at satisfactory level it means all the members are invested their credit in productive projects. (Table No. 4.6)
- All the Self Help Groups reported below 40% outstanding loan. Self Help Groups linked with Bank of India, State Bank of India and Union Bank of India have 30% outstanding loan. Union Bank of India has very good loan recovery only 29% loan is outstanding. The Self Help Groups using the loan for productive uses. (Table No. 4.7)

c) Effects of SHG- Bank Linkage Programmer on its members –

The effects from the Self Help Group - Bank Linkage Programmer undertaken by the Self Help Group members on income & employment have been analyzed. This was preceded by a brief descript of economic & social characteristics of the respondents invested in the micro projects.

- Loan borrowed from Self Help Groups can utilize for many purposes one of the main purpose is Investment in micro projects majority of micro Investors 55% has been made the investment in ₹. 20000 to ₹.40000 This shows that the amount of credit needed by than remained less than 50%. 22.5% Self Help Groups invested money into the micro projects of ₹. 40000 to ₹. 50000 and remain invested less rupees in micro projects. (Table No. 4.8)
- The main aim of credit disbursement is utilization of finance for employment generation The major portion 40% of Self Help Groups utilize the credit for purchase or manufacturing machine of Noodles, pickles, Chilly powder Papad etc. It shows the self employment of employment of respondent women members 32.5% Self Help Groups generate the employment through Buffalo Buying. These are the 2 major purpose of credit utilization. There are 7.5% Self Help Group who use the

credit for other purposes like- family health repayment of Debt. Domestic consumption education etc. (Table No. 4.9)

- Self Help Groups linked with Bank of India shows 66.66% Increase income after joining Self Help Groups Self Help Groups linked with Bank of Maharashtra Shown 47% increase in income. 75.43% increase shown by Self Help Groups linked with State Bank of India. The highest increase is shown by these Self Help Groups because the internal lending is used by Self Help Group members for income generating activities. 4 Self Help Groups linked with Union Bank of India shows 45.15% increase in the income of members which is very less because the loan is used by the members for the other purposes like repayment of old debt, children's education etc. by the member. There is 62.59% increase in the income of Self Help Groups linked with Bank of Baroda. (Table No. 4.10)
- Empowerment attributes are the qualitative gains achieved by the Self Help Groups. Self confidence, savings habit, economic independence, social and political awareness, employment generation, leadership qualities, communication skill, awareness about the Government Programmes all the attributes gives the better status to women members in their family. All the attributes or traits of Self Help Group members have been increase after joining Self Help Groups. These qualitative gains give a way of overall development to the members of Self Help Groups in this study area. The qualitative gains as revealed by 721 women indicated that women were in the process of attaining various attributes of empowerment, which would bear testimony to the positive outcomes of economic independence acquired by the women through undertaking micro enterprises and it is being proved that the women are really becoming. "Partners in development". Apart from the economic changes, tremendous social changes were also evident in the project areas. Women began to command more respect, found due affection and a rightful place in the family. Their involvement in family decisions had been substantially enhanced. As a group, women had gained more confidence and power. All these factors established the empowerment of women. (Table No. 4.11)

- A majority of the Self Help Groups (i.e. 87.5%) are reported that the members are not regular in attending the group meetings and shown less interest in taking decisions at the meetings. There is also a group conflict leads to lack co-ordination between members which shows less interest or disinterest to continue the membership of Self Help Groups by the members. 57.5% Self Help Groups has a common problem that the members were not make the productive use of loan therefore 75% Self Help Groups cannot recover the loan at proper level and in decided period of time. Banks have to change their view towards Self Help Groups in case of loan disbursement. There is not a proper training facility to the emerging entrepreneurs. From the preceding section it is clear that the micro entrepreneurs and Self Help Groups are facing a number of problems. The micro entrepreneurs should be properly and regularly supervised to identify the defects and bottleneck in promoting micro projects. One of the major weaknesses of the Self Help Groups in managing micro credit was that they had a limited scope for future growth in membership. Secondly the loan portfolio was dominated by consumption loan and so there was limited opportunity for income generating activities. (Table No. 4.12)

5.3 Suggestions.

On the basis of the findings of the study the following suggestion have been made that would help to improve the function of the micro-credit management by the Self Help Group members the grass root level.

1. Periodic training programmes should be conducted only for group members to enhance the participation of the entire member's exclusive membership education programmes need to be conducted.
2. The process of Self Help Group formation has to be systematic whether it is formed by a bank or an NGO due to their closeness to the people and flexibility of operation the NGO seem to be better equipped to undertake Self Help Group formation. Annual plans for Self Help Groups activities should be done by the group in consultation with the NGOs. The group

leaders from different villages can meet once in a month and present the progress of their group. Such review by the entire group will promote mutual learning.

3. The savings habit must be encouraged as a value in it and not just as means of increasing the fund position of the group. It encourages the thrift habit and controls unnecessary consumption. Create a positive financial regulatory framework that enables micro credit programme to accept savings deposits.
4. There is a necessity to increase the visibility of NGOs working with microcredit. Bankers need to note that NGOs working with literacy, health, environment, women's issues etc., also work with Self Help Groups. For identifying NGOs with Self Help Groups banks can Invite NGOs and SHGs through newspapers, magazines and other communication channels to register themselves with the Lead Bank in the area
5. Income generating activity should be based on available local resources and a reasonably assured market with profits Goods to produce.
6. All groups should be helped to become autonomous in their working and should have their own systems and programmers. To empower women, it is necessary to make women equal partners in the national development process and equip them to make choice in order to actualize their self worth.
7. Micro credit movement has to be viewed from a long term perspective. Its mission goes beyond development through credit for poverty reduction. Micro –credit management by Self Help Groups sows the seeds for a self-reliant economy incorporating certain business culture and social development action within the community as essential elements for economic and social mobility of the poor.
8. There is need for a regulatory framework to standardize best practices and evolve rating norms for Self Help Groups so that the Self Help Group -

Bank linkage programme could be firmly established. Build more national regional and global network of micro finance institutions to increase the sharing of lessons earned and best practices.

9. Create new and strategic and strategic partnerships between micro credit programmes and the private sector Promote socially responsible investment that are pro-poor, pro-women and pro- investment.
10. Able leaders form a few groups can be motivated to take up promotional and conflict resolution responsibilities They can visit problematic/sick group to explain and resolve various issues for smooth functioning.
11. Training in book-keeping, accounts, found management and other financial matters related to Self Help Groups is essential to make the members competent enough to deal with the increasing volume of transaction.
12. An effective group monitoring system in the case of groups is a future challenge which should be met with by developing group structure like clusters and federations. With the expansion of groups and its multiplier effect upon common fund, constant monitoring become very crucial and leaders need to be trained.
13. Build more national, regional and global networks of micro finance institutions to increase the sharing of lessons learned and best practices. Ensure that women's empowerment is considered in all aspects of micro credit programme operations. There is need for a regulatory framework to standardize best practices and evolve rating norms for Self Help Groups so that the Self Help Group - Bank linkage programme could be firmly established.
14. In order to promote Self Help Groups for women employment Mass media such as New papers , TV, radio , Internet etc. can play a significant role by creating awareness in the public and also among women about the merits of Self Help Groups by publishing success stories of Self Help Groups , case studies achievement of NGO and Government efforts etc.

15. The concerned efforts should be made to form SHGs for women as much as possible in rural and tribal villages and slums to uplift womenfolk particularly in very backward states and Union territories by government agencies. Government both state and Central should work hand-in-hand to promote the concept of SHG without political business and selfish motives taking into account the welfare of the womenfolk.
16. Banks and other financial institutions should work with open mind and service motives to promote SHG among women particularly downtrodden communities like scheduled caste and scheduled tribes marginalized groups etc. SHG should be strictly encouraged to undertake economic activities / income generating activities for sustainable income to the group. SHG can be encouraged to form cooperative societies to promote village, cottage and other industries.

5.4 Conclusion:-

The programme can become a key in unlocking the creative and productive potential of rural women. The Self Help Groups which create a silent revolution must be viewed as 'change agents' in rural areas. As the illustrious Noeleen Heyzer, Co-chair UN Council, Micro Credit Summit, rightly pointed out, "Micro credit is much more than access to money. It is about women gaining control over the means to make a living it is about women lifting them out of poverty and vulnerability it is about women achieving economic and political empowerment within their homes, their villages, their countries". Thus promotion of income generation activities through micro credit among Self Help Group women, no doubt ensures their economic independence and social status. This action research project established, the poverty designed and effectively implemented micro-credit programme can not only alleviate poverty but also empower women at the grassroots It proves that if development programmes are properly designed and sensitively implemented.

Liberalization and subsequent imposition of prudential norms in terms of capital adequacy requirements, increasing profitability of banks have compelled

bank officials to focus on more lucrative options for sustaining their organizations. Rural development has been seen as a peripheral issue by most of them. Given this environment reinforcements to bankers for their SHG- NGO linkages should go a long way in motivating the bank officials to take up micro credit financing.

The genesis of Self Help Groups could be traced to “Mutual Aid” in Indian village community. In traditional rural societies, self help takes various forms. Activities like housing / farm operations, which have to be completed within stipulated time, depend upon such arrangements Likewise, people share implements required in agricultural production. Sharing of irrigation water / bullocks necessitates a management based on self-help.
